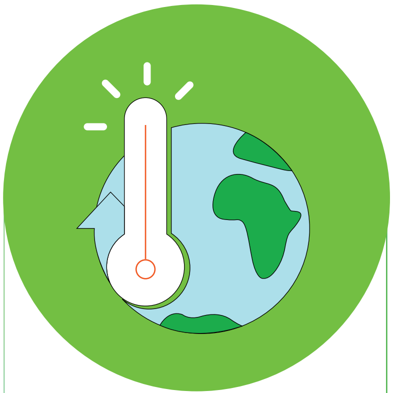
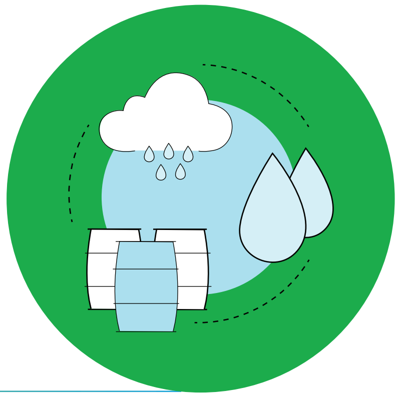
# Multi-faceted progress. Sustainable growth.

**INTEGRATED REPORT 2022-23**

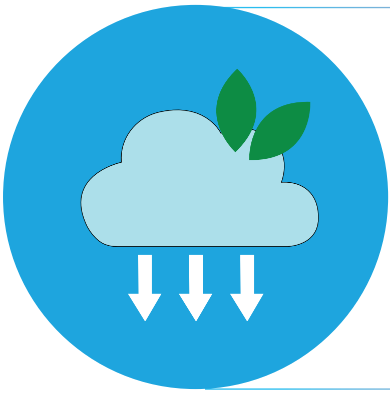
Growth
in capacity



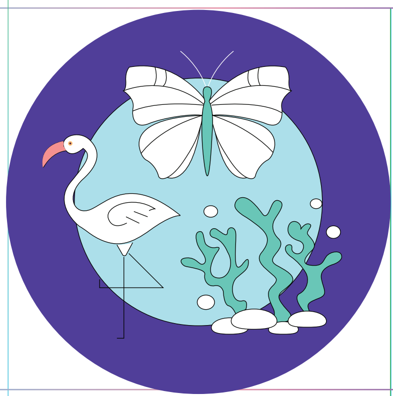
Energy and
Climate Change



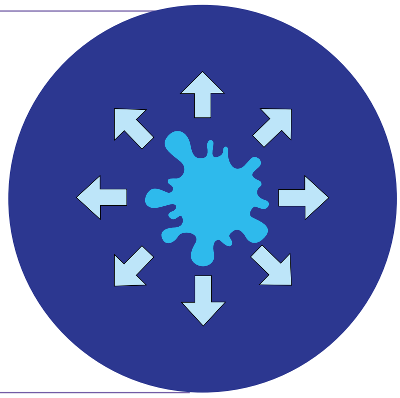
Renewing water
sources



Reduction of
carbon emission

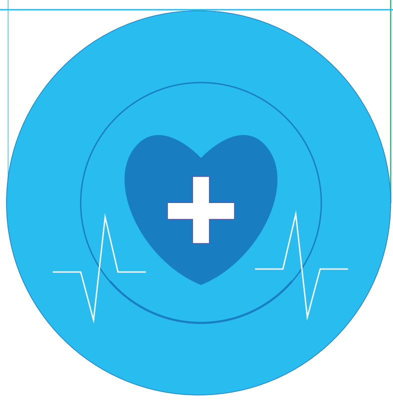


Preserving local
biodiversity



Diversification
in paints

Enhancing Employee
Wellbeing



Focussing on Health
and Safety

Contributing to
societal benefit

# About the Integrated Report

We are pleased to announce that this is our Integrated FY 2022-23 report, which includes all the disclosures to meet the expectations of investors and other stakeholders like customers, employees, and communities. The report includes details about quantitative and qualitative inputs relevant to all the stakeholders and how we manage strategic relationships with them while taking note of all the risks and opportunities.

## Reporting boundary and period

This report covers information on the business operations of JK Cement Limited (JKCL) aptly disclosed through six capitals as defined by the <IR> (Integrated Reporting) Framework. All six capitals cover information on the India operations of JKCL. The reporting period of the report is April 1st, 2022 to March 31st, 2023 unless otherwise stated.

## Data compilation methodology

This report is based on the data on our best-adopted practices and globally accepted frameworks. We calculated carbon emissions using the GNR data workbook developed by the WBCSD Cement Sustainability Initiative (CSI) and European Cement Research Academy (ECRA). We have used relevant conversion factors to quantify the emissions.

We have disclosed our non-financial metrics, showcasing the change in our performance over the last few years. We reserve the right to change our internal guidelines regarding the inclusion of data in future integrated reports. The Company will communicate any changes to our stakeholders.

## Reporting framework

We have prepared this report following the International <IR> Framework published by the Value Reporting Foundation (formerly the International Integrated Reporting Council), now consolidated into IFRS Foundation. It also contains performance indicators in line with Global Cement and Concrete Association (GCCA).

**The Report also aligns with the principles and guidelines of:**

- The Companies Act, 2013 (and the Rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes Business Responsibility Sustainability Report (BRSR).
- Secretarial Standards issued by the Institute of Company Secretaries of India
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- Task Force on Climate-related Financial Disclosures (TCFD)

### Forward-looking statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Panna Plant

## Navigation icons

### Our capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Natural Capital
- Human Capital
- Social & Relationship Capital

### Our strategic objectives

- S 01 Capacity Expansion
- S 02 Operational Efficiency
- S 03 Consolidate market position
- S 04 Widen visibility
- S 05 Premium & value added product portfolio
- S 06 Customer centricity
- S 07 Sustainable operations

### Our stakeholders

- Employees
- Shareholders
- Dealers
- Customers
- Regulatory & statutory bodies
- Media
- Local Communities

### Contribution to SDGs

# Multi-faceted progress. Sustainable growth.

**Cement is one of the key elements of building a strong foundation for human progress. At JK Cement, we believe that progress has many dimensions, which are interconnected to each other. As India rapidly builds its infrastructure to support sustained high economic growth, we are continuously expanding our capacity to address the growing demand from the infrastructure, housing, and construction sectors.**

**At the same time, we are relentlessly exploring ways to improve our operational efficiency and reduce our ecological footprint.**

Our growth strategy is tied to our aspirations of increasing our wallet share in the building materials market and serve a more diverse base of customers across the country. FY 2022-23 was a milestone year for JK Cement, as we expanded our grey cement capacity by 40% in a single year and have a clear roadmap to add another 50% in the medium term.

We also forayed into the paints business through the inorganic route, which completes our portfolio – grey cement and white cement, coupled with value-added products such as wall putty, gypsum plaster, tile adhesives and grouts, wood finishes and now paints.

Operating in a hard-to-abate industry with cement being the world's third-largest carbon emitter globally, we recognise the critical need to de-link growth from emissions and natural resources consumption. Towards this goal, we have set timebound targets and are well on track to reduce our emissions significantly by 2030 (from the base year 2020), raise our green power mix to 75%, achieve a thermal substitution rate of 35%, and become 5 times water-positive. Our social impact projects are designed to maximise value through focus interventions across the areas of education, community development, health and rural infrastructure.

At JK Cement, we are on a relentless pursuit of creating sustainable value for all our stakeholders, and we invite you to be a part of this journey.

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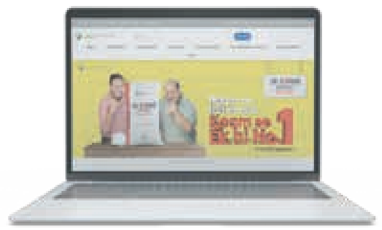


Read more online at
jkcement.com

PERFORMANCE HIGHLIGHTS FY 2022-23

# Excellence in action

## Financial capital

**₹ 8,776.78** crores
Net Sales

**₹ 8,998.59** crores
Revenue from operations

**₹ 562.54** crores
PAT

**₹ 72.80**
Earnings per share

**₹ 565.74** crores
Economic value retained

(Standalone)

## Manufactured capital

**16.67** MTPA
Grey Cement capacity (JK Cement)

**2.21** MTPA
White Business Capacity in India

**14.77** MTPA
Grey and White business including Putty production volume

**87**%
Effective Capacity utilisation (Grey and White Business)

**102.5** MW
Installed CPP capacity

**42.30** MW
Installed WHRS capacity

**46.85** MW
Installed Solar and Wind Power capacity

**4** MTPA
Grey cement capacity JayKay Cem(Central)

**0.6** MTPA
White business capacity UAE (Fujairah)

## Intellectual capital

**Developed variants for Tilemaxx**

## Natural capital

**520** kg/$co_2$*
Net GHG emission intensity

**565** kg/$CO_2$#
GHG emission intensity (Gross Scope 1 & 2)

**65%**
Clinker factor

**3.18** GJ/t
of clinker specific thermal energy

**13.95%**
Thermal Substitution Rate

**4.5** times
Water positivity

**85%**
Sapling survival rate

**61.8** kWh/t
Specific power consumption of cement production

## Human capital

**3,767**
Total workforce

**Zero**
Fatalities: Permanent Employees

**2**
Reportable injuries: Permanent Employees (LTI)

**824**
New employees hired

## Social and relationship capital

**₹ 26.8** crores
CSR expenditure

**4.8** Lakhs+
Total beneficiaries

**94,000**
Grey and White Cement Dealers and Retailers

* per tonne of cementitious product (Net scope 1 excluding CPP and AFR)
# per tonne of cementitious product (including CPP, AFR and purchased power)

# Growth in cement capacity

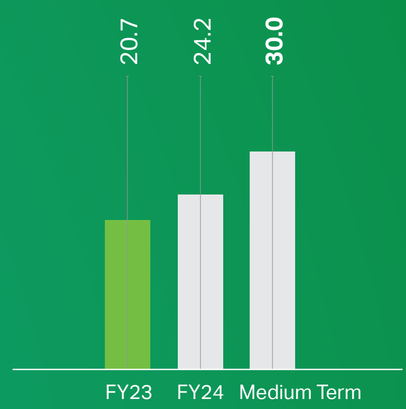
**At JK Cement, we are strategically ramping up capacity to cater to the evolving needs of a diverse customer base across key markets, with a special focus on Central and Eastern India.**

During FY 2022-23, we brought 6 MnTPA of capacity on stream in a single year – the 4 MnTPA greenfield project at Panna, Madhya Pradesh with a split grinding unit in Hamirpur, Uttar Pradesh and a cumulative expansion of 2 MnTPA through debottlenecking projects across four plants – taking our total installed grey cement capacity to 20.7 MnTPA.

Further, with the installation of another 3.5 MnTPA cement grinding capacity – 1.5 MnTPA at Ujjain, Madhya Pradesh and 2 MnTPA at Prayagraj, Uttar Pradesh, under progress for commissioning in FY 2023-24 and FY 2024-25 respectively, we are ahead of our committed timeline of reaching 24 MnTPA grey cement capacity.

In addition, we have established a clear roadmap to reach 30 MnTPA in the medium term. Further, we have adequate limestone reserves to set up another 10 MnTPA capacity in the long term.

## Grey Cement capacity
(in MnTPA)



ABOUT US

# Building on a strong foundation

**For more than four decades, we have been a supportive partner in fulfilling the aspirations and goals of India and our citizens. As a prominent integrated cement manufacturer and building product supplier in the country, we have consistently progressed by enhancing our infrastructure, introducing new products, streamlining our expenses, and responding to market demands. We have dedicated ourselves to promoting sustainable manufacturing practices and contributing to a more environmentally conscious future.**

Our key focus is solidifying our market presence as we strive to enhance our current capacity. To achieve this, we prioritise increasing our production capacity and venture into untapped markets. We are adopting measures such as augmenting renewable energy and alternative fuel usage, lowering the clinker factor, minimising waste, and boosting input-output efficiencies to transition to a low-carbon economy. By adhering to a well-defined expansion strategy and definite sustainability goals, we are on track to creating a vibrant and promising future.

Mangrol Plant

## Vision

To be the preferred manufacturer of cement and cement-based products that partners in nation building, engages with its community and cares for all stakeholders.

## Mission

JK Cement aims to deliver innovative products and solutions that meet the needs of its customers. Together with our exceptional people and strong stakeholder relationships, we commit to the highest standards of quality, productivity, sustainability, and performance that drive shareholder value and long-term success.

## Values

### Integrity

**Honour our commitments**

We are committed to being honest and ethical in all interactions, maintaining the highest ethical standards in all our markets, financial and operational practices.

### Care

**Observe, understand, assist**

We genuinely care about our relationships and use compassion to observe and understand stakeholder requirements; and be available to assist in improving the lives of all.

### Quality

**Strive for perfection**

We are passionate about creating a culture of perfection that encourages and promotes excellence in products and services through innovation and continuous improvement.

### Trust

**Take pride in our promises**

We are serious about accepting the responsibility to win and maintain the trust of our stakeholders.

### People

**Empower, inspire and respect**

We treat one another with respect and collaborate openly. All ideas are welcome, and we value diversity and perspective.

## Market leadership

As a leading construction materials company, we are determined to maintain our growth and brand value. Our solid growth trajectory is a testament to our commitment to being a frontrunner in our sector.

We are one of India's leading Cement and building products companies. We have contributed significantly to building key infrastructure projects in India. Our consistent capacity expansion is part of our strategy to secure and consolidate our position.

- A leading Grey Cement manufacturer in India
- One of the world's leading White Cement and Wall Putty manufacturers
- Committed to Science Based Targets to reduce Greenhouse gas emissions and transit towards low carbon economy
- Signatory to Task Force on Climate-related Financial Disclosures (TCFD)
- Despite the capacity additions, JKCL has been able to maintain the trade ratio (predominantly blended cement) between 68-70%, signalling its ability to create greater sales efficiency and market greener cement.

## Integrated manufacturing

Our state-of-the-art integrated manufacturing and grinding units benefit from a strategic location advantage. These facilities are situated near our exclusive limestone mines and fly ash sources, as well as being well-connected to end-markets via road and rail networks, enabling us to deliver our products seamlessly to customers.

**20.67** MnTPA
Grey Cement capacity (JK Cement - Consolidated)

**16.67** MnTPA
Grey Cement capacity (JK Cement - Standalone)

**4.0** MnTPA
Grey Cement capacity (JAYKAY CEM)

**2.81** MnTPA
White Cement capacity including Fujairah (0.6MnTPA)

**46.85** MW
Captive Solar and Wind Power Capacity

**102.5** MW
Coal-based Captive Power Capacity

**42.3** MW
Power Capacity from Waste Heat Recovery System (WHRS)

Mangrol Plant





## Sustainability snapshot

Driving our sustainability agenda, we have set targets across climate, energy, waste, water, and people.

| KPI | Performance in FY 2022-23 (Base Year FY 2019-20) | FY 2029-30 target |
|---|---|---|
| **Climate and Energy** | | |
| Specific $CO_2$ emissions (Scope 1 per tonne cementitious material in the base year 2020) | 520 $kgCO_2$/tonne (baseline 580 $kgCO_2$/tonne) | 465 $kgCO_2$/tonne |
| | 565 $kgCO_2$/tonne (Gross) (baseline 680 $kgCO_2$/tonne) | 532 $kgCO_2$/tonne |
| Share of Green Power | 44% | 75% |
| **Waste as Resource** | | |
| Water positivity | 4.5x | 5x |
| **Environment** | | |
| Thermal substitution rate | 13.95% | 35% |
| **People** | | |
| Gender diversity | 3% | 5% |
| Training per employee | 12 hrs | 20 hrs |

## Memberships and associations

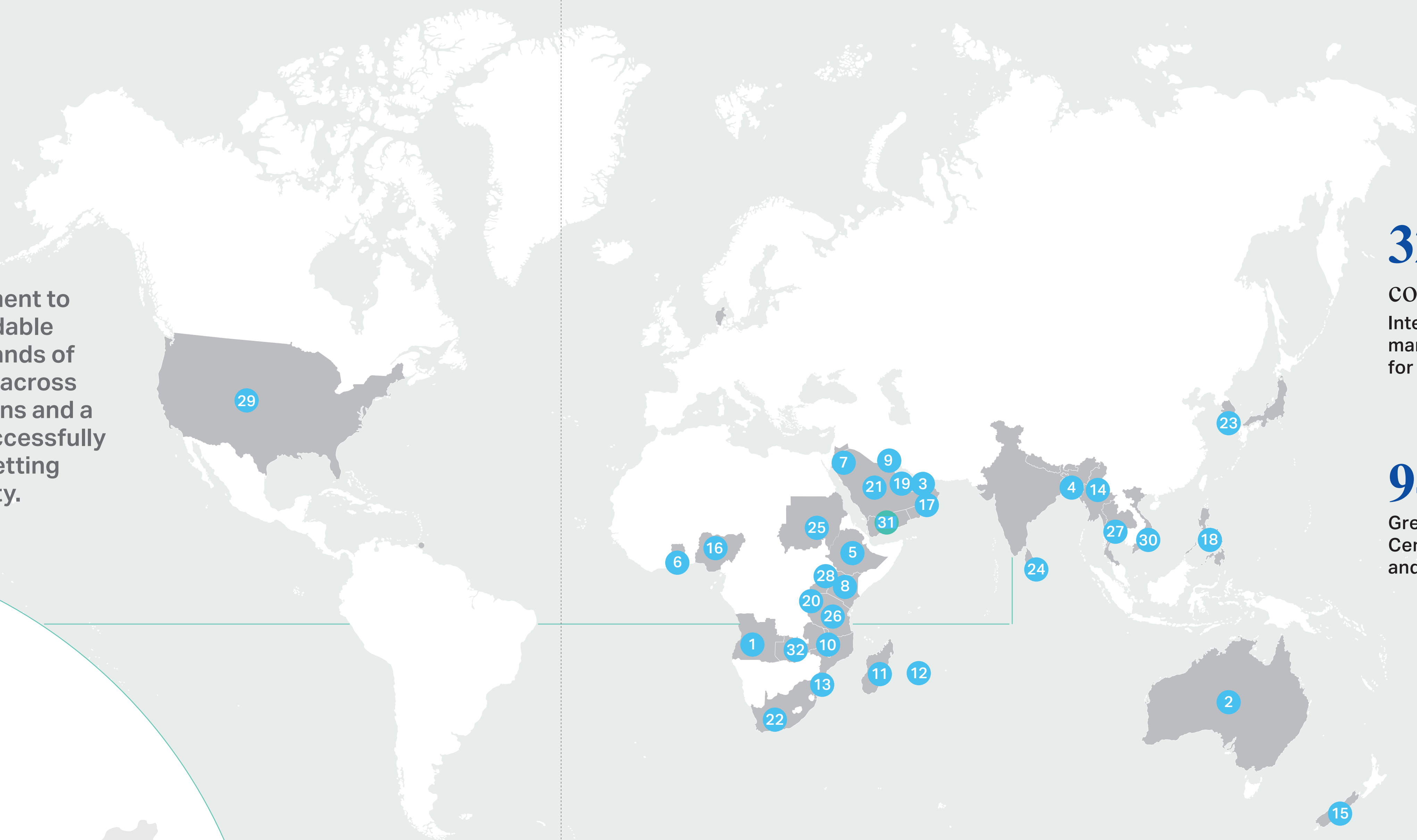
We at JKCL have affiliated with multiple industry associations, and our senior management personnel regularly represent our company on several platforms. They participate in discussions on various topics, such as upcoming regulations, global market trends, and macro and micro trade environments and adopt best practices prevailing in the industry.

- Member of JK Organisation
- Global Cement and Concrete Association (GCCA)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry
- Cement Manufacturers' Association (CMA)
- Science Based Targets Initiative (SBTi)
- Carbon Disclosure Project (CDP)
- S&P Global Corporate Sustainability Assessment (CSA)

## GEOGRAPHICAL PRESENCE

# Unfolding our footprints

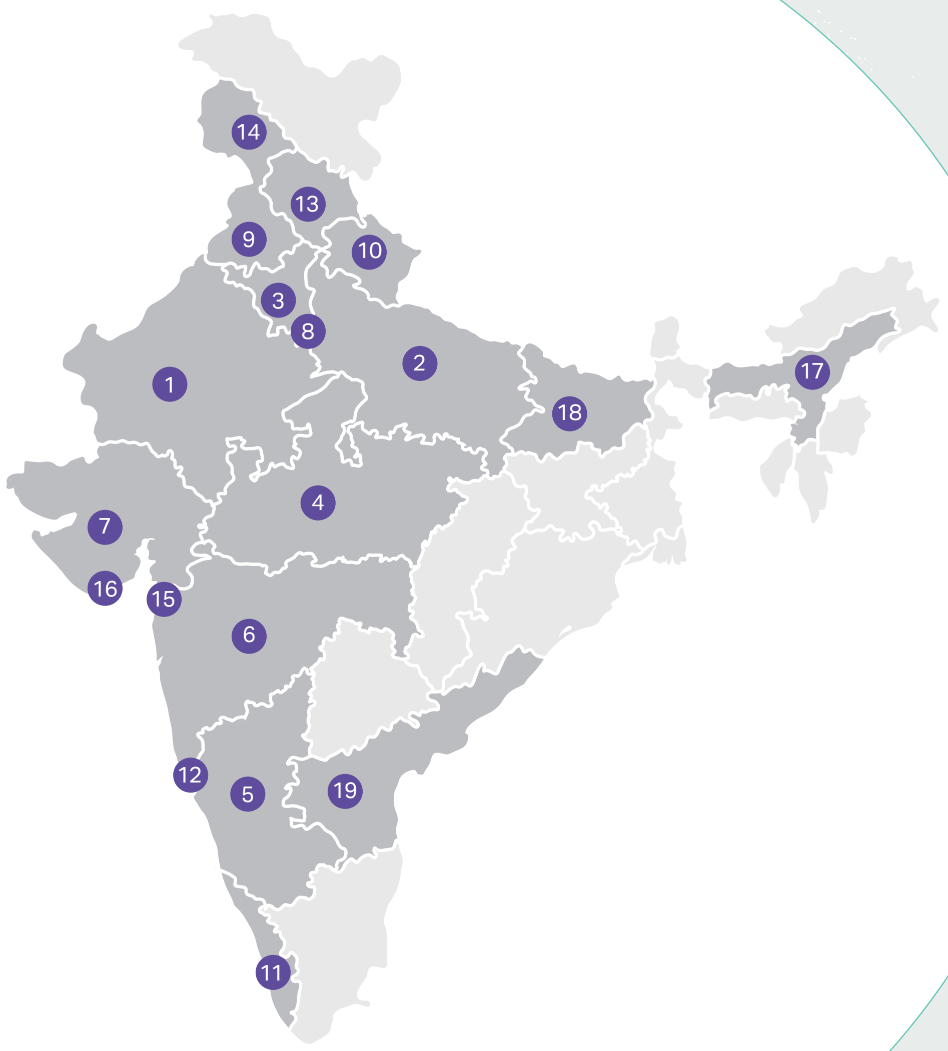
With a strong foundation and a commitment to excellence, we have established a formidable geographical presence. From the heartlands of India to global markets, our reach spans across diverse regions. With strategic expansions and a customer-centric approach, we have successfully carved a niche in the cement industry, setting new benchmarks for quality and reliability.



**32** countries
International market presence for White Cement

**94,000**
Grey and White Cement Dealers and Retailers

Map not to scale.



**19** states
for Grey Cement with enhanced reach in Tier-II and Tier-III cities

**Pan India**
presence for White Cement & Wall Putty

### Grey Cement markets in India

1. Rajasthan
2. Uttar Pradesh
3. Haryana
4. Madhya Pradesh
5. Karnataka
6. Maharashtra
7. Gujarat
8. Delhi
9. Punjab & Chandigarh
10. Uttaranchal
11. Kerala
12. Goa
13. Himachal Pradesh
14. J&K
15. Dadar & Nagar Haveli
16. Daman & Diu
17. Assam
18. Bihar
19. Andhra Pradesh

### White Cement markets – International

1. Angola
2. Australia
3. Bahrain
4. Bangladesh
5. Ethiopia
6. Ghana
7. Jordan
8. Kenya
9. Kuwait
10. Malawi
11. Madagascar
12. Mauritius
13. Mozambique
14. Myanmar
15. New Zealand
16. Nigeria
17. Oman
18. Philippines
19. Qatar
20. Rwanda
21. Saudi Arabia
22. South Africa
23. South Korea
24. Sri Lanka
25. Sudan
26. Tanzania
27. Thailand
28. Uganda
29. USA
30. Vietnam
31. Yemen
32. Zambia

## PRODUCT PORTFOLIO

# From vision to innovation

JKCL one of the top producers of cement and building products, has implemented innovative solutions to cater to the current demands of the market. By expanding our range of environment-friendly cement brands, we are actively addressing the need for sustainable construction alternatives while considering factors such as affordability, sourcing of materials, and customer satisfaction.

## Grey Cement


1
### Ordinary Portland Cement (OPC)

We produce two grades of OPC: 43-grade and 53-grade, of which 53-grade OPC has superior quality and higher strength. Our OPC brand enjoys high demand because of our extra strength and fineness and is suitable for all kinds of concrete components production.

2
### Portland Pozzolana Cement (PPC)

PPC is an all-weather cement variant which also protects structures from corrosion and increase their longevity.

3
### Portland Slag Cement (PSC)

PSC is a long–lasting product that also offers a host of green benefits, and is less resource intensive, with lower $CO_2$ emissions. Its mix of Sulphate and Chloride offers superior protection against the elements.

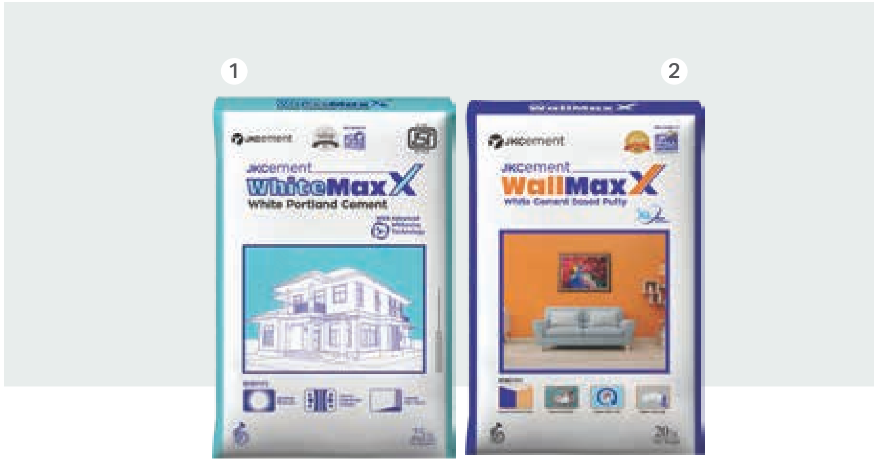
4
### JK Super Strong

JK Super Strong gives 35% extra strength compared to regular types of cement and cuts down on cement consumption by >10% due to its micro particle enhancement.

5
### JK Super Strong Weather Shield Cement

We produce this cement with an integral water-repellent property at the particle level through in-house developed PWR (Particle-level Water Repellent) technology.

## White Cement




1
### JKCement WhitemaxX

It gives triple benefits of high durability, higher gloss effect, and smoother wall finish with greater economic value.

2
### JKCement WallMaxX

It is a white cement-based putty formulated with imported Xtra Long Life Polymers (XLLP), which gives longer life to the painted surfaces

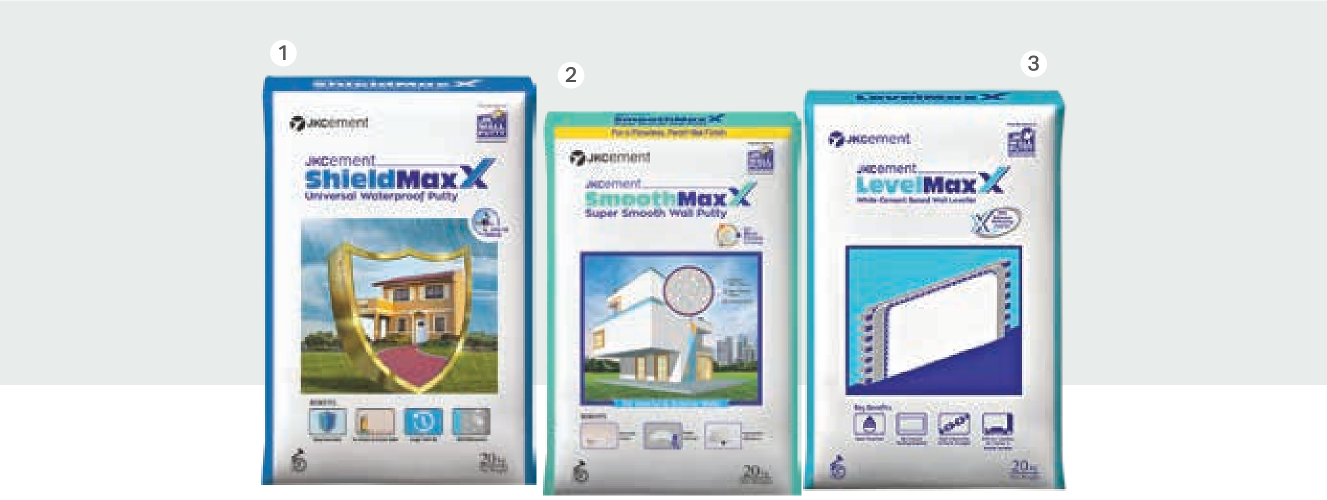
## Gypsum


1
### JKCement GypsoMaxX

The latest product in the JKC Ltd. bouquet- JKC GypsoMaxX, is a premium gypsum plaster made from the purest form of natural gypsum. It is a premium base coat produced because of calcination of the raw gypsum under a controlled production process in specialised manufacturing units. JKC GypsoMaxX is suitable for application on internal surfaces including walls and ceilings.

# PRODUCT PORTFOLIO

## Wall putty




**1**
### JKCement ShieldMaxX
It is a white cement based Universal Waterproof Putty with Active SiH4 molecules that protects the walls from dampness and provides a velvety finish, along with higher coverage.

**2**
### JKCement SmoothMaxX
We have specially designed JKC SmoothMaxX with micro-particle technology, which gives a complete matrix to develop an extra smooth coat for a flawless, pearl-like finish! Polymers form a thin film, creating a smooth surface on the final coat to give it a premium finish.

**3**
### JKCement LevelMaxX
JKC LevelMaxX is a white cement-based wall leveller and a polymer-modifying self-curing mortar. It's water-resistant for all internal and external levelling and thin plaster applications over concrete and mortar wall surfaces. Customers can use it in dry, wet, and humid conditions. It fills the fine pores of surfaces and covers up the undulations to give a white levelled surface.

## Tile adhesive & Grouts


**1**
### JKCement TileMaxX
It is a polymer modified, high strength grey cement-based adhesive which is suitable for application of ceramic tiles on walls and floors.

## Wood finishes


**1**
### JKCement WoodAmore
JKC Wood Amore brings a range of polyurethane (PU) products ensuring good finish, aesthetics and durability for wood surfaces that is best suited for interiors.

## Paints


### JKMaxX Paints

| | |
|---|---|
| Complete range of interior and exterior paints | Present in all categories - Economy, Premium and Luxury |
| Meeting international quality and safety standards | Wide range of water-proofing products |
| State-of-the-art in-house R&D labs | |

# Diversification into paints

**At JK Cement, we have always focused on augmenting our product portfolio to cater to the evolving needs of India's building materials market. With paints being a key element in a comprehensive offering, it was thus a logical progression for us to foray into the paints business, which has significant headroom for growth. However, aligned with our prudent capital allocation strategy, we decided to mark our entry into paints through the inorganic route, which makes it immediately value-accretive while freeing up growth capital that could have gone into building a greenfield business.**

## Highlights

**60,000 KL**
Capacity in decorative and textured paints post expansion

**6,700 KL**
Capacity in construction chemicals

**₹ 600 Crores**
Commitment to build paints business

During FY 2023-23, we acquired a 60% stake in Acro Paints Limited through our wholly-owned subsidiary, JK Maxx Paint Ltd. (formerly known as JK Paints and Coatings Limited) for ₹153 Crores. Acro is involved in manufacturing paint and construction chemicals with a wide range of decorative paints and water-proofing products. The acquisition brings strong manufacturing capabilities and comprehensive product formulations, with over 300 product SKUs.

Moreover, Acro Paints has two manufacturing facilities, which are currently going through capacity expansion which is expected to be complete by Q2 FY24. Post-expansion, we will have a capacity of 60,000 KL in decorative and textured paints and 6,700 KL in construction chemicals. This acquisition is a giant stride towards accelerating our entry in untapped markets and create new revenue streams to drive our future growth. We intend to capitalise on the inherent synergies of both brands to solidify our footprint in the burgeoning paint industry.

## Complementing value-added portfolio

**Besides the existing portfolio of value added products, we have entered into forward integration towards paints so that all the products could be sold under one roof.**

# MESSAGE FROM THE MD

## Under-commit and over-deliver

**₹ 1,320 Crores**
EBITDA in FY 2022-23

**4.8 Lakhs +**
CSR beneficiaries

### Dear stakeholders,

The year gone by was yet another reflection of JK Cement's intrinsic strength and resilience to withstand external challenges. We not only managed to deliver robust operational as well as financial performance, but also remained steadfast in commitment to deliver sustainable growth. Amid a sharp increase in raw material costs and pricing pressure, we brought our expanded capacities on stream as planned, continued to make steady progress towards realising our ambitions. In addition, we opened new windows of opportunities by foraying into the paints business through the inorganic route.
We now have a comprehensive portfolio spanning grey cement, white cement (WhitemaxX), value added products like wall putty, gypsum plaster, tile adhesives and grouts, wood finishes and paints.

### Delivering consistent value

For FY 2022-23, we delivered industry-leading volume growth of 16%, driven by strong domestic demand especially from infrastructure and housing construction sectors. Our revenue from operations increased to ₹9,720 Crores, up 22% from FY 2021-22. However, operating expenses rose 33% y-o-y, primarily on account of higher energy and logistics costs, which weighed significantly on margins. Although net sales realisations increased marginally, the full impact of higher input prices could not be passed through owing to pricing pressure on the back of intensifying competition. We reported EBITDA of ₹1,320 Crores, down 14% while EBITDA margin came in at 13.9% versus 19.6% in the year-earlier period. Input prices have started to ease and are likely to stabilise going forward, which should start flowing into the bottom-line from the second quarter. Our Board of Directors recommended a dividend of ₹15 per share, which remains unchanged from the year earlier.

### On the road to sustainable growth

At JKCL, we have set clearly defined sustainability targets across priority areas for 2030. Those priorities are also aligned with the United Nations Sustainable Development Goals (UN SDGs). We have implemented an internal carbon price and follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
The organisation has achieved ~17% decrease in emissions from the base year 2020, with ~44% power sourced from green sources. The CDP climate score improved from 'D' in FY 2020-21 to 'B' in FY 2021-22, in the cement category. Additionally, our Muddapur facility has received a GreenCo Platinum Rating, making it India's first integrated cement factory to achieve this.

At JKCL, we are committed to making a positive impact on society through various initiatives in areas like environment, healthcare, education, vocational training, and community development. Our sustainability efforts are centred around care, sensitivity, and responsibility towards the local communities. Through our Corporate Social Responsibility initiatives, we have invested ₹26.8 Crores, positively impacting 4.8 Lakhs beneficiaries. Our 'Sansparsh' programme aims to promote the overall development and economic advancement of the communities in our operational areas. This initiative includes various programmes such as the YPS Education Upliftment Programme, YPS Health & Sanitation Mission, YPS Environment Conservation Plan, YPS Drinking Water Project, and YPS Cattle Breed Improvement Project.

### Fostering an inclusive work environment

We place great importance on diversity, equity, and inclusion. JKCL prioritises the well-being of our workforce and strive to enhance their professional and personal skills. Our commitment to employee growth is demonstrated by our consistent achievement of the 'Great Place to Work' recognition for the fourth consecutive year!

> **Our commitment to employee growth is demonstrated by our consistent achievement of the 'Great Place to Work' recognition for the fourth consecutive year!**

We provide rigorous safety training for our factory workers and emphasise safe driving practices. Safety is a paramount concern for us, and we regularly assess and upgrade our safety measures to prevent accidents. We go beyond compliance with our Operation Health and Safety (OHS) standards. We also have measures in place to prevent OHS emergencies and are prepared to handle any such situations using the 'Suraksha' app, which tracks permits, incidents, and EHS observations.

We utilise the SAP Enterprise Resource Planning (ERP) system to streamline our operations and exchange information efficiently. This system enables us to record and access real-time data on accounting, procurement, supply chain, compliance, and other vital aspects of the business.

### All-round growth ahead

As we look ahead, I am confident in our growth potential. By reducing reliance on inorganic means, we are poised to leverage our internal strengths and optimise our resources effectively. This approach aligns perfectly with our track record of under committing and overachieving, which has consistently generated value for our stakeholders.
Lastly, I would like to emphasise our unwavering commitment to maintaining an investor-friendly approach. We greatly value the trust and support of our shareholders, and we remain dedicated to delivering to create long-term value for all our stakeholders.

Thank you for your continued confidence in our Company. Together, we will forge ahead, setting new benchmarks and achieving even greater success.

With best wishes,

**Dr. Raghavpat Singhania**
Managing Director

## MESSAGE FROM THE CEO

# Passion to outperform

**17%**
Volume growth in grey cement in FY 2022-23

**75%**
Green energy mix target by 2030

### Dear stakeholders,

Growth with purpose has been the cornerstone of JK Cement's journey since inception, and it gives me immense pleasure to report you that the year gone by was no exception. Amid inflation pressures and intensifying competition, we delivered industry-leading double-digit volume growth while maintaining the trade mix, completed our expansion projects on schedule, and stayed on track with our business and 2030 sustainability targets. This robust performance speaks volumes about our core belief of under-committing and over-achieving.

### Aligned with India's progress

In a world grappling with geopolitical tensions, high inflation and moderate economic growth, India has been an outlier, recording ~ 7% growth in FY 2022-23 and continuing to invest heavily in building economic and social infrastructure. Buoyed by strong demand from housing, infrastructure and industrial sectors, the Indian cement industry recorded a 12% demand growth, much above the historical average of 0.9-1.0x economic growth. Demand is likely to remain strong into FY 2023-24 as the Union government frontloads expenditure in the run-up to the general elections next year. Further, India's per capita cement consumption at 265 kg, remains significantly below the global average of 500 kg, which leaves significant growth headroom.

We have strategically planned capacity additions in central India to expand our reach in the markets of Uttar Pradesh and Madhya Pradesh. We successfully commissioned two greenfield projects within 18 months – a 2 MTPA integrated plant at Panna and a 2 MTPA grinding unit at Hamirpur, achieving capacity utilisation of 60% and operating profit in the first full quarter of operation. Also 2 MTPA capacity added in various existing units by debottlenecking, thereby increasing overall capacity by 6 MTPA during the fiscal. With this Company joined over 20 MTPA capacity club. Further, the 1.5 MTPA greenfield expansion at Ujjain and 2 MTPA capacity addition at Prayagraj are progressing as per schedule, which when completed will take our grey cement capacity to 24 MTPA by 2025.

Further, we have forayed into the paints segment by acquiring Acro Paints. We believe the acquisition will be immediately value accretive, without the need to deploy resources for setting up a greenfield paint business. We have earmarked a capex of ₹600 Crores, which not only makes our portfolio complete but also opens up new avenues for growth going forward.

### Resilient performance amid inflationary pressures

During FY 2022-23, we recorded 17% volume growth in grey cement and 8% in white cement, with blended volumes growing at 16% y-o-y. Despite higher volumes, we maintained our Grey Cement - blended cement mix at 65% and trade mix at 68%. Though, there was an average increase in Net sales realisations per tonne of cement by 4–5 %, margins remained under pressure due to all-round significant increase in operating costs especially due to higher petcoke/coal prices. Company's continuous efforts to increase the use of alternate fuel has nullified the impact to some extent. On account of cost optimisation initiatives our overall increase in the operating cost has been lower than competition.

We continued investing extensively in brand creation, customer targeting strategies, and demand generation which is creating a strong retail pull for our products.

> **We have maintaining trade ratios despite rapid growth and witnessed gains in the trade market, strengthening presence and market share.**

### Transitioning to green energy and net zero

At JKCL, we are committed to transitioning to green energy, achieving net zero emissions, adopting circular economy practices, enhancing biodiversity, and promoting sustainable mining, thereby setting industry benchmarks in sustainability. Operating in a hard-to-abate industry, we actively explore new technologies and alternate fuels, such as green fuels, to replace fossil fuels and work towards a net zero carbon footprint.

We have made significant progress in reducing carbon emissions as per SBTi targets, with a 17% decrease, i.e., 565 kg $CO_2$/t cementitious material, from the 2020 base year's emissions of 680 kg $CO_2$/t. Joining the 'Race to Zero' initiative, we aim to produce net zero cement and concrete by 2050 and have already achieved a 10% reduction in net Scope 1 carbon emissions. Increasing our green energy mix is another priority, with a target of 75% by 2030. We employ various approaches to reduce thermal energy consumption and invest in waste heat recovery systems and renewable energy systems. Presently, our green energy mix stands at 44%.

Water consumption is also a key focus, with a goal to become five times water positive by 2030 through efficient technologies and practices from the current four times. Sustainable mining practices and biodiversity preservation are integral to our operations. Environmental impact assessments are conducted, and management plans are developed for mining operations to ensure compliance with environmental standards.

As part of our 'Nature Positive' 2030 plan, we are establishing a biodiversity park in approximately 50 hectares of mine area in Chittorgarh, Rajasthan. Our sustainability efforts have been recognised by the Confederation of Indian Industry (CII), with the GreenCo Platinum (Muddapur) and GreenCo Gold (Mangrol).

### Building a skilled and engaged workforce

People remain at the core of our organisation, and we focus on their development and well-being. Upskilling and reskilling initiatives are integral to our efforts, with a goal to provide 20-man hours of training per employee by 2030 from the current 12-man hours of training. We prioritise health and safety of our workforce and aspire to maintain an injury-free and fatality-free workplace, both on-site and off-site. In fostering a talented and a diverse workforce, we aim to increase women's representation to 5% by 2030, with notable progress achieved as we currently stand at 3%.

### A future with outsized opportunities

We are driven by the belief that giving back to society and preserve the environment is an integral part of our Company ethos. We understand that these efforts add long-term value to our business while also benefitting the communities we operate in. As we continue this journey, we remain committed to going the extra mile and achieving even greater heights, striking a balance between profitability and sustainability.

India's inclusive and sustainable growth story is marked by its commitment to upliftment and progress for all its citizens while ensuring long-term environmental sustainability. The country has embarked on a transformative journey, embracing sustainable development as a key driver of economic growth and equitable future. JKCL, as a leading player in the cement industry is well placed to contribute to India's multi-faceted progress.

I conclude by expressing my sincerest gratitude to our dealers, distributors, supply chain partners, associates, our entire staff, and all our stakeholders for their unwavering support and trust in our Company. We extend our best wishes for a year filled with good health, safety, and prosperity for everyone.

With warm regards,

**Madhavkrishna Singhania**
Deputy Managing Director & CEO

## STAKEHOLDER ENGAGEMENT

# Nurturing relationships and creating long-term value

**Our constant drive to safeguard stakeholders' interests through robust engagement is instrumental in delivering value and sustainably enabling growth. We continuously engage with the stakeholders, including investors, employees, suppliers, regulators, communities and customers.**

This approach helps us understand their concerns and needs, seek feedback, and find ways to meet their expectations through business strategy and plan modifications. Our inclusive and transparent dialogue with stakeholders enhances the outlook towards the budding material issues and helps identify key improvement areas to mitigate evolving risks and challenges.

### Internal stakeholders

We use periodic, structured engagement methods to interact with our internal stakeholder groups. We aim to facilitate unbiased bilateral communication and gain a clear understanding of the real-time requirements of our stakeholders. Based on these discussions, we formulate strategies and determine our Company's direction.

### External stakeholders

We engage with our external stakeholder groups through regular meetings with pre-determined agendas and ad-hoc meetings as needed. Our objective is to communicate the Company's strategy and impacts clearly and concisely. During these meetings, we focus on material topics that significantly influence our stakeholders and the Company.

Muddapur Plant

| Stakeholder group | Engagement mechanism | Purpose of engagement | Frequency | Key stakeholder concerns | How we create value for them? |
|---|---|---|---|---|---|
| **Internal Stakeholders** | | | | | |
| **Employees** | • Training programmes, Events, Seminars, Workshops<br>• Awards – Plant level reward programmes<br>• Surveys, Employee centric applications | • Innovation<br>• Employee motivation and team building<br>• Discussion and issue resolution<br>• Prevention from accidents and health hazards | Periodically | • Career growth and progression<br>• Performance management<br>• Employee motivation<br>• Employee involvement | **We create value for our employees career progression by providing appropriate remuneration, trainings, health, and wellbeing initiatives** |
| **External Stakeholders** | | | | | |
| **Shareholders** | • Annual General Meeting<br>• Annual Report<br>• Shareholder meetings<br>• Sustainability report<br>• Grievance redressal mechanism | Share financial performance, strategic insights, new projects, changes in ESG performance | Periodically | • Timely dividend payments<br>• Transparency in reporting<br>• Company's financial health, growth, and performance | **We create value for our shareholders by delivering above average return on investments and engaging in ethical business practices** |
| **Dealers** | • Dealer meetings<br>• Dealer surveys | Building stronger relationships and getting feedback from market | Periodically | • Product benefits and features<br>• Product quality and feedback<br>• Building relationships and trust<br>• New product development | **We provide loyalty programs aimed at recognising long relationships of our channel partners and provide special privileges to them** |
| **Customers** | • Customer care service to address query, get feedback, etc.<br>• Social media | Feedback to streamline operations, services and build better products | Periodically | • Product benefits and features<br>• Product quality and feedback<br>• Building relationships and trust<br>• New product development | **Through our comprehensive products portfolio including many additional products such as putty, paints, tile adhesive, tile grout, gypsum, plaster etc, we are becoming a preferred partner for many building needs beyond cement.** |
| **Regulatory & Statutory Bodies** | • Regular compliance reports<br>• Statutory audits | Disclosures on compliance as required by government | Periodically | • Business ethics and compliance<br>• Disclosure on ESG | **We contribute through direct and indirect taxation and comply with regulations as applicable** |
| **Media** | • Media meets<br>• Press conference<br>• Management interviews | Communicate progress made in the financial year, enhance brand perception, etc. | Periodically | • Transparency<br>• Disclosure on compliance | **We reach out to a wider audience to build brand recognition through ethical promotions** |
| **Local Communities** | • Daily informal interactions<br>• Regular field surveys | Feedback of communities on the issues they face and performance of CSR initiatives | Periodically | • Building relationships<br>• Improving living standards<br>• Direction and deployment of resources<br>• Awareness on social issues | **We give back to the community and have many initiatives in place for their welfare** |

## MATERIALITY ASSESSMENT

# Prioritising issues integral to value creation

Materiality assessment allows us to identify and prioritise key environmental, social, and governance (ESG) issues that may significantly impact our business, investments, environment, and society at large. We obtain tangible and intangible benefits by adopting a comprehensive approach to materiality assessment. We consider all material issues, associated risks, and opportunities while formulating business strategies. This system enables us to integrate sustainability considerations into our decision-making process and foster a more responsible and resilient approach to conduct our operations.

Hamirpur Plant

In response to the evolving ESG landscape and dynamic business environment, we proactively monitor the existing material topics and identify new focus areas. In FY 2022-23, we revisited our material topics. We conducted a comprehensive materiality assessment to identify the key material issues that can impact value creation for all our stakeholders.

## Materiality assessment excercise

Identification of material issues → Stakeholder identification → Stakeholder consultations → Response analysis → Develop materiality map

### Identification of material issues

- JKCL conducted a comprehensive desk review to identify sector specific material issues as per the global standards (GRI, SASB, GCCA) and the ESG rating agencies (MSCI, DJSI).
- We reviewed existing and emerging industry trends, best practices, and priorities of peer companies.
- We created a bucket list of material issues relevant to JKCL and the stakeholders.

### Stakeholder identification

- We identified internal and external stakeholders based on their potential to impact or influence on the organisation.
- External stakeholders include shareholders, dealers, customers, government, regulatory and statutory bodies, media, local communities.
- Internal stakeholders are our employees.

### Stakeholder consultations

We have taken an inclusive approach by actively seeking inputs from all relevant stakeholders and business segments.

**Internal stakeholders**

We conducted random surveys for selected employees and consultations for senior management from all the business units to get a snapshot of our Company's business goals as well as understand emerging risks and opportunities associated with each material issue.

**External stakeholders**

We conducted consultations with the suppliers, investors, and other key stakeholders to understand their concerns and expectations from the company and to integrate their perspective of each material topic in the business strategy.

### Response analysis

We collated the responses received from the stakeholders and assigned weightage to each material issue. After an in-depth analysis of both the qualitative (consultations) and quantitative (online survey) responses, material issues were rated - ranging between high, medium, low.


Katni Plant

# MATERIALITY ASSESSMENT

## MATERIALITY MATRIX

Based on the feedback we received from stakeholders, we developed material matrix.

In FY 2022-23, we arrived at 21 material topics, of which 10 were identified during the year under review. These material topics were ranked based on business priorities and stakeholder expectations and were also mapped with the relevant United Nations Sustainable Development Goals (UN SDGs). We also identified the focus areas of each material issue and potential risk and opportunities. (Read more in the Risk Management section)


1 Circular Economy
2 Occupational health & safety
3 Energy management
4 Water management
5 Emissions management
6 Waste management
7 Availability of raw material
8 Corporate Governance
9 Sustainable Supply Chain
10 Employee engagement and development
11 Employment and labour relations
12 Sustainable Construction
13 Branding & reputation
14 Economic Performance
15 Community Development
16 Human Rights
17 Biodiversity Management
18 Diversity & Inclusion
19 Cybersecurity
20 Customer Relationship Management
21 Product Life Cycle Management

## Linkage of material issues with SDGs

### Environment

| Material Issues | Definition | SDGs impacted |
|---|---|---|
| **Availability of raw materials** | Efficiently manage resources being utilised in our business through product and technology innovations such as use of alternate materials | 12 |
| **Biodiversity management** | Disclosure to report information about impact of the project and the operations on the biodiversity and their habitat, and how they manage these impacts | 15 |
| **Circular economy** | Promoting use of alternative fuels and raw materials (AFR) to have minimal environmental impacts | 12, 17 |
| **Emissions management** | Constantly strive to reduce air and GHG emissions associated with our industry through innovation in operations, installation of greener and cleaner technologies, and use of alternate fuels with lower emissions impact | 12, 13 |
| **Energy management** | Comprehensively mapping our energy use and various sources, and constantly work towards reducing our energy footprint | 7, 12, 13 |
| **Product lifecycle management** | Cradle-to-grave or cradle-to-cradle analysis technique to assess environmental impacts associated with all the stages of a product's life, which is from raw material extraction through materials processing, manufacture, distribution, and use | 12 |
| **Sustainable construction** | Use of low carbon cement in construction which is an environmentally responsible behaviour and resource-efficient | 11, 12 |
| **Waste management** | Manage our waste properly with focus on 9 R's approach (Rethink, Refuse, Reduce, Reuse, Repair, Recover, Restore, Recycle and Review) | 12 |
| **Water management** | As our operations are mainly in dry and water scarce areas, work towards reducing our water footprint and generate awareness among our stakeholders regarding judicious use of water | 6, 12 |

### Social

| Material Issues | Definition | SDGs impacted |
|---|---|---|
| **Community development** | An organisation's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities where possible, organisations are expected to anticipate and avoid negative impacts on local communities | 3, 4, 5, 6 |
| **Diversity and inclusion** | Establishing a balanced workforce which reflects the societies in which we operate, including efforts to eliminate all discriminations and to ensure opportunity for people from all backgrounds to succeed. Embrace diversity throughout our organisation and recruit to build an inclusive workforce. | 5, 8 |
| **Employee engagement and development** | Invest in our employees, implement systems and practices for their continuous skill and career development | 3, 5, 8, 10, 17 |
| **Employment and labour relations** | Maintain sound labour relations and ensure positive atmosphere for employees and workers to operate in, which is safe, free of harassment and discrimination and upholds the principles of human rights | 5, 8, 16 |
| **Human rights** | Respect fundamental human rights in our operations, our value chain, and in the communities where we operate and adhere to guidelines of Universal Declaration of Human Rights and International Labour Organisation's (ILO) conventions | 5, 8, 10 |
| **Sustainable supply chain** | Ensure high standards in health, safety, social, environmental, and business integrity in the value chain. Also, encouraging sourcing from local vendors/ suppliers as much as possible and performing supplier environmental and social assessment | 12 |

### Governance

| Material Issues | Definition | SDGs impacted |
|---|---|---|
| **Branding & reputation** | Effectively communicate and reach out to our diverse customer segments, maintain high customer perception of a Company's reputation. | 3, 4, 5, 6, 17 |
| **Corporate Governance** | Set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It encompasses comprehensive oversight of business strategies, ensuring complete accountability, ethical corporate behaviour, transparency, and fair treatment to all stakeholders | 16, 17 |
| **Customer relationship management** | Ensure that all our products and services are in line with the customer expectations by having regular dialogues with them | 17 |
| **Cyber security** | Practice of protecting critical systems and sensitive information from digital attack and data breach | 9 |
| **Economic Performance** | Includes the economic value generated and distributed (EVG&D) by an organisation; its defined benefit plan obligations; the financial assistance it receives from any government; and the financial implications of climate change. | 3, 4, 5, 8, 9 |

## VALUE CREATION MODEL

# Co-creating a sustainable future

**Our commitment to generating value for all our stakeholders and co-creating a sustainable future is a hallmark of our business model. Our value creation approach involves considering all six capitals and delivering positive results for internal and external stakeholders, while remaining aligned with our core values and strategic objectives.**

## Key inputs

### Financial Capital

Retained Earnings: ₹ **2,344 Crores**
Debt: ₹ **2,926 Crores**
Cash: ₹ **1,373 Crores**
Capital Expenditure: ₹ **402 Crores**

### Manufactured Capital

Grey Cement manufacturing plants: **7**
White Cement and Wall Putty manufacturing plants: **2**
Grey Installed capacity: **16.67 MTPA**
White Installed capacity: **2.21 MTPA**

### Intellectual Capital

R&D Expenditure: ₹ **1.5+ Crores**

### Natural Capital

Specific thermal energy: **3.2 GJ/tonne of clinker**
Specific electrical energy: **61.8 kWh/ tonne of cement**
Specific water consumption: **0.15 $m^3$/t of cement**

### Human Capital

Total workforce: **3,767 permanent**
Employee Training expenditure: ₹ **2.9 Crores**

### Social and relationship Capital

Social Impact expenditure: ₹ **51.2 Crores**
Key industry associations: **8**
Advertising and branding expenditure: ₹ **81.4Crores**

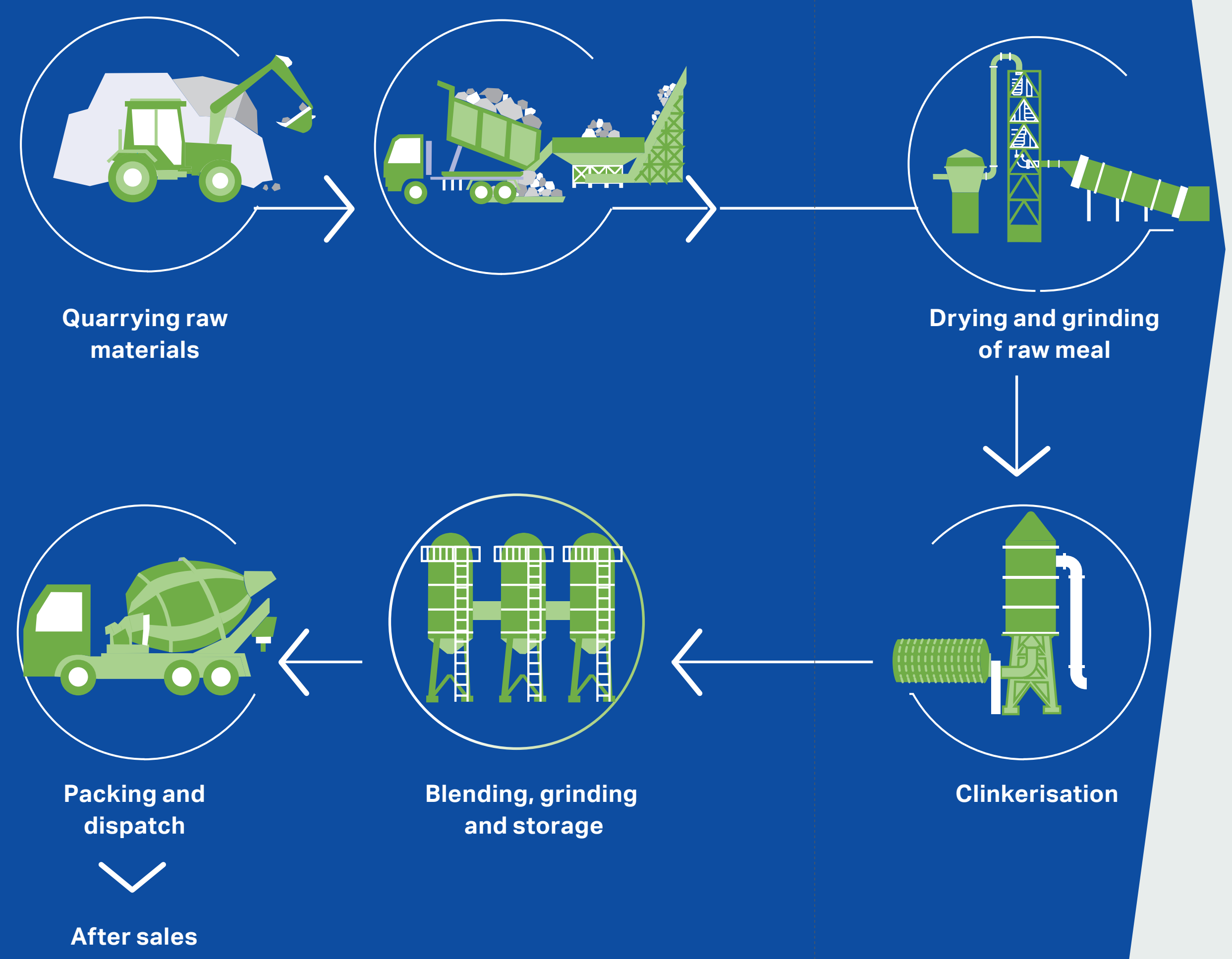
## Our Business (Standalone)

People | Trust | Care | Integrity | Quality

### Strategic objectives

- Capacity expansion
- Optimise operational efficiency
- Consolidate market position
- Widen visibility
- Launch of value-added products
- Customer centricity
- Sustainable operations

### Our business process




## Outputs

### Financial Capital

Net Revenue: ₹ **8,999 Crores**
EBITDA: ₹ **1,346 Crores**
PAT: ₹ **563 Crores**
Paid up Capital: ₹ **77 Crores**
Dividend per share: ₹ **15**
Free Cash Flow: ₹ **980 Crores**

### Manufactured Capital

Grey and White Cementitous Production Volume : **14.77 MTPA**
Capacity Utilisation: **87%**

### Intellectual Capital

Developed new variants for Tile MaxX

### Natural Capital

Scope 1 emissions: **7.9 Mnt$CO_2$e**
Scope 2 emissions: **0.4 Mnt$CO_2$e**
Scope 3 emissions: **1.4 Mnt$CO_2$e**
Direct Gross GHG emissions: **7.9 Mnt$CO_2$e**
Direct Net GHG emissions: **7.7 Mnt$CO_2$e**
Water positivity: **4.5 times**
Waste heat recovery energy: **872 TJ**
Clinker-to-Cement ratio: **65%**
Thermal Substitution Rate (TSR): **13.95%**
PM: **0.5 kt**, SOx: **0.3 Kt**, NOx: **8.3 Kt**

### Human Capital

Average training hours (permanent employess): **12**
LTIFR permanent: **0**
LTIFR contract workers: **0.54**

### Social and Relationship Capital

CSR beneficiaries: **4.8 Lakhs+**
Total dealers and retailers for Grey and White Business: **94,000**

## Outcomes

Financial Capital:
- Improved revenue generation
- Expansion of assets accumulations
- Improved return on capital expenditure

Manufactured Capital:
- Superior products quality
- Enhanced capacity utilisation
- Increased captive power generation

Intellectual Capital:
- Improvement in quality and new products
- Improved efficiency and material ratios resulting in cost savings

Natural Capital:
- Reduced environmental footprint of production operations
- Streamlined pathways to reduce climate change impact
- Growing waste heat recovery capabilities

Human Capital:
- Increased employee skill level
- Strong safety performance

Social and Relationship Capital:
- Growing dealers and retailer network
- Satisfied customer base
- Strong community relationships

CORPORATE GOVERNANCE

# Upholding transparency and accountability

**JKCL considers corporate governance in its broadest sense, akin to trusteeship, which encompasses integrity, transparency, accountability, and compliance with laws. These pillars of good governance are integral to our business practices that foster ethical and responsible leadership at both the Board and management levels.**

Our corporate governance philosophy focuses on improving the Company's long-term economic value and delivering sustainable returns to our stakeholders. To achieve this goal, we adopt the best corporate practices fairly and transparently while aligning the company's interests with that of our stakeholders.

## The Board

The Board of Directors (BoD) acts as the fulcrum of our corporate governance practices and ensures that the management works in the best interests of all our stakeholders. To preserve the sanctity of corporate governance in the organisation, we need an active, well-informed, and independent Board.

### Size and composition of the Board

JKCL is led by a Board of 14 members with diverse backgrounds, possessing the requisite qualifications and experience to contribute to our growth and decision-making processes. Seven of the 14 directors are independent, which enables us to achieve the right balance between in-house and external perspectives. The Board convenes regularly to review strategic, operational, and financial matters. The Board has established policies and charters for various committees, outlining their respective roles and responsibilities, composition, and scope of authority.

Our corporate governance principles mandate us to conduct our business with integrity, fairness, and transparency. We are committed to making necessary disclosures and decisions in compliance with the laws of the land – by being accountable and responsible towards all the stakeholders and conducting business ethically.

Our new and retiring directors (eligible for reappointment), are elected individually in our Annual General Meetings or through postal ballots. Since our Chairperson is Non Independent/Promoter as per SEBI (LODR) Regulations, Independent Directors shall constitute 50% strength of the Board, and the balance 50% strength may be Non Executive, Non-Independent Director. Our Board of Directors are required to attend at least one meeting as a minimum attendance as prescribed under the Companies Act, 2013. We also conduct regular annual independent assessments of board performance in the first quarter of the calendar year.

### Diversity in the Board

Our Board reflects our commitment to diversity and inclusivity. Currently, we have two female members on the Board. We believe in providing equal opportunities to all individuals, regardless of age, gender, ethnicity, nationality, race, or religion. To ensure diversity, we have a policy that guides our selection process for the Board of Directors.

### Competency mapping indicators

**Strategic Leadership and management experience**
Experience in guiding and leading management teams, leading and managing people, strategic planning, understanding of organisational systems and processes and appreciation of long-term trends/ choices.

**Other sector expertise**
Knowledge and experience in other sector to provide strategic guidance to the management in fast changing environment.

**Industry and sector experience or knowledge**
Knowledge and experience in cement sector to provide strategic guidance to the management in fast changing environment.

**Financial and risk management**
Wide-ranging financial skills, relevant experience of accounting and reporting, corporate finance, and internal controls, including assessing quality of financial controls to identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.

**Governance**
Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of compliance, corporate ethics, and values.

**Global Business/ International expertise**
Experience of leading large organisations having international/ global businesses and understanding of multiple geographies and cross-cultural business environment.

**Law and public policy**
Understanding of the legal and regulatory landscape and policy developments on national and global scale including its impact on dynamic business environment.

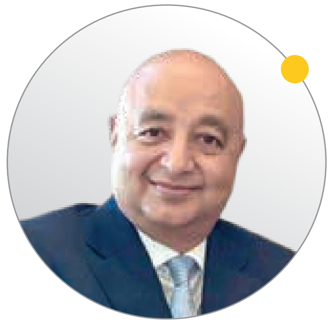
**Social impact/ philanthropy**
Relevant experience in the matters of corporate social responsibility and sustainability for long term value-creation.

**Climate Change/ESG**
Experience in climate-related such as risk and opportunities decisions related to product and service offerings, investments in renewable energy, and reviewing major capital allocations for improving companies' resilience.

# CORPORATE GOVERNANCE

## Board of Directors

**Smt. Sushila Devi Singhania**
Chairperson



**Dr. Nidhipati Singhania**
Vice Chairman

**Dr. Raghavpat Singhania**
Managing Director

**Mr. Madhavkrishna Singhania**
Deputy Managing Director & CEO

**Mr. A.K. Saraogi**
Deputy Managing Director & CFO

**Mr. Ajay Narayan Jha**
Non-Executive Independent Director

**Mr. Ashok Sinha**
Non-Executive Independent Director

**Mr. Paul Hugentobler**
Non-Executive Non-Independent Director

**Mr. Satish Kumar Kalra**
Non-Executive Independent Director

Strategic Leadership and management experience
Other sector expertise
Industry and sector experience or knowledge
Financial and risk management
Governance



**Mrs. Deepa Gopalan Wadhwa**
Non-Executive Independent Director

**Dr. K. B. Agarwal** (ceased w.e.f. 31.3.2023)
Non-Executive Independent Director

**Mr. Mudit Aggarwal**
Non-Executive Independent Director

**Mr. Saurabh Chandra**
Non-Executive Independent Director

**Mr. Sudhir Jalan**
Non-Executive Non-Independent Director

Global Business/ International expertise
Law and public policy
Social impact/ philanthropy
Climate Change/ESG

### Our committees

The Board oversees five committees which in turn oversee various functions of the organisation. All the members of the Board come with specific skill sets, experience and expertise that best suit each committee of the Board.

**Audit Committee**

The audit committee is responsible for overseeing the financial reporting and disclosure process. It also monitors the accounting policies and principles and appoints an external auditor.

**Nomination and Remuneration Committee**

This committee is responsible for considering and recommending to the Board remuneration of an organisation. This committee evaluates the performance of the Board members and selects suitable candidates for the Board.

**Stakeholder Relationship Committee**

This committee is responsible for resolving security holders' grievances. They are given the charge of resolving all the complaints of all security holders – like shareholders and debenture holders.

**CSR Committee**

This committee defines the scope of CSR activities and ensures compliance with CSR policy and sustainability obligations.

**Risk Management Committee**

This committee monitors and approves the risk policies and associated practices of the company. It also reviews and approves risk documents and disclosures in the public domain.

## CORPORATE GOVERNANCE

### Board memberships (Non-Executive Independent Directors) – Indian listed companies

| Sl. No | Name of Director | Name of Listed Company (ies) (other than JKCL) | Designation |
|---|---|---|---|
| 1 | **Dr. K.B. Agarwal**** | Key Corp Limited | Non-Executive- Independent Director, Chairman |
| 2 | **Mrs. Deepa Gopalan Wadhwa** | JK Paper Limited | Non-Executive- Independent Director |
| | | Bengal & Assam Company Limited | Non-Executive- Independent Director |
| | | Artemis Medicare Services Limited | Non-Executive- Independent Director |
| | | NDR Auto Components Ltd. | Non-Executive- Independent Director |
| | | Sapphire Foods India Ltd. | Non-Executive- Independent Director |
| 3 | **Mr. Ashok Sinha** | Cipla Limited | Non-Executive- Independent Director |
| | | The Tata Power Company Limited | Non-Executive- Independent Director, Shareholder Director |
| | | Navin Fluorine International Limited | Non-Executive- Independent Director |
| | | Tata Communications Limited | Non-Executive-Independent Director |
| 4 | **Mr. Saurabh Chandra** | - | - |
| 5 | **Mr. Mudit Aggarwal** | - | - |
| 6 | **Mr. Ajay Narayan Jha** | - | - |
| 7 | **Mr. Satish Kumar Kalra** | PNB GILTS LTD. | Non-Executive-Independent Director |
| | | Can Fin Homes Ltd | Non-Executive- Independent Director |
| | | INDBANK Merchant Banking Services Limited | Non-Executive- Independent Director |

** Ceased w.e.f. 31.3.2023

### Ethics and transparency

JKCL is fully committed to upholding the highest ethical standards in all its operations. Our Code of Conduct declares our unwavering stance on ethical behaviour and transparent communication. We have a robust system of internal controls to ensure that all aspects of our Code of Conduct are implemented effectively. We conduct regular assessments of our operations to identify any breaches in our Code of Conduct and take necessary steps to address them promptly.

The Board of Directors at JKCL conducts regular reviews of the company's policies and internal controls to ensure that all necessary checks and balances are in place. Additionally, we conduct assessments of our operations to identify and mitigate any potential safety and human rights risks.

### Value creation with Corporate Governance

Our corporate governance practices  aim to bolster trust, accountability, and transparency among our internal and external stakeholders. This approach will promote financial stability, business integrity and investor confidence and create more value for the Company.

**Primary policies governing the organisation:**

- Privacy policy
- Corporate environment policy
- Dividend distribution policy
- Internal financial control policy
- Archival policy
- Policy for determination of materiality of events information
- Policy on preservation of documents and records
- Policy on evaluation of performance of the Directors and the Board
- Policy for determining material subsidiaries
- Human rights policy
- Prevention of sexual harassment policy
- CSR policy
- Related party transaction policy
- Whistle blower policy
- Code of ethics and business conduct
- Risk management policy
- ESG policy
- Internal code of conduct to regulate, monitor and report trading by designated persons
- Biodiversity policy
- Code of conduct for supply chain





## AWARDS AND RECOGNITIONS

# Acknowledged for excellence


- JK Cement Works, Muddapur
- Received GreenCo Platinum Award 2022-2025
- From CII Sohrabji Godrej Green Business Centre, India
- For best technologies in decarbonisation, process optimisation, waste management, clean energy, biodiversity management, water stewardship


- JK Cement Works, Mangrol
- GreenCo Gold Rating 2022-25


- JK Cement, Balasinor
- Received Occupational Health & Safety Award in 2022

- JK Cement Works, Aligarh
- Received National Award for Excellence in Energy Management 2022

JK Cement honoured with the "Certificate of Merit" by the South Asian Federation of Accountants in the category of Manufacturing sector at SAFA best presented Annual Report Awards, 2021

- JK Cement Works, Balasinor
- Received National Award for Excellence in Energy Management 2022

- JK Cement Works, Muddapur
- Received National Award for Excellence in Energy Management 2022

- JK Cement Works, Muddapur
- Was declared the 'National Leader'
- Received the National Award for Excellence in Energy Management 2022

- JK Cement Works, Nimbahera
- Was declared winner for 'The Best Case Study on addressing electrical safety through compliance and system approach'


- JK Cement Works, Jharli
- Received Platinum Award in 2022 For Occupational Health and Safety


- JK Cement Ltd received 'The Economic Times Future Ready Organisations 2022' award in the Large-Scale Category the Large-Scale Category the Large-Scale Category

RISK MANAGEMENT

# Addressing challenges proactively

**We have an organisation-level risk management approach that is detailed in our risk policy which includes an enterprise-level framework that encompasses emerging ESG risks and employs a rigorous risk management process. JKCL being a listed Company has statutory requirement to have a risk management committee (RMC).**

Jhajjar Plant

Our Board-level risk committee primarily constitutes independent directors of the Board as members to the committee. The RMC meets twice a year wherein the entire risk environment is presented and discussed including EHS, operational, strategic, people and other risks. Our risk horizon encompasses long-term strategic risks, short to medium-term risks, and single events.

Given the current volatile economy, our systematic approach identifies potential risks and continually updates our risk register. We assess risks from two perspectives, considering both the likelihood and impact. Based on this analysis, we continuously monitor our risk management abilities and take necessary steps to minimise the impact. Our senior management plays an active role in reviewing the entire process on a quarterly basis and suggests corrective measures when required.

## Risk Management process

**Risk identification** → **Risk categorisation** → **Assessment of identified risks** → **Risk mitigation** → **Risk Reporting and Disclosure**

## Integration with strategy and business plan

We analyse each identified risk to comprehend its effects on our operations. We measure impacts in financial and non-financial metrics such as operating cash flows, brand value, license to operate, employee retention, business operations, fatalities and injuries, fines and legal action, and opportunity cost. Depending on the likelihood of occurrence and impact on the business, we rate the risks and generate a final rating for each identified risk.

The risks with higher ratings are subjected to scenario modelling and stress testing to evaluate their impact on our business under various timelines and intensities to safeguard our business. We consider several risks, including financial, operational, climate, water, and regulatory risks as a part of our risk management framework.

We assess climate-related risks using a 1.5-degree scenario analysis and use water risk identification tools to determine probable outcomes of water stress.

Muddapur Plant

RISK MANAGEMENT

# External Risks

ER1

## Market Changes

Changes in market scenario, affects the demand in product.

### Potential impact

JK Cement's performance is affected by the change in construction demand, which in turn is driven by economic growth. As the economy grows the demand for construction also rises, leading to increase in cement sales and prices. A shift in consumer behaviour may result in increase in product substitution.

### Response

Apart from grey cement, around 23% of our revenues are from white cement business which mitigates the risk of change in grey cement market scenario.

**Linkages to Strategic Objectives**

S03 S04 S05

**Linkages to capitals**

ER2

## Competition

The leading companies are established players in a capital-intensive industry who are highly competitive. As a result, it becomes difficult to increase or maintain the market share and keep up with the bigger players.

### Potential impact

The cement industry is witnessing market consolidation, and it is expected that larger players will dominate the industry soon.

### Response

- We are expanding capacity through greenfield and brownfield projects to maintain our growth trajectory.
- We are consolidating our position in North and Central India.

**Linkages to Strategic Objectives**

S03 S04 S05

**Linkages to capitals**

ER3

## Political Risks

Potential, economic, and social instability risks may arise due to political uncertainty and alterations in state or local regulations.

### Potential impact

Operational uncertainty can result from direct and indirect effects of economic, social, and political instability – which can impact the cement industry.

### Response

Our presence is not limited to one state. We are present in various states in different regions – this gives us the power to absorb shocks without affecting our margins too much. We have a crisis management handbook in place to manage risks due to changes in regulations.

**Linkages to Strategic Objectives**

S05

**Linkages to capitals**

ER4

## Pandemic and epidemic

Infectious disease outbreaks can hinder economic growth, particularly in emerging economies, by causing lockdowns, worker migrations, and disruptions in the supply chain. As a result, business operations may stagnate, affecting the Company's revenues, workforce, and growth.

### Potential impact

Pandemics or epidemics can have a significant impact on the lives of our employees, customers, influencers, and other stakeholders, leading to operations downtime and a reduction in demand that can negatively affect the Company's economic performance.

### Response

- We focused on employees, customers, and other stakeholder's well-being and safety.
- We undertook adequate steps for well-being of employees during COVID-19.
- We sustained and grew operations during the pandemic.

**Linkages to Strategic Objectives**

S03 S04 S05

**Linkages to capitals**

Balasinor Plant

RISK MANAGEMENT

# Operational Risks

## OR1

## Sustainability risk

Environmental, Social and Governance (ESG) risks such as human rights, air emission, biodiversity management, water, waste, local community, employment and labour relations.

### Potential impact

Our failure to meet the ESG goals may lead to fines and business disruptions when controversies get escalated, it can damage our brand reputation.

### Response

- We regularly conduct performance assessments and monitor progress towards our set targets, disclosing them on a periodic basis.
- We have developed new techniques for efficient utilisation of natural resources, striking a balance between our ESG commitments and business performance.

**Linkages to Strategic Objectives**

S01 S02 S07

**Linkages to capitals**

## OR2

## Greenhouse gas emissions and climate change

The cement industry is associated with high levels of $CO_2$ emissions, and companies operating in this sector must comply with numerous regulatory frameworks to reduce emissions. Failure to comply with these frameworks may negatively impact business operations and damage brand value.

**Linkages to Strategic Objectives**

S01 S02 S07

**Linkages to capitals**

### OR2-A: Physical risks

With the persisting climate change impacts, there are occurrences of many climatic events in near-term and long-term time horizons causing damage to assets and/or supply chain disruptions. The near-term risks are termed acute physical risks linked to the perennial climatic events viz. floods, cyclones, and droughts. The long-term risks are termed chronic physical risks viz. temperature variation, change in precipitation and water stress.

### Potential impact

Increasing climate change can adversely impact site operations and disrupt the supply chain – upstream in sourcing the raw materials and downstream in transporting the products. These risks can potentially lead to the downtime of plant facilities, directly impacting the business revenues. The continuing increase in temperature could likely impact the employees' health and efficiency.

### Response

We have strategised a robust emergency response plan for each site to alleviate and circumvent all these physical risks at near-term and long-term horizons. We have been practicing several operational preparedness, health and safety training, storage infrastructure, fiscal insurance plans, supply chain strengthening, efficient water management practice, and plantation exercises, among others.

### OR2-B: Transition risks

The transition towards a low-carbon scenario might involve extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. The low carbon transition process may pose varying financial and reputational impacts to the companies. The transition risks are broadly categorised into four types viz.

- **Policy and legal risks** – Continuous policy and legal regulations will be introduced nationally and internationally to curtail greenhouse gas emissions. These policy levers focus on shifting energy use towards lower emission sources, adopting energy-efficiency solutions, encouraging more significant water efficiency measures, and promoting more sustainable land-use practices
- **Technology risks** - Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system can significantly impact organisations by displacing the old systems and disrupting some parts of the existing economy.
- **Market risks** – Increasing climate change impacts might influence and disrupts the shifts in supply, demand and increased price for certain commodities, products, and services. Increasing awareness about climate change inclines the consumer to opt for more sustainable and eco-friendly products.
- **Reputation Risk** – The Company may face such risks from quality issues, environmental incidents, ethical conduct lapses, and supply chain concerns. These risks can undermine customer trust, attract public backlash, erode stakeholder confidence, and damage the company's overall reputation.

### Potential impact

These risks could impact the business revenues and reputation for our non-achievement of committed climate targets and sustainability agenda. Non-fulfilling climate targets under mandatory policy regulations/schemes may lead to financial implications

### Response

As part of our low-carbon transition journey, we are constantly implementing several energy efficiencies, renewable energy and increasing the green cement (blended cement) share to our total production. We committed to achieving 75% of green power and a 35% thermal substitution rate (TSR) to reduce our dependency on conventional fuels by 2030. We strategised to gradually decommission our fossil-based power generation to alleviate its associated greenhouse gases. The 25 MW capacity of a captive power plant at Muddapur is proposed to retire by 2025.

Nimbahera Plant

# RISK MANAGEMENT

## Operational Risks

### OR3

### Legal and compliance risks

Non-compliance of any legal obligation can lead to lawsuits, fines, investigations, and proceedings.

**Potential impact**

Regulatory violations can disrupt operations and impact overall reputation of the Company.

The Company may incur investigation costs, financial penalties, disqualification, bans and profit disgorgement.

**Response**

Our compliance programme is designed to guide and maintain regulatory adherence. It comprises five key elements, namely risk assessment, controls, communication and training, monitoring, and reporting.

**Linkages to Strategic Objectives**

S07

**Linkages to capitals**

### OR4

### Energy prices

Globally, the energy market is very volatile. As a manufacturing industry we incur high energy costs, and as the price of energy rises, our costs go up – which impacts our bottom line.

**Potential impact**

- Production cost shoots up when energy cost rises.
- It impacts our pricing and reserves/cash flow.

**Response**

We are trying to mitigate the impact by becoming more energy efficient, having the right fuel mix, and exploring more fuel options.

**Linkages to Strategic Objectives**

S01 S07

**Linkages to capitals**

### OR5

### Raw materials (including energy components and fuel)

When we are unable to avail raw materials at the right price, our production costs go up.

**Potential impact**

Shortage of raw materials and fuel, stricter regulations on fossil fuel consumption can disrupt our supply chain.

**Response**

- Expanding our blended cement portfolio.
- Focusing our R&D activities on alternate raw materials to preserve natural resources.
- Utilising low-quality fuels are also utilised as additives to high-quality fuels at our plants.
- Participate in auctions to secure high-quality fuels and import high grade fuels.
- Maintaining a steady supply of raw materials and increase the use of alternate fuels.
- Maintaining adequate reserves of limestones – acquiring limestone mines for the same.
- Diversifying our vendor base across geographies

**Linkages to Strategic Objectives**

S02 S07

**Linkages to capitals**

### OR6

### Health and Safety Risks

This includes risks related to health and safety of employees at the workplace. It also includes health and safety issues that may impact the local communities.

**Potential impact**

Any injuries or fatalities within the factory premises can disrupt operations and the business in general. Any incident outside the premises can also cause mayhem and disturb/suspend operations.

**Response**

- Following the zero-harm policy meticulously.
- Conducting health and sanitation awareness programmes on a regular basis.
- Conducting safety trainings for all employees, especially those working in factories.

**Linkages to Strategic Objectives**

S02 S04 S06 S07

**Linkages to capitals**

### OR7

### Information Technology and Cyber threat risks

This includes cyber-attacks, loss of data, network outages, computer malware and human error.

**Potential impact**

With remote working becoming a practice, the risk of IT related threats have gone up.

**Response**

- Implemented Vulnerability and Penetration Testing (VAPT) through an external agency.
- Conducted periodical audit of our IT security system through a third-party agency.
- Fine-tuned the organisation-wide ISMS architecture.
- Improved policies and procedures for managing digital and IT in the organisation.

**Linkages to Strategic Objectives**

S02 S07

**Linkages to capitals**

### OR8

### Talent Management

This comprises the risks which can arise due to the lack of an adequate talent pool.

**Potential impact**

Right talent for the right function is imperative for the organisation to succeed.

**Response**

- To foster a vibrant work culture, we follow a people-centric approach and incentivise star performers.
- Our talent management strategy includes various initiatives such as virtual learning sessions, employee assistance programmes, and feedback sessions to enhance the skills, engagement, and well-being of our workforce.
- We undertake skill development initiatives for local communities to fostering employment.
- Introduced variable pay for middle and- senior management.

**Linkages to Strategic Objectives**

S02 S07

**Linkages to capitals**

RISK MANAGEMENT

Gotan Plant

## Financial Risks

### FR1

### Risk involving credit ratings

Cement is a capital-intensive sector. We require financing both for short-term and long-term requirements. To receive financing, we need to keep our credit ratings high.

**Potential impact**

A higher credit rating enhances our ability to access funding sources, both short-term and long-term, at competitive interest rates, which in turn positively impacts our cash flows.

**Response**

Maintaining high credit ratings leads to consistent cash flow, a good debt to equity ratio, improvement in long- term ratings and access to cheaper funds.

**Linkages to Strategic Objectives**

S01 S03 S05 S07

**Linkages to capitals**

### FR2

### Liquidity risks

This refers to risks associated with the cash flow of the Company.

**Potential impact**

Lack of adequate liquidity can affect operations and the smooth running of the organisation.

**Response**

Planning cash flow well in advance to avert crisis and keeping adequate cash balance.

**Linkages to Strategic Objectives**

S06 S07

**Linkages to capitals**

### FR3

### Interest rate risks

This is the risk associated with volatility in the fiscal environment and their impact on cost of debt, in a rising interest rate environment.

**Potential impact**

Movement in interest rates can affect bottomline of the Company especially when credit costs are going up.

**Response**

- To manage the interest rate risk, we optimise our position in terms of interest income and interest expenses.
- The treasury department performs comprehensive corporate interest rate risk management by balancing the proportion of fixed-rate and floating-rate financial instruments in its portfolio.
- Maintain a good interest ratio coverage.

**Linkages to Strategic Objectives**

S01 S02

**Linkages to capitals**

### FR4

### Credit risks

This risk is associated with delayed payments by customers and dealers, either in large projects or at the dealer level.

**Potential impact**

Counterparts failing to comply with their commitments, and delaying payments adversely affects the Company's ability to maintain the required cash flow.

**Response**

- Assess the reliability of our customers prior to supplying our products on credit.
- Sales outstanding is regularly monitored and never allowed to go beyond safe levels.

**Linkages to Strategic Objectives**

S01 S02

**Linkages to capitals**

## STRATEGIC OBJECTIVES

# Shaping a sustainable future

At JK Cement, we are committed to delivering profitable growth while making our operations more sustainable. We have thus defined seven strategic objectives (SOs) by factoring in stakeholder expectations and material issues that have significant impact on our ability to create value. We continuously monitor and evaluate our progress against those objectives and evolving risks to stay on track to our long-term goals.

| Strategic objectives | Short term | Medium term | Progress (until FY 2022-23) | Risks mapped |
|---|---|---|---|---|
| S 01 Capacity expansion | Achieve 25 MnTPA of grey cement capacity by FY2024-25 | Achieve 30 MnTPA of grey cement capacity | Added 6 MnTPA capacity in FY 2022-23 also to reach 20.7 MnTPA<br>Another 3.5 MnTPA under installation, to come on stream in FY 2023-24; ahead of schedule to meet our near-term target<br>Roadmap for 30 MNTPA capacity in place, including adequate limestone reserves | FR1 OR1 OR2 |
| S 02 Operational efficiency | Increase the use of AFR and clean energy<br>Improve energy efficiency and decrease clinker factor | Be among the top sustainable low-cost producers of cement in India | TSR increased by 5% with reduced clinker factor | OR1 OR2 OR4 OR5 OR6 OR7 OR8 OR9 |
| S 03 Consolidate market position | Leadership in white cement by improving utilisation<br>Strengthen position in Uttar Pradesh and Madhya Pradesh markets for grey cement | Drive market share gains with increased capacity and be among the top-three in market share in each of our markets | Central India expansion achieved 60% capacity utilisation with positive EBITDA in first full quarter of operations | ER1 ER2 ER4 FR1 |
| S 04 Widen visibility | Expand and improve distribution network<br>Engage with key influencer and channel partners | Strengthen our brand equity. Equity and reinforce our position as a premium brand | Best-in-class customer Technical services and strong brand equity, leading to rising share in the trade segment | ER1 ER2 ER4 OR6 |

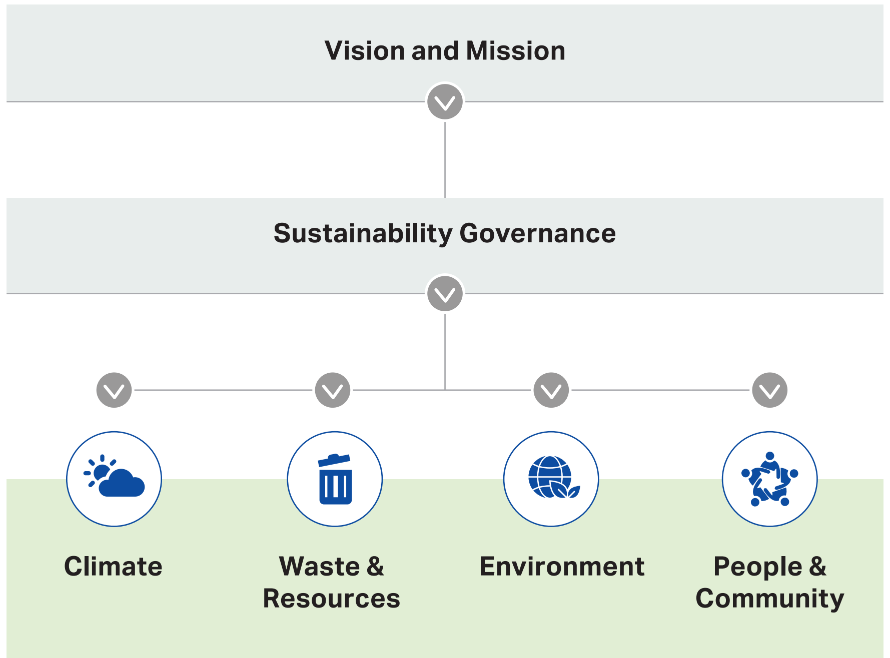
| Strategic objectives | Short term | Medium term | Progress (until FY 2022-23) | Risks mapped |
|---|---|---|---|---|
| S 05 Premium and value added product portfolio | Grow value-added products across existing and new markets<br>Increase the share of premium products in grey cement to 25% of our trade volume | Entering the paints business to leverage white cement network | Increased share of value-added products; premium products 10% of trade sales in FY 2022-23<br>Entered the paints business to leverage our white business network | ER1 ER2 ER3 ER4 FR1 |
| S 06 Customer centricity | Supply quality products at the right price<br>Strengthen technical services and engagement with different customer segments including IHB and contractors, among others<br>Leverage technology such as GPS-enabled trucks for faster delivery of products | Become the preferred supplier of our products | Meeting customers' rapidly changing expectations<br>Providing rich customer experience<br>Resolving customer grievances in a timely manner | OR6 FR2 |
| S 07 Sustainable operations | Consistently reduce emission; increase the use of clean and green power; improve thermal substitution rate and improve water positivity | Reduce specific net scope 1 emissions to 465 kg per tonne of cementitious material<br>Increase green power mix to 75%<br>Improve thermal substation rate to 35%<br>Become 5 times water positive | 16 MW of WHRS under installation at Muddapur; 22 MW at Panna, taking the total to 80 MW by FY 2023-24<br>Specific net scope 1 emission down 10% from 2020 base year<br>44% green power mix<br>13.95% thermal substitution rate<br>4.5 times water positive | OR1 OR2 OR3 OR4 OR5 OR6 OR7 OR9 FR1 FR2 |

## SUSTAINABILITY STRATEGY

# Making sustainablity our ethos

**Our approach to sustainability is comprehensive; encompassing our vision for the kind of business we aim to be. We have taken a consultative and collaborative approach while engaging all stakeholders and integrating innovative strategies to develop our sustainability charter.**

Our goal is to deliver sustainable economic benefits to all our stakeholders. We have designed our sustainability plan based on our vision and mission, leveraging extensive internal and external consultations, peer benchmarking, and alignment with national and international objectives. To ensure effective implementation, we have established a rigorous sustainability governance structure emphasising constant monitoring, accountability, and transparency.




### Strategic framework - Dynamic foresight to retain a competitive edge

Our sustainability framework rests on four pillars – climate, waste as a resource, environment, and people and communities. These pillars are mapped with our strategic interventions as well as the UN-SDGs.

### Our targets and performance

We have established specific targets pertaining to our prioritised material topics. To ensure that the Company endeavours to meet these targets, we have implemented a recognition mechanism and instituted awards for reaching milestones, allocated adequate capital expenditure to enhance capacity, and linked employee compensation to targets by setting key result areas (KRAs) that align with target milestones. Several KRAs aligned to our targets include:

- Targets applicable to AFR department on the thermal substitution rates of the plants to ensure we are able to reduce our $CO_2$ emissions.
- KRAs related to disclosure and ESG ratings made applicable for the corporate sustainability team.
- Safety incident related KRAs made applicable for line managers and plant heads.
- Plantation targets applicable to the environment team to ensure reforestation in quarries and in the vicinities of the plants.

The progress on these targets is mentioned in the natural capital and human capital sections of the integrated report.



## Sustainability governance structure

JKCL has established a robust governance framework to promote sustainable operations. The CSR and sustainability committee of the Board is responsible for overseeing the activities of the sustainability steering committee, which includes the managing director, C-suite members, and the head of environment and sustainability.


### CSR Committee

The primary objective of the committee is to support the Board in fulfilling its sustainability obligations by formulating and monitoring the implementation of company policies on sustainable operations. The committee is also responsible for promoting corporate governance practices at all levels and recommending appropriate corrective actions when necessary.

### Sustainability Steering Committee

This committee provides recommendations to the CSR and Sustainability Committee, which reports to the Board every quarter. The Board sets the overarching objectives and guides the management to accomplish sustainability targets within the established framework.

### Corporate Sustainability Council

The council comprises plant and functional heads and executes sustainability initiatives across JK Cement's operations. It has a significant role in raising sustainability awareness throughout the organisation and oversees communication, reporting, and alignment with globally best practices. The council facilitates sustainability audits, participates in environmental and social awards, and delivers relevant information and disclosures to stakeholders and sustainability rating agencies.

The sustainability champions at our plant locations collaborate with the council and provide inputs to the sustainability steering committee.

# An insight into our sustainability philosophy

We evaluate our performance across the six capitals of the IR (Integrated Reporting) framework. These are financial, manufactured, intellectual, natural, human, and social & relationship. These six capitals collectively form a robust foundation for growth and value creation for stakeholders.

They represent a blend of top-tier talent, state-of-the-art manufacturing capabilities, cutting-edge technologies, world-class R&D facilities, strong financials, robust governance practices, and utmost transparency, contributing to our success.

JKCL follows a meticulous planning and evaluation process to allocate resources, which includes a rigorous approach to achieving desired return on investments and ensuring optimal results.

In this section...

FINANCIAL CAPITAL

# Demonstrating prudence, driving growth

Mangrol Plant

## Performance highlights

**₹ 8,999** crores
Revenue from operations

**₹ 1,346** crores
EBITDA

### Material topic
Economic Performance

### Contribution to SDGs
8 DECENT WORK AND ECONOMIC GROWTH

### Impact on other capitals

**Human capital**
Improved capabilities for talent attraction and retention

**Manufactured capital**
Increased CAPEX for expansion

**Intellectual capital**
Increased Investment in new Product Development

**Social & Relationship capital**
Increased investment in CSR and supply chain initiatives

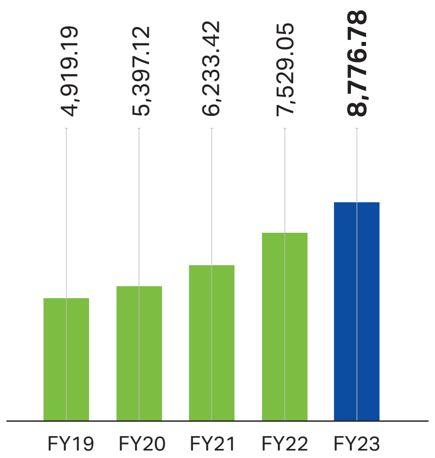
**Natural capital**
Greater capital towards emissions reduction and resource optimisation initiatives

# FINANCIAL CAPITAL

We invest in niche expansion programmes, ramp up capacities, optimise costs through extensive process reorientation, and leverage emerging opportunities to gain a competitive advantage. Our strong financial foundation provides resilience and supports the growth of other capitals.

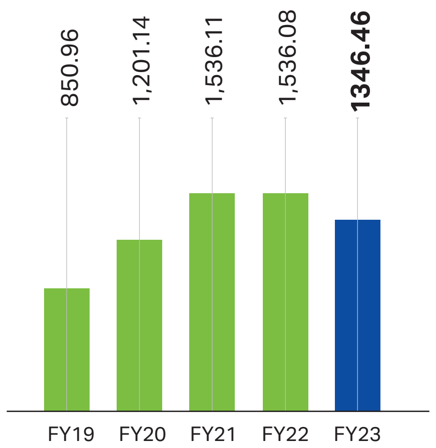
## Key performance indicators - Standalone

### Net sales
(₹ Crores)



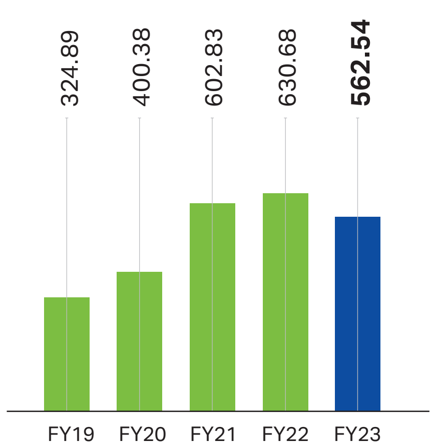

YOY 16.57% CAGR* 15.57%

### EBITDA
(₹ Crores)



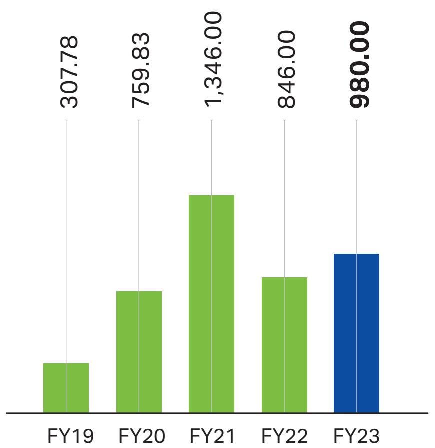

YOY 12.34% CAGR* 12.17%

### PAT
(₹ Crores)



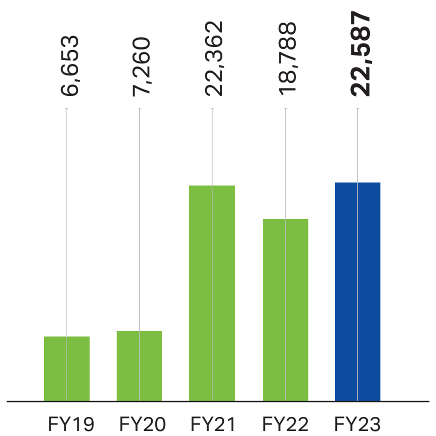

YOY 10.80% CAGR* 14.71%

### Free cash flow
(₹ Crores)



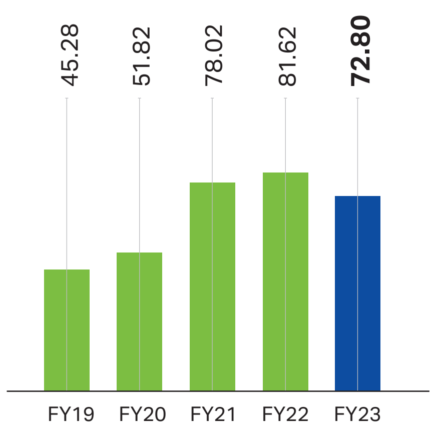

YOY 15.83% CAGR* 33.58%

### Market capitalisation
(₹ Crores)




YOY 20.22% CAGR* 35.74%

### Earnings per share
(₹)

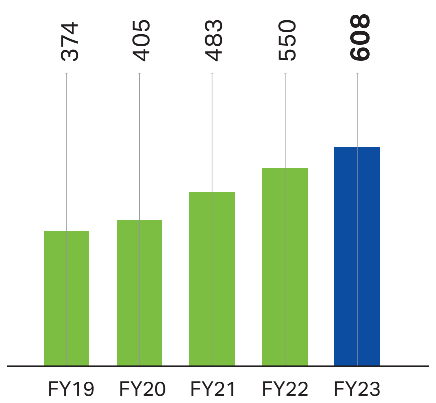



YOY 10.81% CAGR* 12.60%

* 4 year CAGR

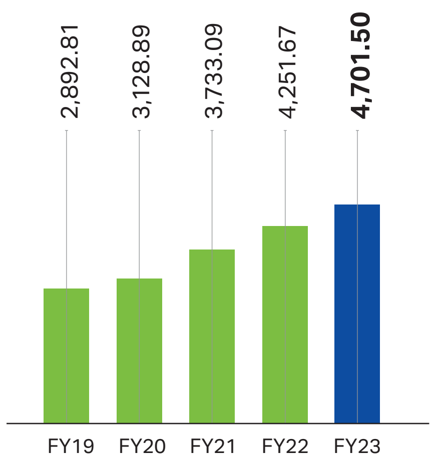


### Book value per share
(₹ Crores)




YOY 10.54% CAGR* 12.91%

### Net worth
(₹ Crores)




YOY 10.58% CAGR* 12.91%

* 4 year CAGR

## Capital allocation

### Ongoing projects

We have allocated ₹1,400 Crores for FY 2023-24 for the balance capex on our Central India expansion, greenfield split grinding units in Ujjain, MP and Prayagraj, UP and for the acquisition of Toshali Cement Private Ltd, Odisha. This also includes the installation of a 16 MW WHRS capacity at Muddapur, Karnataka, the upgradation of the acquired paint business and sustenance capex. Further, we have earmarked an additional ₹700 Crores for FY 2024-25 towards the ongoing expansion of Ujjain and Prayagraj capacities as well as sustenance capex. These expansions enable us to enter untapped markets, explore new growth avenues and drive incrementally value-accretive growth.

### Debt profile

Our consolidated gross debt stood at around ₹ 4534 crores as at March 31, 2023. This is stable despite the rapid ramp up in capacity. Although we have nearly ₹ 2,100 crores of capex outlay planned for the next two years, we do not foresee the debt levels going up. Along with this, as the new capacities come on stream and start contributing to EBITDA, our Debt to EBITDA ratios will significantly improve.


Aligarh Plant

### Key financial ratios

| | FY 2019-20 | FY 2020-21 | FY 2021-22 | **FY 2022-23** |
|---|---|---|---|---|
| Debt equity ratio | 0.84 | 0.80 | 0.76 | **0.68** |
| Interest coverage ratio | 5.06 | 7.36 | 6.60 | **5.61** |
| Current ratio | 1.31 | 1.94 | 1.64 | **1.54** |
| Fixed asset covering ratio | 1.70 | 1.58 | 1.67 | **1.97** |

# Ramp-up of Panna operations

**Despite a volatile external environment and significant inflationary pressures, we have successfully commissioned the greenfield project of 4 MnTPA at Panna in Madhya Pradesh, along with a split grinding unit at Hamirpur in Uttar Pradesh, as per schedule.**

## Highlights

**4 MnTPA**
Central India Grey Cement Capacity

**75%**
Capacity utilisation achieved

**This 4 MnTPA installed capacity in central India recorded 75% capacity utilisation within few months of commissioning.**

Given the plant's strategic location and huge limestone reserves , we see immense potential to grow and establish our leadership in the central India by catering to the markets of entire UP and MP.

With the commissioning of grinding units in Ujjain and Prayagraj, installed capacity in Central India will increase to 7.5 MnTPA and our market share in all the major districts of Central India will be in the range of 8-12% with the ramp up of these units.

MANUFACTURED CAPITAL

# Augmenting capacity, improving efficiency

Nimbahera Plant

## Performance highlights

**14.77** MTPA
Total Grey & White Business production volume

**87%**
Capacity utilisation

### Material topics

- Innovation
- Circular Economy

### Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

### Impact on other capitals

**Human capital**
Adequate and competent manpower in safe working conditions

**Financial capital**
Increased revenue generation

**Intellectual capital**
Innovation to enhance productivity

**Social & Relationship capital**
Local suppliers supported and promoted

**Natural capital**
Consumption of natural resources

# MANUFACTURED CAPITAL

Our future strategies are closely aligned with the manufacturing capabilities that we are currently developing. While we already have a strong presence in North, West, and South India, our focus is now on expanding to other regions in Central and Northern India.

Our plants are strategically situated and boost excellent connectivity to crucial markets via road and rail networks, enabling us to manage the demand-supply dynamics efficiently. We incorporate the most advanced technologies to enhance our efficiency, optimise natural resource consumption, minimise waste generation and reduce our carbon footprint.

## Augmenting capacity

We have successfully commissioned the greenfield projects of 2 MnTPA at Panna in Madhya Pradesh, along with a 2 MnTPA grinding unit at Hamirpur in Uttar Pradesh. In addition, various debottlenecking initiatives across plants saw our capacity cross 20 MnTPA in 2022-23, a nearly 40% increase. However, we have lined up an additional ₹ 2,100 crores of capex (₹ 1,400 cr in FY 2023-24 and the balance in the subsequent year) towards various initiatives.

These include the addition of 1.5 MnTPA cement grinding capacity at Ujjain, Madhya Pradesh and 2 MnTPA at Prayagraj, Uttar Pradesh. We will also enhance the clinker production capacity at Panna and install an additional 38-MW waste heat recovery plant at Panna & Muddapur to increase use of renewable energy. We will also be investing in sustenance capex, and upgradation of our acquired paints facility. These investments will see us enter newer markets and create greater value along with a higher brand equity.

### Target

Increase production capacity to ~25 MnTPA in the next two years, by expanding our footprints in Central and Northern India.

### Progress

Work is in full swing for new capacity addition in Central India and increasing capacities at the existing facilities.

Ujjain Plant

Nimbahera Plant


**20.67** MnTPA
Grey Cement

1. **4.25** MnTPA Nimbahera (Rajasthan)
2. **3.75** MnTPA Mangrol (Rajasthan)
3. **3.50** MnTPA Muddapur (Karnataka)
4. **0.47** MnTPA Gotan (Rajasthan)
5. **2.00** MnTPA Panna (Madhya Pradesh)
6. **2.00** MnTPA Jharli (Haryana)
7. **2.00** MnTPA Aligarh (Uttar Pradesh)
8. **0.70** MnTPA Balasinor (Gujarat)
9. **2.00** MnTPA Hamirpur (Uttar Pradesh)

**3.50** MnTPA
Under Implementation

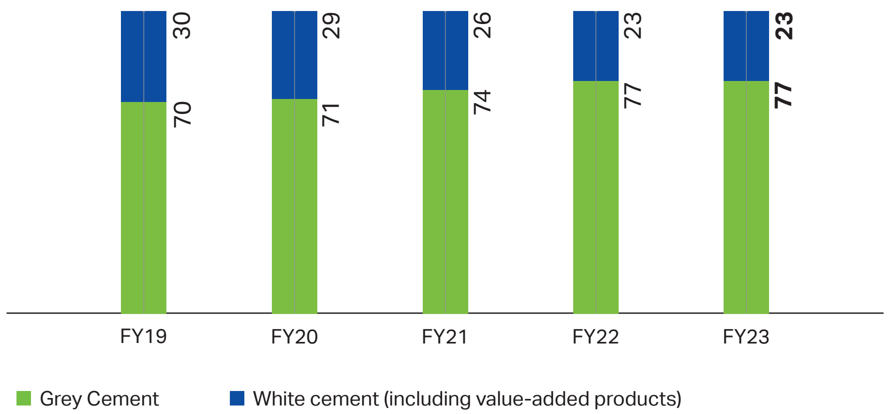
1. **1.50** MnTPA Ujjain (Madhya Pradesh)
2. **2.00** MnTPA Prayagraj (Uttar Pradesh)

**2.81** MnTPA
White Cement & Wall Putty

1. **1.51** MnTPA Gotan (Rajasthan)
2. **0.70** MnTPA Katni (Madhya Pradesh)
3. **0.60** MnTPA Fujairah (UAE)

# MANUFACTURED CAPITAL

## Revenue mix (%)





Solar Plant at Mangrol

## Our Renewable Power

Our energy efficient plants form the foundation of our expansion plans. Waste Heat Recovery System (WHRS) are installed at Nimbahera and Mangrol. In addition, we are expanding our renewable energy profile and setting up captive solar/wind power plants at Aligarh, Muddapur, Jharli & Hamirpur and installing the WHRS power generation capacity at Muddapur and Panna.

## Renewable energy capacity (existing)

| Site | WHRS (MW) | Solar/Wind Power (MW) |
|---|---|---|
| Nimbahera | 13.20 | 7.02 |
| Mangrol | 29.10 | 6.93 |
| Gotan | - | 0.30 |
| Muddapur | | 25.00 |
| Jharli | - | 0.30 |
| Aligarh | - | 4.50 |
| Balasinor | - | 1.80 |
| Katni | - | 1.00 |
| **Total (MW)** | **42.30** | **46.85** |

## Proposed power capacity

| Site | WHRS (MW) | Solar/Wind Power (MW) |
|---|---|---|
| Muddapur | 16.00 | 13.98 |
| Aligarh | - | 10.00 |
| Panna | 22.00 | - |
| Jharli | - | 2.51 |
| Hamirpur | | 20.30 |
| **Total (MW)** | **38.00** | **46.79** |

INTELLECTUAL CAPITAL

# Enhancing our competitive edge

## Performance highlights

**₹ 1.6 crores**
Invested in R&D activities

**SAP S4 HANA**
Being implemented

### Material topic

Cybersecurity

### Contribution to SDGs


### Impact on other capitals

**Human capital**
Human productivity enhanced by digital usage

**Financial capital**
R&D investment towards innovative products and process/ cost optimisation

**Manufactured capital**
Driving innovation and efficient processes

**Social & Relationship capital**
Improved supply chain management and enhanced customer satisfaction

**Natural capital**
Minimised environmental footprint due to technological improvements

# INTELLECTUAL CAPITAL

Our R&D endeavours lend us a competitive edge and the acquisition of new competencies. In FY 2022-23, we invested ₹1.6 crores in R&D activities for sustainable cementitious product development.

At JKCL, exceptional R&D capabilities have contributed to our resilience. Our pipeline of new and innovative products leads our growth.

Our use of R&D as a tool for continuous improvement reflects the value that JKCL places on it.

At our Nimbahera, Mangrol, and Gotan facilities, state-of-the-art labs support ongoing improvements to process control instruments and quality control systems. The newly launched Concrete Lab at the Muddapur factory will propel this process.

We have set up a robo lab and an automatic Blaine analyser in our Muddapur factory, which use the most advanced technology to enhance process and quality control.

## Management strategy for utilising R&D for responsible business practises

**Some of the key areas our R&D activities are focused on are:**

R&D to boost the production of blended cement by better utilising additives like fly ash and slag.

**Reduce dependence on natural resources**

**All units are certified with ISO 9001:2015, OHSAS 18001:2007, ISO 50001:2017, ISO 14001:2015**

**Improving processes to make them more cost-effective**

R&D Lab Mangrol

Research and Development is an important function at JKCL and we leverage our innovation to continuously improve our product portfolio.

## Product development

With our focus on becoming a complete home solutions Company, we try to develop and launch new products. We try to increase our bouquet of product offering by leveraging our innovative capabilities.

## Digitalisation

We inhabit a digitally driven world and as a result, it is necessary to upgrade our technology constantly to conduct business smoothly and provide excellent services to our stakeholders. We have added several digital platforms for process enhancement and real time data availability.

## Adopting SYSTEME IO's OutSystems

At JKCL, we want to be agile and at par with the best in the industry with our digital process. Our aim is to digitally transform the way applications are developed and managed across the organisation. We have adopted SYSTEME IO's OutSystems high-performance, low-code technology as part of our strategy to transform sales management, land assets management and loyalty management processes. We also hope to redefine the experience of our customers, employees, and partners by building unique experiences on the OutSystems platform. employees, and partners by building unique experiences on the OutSystems platform.

## Value creation through digitalisation

- Investment to digitalise the value chain
- Introducing the Central Control System to manage fuzzy operations
- Implementing automation and opting for paperless operations
- Connecting all stakeholders digitally

# INTELLECTUAL CAPITAL

## Journey towards digitalisation

### Phase 1

**Building our core**
**Introducing automation for better performance and opting for paperless operations.**

### Phase 2

**Integrating our operations**
Using automation to improve performance and choosing paperless business practises.

### Phase 3

**Connecting with our stakeholders**
Introducing app-based services for all stakeholders to ensure that they stay connected and can access all necessary data.

## Digitalisation for stakeholders:

**Laboratory Information Management System (eLIMS)**

This is a central repository for quality data and a way to track samples, test and record results, providing an interface for automated lab testing machinery to automatically build sample records.

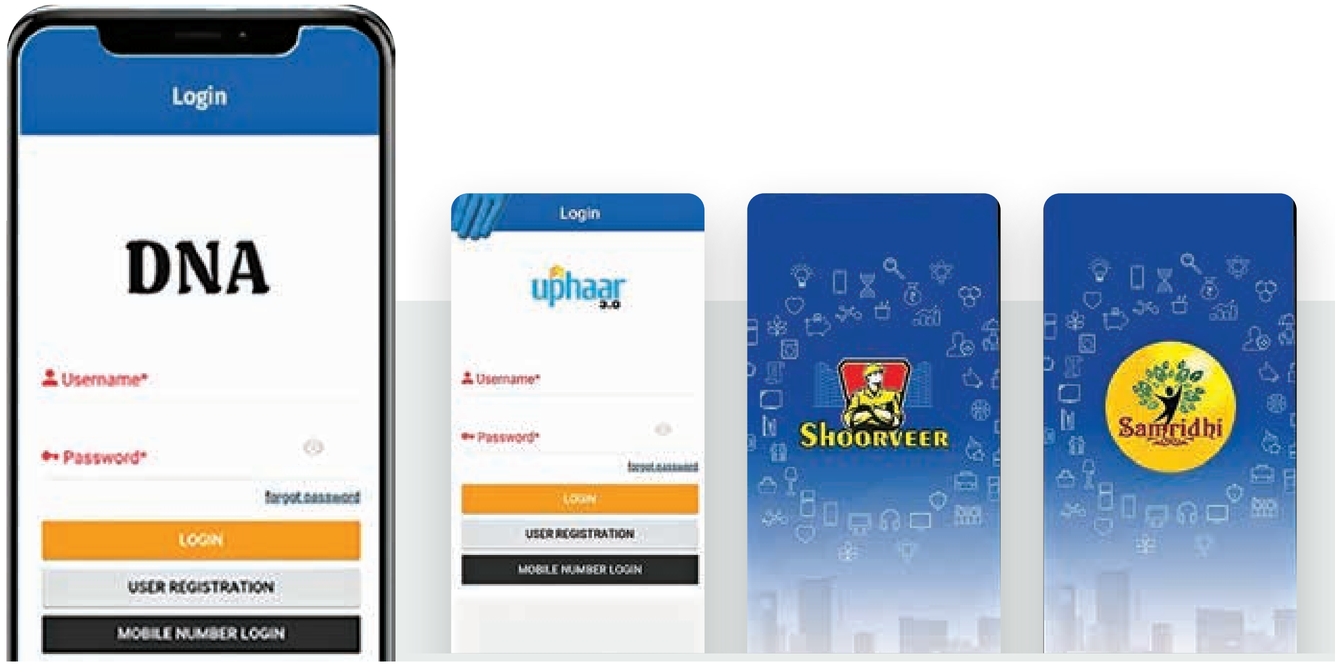
**Launched application-based services for stakeholders**

The business has released apps to identify and promote best practices, knowledge, and quick access for distribution channel stakeholders. These are linked to product categories and brands, and serve as middlemen or brand influencers.

R&D Lab, Mangrol



## Apps for stakeholder engagement



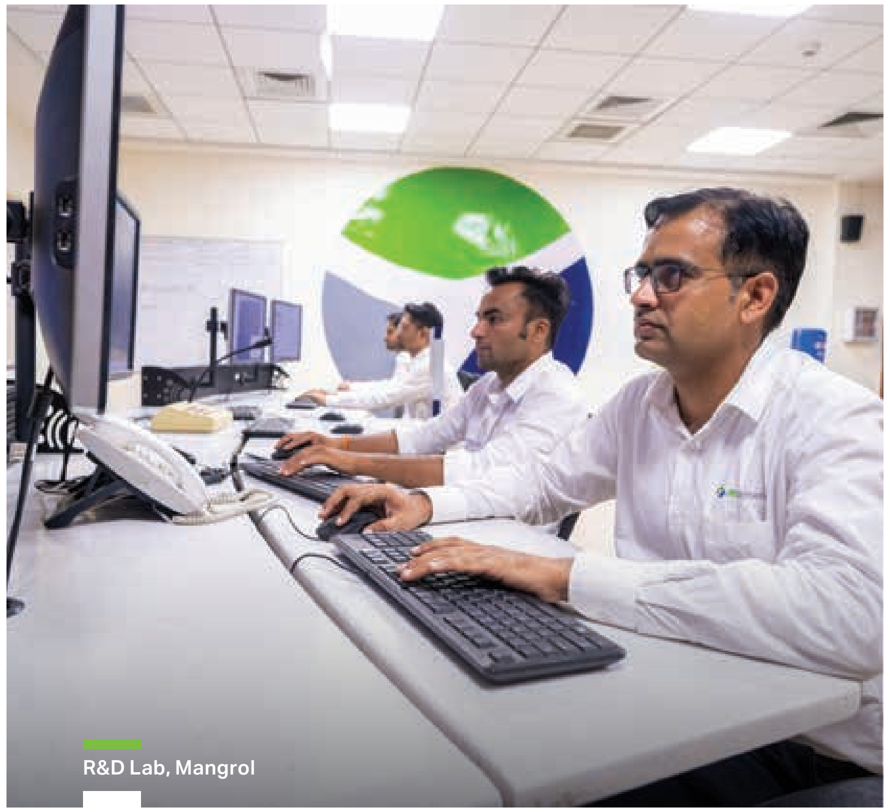

**Dealer network app - real-time distribution** | **Painter loyalty programme app** | **Contractor loyalty programme app** | **Dealer loyalty programme app**

## Acknowledging cyber security and future risks

The chances of cyber-attacks are higher now with the deployment of digital technologies. This can potentially endanger operating procedures, damage businesses, and result in the loss of vital data.

**The Company has taken several measures to eliminate or avoid those risks:**

- Hired a third-party organisation to conduct a recurring audit of our IT security systems.
- Implementation of VAPT (Vulnerability and Penetration Testing) for deployment at their technical resource centre through a third-party.
- Organisation-wide ISMS architecture modification.
- JKCL has adopted many policies and guidelines for the seamless provision, administration, and governance of digital and IT resources.



R&D Lab, Mangrol

# Contributing to a circular economy

**At JK Cement, we believe the future is not just green, but it is also circular. Cement is an energy and resource-intensive industry. By adopting the 'circular economy' principle, we target to produce 80% green (blended) cement by FY 2029-30 while reducing the consumption of natural resources and increasing the use of waste and by-products.**

Further, we are continuously lowering our dependence on conventional resources by adopting alternative raw materials (ARM), such as fly ash and slag sourced from other industries and using alternative fuel resources (AFR) in our kilns to substitute fossil fuel. The use of AFR enables us to embed circularity in our operations.

In addition, we have focused on responsible water use and have undertaken several initiatives to reduce consumption and increase recycling and reuse. All our manufacturing facilities are zero-water discharge plants that treat and reuse all domestic and industrial wastewater generated on-site. Rainwater harvesting, integrated air-cooled condensers (ACC) with captive power plants (CPP), installed mine water treatment plant add to our collective efforts to reduce water consumption across our operations.

Further, we generate power from waste flue gases, which also enables us to reduce the use of fossil fuel-based energy in cement production. We aim to have a captive WHRS capacity of 80.3 MW by FY 2023-24. In addition, we have instituted a circular economy recognition award, which rewards any suggestions/ improvements in TSR, waste utilisation, waste management, and low-grade limestone utilisation, among others.

NATURAL CAPITAL

# Nurturing nature's wealth

## Performance highlights

**2.8** million tonnes
Fly ash and slag consumed

**13.9%**
TSR rate

**3.1x**
Plastic negative

## Material topics

- Biodiversity management
- Energy management
- Emissions management
- Water management
- Waste management
- Circular economy
- Availability of raw material
- Product life cycle management

## Contribution to SDGs

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

## Impact on other capitals

### Human capital
Improved eco-consciousness among workforce

### Financial capital
Increase investment forward reducing negative environmental impact

### Manufactured capital
Installation of pollution control equipment and responsible use of resources

### Social & Relationship capital
Improve health and well being, water security

### Intellectual capital
Innovation to minimise environmental footprint

# NATURAL CAPITAL

At JKCL, we recognise sustainability as an ongoing process, not a destination. We strive to enhance our operations by implementing responsible practices, adopting advanced technology, optimising processes, and prioritising eco-friendly methods. As a testimony to the success of our efforts, we incurred no fines and penalties for environmental non-compliances during the reporting period.

Our Company has implemented an environment management system (EMS) and established an environment protection cell. The EMS is a comprehensive framework that JKCL uses to identify, assess, and manage environmental risks and impacts across its operations. The EMS enables the Company to identify opportunities for improvement of its environmental performance continuously. The EMS framework covers various ecological aspects, including air emissions, water use, waste management, and biodiversity conservation. Our environmental management system has been certified ISO: 14001:2018 by LRQA. We conducted surveillance audits at an interval of 18 months and two internal audits to ensure the effectiveness of EMS.

We are developing a biodiversity park spanning ~50 hectares and a Miyawaki plantation to create natural habitat comprising local plants to improve the organisation's ecological footprint. The Company will complete these projects in three phases by FY 2024-25.

Jhajjar Plant

## Energy and Climate change

JKCL aims to reduce its carbon footprint and has taken several initiatives. We are also striving to improve our energy efficiency.

### Incentives for climate change risk management

To effectively address climate change risks, we motivate our employees to align with the Company' climate change goals. We provide incentives to our employees who support the climate change ambitions of the Company. Climate targets are a significant key performance indicator (KPI) that influences employee appraisals. Furthermore, we have implemented KAIZEN to mitigate climate risks.

### Water reduction projects

JKCL offers monetary rewards for any innovative projects that reduce water consumption.

### Energy Efficiency

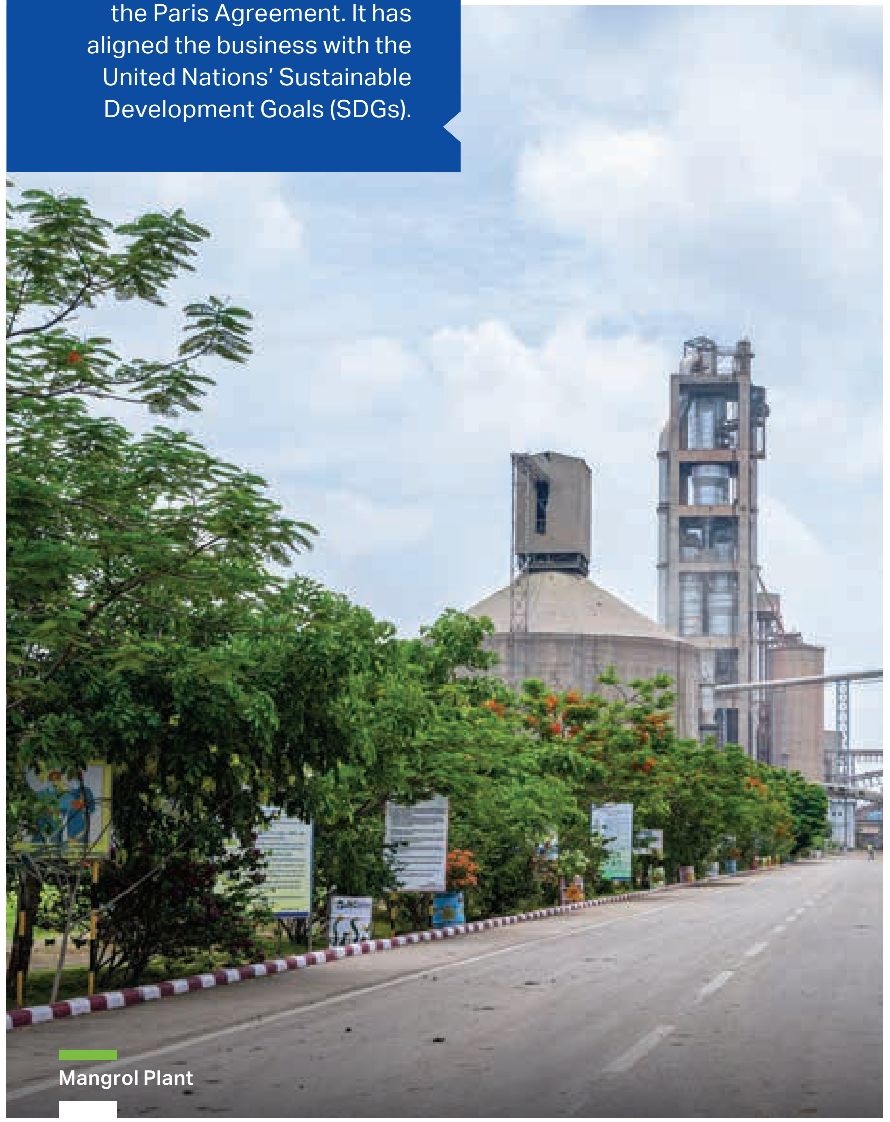
This award is given for improvements and innovations related to energy reduction and efficient production, among others.

### Circular Economy Recognition award

We recognise and reward any suggestion/improvement in TSR percentage, waste utilisation, waste management, and low-grade limestone utilisation, among others, through our circular economy recognition award.

By implementing various decarbonisation measures, we plan to cut GHG emissions (Scope 1 + Scope 2) by 21.7% between FY 2019-20 to FY 2029-30. Our action plan focuses on increasing the share of green power mix (RE+WHRS) to 75%, decreasing the clinker factor to 65% by replacing clinker content in cement with alternative binding materials and increasing the TSR to 35% by partially replacing kiln fossil fuel with biomass and AFR and energy efficiency. JKCL has undertaken numerous initiatives from a clean and green technology perspective.

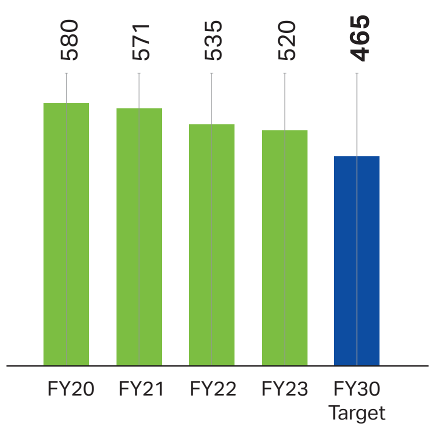
JKCL is committed to the Science-Based Targets initiative (SBTi) in line with a well below 2-degree scenario to meet the Paris Agreement. It has aligned the business with the United Nations' Sustainable Development Goals (SDGs).



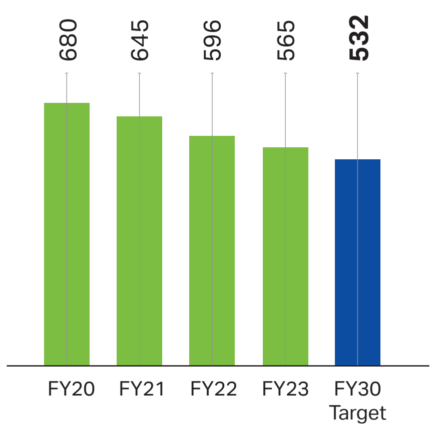
Mangrol Plant

## NATURAL CAPITAL

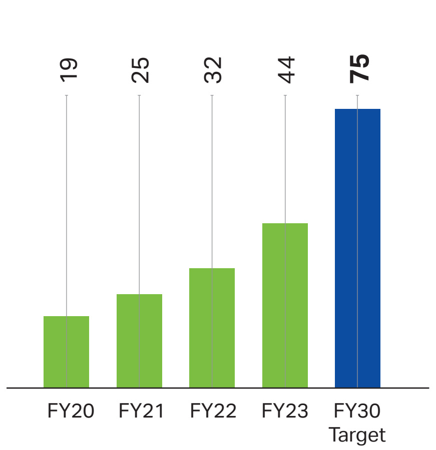
### GHG Intensity
**Specific Direct Net $CO_2$ Emission (Net)**
(kg per tonne)



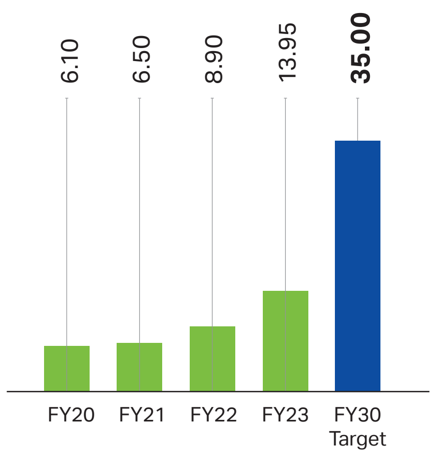

### GHG Intensity
**Scope 1 & 2 (Gross)**
(kg per tonne)




### Share of green power out of total power consumed
(%)




### Thermal substitution rate
(%)




Today, JK Cement is fast moving towards creating alternate sources of power which are greener in nature, such as waste heat and solar. We have substantially reduced the use of coal based power plants, and converted them into a standby source of power. We are aspiring to ensure that more than three-fourths of our energy requirements come from these sources, and are committed to not adding any further capacities in coal-based power plants or setting up new ones. From our 100+ MW, we have already put nearly 45 MW under accelerated depreciation, in order to phase it out.

## Energy efficiency

### Energy conservation

During FY 2022-23, we undertook various efforts to reduce the consumption of electrical & thermal energy to produce cement at our different manufacturing units. These energy conservation measures during 2022-23 have reduced power consumption by 330 Lakhs kWh, equivalent to 3,148 Mtoe.

**Energy-saving initiatives:**

- Process optimisation with zero investment
- Installation of energy-efficient equipment
- Implementing in-house kaizen methods and modifications
- Downsizing of existing equipment
- Improving thermal efficiency
- Improving production and operational efficiency
- R&D activities and adopting new technology
- VFD installation in fans

### Process optimisation

We achieved substantial savings by optimising various process parameters, interlockings, and logic. Monitoring the production process and data analysis is vital for energy conservation. By various process optimisations, savings worth ₹ 1068.82 Lakhs were recorded by the Company along with a reduction of 185.70 Lakhs kWh of electricity, equivalent to 1600 Mtoe at an expenditure of ₹ 109.918 Lakhs.


Balasinor Plant

We executed most of the optimisations with minimal investment.

### Installation of energy-efficient equipment

The Company's decision to replace low-efficiency motors with high-efficiency motors, substitute high-power consumption lamps with energy-saving LED lamps and install other energy-efficient equipment equipped with the latest technology to improve the system's electrical efficiency saved 59.38 Lakhs kWh equivalent to 672 Mtoe and ₹ 271.40 Lakhs at an expenditure of ₹ 143.96 Lakhs. The benefits are comparatively less due to the completion of some significant projects in the last quarter of FY 2022-23.

### Implementing in-house kaizen methods and modifications

We adopted small energy-saving steps like kaizen-based methods in various sections of production and process as practical energy conservation tools. Such minor modifications resulted in savings of 18.42 Lakhs kWh, equivalent to 158 Mtoe and ₹ 120.82 Lakhs of electricity with ₹ 12.30 Lakhs investment only.

### Downsizing existing equipment

Utilisation of optimum loading on motors with respect to existing lower loading and rated KW, various motors were replaced by lower KW ratings resulting in improvement in loading factor and efficiency. Such steps in total resulted in savings of ₹ 3.32 Lakhs by reducing 0.5 Lakhs kWh of electricity with an investment of ₹ 2.96 Lakhs.

### Improvement in production and operational efficiency

Improvement in the production rate index of kilns with optimisation of process and operational parameters in which savings in terms of rupees as well as efficiency of the system are achieved. Through improvement in output and operational efficiency, the Company saved ₹ 463.50 Lakhs by reducing 58.26 Lakhs kWh of electricity equivalent to 646 Mtoe with a total investment of ₹ 13.84 Lakhs.

### VFD installation in fans

Replacement of existing drive system by VFD installation in fans resulted in savings worth 7.73 Lakhs kWh and ₹ 50.27 Lakhs of electricity with expenditure of ₹ 16.8 Lakhs only.

# NATURAL CAPITAL

## Details of energy saved in FY 2022-23:

| Energy-saving initiatives: | Investment (₹) | Savings, KWh | Savings (TOE) | Savings (₹) |
|---|---|---|---|---|
| Downsizing Existing Equipment | 2,96,305 | 50,074 | 4 | 3,31,741 |
| Improving Production and Operational Efficiency | 13,84,000 | 58,26,142 | 646 | 4,63,50,448 |
| In-House Small Modifications | 12,29,250 | 18,42,449 | 158 | 1,20,81,572 |
| Installation of Energy Efficiency Equipment | 1,43,96,204 | 59,38,204 | 672 | 2,71,39,804 |
| Process Optimisation | 1,09,91,800 | 1,85,70,724 | 1,600 | 10,68,82,380 |
| VFD Installation | 16,80,000 | 7,73,337 | 66 | 50,26,689 |
| **Total** | **2,99,77,559** | **3,30,00,930** | **3,148** | **19,78,12,634** |

## Technology absorption and R&D activities

Technology upgradation and R&D activities are done in the areas of process improvement, and clean energy management at JKCL. For FY 2022-2023, by R&D activities and energy-saving initiatives, expenditure of ₹ 1022.8 Lakhs is done to save ₹ 1,019 Lakhs at the Mangrol and Gotan white cement units. The details of the same are mentioned below:

- CM-3 classifier upgradation and separate silo feeding arrangement to increase production with less energy consumption achieving saving of 21.15 Lakhs kWh equivalent to 678.5 Mtoe and ₹ 148.05 Lakhs with the expenditure of ₹ 1022.8 Lakhs at the Gotan White unit.
- At the Magrol unit, WHR generation increased by 130.87 Lakhs kWh equivalent to 1,125.02 Mtoe (generation in 2021-22 was 18,20,85,010 kWh and in 2022-23 it was 19,51,71,490 kWh), resulted in the saving of ₹ 871 Lakhs. The plant commissioning was completed in October 2020.

## Internal carbon pricing

JKCL has estimated an Internal Carbon Price (ICP) of USD 19/ $tCO_2e$ (tonnes of carbon dioxide equivalent) for all its businesses to better manoeuvre in the dynamic regulatory environments. Putting a price on carbon emissions is a testament to our commitment to fostering a low-carbon economy and shows our sincerity towards reducing GHG emissions.

Integrating internal carbon prices in our business planning process helps our company to assess climate-related risks and opportunities, prepare for future climate regulations, steer investments towards low carbon technologies and assess the resilience of investments to such regulations. Setting a price on carbon enables our company to evaluate the attractiveness of projects in different scenarios and helps make better decisions to future-proof the business. This approach can also stimulate innovative ideas on allocating capital to deliver higher returns in a low-carbon economy.



## Task Force on Climate-related Financial Disclosures (TCFDs)

The Company monitors the changing business landscape and markets to identify feasible new prospects for a low-carbon economy transition. Climate change poses physical and transitional risks while giving an opportunity for businesses to grow. To improve transparency for organisations climate-related risks and opportunities, we have deployed a Task Force on Climate-related Financial Disclosures and will be sharing our progress periodically. In line with the TCFD recommendations, JKCL has carried out a comprehensive risk assessment review to identify climate-related physical and transition risks across different time horizons.

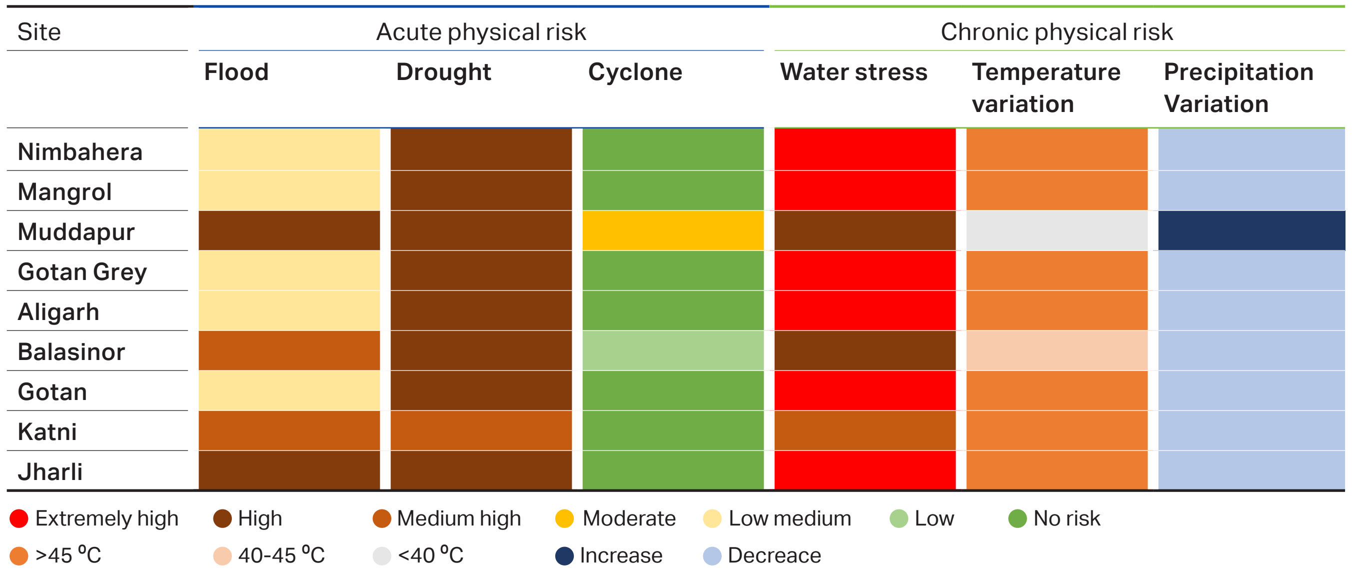
## Scenario analysis

Climate-related scenarios allow JK Cement Limited build up understanding of how climate-related physical and transition risks might plausibly impact the businesses over the time. Scenario analysis, therefore, evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints.

For physical (chronic) risks, we have considered the latest set of scenarios released mentioned in IPCC AR6 ($6^{th}$ Assessment report) released in 2021. These are known as Shared Socioeconomic Pathways (SSPs). SSPs are scenarios which are extension of RCPs (Representative Concentration Pathways) and have projected socioeconomic global changes up to 2100.

They are used to derive greenhouse gas emissions scenarios with different climate policies. We have assessed SSP 1.9, SSP 2.6, SSP 4.5, SSP 7.0, SSP 8.5 over different timeframes to assess the impact of chronic risks.

'For transitional risks, a scenario analysis was undertaken in accordance with Well-Below 2-degree Celsius (WB2C) scenario for JK Cement Limited. The possible impact of evolving climate policies has been considered to assess the Company's resilience as well as prospective decarbonisation paths in order to comply with policy mechanisms in near future.



# NATURAL CAPITAL

## Opportunities

### Resource efficiency

**Optimisation of Natural Resources**

JKCL commits to reduce consumption of natural resources and increase use of waste and by-products. We plan to increase tonne of cement produced per tonne of clinker. This gives us an opportunity to reduce natural resource usage such as limestone as well as GHG emissions.

**Water conservation and replenishment:**

The Company has focused on responsible water use and climate change has provided us with a potential opportunity to reduce consumption and increase recycling and reuse. All our manufacturing facilities are zero-water discharge plants that treat and reuse all domestic and industrial wastewater generated on-site. Rainwater harvesting, integrated air-cooled condensers (ACC) with captive power plants (CPP), installed mine water treatment plant add to our collective efforts to reduce water consumption across our operations. Our initiatives have resulted in significant water-use efficiency improvements, creating social equity and reduced water availability risks.

**Use of Alternative Fuel & Raw Materials (AFR):**

Use of AFR gives us an opportunity to reduce GHG emissions as well utilise waste from other industries, thereby embedding circular economy within our operations. JKCL's AFR use is expected to grow four times from base year FY 2019-20. We have achieved a Thermal Substitution Rate (TSR) of 13.95% in FY 2021-22 and target to reach by 35% by FY 2029-30.

**Increases use of Waste Heat Recovery (WHR)**

JKCL generates power from waste flue gases, thereby giving us an opportunity to reduce our fossil fuel-based power usage. We have set a target of achieving 80.3 MW installed capacity of WHRS by FY 2023-24.

### Energy sources

**Use of lower-emission sources of energy**

Climate-related transition provides opportunity for JK Cement Ltd. To transition to low-carbon energy sources. The Company is committed to the UN Energy Compact, targeting a green power share of 75% in the total power mix by 2030.

### Products and services

**Use of lower-emission sources of energy**

JKCL is focussing on producing green (blended) cements. By FY 2029-30, we aim to make 80% blended cement and make all our products green.

### Markets

**Access to new markets**

JKCL is making efforts towards carbon neutrality which are ambitious as compared to the global cement sector. Carbon markets and emission trading schemes are expected to be introduced in the Indian market. Achievement of targets will lead to generation of energy certificates, which is expected to provide additional revenues.

### Resilience

**Development of climate adaptation and resilience**

Moving towards a low-carbon economy helps build resilience towards future risks. JKCL has adopted near-term SBTi targets. These initiatives which also includes adoption of renewable energy are based on the prospect that it will help us build resilience in a future resource-constrained world, where costs and carbon markets may pose a risk to the organisation's operations. Our diverse operations in terms of geography as well as energy mix, gives us an edge and resilience to climate change.




### Air emissions

Our operations can adversely affect air quality, so we take rigorous steps to limit air emissions. These measures involve reducing the emissions of SO2, NOx, and dust. We have implemented electrostatic precipitators (ESPs) and baghouse filters to manage the quality of air emissions.

Additionally, our Continuous Emissions Monitoring Systems (CEMS) keep track of and assist us in regulating air emissions that arise from our combustion and kiln processes. We diligently comply with local regulations of the areas we operate in. We also monitored our plants' ambient air quality and confirmed that the emission levels in FY 2022-23 were below permissible limits.

**2.8** million tonnes
Fly ash and slag consumed

### Circular economy

**Alternative fuels and raw materials**

Our plan to decrease the consumption of natural resources is evident in the calculated actions we have taken. We are reducing our dependence on conventional resources by employing alternative raw materials (ARM), such as fly ash and slag sourced from other industries. Moreover, we have used alternative fuel resources (AFR) in our kilns, including agro-waste, plastic waste, liquid mixed waste, RDF/ municipal waste, solid mixed waste, among others to substitute fossil fuel partially.

**EPR compliance and plastic positivity**

We acknowledge the adverse effects of microplastics in our environment and strive to contribute towards reducing plastic waste in landfills. Our proactive approach involves collecting plastic waste, including damaged cement bags, and utilising them for co-processing in our AFR to generate energy. This not only helps in reducing our waste footprint but also increases our TSR percentage. In the fiscal year 2022-23, we co-processed 3.09x the amount of plastic waste introduced into the environment by us through plastic packaging bags of our cement.

We have co-processed 18,383 MT plastic waste against our EPR obligation of 12,883 MT during FY 22-23 which is 141% of target. In addition, we have also co-processed additional plastic waste in our cement kilns to replace the fossil fuel as part of our endeavour to reduce carbon footprints of our product and get rid of dependency on fossil fuel.

JKCL has entered into agreements with various municipal corporations to collect, segregate, and pre-process refuse-derived fuel (RDF) and municipal solid waste (MSW) for co-processing in our cement kilns located in Nimbahera and Mangrol in Rajasthan and Muddapur in Karnataka. Our objective is to support the Swachh Bharat Mission and to co-process the plastic waste generated from the sale of our products, as per our extended producer responsibility (EPR) obligations under the Plastic Waste Management Rules.

**3.09X**
Plastic-negative

**19.37** kilotonnes
Pre-consumer and post-consumer plastic introduced into the environment

**60.57** kilotonnes
Plastic waste received for use as AFR

**59.88** kilotonnes
Plastic waste co-processed as AFR

# NATURAL CAPITAL

## Waste management

We aim to actively monitor, minimise, reuse, and recycle the waste generated from our operations. We adhere to local laws and regulations when disposing of both hazardous and non-hazardous waste originating from our manufacturing sites. Moreover, we use alternative raw materials and implement co-processing at our facilities, diverting non-recyclable waste streams towards waste heat recovery processes.

A significant portion of our used oil is co-processed within the plant. We ensure proper biomedical waste disposal through authorised agencies, adhering to regulatory norms. Additionally, we dispose of the e-waste and batteries through authorised recyclers.

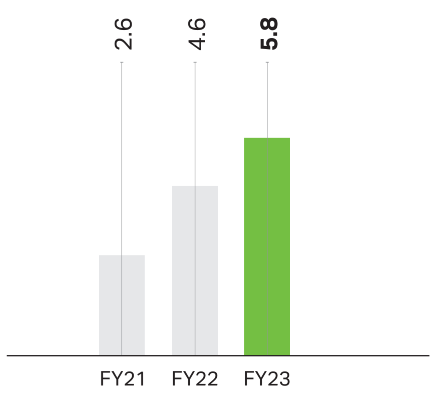
## Responsible mining and biodiversity protection

We ensure that the mining activities carried out in our limestone quarries and the surrounding areas adhere to responsible mining practices and comply with relevant laws and regulations. This is achieved through extensive inspection and surveillance programmes, as well as the installation of advanced equipment for monitoring secured fuel storage and transfer.

Our environmental and biodiversity policies show our dedication to environmental protection and preservation. These policies guide our plant-specific biodiversity action plans, which involve collaborating with local communities and plant horticulture teams.

### Investments in Plantation Management

(₹ in crores)




### Biodiversity management process

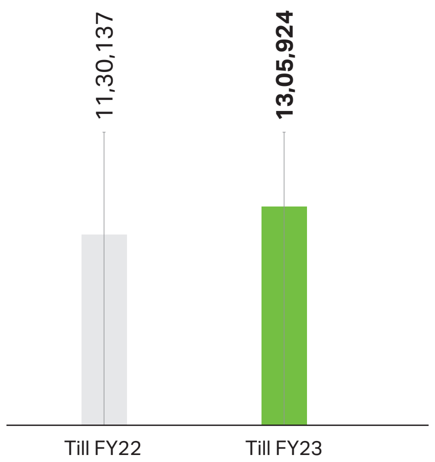
We have mining plans in place that are approved by regulatory authorities and clearly define our reforestation plans and timelines. As part of the mining approval plans submitted to regulatory authorities, we conduct environmental impact assessments (EIA). As of FY 2022-23, none of the designated forest lands are part of our quarries, therefore there is no deforestation taking place. After use, we evaluate the status of quarry land to determine the reforestation steps to be applied. Our reforestation plans include the development of a green belt through sapling plantation, and we document the sapling survival rate to monitor the reforestation progress. We ensure compliance with all the statutory requirements related to spillage and subsequent recovery.

JKCL believes in the power of grassroots-level incremental change to build a greener tomorrow. At our Ahirpura Mines near the Nimbahera plant, we have established a biodiversity park to protect local flora and fauna, preserving native species. This park not only acts as a secure habitat but also helps improve our organisation's ecological footprint by serving as a carbon sink, offsetting our carbon emissions.

Till FY 2023, we have planted 13,05,924 saplings with a survival rate of 85%.

### Total Saplings Planted

(No.)

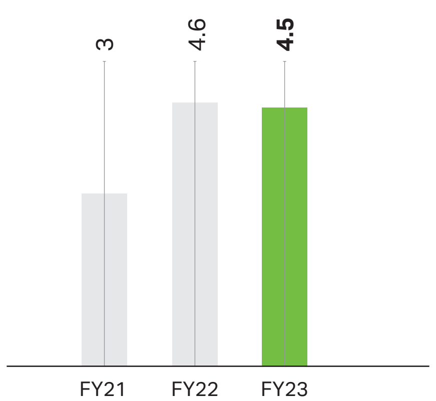



## Water management

Due to the increasing concern about water scarcity in our operational areas, we have recently changed how we manage water in our cement businesses. We focus on limiting water usage, improving water recharge reserves, and creating awareness among our stakeholders about optimal water use.

### Water Positive

(Times)

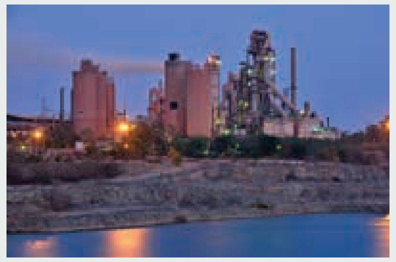


# NATURAL CAPITAL

## Investments in water management (in crores)

We have implemented various initiatives within and outside our plant premises to minimise our freshwater usage and conserve more water, such as collecting rainwater and enhancing the efficiency of process water.

### Nimbahera



- Replaced ball valves with push type taps to reduce leakage
- Replacement of old pipeline with HDPE line in the colony
- Change of GI pipeline with HDPE line
- Reduction of borewell running hours by installation of timer
- Construction of three rainwater harvesting structures

### Muddapur

- Development of recharge trenches at Halki and Muddapur mines
- Water conservation awareness programmes
- Drip irrigation
- Improves existing recharge structure at CPP coal shed
- Arresting the leakages of underground fire hydrant pipelines

### Mangrol

Use of low TDS mine water for solar panel cleaning and gardening, among others

### Gotan

- Development of a new Miyawaki plantation within the plant premises
- Arrested water leakage in plant building and colony

In FY 2023, JKCL has reused/recycled 371 million litres of water, increase of 21% as compared to FY 2022.


## Sustainable products

We aim to deliver high-quality products that are beneficial to the environment. We produce our green cement products with a focus on responsible manufacturing practices. We prioritise using blended cement, which minimises the need for conventional cement and reduces our reliance on natural resources. Our product brochures include each product's environmental, health, and safety declarations.

**The distinguishing features of our construction products are:**

- Locally extracted or recovered materials from the mines surrounding our plants
- Low embodied carbon materials such as PSC and PPC by recycling fly ash, slag as well as AFR.
- VOC from the product manufacturing is negligible (refer sustainability scorecard)
- All our products are packaged with recyclable materials.
- PSC has eco-friendly benefits
- All our products disclose potential health hazards
- We do not include any hazardous materials in our cement manufacturing processes such as mercury, cadmium, formaldehyde (added), chlorofluorocarbons (CFCs), halogenated flame retardants, lead, PVC, and other harmful substances.

As part of our ongoing commitment to sustainability, we are implementing a range of sustainable construction materials. As part of this journey, we are currently working towards obtaining GreenPro Certification for the cement products that we manufacture at JKCL.

## New product development

Following are the new green cement products that have been studied by the National Council of Cement and Building Materials. Our units are ready to produce the below-mentioned low-carbon cement after receipt of BIS approval for the new products:

- Limestone calcined clay cement (LC3)
- Composite cement based on fly ash and limestone
- Portland composite cement (PCC)
- Portland dolomitic limestone cement (PDC)
- Multicomponent blended cement

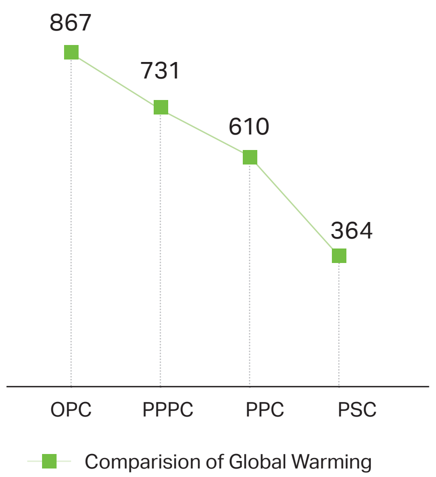
## Impact assessment of our products

SimaPro conducted a Life Cycle Assessment (LCA) study in accordance with ISO 14040/44 standards for a variety of products at our Nimbahera, Mangrol and Muddapur plants. The study encompassed all stages of production, from raw material extraction and transportation to emissions during processing, up to the point of product exit from the factory gate. The functional unit for the study was one tonne of each type of cement. The study followed a cradle-to-gate approach and relied exclusively on primary data sources, eliminating the need for assumptions.

We conducted a comparative analysis of the environmental profiles of various types of cement to assess their impact on climate change, ozone layer depletion, particulate matter, acidification, eutrophication, land use, and human health. We used the ReCiPe method for life cycle impact assessment (LCIA). The main objective of the ReCiPe method is to convert the extensive list of life cycle inventory results in a limited set of indicator scores. Our LCA study revealed that blended cement has a lower environmental impact than Ordinary Portland Cement.

## Impact on global warming

(kg $CO_2$ eq)




### LCA Impact Assessment Findings

PPC, PPPC and PSC have 30%, 16% and 58% lower global warming impact as compared to OPC"

HUMAN CAPITAL

# Empowering minds, building excellence

## Performance highlights

**3,216**
Permanent employees

**5,462**
Temporary work force

**824**
New hires

**43,928**
Total training hours for permanent employees

### Material topics

- Occupational health and safety
- Employment
- Employee and labour relations
- Diversity and inclusion
- Human rights

### Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

### Impact on other capitals

**Financial capital**
Investment in learning and development of employees

**Manufactured capital**
Ensuring timeless and quality of deliverables

**Social & Relationship capital**
Greater employee satisfaction through voluntary participation in community development initiatives

**Intellectual capital**
More ideas for innovation

**Natural capital**
More initiatives carried out towards environment sustainability

HUMAN CAPITAL

## Empower people with purpose-driven and inclusive work culture

**JKCL wins Great Place to Work for the fourth consecutive year with a 85% score**

Integrity, quality, trust, care, and people are the basic guidelines and timeless values that define our approach and helped JK Cement bag the 'Great Place to Work®' certification for the fourth year in a row in FY 2022-23.


We imbibe the belief of '**People First**', which echoes in our fundamental assumption that 'if the Company takes care of the employees, employees will take care of the business going forward. Our exceptional employee welfare programmes and collaborative work environment exemplifies our dedication to our employees. We use modern technology to understand our employees' needs and customise their growth paths.

Our employees are the key to our accelerated long-term success. We trust that people who work for us are our greatest asset, and it has been our endeavour that we nurture and develop our people as our core strength. Our focus has dramatically increased in the last few years on nurturing talent and providing internal growth opportunities.

Empowering, inspiring and respecting people is one of the core values at JKCL. We have won the 'Great Place to Work' certification for the fourth consecutive year. Our core philosophy is to invest in people and enable them to grow and develop.

We believe that digitalisation plays a huge role in today's time. At JKCL, we have long started the digitalisation of our HR systems. We have adopted digital advancements and processes resulting in greater efficiency and transparency for all employees across multiple locations. We use SAP and Success Factors cloud-based HR management system for our business processes. We integrated this platform into our mainstream HR operations for process excellence and going paperless. Through this, we can automate our recruitment process and performance management system.

We have also digitalised our learnings through the SAP Success Factors platform.



## Employee engagement

The employees and the organisation chart their growth paths by investing in each other. Growth and development of the organisation are interlinked with the professional journey of the employees. We nurture talent through employee engagement and create a talent pipeline with the right skill sets. We develop customised programmes to align individual goals with organisational goals.

Employee engagement is critical to enhancing employee productivity in the workplace. Employee engagement activities motivate the workforce and encourage them to pursue their passion and treasure success as a team. We are committed to create a workplace which is inclusive, fair, safe, and free from any discrimination. We provide equal opportunities to all our employees irrespective of their caste, creed, sex, or religion. Through this we encourage a culture of diversity and inclusion in our workplace

Initiatives undertaken

**Project UDAY**

This is aimed at grooming the leaders of tomorrow and empowering young talent in the organisation to take on higher responsibilities.

**Project SAARTHI**

This focuses on building capabilities of young managers and helps them develop their people management skills.

**Project SAKSHAM**

We became the first company in the Indian cement sector to fully adopt an end-to-end cloud-based HR platform.

**Project SHRUTI (Employee Assistance Programme)**

This aims to ensure the physical, emotional, and mental well-being of our employees.

**Project PRAWAH**

An initiative to get feedback from new hires (three or four months old) to understand their concerns.

**YOUR VOICE MATTERS**

Our continuous feedback tool in collaboration with Great Place to Work Institute. Employees can give weekly feedback which is confidential.

**Project SHAKTI**

This aims to facilitate a women-friendly environment and support the organisation's vision to become a great place to work for women.

# HUMAN CAPITAL

## Talent attraction and retention

Talent attraction and retention is crucial for any organisation's success as it helps build a solid and capable workforce proficiently in achieving its goals. At JKCL, we focus on the overall development of our employees. We aim to create a sustained learning culture to provide holistic learning opportunities to all employees through diverse learning media. Our focus is on individual capability building and addressing employee aspirations as well as organisational goals through our various learning initiatives. Our employee value proposition follows a timeless culture that prioritising high-performance, efficiency, safety, and integrity.

JKCL has a strategic approach to attracting and retaining top talent by offering competitive compensation and benefits, providing opportunities for growth and development, fostering a positive work environment, promoting diversity and inclusion, and developing strong relationships with employees.

Through various training exercises, we also provide fair treatment for all our employees and adhere to human rights standards at par with global frameworks.

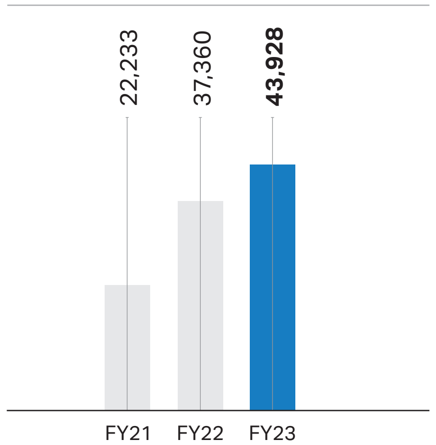
## Learning and development

JKCL believes in developing leaders at all levels of the organisation. With a commitment to continuously enhancing their workforce's skills and knowledge, JKCL invests in various training and development programmes that focus on improving performance, increasing productivity, and enhancing job satisfaction. We offer a variety of training opportunities, both on-the-job and in traditional classroom settings, as well as other learning programmes to upskill our employees and upskill them on a regular basis. Our flagship talent development program, 'UDAY', is a structured initiative designed to cultivate future talent and establish a learning culture that inspires our younger employees. To create an effective talent pipeline, we promote our young and capable talents to senior positions.

Our 'SARATHI' programme helps us build young managers' capabilities to develop their required skills. Our Project Horizon streamlines the talent management system by clearly defining an employee's role, consistently measuring performance, benchmarking performance and ensuring smooth functioning.

## Total training

(hours)




**₹ 2.92 Crores**

Spent on trainings



## Performance and career development review

Performance and career development reviews are critical to an organisation's talent management strategy. This process allows all employees to have a structured conversation with their managers regarding their performance, goals, strengths, areas for improvement, and opportunities for career development.

This exercise involves setting their KPIs, tracking their progress towards those goals, providing regular feedback on their performance, and assessing their overall performance at the end of a defined period. We also allow our employees to discuss their career interests and ambitions, identify skills and competencies that need to be developed to advance in their careers, and set goals for their career growth. This exercise aims to create a culture of continuous improvement and learning.

## Diversity and inclusion

JKCL places a high value on diversity and inclusivity in the workplace, recognising that these are critical drivers of growth and success. The Company has dedicated itself to creating a fair and transparent work environment with mutual respect for all. We strive to maintain workplaces free from discrimination or harassment based on race, sex, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law. We aim to create an environment where all employees feel valued, included, and empowered to contribute to the Company's success.

**3%**

**Permanent Female employees and workers**

A diverse and inclusive workforce can lead to better innovation, higher employee engagement, and improved business performance.

## Human rights and POSH

At JKCL, we maintain a strict policy of zero tolerance towards any form of discrimination or harassment. Our commitment entails respecting human rights and seeking to avoid involvement in human rights abuses, identifying, assessing, and minimising potential adverse impacts through due diligence and management of issues, and resolving grievances from affected stakeholders effectively. JKCL is committed to employing people solely based on their ability to do the job, prohibiting any discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, religion, disability, family status, social origin, and so on.

We are committed toward providing a healthy and safe working environment for all the employees and workers. JKCL has formed an internal complaints committee in FY 2022-23 that resolves the complaints raised against Prevention of Sexual Harassment at Workplace. Anyone can raise concerns and report incidents at **icc.corporate@jkcement.com.**

# HUMAN CAPITAL

## Human rights risk mitigation

We conduct periodic evaluations of our plant and mine operations to identify any instances of human rights violations. Our operations undergo thorough due diligence to ensure we uphold human rights practices. Additionally, we conduct sensitisation and awareness sessions on topics such as anti-discrimination and anti-harassment in our operational facilities. Each site has a risk mitigation and incident resolution/remediation process guided by our Human rights policy. In our risk assessment scope, we encompass all stakeholders, including contract workers, permanent workers, and women. Our remediation procedure involves investigating identified violations, analysing their root causes, and implementing corrective actions with dedicated responsibilities and timelines. We follow this up with training exercises and sensitisation sessions for our workforce. In the case of sexual harassment incidents, we direct all complaints to the internal complaints committee, which investigates all harassment incidents.

During FY 2022-23, there were no cases of human rights violations, including child labour, forced labour, below minimum wage payment, discrimination or harassment in our plants, mines, or offices. JKCL recognises our workforce's right to freedom of association and collective bargaining. We pay all permanent workers as per the legal requirements of minimum wages.

## Grievance redressal

Our Company has an effective grievance redressal mechanism to ensure that all our stakeholders feel heard and valued and that we promptly and effectively address any issues or concerns of theirs.

We have a grievance redressal mechanism for communities, employees, investors, customers, and other stakeholders. The concerned person can drop a written complaint in drop boxes across the plants and offices. In addition, they can reach out to JKCL on our website or helpline numbers. We resolve all such concerns immediately and take all possible measures to prevent their reoccurrence.

## Grievance redressal mechanism

Screening workmen for underage persons by verifying IDs → Securing consent for working from each worker → Instituting a reporting process for complaints on discrimination or harrassment → Complying with the minimum wage requirements of the area

## Occupational Health & Safety

JKCL strongly emphasises safety and strives to enhance its safety performance constantly. We are dedicated to ensuring a secure, healthy, and favourable work environment for all our employees and stakeholders. Our top priority is to create a workplace free from injuries and fatalities, and one of the primary areas of focus for our operations is the implementation of comprehensive health and safety (H&S) system.

Our Zero Harm initiative aims to make continual strides towards preventing both on-site and off-site fatalities and injuries. Our efforts surpass regulatory requirements and involve the implementation of a comprehensive environmental, health and safety (EHS) management system at all our manufacturing plants, which adheres to ISO 45001 standards. We have conducted various awareness and counselling programs across our plants, which cover topics related to occupational health and safety, as well as common seasonal diseases and lifestyle choices. We also offer the Suraksha Apps, including JKCL EHS for safety observations and JKCL EPTW for permit-to-work purposes. Suraksha Rath (Safety on wheels) was implemented in December 2022. It is a mobile safety van that offers first aid, emergency response, and safety training services on the go.

**At each plant, we take safety measures like:**

- Safety induction is done before plant entry and safety training exercises are conducted on regular basis; wearing PPE is compulsory for workers inside the plant. Periodic health check-ups are organised by the medical team across all the plants.
- Annual free eye check-ups and operation camps are organised by the medical and welfare teams in association with renowned hospitals.
- Training drills on various safety topics are provided to employees and workers at regular intervals.
- The safety department along with the corporate safety head conduct safety audits on various parameters like working at heights, working on steel structures, fire safety, and PPEs, among others.

## Hazard and injury management approach

We encourage employees and workers to report near-misses and unsafe conditions to the safety team at the earliest. → Injuries or fatalities in the work premises are immediately reported to department lead as well as the safety team. → Reported incidents or near-misses are investigated thoroughly and corrective actions are taken. → The progress reports of corrective actions are discussed in the safety committee meetings.

# HUMAN CAPITAL

## Road safety awareness programmes

'Every Hazard and Near miss Reporting from your end could save someone's life Keep Reporting as much as possible.

- Awareness session for drivers along with Logistics Team lead by Corporate Safety Head
- Awareness session for transport personnel
- Announcement of road safety precautions during shift changes
- Awareness session for internal transport drivers, security rescue team and TPS drivers
- Awareness session for cement truck drivers
- Awareness session for electrical department staff and workers

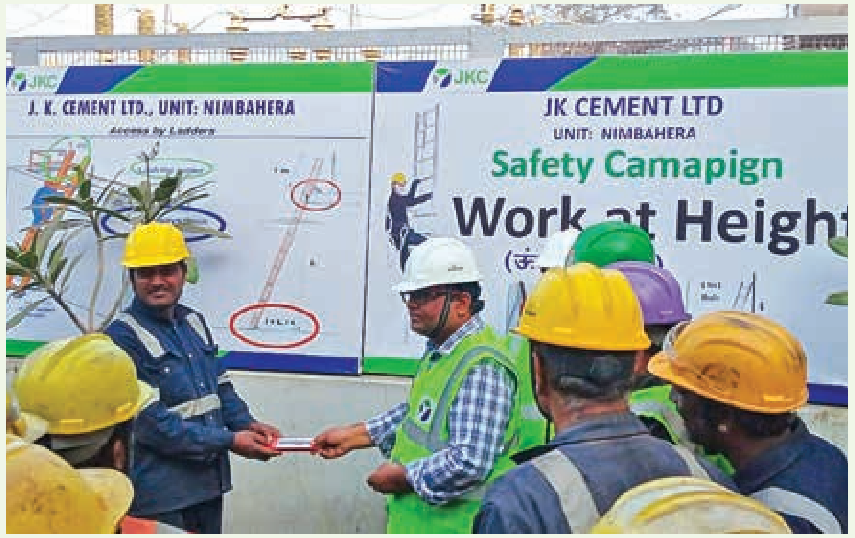
## Corrective and preventive action plan for Health and Safety

The health and safety of our workforce is of paramount importance, and we make every effort to create a best-in-class environment. In FY 2022-23, there was an unfortunate fatality at our Muddapur facility when a contractual worker accidentally fell from a scaffolding. Besides providing every possible support to the worker's family, we conducted a thorough risk assessment, and identified potential hazards and risks. Consequently, we developed a corrective and preventive action plan (CAPA) to prevent such incidents from recurring.

- Workplaces with risk of falling objects must be thoroughly inspected before and during the job.
- Risk assessment required before starting the job.
- Material fall protection arrangement to be provided.
- Working at height safety arrangement required.
- 100% tie-off system required during working at height (use of full-body safety harness).
- Safe working platform to be provided.
- Trained and authorised persons to be deployed.
- Continuous supervision to be ensured.

## Enhancing safety awareness and knowledge among workers: an ongoing programme

**In any workplace, ensuring employees' safety and well-being is paramount. However, it was discovered that some workers lacked sufficient knowledge about safety standards, leading to instances of unsafe acts. The management initiated a department-wide safety campaign in the to-be-trained (TBT) organisation, recognising the issue's urgency. The ongoing programme has significantly increased workers' safety knowledge and awareness, fostering a safer work environment.**




### Objective

The primary objective of the ongoing programme is to enhance the safety knowledge and awareness of workers and employees across the organisation. By providing comprehensive safety training and conducting department-wise safety campaigns, the programme aims to minimise the occurrence of unsafe acts and create a culture of safety within the workplace.

The approach we followed included training initiatives where the management invested on workers safety training. This training focused on imparting knowledge about safety standards, best practices, and the potential consequences of unsafe acts. To this end, we implemented department-wide safety campaigns that engage workers and employees through regular safety meetings, workshops, and informational sessions.

### Outcomes

Increased safety knowledge: Through the training initiatives and department-wide safety campaigns, the workers' understanding of safety standards and best practices have significantly improved.

Improved safety awareness: The programme has created a heightened sense of safety awareness among workers and employees. They now recognise the importance of adhering to safety protocols and actively contribute to maintaining a safe work environment.

Financial investment: The management planned to have future safety programmes, highlighting their commitment to sustaining and expanding the ongoing safety initiatives. This investment will enable the organisation to conduct more comprehensive training sessions, develop advanced safety resources, and continually reinforce the importance of safety throughout the organisation.

### Conclusion

The ongoing safety programme in TBT is making significant strides in improving safety standards within the organisation. By investing in enhancing the knowledge and awareness of workers and employees, the programme is fostering a culture of safety and minimising the occurrence of unsafe acts. With the continued commitment of the management and the implementation of future safety programmes, TBT aims to become a benchmark for workplace safety, ensuring the well-being of its employees and the overall success of the organisation.

# Empowering to build resilient communities

At JK Cement, responsibility commitment does not end with business growth and profitability. It extends far beyond to encompass the holistic impact we have on India's inclusive development and progress. As most of our plants are in economically disadvantaged regions of India, where communities grapple with a plethora of challenges, we believe JK Cement has a key role to play in developing sustainable solutions.

We have a well-defined CSR Policy, which serves as the foundation for our social initiatives that are designed based on local need evaluations. It also reflects our socioeconomic development agenda. We collaborate with local non-governmental organisations (NGOs) and other partners who are overseen by our local CSR teams at our plants. Before introducing any interventions, we conduct needs assessments and periodically conduct impact studies to determine the effectiveness, relevance, and sustainability of the interventions.

## Impact highlights

**4.8** Lakhs+
CSR beneficiaries

**25%**
Increase in CSR beneficiaries by 2024

## Focus areas of interventions

### Education
Focusing on infrastructure for educational institutes such as school buildings, furniture, and tools to assist in teaching

### Infrastructure development
Improving the quality of life by constructing roads, drainage systems, community centres, temples, among others

### Community welfare
Empowering and enabling underprivileged individuals to enrich their lives

### Health
Providing access to quality healthcare services to the local communities

### Environment
Working towards environmental protection contributing towards the development of the ecology

SOCIAL & RELATIONSHIP CAPITAL

# Creating strong relationships for a shared future together

## Performance highlights

**₹ 26.8** crores
CSR expenditure

**25,500**
Vendors

**3.5%**
Critical tier 1 suppliers were assessed

### Material topics

- Sustainable supply chain
- Local communities
- Customer relationship management

### Contribution to SDGs


### Impact on other capitals

**Human capital**
Enhanced stakeholder engagement

**Natural capital**
Increase demand for environmental sustainability

**Intellectual capital**
Innovation driver by customer insight

**Financial capital**
Increase customer and supplier loyalty

**Manufactured capital**
Optimisation of product portfolio basis stakeholder discussions

SOCIAL & RELATIONSHIP CAPITAL

## Our focus areas

### Community welfare

- Supplied water at railway station and temple
- Provided RCC bench to hospital
- Renovated community centre
- Provided AC to Mahadev Jan Sewa Nyas
- Organised light camp for women
- Fixed pipeline at Payri village and Malaiakhera village
- Supplied water to villages

**55,058**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Chittorgarh, Rajasthan;

Jhajjar,Haryana;
Kanpur, Uttar Pradesh

### Environmental sustainability

- Planted saplings in college and other places

**28,016**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Chittorgarh, Rajasthan

### Education

- Constructed rooms in school and paved boundary
- Provided new desks for government college
- Provided water cooler and water tank
- Contributed to the Bharat Lok Shiksha Parishad
- Contributed to the Rotary Foundation for uplifting of education system (distribution of smartboards)
- Upgraded Delhi-MCD school with smart classes
- Constructed rooms and toilets for new government school at Tukaliya
- Distributed track suits to school children

*Contribution to Anganwadi development project

**29,907**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Nagaur, Chittorgarh, Rajasthan; Kanpur, Uttar Pradesh, Balasinor, Gujarat; Bagalkot, Karnataka

### Rural development

- Contribution to JK Gram Vikas Udyog for crossbreeding projects in rural areas
- Road infrastructure development
- Contributed to pooja/fair/festival/temple
- Renovated and redeveloped anganwadi
- Provided table and chair for police station
- Contributed to Gram Vikas society
- Installed streetlights at Badwara and Umaria
- Provided JCB on rent for Amrit Sarova Yojna at Pathra Taal
- Lloyd AC installed at Badward Thana
- Renovated Gotan bus stand floor, boundary wall and extended shelter for pedestrians

**66,800**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Chittorgarh, Rajasthan

### Healthcare

- Setting up a super speciality hospital at IIT Kanpur, Uttar Pradesh
- Eye camp, provided goat pox vaccine – Ramdev Medical Store
- Health camp at nearby village Halki
- Distribution of food to TB patients
- Installation of health ATM

**39,184**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Kanpur, UP, Karnataka

Gujrat, Haryana

### Livelihood development

- Sparsh Sanitary Pad Project for women self-help groups
- Organised training programmes for women's skill development
- Contributed to Hura Ba Go Sewa Sansthan
- Constructed hospital for cows
- Animal husbandry

**1,92,287**
CSR beneficiaries

**SDGs Impacted**

**States Impacted**
Chittorgarh, Rajasthan

Jhajjar, Haryana

### Sports

- Organised cricket tournament at Badoli Ghata and Chittorgarh
- Constructed Mangrol playground
- Supported in construction of gym
- Renovated basketball court
- Sponsored Khelo India Youth Games – 2022

**18,400**
CSR beneficiaries

**States Impacted**
Rajasthan, Chittorgarh; Bagalkot, Karnataka; Mahisagar, Gujarat; Aligarh, Uttar Pradesh, Jhajjar, Haryana; Bhopal, Madhya Pradesh

### Arts and culture

- Har Ghar Tiranga campaign
- National Flag – Ghar Tiranga campaign

**200**
CSR beneficiaries

**States Impacted**
Chittorgarh, Rajasthan

Jhajjar, Haryana

# SOCIAL & RELATIONSHIP CAPITAL

## CSR initiatives

At JKCL, we are committed to improving the well-being of the communities where we operate and building lasting relationships with them. We believe in giving back to the community and providing support to enhance the quality of life of our fellow citizens. Our local and corporate CSR teams are prompt in dealing with any concerns the local community stakeholders and their representatives raise.

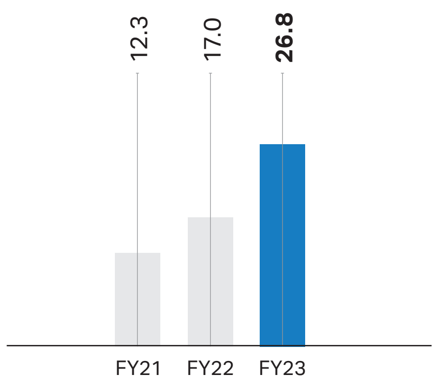
We aim to achieve a 25% increase in beneficiaries of our CSR initiatives by 2025. Our CSR Policy serves as the foundation for our corporate social responsibility initiatives, which are based on local need evaluations. Our CSR policy reflects our socio-economic development agenda, under which we have identified the focus areas – water, health and sanitation, energy conservation, pollution-free atmosphere, clean technology, and primary healthcare.

In FY 2022-23, we reached the remarkable milestone of **> 4.8 Lakhs beneficiaries** through our CSR programmes.

We collaborate with local non-governmental organisations (NGOs) and other partners who are overseen by our local CSR teams at our plants. Before introducing any intervention programme, we conduct needs assessments and periodically conduct impact studies to determine the effectiveness, relevance, and sustainability of the interventions. In FY2022-23, we allocated ₹52.61 crores from our CSR budget towards community development.

## CSR expenditure

(₹ Crores)




The Company firmly believes that the survival of its business depends on its long-term relationships with its clients, vendors, retailers, dealers, and communities. Our business model is heavily reliant on maintaining these connections over time. The Company has contributed to developing the surrounding areas where we operate by taking up various developmental activities. We firmly commit to supporting the environment, stakeholders, and society and working for their improvement. Our Company's CSR policy outlines our philosophy for CSR spending, focus areas and implementation approach. CSR initiatives are undertaken by the local CSR teams of each JKCL plant as they understand the local needs better.

The Company established a CSR committee and a Sustainability Steering Committee to carry out these initiatives most effectively. To carry out these initiatives in the most effective way, the company established a CSR committee and Sustainability Steering Committee. They are responsible for developing the necessary CSR policies and monitor its implementation and progress to create maximum impact.

| Education | Infrastructure Development | Healthcare | Community welfare | Environment |
|---|---|---|---|---|
| Pg. 105 | Pg. 106 | Pg. 106 | Pg. 108 | Pg. 109 |

## Education

At JK Cement, we understand and realise the importance of education for the younger generation and its impact on our society. Our development endeavours focus on infrastructure for educational institutes such as schools, including buildings, furniture, and tools to assist education.

### Yadupati Singhania Institute of Technology (YPSIT)

#### Thematic areas

Vocational training centre to promoting 'Skill India Mission', the nation's dream project to develop skills to improve employment. (JK Cement's SDG)

The first institute was founded in 1992 at Nimbahera (Rajasthan) based on the vision of our honourable former CMD the Late Shri Yadupati Singhania. Today, with > 30 years' experience of quality training, this institute is imparting top-class vocational training for the youth to get better employment opportunities.

The institute was started with only two trades that include electric and electronics mechanic. Today, it offers eight vocational training in different disciplines with an annual capacity of > 600 candidates. The institute is counted among the top institutes in the country for world-class infrastructure, amenities, and training facilities. We have established ten YPSIT centres in Rajasthan, Madhya Pradesh and Uttar Pradesh. Four flagships are functioning in Rajasthan, Uttar Pradesh and Madhya Pradesh and six Governments as an IMC partner.

Last year, we established the 'Yadupati Singhania Vocational Education Foundation (YSVEF)' under which we pledged to set up a new institute for skill development every year to impart vocational skills to thousands of youngsters, to make them employable.

#### Accolades

Nimbahera Centre has received a prestigious platinum-rated green building award.

YPSIT Nimbahera is a pioneer in the field of vocational training and is one of the first institutes in India to adopt the DST scheme of training. It has successfully implemented programmes across multiple trades. Our commitment to excellence has helped us achieve many accolades and recognitions.

#### Impact assessment

The students coming out of these institutes are readily placed as the curriculum equips them with updated knowledge and great performance.

Over the years, we have trained > 8,000 youth and placed 6,588 youth in the government and private sectors. Our trainees are working in top-tier government and private organisations like RAPP, BARC, Delhi Metro, ISRO, Tata Motors, Larsen & Toubro, Prasar Bharti, Indian Oil, NTPC, and Proctor & Gamble, among others. We also encourage self-employment and promote entrepreneurship.

Since 1992, over 30 of our trainees have attained the top position in the state merit list. Also, we have maintained an enviable track record of nearly 100% success rate on a yearly basis.

We have spent ₹ 50 crores for development of infrastructure and ₹ 40 crores as recurring expenditures so far.

### Old desktops distributed in school

The programme aims to improve computer education in local schools and provide students with access to the latest technology. The old desktops were refurbished and upgraded to meet the minimum requirements of a computer lab. The distribution of the old desktops has had a positive impact on the students' education and their understanding of technology.

# SOCIAL & RELATIONSHIP CAPITAL

## Infrastructure development

To raise the quality of life in our communities, we work to improve their infrastructure. Through our CSR programmes we have aided in the construction of roads, drainage systems, community centres, temples, and educational facilities over the years.

### Constructed Link Road in Gotan

The construction of a link road in Gotan has brought immense relief to the locals. The new link road has also boosted the local economy as it has improved connectivity, allowing for more efficient transportation of goods and services. Additionally, it has created employment opportunities for the locals as we hired many labourers for the construction work.

### Construction of rooms and toilets for new government school

The construction of the necessary infrastructure has ensured that the school can operate efficiently. The construction involved building new classrooms, toilets, and other essential facilities.

The new classrooms are equipped with modern technology and provide a comfortable learning environment for the students. The construction work has provided employment opportunities to many locals and has boosted employment.

## Healthcare

The Company is providing healthcare services to the local communities through various drives on a regular basis.

**Some of these initiatives included:**

SPANDAN – YPS Health & Sanitation Mission (YPS-HSM):

- Deployed a mobile medical unit under the YPS-Health and Sanitation Mission (YPS-HSM)
- Organised a blood donation camp



We organised the camp in collaboration with local hospitals and medical centres and it saw a large turnout of donors. The blood donation camp was a great example of the community coming together for a common cause. It helped raise awareness about the importance of blood donation and motivated people to donate blood regularly.

### Yadupati Singhania Super Specialty Hospital, IIT Kanpur

Healthcare has always been a major focus for JKCL, and we look for the right partners to support this cause. In a joint initiative with IIT Kanpur, Yadupati Singhania Super Specialty Hospital is being set up in their campus. The super speciality hospital will be set up in two phases and JKCL will provide funding of ₹ 60 crores for it. This is part of IIT's ambitious move to set up School of Medical Research and Technology (SMRT).

The foundation stone of the Yadupati Singhania Super Speciality Hospital was laid at the IIT Kanpur campus on 16th July 2022. The first phase will include setting up a 500-bed Super Specialty Hospital over the next three to five years. Phase II of the project will involve increasing the hospital capacity to 1,000 beds, expanding clinical departments/ centres and research areas including paramedical disciplines, alternative medicine, hospital management, sports medicine, and public health programmes. The second phase will take around seven to ten years to complete. This medical project will provide state-of-the-art emergency care services, including medical, surgical, paediatric, and obstetric care.

The Yadupati Singhania Super Specialty Hospital will benefit both the residents of Kanpur and those from other parts of the country.

This super-speciality hospital will play an important role in driving IIT Kanpur's medical research and technology agenda.

### SPARSH: a low-cost sanitary napkin project

JKCL has introduced the SPARSH Project for promotion of menstrual hygiene among women and girls and simultaneously contribute to women's economic empowerment. Every woman deserves access to hygiene, sanitation, and good health. The SPARSH Project helps women and girls in underprivileged communities to access low-cost pads to manage their periods.

JKCL contributes to the livelihood programme through the SPARSH sanitary napkin project for women's self-help groups. As part of our CSR efforts, JKCL provides structured setups and training for earning through the production and sale of low-cost sanitary pads in nearby villages of our cement complex at Nimbahera and Mangrol in Chittorgarh, Rajasthan.

Through this project we are addressing the issue of unavailability of sanitary napkins to women belonging to economically weaker sections. We provided them with training and the means to manufacture low-cost sanitary napkins thereby helping them with their financial stability. By empowering women, we fulfilled multiple sustainable development goals, SDG 1 – No Poverty, SDG 3 – Good Health and Well Being, SDG 8 – Decent work and economic growth, SDG 10 – Reduced Inequality. Economic empowerment leads to a stronger voice and meaningful participation in economic decision-making within the household. As a result, this initiative has far reached effects for these women as well as for the society.

To date, the project has impacted approximately 60,000 adolescent girls and 1,40,000 women from 350 villages. This project has generated direct employment for > 500 women so far.

# SOCIAL & RELATIONSHIP CAPITAL

## Community welfare

Our aim is to serve humanity by empowering and enabling underprivileged individuals to enhance their lives through various community welfare programmes.

### Yadupati Singhania Cattle Breed Improvement Centre (CBIS), Amanganj, Panna MP

**Animal husbandry (Artificial insemination of cattle to boost milk production and the rural economy)**

**Objective:** Integrated Livestock Development Centres (ILDC) are established to upgrade the local indigenous low milk-yielding cows by crossbreeding them with the use of frozen semen from highly pedigreed exotic/indigenous bulls. The resulting crossbred/upgraded calves will be better milk yielders and will help in improving the socio-economic status of the farmers especially the ones who are landless, marginal landholders and poor.

- Create awareness among farmers for fodder development through demonstration of improved variety of fodder seeds and planting material at the farmer's field level.
- Improve productivity of the local cattle and buffalo through artificial insemination, balanced feeding, veterinary services, and management.
- Improve draft strength of good quality bulls produced through the "Cattle Breed Improvement Programme" through the use of frozen semen of high-quality draft breed.

- To reduce the risk of milch animal and calf mortality by protecting them through prophylactic vaccinations.
- Use of large stock of non-descript non-productive cattle to produce next generation cross-breed and improved calves having higher economic value.

**Impact:** This is an ongoing programme, and the real impact will be seen from the fifth year onwards. So far, 9,268 families have been registered in 230 villages. So far, artificial insemination has been done for 1,791 cattle. We expect a manifold increase in milk production. The centre has also trained the local people as a part of direct employment generation. Local villagers will get increased economic stability, which will contribute to the farm-based rural economy.

### Anganwadi project

Nimbahera unit has developed 45 Anganwadis in the area that has benefitted around 1,920 students through this intervention. The establishment of these anganwadis has brought education closer to the doorsteps of families, ensuring that children from remote areas can receive quality education. These centres serve as vital learning spaces, providing essential pre-primary education, nutritious meals, and healthcare facilities to young learners. By focusing on holistic growth and cognitive development, the unit has laid a solid foundation for the children's future academic success.



## Environment

The organisation works diligently towards environmental protection and actively participates through its CSR initiatives to contribute towards the development of the ecology.

### Water-saving beyond the fence – "Per Drop More Crop"

Irrigation is a challenge in many parts of the country, especially during the summer months. To ensure judicious use of water, we promote micro irrigation technologies which are also known as the drip/sprinkler system. We show the farmers the benefits of water-saving technologies and try to drive home the concept of 'per drop more crop'.

We invest our time and energy to transform the lives of neighbouring communities and protect nature through sustainable living and livelihood. We hope to save 12.3 lakh KL water per annum through this method. We hope to be five times more water positive through sustainable water management by 2030.

### Water challenge initiative from Karunda mines to village

The villagers of Karunda, Nimbahera, in Rajasthan, faced a huge water shortage. They found it difficult to access water for their household needs, agriculture, and cattle-rearing requirements. Farming and cattle rearing became a challenge due to the water crisis, especially during summer.

This area is adjacent to our Karunda mines. When we learned that around 200 families are facing a water crisis, we decided to find a solution for them. We have laid a 1.2-km pipeline from Karunda mines to supply water to Karunda village to recharge their water bodies. With the water table rising, the villagers can now access clean water through seven to eight wells and 12 bore wells.

This availability of clean and plentiful water has improved the villagers' quality of life and provided a boost to their livelihood. This measure helps the villagers increase their agricultural produce and earn extra income by selling the surplus. Cattle rearing is no longer a challenge because of the yearly water availability. This intervention has impacted 1,500 people directly or indirectly and has provided a long-term solution to a recurring problem.

### Defensive driving training for JKCL employees and ITI students

We arranged road safety sessions at our Gotan factory premises in the current financial year to keep our employees and students safe. In these sessions we covered road safety and defensive driving topics like – hazards of speed driving, safe following distance, rules of overtaking, driving in the rain, night driving, following road signals, importance of using crash helmets and seat belts and more.

We developed in-house training modules – with audio, video, and animation support for our defensive driving training. More than 550 employees and 135 students benefitted from these sessions. We held the training session at the JK White Cement Works, Gotan.

# SOCIAL & RELATIONSHIP CAPITAL

### Supporting the National Tuberculosis Elimination Programme

Tuberculosis is a major health hazard and a rampant problem among people from economically weaker sections. To tackle this problem, the government has launched a National Tuberculosis Elimination Programme. As part of our effort to support the government in this project, we have taken some initiatives around it. We have provided 240 nutritious kits to patients at the government hospital in Mudhol to help them recover quickly.

### Building long-term trust

At JKCL, we recognise the importance of all stakeholders in ensuring our business growth and viability. Our consumer-centric business model relies on our suppliers as an integral part of our operations. Furthermore, we collaborate with our partners across the value chain to ensure the sustainability of their operations. To ensure responsible business practices, we have an ESG policy for suppliers, contractors, consultants, and transporters.

### Customer centricity and value-added support

We strive to create lasting value for our customers by exceeding their expectations. To achieve this, we engage with our customers at various levels and try to understand their needs and expectations. Our grievance mechanism provides a platform for customers to register their complaints, with a dedicated online helpline available for support. In FY 2022-23, we conducted a customer satisfaction study and received 1298 complaints. We are proud to say that by the end of the financial year, we resolved 100% of these complaints.





## Supply chain partners

JKCL values the contributions of our suppliers to our business growth and viability. We regularly engage with suppliers to ensure integrity, responsibility, and compliance. We base our commitment to Environmental, Social, and Governance (ESG) goals on creating sustainable and long-term value for all stakeholders.

All suppliers under our ESG policy must comply with the policy requirements and submit acceptance before commencing activities at our plants. We uphold ethical and labour standards during supplier screening and evaluation. We have taken proactive measures to identify the most significant environmental and social challenges within our value chain and suppliers are screened based on these areas.

JKCL has 25,500 vendors, of which 3,416 have been shortlisted by us as Tier-I suppliers based on their top spending and potential impact on our business. Among these, we have identified 86 as critical suppliers. Our critical suppliers contribute over 80% of the total expenditure, while the remaining 3,330 are non-critical.

In the current financial year, we developed our supplier code of conduct. We educated all Tier-I vendors about our new supplier code of conduct and ESG policy.

We have also conducted capacity building sessions for all our critical suppliers to brief them regarding the ESG risks and opportunities, JKCL supplier's code of conduct, JKCL ESG policy and other emerging sustainability best practices.

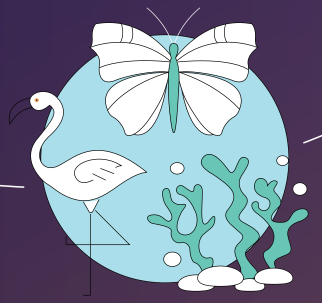
We also assessed 3.5% of our critical Tier-I suppliers on the supplier code of conduct parameters. We found that they abide by our supplier code of conduct. In the upcoming year, we aim to assess all our supplier's basic supplier codes of conduct along with ESG policy.

## Supplier risk assessment

We engage with our suppliers regularly, which helps us with risk identification and monitoring for compliance with our ESG policy. We require our suppliers to complete an annual self-assessment questionnaire to ensure adherence to our policies. This questionnaire covers their environment, social, and governance practices and their performance. We also conduct physical verification of a sample of suppliers selected post-self-assessment to ensure the accuracy of the information provided. We take corrective actions to ensure compliance with our ESG policy requirements if we identify any risks or concerns.

## Dealers

Our distribution channels are largely driven by our dealers, who play a crucial role in keeping us informed of customer preferences and expectations. Our dealer network comprises distributors, painters, and contractors. We believe in recognising and rewarding the hard work of our dealers, and we regularly provide them with incentives for their excellent performance.

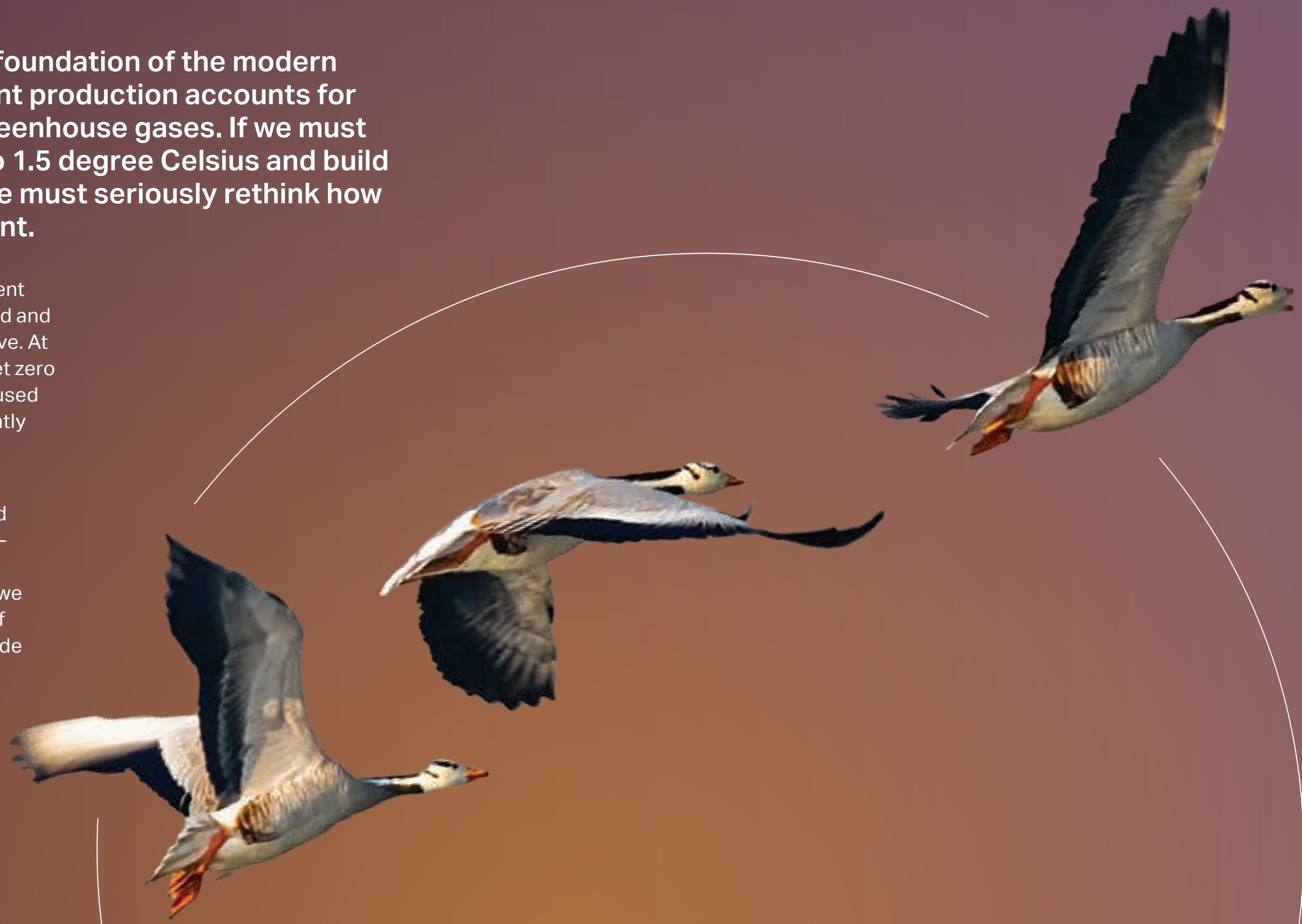


# On course to net zero

**Cement is at the very foundation of the modern world. However, cement production accounts for more than 8% of all greenhouse gases. If we must limit climate change to 1.5 degree Celsius and build a sustainable world, we must seriously rethink how we manufacture cement.**

In October 2021, the global cement industry took a huge step forward and unveiled its 'Race to Zero' initiative. At JK Cement, we aim to achieve net zero by 2050. We have relentless focused on reducing emissions significantly even as we grow our capacities.

We are consistently improving efficiency in plant operations and resource consumption sing best-in-class automation and data analytics technologies. Further, we have accelerated the adoption of alternative raw materials and made considerable advancements in utilising alternative clean fuels.



What we want to do is to transform commitments into actions and global visions into local requirements. By adopting efficient technologies and practices, we have set ourselves a goal to become five times water positive by 2030. We have conducted routine environmental impact assessments and devised management plans to ensure sustainability of our mining operations. As part of our 'Nature Positive' 2030 plan, we are establishing a ~50 hectare biodiversity park in Chittorgarh.

Our sustainability efforts have been recognised by the Confederation of Indian Industry with the GreenCo Platinum (Muddapur unit) and GreenCo Gold (Mangrol) certifications, underscoring our stringent adherence to established ecological norms and protocols.

## We have

Lowered our net Scope I emission by

**10.3%**

from 580 in FY20

Enhanced the share of green power in our fuel mix to

**44%**

from 19% in FY20

Boosted our thermal substitution rate to

**13.95%**

from 6% in FY20

Clocked a water positivity rate of

**4.5x**

compared to 3x in FY20

# SUSTAINABILITY SCORECARD

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| Production | | | | | |
| Cement production | MTPA | 9.56 | 11.00 | 13.11 | 14.57 |
| Clinker production | MTPA | 7.02 | 8.11 | 8.97 | 9.77 |
| Cementitious production | MTPA | 9.8 | 11.4 | 13.4 | 14.9 |
| **Economic Indicators GRI 201-1** | | | | | |
| Income from operations | ₹ crores | 5,549.65 | 6,441.63 | 7,821.38 | 9,081.53 |
| Economic value distributed | ₹ crores | 5,150.54 | 5,837.44 | 7,186.90 | 8,515.79 |
| Cost of material consumed | ₹ crores | 871.99 | 967.57 | 1,155.39 | 1,314.18 |
| Power and fuel | ₹ crores | 1,011.53 | 1,106.20 | 1,571.87 | 2,308.19 |
| Employee benefit and wages | ₹ crores | 390.9 | 412.14 | 504.17 | 563.21 |
| Finance cost | ₹ crores | 222.87 | 223.16 | 249.31 | 260.49 |
| Tax expenses | ₹ crores | 251.64 | 389.72 | 332.86 | 237.72 |
| Others | ₹ crores | 2,401.67 | 2,738.15 | 3,373.26 | 3,832.00 |
| Economic value retained | ₹ crores | 399.11 | 604.19 | 634.48 | 565.74 |
| **Environment** | | | | | |
| **Material consumption (non-renewable materials) GRI 301-1** | | | | | |
| Limestone (for clinkerisation) | Tonnes | 1,00,71,779 | 1,19,84,396 | 1,27,87,062 | 1,37,20,479 |
| Clinker | Tonnes | 65,81,965 | 74,93,389 | 85,71,132 | 94,64,823 |
| Gypsum | Tonnes | 4,88,569 | 6,74,114 | 10,34,204 | 10,24,347 |
| Puzzolana | Tonnes | 31,754 | 24,779 | 32,936 | 42,550 |
| **Recycled input materials GRI 301-2** | | | | | |
| Slag | Tonnes | 1,19,628 | 1,30,013 | 1,42,960 | 95,127 |
| Fly ash | Tonnes | 14,64,502 | 17,99,967 | 23,52,512 | 27,26,419 |
| **Energy consumption GRI 302-1** | | | | | |
| Non-renewable sources (A) | GJ | 3,06,85,600 | 3,20,28,582 | 3,37,76,349 | 3,25,78,568 |
| Fossil fuel and AFR combustion (Kiln+ non-kiln) | GJ | 2,96,73,000 | 3,07,07,000 | 3,19,54,519 | 2,98,89,767 |
| Non-renewable electricity purchased from the grid | GJ | 5,69,000 | 5,88,334 | 9,98,074 | 18,13,223 |
| Energy from WHRS | GJ | 3,81,698 | 5,88,334 | 7,08,585 | 8,71,781 |
| Electricity sold externally | GJ | 61,902 | 1,44,914 | 1,15,172 | 3,797 |
| Renewable sources (B) | GJ | 2,84,174 | 4,00,060 | 10,72,584 | 20,37,017 |
| Biomass combustion (kiln + non-kiln) | GJ | 1,84,000 | 1,99,000 | 8,18,095 | 14,24,468 |
| Renewable Purchased | GJ | 97,474 | 99,360 | 2,34,737 | 5,81,544 |
| Renewable (Solar+ wind) Electricity generated and consumed | GJ | 2,700 | 1,01,700 | 19,752 | 31,005 |
| Total energy consumption (A+B) | GJ | 3,09,69,774 | 3,24,28,642 | 3,48,48,933 | 3,46,15,585 |
| **Other indicators** | | | | | |
| Energy intensity | GJ/tonnes | 3.15 | 3.77 | 2.57 | 2.29 |
| Kiln fuel | TJ | 21,736 | 24,933 | 27,948 | 31,031 |
| Non-kiln fuel | TJ | 8,121 | 5,993 | 4,824 | 284 |
| Solar generated | TJ | 2.3 | 2.7 | 19.75 | 31.00 |
| Specific thermal energy | GJ/t of clinker | 3.09 | 3.07 | 3.12 | 3.18 |
| Specific electrical energy | kWh/t of cement | 73.6 | 68.3 | 62.5 | 61.8 |
| **Reduction of energy consumption GRI 302-4** | | | | | |
| Energy saved | GJ | Not reported | 80,802 | 19,42,187 | 1,73,259 |

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| **Water withdrawal GRI 303-3** | | | | | |
| Total freshwater (TDS </= 1000 mg/L) | ML | 1,520 | 1,704 | 1,360 | 2,063 |
| Total other water (TDS >/= 1000 mg/L) | ML | - | - | 435 | 110 |
| Groundwater freshwater (TDS </= 1000 mg/L) | ML | 855 | 634 | 403 | 867 |
| Ground water other water (TDS >/= 1000 mg/L) | ML | - | - | 435 | 110 |
| Surface water freshwater (TDS </= 1000 mg/L) | ML | 665 | 1,070 | 957 | 1,197 |
| Surface water other water (TDS >/= 1000 mg/L) | ML | - | - | 0 | 0 |
| Surface water withdrawal | ML | 665 | 1,070 | 957 | 1,197 |
| Other indicators | | | | | |
| Percentage surface water withdrawal | % | 44 | 63 | 53 | 58 |
| Percentage ground water withdrawal | % | 56 | 37 | 47 | 42 |
| **Water discharge GRI 303-4** | | | | | |
| Discharge quantity | $m^3$ | 0 | 0 | 0 | 0 |
| **Water consumption GRI 303-5** | | | | | |
| Total water consumption (total water withdrawal -total water discharged) | KL | 1,520 | 1,704 | 1,795 | 2,173 |
| Water recycled/reused | KL | 433 | 332 | 307 | 371 |
| Other indicators | | | | | |
| Percentage water recycled/reused | % | 28.5 | 19.5 | 17.1 | 17.1 |
| Specific water intensity | $m^3$/t of cement production | 0.16 | 0.16 | 0.14 | 0.15 |
| Water positivity | Times | 3.2 | 3 | 4.6 | 4.5 |
| **GHG and other air emissions GRI 305-1,2,3,4,5,6,** | | | | | |
| Scope 1 emissions (including CPP fuel usage) | $tCO_2e$ | 65,32,699 | 72,06,969 | 77,84,307 | 79,85,999 |
| Scope 2 emissions | $tCO_2e$ | 1,29,599 | 2,03,639 | 2,38,321 | 4,19,203 |
| Scope 3 emissions | $tCO_2e$ | - | 10,22,991 | 13,65,166 | 14,69,970 |
| GHG emissions intensity- (Scope 1+scope 2) | $tCO_2e$ | 0.68 | 0.65 | 0.60 | 0.56 |
| GHG emissions intensity- (Scope 1+Scope 2+Scope 3) | $tCO_2e$ | 0.68 | 0.734 | 0.697 | 0.66 |
| **Initiatives for reduction of GHG emissions** | | | | | |
| Emissions from kiln due to use of AFR and biomass | tCO2e | 1,08,303 | 1,31,300 | 2,13,521 | 3,82,712 |
| Energy-saving initiatives | $tCO_2e$ | - | - | 58,309 | 34,224 |
| Use of WHRs | $tCO_2e$ | - | 1,29,107 | 1,55,495 | 1,71,935 |
| **Emissions from ozone-depleting substances (ODS)** | | | | | |
| R22 | tonnes | - | 0.36 | 0.48 | 0.22 |
| R32 | tonnes | - | 0.01 | 0.04 | 0.03 |
| R407-C | tonnes | - | 0.04 | 0.01 | 0 |
| R134-A | tonnes | - | 0.02 | 0.01 | 0 |
| R404 | tonnes | - | - | - | 0.008 |
| R410A | tonnes | - | - | - | 0.016 |
| **Total** | tonnes | 0.42 | 0.43 | 0.54 | 0.27 |

# SUSTAINABILITY SCORECARD

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| **Air emissions** | | | | | |
| PM | Tonnes | 604 | 723 | 753 | 533 |
| $SO_x$ | Tonnes | 1,262 | 1,325 | 1,861 | 278 |
| $NO_x$ | Tonnes | 8,853 | 9,638 | 8,133 | 8,351 |
| Mercury emissions (Hg) | Tonnes | | | 0.11 | 0.01 |
| **Other indicators** | | | | | |
| Direct $CO_2$ (includes CPP) | $tCO_2e$ | 65,32,699 | 72,06,969 | 77,84,307 | 79,85,999 |
| Direct gross $CO_2$ (excluding CPP) | $tCO_2e$ | 57,75,432 | 66,82,752 | 73,55,199 | 79,72,412 |
| Direct net $CO_2$ (excludes CPP and Kiln AFR and biomass) | $tCO_2e$ | 56,82,107 | 65,56,800 | 72,07,227 | 77,40,698 |
| Indirect $CO_2$ (external power) | $tCO_2e$ | 1,29,599 | 2,03,639 | 2,38,321 | 4,19,203 |
| Specific direct net $CO_2$ emissions | kg $CO_2$/t of cementitious product | 580 | 571 | 535 | 520 |
| Specific indirect $CO_2$ emissions | kg $CO_2$/t of cementitious product | 13 | 18 | 18 | 28 |
| **Waste generated GRI 306-3** | | | | | |
| Total hazardous waste (Solid) | Tonnes | 13.54 | 21.42 | 32.40 | 76.60 |
| Battery | Tonnes | 13.41 | 11.05 | 28.28 | 42.30 |
| Biomedical waste | Tonnes | 0.13 | 0.14 | 0.12 | 0.23 |
| E-waste | Tonnes | 0 | 10.23 | 4 | 34.07 |
| Total hazardous waste (liquid) | L | 45,658 | 85,718 | 83,540 | 1,23,152 |
| Used oil | L | 36,848 | 46,637 | 72,440 | 1,06,344 |
| Contaminated oil | L | 8,610 | 25,451 | 100 | 9,872 |
| Biomedical waste oil | L | 0 | 30.3 | 0 | 0.00 |
| Waste oil | L | 200 | 13,600 | 11,000 | 6,936 |
| Total non-hazardous waste | Tonnes | 4,430 | 6,546 | 19,241 | 9,080 |
| **Waste disposed:** | | | | | |
| Total hazardous waste (solid) | Tonnes | 13.54 | 21.42 | 32.40 | 98.46 |
| Battery | Tonnes | 13.41 | 11.05 | 28.28 | 87.31 |
| Biomedical waste | Tonnes | 0.13 | 0.14 | 0.12 | 0.23 |
| E-waste | Tonnes | 0 | 10.23 | 4 | 10.93 |
| Total hazardous waste (liquid) | L | 45,658 | 85,718 | 69,690 | 1,06,092 |
| Used oil | L | 36,848 | 46,637 | 69,590 | 85,714 |
| Contaminated oil | L | 8,610 | 25,451 | 100 | 13,442 |
| Biomedical waste oil | L | 0 | 30.3 | 0 | 0 |
| Waste oil | L | 200 | 13,600 | 11,000 | 6,936 |
| Total non-hazardous waste | Tonnes | 4,430 | 6,456 | 18,916 | 8,507 |
| **Waste diverted from landfill (sent to recyclers and authorised vendors) GRI 306-4** | | | | | |
| Total hazardous waste (solid) | Tonnes | 13.54 | 21.42 | 32.40 | 98.46 |
| Battery | Tonnes | 13.41 | 11.05 | 28.28 | 87.31 |
| Biomedical waste | Tonnes | 0.13 | 0.14 | 0.12 | 0.23 |
| E-waste | Tonnes | 0 | 10.23 | 4 | 10.93 |
| Total hazardous waste (liquid) | L | 45,658 | 85,718.30 | 69,690 | 1,06,092 |
| Used oil | L | 36,848 | 46,637 | 69,590 | 85,714 |



| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| Contaminated oil | L | 8,610 | 25,451 | 100 | 13,442 |
| Biomedical waste oil | L | 0 | 30.3 | 0 | 0 |
| Waste oil | L | 200 | 13,600 | 0 | 6,936 |
| Total non-hazardous waste | Tonnes | 4,430 | 6,456 | 18,916 | 8,507 |
| **Waste directed to disposal GRI 306-5** | | | | | |
| Total hazardous waste (solid) | tonnes | 0 | 0 | 0 | 0 |
| Total hazardous waste (liquid) | L | 0 | 0 | 0 | 0 |
| Total non-hazardous waste | tonnes | 0 | 0 | 0 | 0 |
| Total non-hazardous waste | Nos. | 0 | 0 | 0 | 0 |
| **Biodiversity GRI 304** | | | | | |
| Total number of saplings planted | Nos. | 9,08,127 | 10,23,238 | 11,30,137 | 13,05,924 |
| Sapling survival rate | % | 82 | 84 | 80 | 85 |
| Percentage of quarries with high biodiversity value, where biodiversity plan is implemented | % | 0 | 0 | 0 | 0 |
| Percentage of quarries where rehabilitation plan is implemented | % | 0 | 0 | 0 | 0 |
| **Local communities GRI 413-1** | | | | | |
| Operations with local community engagement, impact assessments and development programmes | We implement local community development initiatives all over our India operations in line with the CSR regulations of the Companies Act, 2013 | | | | |
| **CSR:** | | | | | |
| Total CSR beneficiaries | Nos. | 4,09,449 | 7,28,120 | 5,02,013 | 4,88,526 |
| **Social** | | | | | |
| **Workforce indicators GRI 2-7 and 2-8 headcount** | | | | | |
| India total employees details | | | | | |
| Total permanent workforce (male + female) | Nos. | 3,678 | 3,751 | 3,941 | 3,767 |
| Total permanent - Male | Nos. | 3,615 | 3,683 | 3,847 | 3,653 |
| Total permanent - Female | Nos. | 63 | 68 | 94 | 114 |
| Total contractual workforce | Nos. | 2,600+ | 4,000+ | 2,637 | 3,695 |
| **India total headcount** | | | | | |
| Senior management | % | | | 2 | 2 |
| Under 30 years | % | | | 0 | 0 |
| 30-50 | % | | | 0 | 1 |
| Over 50 years | % | | | 1 | 1 |
| Male | % | | | 2 | 2 |
| Female | % | | | 0 | 0 |
| Middle management | % | | | 6 | 6 |
| Under 30 years | % | | | 0 | 0 |
| 30-50 years | % | | | 4 | 4 |
| Over 50 years | % | | | 2 | 1 |
| Male | % | | | 6 | 5 |
| Female | % | | | 0 | 0 |
| Junior management | % | | | 77 | 76 |
| Under 30 years | % | | | 21 | 20 |
| 30-50 years | % | | | 51 | 52 |
| Over 50 years | % | | | 5 | 4 |

# SUSTAINABILITY SCORECARD

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| Male | % | | | 75 | 74 |
| Female | % | | | 2 | 3 |
| Permanent workers | % | | | 14 | 15 |
| Under 30 years | % | | | 1 | 0 |
| 30-50 years | % | | | 9 | 7 |
| Over 50 years | % | | | 4 | 8 |
| Male | % | | | 14 | 15 |
| Female | % | | | 0 | 0 |
| GET/DET | % | | | 1 | 1 |
| Under 30 years | % | | | 1 | 1 |
| 30-50 years | % | | | 0 | 0 |
| Over 50 years | % | | | 0 | 0 |
| Male | % | | | 1 | 1 |
| Female | % | | | 0 | 0 |
| **Hired GRI 401** | | | | | |
| **India permanent employees** | | | | | |
| **Senior management** | | | | | |
| Under 30 years | Nos. | | | 0 | 0 |
| 30-50 years | Nos. | | | 4 | 1 |
| Over 50 years | Nos. | | | 4 | 8 |
| Male | Nos. | | | 8 | 9 |
| Female | Nos. | | | 0 | 0 |
| **Total** | | | 3 | 8 | 9 |
| **Middle management** | | | | | |
| Under 30 years | Nos. | | | 8 | 0 |
| 30-50 years | Nos. | | | 30 | 38 |
| Over 50 years | Nos. | | | 2 | 17 |
| Male | Nos. | | | 37 | 54 |
| Female | Nos. | | | 3 | 1 |
| **Total** | | | 32 | 40 | 55 |
| **Junior management** | | | | | |
| Under 30 years | Nos. | | | 401 | 269 |
| 30-50 years | Nos. | | | 383 | 387 |
| Over 50 years | Nos. | | | 3 | 3 |
| Male | Nos. | | | 757 | 634 |
| Female | Nos. | | | 34 | 25 |
| **Total** | | | 278 | 791 | 659 |
| **Permanent workers** | | | | | |
| Under 30 years | Nos. | | | 0 | 24 |
| 30-50 years | Nos. | | | 0 | 51 |
| Over 50 years | Nos. | | | 0 | 11 |
| Male | Nos. | | | 0 | 86 |
| Female | Nos. | | | 0 | 0 |
| **Total** | | | 11 | 0 | 86 |

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| **GET/DET** | | | | | |
| Under 30 years | Nos. | | | 74 | 15 |
| 30-50 years | Nos. | | | 0 | 0 |
| Over 50 years | Nos. | | | 0 | 0 |
| Male | Nos. | | | 58 | 11 |
| Female | Nos. | | | 16 | 4 |
| **Total** | | | 39 | 74 | 15 |
| Total hired - Male | Nos. | 604 | 355 | 860 | 794 |
| Total hired - Female | Nos. | 14 | 8 | 53 | 30 |
| Hiring rate | % | 17 | 24 | 26 | 22 |
| Open positions filled by internal candidates | % | - | - | 7 | 15 |
| Average hiring cost/FTE | ₹ | - | - | 43000 | 44000 |
| **Separation GRI 401-1** | | | | | |
| **India permanent employees** | | | | | |
| **Senior management** | | | | | |
| Under 30 years | Nos. | | | 0 | 0 |
| 30-50 years | Nos. | | | 0 | 1 |
| Over 50 years | Nos. | | | 5 | 4 |
| Male | Nos. | | | 5 | 5 |
| Female | Nos. | | | 0 | 0 |
| **Total** | | | 11 | 5 | 5 |
| **Middle management** | | | | | |
| Under 30 years | Nos. | | | 3 | 0 |
| 30-50 years | Nos. | | | 22 | 37 |
| Over 50 years | Nos. | | | 15 | 11 |
| Male | Nos. | | | 39 | 47 |
| Female | Nos. | | | 1 | 1 |
| **Total** | | | 34 | 40 | 48 |
| **Junior management** | | | | | |
| Under 30 years | Nos. | | | 143 | 264 |
| 30-50 years | Nos. | | | 261 | 343 |
| Over 50 years | Nos. | | | 42 | 7 |
| Male | Nos. | | | 432 | 591 |
| Female | Nos. | | | 18 | 23 |
| **Total** | | | 234 | 450 | 614 |
| **Permanent workers** | | | | | |
| Under 30 years | Nos. | | | 21 | 18 |
| 30-50 years | Nos. | | | 18 | 16 |
| Over 50 years | Nos. | | | 19 | 17 |
| Male | Nos. | | | 58 | 51 |
| Female | Nos. | | | 0 | 0 |
| **Total** | Nos. | | 57 | 58 | 51 |

# SUSTAINABILITY SCORECARD

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| **GET/DET** | | | | | |
| Under 30 years | Nos. | | | 21 | 14 |
| 30-50 years | Nos. | | | 0 | 0 |
| Over 50 years | Nos. | | | 0 | 0 |
| Male | Nos. | | | 21 | 10 |
| Female | Nos. | | | 0 | 4 |
| **Total** | | | 46 | 21 | 14 |
| Total turnover - Male | Nos. | 422 | 232 | 555 | 704 |
| Total turnover - Female | Nos. | 6 | 150 | 77 | 28 |
| Turnover rate | % | 12 | 24 | 18 | 19 |
| Voluntary attrition rate | % | - | 9 | 14 | 19 |
| **Work related injuries GRI 403-9** | | | | | |
| Fatalities - Permanent employees and workers | Nos. | 0 | 0 | 0 | 0 |
| Fatalities - Contractual workers | Nos. | 0 | 0 | 0 | 1 |
| High-consequence work-related injuries - Permanent employees and workers | Nos. | 0 | 0 | 0 | 0 |
| High-consequence work-related injuries - Contractual workers | Nos. | 0 | 0 | 0 | 0 |
| Lost time injuries -Permanent employees and workers - GRI | Nos. | 0 | 0 | 2 | 0 |
| Lost time - Contractual workers - GRI | Nos. | - | 3 | 3 | 7 |
| Lost time injuries -Permanent employees and workers - GCCA | Nos. | - | - | - | 2 |
| Lost time - Contractual workers - GCCA | Nos. | - | - | - | 11 |
| **Training GRI 404-1** | | | | | |
| Average hours of training per year per employee | Man-hours | - | - | 11 | 12 |
| Male senior management | Man-hours | 1,027 | 230 | 457.50 | 352 |
| Female senior management | Man-hours | - | - | 0 | 0 |
| Male middle management | Man-hours | 3,110 | 1,267 | 3,230.54 | 6,592 |
| Female middle management | Man-hours | - | - | 9.5 | 176 |
| Male junior management | Man-hours | 22,083 | 18,437 | 32,094 | 32,552 |
| Female junior management | Man-hours | - | - | 415 | 1,288 |
| Male GET/DET | Man-hours | - | - | 732 | 2,568 |
| Female GET/DET | Man-hours | - | - | 79 | 400 |
| Male permanent workers | Man-hours | 3,312 | 118 | 342 | 0 |
| Female permanent workers | Man-hours | - | - | 0 | 0 |
| Male contractual workers | Man-hours | 6,464 | 2,281 | 4,609 | 3,843 |
| Female contractual workers | Man-hours | - | - | 0 | 0 |
| Male - Others | Man-hours | - | - | 837 | 0 |
| Female - Others | Man-hours | - | - | 10 | 0 |

| Category | Units | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|
| Total hours of permanent male employees and workers | Man-hours | 35,996 | 21,973 | 36,856 | 42,064 |
| Total hours of permanent female employees and workers | Man-hours | - | 359 | 504 | 1,864 |
| Total hours of non-permanent male workers | Man-hours | 6,464 | 2,281 | 5,446 | 3,843 |
| Total hours of non-permanent female workers | Man-hours | - | - | 10 | 0 |
| Average for permanent employees and workers | Man-hours | - | 6 | 11 | 12 |
| Average for non-permanent workers | Man-hours | - | - | 1.8 | 1.04 |
| **Diversity of governance bodies and employees GRI 405-1** | | | | | |
| **Board of Directors** | | | | | |
| Male | % | | 87 | 86 | 86 |
| Female | % | | 13 | 14 | 14 |
| **Senior manager** | | | | | |
| Male | % | | 98 | 100 | 100 |
| Female | % | | 2 | 0 | 0 |
| **Middle manager** | | | | | |
| Male | % | | 98 | 97 | 97 |
| Female | % | | 2 | 3 | 3 |
| **Junior manager** | | | | | |
| Male | % | | 97 | 97 | 96 |
| Female | % | | 3 | 3 | 4 |
| **GET/DET** | | | | | |
| Male | % | | 85 | 66 | 87 |
| Female | % | | 15 | 34 | 13 |
| **Permanent workers** | | | | | |
| Male | % | | 100 | 100 | 100 |
| Female | % | | 0 | 0 | 0 |
| Total male | % | 98.3 | 98.2 | 97.6 | 97 |
| Total female | % | 1.7 | 1.8 | 2.4 | 3 |
| **Ethical performance** | | | | | |
| Corruption and bribery cases | Nos. | 0 | 0 | 0 | 0 |
| Substantiated and anti-competitive cases | Nos. | 0 | 1 | 1 | 0 |
| Human rights complaints including sexual harassment | Nos. | 0 | 0 | 0 | 0 |
| Environmental fines | Nos. | 0 | 0 | 0 | 0 |
| Community stakeholders' complaints on social, water or other environmental issues | Nos. | 0 | 0 | 0 | 0 |

# OTHER ESG INDICATORS

| CEO and other executive performance metrics | |
|---|---|
| Variable pay | At the end of each financial year, at the recommendation of the Nomination and Remuneration Committee, the Board of Directors approves the payment of performance- linked incentives and commissions to the MD, the DMD & CEO and the DMD and CFO. |
| **Linkages to variable pay** | |
| Management share ownership | The Board has not implemented an ESOP scheme in the Company for any level of official/executive of the Company. |
| **Political contribution** | |
| | Political contribution Nil during FY2022-23 has been made through electoral bonds. |
| **IT security and cybersecurity** | |
| Board- level governance | Our risk committee headed by Mr. Saurabh Chandra is charged with oversight and review of risk management and identification of emerging risks. These risks include cybersecurity and IT risks as well as periodic risk assessments in these aspects. |
| Executive management responsibility | Our Chief Digital Officer, who is a part of our Executive Management Team oversees execution of IT security and cybersecurity across our plants and offices. We have started the journey towards ISO 27001 certification. We also implemented VAPT (Vulnerability and Penetration Testing) for each deployment at JKCL Software through an external agency. We also engaged third-party agency for periodical audit of our IT security systems. |
| **Supply chain performance** | |
| ESG screening | We sign contracts with our vendors and drivers to prevent ESG aspects like child labour, forced labour, hazardous waste spills and biodiversity damage. We also conduct frequent audits to cover all our suppliers in three years. While we source most primary raw materials from our leased mines, the dependence on suppliers for critical raw materials is low. We expect all our vendors to comply with our ESG policy to ensure no adverse impact due to business operations. |
| Local sourcing | Most of our suppliers are based in the same state as our plants. Hence we ensure that there is ample local sourcing which includes small and medium vendors as well as large establishments. |

| Employee pay indicators | Unit | Value |
|---|---|---|
| Executive level: Average base salary only for female employees | ₹ | NA |
| Executive level: Average base salary only for male employees | ₹ | 121 Lakhs |
| Executive level: Average (base salary + other cash incentives) for female employees | ₹ | NA |
| Executive level: Average (base salary + other cash incentives) for male employees | ₹ | 121 Lakhs |
| Management level: Average base salary only for female employees | ₹ | 12.5 Lakhs |
| Management level: Average base salary only for male employees | ₹ | 11.77 Lakhs |
| Management level: Average (base salary + other cash incentives) for female employees | ₹ | 12.5 Lakhs |
| Management level: Average (base salary + other cash incentives) for male employees | ₹ | 11.77 Lakhs |
| Non-management level: Average salary for Female employees | ₹ | NA |
| Non-management level: Average salary for male employees | ₹ | NA |

# GCCA INDICATORS

| GCCA content index | Unit | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Clinker production | MnTPA | 7.02 | 8.11 | 8.97 | 9.77 |
| Cement production | MnTPA | 9.56 | 11 | 13.11 | 14.57 |
| Cementitious production | MnTPA | 9.8 | 11.48 | 13.46 | 14.87 |
| **$CO_2$ emissions** | | | | | |
| Total direct $CO_2$ emission gross (with CPP and AFR) | $tCO_2$ | 65,32,699 | 72,06,969 | 77,84,307 | 7985999 |
| Total direct $CO_2$ emission - net (excluding CPP and AFR) | $tCO_2$ | 56,82,107 | 65,56,800 | 72,07,227 | 77,40,698 |
| Specific direct $CO_2$ emission -gross (Scope 1) | $kgCO_2$/tonne cementitious product | 667 | 628 | 578 | 537 |
| Specific direct $CO_2$ emission -net (Scope 1) | $kgCO_2$/tonne cementitious product | 580 | 571 | 535 | 520 |
| **Emissions** | | | | | |
| Overall coverage rate | % | 100 | 100 | 100 | 100 |
| Coverage rate continuous measurement | % | 100 | 100 | 100 | 100 |
| PM - (Convention - Temperature - 273K, Pressure - 101.3 kPa ) | Tonnes | - | - | - | 488 |
| $So_x$- (Convention - Temperature - 273K, Pressure - 101.3 kPa) | Tonnes | - | - | - | 255 |
| $NO_x$- (Convention - Temperature - 273K k, Pressure - 101.3 kPa Kpa) | Tonnes | - | - | - | 7653 |
| **Fuels** | | | | | |
| Kiln fuels | Tonnes | 8,73,046 | 10,21,858 | 12,51,930 | 14,32,453 |
| Total energy from fuels used in clinker production | TJ | 21,736 | 24,913 | 27,948 | 31,030 |
| Alternative fuels | Tonnes | 1,36,458 | 1,85,895 | 2,92,783 | 4,02,137 |
| Energy from alternative fuels | TJ | 1,163 | 1,567 | 1,859 | 2,905 |
| Alternative fuel rate (kiln fuels) | % | 5.4 | 6.3 | 6.7 | 9.4 |
| Biomass fuels | Tonnes | 8,061 | 3,635 | 49,063 | 1,08,951 |
| Energy from biomass fuels | TJ | 137 | 49 | 615 | 1,424 |
| Biomass fuel rate (kiln fuels) | % | 0.6 | 0.2 | 2.2 | 4.6 |
| Total alternate fuel rate (kiln fuel) | % | 6 | 6.5 | 8.9 | 13.95 |
| Specific heat consumption for clinker production | MJ/tonne clinker | 3,096 | 3,074 | 3,116 | 3,178 |
| **Raw Materials** | | | | | |
| Total raw materials for clinker produced | MnT | Not calculated in 2019-20 | 12 | 14 | 15 |
| Total alternative raw materials for clinker produced | MnT | Not calculated in 2019-20 | 0.12 | 0.14 | 0.21 |
| Total raw Materials for cement produced | MnT | 2.78 | 3.37 | 4.50 | 5.11 |
| Total alternative raw materials for cement produced | MnT | 1.58 | 1.98 | 2.50 | 2.82 |
| Alternative raw materials rate | % | Not calculated in 2019-20 | 19 | 19.8 | 20.3 |

## GCCA INDICATORS

| GCCA content index | Unit | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Clinker/cement (equivalent) factor | % | 0.70 | 0.68 | 0.66 | 0.65 |
| **Water** | | | | | |
| Water withdrawal | $m^3$ | 15,19,358 | 17,04,457 | 17,95,310 | 21,73,387 |
| Water discharge | $m^3$ | 0 | 0 | 0 | 0 |
| Number of sites | Nos. | 8 | 9 | 9 | 9 |
| Number of sites with a water recycling system | Nos. | 7 | 7 | 9 | 9 |
| Water consumption (total water withdrawal – water discharge) | $m^3$ | 15,19,358 | 17,04,457 | 17,95,310 | 21,73,387 |
| Amount of water consumption per unit of product | $m^3$/tonne cementitious material | 0.16 | 0.16 | 0.14 | 0.15 |
| **Health and safety:** | | | | | |
| Number of fatalities: directly employed | Nos. | 0 | 0 | 0 | 0 |
| Number of fatalities: contractors and sub-contractors | Nos. | 0 | 0 | 0 | 1 |
| Number of fatalities: third parties | Nos. | 0 | 0 | 0 | 0 |
| Number of offsite fatalities | Nos. | - | - | - | 0 |
| Number of lost time injuries - directly employed - GRI | Nos. | - | 0 | 2 | 0 |
| Number of lost time injuries: contractors and sub-contractors- GRI (48 hours) | Nos. | - | 2 | 3 | 7 |
| Number of lost time injuries - directly employed - GCCA (24 hours) | Nos. | - | - | - | 2 |
| Number of lost time injuries: contractors and sub-contractors - GCCA | Nos. | - | - | - | 11 |
| Lost time injury frequency rate: directly employed - GRI | Rate | - | 0 | 0.56 | 0 |
| Lost time injury frequency rate: contractors and sub-contractors- GRI | Rate | - | 3 | 0.22 | 0.54 |
| Lost time injury frequency rate: directly employed - GCCA | Rate | - | - | - | 0.53 |
| Lost time injury frequency rate: contractors and sub-contractors- GCCA | Rate | - | - | - | 0.84 |
| Lost days: directly employed | Nos. | 41 | 0 | 19 | 13 |
| Lost days: contractors and Sub-contractors | Nos. | - | 138 | 90 | 130 |
| Lost time severity rate: directly employed | Rate | - | 12.82 | 5.33 | 3.42 |
| Lost time severity rate: contractors and sub-contractors | Rate | | | 6.81 | 9.94 |



## GRI CONTENT INDEX

| | |
|---|---|
| | JK Cement Ltd |
| Statement of Use | JKCL has reported in accordance with the GRI Standards for the period between 1st April 2022 to 31st March 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Setor Standard(s) | None |

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| | 2-3 Reporting period, frequency and contact point | About the Integrated report | Reporting boundary and period | Back of cover |
| | 2-5 External assurance | Assurance statement | - | |
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| | 2-8 Workers who are not employees | Sustainability scorecard | Workforce indicators | 117 |
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| | 2-10 Nomination and selection of the highest governance body | Sustainability scorecard | Other ESG indicators | 122 |
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| | 2-12 Role of the highest governance body in overseeing the management of impacts | Sustainability scorecard | Other ESG indicators | 122 |
| | 2-14 Role of the highest governance body in sustainability reporting | Sustainability scorecard | Other ESG indicators | 122 |
| | 2-15 Conflicts of interest | Corporate governance | Ethics and transparency | 36 |
| | 2-17 Collective knowledge of the highest governance body | Corporate governance | The Board | 32-33 |
| | 2-18 Evaluation of the performance of the highest governance body | Sustainability scorecard | Other ESG indicators | 122 |

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| | 2-21 Annual total compensation ratio | Sustainability scorecard | Other ESG indicators | 122 |
| **Strategy, policies and practices** | 2-22 Statement on sustainable development strategy | Message from MD<br>Message from CEO | - | 20-21<br>22-23 |
| | 2-23 Policy commitments | Corporate governance | Value creation with corporate governance | 36 |
| | 2-24 Embedding policy commitments | Corporate governance | Value creation with corporate governance | 36 |
| **Stakeholder engagement** | 2-29 Approach to stakeholder engagement | Stakeholder engagement | - | 24-25 |
| | 2-30 Collective bargaining agreements | Human capital | Human rights risk mitigation | 94 |
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| | 3-2 List of material topics | Materiality assessment | - | |
| **Economic Performance** | | | | |
| **GRI 201: Economic Performance 2016** | 3-3 Management of material topics | Financial capital | - | 56-57 |
| | 201-1 Direct economic value generated and distributed | Sustainability scorecard | Economic indicators | 114 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Natural capital | Taskforce on climate related financial disclosures | 81-82 |

| GRI Standard No. | Disclosure | LOCATION | | |
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| | | Section | Sub-section | Page No. |
| **GRI 203: Indirect Economic Impacts 2016** | 3-3 Management of material topics | Social and relationship capital | Our focus areas | 102-104 |
| | 203-1 Infrastructure investments and services supported | Social and relationship capital | Infrastructure development | 106 |
| | 203-2 Significant indirect economic impacts | Social and relationship capital | CSR initaitives | 105-111 |
| **GRI 204: Procurement Practices 2016** | 3-3 Management of material topics | Social and relationship capital | Supply chain partners | 111 |
| | 204-1 Proportion of spending on local suppliers | Sustainability scorecard | Other ESG indicators | 122 |
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| | 303-4 Water discharge | Sustainability scorecard | Water discharge | 115 |
| | 303-5 Water consumption | Sustainability scorecard | Water consumption | 115 |

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# ANNEXURE

| Name of the event | Brief about the award |
|---|---|
| **Mangrol** | |
| Environmental Excellence Award (North region) | By Mission Energy Foundation for its waste heat recovery system to the WHR team |
| CII National Energy Efficiency Circle Competition 2022 | Best Energy Efficient Organisation |
| | Low Carbon Neutral Initiative |
| | Best Energy Efficient Designated Consumer |
| CII National Award | Excellence in Energy Management 2022 |
| | Excellence in Water Management 2022 |
| CII GreenCo Rating System | GREENCO Gold Rating 2022-2025 |
| 22nd Greentech Environment Awards | Winner in the category of 'Environment Protection' |
| **Aligarh** | |
| 23rd National Awards (CII) | Excellence in Energy Management |
| FAME NATIONAL AWARD 2022 | Platinum award for Excellence in Energy Efficiency |
| The Iconic Platinum Awards | Iconic Platinum award for Human Resource Department of the Year |
| EIILM Kolkata Presented 50 HR INNOVATORS | Award for Best 50 HR INNOVATORS Awards |
| **Jharli** | |
| Mission Energy Foundation Awards | Fly Ash Utilisation Award 2022 under the category of 'Green Building Material – Cement' |
| CII - 23rd National Award for Excellence in Energy Management 2022 | Excellent Energy Efficient Unit |
| APEX India Foundation 2022 | Platinum award in the category of 'OHS in Cement Sector' |
| SEEM Gold Award 2021 | Gold Award in Cement Category |
| NCB International Conference on Cement, Concrete and Building Materials | National Award for Energy Excellence in the Indian Cement Industry instituted by the National Council for Cement and Building Materials |
| **Muddapur** | |
| GreenCo Rating by CII | GreenCo Platinum rating certification by CII |
| 23rd National Award for Excellence in energy Management by CII | Cement Plant – Excellent Energy efficient unit for the fifth consecutive time |
| 23rd National Award for Excellence in Energy Management by CII | Conducted for all sectors in India to evaluate and award sectors and manufacturing units exceling in energy efficiency and energy management conducted by CII |
| NCCBM (National Council for Cement and Building Materials) National Awards | 1. Third best award for energy excellence in integrated cement plants<br>2. Third best award for environment excellence in integrated cement plants<br>3. Second consolation prize for total quality excellence in integrated cement plants<br>4. Second best award for achieving circular economy in integrated cement plants |
| Annual HSE Strategy Summit & Awards | 'First runner-up' in the 'Managing Risk and Risk Assessment at Work Award' by Invention Business Intelligence |
| "Evaluation of STAR Rating for Mining Leases" | 5-star rating for mining lease under 'Evaluation of star rating for mining leases' |
| CII National Energy Efficiency Circle Competition - 2022 | 1. First runner-up in best energy efficient organisation (large category)<br>2. Appreciation in innovations in energy efficiency (large category) |
| Samman, JK Cement organisation level | 'PLANT OF THE YEAR' by Samman |

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Independent Assurance Statement

The Management and Board of Directors
JK Cement Limited
Kamla Tower,
Kanpur 208001, Uttar Pradesh, India

**Scope**

We have been engaged by JK Cement Ltd. to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on JK Cement Ltd. 's Integrated Report FY 2022-23 (the "Subject Matter") for the period from 1st April 2022 to 31st March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

**Criteria applied by JK Cement Ltd.**

In preparing the Integrated Report FY 2022-23, JK Cement Ltd. applied the Integrated Reporting Framework by International Integrated Reporting Council (IIRC), GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (Criteria) and GCCA Guidelines. Such criteria were specifically designed for Integrated Report; As a result, the subject matter information may not be suitable for another purpose.

**JK Cement Ltd's responsibilities**

JK Cement Ltd's management is responsible for selecting the Criteria, and for presenting the Integrated Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

**EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this engagement as agreed with JK Cement Ltd's on 19th December 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

**Our Independence and Management**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Integrated Report and related information, and applying analytical and other appropriate procedures.

**Our procedures included:**

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2022 to 31st March 2023. The scope and boundaries of the sustainability performance disclosures cover JK Cement operations across India as set out in the Report in the section 'Reporting boundary and scope'.

We conducted, on a sample basis, review and verification of data collection / calculation methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

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- Remote verification of data, for all the JKCL units (except Jaykaycem Central, Fujairah & other subsidiaries), through consultations with the Site Team and Sustainability Team;
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed.
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of Integrated Reporting.
- We also performed such other procedures as we considered necessary in the circumstances.

**Emphasis of matter**

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Reports, Corporate Social Responsibility Reports, previous Integrated Reports, or other sources available in the public domain;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Integrated Report for the period from 1st April 2022 to 31st March 2023, in order for it to be in accordance with the Criteria.

**Restricted use**

This report is intended solely for the information and use of JK Cement Ltd. and is not intended to be and should not be used by anyone other than JK Cement Ltd.

Saunak Saha

Saunak Saha
For and on behalf of Ernst & Young Associates LLP
20-07-2023
Kolkata



# Statutory Reports and Financial Statements

# Management Discussion and Analysis

### Global Economy:

The global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia - Ukraine war. Commodity prices that rose sharply due to war have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions. GDP growth to fall from 3.4% in 2022 to 2.8% in 2023. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. In case of Emerging and Developing Economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9% in 2023 and to rise to 4.2% in 2024. The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

India growth remained robust in the face of global uncertainty but it is expected to face some headwinds due to the stubborn inflationary pressure. GDP growth of India for 2023-24 would likely to be 5.9%.

### India Economic Growth:

India is on track to becoming a $7 trillion economy by 2030 powered by the triple engines of rapid growth, clean energy transition and digital revolution. This would mean India doubling its economy in seven years from the existing gross domestic product (GDP) of $3.5 trillion.

Factors like demographic dividend and domestic consumption have often been cited as the engines of India's economic growth. India's economic growth over the past two decades has been the second fastest amongst major countries, at an average of 7.5% per annum, only behind China's 9.6% growth.

### India Cement Industry:

India Cement Industry is passing through consolidation phase where small players are gradually acquired by major players. Further, entry of Adani in Cement Industry through acquisition of ACC & Amubja has changed the market dynamics. Now all players including mid-size players are planning for capacity addition through greenfield/brownfield expansion and or by acquisition.

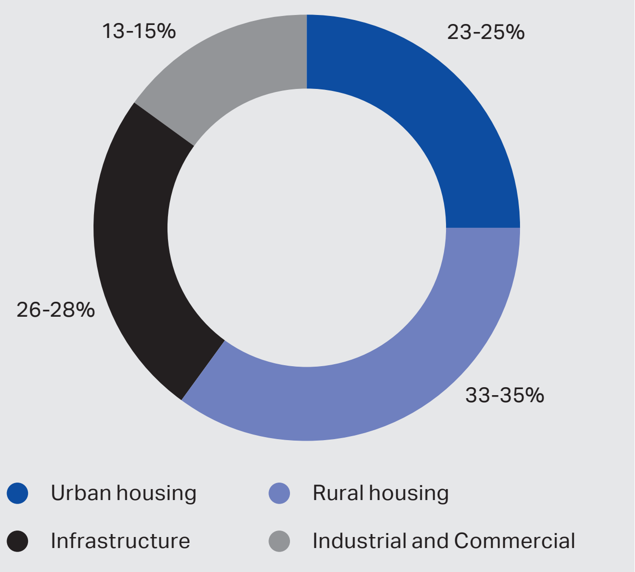
Cement Industry to add another 130-140 MTPA of capacity during fiscal 2024-2028. In fiscal 2023, Cement industry added around 30 MTPA of capacity and robust capacity addition of 30-32 MTPA is expected in fiscal 2024 also due to positive demand outlook and players' efforts to maintain market share in a competitive market scenario. The total installed capacity is estimated to be around 730-740 MTPA by fiscal 2028 with a demand growth of 4.5-5.5% CAGR.

The cement demand grew by a healthy 11-12 % in fiscal 2023 resulting in cement consumption of 395 million tonnes. With higher cement demand growth and GDP moderating to less than ~7% in fiscal 2023, cement-demand-to-GDP ratio improved sharply to ~1.6 times. However, we expect it to moderate in fiscal 2024 to 1.2-1.4 times on back of moderation in GDP growth and demand growth on high base of last fiscal.

In fiscal 24, demand is expected to witness 7-9% growth primarily led by the government's thrust to boost Infra and rural housing before the Lok Sabha election in 2024.

### Cement Demand Drivers:

The Cement demand mainly comprises of housing (58-60%), infrastructure (26-28%), and industrial/commercial (13-15%) segments. The real estate and urban housing demand shot up post pandemic due to WFH environment. The housing demand is expected to moderate over the next five years (fiscals 2024 to 2028), on a high base but will remain major contributor backed by a lower concretization rate in the country (which means high potential for cement demand growth), real estate pick-up, the central government's focus on the 'Housing for All' scheme, and sustained from individual house builders (IHBs). Hence, the housing segment is expected to remain the bedrock of cement demand in India. Even as housing will be the key volume contributor, infrastructure growth which has nearly doubled from 11-13% in 2013 to 26-28% in 2023 will further expand its share in the next five years, with the Central Government focusing on infrastructure spending through its flagship schemes, such as PM Gati Shakti, and rising investments in roads, railways, metros, airports, and irrigation. The central government's thrust on infrastructure with a plethora of projects in the National Infrastructure Pipeline and the state governments' efforts to increase capex will drive healthy infrastructure-led demand growth in the medium term. On the other hand, the share of the industrial and commercial segment is expected to remain stable at 12-14% in fiscal 2028. Recent government initiatives, such as the PLI scheme and Atmanirbhar Bharat, focus on multimodal logistics and rising capex owing to a long-term positive demand outlook are expected to support demand from the industrial segment.




### Sustainable Journey towards Achieving Net Zero Emission by 2050:

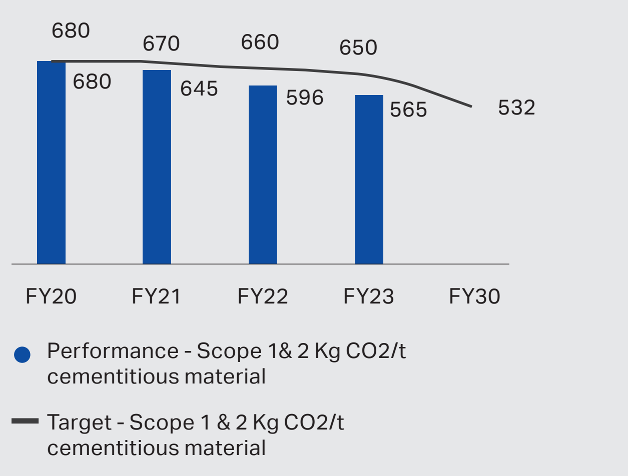
JK Cement is at the forefront of our Sustainability journey. Our progress is on the right speed to achieve our alignment with Cement Sectors SDG Goals and our commitment to Science-Based Target initiatives (SBTi). The Company has pledged for UNFCCC Race to Zero campaign under the egis of GCCA for becoming Net-Zero by 2050, and also submitted UN's Energy Compact with the Ministry of New and Renewable Energy with a target to increase the green energy share from 19% in the base year 2020 to 75% in 2030.

### Reducing GHG Emissions

JK Cement Limited has aligned with the climate science to decarbonization across the value chain and committed for SBTi with a deep cut of carbon emissions by 21.7% till FY2030 from FY2020. In the last three years, we have reduced GHG Emissions by 16.9% to 565 from base level of 680 kgCO2/t cementitious (Scope-1&2)

To meet these commitments, we are working on various levers which are Improving energy efficiency, Green Power, Circular Economy, Clinker Factor/Blended Cement, Biodiversity as Carbon Sink and water positivity.

**Gross Sp. GHG Emission**



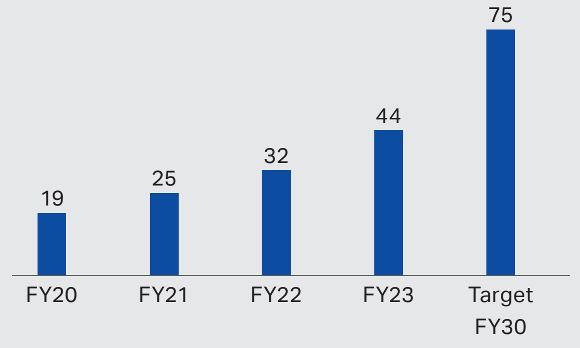

1. **Improvement in Energy Efficiency**

   To improve the energy efficiency, we have replaced the old four-stage preheater with a modern 5 stage preheater, replaced old grinding systems with modern energy efficient VRM by Horizontal Roller press, replacement of water-cooled compressor with air-cooled screw compressors and process optimization, implemented fully mechanised material handling systems, commissioned fully mechanized high-speed Over Land Belt Conveyor from mine to plant to avoid road transportation and implemented EVs for employee commuting, modified coolers in Kilns.

2. Transition Towards Green Energy

Our Green Power consumption in FY2020 was 19% which has been increased to the tune of 44% by FY2023. The 2030 ambition in the sustainable roadmap journey is to achieve 75% of Green Power share (WHRS + RE). The Company is accelerating investment in green power technologies like WHRS and RE's.

Green Power Mix (%)

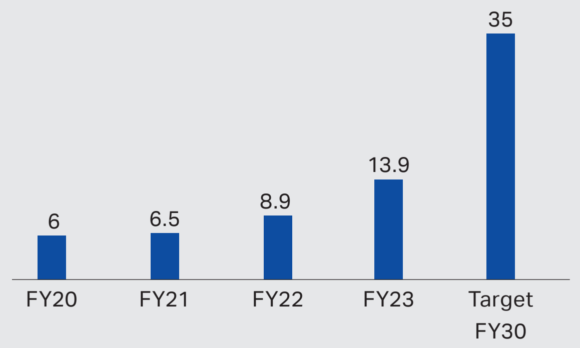



3. Circular Economy (Use of Alternative Fuel and Raw Materials)

All of our cement kilns are outfitted with cutting-edge pre-processing and calciner feeding of a wide range of liquid and solid waste materials. We boosted our TSR from 6% in FY2020 to 13.95% in FY2023, with the goal of reaching 35% by FY2030, and we are growing our capacity correspondingly.

Moreover, as part of conservation of natural resources we have reduced the clinker factor by consuming the industrial waste such as fly ash and slag etc.

TSR (%)




4. Water footprint

We are constantly working to achieve our aim of becoming 5 times water positive till 2030 from 3.2 times in FY 2020. Our water stewardship journey involves continuously enhancing our water use efficiency, shifting from ground to surface water sources and increase the ground water recharge to make more water available to society where we operate.

We have increased our water positivity from 3.2 times in FY2020 to 4.5 times in by implementing the best water saving practices and conservation technologies in the sector.

5. Biodiversity Footprint and Sustainable Mining

JK Cement believes that to build a greener tomorrow Hence, JKCL is developing a biodiversity park as a secure habitat for local flora and fauna where native species are preserved. We are committed to protect the existing biodiversity and also to create the right habitat in urban areas to ensure that it flourishes. We planted around 13.5 lakh trees till FY2023 and maintaining 39% greenery at our operational sites.

We implemented best sustainable mining practices and our mines have been recognised and awarded for 5 star rated mines. We follow GCCA guidelines to implement the biodiversity across all the sites, and developing biodiversity park and Miyawaki forestation at many sites.

6. Net Zero aspiration

We are looking for replacement of fossil fuel by adopting the emerging technologies to replace fossil fuel with sustainable green fuel, transition towards green energy and techno-economical solutions such as gasification of RDF, Oxyfuel technology, CCUS, use of H2 as green fuel, Electrification of Kiln, Clean fuel based fleet in mining and all transportation and green sustainable Cement Products.

### Performance India Operations:

Industry margins were impacted in fiscal 2023 mainly due to increase in Power & Fuel costs during first half of fiscal led by rally in crude oil and Petcoke & Imported Coal prices due to geopolitical tensions between Russia and Ukraine. Cement prices rose by 3-4% on-year in fiscal 2023 as players tried to cushion profitability amidst high cost pressures.

### Company's Operational & Financial Performance:

Standalone

1) Grey Cement, White Cement & Wall Putty sales volumes increased to 15.1 MnTpa as against 13.6 MnTpa in 2021-22 thereby registering growth of 11%.

2) Revenue from Operations grew by 17% to ₹8998.59 crores from ₹7678.58 crores in previous year.

3) EBITDA recorded de-growth of 12 % at ₹1346.47 Crores from ₹1536.08 crores in 2021-22

4) Net profit is lower at ₹562.54 crores as against ₹630.68 crores in 2021-22, recorded decline of 11 %.

Capacity addition

1) Central India Expansion in subsidiary

4 MTPA capacity expansion in Panna / Hamirpur was completed within 18 months in third quarter of the fiscal. It has also ramped up to the level of 60% capacity utilisation in last quarter.

2) Existing units

Capacity of existing units have been increased by 2 MTPA by various modifications carried out for improvement in Clinker quality, Cement Mill throughput, feeding systems and loading capabilities.

With this Grey Cement capacity is increased to 20.7 MTPA.

Paint Foray:

Acquired Acro Paints Ltd. having manufacturing facilities in Bhiwadi. It is a profitable & debt free Company producing decorative paints including textures and construction chemicals catering to the markets of northern India. Cost of acquisition is ₹255 crores and further Capital expenditure of ₹30 crores is being done to upgrade the capacity to 60,000 KL.

### Information Technology:

Digital being the core of business, your Company is highly focussed on leveraging technology to optimize business benefits, along with a robust IT infrastructure and best in class Security practices.

Some of the major investments in Technology during the financial year 2022-23 include :

Applications

1. Capturing condition monitoring of equipment on real time basis (Walk by Inspection) their mobile.
2. Institutionalised in-plant logistics solution using RFID including Smart loading – all units for both Outbound as well as Inbound
3. Automated Quality testing and integration with SAP using eLIMS
4. Digital EHS solution across all Units (Safety Plans, Dashboards and Reports, ePermits, etc.)
5. Contractor Labour Management
6. Travel and Expense Management using SAP CONCUR
7. AI/ML based predictive Engine for select plant modules

Information Security

1. Replaced Legacy Anti-virus solution with latest End Point Detection and Response solution (EDR), and XDR for Servers and Network, providing smart layer of security from Malware & Exploits.
2. AI based Email Security including CES (Cloud Email Security), APP (Advanced Phishing protection) and Cloud Mail Defence
3. Web applications protection using Cloud based WAF
4. Secure IT and OT integration across all plants.
5. Introduction of Good security practices to safeguard Data within the system
6. Safeguarding Cloud base Applications and Data through SWG & CASB.
7. Centrally managed Patch management and compliances

Infrastructure & Manpower

1. Leaner workforce at Digital & IT – focus on best in class solution through more innovation and alignment with business.
2. Seamless connectivity to internal users through Centralised, AI based Wi-Fi across all.
3. DR setup with optimised RPO and RTO.
4. Centralised Backup solution @ JKCL for all users

The direction for next steps are carefully planned and the work has been initiated for taking the Digitalisation at JKCL to next level, including Implementation of SAP S/4 HANA, Application Centralisation using Low Code Now Code platform, Further, strengthening the Security, and increased usage of emerging technologies.

### Internal Audit Function:

Internal Controls

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company.

The systems, standard operating procedures and controls are implemented by the executive leadership team and are reviewed by the internal audit team whose findings and recommendations are placed before the Audit Committee.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting.

### Internal Financial Controls

The Company has an IFC Framework, commensurate with size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to reporting and providing reliable financial and operational information complying with applicable laws, safeguarding assets from unauthorised use, execution of transaction with appropriate authorisation and ensuring compliance with polices of the Company.

The Company has documented Risk and Control Matrices (RACM) covering all significant risks and all controls are tested for design and operating effectiveness as part of its Internal Financial Control reporting framework.

The Company uses SAP - a well-accepted enterprise resource planning (ERP) system to record data for accounting, consolidation, and management information purposes and connects to different locations for efficient exchange of information

In our view, the Internal Financial Controls are adequate and are in line with best practices applicable to organisations of a similar size, nature and complexity. The Company has continued its efforts to align all its processes and controls with best practices.

### Risk Management

A robust governance structure has been developed across the Organization. Risk Management framework developed which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

The responsibility of tracking and monitoring the key risks of the division periodically and implementing suitable mitigation plans proactively is with the senior executives of various functional units. These risk owners are expected to avoid any undue deviations or adverse events and ultimately help in creating value for the business.

During the year, the Company undertook multiple initiatives to strengthen, widen and deepen the scope and coverage of the risk framework across the Company.

## Human Resources Development:

### Building a Future-Ready Organization

Human Capital has undergone a significant transformation in recent years, largely influenced by the disruptive impact of COVID–19. In this context, organisations are confronted with unprecedented challenges, including a highly competitive talent landscape, the future of work and the need for cost control. As we enter 2023, we see an opportunity for HR to redefine the employee value proposition in the post-pandemic reality. Human capital management has taken centre stage, to address these immediate challenges, where there is a renewed emphasis on its employees. This has led to transformations in key areas such as; Employee benefits, well-being initiatives, Diversity and Inclusion, digital transformation, talent development and organisational culture.

At JK Cement, our commitment to our employees is evident through our industry-leading employee welfare practices and collaborative work culture. As a fundamental principle, we prioritise employee engagement and retention. To achieve this, we have successfully implemented robust systems to understand and proactively address employee feedback. This ensures that employees and managers have structured feedback opportunities available throughout the year.

To retain employees and check attrition, independent feedback on the reason of employee leaving us. This is done through an exhaustive interview methodology by external experts.

Additionally, we prioritise creating a consistent and enjoyable onboarding experience for new employees by providing a standard joining kit and conducting induction sessions to familiarise them with our business goals and organisational culture.

### A Great Place To Be …

We are truly invested in our people and as a testimony to our camaraderie and culture, we were recognised as a **"Great Place to Work" for the 4$^{th}$ year in a row**. This recognition has further strengthened our commitment to providing a positive and fulfilling work environment for all our employees.

As we have redesigned our people strategy and adapted to the dynamic trends in the industry, let's delve into the major developments, flagship interventions, and cultural transformations that have shaped the way we work at JK Cement.

### Talent Acquisition and Managment:

At JK Cement, we have embraced new ways of virtual hiring, strengthened our young talent pipeline for Management Trainees (MT) and Graduate Engineer Trainees (GET), built an internal talent pool, and increased our focus on gender diversity. Our efforts to attract diverse talent have resulted in sustaining 113 women employees across various functions, accounting for 3.5% of our total workforce. Continuing on our patch towards leveraging technology, we launched our first Digital Orientation programme, 'JUMPSTART,' as part of our flagship onboarding programme.

We effectively manage a diverse talent pool through various initiatives that prioritise employee well-being and professional growth. These include providing a nurturing environment, offering benchmarked compensation, enabling merit-based career progression and implementing best-in-class people policies. We have prioritised digital transformation and employee experience as our core pillars of impact. By leveraging modern technology, we have strived to understand employees' unique needs and have simplified processes by digitalisation of our HR systems leading to greater efficiency and transparency across locations.

Additionally, we implemented initiatives to identify our Employee Value Proposition (EVP) and took a detailed survey. Through This survey we identified our EVP statement as **"Jazbaat se Banaa Junoon se Juda"**.

Our continuous focus on industry benchmarking aims to position JK Cement as an employer of choice. We conducted focused interventions on productivity analysis, salary benchmarking, and incorporating external trends to strengthen our people strategy. Furthermore, we celebrated our inaugural **'Foundation Day – Samman,'** honoring long-serving employees and channel partners.

### Learning and Development:

We continuously prioritise building capabilities and developing talent to meet evolving skill and competency needs. Our Learning and Development function has significantly increased overall training man-days. We also invested in the development of our managers and leaders by participating Management Development Programs (MDPs) and Leadership Development Programs (LDPs) from prestigious institutes.

Through a structure methodology of organisation temperature check by various surveys during lifecycle of employee we have been able to develop a competitive workforce, fostered innovation, and driven organisational success thereby building a pipeline of future leaders.

At JK Cement, we remain dedicated to making our brand an "Employer of choice", both internally and externally. Our employees are our most valuable assets, and we will continue to attract, engage, and develop a future-ready workforce for our organization.

The total workforce (standalone) as on 31$^{st}$ March 2023 is 3,767.

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting Company's **Twenty Ninth Annual Report** and **Audited Financial Statements** for the year ended 31st March, 2023.

## 1. Financial Results

₹ In Lacs

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| Revenue from operations | 899859.90 | 767858.40 |
| Profit before depreciation & Tax and exceptional items | 116172.12 | 137555.53 |
| Less: Depreciation | 36146.40 | 28201.96 |
| Less: Exceptional items | NIL | 13000.00 |
| Profit Before Tax | 80025.72 | 96353.57 |
| Tax Expense (Including deferred tax and tax adjustment of earlier years) | 23771.62 | 33285.85 |
| Profit After Tax | 56254.10 | 63067.72 |
| Add: OCI (Other Comprehensive Income) | 319.47 | 380.61 |
| Add: Retained earnings at the beginning of the year | 208070.74 | 174854.95 |
| Add: Transfer from Debenture Redemption Reserve | 1307.35 | 1357.70 |
| Less: Transfer to General Reserve | 20000.00 | 20000.00 |
| Less: Dividend on Equity Shares | 11590.24 | 11590.24 |
| Balance to be carried forward | 234361.42 | 208070.74 |

## 2. Performance of the Company

Your Company's performance during the year under report has overall improved. However, substantial increase in input costs impacted profitability.The Company's Revenue from Operations increased by 17.19% to ₹899859.90 Lacs during the year compared to ₹767858.40 Lacs in previous year. Profit after Tax decreased to ₹56254.10 Lacs compared to ₹63067.72 Lacs.

## 3. Performance of the Subsidiary /Joint Venture Companies

The Company has three wholly owned subsidiaries two in India viz. JaykayCem (Central) Ltd. and JK Maxx Paint Ltd (formerly known as 'JK Paints & Coatings Limited') and another in UAE viz JK Cement (Fujairah) FZC. JK Maxx Paint Ltd (formerly known as 'JK Paints & Coatings Limited') has a step down subsidiary viz Acro Paints Ltd. The UAE subsidiary has one step down subsidiary and such step down subsidiary has a subsidiary in Africa. There has been no material change in nature of the business of subsidiaries.

### Subsidiary Company

J.K. Cement (Fujairah) FZC (JKCF) recorded net income of AED 1933446 (equivalent to ₹422.92 Lacs) for the period from April,2022 to 31st March, 2023 (Previous year net Loss of AED 114172584.99 equivalent to ₹23162.87 Lacs)

JK Cement Works (Fujairah) FZC (JKCWF) is primarly involved in the business of manufacturing and sale of white cement in Middle East and GCC markets. It has reported a turnover of AED 184986144.73 (equivalent to 40463.31 lacs) (Previous year AED 166408466.55 equivalent to ₹33260.29 Lacs). It recorded a loss before OCI of AED 34494877.02 (equivalent to ₹7247.22 Lacs) for the period from April, 2022 to 31st March, 2023 {Previous year a loss of AED 39501152.48 equivalent to ₹7908.22 lacs.}.

JK White Cement (Africa) Ltd. is second level step down subsidiary of the Company, incorporated on 4th November, 2018, in Republic of Tanzania. 99.90 % stake is held by JK Cement Works (Fujairah) FZC. It is engaged in the business of manufacturing/trading/ import/export of all types of cement, wall putty other allied products, cement clinker, limestone, gypsum etc.

Jaykaycem (Central) Ltd, has set up grey cement manufacturing facilities in the state of Uttar Pradesh and Madhya Pradesh, recorded a revenue of ₹33002.84 Lacs and net loss of ₹5969.40 Lacs (previous year loss ₹97.31 Lacs) for the year ended 31st March, 2023. It is proposed to amalgamate with your Company and as on the date of reporting amalgamation is yet to be effective.

JK Maxx Paint Ltd (erstwhile JK Paints and Coatings Ltd.) is engaged in business of Paints business has been incorporated during the year under report. Acro Paints Ltd. became subsidiary of JK Maxx Paint Ltd and step down subsidiary of the Company w.e.f 6th January, 2023. Acro Paints Ltd has recorded revenue of ₹7955.58 Lacs and a net profit of ₹29.47 lacs during the FY 2022-23.

## 4. Consolidated Financial Statements

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

## 5. Dividend

The Board of Directors has recommended a payment of final dividend at a rate of ₹15 per equity share (150%) for the year ended March 31, 2023 subject to the approval of the Members at the 29th Annual General Meeting ('AGM'). In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), our Company has formulated a Dividend Distribution Policy. The policy is available on our Company's website and can be accessed at www.jkcement.com/assets/about/company policy/Dividend_Distribution_Policy.pdf

## 6. Transfer to Reserves

The Company proposes to transfer ₹1,307.35 Lacs (previous year ₹1,357.70 Lacs) from Debenture Redemption Reserve. Besides, our Company proposes ₹20000 Lacs (previous year ₹20,000 Lacs) to General Reserve during FY 2022-23

## 7. Share Capital

The paid up Equity Share Capital as at 31st March, 2023 remained at ₹77.27 Crores. During the period under report, your Company has not issued any share including Sweat Equity, ESOP.

## 8. Finance

During the year under report, your Company has availed a sum of ₹668.94 Crores towards disbursement of term loans and NCDs (previous year ₹585 Crores). However it repaid ₹608.37 Crores (previous year ₹346.73Crore) towards Term Loan and NCD, reflecting its commitment to fulfilling its financial obligations and maintaining its commitment to financial stability.

## 9. Credit Rating

Inspite of challenging cement industry scenario, CARE has reaffirmed your Company's rating as "CARE AA+" (Care double AA+) for long term bank facilities and "CARE A1+" for short term bank facilities. Besides this India Ratings has also reaffirmed the Company's Issuer Rating at "IND AA+" (Stable). Further, CRISIL has reaffirmed the Company's rating for Commercial Paper at "CRISIL A1+".

## 10. Particulars of Guarantees or Investments by Our Company

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

## 11. Operations

### Grey Cement

During the year under report, cement production increased by 13% at 13.17 Million Tonne (compared to 11.70 Million Tonne last year) and sales increased by 12% at 13.17 Million Tonne (compared to 11.72 Million Tonne last year), driven by favourable market scenario.

### White Cement

During the reporting period, production of White Cement & Wall Putty increased by 11% to 15.55 Lac Tonne against 14.09 Lac Tonne in the previous year. Sales increased by 11% to 15.92 Lac Tonne (compared to 14.34 Lac Tonne last year)

### Paints

During the year under report, Your Company, through its wholly owned subsidiary JK Maxx Paint Limited, acquired 60% equity share capital of M/s Acro Paints Ltd (APL), making APL a step down subsidiary of your Company.

## 12. Projects of the Company

### Our Company has

(a) Commenced Commercial production of Clinker and Cement at its greenfield grey cement manufacturing unit at Panna, MP with a split grinding unit at Hamirpur, U.P. with total capacity of 4 MnTPA under its wholly owned subsidiary M/s Jaykaycem (Central) Ltd. ('Jaykaycem').

(b) Implemented 2 MnTPA expansion by increasing Cement grinding Capacity at various units with this, the Grey Cement production Capacity increased to 20.67 MnTPA

## 13. Personnel

### 13.1 Industrial Relations

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

### 13.2 Particulars of Employees

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

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

| S. No | Requirements | Disclosure |
|---|---|---|
| 1 | The percentage increase in remuneration of CFO and CS in the financial year | CFO- 3.59% CS -1.19% |
| 2 | The percentage increase in the median remuneration of employees in the financial year | 6.5% |
| 3 | The number of permanent employees on the rolls of the Company | Staff- 3475 Workmen- 551 |
| 4 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | 12% Last FY |
| 5 | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes |
| 6 | Median Remuneration of all the employees of the Company (₹ Lakh) | 8.84 |
| 7 | Ratio of Remuneration of each Director and KMP to the median remuneration of all the employees of the Company for the year 2022-23 | Provided below |

Particulars about Key Managerial Personnel including Managing Director.

| SN | Name | Designation | Remuneration Paid in ₹ | | % Increase in Remuneration from previous Year | Ratio to median Remuneration of all employees |
|---|---|---|---|---|---|---|
| | | | 2022-23 | 2021-22 | | |
| 1 | Dr. Raghavpat Singhania | Managing Director (KMP) | 16,12,62,000 | 14,33,58,916 | 12.49% | 182:1 |
| 2 | Mr. Ajay Kumar Saraogi | Dy Managing Director & Chief Financial Officer (KMP) | 9,13,36,000 | 8,81,71,750 | 3.59% | 103:1 |
| 3 | Mr. Madhavkrishna Singhania | Dy Managing Director & Chief Executive Officer (KMP) | 15,49,14,000 | 13,67,14,250 | 13.31% | 175:1 |
| 4 | Mr. Shambhu Singh | Company Secretary (KMP) | 88,36,259 | 87,32,193 | 1.19% | 10:1 |

** ₹8.84 Lakhs Median, Ratio is calculated on remuneration 2022-23

### Particulars about other Non-Executive Directors.

| SN | Name | Designation | Remuneration Paid in ₹ | | % Increase in Remuneration from previous Year | Ratio to median Remuneration of all employees # |
|---|---|---|---|---|---|---|
| | | | 2022-23 | 2021-22 | | |
| 1 | Mrs. Sushila Devi Singhania | Non-Executive Non Independent | 29,50,000 | 30,00,000 | -1.67 | 3:1 |
| 2. | Dr. K.B. Agarwal | Non-Executive Independent | 21,75,000 | 22,75,000 | -4.40 | 2:1 |
| 3. | Mr. Sudhir Jalan | Non-Executive Non Independent | 15,75,000 | 17,75,000 | -11.27 | 2:1 |
| 4. | Mr. Paul Heinz Hugentobler | Non-Executive Non Independent | 1,38,55,499 | 1,29,54,786 | 6.95 | 16:1 |
| 5. | Mrs. Deepa Gopalan Wadhwa | Non-Executive Independent | 18,25,000 | 19,00,000 | -3.95 | 2:1 |
| 6. | Mr. Ashok Sinha | Non-Executive Independent | 17,50,000 | 18,25,000 | -4.11 | 2:1 |
| 7. | Mr. Saurabh Chandra | Non-Executive Independent | 19,00,000 | 19,75,000 | -3.80 | 2:1 |
| 8. | Mr. Satish Kumar Kalra | Non-Executive Independent | 16,75,000 | 16,00,000 | 4.69 | 2:1 |
| 9. | Mr. Mudit Aggarwal | Non-Executive Independent | 17,75,000 | 16,50,000 | 7.58 | 2:1 |
| 10. | Mr. Ajay Narayan Jha | Non-Executive Independent | 18,00,000 | 17,50,000 | 2.86 | 2:1 |
| 11. | Dr. Nidhipati Singhania | Non-Executive Non Independent | 22,25,000 | 23,00,000 | -3.26 | 3:1 |

### 13.3 Human Resources and Industrial Relations

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

## 14. Significant and Material Order Passed by the Regulator(s) or Court(s)/ Matter of Emphasis Impacting the Going Concern Status and our Company's Operations in Future

The Competition Commission of India (CCI) vide its order dated 31.8.2016, imposed a penalty of ₹12,854 Lacs on the Company. The Appeal was heard whereupon National Company Law Appellate

Tribunal (NCLAT) vide order dated 25.7.2018 upheld CCI's order. The Company has filed statutory appeal before the Hon'ble Supreme Court, which vide its order dated 5.10.2018 has admitted the appeal and directed that the interim order of stay passed by the Tribunal in this matter will continue for the time being. The Company, backed by legal opinion, believes that it has a good case and accordingly no provision has been made in the Audited Annual Report of 2022-23

In a separate matter, CCI imposed penalty of ₹928 Lacs vide order dated 19.1.2017 for alleged contravention of provision of Competition Act, 2002 by the Company. On Company's appeal, NCLAT has stayed the operation of CCI's order. The matter is pending for hearing before NCLAT. Based on Legal opinion, the Company believes that it has a good case and accordingly, no provision has been made in the Audited Annual Report

Members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

## 15. Corporate Governance

A report on Corporate Governance along with the Practicing Company Secretary's Certificate on its compliance, forms an integral part of this Report.

## 16. Public Deposits

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

## 17. Whistle Blower Policy/Vigil Mechanism

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

## 18. Mitigation of Risk

The Company has been addressing various risks impacting the Company including details of significant changes in key financial ratios which is more fully provided in annexed Management Discussion and Analysis. As per the Listing Regulation Risk Management Committee for enforcing Risk Management Policy is in place.

## 19. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:

Your Company hedges its foreign currency exposure in respect of its imports and export receivables as per its laid down policies. Your Company uses a mix of various derivatives instruments like forward covers, currency swaps, interest rates swaps or a mix of all. Your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular No. SEBI/HO/ CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018.

## 20. Remuneration Policy

The Board of Directors and Nomination and Remuneration Committee follows a policy concerning remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Policy also covers criteria for selection and appointment of Board Members and Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## 21. Related Party Transactions

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Independent Directors approves Related Party Transactions. The statement is supported by the certificate from the MD and the DMD & CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.jkcement.com.

## 22. Auditors' Report

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis (except items disclosed in significant accounting policies). The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2023. Auditors' Report to the shareholders does not contain any qualification in the standalone or in the consolidated financial statements for the year under report. However, Auditors have drawn attention of shareholders on penalty imposed by Competition Commission of India (CCI), the matter is adequately covered in Para 15 above and to be read along with notes on accounts.

## 23. Internal Financial Controls and its Adequacy

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the quarterly Internal Audit Reports.

## 24. Directors and Key Managerial Personnel

### 24.1 Appointments

a. In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, **Mrs. Sushila Devi Singhania (DIN:00142549)** will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

b. **Mr. Paul Heinz Hugentobler (DIN 00452691)** will attain the age of 75 (Seventy Five) years on 14th February, 2024, therefore, his continuance of office after attaining the age of 75 years would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting

c. **Mrs. Deepa Gopalan Wadhwa (DIN 07862942)** was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from November 3, 2018, till November 2, 2023, and she is eligible for reappointment for the second term of 5 years that is from November 3, 2023, till November 2, 2028 would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting.

d. **Mr. Ashok Sinha (DIN 00070477)** was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029. Mr. Ashok Sinha will attain the age of 75 (Seventy Five) years on 15th February, 2027, therefore, his continuance of office after attaining the age of 75 years and would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting.

e. **Mr. Saurabh Chandra (DIN 02726077)** Mr. Saurabh Chandra, was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029 and would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting.

f. **Mr. Ashok Kumar Sharma (DIN: 00057771)** aged 71, is a practicing Chartered Accountant and having more than 46 years of experience in the field of audit, taxation, accounts and finance appointed as Non-Executive, Independent Director of the Company w.e.f 01.04.2023.

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

### 24.2 Cessations

Dr. Krishna Behari Agarwal (DIN: 00339934) has resigned as an Independent Director of the Company w.e.f. 31st March, 2023 due to his advanced age and related health issues.

### 24.3 Key Managerial Personnel

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

| SN | Name of the Official | Designation |
|---|---|---|
| 1. | Dr. Raghavpat Singhania | Managing Director |
| 2. | Mr. Madhavkrishna Singhania | Dy. Managing Director & Chief Executive Officer. |
| 3. | Mr. Ajay Kumar Saraogi | Dy. Managing Director & CFO |
| 4. | Mr. Shambhu Singh | Company Secretary |

## 25. Meetings of the Board of Directors

During the year 2022-23, 4(Four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings were within the period prescribed under the Companies Act, 2013.

## 26. Board Evaluation

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

## 27. Directors' Responsibility Statement

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

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

ii) The Directors have selected such accounting policies, judgements and estimates that are reasonable and prudent and applied them consistently, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2023, and of the statement of Profit and Loss and cash flow of the Company for the period ended 31st March, 2023;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on an ongoing concern basis;

v) Proper internal financial controls to be followed by the Company has been laid down and that such internal financial controls are adequate and were operating effectively and

vi) Proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 28. Statutory Auditor

M/s. S.R. Batliboi & Co. LLP., Chartered Accountants (ICAI Firm Registration No. 301003E/E300005) were re appointed as Statutory Auditors by the members of the Company at the 28th Annual General Meeting held on August 13, 2022, for a period of five years till the conclusion of the 33rd Annual General Meeting.

## 29. Cost Auditor

Pursuant to section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee, appointed M/s K.G. Goyal & Company Cost Accountants as the Cost Auditors of the company for the Financial Year 2023-24 and has recommended their remuneration to the Shareholders for ratification at the ensuing Annual General Meeting. M/s K.G. Goyal & Company have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report for the financial year 2022-23 is being filed with Ministry of Corporate Affairs.

## 30. Secretarial Audit

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Reena Jakhodia & Associates, Kanpur, Company Secretaries in Practice, as the Secretarial Auditor for conducting Secretarial Audit of the Company for the Financial Year ended March 31, 2023. The report of the Secretarial Auditor is attached as Annexure A. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except as detailed in MR-3 annexed to this Report. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

## 31. Reporting of Fraud

The Auditors of the Company have not reported any fraud committed to the Company as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud on the Company has been reported to the Management from any other sources.

## 32. Compliance With Secretarial Standards on Board and Annual General Meetings

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

## 33. Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat Singhania University, Udaipur imparting specialised value based education to students. Also, the Company played a constructive role in the infrastructural development of surrounding areas. During the period under report, the Company undertook various activities e.g. Art, Culture, Community Welfare, Drinking Water, Sanitation, Education, Health, Rural Development, Eradicating Hunger/Poverty. The Annual Report on CSR activities is annexed herewith as Annexure B.

## 34. Statutory Information

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

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

### 34.2 Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: https://www.jkcement.com/investors//annualreturns

### 34.3 Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended 31st March, 2023 as stipulated under regulation 34 of the Listing Regulations is annexed as Annexure D and forms part of the Annual Report.

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

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

## 35. Transfer to Investor Education and Protection Fund

During and pertaining to the year, the Company has transferred a sum of ₹13,98,060/- which represents unclaimed dividend and Equity Shares (held by Shareholders) which represents unclaimed shares were due for transfer has been transfered after the close of financial year to the Investor Education and

Protection Fund in compliance with provisions of the Companies Act, 2013.

## 36. Disclosures Under the Companies Act, 2013 and Listing Regulations

### 36.1 Policy on Sexual Harassment of Women at Workplace:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. All employees (permanent contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committees have also been set up at various location to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment from any of the women employees of the Company.

### 37.1 Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining & mineral industries and E-marketing; and they hold highest standards of integrity. Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The IICA is yet to commence the online proficiency self-assessment test and hence, the said online proficiency self-assessment test has been undertaken by the Independent Directors of the Company and qualified..

### 37.2 Familiarisation Programme for Independent Directors

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

## 38. Equal Opportunity by Employer

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

## 39. Cautionary Statement

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

## 40. Other Disclosure

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- Details relating to deposits that are covered under Chapter V of the Act
- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme(sweat equity or stock options)
- There is no change in the Share Capital / Debt Structure during the year under review
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees
- Managing Director, Dy. Managing Director & CEO and Dy. Managing Director & CFO has not received any remuneration or commission from any of its subsidiaries
- There was no revision in the financial statements
- There was no change in the nature of business
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report

## 41. Acknowledgements

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

For J.K. Cement Ltd.

Place: New Delhi
Date: 27.05.2023

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

**Madhavkrishna Singhania**
Dy.Managing Director & CEO
DIN: 07022433

# FORM AOC-1

**Statement containing salient features of the financial statement of Subsidiaries or associate companies or Joint ventures**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees lacs, unless otherwise stated)

| Sl. No. | Particulars | Details | | | | | |
|---|---|---|---|---|---|---|---|
| 1. | Name of the Subsidiary | J. K. Cement (Fujairah) FZC(Wholly Owned Subsidiary) | J. K. Cement Works (Fujairah) FZC (Step Down Subsidiary) | J. K. White Cement (Africa) Limited (Step Down Subsidiary) | Jaykaycem Central Limited (Wholly Owned Subsidiary) | JK Maxx Paint Limited (erstwhile JK Paints and Coatings Limited) (Wholly Owned Subsidiary) | Acro Paints Limited (Step Down Subsidiary) |
| 2. | The date since when subsidiary was acquired | Incorporated | Incorporated | Incorporated | Incorporated | Incorporated | 06-01-2023 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31-03-2023 | 31-03-2023 | 31-03-2023 | 31-03-2023 | 31-03-2023 | 31-03-2023 |
| 4. | * Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | AED | AED | TSH | RS. | RS. | RS. |
| 5. | Share capital | 98,503.68 | 19,958.39 | 176.96 | 4659.11 | 28,540.00 | 93.70 |
| 6. | Reserves & surplus | 43,039.68 | (73,200.92) | (826.93) | 1,13,648.59 | (909.78) | 3,103.53 |
| 7. | Total Assets | 88,657.97 | 1,09,119.21 | 911.80 | 3,17,732.08 | 27,949.14 | 5,176.74 |
| 8. | Total Liabilities | 33,193.97 | 1,62,361.74 | 1,561.77 | 1,99,424.38 | 318.92 | 1,979.51 |
| 9. | Investments | 80,677.83 | 212.03 | - | - | - | - |
| 10. | Turnover | - | 40,463.31 | 3,892.13 | 33,002.84 | - | 2,130.23 |
| 11. | Profit/(loss) Before Taxation | 422.92 | (7,247.22) | (402.44) | (8,235.90) | (1,208.45) | 125.11 |
| 12. | Provision for Taxation | - | - | 19.03 | (2,266.50) | (301.28) | (1.66) |
| 13. | Profit/(loss) after Taxation | 422.92 | (7,247.22) | (421.47) | (5,969.40) | (907.17) | 126.77 |
| 14. | Proposed Dividend | - | - | - | - | - | - |
| 15. | Extent of shareholding (in percentage) | 100.00 | 90.00 | 100.00 | 100.00 | 100.00 | 60.00 |

**Notes:**

1. All subsidiaries are already in operations
2. No subsidiaries have been liquidated or sold during the year.

* Closing exchange rate adopted for consolidation: 1 AED = ₹22.3872 and 1 TSH = ₹0.0353919

*Average exchange rate adopted for consolidation: 1 AED = ₹21.8737 and 1 TSH = ₹0.0346610

## Part "B": Associate Company and Joint Venture - Nil

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

**A.K. SARAOGI**
Dy Managing Director and CFO
DIN: 00130805

**DR. RAGHAVPAT SINGHANIA**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**SHAMBHU SINGH**
Company Secretary
Membership No: F5836

**MADHAVKRISHNA SINGHANIA**
Dy Managing Director and CEO
DIN: 07022433

## Annexure-A

# Secretarial Audit Report

**For The Financial Year Ended 31st March, 2023**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **J.K. Cement Limited CIN: L17229UP1994PLC017199 ("the Company")** having its registered office at Kamla Tower, Kanpur, U.P. and manufacturing units at (i)Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan, (ii)Mangrol, Dist. Chittorgarh, Rajasthan, (iii) Gotan, Dist. Nagaur, Rajasthan, (iv)Muddapur, Dist. Bagalkot, Karnataka, (v)Jharli, Dist. Jhajjar, Haryana , (vi) Village: Rupand, Tensil- Badwara, Dist. Katni, M.P. (vii) Aligarh U.P. (viii) Balasinor, Gujrat etc. Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under;

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

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External commercial Borrowings.,

v. Secretarial Standards as prescribed by Institute of Company Secretaries of India.

vi. The following Regulations and Guidelines with amendments thereto prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments from time to time;

e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and amendments from time to time;

f) The Competition Act, 2002 and Rules/ Regulations framed thereunder;

vii Following other laws are applicable specifically to the Company

a) Factories Act, 1948;

b) Industries ( Development & Regulation) Act, 1951;

c) Laws prescribed related to mining activities;

d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;

e) Laws prescribed under prevention and control of pollution;

f) Laws prescribed under Environmental protection;

g) Laws prescribed under Direct Tax and Indirect Tax;

h) Land Revenue laws of respective States;

i) Labour Welfare Laws of respective states;

j) Local laws as applicable to various offices, plants, grinding stations/Units and bulk cement terminals.

k) Ammonium Nitrate Rules 2012

l) Explosive Rules 2008

m) Mines Act, 1952 read with Mines Rules, 1955

n) Cement Cess Rule, 1993

o) Cement (Quality Control) Order, 2003.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The applicable provisions of SEBI (LODR) Regulations 2015 for listing of Company's shares with the Bombay Stock Exchange and National Stock Exchange of India Ltd.

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

A Compliance Management Software is in place to track timely Compliance of applicable legislation in the Company. The Internal Audit Team is monitoring and submitting its quarterly Compliance reports before the Audit Committee

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

1. During the audit period, the Company has issued and Listed 10,000 in numbers of rated, listed, secured, Redeemable, Non-cumulative, 7.90% interest bearing Non-convertible Debentures of face value of ₹1,00,000 each payable quarterly on a Private Placement basis and the Company has taken all the necessary approvals and duly complied with applicable laws, rules, regulations and guidelines, with respect to the said issuance.

2. The Company has incorporated its wholly owned subsidiary viz. JK Paints and Coatings Ltd. on 13.4.2022 for entering into Paint Business. Subsequently JK Paings has acquired 60% equity in Acro Paints Ltd an existing established Paint Company. Hence, Acro Paints Ltd became step down subsidiary of your Company.

3. The wholly owned subsidiary Company M/s. Jaykaycem (Central) Limited has filed an application for its Amalgamation with the Company before Hon'ble National Company Law Tribunal (NCLT), Allahabad. The NCLT has passed an Order on 02.03.2023, formal Certified Copy of which is still awaited. After receiving the order, the same would be filed with MCA/ROC and then the merger will become effective.

4. Proceedings related to Competition Commission of India (CCI) matter is still pending.

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

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

For: Reena Jakhodia & Associates
Company Secretaries

**(Reena Jakhodia)**
Proprietor
Membership No: F6435
C.P. No.: 6083
UDIN: F006435E000336281

Place: Kanpur
Date: 19.05.2023

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

'Annexure A'

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company.

   Our Responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: Reena Jakhodia & Associates
Company Secretaries

**(Reena Jakhodia)**
Proprietor
Membership No: F6435
C.P. No.: 6083
UDIN: F006435E000336281

Place: Kanpur
Date: 19.05.2023

## Annexure-B

# The Annual Report on Corporate Social Responsibility (CSR)

[As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time]

1. Brief outline on CSR Policy of the Company: The CSR Policy was approved by the Board of Directors at its Meeting held on 1st November, 2014 and has been uploaded on the Company's website. The web link is https://www.jkcement.com/frontTheme/pdf/csr_policy_of_jk_cement_ltd_20.11.14.pdf The Company undertook activities relating to rural development, community welfare, disaster relief, education promotion, environmental sustainability, eradicating hunger, poverty and malnutrition, healthcare and sanitation, drinking water, sports promotion .

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mrs. Deepa Gopalan Wadhwa (Chairperson) | Non- Executive, Independent Director | 2 | 2 |
| 2 | Mrs. Sushila Devi Singhania | Non- Executive, Non- Independent Director | 2 | NIL |
| 3 | Dr. K.B. Agarwal (till 31.03.2023) | Non- Executive, Independent Director | 2 | 2 |
| 4 | Mr. Mudit Aggarwal | Non- Executive, Independent Director | 2 | 2 |
| 5 | Mr. Ajay Narayan Jha | Non- Executive, Independent Director | 2 | 2 |

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

   https://www.jkcement.com/corporate-governance

   https://www.jkcement.com/policies

   https://www.jkcement.com/csr

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

   Provisions of Rule 8(3) of the Companies (CSR Policy) Rules 2014 in respect of impact assessment is not applicable for this financial year

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹1058,98,88,000/-

   (b) Two percent of average net profit of the Company as per sub-section (5) of section 135.: ₹211797000/-

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:NIL

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

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹21,17,97,000/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹26,83,42,474.00

   (b) Amount spent in Administrative Overheads.: Nil

   (c) Amount spent on Impact Assessment, if applicable.: Not Applicable

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹26,83,42,474.00

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| 26,82,17,474.00 | NIL | NIL | NIL | NIL | NIL |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 21,17,97,000.00 |
| (ii) | Total amount spent for the Financial Year | 26,83,42,474.00 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 5,65,45,474 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | NIL |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 5,65,45,474 |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No | Preceeding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficie ncy, if any |
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | FY-1 | NIL | | | | | | |
| 2 | FY-2 | NIL | | | | | | |
| 3 | FY-3 | NIL | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| | NIL | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. N.A.

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

**Deepa Gopalan Wadhwa**
Chairperson, CSR Committee
DIN: 07862942

Place: New Delhi
Date: 27th May, 2023



# Annexure-C

## Particulars of Energy Conservation , Technology Absorbtion , Foreign Exchange Earnings and Outgo Required Under Companies (Accounts) Rules 2014 Pursuant to seciton 134(3)(m) of the Companies Act,2013 read with Rule 8(3) of the Companies(Accounts) Rules,2014

### A) Energy Conservation

Sustainable Development and continuous improvement of Key Performance Indicators are of prime importance for the Company. Energy reduction in every field is the need of time to sustain business in the current scenerio of each & every industry including Cement. Major contribution towards cost of manufactured cement is the Electrical energy and Thermal energy consumption, so for J K Cement main focus to reduce cost of production is the conservation of electrical & thermal energy .

During the year 2022-23, various efforts have been done to reduce the consumption of electrical & thermal energy for the production of cement by our different manufacturing units .These energy conservation measures during 2022-23 has resulted in reduction of power consumption by 330 lacs kwh, equivalent to 3148 MTOE.

In an additional new technology absorption which are Solar power plant & AFR systems etc. resulted in reduced the fossil energy consumption of 7621 lacs KWH equivalent to 66025 MTOE during the year with a total Investment of ₹2075 lacs

The overall energy saving projects are classified into the listed categories:-

- Process optimization with nil investment
- Installation of energy efficient equipments
- Implementing in house kaizens & modifications
- Downsizing of existing equipments
- Improving Production & Operational efficiecy.
- R&D Activities and Adopting new Technology.
- VFD installation in fans

#### Process optimization

By the optimization of various process parameters, interlockings, logics etc., many savings were achieved. Monitoring of Production process and Analysis of data is very important for energy conservation.By various process optimizations saving of ₹1068.82 lacs achieved with reducion of 185.70 lacs KWH of electricity equivalent to 1600 MTOE with expenditure of ₹109.92 lacs only.Most of the optimizations are done with minimal investment.

#### Installlation of Energy Efficient Equipments

Replacement of low efficiency motors by high efficiency motors , replacement of high power consumption lamps by energy saving LED lamps and other energy efficient equipments of the latest technology were installed to improve the electrical efficiency of the system. By these steps saving of 59.38 lacs KWH equivalent to 672 MTOE and ₹271.40 lacs with the expenditure of ₹143.96 lacs. Achieved benefits are comparitavely less due to completion of some of the major projects in the last quarter of FY 22-23.

#### Implementing In-house kaizens & modifications

Small steps of energy savings like kaizen in various section of Production & Process is a big tool for energy conservation. Such small modifications resulted in savings of 18.42 lacs KWH equal to 158 MTOE and ₹120.82 lacs of electricity with ₹12.30 lacs investment only.

#### Downsizing of the existing equipments

Utilisation of optimum loading on motors with respect to existing lower loading and rated KW, various motors were replaced by lower KW ratings resuting in Improvement in loading factor and efficiency. Such steps in total resulted in savings of ₹3.32 lacs by reducing 0.5 lacs KWH of electricity with an investment of 2.96 Lacs INR.

#### Improvement in Production & Operational Efficiency

Improvement in the Production rate index of Kilns with optimization of process & operational parameters in which savings in terms of rupees as well as effieciency of the system are achieved. Through improvement in output & operational efficiency , company has saved ₹463.50 lacs by reducing 58.26 lacs KWH of electricity equivalent to 646 MTOE with a total investment of ₹13.84 Lacs.

### VFD installation in fans

Replacement of existing drive system by VFD installation in fans has resulted in savings 7.73 lacs kwh and ₹50.27 lacs of electricity with expenditure of ₹16.8 lacs only.

#### Savings are as under:-

Detail of Energy Conservation Savings are as under:-

| | Saving (KWH) in lacs | Saving (MTOE) | Saving (₹In lacs) |
|---|---|---|---|
| Installation of Energy Efficient Equipment | 59.38 | 672 | 271.40 |
| In house small modifications | 18.42 | 158 | 120.82 |
| VFD Installation | 7.74 | 66 | 50.27 |
| Improving production & operational efficiency | 58.26 | 646 | 463.50 |
| Downsizing of the existing equipment | 0.50 | 4 | 3.32 |
| Process optimization | 185.70 | 1600 | 1068.82 |
| | **330.00** | **3146** | **1978.13** |

## B) Technology Absorption and R&D Activities

By technology upgradation and R&D activities in the areas of Process Improvement and Energy Management of JK Cement Ltd, in FY 2023-24 ₹12358 lacs has been planned for Technology Absorption & Energy Conservation measures.

### Major steps in R&D activities are:-

For FY 2022-2023 by R&D activities & Energy saving initiatives, expenditure of ₹2075 Lacs incurred to save ₹8083 Lacs , the description of which is as mentioned below:

i) CM-3 Classifier Up-gradation & separate Silo feeding arrangement to increase production with less energy consumption achieving saving of 21.15 Lacs KWH equivalent to 678.5 MTOE and ₹148.05 lacs with the expenditure of ₹1022.8 Lacs .

ii) At Mangrol, absorbed power source from Solar plant of 7 MW to save primary fuel by collaborating with Amplus Solar regarding Solar energy purchase in which solar panel is installed in our plant land and complete installation cost were on Amplus Solar scope. JK Cement are paying per unit price to Amplus Solar against the daily usage, achieving saving of 71 lacs KWH equivalent to 611 MTOE and saving of ₹213 lacs with the zero investment.

iii) At Mangrol unit, WHR Generation increased by 130.87 Lacs KWH equivalent to 1125.02 MTOE (Generation in year 2021-22 is 182085010 kwh and in year 2022-23 is 195171490 kwh), resulted in the saving of ₹871 Lacs.

iv) Usage of Alternate fuel i.e. AFR in Line-1 (26841 MT), Line-2 (119765 MT) & Line-3 (144544 MT) by substituting primary fuel resulted in an overall saving of 7397.87 Lacs KWH equivalent to 63610.2 MTOE and ₹6850.46 Lacs with the expenditure of ₹1051.98 Lacs.

## C) Foreign Exchange Earnings and Outgo

| Particulars | ₹ In lacs |
|---|---|
| Foreign Exchange earned in terms of actual inflows | 442.74 |
| Foreign Exchange outgo in terms of Actual outflows | 96,677.42 |



Annexure-D

# Business Responsibility & Sustainability Report

## Section A: General Disclosures

### I. Details of the entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L17229UP1994PLC017199 |
| 2 | Name of the Listed Entity | J.K. Cement Limited (JKCL) |
| 3 | Year of incorporation | 24-Nov-94 |
| 4 | Registered office address | Kamla Tower, Kanpur – 208001, Uttar Pradesh, India |
| 5 | Corporate office address | Prism Tower, Ninaniya Estate, Gwal Pahari, Gurugram - 122102, Haryana |
| 6 | E-mail | shambhu.singh@jkcement.com |
| 7 | Telephone | 0124-6919000 |
| 8 | Website | https://www.jkcement.com/ |
| 9 | Financial year for which reporting is being done | FY 2022-23 |
| 10 | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited<br>2. The National Stock Exchange of India Limited |
| 11 | Paid-up Capital | ₹77.27 Cr |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Shambhu Singh<br>Company Secretary<br>+91-512-2371478-81<br>shambhu.singh@jkcement.com |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): | Disclosures under this report are made on standalone basis for JK Cement Limited |

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Cement and cement related products | 100% |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Grey Cement | 3242 | 77 |
| 2 | White Cement & Wall Putty (including VAP) | 3242, 3244, 23949 | 23 |

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 9 | 57 | 66 |

## 17. Markets served by the entity:

a. Number of locations

| Locations | Value (in numbers) |
|---|---|
| National (No. of States)- Grey cement | 19 |
| National (No. of States)- White cement | PAN India |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Almost Nil

c. A brief on types of customers:

JKCL caters to the demands and needs of various institutional/commercial customers, individual house builders, government bodies for infrastructure projects.

## IV. Employees

## 18. Details as at the end of Financial Year (FY 2022-23):

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 3216 | 3104 | 97 | 112 | 3 |
| 2. | Other than Permanent (E) | 1767 | 1762 | 99.7 | 5 | 0.3 |
| 3. | Total employees (D + E) | 4983 | 4866 | 98 | 117 | 2 |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 551 | 549 | 99.6 | 2 | 0.4 |
| 5. | Other than Permanent (G) | 3695 | 3655 | 99 | 40 | 1 |
| 6. | Total workers | | | | | |
| **(F + G)** | | **4246** | **4204** | **99** | **42** | **1** |

b. Differently abled Employees and workers (FY 2022-23):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 2 | 2 | 100 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total differently abled employees (D + E) | 2 | 2 | 100 | 0 | 0 |
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than permanent (G) | 2 | 2 | 100 | 0 | 0 |
| **6.** | **Total differently abled workers (F + G)** | **2** | **2** | **100** | **0** | **0** |

## 19. Participation/Inclusion/Representation of women

| | Total (A) | Number of females (B) | Percentage of Females % (B / A) |
|---|---|---|---|
| Board of Directors | 14 | 2 | 14 |
| Key Management Personnel | 4 | 0 | 0 |

## 20. Turnover rate for permanent employees and workers

| | FY 2022-23 (Turnover rate in current FY) (%) | | | FY 2021-22 (Turnover rate in previous FY) (%) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 19.2 | 0.8 | 20 | 15.3 | 0.7 | 16 | 8.9 | 0.1 | 9 |
| Permanent Workers | 9 | 0 | 9 | 8 | 0 | 8 | 12 | 0 | 12 |

c. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Jaykaycem (Central) Limited | Wholly Owned Subsidiary | 100 | No |
| 2 | JK Cement (Fujairah) FZC | Wholly Owned Subsidiary | 100 | No |
| 3 | JK Maxx Paint Limited (formerly known as JK Paints and Coatings Limited) | Wholly Owned Subsidiary | 100 | No |
| 4 | Acro Paints Limited | Step-Down Subsidiary | 60 | No |
| 5 | J.K. Cement Works (Fujairah) FZC | Step-Down Subsidiary | 90 | No |
| 6 | JK White Cement (Africa) Limited | Step-Down Subsidiary | 100 | No |

d. CSR Details

**22.** i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

ii. Turnover (in ₹) (FY 2022-23): ₹8,77,678.06 Lacs

iii. Net worth (in ₹) (FY 2022-23): ₹4,70,150.28 Lacs

Further details are mentioned in the Financial Statements of Integrated Annual Report FY 2022-23.

e. Transparency and Disclosures Compliances

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remark | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remark |
| Communities | Yes https://www.jkcement.com/contact-us | 2 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | Yes https://www.jkcement.com/grievance-redressal | 0 | 0 | - | 0 | 0 | - |
| Shareholders | Yes https://www.jkcement.com/grievance-redressal | 14 | 0 | - | 6 | 0 | - |
| Employees and workers | Yes Saksham | 5 | 0 | | 4 | 0 | - |
| Customers | Yes https://www.jkcement.com/customer-feedback | 1296 | 20 | C.F to FY 23-24 | 1884 | 4 | C.F to FY 22-23 |
| Value Chain Partners | Yes https://www.jkcement.com/contact-us | 0 | 0 | 0 | 0 | 0 | 0 |

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| S. No. | Material identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, Approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate Positive or negative implications) |
|---|---|---|---|---|---|
| 1) | Emissions Management | Risk | Emerging climate-related regulations such as carbon pricing mechanisms and ETS (Emission Trading Scheme) may impact JKCL's business in the long-run. | Developed decarbonization plan Implemented internal carbon pricing and Set SBTi targets, GCCA target | Negative |
| 2) | Alternative Fuel Resources | Opportunity | Use of AFR reduces GHG emissions and utilizes waste from other industries, thereby embedding circular economy within our operations | - | Positive |
| 3) | Water management | Opportunity | Reusing, recycling and rainwater harvesting, lowers water withdrawals leading to increased availability of water resource. Implementation of water efficient technologies reduce dependency on shared water resources - Maintained Zero Liquid Discharge | - | Positive |
| 4) | Occupational Health & Safety | Risk | Poses potential harm to workers and can result in accidents, injuries, or long-term health issues if not properly managed and mitigated. | Implemented health and safety management system across all JKCL plants | Negative |

**Key material issues have been highlighted above. For further details, please refer materiality assessment in IAR.**

## Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | https://www.jkcement.com/Company_policy | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The policies are formulated in accordance with established principles and align with internationally recognised standards such as ISO 9001, ISO 14001, ISO 45001, ISO 50001, UNGC Guidelines, UN-SDGs, GRI Standards, CDP Climate & Water, SBTi, TCFD, IIRC, BIS Standards, ILO Principles, WBCSD, and IGBC GreenPro | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Gross GHG Scope-1 & 2 Target 2030: 532 kg CO2/t cementitious material (SBTi)<br>Net GHG Scope-1 Target 2030: 465 kg CO2/t cementitious material (GCCA),<br>Green Power Mix Target 2030: 75%<br>Water positivity: 5x by 2030<br>Diversity and inclusion: 5% women by 2030<br>Training: 20 hours training per employee by 2030<br>For further details, refer IAR 2022-23 | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Gross GHG Scope-1 & 2: 565 kg CO2/t cementitious material (17% reduced from base year)<br>Net GHG Scope-1: 520 kg CO2/t cementitious material (10.3% reduced from base year)<br>Green Power Mix Target 2030: 44%<br>Water positivity- 4.5x by 2023<br>Diversity: 3% women<br>Training: 12 hours training per employee<br>For further details, refer IAR 2022-23 | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure): | Refer Deputy Managing Director and CEO's message in the IAR 2022-23. | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Name: Mr. Madhavkrishna Singhania<br>Designation: Deputy Managing Director and CEO<br>Telephone Number: +91-512-2371478-81 | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes.<br>**CSR Committee**<br>Mrs Deepa Gopalan Wadhwa – Independent Non-executive Chairperson<br>Mrs. Sushila Devi Singhania – Non-Independent Non-executive<br>Mr Mudit Aggarwal – Independent Non-executive<br>Mr Ajay Narayan Jha – Independent Non-executive<br>**Dr KB Agarwal – Independent Non-executive<br>For further details, please refer to the IAR Report | | | | | | | | |

**Ceased w.e.f. 31.3.23. Mr. Ashok Kumar Sharma has been appointed Member w.e.f. 1.4.23

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Board Committees | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Board Committees | | | | | | | | | Quarterly | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | Yes, checks and balances are in place for ensuring strict compliance to various Company policies and practices | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| The entity does not consider the Principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | NA | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | NA | | | | | | | | |
| Any other reason (please specify) | NA | | | | | | | | |

## Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 5 | During the year, the various updates on business, regulatory compliances, ESG, climate change, POSH, SDGs, data security and privacy, BRSR Principles etc were discussed for business alignment | 80 |
| Key Managerial Personnel | 5 | Code of Conduct, POSH, regulatory compliances, ESG, climate change, SDGs, POSH, data security and privacy | 100 |
| Employees other than BoD and KMPs | 290 | Basic First Aid, Code of Conduct, POSH, Safety Training, Basic Road Traffic Rules, Electrical Safety, Uses of machines, Hazards Awareness, PF, ESIC, ESG, Climate Change | 56 |
| Workers | 4610 | Safety induction, job specific safety at workplace for all permanent and contractual labours | 100 |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| No fines/penalties of material nature has been imposed. | | | | | |

**No Settlement or compounding undertaken during the period**

| | Non-Monetary | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil | | | |
| Punishment | | | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Not applicable | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

JKCL covers anti-corruption/anti bribery in its Code of Conduct policy. The policy can be accessed at https://www.jkcement.com/frontTheme/pdf/Code-of-Conduct-Policy-15-12-22.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| Directors | 0<br>No Directors, KMPs, Employees, workers were involved in bribery and corruption during the year | 0<br>No Directors, KMPs, Employees, workers were involved in bribery and corruption during the year |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 (Current Financial Year) | | FY 2021-22 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0<br>No complaints were received relation to issues of Conflict of Interest of the Directors and KMPs | | 0<br>No complaints were received relation to issues of Conflict of Interest of the Directors and KMPs | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

| Segment | Total number of awareness programmes held | Topics / principles covered under the training | % of value chain partners covered under the awareness programmes |
|---|---|---|---|
| Value chain partners | 2 | ESG, Ethics, Human Rights, Governance, Climate Change, health & safety | 3.5% |

**Response suggested by supply chain team:**
JKCL has conducted 2 virtual sessions of capacity-building programmes on ESG and suppliers' code of conduct for 86 Tier 1 suppliers. Out of which the Google form was shared with 13 suppliers and only 3 have responded. In the next phase, all the critical suppliers (Tier-1) shall be reached out. The other suppliers in Tier-2 and Tier-3 shall be considered for training and assessment in FY 2024-25.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has the code of conduct for the Board and senior management pursuant to Regulation 17(5) (a) of SEBI Listing Regulations; as well as for the employees of the Company and its subsidiaries. Refer to the corporate governance section of the report for more details.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

## Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | Current Financial Year (FY 2022-23) | Previous Financial Year (FY 2021-22) | Details of improvements in Environmental and social impacts |
|---|---|---|---|
| R&D | 0.55% | 0.87% | Development of green products that lead to the minimization of emissions |
| Capex | 9% | 70% | Capex represents spent on clean and green business |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

JKCL has a clear ESG policy and suppliers' code of conduct. There is a system interlock wherein only those suppliers who agree to abide by JKCL ESG policies are approved for business supply. Hence we are 100% sourcing sustainably.

https://www.jkcement.com/frontTheme/pdf/Supply-Chain-Sustainability-and-Suppliers-Code-of-Conduct-of-JK-Cement.pdf

b. **If yes, what percentage of inputs were sourced sustainably?**

All new suppliers are on-boarded on the basis on ESG parameters.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

a) Plastics (including packaging)- Plastic packaging bags are commonly reused for storing various items, including construction inventory, grains, fodder, and more. Furthermore, once these plastic bags are disposed of, they are often recycled by waste recyclers and used for co-processing.

We, at JKCL are co-processing the plastic waste in our cement kilns more than what we are generating as part of product packaging material.

b) E-waste- JKCL doesn't produce any e-waste in its products. However, the E-waste produced within the office operations is sent to the registered recyclers.

c) Hazardous waste- The hazardous waste generated in the cement production process, is consumed in the cement manufacturing process and sent to the registered recyclers as well.

d) Other waste- NA

For further details, refer waste management in IAR 2022-23.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable for JK Cement Limited. JKCL has registered for EPR targets and compliances on CPCB portal along with action plan.

## Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of product/ service | % of total Turnover contribute | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No). If yes, provide the web link. |
|---|---|---|---|---|---|
| 3242 | PPC, PPPC, OPC, PSC | 77% | Nimbahera, Mangrol, Muddapur | Yes | Yes, IAR FY 2021-22. jk_cement_ir22_final_for_website.pdf (jkcement.com) |

JKCL conducted Life Cycle Assessment (LCA) study using ISO 14040/44 standards for various products at our Nimbahera, Mangrol and Muddapur plants. For further details, refer Natural Capital.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

As per the inferences, blended cement has lowest carbon footprint, is environment friendly and durable. Hence, our focus is on promoting the manufacturing and marketing of blended cement as it is better in quality. We also aim to make it cost effective for the consumers.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| Slag | 0.5 | 0.9 |
| Fly ash | 22.2 | 21.5 |

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | In FY 2023, JKCL has co-processed 3.09 times the amount of plastic waste introduced into the environment by us through plastic packaging bags of our cement. We have co-processed 59.88 Kilo tonnes of plastic waste as AFR. | | | | | |
| E-waste | JKCL doesn't produce any e-waste or hazardous waste in its products. However, waste generated within the plant operations is sent to authorized third party recyclers. | | | | | |
| Hazardous Waste | | | | | | |
| Other waste | | | | | | |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Not Applicable, as the product is cement which is used in the form of concrete in buildings and cannot be reclaimed. | |

## PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 3104 | 3104 | 100 | 3104 | 100 | NA | NA | 3104 | 100 | NA | NA |
| Female | 112 | 112 | 100 | 112 | 100 | 112 | 100 | NA | NA | NA | NA |
| **Total** | **3216** | **3216** | **100** | **3216** | **100** | **112** | **3** | **3104** | **97** | **NA** | **NA** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 1762 | 1762 | 100 | 1762 | 100 | NA | NA | NA | NA | NA | NA |
| Female | 5 | 5 | 100 | 5 | 100 | 5 | 100 | NA | NA | NA | NA |
| **Total** | **1767** | **1767** | **100** | **1767** | **100** | **5** | **0.3** | **NA** | **NA** | **NA** | **NA** |

b. Details of measures for the well-being of workers:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 549 | 549 | 100 | 549 | 100 | NA | NA | 549 | 100 | NA | NA |
| Female | 2 | 2 | 100 | 2 | 100 | 2 | 100 | NA | NA | NA | NA |
| **Total** | **551** | **551** | **100** | **551** | **100** | **2** | **0.4** | **549** | **99.6** | **NA** | **NA** |
| **Other than Permanent Workers** | | | | | | | | | | | |
| Male | 3655 | 3655 | 100 | 3655 | 100 | NA | NA | NA | NA | NA | NA |
| Female | 40 | 40 | 100 | 40 | 100 | 40 | 100 | NA | NA | NA | NA |
| **Total** | **3695** | **3695** | **100** | **3695** | **100** | **40** | **100** | **NA** | **NA** | **NA** | **NA** |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity* | 100 | 100 | NA | 100 | 100 | NA |
| ESI | 100 (eligible population) | 100 (eligible population) | Y | 100 (eligible population) | 100 (eligible population) | Y |

*Gratuity is paid to all the eligible workforce after completion of 5 years.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

JKCL provides equal opportunities to everyone without any discrimination of any form. Kindly refer https://www.jkcement.com/frontTheme/pdf/Code-of-Conduct-Policy-15-12-22.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| **Total** | **100%** | **100%** | **100%** | **100%** |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes |
| Other than Permanent Workers | Yes |
| Permanent Employees | Yes |
| Other than Permanent Employees | Yes |

Our Company has an effective grievance redressal mechanism in place to ensure that employees feel heard and valued, and that any issues or concerns they may have are addressed in a timely and effective manner. Refer Human Capital for further details.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D /C) |
| Total Permanent Employees | 3216 | 0 | 0 | 3389 | 0 | 0 |
| Male | 3104 | 0 | 0 | 3295 | 0 | 0 |
| Female | 112 | 0 | 0 | 94 | 0 | 0 |
| Total Permanent Workers | 551 | 381 | 69.1 | 552 | 276 | 50 |
| Male | 549 | 381 | 69.3 | 552 | 276 | 50 |
| Female | 2 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 4866 | 4866 | 100 | 589 | 12 | 4800 | 4800 | 100 | 297 | 8 |
| Female | 117 | 117 | 100 | 37 | 32 | 99 | 99 | 100 | 9 | 12 |
| **Total** | **4983** | **4983** | **100** | **626** | **13** | **4899** | **4899** | **100** | **306** | **8** |
| Workers | | | | | | | | | | |
| Male | 4204 | 4204 | 100 | 183 | 4 | 3163 | 3163 | 100 | 19 | 0.6 |
| Female | 42 | 42 | 100 | 0 | 0.0 | 26 | 26 | 100 | 0 | 0.0 |
| **Total** | **4246** | **4246** | **100** | **183** | **4.31** | **3189** | **3189** | **100** | **19** | **0.6** |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 4866 | 4866 | 100 | 4800 | 4800 | 100 |
| Female | 117 | 117 | 100 | 99 | 99 | 100 |
| **Total** | **4983** | **4983** | **100** | **4899** | **4899** | **100** |
| Workers | | | | | | |
| Male | 4204 | 4204 | 100 | 3163 | 3163 | 100 |
| Female | 42 | 42 | 100 | 26 | 26 | 100 |
| **Total** | **4246** | **4246** | **100** | **3189** | **3189** | **100** |

(100% of eligible employees were assessed)

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes, JKCL has a comprehensive occupational health & safety management system including safety handbook that is applicable for all our manufacturing plants and offices

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

JKCL has a robust Hazard Identification and Risk Assessment system (HIRA) to undertake safety audit and identify work related hazards in our operations. We have standard of procedures to ensure health & safety across all manufacturing sites and offices. Awareness sessions are conducted on health & safety for all the workers.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

JKCL has the process for employees and workers to report near misses and unsafe conditions to the safety team at the earliest. Injury or fatality in the work premises can be reported both online and offline. Any unsafe incident that occurs is immediately reported to department lead, safety team on Saksham Portal. Investigation of reported incident or near miss and corrective actions are taken. Corrective action progress and prevention plan is discussed in safety committee meetings.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees and workers of JKCL have the access to non-occupational medical and healthcare services

For further details, refer Occupational Health & Safety in IAR report 2022-23.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0.56 |
| | Workers | 0.54 | 0.23 |
| Total recordable work-related injuries | Employees | 0 | 2 |
| | Workers | 19 | 3 |
| Number of fatalities | Employees | 0 | 0 |
| | Workers | 1 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Health and Safety team works to ensure employee's safety and occupational health in a sustained manner. Overall effectiveness of safety and occupational health management system is maintained by implementing following measures:

- Standards and Procedures
- Safety Observation & Audit
- Training & Capability Building
- Incident Investigation
- Contractor Safety Management
- Occupational Health
- Logistics Safety
- Project Safety
- Fire Safety
- Workplace Safety
- Driver Safety
- Social Safety

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 200 | 17 | NA | 98 | 11 | NA |
| Health & Safety | 166 | 20 | NA | 145 | 8 | NA |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100 |
| Working Conditions | 56 |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Basis the risks/concerns identified from the assessment of health and safety practices and working conditions, following corrective actions were taken:

- Guarding provided on Snub Pulleys of Conveyor belts as a result of hazard identified during safety audit
- Proper monthly inspection and cutting set trolley number to be specify on each trolley to avoid use of nonstandard trolley
- Internal Audits by Safety team related to Hand railing, Platform, Housekeeping, PPEs

### Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

(A) Employees (Y/N) – Yes

(B) Workers (Y/N). – Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

In all contracts clear obligations and general conditions of contract like statutory dues such as PF, gratuity,min. wages etc. are mentioned and the same are ensured by HR accordingly.

3. **Provide the number of employees / workers having suffered high consequence work- related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

5. **Details on assessment of value chain partners:**

| | % of your value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 3.5% |
| Working Conditions | 3.5% |

JKCL has a mandatory clause in the workorders that highlights ESG parameters and those are complied by the contractors.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions**

JKCL is dedicated to ensuring a secure, healthy, and favourable work environment for all its employees and stakeholders. We convene training programmes for value chain partners and disseminate knowledge on health & safety, best practices implemented by the manufacturing plants to implement safe working condition with no accidents. Mock drills are also conducted to ensure employees and workers are well versed with the safety protocols in case of any emergency.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

We greatly value our interactions with our stakeholders and engage with them regularly to understand their expectations and concerns. JKCL has identified internal and external stakeholders based on their potential to impact or influence the organization.

- External stakeholders- Shareholders, Dealers, Customers, Government, Regulatory & Statutory bodies, Media, Local communities
- Internal stakeholders- Employees

Refer stakeholder engagement for further details.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify) | Purpose and scope of engagement including key topics and concerns raised during such Engagement |
|---|---|---|---|---|
| Employees | No | • Training programmes, Events, Seminars, Workshops<br>• Awards – Plant level reward programmes<br>• Surveys, Employee centric applications | Periodically | Purpose<br>• Innovation<br>• Employee motivation and team building<br>• Discussion and issue resolution<br>• Prevention from accidents and health hazards concerns<br>• Career growth and progression<br>• Performance management<br>• Employee motivation<br>• Employee involvement |
| Shareholders | No | • Newspaper advertisements and email<br>• Newspaper advertisements and email<br>• Hosting on Company's website and website of BSE and NSE | Quarterly and Annual<br>Yearly<br>Quarterly | • Financial Results<br>• Notice of General Meetings, Evoting and dividend intimations.<br>• Investor presentations, Outcome of Meetings, Financial Results, Corporate Governance Reports etc |
| Dealers | No | • Dealer meetings<br>• Dealer surveys | Periodically | • Product benefits and features<br>• Product quality and feedback<br>• Building relationships and trust<br>• New product development |
| Customers | No | • Customer care service to address query, get feedback, etc.<br>• Social media | Periodically | • Product benefits and features<br>• Product quality and feedback<br>• Building relationships and trust<br>• New product development |
| Regulatory & Statutory Bodies | No | • Email and uploading of BSE and NSE Website<br>• Online filing of Statutory Forms with filing fees.<br>• Registered/Speed Post | Quarterly and Annually<br>Recording of decisions of Board and General Meeting, joining/cessation of Directors etc.<br>Annual Return | • Compliance under SEBI (LODR) and Listing Agreements.<br>• Compliance under Companies Act and Rules framed thereunder.<br>• Compliance under Sexual Harassment Act |
| Media | No | • Media meets<br>• Press conference<br>• Management interviews | Periodically | • Transparency<br>• Disclosure on compliance |
| Local Communities | Yes | • Daily informal interactions<br>• Regular field surveys | Periodically | • Building relationships<br>• Improving living standards<br>• Direction and deployment of resources<br>• Awareness on social issues |

### Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Our Company has constituted CSR Committee that oversees the ESG governance and monitors performance. This committee is chaired by an Independent Woman Director. This committee regularly provides quarterly performance updates and reviews on their respective areas and presents outcomes to the Board during meetings. Additionally, the Company conducts stakeholder engagement exercises periodically on ESG topics. These exercises follow a structured approach in terms of frequency, delegation, and reporting of outcomes, including feedback from stakeholders to the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Stakeholder consultations were carried out to shortlist and prioritise material topics based on their impact on our stakeholders and our business. Based on the outcomes of materiality assessment and stakeholder engagement exercise, strategies, objectives and goals are developed and implemented with a monitoring mechanism in place.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   Refer Social & relationship capital, IAR report FY 2023 for details of the initiatives taken at the local level.

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:**

| Category | Current FY (2022-23) | | | Previous FY (2021-22) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. employees /workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 3216 | 3216 | 100 | 3389 | 3389 | 100 |
| Other than Permanent | 1767 | 1767 | 100 | 1510 | 1510 | 100 |
| **Total Employees** | **4983** | **4983** | **100** | **4899** | **4899** | **100** |
| **Workers** | | | | | | |
| Permanent | 551 | 551 | 100 | 552 | 552 | 100 |
| Other than Permanent | 3695 | 3695 | 100 | 2637 | 2637 | 100 |
| **Total Workers** | **4246** | **4246** | **100** | **3189** | **3189** | **100** |

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Permanent | 3216 | 0 | 0 | 3216 | 100 | 3389 | 0 | 0 | 3389 | 100 |
| Male | 3104 | 0 | 0 | 3104 | 100 | 3295 | 0 | 0 | 3295 | 100 |
| Female | 112 | 0 | 0 | 112 | 100 | 94 | 0 | 0 | 94 | 100 |
| Other than Permanent | 1767 | 0 | 0 | 1767 | 100 | 1510 | 0 | 0 | 1510 | 100 |
| Male | 1762 | 0 | 0 | 1762 | 100 | 1505 | 0 | 0 | 1505 | 100 |
| Female | 5 | 0 | 0 | 5 | 100 | 05 | 0 | 0 | 05 | 100 |
| **Workers** | | | | | | | | | | |
| Permanent | 551 | 0 | 0 | 551 | 100 | 552 | 0 | 0 | 552 | 100 |
| Male | 549 | 0 | 0 | 549 | 100 | 552 | 0 | 0 | 552 | 100 |
| Female | 2 | 0 | 0 | 2 | 100 | 0 | 0 | 0 | 0 | 100 |
| Other than Permanent | 3695 | 1293 | 35 | 2402 | 65 | 2637 | 1044 | 40 | 1593 | 60 |
| Male | 3655 | 1293 | 35 | 2362 | 65 | 2611 | 1044 | 40 | 1567 | 60 |
| Female | 40 | 0 | 0 | 40 | 100 | 26 | 0 | 0 | 26 | 100 |

3. **Details of remuneration/salary/wages, in the following format:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Number Median remuneration/salary/wages | Number | Number Median remuneration/ salary/wages |
| Board of Directors (BoD) | [Refer Corporate Governance Section] | | | |
| Key Managerial Personnel | | | | |
| Employees other than BoD and KMP | 4866 | 10.7 Lakh/Annum | 117 | 11.7 Lakh/Annum |
| Workers | 4204 | 5 Lakh/Annum | 42 | 1.5 Lakh/Annum |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, all our operations are strictly monitored for human rights impacts as per our internal risk procedures. The human rights issues and impacts are overseen by the management of JK Cement. HR head is directly responsible for setting up the mechanism and addressing human rights impact related risk elimination.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   JKCL has a helpline that allows stakeholders to report issues on human rights violation or any concerns faced by the employees or workers in the workplace. The concerns are addressed with a thoughtful approach, ensuring prompt action and resolution. A thorough investigation process guarantees fairness for all parties, providing an opportunity to present information and any material evidence. https://www.jkcement.com/frontTheme/pdf/Human-Rights-Policy.pdf

6. **Number of Complaints on the following made by employees and workers:**

| | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | - | 0 | 0 | - |
| Discrimination at workplace | 0 | 0 | - | 0 | 0 | - |
| Child Labour | 0 | 0 | - | 0 | 0 | - |
| Forced Labour/ Involuntary Labour | 0 | 0 | - | 0 | 0 | - |
| Wages | 0 | 0 | - | 0 | 0 | - |
| Other human rights related issues | 0 | 0 | - | 0 | 0 | - |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Yes, all our operations are strictly monitored for human rights impacts as per our internal risk procedures. The human rights issues and impacts are overseen by the management of JK Cement. HR head is directly responsible for setting up the mechanism and addressing human rights impact related risk elimination.

   For further details, refer Human Capital in IAR.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, In all contracts clear obligations and general conditions of contract like statutory dues such as PF, gratuity,min. wages etc. are mentioned and the same are ensured by HR accordingly.

9. **Assessments for the year (FY 2022-23)**

| | % of your plants and offices (by value of business done with such partners) that were assessed |
|---|---|
| Child labour | 100% |
| Forced Labour/Involuntary Labour | 100% |
| Sexual Harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others please specify | 100% |

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

NA

## Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints**

JKCL maintains a strict policy of zero tolerance towards any form of discrimination or harassment. So far, no complaint has been received hence not applicable.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

JKCL ensures that human rights of the workforce are protected and not violated by any means. Since last four years, JKCL has been awarded as "Great Place to work". An independent survey was conducted by a third party where all our employees were assessed on parameters such as trust, values, leadership effectiveness, innovation, respect, growth etc to analyse their working experience and assure if any violations were there.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. **Details on assessment of value chain partners (FY 2022-23)**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 3.5% |
| Discrimination at workplace | 3.5% |
| Child labour | 3.5% |
| Forced labour/Involuntary labour | 3.5% |
| Wages | 3.5% |
| Others please specify | 3.5% |

Our suppliers code of conduct addresses all of these aspects. In addition, all our suppliers are screened on the basis of ESG parameters.

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

There were no significant risks / concerns arising from the assessments.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|
| Total electricity consumption (A) (GJ) | 3301349.11 | 2076319.56 |
| Total fuel consumption (B) (GJ) | 31314234 | 32772614 |
| Energy consumption through other sources (C) (GJ) | - | - |
| Total energy consumption (A+B+C) | 34615584 | 34848934 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/INR) | 39 | 45 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R Batliboi & Co. LLP.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Yes, following units were identified as designated consumers (DCs) under the PAT Scheme of the GOI in the Cycle VI (Year 2020-21 to 2022- 23) & Cycle VII (Year 2022-23 to 2024-25):

| S. No. | Units | Cycle Targets (MTOE) | | Achievement FY 22-23 (MTOE) | Remarks |
|---|---|---|---|---|---|
| | | VI | VII | | |
| 1 | Nimbahera (OPC) | NA | 0.0975 | 0.0835 | Achieved |
| 2 | Mangrol (OPC) | NA | 0.0854 | 0.0732 | Achieved |
| 3 | Muddapur (OPC) | NA | 0.0885 | 0.0850 | Achieved |
| 4 | Jharli | 0.0092 | NA | 0.0071 | Achieved |
| 5 | Gotan (White) | NA | 0.1272 | 0.1195 | Achieved |

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 1196561 | 957027 |
| (ii) Groundwater | 866826 | 838283 |
| (iii) Third party water | 0 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 110000 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 2173387 | 1795310 |
| Total volume of water consumption (in kilolitres) | 2173387 | 1795310 |
| Water intensity per rupee of turnover (Water consumed / turnover) (Kl/INR) | 2.5 | 2.3 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R Batliboi & Co. LLP.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

All the plants of JKCL have Zero Liquid Discharge facility. Total effluent generated is recycled through ETP and STP and used in the process, domestic purpose, gardening etc.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|---|
| NOx | MT/Annum | 8351.20 | 8132.62 |
| Sox | MT/ Annum | 278.04 | 1851.11 |
| Particulate Matter (PM) | MT/ Annum | 532.59 | 752.67 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R BatliBoi & Co. LLP.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|---|
| Total Scope 1 emissions (Gross) | tCO2e | 7985999.42 | 7784307 |
| Total Scope 2 emissions (Gross) | tCO2e | 419202 | 238321 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | tCO2e/INR | 9.6 | 10.4 |
| Total Scope 1 and Scope 2 emission intensity (optional) – | tCO2e/tonne of Cementitious | 0.565 | 0.596 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R Batliboi & Co LLP.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Cement production is an energy intensive process which consumes thermal energy and electrical energy. The basic raw material for manufacturing of cement is limestone which generates GHG emissions (also known as process emission) during the heating. Process emissions are responsible for approximately 60% emissions, power 10% and fuel 30% respectively.

JKCL has identified four major levers to reduce the carbon footprint which includes

- Energy efficiency measures
- Switching from fossil fuel to clean fuel
- Switching from fossil power to clean power
- Reducing the clinker factor in cement

JKCL has committed to Science Based Targets in line with the well-below 2-degree scenario. All the above targets are aligned with this target. We plan to cut GHG emissions (Scope 1 + Scope 2) by 21.7% between FY 2019-20 to FY 2029-30 by implementing various decarbonization measures. Our action plan focusses on increasing the share of green power mix (RE+WHRS) to 75%, decreasing the clinker factor to 65% by producing more blended cement, and increasing the TSR to 35% by partially replacing Kiln fossil fuel with Biomass and AFR. JKCL has undertaken numerous initiatives for a clean and green technology perspective over the years. We have adopted the best technologies available in market on energy efficiency.

8. **Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 430 | 733.98 |
| E-waste (B) | 34.07 | 3.65 |
| Bio-medical waste (C) | 0.23 | 0.12 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 42.30 | 28.28 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 110.23 | 74.35 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 8650 | 17770.88 |
| **Total (A+B + C + D + E + F + G + H)** | **9267.83** | **18611.26** |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | Not measured | |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| **Total** | | |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | Not measured | |
| (ii) Landfilling | | |
| (iii) Other disposal operations | | |
| **Total** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R BatliBoi & Co. LLP.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

JKCL strives to reduce the use of hazardous materials in our products and ensures that zero waste is directed to disposal. E-waste or batteries generated are sent to authorised recyclers. Used oil is being co-processed within our cement operations wherever feasible. Non-hazardous waste generated is also directed to third party recyclers.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| The Company does not have any of its manufacturing facilities in ecologically sensitive areas. | | | |

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public Domain (Yes / No) | Relevant Web Link |
|---|---|---|---|---|---|
| Nil | | | | | |

All our units have Environmental Clearance under the EIA notification issued by MoEFCC, Government of India. We have received all the consents from the respective state pollution control board
We have also conducted the EIA studies and developed management plans while getting Environmental Clearance for all our plants and mines.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-Compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| No fines/penalties imposed. All our operations are fully compliant with environmental law/ regulations | | | | |

### Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 612548 GJ | 254489 GJ |
| Total fuel consumption (B) | 1424468 GJ | 818095 GJ |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | **2037016 GJ** | **1072584 GJ** |
| From non-renewable sources | | |
| Total electricity consumption (D) | 2688801 GJ | 1821831 GJ |
| Total fuel consumption (E) | 29889767 GJ | 31954519 GJ |
| Energy consumption through other sources (F) | 0 | 0 |
| **Total energy consumed from non-renewable sources (D+E+F)** | **32578568 GJ** | **33776350 GJ** |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R BatliBoi & Co. LLP.

2. **Provide the following details related to water discharged:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | 0 | 0 |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (ii) To Groundwater | 0 | 0 |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iii) To Seawater | 0 | 0 |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iv) Sent to third-parties | 0 | 0 |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (v) Others | 0 | 0 |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| **Total water discharged (in kilolitres)** | **0** | **0** |

All our facilities are zero liquid discharge plants, hence water discharged is zero for FY 2022-23 and FY 2021-22.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R Batliboi & Co. LLP.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

| Water withdrawal by source (in kilolitres) | Gotan | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 408785 | 392048.00 |
| (iii) Third party water | 0 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 408785 | 392048.00 |
| Total volume of water consumption (in kilolitres) | 408785 | 392048.00 |
| Water intensity per rupee of turnover (Water consumed / turnover) (Kl/INR) | 0.47 | 0.51 |

| Water withdrawal by source (in kilolitres) | Mangrol | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| (i) Surface water | 251250 | 218501.66 |
| (ii) Groundwater | 210142 | 167841.72 |
| (iii) Third party water | 0 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 461392 | 386343.38 |
| Total volume of water consumption (in kilolitres) | 461392 | 386343.38 |
| Water intensity per rupee of turnover (Water consumed / turnover) (Kl/INR) | 0.53 | 0.5 |

| Water withdrawal by source (in kilolitres) | Nimbahera | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| (i) Surface water | 665534 | 498418 |
| (ii) Groundwater | 166764 | 168644 |
| (iii) Third party water | 0 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 110000 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 942299 | 667062 |
| Total volume of water consumption (in kilolitres) | 942299 | 675433 |
| Water intensity per rupee of turnover (Water consumed / turnover) (Kl/INR) | 1.1 | 0.9 |

All our plants maintain zero liquid discharge. Hence, no water is discharged.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 14,69,970 | 1365166 |
| **Total Scope 3 emissions per rupee of turnover** | Metric tonnes of CO2 equivalent/INR | 1.7 | 1.8 |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | | 0.10 | 0.09 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ernst & Young Associates LLP has carried out the independent assessment of the GRI Indicator assurance (non-financial). The financial assurance was carried out by S.R Batliboi & Co. LLP.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format**

| Initiative undertaken | Details of the initiative | Outcome |
|---|---|---|
| Replacement of fossil fuel with clean | AFR processing facilities have been installed across the organization | We have replaced 14% of the fossil fuel with the AFR Reduced overall carbon footprint of the product |
| Replacement of fossil fuel with clean power | Installation of Waste heat recovery system Increased the capacity of RE power Reduction in fossil power generation and consumption | Reduced our power cost Reduced GHG emissions Reduced overall carbon footprint of the product |
| Energy efficiency & advanced technologies | Replaced old heater system and grinding system with new high efficient manufacturing facilities | Reduced power and fuel consumption Reduced carbon footprint of the product |
| Maintaining Zero Liquid Discharge | All the effluent power generated is treated and reused within the operations | Improved water efficiency Reduced water consumption |
| Implementation of water efficient technologies | Water cooling systems replaced with air cooling such as condensors in power plant and compressors | Reduction in water consumption |
| 2030-Nature positive | Development of Biodiversity park located at Ahirpura limestone mine, Chittorgarh, Rajasthan | Improved ecological footprint Safe flora and fauna |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, all our plants and offices have onsite-emergency plan with disaster management plan. Our workforce is continuously trained by carrying out mock drills and disaster management exercises for possible emergency situations.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Training programmes have been organised for value chain partners to increase their awareness on environmental concerns and the impact of their activities on the society at large. Key initiatives include supply chain optimization, energy efficiency measures, sustainable materials/processes, compliance with regulations, collaborations. These efforts foster a more efficient, cost-effective, and environmentally responsible supply chain as well.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

In FY 2022-23, JKCL has conducted virtual ESG survey and training for the value chain partners. We have already started conducting the physical assessment of the supplier as well. Also, while screening and onboarding, all our suppliers are assessed based on the ESG parameters.

## PRINCIPLE 7: Businesses, when engaging in influencin2g public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

We proactively collaborate with several industry associations to share best practices, address industry concerns, and implement measures for driving industry growth and fostering economic development in the country.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Cement Manufacturers Association | National |
| 2 | Carbon Disclosure Project | National |
| 3 | S&P Global | National |
| 4 | Science Based Targets Initiative | National |
| 5 | Confederation of Indian Industry (CII) | National |
| 6 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 7 | Global Cement and Concrete Association (GCCA) | National |
| 8 | Member of JK Organisation | National |

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

There has been two adverse order from the Competition Commission of India related to anti-competitive conduct. Which is under challenge and pending in Supreme Court/National Company Law Appellate Tribunal.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| CCI | 1. "Competition Commission of India(CCI)" vide its order dated August31,2016 imposed a penalty of ₹12,854 lacs ontheCompany.Theappeal was heard whereupon National Company Law Appellate Tribunal (NCLAT)vide order dated July25,2018 upheld CCI's order.The Company has filed statutory appeal before the Hon'ble Supreme Court, which vide its order dated October 5,2018 has admitted the appeal and directed that the interim order of stay passed by the NCLAT in this matter will continue for the time being. The Company,backed by legal opinion,believes that it has a good case<br>2. In a separate matter, CCI imposed penalty of ₹ 928 lacs vide order dated January 19, 2017 for alleged contravention of provisions of Competition Act, 2002 by the Company. On Company's appeal, NCLAT has stayed the operation of CCI's order. The matter is pending for hearing before NCLAT. The Company, backed by legal opinion, believes it has a good case | The Company believes in fair dealing and avoid any actions that could lead to unfair competition and hindering of free trade. |

### Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

| S no. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 1 | Green power Procurement policies | National and international platforms, meeting with BEE, MNRE, CII | Yes | As and when required | Not available |
| 2 | Carbon markets | Seminars, conferences and Forums | Platforms of CII, BEE, CMA, MoEF&CC | As and when required | NA |
| 3 | Fly Ash regulations and market dynamics | Seminars, conference | Platforms of CMA and MoEF&CC | As and when required | NA |

| S no. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 4 | Decarbonization and Net Zero | National and international conferences, Meetings, seminars- | Platforms of Bureau of Energy Efficiency, MoEF&CC, GCCA, SBTi, TERI, FICCI, CDP, CMA | As and when required | NA |
| 5 | Water stewardship | Seminars, conference | Platform of CII, GCCA | As and when required | N.A |
| 6 | Cement sector alignment with SDGs | Conference, seminars | Platform of GCCA | As and when required | N.A |
| 7 | Regulatory compliances and EPR obligations | Conferences, meetings | Platform of MoEFCC, CPCB, SPCB, CII and CMA | As and when required | N.A |

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Social Impact Assessments study has been carried out while getting environmental clearance as per the guidelines provided by the MoEFCC and same has been implemented. The Company assesses the effectiveness of all projects undertaken voluntarily as a part of JKCL way of giving back to society.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Nil | | | | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

   No land has been acquired for any of our projects. Hence, Rehabilitation and Resettlement (R&R) is not applicable.

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Nil | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

   We actively encourage the local communities to share their suggestions and concerns with us. We have established a robust grievance mechanism that allows individuals to express any issues they may have. We ensure that our CSR committee regularly engages with the local communities so that complaints can be raised either through formal or informal mode such as letter, one-to-one meetings, etc. All the complaints raised are investigated and relevant actions are taken to resolve the issues at the earliest.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

| | FY 23 | FY 22 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 8.8% | - |
| Sourced directly from within the district and neighbouring districts | Not available | Not available |

### Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   We have identified positive impacts on the society as part of Social impact assessment studies that were carried out while getting Environmental Clearance and our regular interactions with the society.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| None of our CSR projects fall in any aspirational district | | | |

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   JKCL promotes procurement of materials from suppliers who are compliant to ESG principles. JKCL prefers local suppliers as it helps in creating livelihood opportunities for the locals.

   b) **From which marginalised /vulnerable groups do you procure?**

   We have not segregated the vendors based on the marginalised /vulnerable groups.

   c) **What percentage of total procurement (by value) does it constitute? Not available**

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| No Benefit derived as Production of cement and other building material requires expert knowledge and not traditional knowledge. Based on such expertise we develop and improve on product ranges which are registered with Trade Mark Registry. We sell cement and building material under those trade name registered with Trade Mark Registry. | | | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| No adverse Order passed. | | |

6. **Details of beneficiaries of CSR Projects**

| CSR Project | No. of persons benefitted from CSR Projects |
|---|---|
| Art & Culture | 200 |
| Community Welfare | 55,058 |
| Disaster Relief | 1,00,000 |
| Drinking Water Arrangement | 66,800 |
| Education | 6,907 |
| Environment | 28,016 |
| Health | 36,178 |
| Livelihood Promotion | 92,287 |
| National Functions | 23,000 |
| Infrastructure Development | 29,500 |
| Sanitation | 3,000 |
| Sports Promotion | 18,400 |
| Others | 29,380 |
| Covid | 6 |
| **Total** | **4,88,526** |

**The beneficiaries of CSR projects are from all sections of the society in our area of influence**

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   JKCL has the provision for customers to provide feedback or raise any concerns on the website.

   Customers can reach out on the email IDs: consumer.care@jkcement.com & customercare.white@jkcement.com and JKCL also has toll free number 1800 266 2606. JKCL takes all the necessary measures to resolve the complaints and provide the quality products and service to all the customers. We have marketing offices in 19 states where our team regularly interacts with the customers and dealers. Trainings are also provided to customers for proper usage and disposal of the products. We have a dedicated cell of technical engineers who visits the customer's site to take feedback, build capacity and resolve any product related queries etc.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

3. **Number of consumer complaints in respect of the following:**

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Others | 1296 | 20 | C.F to FY 23-24 | 1884 | 4 | C.F FY 22-23 |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | Nil |
| Forced recalls | Nil | Nil |

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, Our code of conduct covers data security and risks related to privacy. Our company has established comprehensive cybersecurity procedures, and IT security practices to guarantee the absence of data leaks and breaches of data privacy. Regular and thorough risk assessments are conducted to identify vulnerabilities, threats, and risks to our assets, enabling us to implement necessary controls. Additionally, we conduct awareness and training programmes for our employees to ensure they are well-informed about data breaches and equipped with the knowledge to prevent them.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Since there are no complaints, there was no need for any corrective action

### Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if availsssable).**

   Products can be referred on the website- https://www.jkcement.com/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Our marketing team regularly interacts with the customers to educate them about our products and their proper usage. We have a dedicated cell of technical engineers who visits the customer's site for site assessment, share best construction practices, build capacity, take feedback and resolve any product related queries etc.

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services**

   Our Company doesn't fall under essential services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief**

   Yes, our company follows BIS regulations for the product packaging and information to be contained in the product packaging.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of the entity or the entity as a whole? (Yes / No)

   Yes. We carry out surveys to gauge customer satisfaction for our products. Our website also has a customer feedback page where our customers can provide their feedback in case of any concern.

5. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact - Nil

   b. Percentage of data breaches involving personally identifiable information of customers - Nil

# Report on Corporate Governance

## 1. Corporate Governance

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

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

### 1.2 Governance Structure

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

## 2. Board of Directors

JK Board plays a pivotal role in ensuring that the Company runs on sound and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

### Statutory Committees

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

### Management Structure

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

### Board of Directors

#### (i) Composition of the Board

At J.K. Cement Ltd., the Board is headed by its Chairperson, who is a promoter of the Company. Since the Chairperson is promoter, at least 50% of the Board composition consists of Independent Directors. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings which adds vision, strategic direction and value in the decision making process of the Board of Directors.

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

- Two Promoter, Executive Director
- One Non- Promoter Executive Director
- Four Non- Executive, Non-Independent Directors
- Seven Non- Executive, Independent Directors

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

The Board usually meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2023, four Board Meetings were held on the following dates:

(1) 21.05.2022 (2) 13.08.2022 (3) 12.11.2022 (4) 05.02.2023 The attendance of each Director at Board Meetings and at the last Annual General Meeting (AGM) was as under:

| Sl. No. | Name of Director | No. of Board Meetings Attended | Attendance at last AGM |
|---|---|---|---|
| 1 | Dr. Raghavpat Singhania | 4 | YES |
| 2 | Mr. Madhavkrishna Singhania | 4 | YES |
| 3 | Dr. Nidhipati Singhania | 3 | YES |
| 4 | Mr. Ajay Kumar Saraogi | 4 | YES |
| 5 | Mr. K.B. Agarwal* | 4 | YES |
| 6 | Mr. Paul Heinz Hugentobler | 4 | YES |
| 7 | Mrs. Sushila Devi Singhania | 4 | YES |
| 8 | Mrs. Deepa Gopalan Wadhwa | 4 | YES |
| 9 | Mr. Sudhir Jalan | 3 | YES |
| 10 | Mr. Saurabh Chandra | 4 | YES |
| 11 | Mr. Ashok Sinha | 4 | YES |
| 12 | Mr. Mudit Aggarwal | 4 | YES |
| 13 | Mr. Ajay Narayan Jha | 4 | YES |
| 14 | Mr. Satish Kumar Kalra | 4 | YES |

*Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

The Board also passed circular resolutions, which were passed on 27th March, 2023. None of the Committee member dissented to the transaction taken by way of circular resolution.

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

| Sl. No | Name of Director | Category | Relationship between Directors inter-se | @No. of other Directorship | **No. of Board committees (other than JK Cement Ltd.) In which director is | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| 1 | Dr. Raghavpat Singhania | Executive, Non-Independent | Brother of Mr. Madhavkrishna Singhania and son of Dr. Nidhipati Singhania | 6 | - | - |
| 2 | Mr. Madhavkrishna Singhania | Executive, Non-Independent | Brother of Dr. Raghavpat Singhania and son of Dr. Nidhipati Singhania | 7 | - | - |
| 3 | Dr. Nidhipati Singhania | Non-Executive, Non Independent | Father of Mr. Madhavkrishna Singhania and of Dr. Raghavpat Singhania | 2 | - | - |
| 4 | Mr. Ajay Kumar Saraogi | Executive, Non-Independent | | 6 | - | - |
| 5 | Mrs. Sushila Devi Singhania | Non-Executive, Non-Independent | Sister of Mr. Sudhir Jalan | 1 | - | - |
| 6 | Dr. K.B. Agarwal* | Non-Executive, Independent | | 1 | - | - |
| 7 | Mr. Paul Heinz Hugentobler | Non-Executive, Non-Independent | | 1 | - | 1 |
| 8 | Mrs. Deepa Gopalan Wadhwa | Non-Executive, Independent | | 7 | 1 | 6 |
| 9 | Mr. Ashok Sinha | Non-Executive, Independent | | 5 | 3 | 1 |
| 10 | Mr. Saurabh Chandra | Non-Executive, Independent | | 1 | - | 1 |

| Sl. No | Name of Director | Category | Relationship between Directors inter-se | @No. of other Directorship | **No. of Board committees (other than JK Cement Ltd.) In which director is | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| 11 | Mr. Sudhir Jalan | Non-Executive, Non-Independent | Brother of Mrs. Sushila Devi Singhania | 6 | - | 1 |
| 12 | Mr. Mudit Aggarwal | Non-Executive, Independent | | - | - | - |
| 13 | Mr. Ajay Narayan Jha | Non-Executive, Independent | | 1 | - | 2 |
| 14 | Mr. Satish Kumar Kalra | Non-Executive, Independent | | 3 | 1 | 2 |

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

* Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

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

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

### (iv) Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on 31st March, 2023

| Sl. No | Name of Director | Name of Listed Company (ies) (other than JK Cement Ltd.) | Designation |
|---|---|---|---|
| 1 | Dr. Raghavpat Singhania | - | - |
| 2 | Mr. Madhavkrishna Singhania | - | - |
| 3 | Dr. Nidhipati Singhania | - | - |
| 4 | Mr. Ajay Kumar Saraogi | - | - |
| 5 | Mrs. Sushila Devi Singhania | - | - |
| 6 | Dr. K.B. Agarwal* | Key Corp Limited | Non-Executive - Non Independent Director, Chairman |
| 7 | Mr. Paul Heinz Hugentobler | - | - |
| 8 | Mrs. Deepa Gopalan Wadhwa | JK Paper Limited | Non-Executive - Independent Director |
| | | Bengal & Assam Company Limited | Non-Executive - Independent Director |
| | | Artemis Medicare Services Limited | Non-Executive - Independent Director |
| | | NDR Auto Components Ltd. | Non-Executive - Independent Director |
| | | Sapphire Foods India Ltd. | Non-Executive - Independent Director |
| 9 | Mr. Ashok Sinha | Cipla Limited | Non-Executive - Independent Director |
| | | The Tata Power Company Limited | Non-Executive - Independent Director, Shareholder Director |
| | | Navin Fluorine International Limited | Non-Executive - Independent Director |
| | | Tata Communications Limited | Non-Executive - Independent Director |
| 10 | Mr. Saurabh Chandra | - | - |
| 11 | Mr. Sudhir Jalan | - | - |
| 12 | Mr. Mudit Aggarwal | - | - |
| 13 | Mr. Ajay Narayan Jha | - | - |
| 14 | Mr. Satish Kumar Kalra | PNB GILTS LTD. | Non-Executive - Independent Director |
| | | CAN FIN HOMES LTD | Non-Executive - Independent Director |
| | | INDBANK Merchant Banking Services Limited | Non-Executive - Independent Director |

* Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

### (v) Non-Executive Directors' Compensation and Disclosure

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

### (vi) Other provisions as to Board and Committees

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

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

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

A. Annual operating plans and budgets and any updates. Acquisitions and divestments.

B. Capital budgets and any updates.

C. Quarterly results for the listed entity and its operating divisions or business segments.

D. Minutes of meetings of Audit Committee and other Committees of the Board of Directors.

E. The information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer, Chief Operating Officers and the Company Secretary.

F. Show cause, demand, prosecution notices and penalty notices, which are materially important.

G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.

J. Details of any joint venture or collaboration agreement.

K. Transaction that involves substantial payment towards goodwill, brand equity, or intellectual property.

L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.

N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

O. Non- compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### Board Training and Induction

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

### Meeting of Independent Directors

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

- Review the performance of Non- Independent Directors and the Board as a whole,
- Review the performance of the chairperson of the Company, taking into account the views of Executive and Non-Executive Directors,
- Assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on 03.02.2023 without the presence of Non-Independent Directors and management personnel to discuss the aforesaid issues.

### Performance Evaluation of Independent Directors

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

### Familiarization Program for Director

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

The weblink having details of familiarisation programmes can be seen here. https://www.jkcement.com/

### Meeting, Agenda and Proceeding of Board Meeting

- **Agenda:** All the meetings are conducted as per well designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013, Rules framed thereunder and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the earlier meetings. Additional agenda items in the form of "Other Business" are included with the permission of the Chairperson. Agenda papers are circulated seven days prior to the Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for recording in minutes.
- **Invitees & Proceedings:** Apart from the Board members, the Company Secretary, the CFO, Chief Operating Officer are attending all Board Meeting. Business Heads are invited to attend the Board Meetings when required. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO briefs on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director, Dy. Managing Director and CEO, the Dy. Managing Director and CFO and other senior executives briefs on capex proposals & progress, operational health & safety, marketing & cement industry scenario and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board Meeting.
- **Post Meeting Action:** Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Managing Director, Dy. Managing Director and CEO, the Dy. Managing Director and CFO and Company Secretary for the action taken/ pending to be taken.
- **Support and Role of Company Secretary:** The Company Secretary is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects. Mr. Shambhu Singh, Company Secretary is the Compliance Officer for complying with the provisions of the Securities Laws.

### Directors' Profile

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

**Dr. Raghavpat Singhania, aged about 38 years, Managing Director (Graduate, Sheffield Hallam University, United Kingdom)**

Dr. Raghavpat Singhania is a seasoned business leader with rich experience in the grey and white cement industry. He is also an avid researcher in the area of new building products and materials. He joined JK Cement Ltd. in the year 2007 as Special Executive and received training under industry stalwart Late Yadupati Singhania. Over the years he has learnt the ropes of the trade and spearheaded the business transformation journey of the Company. He has also been instrumental in charting out the Company's strategic roadmap, helping the Organisation to be future-ready. He is responsible for taking the vision and commitment of the Company forward by ensuring that its values and code of ethics are upheld at all times. Being conscious about the responsibilities owed to society, he believes that quality education & vocational training for the youth are an integral part of nation building. Some of the institutions that are giving shape to this vision include Yadupati Singhania Vocational Education Foundation, Sir Padampat Singhania University, LK Singhania Education Centre, LK Singhania Public School and LA Education Centre. Dr. Singhania attended the Executive Leadership Programme at INSEAD, Fontainebleau, and is a graduate from Sheffield Hallam University, United Kingdom. He served as a member of the CII Delhi State Council, President of Rotary & is a trustee of many charitable trusts. He is also the Managing Director of JK Cement Works, (Fujairah) FZC, UAE and JK Maxx Paint Ltd.

**Mr. Madhavkrishna Singhania, aged about 34 years, Dy. Managing Director & CEO, (Bachelor's degree in Electrical from Carnegie Mellon University, USA & Computer Engineering from Ca& Diploma in Family Business Management from IMD Lausanne, Switzerland.**

Mr. Madhavkrishna Singhania is a technocrat by qualification and training with rich experience in the cement industry encompassing various aspects of business including business strategy, manufacturing and technology enablement. Having a keen interest in technology and automation, he has led new capacity expansion projects that have doubled the grey cement manufacturing capacity from 7.5 MTPA in 2010 to around 20 MTPA in 2022. His ambitious expansion plans have seen the Company's footprint expand across the Country. With Mr. Singhania leading the Company's many technology and automation initiatives, JK Cement has won several awards and accolades in the areas of sustainability, safety, energy efficiency and green manufacturing. He has also been instrumental in setting up of the Company's maiden overseas plant in Fujairah, UAE, and is the Dy. MD of JK Cement Works (Fujairah) FZC. He is acting as Independent Director in the Board of Lohia Corp. Ltd. He has a Bachelor's degree in Electrical & Computer Engineering from Carnegie Mellon University, USA and also holds a Diploma in Family Business Management from IMD Lausanne, Switzerland. He is currently the Chairman, CII Delhi State and on the CII Northern Region Council. He has held the position of the Chairman of Young Indians (Yi), Delhi Youth Wing of the Confederation of Indian Industry (CII) and is currently serving as the Sherpa for Yi at the G20 Young Entrepreneurs Alliance. He has served on the Board of Governors for National Council for Cement and Building Materials (NCCBM) and as the President of the Rotary Club of Kanpur Gaurav. He has also represented India in the Australia India Youth Dialogue between the two countries in 2018 and is currently on its steering committee. He is currently the Deputy Chairman, CII Northern Region and was previously the Chairman, CII Delhi State. He has held the position of the Chairman of Young Indians (Yi), Delhi Youth Wing of the Confederation of Indian Industry (CII) and is currently serving as the Sherpa for Yi at the G20 Young Entrepreneurs Alliance.

**Mr. Ajay Kumar Saraogi, aged about 66 years, Deputy Managing Director & CFO ( Bachelor of Arts (Honours) & Bachelor of Laws)**

Mr. A.K. Saraogi has over 40 years of experience in the field of Finance and Commercial matters. He is overseeing from decades Finance and Commercial matters of the Company and has been part of the core Management Team. He holds a Bachelor of Arts (Honours) degree in Economics from Sriram College of Commerce, Delhi University and a Bachelor of Laws degree from Kanpur University, Kanpur. He has been associated with Cement Division for over 40 years and is a part of Company's growth. He is Council member of Merchant Chamber of UP, Member of Board of Management of Sir Padampat Singhania University, Dr. Gaur Hari Singhania Institute of Management and Research, Managing Committee of LK Singhania Education Centre (Gotan, Rajasthan), Kailashpat Education Society (Nimbahera, Rajasthan), Dayanand Shiksha Sansthan, Dr. Virendra Swarup Education Centre, Member of Uttar Pradesh Cricket Association, Director of Yadu International Ltd. and Jaykaycem (Central) Ltd., Trustee of Shri Dwarikadheesh Temple Trust, Kamla Town Trust, JK Cement NBH Foundation, JK Cement Gotan Foundation and Kailashpat Singhania Sports Foundation.

**Mrs. Sushila Devi Singhania, aged about 87 years Chairperson Non-Executive, Non- Independent Director (Graduate of Arts)**

Scion of renowned Jalan family representing Surajmall Nagarmall group, famous industrial house. She is having keen interest in industry and commerce. She is a member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juhari Devi Girls Inter College, Kanpur and President of Juhari Devi Girls

Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities. She is acting as Director of M/s. Yadu International Ltd.

**Mr. Sudhir Jalan, aged about 78 years Non-Executive, Non Independent Director (Commerce Graduate and Master Degree in Business Administration)**

Mr. Sudhir Jalan is a Commerce Graduate and Master in Business Administration. He is premier businessman with business interest in diversified fields. He has been acting as Chairman and Managing Director of Meenakshi Tea Co. Ltd. and Director in various Public Limited and Private Limited Companies. He was President of All India Management Association (AIMA) and International Chamber of Commerce (ICC) India. He served on the Board of Indian Institute of Management, Kolkata. He presided over Federation of Indian Chamber of Commerce and Industry, apex body of ICC India. He is Honorary Consul General of Greece in Kolkata. He is also associated with a number of Charitable Institutions.

**Mr. Ajay Narayan Jha, Non-Executive Independent Director, aged 64 years, has superannuated from Indian Administrative Service in February 2019 (Manipur Cadre 1982 Batch).**

Mr. Ajay Narayan Jha has superannuated from Indian Administrative Service in February 2019 (Manipur Cadre 1982 Batch). He is MA in History with First Class from St. Stephen's College, Delhi University, MA in Economic Policy Management from McGill University, Montreal, Quebec, Canada and M.Phil in Public Administration from Indian Institute of Public Administration, New Delhi. He held various important positions with Government of India viz. Member, Fifteenth Finance Commission, Finance Secretary, Ministry of Finance, Government of India, Secretary, Ministry of Finance, Department of Expenditure, Secretary, Ministry of Environment, Forest & Climate Change to name a few. Earlier he held important position with Govt. of Manipur also. Besides he undertook international assignments and has published papers on elections and environment.

**Mr. Mudit Aggarwal, Non-Executive Independent Director aged about 36 years, possesses degree in Bachelor of Science (Double Major in electrical and computer engineering and business administration)**

Mudit Aggarwal possesses degree in Bachelor of Science (Double Major in electrical and computer engineering and business administration) from Carnegie Melon University - USA and also holds Diploma from Indian Institute of Management - Ahmedabad (IIM-A) on revenue management and dynamic pricing in 2015. He is a dynamic corporate leader with deep experience across the manufacturing, retail and hospitality sector. Mudit's career reflects a demonstrated track record in leading successful transformation initiatives and creating enabling environments within large companies that allow the creation of new ideas and business lines. He started his career from Deloitte as a Technical Advisor in the USA and thereafter moved to India for taking reigns of overall operations of Mansingh Hotels and Resorts Ltd, a leading hospitality player with presence in the retail mall space. He was instrumental to adapt to changing market conditions and disruptive market forces by Mansingh Group of Hotels. In 2013, he independently founded MMX Foods and under his able leadership MMX became one of India's best recognised large scale bakery, supplying large domestic and international players such as Amul, Reliance, Future Consumer, Big Basket, Metro Cash & Carry and Vistara. Today, MMX is the Indian market leader for third party manufacturing in modern trade with turnover of ₹15 Crores in 2020-21 under his leadership. He is acting as Trustee of the Seth Jai Parkash Mukand Lal, which governs premier 30 educational institutions in Haryana and UP with student capacity of approx. 22,500. The object and mission of Mukund Trust is that education should be made affordable to all sections of the society, providing ample opportunities and resources for all to achieve their personal and academic potentials. The Trust is inculcating free education and assistance to a minimum of 1000 students per year, provides interest free study loans, scholarships and to provide healthcare to the villages around Yamuna Nagar. He is an active member of the Rotary Club of Delhi and Young Indians (CII)

**Dr. K. B. Agarwal aged about 83 years Non-Executive, Independent Director (Graduate of Law, PhD, ICWA and CS)**

Krishna Behari Agarwal is a Non-Executive, Independent Director of our Company. He holds Post Graduate Degree in Commerce, Degree in Law and Ph.D. in Commerce. He is a Fellow of the Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He is experienced in the fields of finance, accounts and capital markets. He has served Merchants' Chamber of Uttar Pradesh and Uttar Pradesh Stock Exchange Association Limited as its President. He has been a member of the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce & Industry of India.

*Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.*

**Mr. Paul Heinz Hugentobler aged about 74 years Non-Executive, Non-Independent Director (Civil Engineer & Degree in Economic Science)**

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

**Dr. Nidhipati Singhania, Vice Chairman, Non Independent, Non Executive Director aged 64 years, Doctorate Degree by Chandra Shekhar Azad University of Agriculture and Technology, Kanpur.**

Dr. Nidhipati Singhania is Grandson of Late Sir Padampat and Lady Anusuiya Singhania; Son of Late Shri Gopalkrishna Singhania and Late Smt Sulochana Devi Singhania. He has received immense experience over the last thirty-eight years across myriad family businesses. He is known for his people management and problem solving skills besides being efficient, meticulous and determined. With a Master of Commerce from Kanpur University (1982), Mr. Singhania is currently serving as Chancellor of Sir Padampat Singhania University, Udaipur, Rajasthan - one of the leading private, residential universities of Rajasthan offering Bachelors, Masters and Doctoral programmes. He is conferred with Doctorate Degree by Chandra Shekhar Azad University of Agriculture and Technology, Kanpur. He is also Vice President at J.K. Organisation. As Director of Arremm Holdings Private Limited, he is reviving Indian handlooms & promoting Indian crafts & textiles, working with Kotah, Benaras & Chanderi weavers & master-weavers across the country, and exporting Indian textiles across the globe. Previously he has held various positions including Director, J.K. Cotton Limited, Special Executive, Juggilal Kamlapat Cotton Spinning & Weaving Mills Company Ltd., Director, Plastic Products Limited, Special Executive, J.K. Synthetics Limited (Divisions: Fibretech Engineers, J.K. Tyre Cord and J.K. Acrylics.) He is a Lifetime Member at the Foundation for Organisational Research & Education (FORE), and Trustee of Shri Dwarakadheesh Temple Trust, Shri Radhakrishna Temple Trust, J.K. Charitable Trust, Shri Kamleshwarji Mahadeo Temple Trust and Kamla Town Trust. Moreover, he is a President, Director and Lifetime member at the Uttar Pradesh Cricket Association.

**Mr. Satish Kumar Kalra aged about 65 years Non-Executive Independent Director, post graduate in science (M Sc), CAIIB and post graduate in finance (PGDM).**

Mr. Satish Kumar Kalra is post graduate in science (M Sc), CAIIB and post graduate in finance (PGDM). He possesses rich experience in banking and NBFC for more than 40 years. He has attended prestigious trainings imparted by Barclays Bank Plc London, University of Maryland, Robert H Smith School of Business, CAFRAL programme at USA, SIBOS at Dubai, IIMs at Kolkata and Kozikode. Mr. Kalra has provided strategic guidance to the Bank In areas of NPA, credit, international banking, treasury management, HR etc. He has wide experience in treasury management, corporate planning, inspection & audit, merchant banking, Board Secretariat, credit monitoring, legal, industrial and infra finance. Mr. Kalra was General Manager Treasury at Allahabad Bank and headed various zones also. He has served Andhra Bank as Managing Director & CEO (additional charge) for 6 months and worked as WTD as Executive Director from October 2012 to August 2017. He was on board of India First Life Insurance. He acted as Independent Director on the Board of Lakshmi Vilas Bank till November, 2020. Presently he is acting as an Independent Directors on the Boards of PNB Gilts Ltd. and Can Fin Homes Ltd. Also he is member of Advisory Board for banking and financial fraud of CVC.

**Mrs. Deepa Gopalan Wadhwa aged about 67 years Non-Executive, Independent Director**

Mrs. Deepa Gopalan Wadhwa has 36 years of Indian Foreign Service (IFS) career behind her. She joined IFS in 1979 and retired in December, 2015. She has served in the Ministry of External Affairs, New Delhi, Indian Council for Cultural Relations and International Labour Organisation. She has served as Ambassador of India to Japan (from 2012-2015), Qatar (from 2009-2012) and Sweden (from 2005-2009). She was concurrently accredited as Ambassador to Latvia (from Stockholm) and Republic of the Marshall Islands (from Tokyo). During her career she has also held other significant assignments in Geneva, Hong Kong, China and the Netherlands in between 1981 to 1987 and 1989 to 1998 and in the Ministry of External Affairs from 1987-1989 and 1999-2005. Important issues and subjects handled by her are India's relations and strategic policies concerning Pakistan, China, the GCC, Japan, EU and the UN. In the context of the UN she has dealt specifically with issues of global significance such as Climate Change, Sustainable Development, Disarmament and Human Rights. In the context of India's economic priorities, she has vast experience in the promotion of Indian interests in the areas of trade, technology, investment and energy security during her postings in Europe, the GCC and Japan. Mrs. Wadhwa is currently co-chair of the India-Japan Partnership Forum located in FICCI, member Governing Council of the Institute of China Studies and serves as Independent Director on the Boards of a few companies.

**Mr. Saurabh Chandra aged about 67 years Non-Executive, Independent Director ( B.Tech from IIT, Kanpur)**

Mr. Saurabh Chandra, a B.Tech from IIT Kanpur (First with Distinction), retired as Secretary, Ministry of Petroleum and Natural Gas, Govt. of India and prior there to he served as Secretary in the DIPP, Ministry of Commerce and Industry. He served as Public Interest Director and Chairman of the Governing Board of Multi Commodity Exchange of India Limited and serving as an Independent Director on the Boards of SBI Pension Funds Pvt. Ltd. and Vacmet India Limited. He possess experience in formulation and implementation of policies in multiple areas and sectors, such as oil and gas, industry & manufacturing, foreign direct investment, intellectual property, and disinvestment including strategic sales. During his tenure as Secretary, DIPP major reforms were initiated in the FDI policy and intellectual policy regime, while implementation of the National Manufacturing Policy started in the right earnest. Deregulation of diesel prices, launching of PAHAL Scheme, Give Up campaign and work on the Hydrocarbon Exploration Licensing Policy, Discovered Small Fields Policy and the National Gas Grid were initiated during his tenure as Secretary, Petroleum.

**Mr. Ashok Sinha aged about 71 years Non-Executive, Independent Director (B.Tech from IIT, Kanpur and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance)**

He has a B.Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur (1973) and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance (1977). He has been conferred the Distinguished Alumnus Award from both IIT Kanpur and IIM Bangalore. He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from TMG (Technology Media Group) for Customer Management. Since 2011, he has served on the Boards of Petronet LNG Ltd., CMC Ltd. (erstwhile subsidiary of Tata Consultancy Services Ltd.), four subsidiaries of Vodafone India Ltd., Tata Advanced Systems Ltd., Tata Lockheed Martin Aerostructures, and Nova Integrated Systems. Currently, he is serving as Independent Director on the Board of Cipla Ltd., Tata Communications Limited and The Tata Power Company Ltd.

**Mr. Ashok Kumar Sharma, aged about 71 years is a Fellow member of the Institute of Chartered Accountants of India, a Law Graduate, a Commerce Graduate.**

Mr. Ashok Kumar Sharma, is a Fellow member of the Institute of Chartered Accountants of India, a Law Graduate, a Commerce Graduate. He has done Forensic Accounting & Fraud Detection Certificate (FAFD) issued by the Institute of Chartered Accountants of India (ICAI). He is presently the senior partner at M/s. J. N. Sharma & Co. Chartered Accountants and has 46 years of experience in carrying out audits for various large corporates both in the public sector as well as in the private sector. He is on the panel of the Quality Review Board (QRB) and the Financial Reporting Review Board of ICAI. He extends Consultancy Services in the field of ESG to large corporates. He served as Director at the Oriental Bank of Commerce for 5 and half years till the merger with Punjab National Bank.

*Mr. Ashok Kumar Sharma, has been appointed as Independent Director w.e.f 01.04.2023*

- **It is confirmed that in the opinion of the Board, all the Independent Directors are in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are Independent of the management.**
- **During the F.Y. 2022-23 Dr. Krishna Behari Agarwal, Non-Executive Independent Director ceased to be Director w.e.f 31.03.2023 due to advanced age and related health issues and confirmed that there are no other material reason than this.**

The table below highlights the core areas of expertise/skills/competencies of the Board members. However, absence of mention of a skill/expertise/competency against a Director's name does not indicate that the Director does not possess that expertise or competency or skill:

| Skills / Expertise / Competence | Dr. Raghavpat Singhania | Mr. Madhavkrishna Singhania | Dr. Nidhipati Singhania | Mr. Ajay Kumar Saraogi | Mr. K.B. Agarwal* | Mr. Paul Heinz Hugentobler | Mrs. Sushila Devi Singhania | Mrs. Deepa Gopalan Wadhwa | Mr. Sudhir Jalan | Mr. Saurabh Chandra | Mr. Ashok Sinha | Mr. Mudit Aggarwal | Mr. Ajay Narayan Jha | Mr. Satish Kumar Kalra |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| <u>Financial Literacy:</u> Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising, private equity, venture capital investments and internal controls | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| <u>Sustainability:</u> Experience in guiding the sustainability and ESG visions of organisations and promoting integration of these into the overall strategy and value chain of the Company as well as helping the organisation in fulfilling its responsibility towards the society. | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| <u>Sales & Marketing Management:</u> Understanding the market dynamics, experience in developing strategies to increase sales and market share, build brand awareness and equity, enhancing brand reputation, experience in overseeing large supply chain operations and optimum resource utilisation, realisation of market potential and the competitive advantages. | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | ✓ | ✓ | | ✓ | ✓ |
| <u>Industry Acumen:</u> Expertise and knowledge of business related issues in general and those of Cement business in particular, oversight and knowledge of working of similar industries in which the Company operates, perspective on markets and opportunities. | ✓ | ✓ | | ✓ | | ✓ | | | | | | | | |
| <u>Innovation & Technology:</u> Experience in innovative use of information technology across the value chain and use of IT to enhance the business practices, anticipating technology driven changes and disruptions, ability to analyse the information and share innovative approaches and solutions to the problems, appreciation of latest IT trends and promoting use of cyber security controls across the organisation. | ✓ | ✓ | | | | ✓ | | | | | | | | |
| <u>General Management:</u> Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| <u>Strategy & Operations:</u> Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities and Demonstrated strengths in developing talent, succession planning, driving change and long-term growth | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | | | | |

*Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

- **Skills/expertise/competence identified by the Board of Directors**

| S. No. | Name of Directors | Age | Category | Qualification | Experience/ Expertise |
|---|---|---|---|---|---|
| 1 | Dr. Raghavpat Singhania | 38 | Executive Non Independent Director | Graduate from Sheffield Hallam University | Rich experience in the grey and white cement industry. |
| 2 | Mr. Madhavkrishna Singhania | 34 | Executive Non Independent Director | Bachelor's degree in Electrical & Computer Engineering from Carnegie Mellon University, USA, Diploma in Family Business Management from IMD Lausanne, Switzerland | Rich experience in the cement industry encompassing various aspects of business including business strategy, manufacturing and technology enablement. |
| 3 | Dr. Nidhipati Singhania | 64 | Non-Executive Non-Independent Director | Doctorate Degree | Management and problem solving skills |
| 4 | Mr. A.K. Saraogi | 66 | Executive Non Independent Director | Bachelor of Arts (Honours) Delhi University, Bachelor of Laws degree from Kanpur University | 40 years of experience in the field of Finance and Commercial matters. |
| 5 | Dr K.B. Agarwal* | 83 | Non-Executive Independent Director | Graduate of LAW, PhD, ICWA and CS | Vast experience in the field of finance, accounts and Capital Markets. |
| 6 | Mr. Paul H. Hugentobler | 74 | Non-Executive Non-Independent Director | Graduated in Civil Engineering from Swiss Federal Institute of Technology, Degree in Economic Science from the Graduate School of Economics and Business of St. Gallen. | Experience of Cement Industry. |
| 7 | Mrs. Sushila Devi Singhania | 87 | Non-Executive Non-Independent Director | Graduate of Arts | Business and Philanthropy |
| 8 | Mr. Mudit Aggarwal | 36 | Non-Executive Independent Director | Degree in Bachelor of Science (Double Major in electrical and computer engineering and business administration) from Carnegie Melon University - USA and also holds Diploma from Indian Institute of Management - Ahmedabad (IIM-A) on revenue management and dynamic pricing | Vast experience in manufacturing, retail and hospitality sector |
| 9 | Mr. Ajay Narayan Jha | 64 | Non-Executive Independent Director | Master of Arts | Administrative Service . |
| 10 | Mr. Satish Kumar Kalra | 65 | Non-Executive Independent Director | post graduate in science (M Sc), CAIIB and post graduate in finance (PGDM) | Rich experience in banking and NBFC for more than 40 years |
| 11 | Mrs. Deepa Gopalan Wadhwa | 67 | Non-Executive Independent Director | Rtd. IFS | Vast Experience in Indian Foreign Service (IFS) |
| 12 | Mr. Saurabh Chandra | 67 | Non-Executive Independent Director | B.Tech from the IIT,Kharagpur,retired as Secretary, Ministry of Petroleum and Natural Gas, Govt. of India | Experience in formulation and implementation of policies in multiple areas and sectors, such as oil and gas, industry & manufacturing, FDI, intellectual property, and disinvestment including strategic sales |
| 13 | Mr. Ashok Sinha | 71 | Non-Executive Independent Director | B.Tech. degree in Electrical Engineering,(IIT) Kanpur and PGDBM (IIM), Bangalore, with specialization in Finance | Experience, expertise from his leadership journey as the Chairman and M.D. of Bharat Petroleum Corporation Ltd. (BPCL) |
| 14 | Mr. Sudhir Jalan | 78 | Non-Executive Non-Independent Director | Commerce Graduate and Master in Business Administration | Business |

* Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

## 3. Audit Committee

### (i) Broad Terms of Reference

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

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for Approval, with particular reference to:
   a. matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of sub-section (5) of Section 134 of the Companies Act, 2013;
   b. approve policies having financial bearing and its review, changes if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgement by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions;
   g. modified opinion (s) in the draft audit report;
5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, NCD etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice / Information Memorandum and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter- corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial control and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. to review the functioning of the whistle blower mechanism;

19. approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary including existing loans / advances / investments existing as on the date of coming into force of this provision

22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

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

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. management letters/ letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses;

5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.

6. statement of deviations:

   a. quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

### (iii) Composition of the Committee

Following Directors were the members of the Audit Committee:

i. Dr. K.B. Agarwal Independent, Non- Executive Director (till 31.03.2023)

ii. Mr. Ashok Sinha , Independent, Non-Executive Director

iii. Mr. Saurabh Chandra, Independent, Non-Executive Director

iv. Dr. Nidhipati Singhania Non-Independent, Non-Executive Director

v. Mr. Ajay Narayan Jha (Chairman) Independent, Non- Executive Director

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

### (iv) Meetings and Attendance

During the financial year ended 31st March, 2023, four meetings were held on (1) 21st May 2022 (2) 13th August 2022 (3) 12th November 2022 (4) 5th February 2023

The attendance at the Committee Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---|---|---|
| 1 | Mr. Ajay Narayan Jha | 4 |
| 2 | Dr. K.B. Agarwal (till 31.03.2023) | 4 |
| 3 | Mr. Ashok Sinha | 4 |
| 4 | Mr. Saurabh Chandra | 4 |
| 5 | Dr. Nidhipati Singhania | 3 |

## 4. Nomination and Remunaration Committee

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

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

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. devising a policy on diversity of board of directors;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Recommend to the Board of Directors the remuneration, in whatever form payable to all senior management.

### (ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2023 comprised of:

i. Mr. Ajay Narayan Jha (Chairman) : Independent, Non-Executive Director

ii. Mr. Sudhir Jalan: Non-Independent, Non-Executive Director

iii. Mr. Ashok Sinha: Independent, Non-Executive Director

iv. Mr. Saurabh Chandra: Independent, Non-Executive Director

v. Mr. Satish Kumar Kalra: Independent, Non-Executive Director

vi. Mr. Shambhu Singh, Company Secretary acts as Secretary of the Committee

### (iii) Meetings and Attendance

During the financial year ended 31st March, 2023, One meeting was held on 20th May, 2022.

| Sl. No. | Name of Director | No. of Meetings Attended |
|---|---|---|
| 1 | Mr. Ajay Narayan Jha (Chairman) | 1 |
| 2 | Mr. Sudhir Jalan – Member | 1 |
| 3 | Mr. Ashok Sinha – Member | 1 |
| 4 | Mr. Saurabh Chandra -Member | 1 |
| 5 | Mr. Satish Kumar Kalra -Member | 1 |

The NRC Committee also moved circular resolutions, which were passed on 25th March, 2023. None of the Committee member dissented to the transaction taken by way of circular resolution.

### (iv) Nomination and Remuneration Policy:

The Company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. Keeping in view the above, the Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director, Dy. Managing Director and CEO and Dy. Managing Director and CFO including details of fixed components and performance linked incentives. As for the Non-executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The performance evaluation criteria for Board of Directors at the website of the Company and can be accessed at https://www.jkcement.com/frontTheme/pdf/policy-on-evaluation-of-performance-of-directors-and-the-board.pdf. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various committees of the Board and commission on profit. The Shareholdings of the Directors in the Company is furnished hereunder.

| Sl. No. | Name of Director | No. of Shares held |
|---|---|---|
| 1 | Mrs. Sushila Devi Singhania | 3335957 |
| 2 | Dr. Raghavpat Singhania | 250210 |
| 3 | Mr. Madhavkrishna Singhania | 250210 |
| 4 | Mr. Ajay Kumar Saraogi | 3340 |
| 5 | Dr. K.B. Agarwal* | 300 |
| 6 | Mr. Ashok Sinha | 10 |
| 7 | Dr. Nidhipati Singhania | 44928 |

**Dr. K.B. Agarwal ceased from directorship with effect from 31st March, 2023*

**Details of Remuneration paid to the Directors for the year ended 31st March, 2023**

| S. No. | Name of Director | Salary & Perquisites | Performance incentives | Commission | Sitting Fee | Total |
|---|---|---|---|---|---|---|
| 1 | Mrs. Sushila Devi Singhania | NIL | -- | 25,00,000 | 4,50,000 | 29,50,000 |
| 2 | Dr. Raghavpat Singhania | 3,50,22,000 | 62,40,000 | 12,00,00,000 | - | 16,12,62,000 |
| 3 | Mr. Madhavkrishna Singhania | 2,96,34,000 | 52,80,000 | 12,00,00,000 | - | 15,49,14,000 |
| 4 | Mr. Ajay Kumar Saraogi | 4,56,36,000 | 57,00,000 | 4,00,00,000 | - | 9,13,36,000 |
| 5 | Dr. K.B. Agarwal*** | NIL | -- | 14,00,000 | 7,75,000 | 21,75,000 |
| 6 | Mr. Paul Heinz Hugentobler** | 1,22,55,499 | -- | 14,00,000 | 2,00,000 | 1,38,55,499 |
| 7 | Mr. Sudhir Jalan | NIL | -- | 14,00,000 | 1,75,000 | 15,75,000 |
| 8 | Mrs. Deepa Gopalan Wadhwa | NIL | -- | 14,00,000 | 4,25,000 | 18,25,000 |
| 9 | Mr. Saurabh Chandra | NIL | -- | 14,00,000 | 5,00,000 | 19,00,000 |
| 10 | Mr. Ashok Sinha | NIL | -- | 14,00,000 | 3,50,000 | 17,50,000 |
| 11 | Dr. Nidhipati Singhania | NIL | -- | 20,00,000 | 2,25,000 | 22,25,000 |
| 12 | Mr. Ajay Narayan Jha | NIL | -- | 14,00,000 | 4,00,000 | 18,00,000 |
| 13 | Mr. Mudit Aggarwal | NIL | -- | 14,00,000 | 3,75,000 | 17,75,000 |
| 14 | Mr. Satish Kumar Kalra | NIL | -- | 14,00,000 | 2,75,000 | 16,75,000 |

**US $ equivalent to ₹ 1,22,55,499 paid in professional capacity.

*** Dr. K. B. Agarwal ceased from directorship with effect from 31.03.2023.

There is no pecuniary relationship between the Non-Executive Directors and the Company, other than mentioned above.

## 5. Stakeholders ' Relationship Committee - Mandatory Committee

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

The terms of reference of the Committee are:

1. Transmission of shares and such other securities as may be issued by the Company from time to time;
2. Issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. Issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. To grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), and to allot shares pursuant to options exercised;
6. To approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
7. To authorize the Company Secretary and Compliance Officer/ other Officers of the Share Department to attend to matters relating to non-receipt of Annual Reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
8. Monitoring expeditious redressal of investors / stakeholders grievances;
9. All other matters incidental or related to shares, debentures and other securities of the Company.

### (i) Composition

The Committee as on 31st March, 2023 comprises of:

1. Mr. Saurabh Chandra(Chairman) : Independent, Non- Executive Director
2. Dr. K.B. Agarwal (till 31.03.2023): Independent, Non- Executive Director
3. Dr. Raghavpat Singhania : Non- Independent, Executive Director
4. Mrs. Deepa Gopalan Wadhwa: Independent, Non- Executive Director
5. Mr. Mudit Aggarwal: Independent, Non- Executive Director
6. Mr. Shambhu Singh: Company Secretary acts as Secretary to the Committee

### (ii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer/ Transmission of shares, non-receipts of shares, non-receipt of dividend declared, Annual Reports and to ensure expeditious share transfer/ Transmission process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' grievances. The Company received 14 complaints during the F.Y. 2022-23 and all the 14 complaints were redressed. No investor grievance has remained unattended/ pending for more than thirty days. Investor's complaints received through SEBI are redressed at www.scores.gov.in.

### (iii) Meeting and Attendance

During the financial year ended 31st March, 2023 four meetings were held on (1) 20th May, 2022 (2) 12th August, 2022 (3) 11th November, 2022 (4) 3rd February, 2023. The attendance at the above Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---|---|---|
| 1 | Dr. K.B. Agarwal ( till 31.03.2023) | 4 |
| 2 | Dr. Raghavpat Singhania | 3 |
| 3 | Mr. Saurabh Chandra | 4 |
| 4 | Mrs. Deepa Gopalan Wadhwa | 4 |
| 5 | Mr. Mudit Aggarwal | 4 |

## 6. Corporate Social Responsibility Committee – Mandatory Committee

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

### (i) Composition of the Committee:

| Sl. No. | Name of Director | Designation of The Director |
|---|---|---|
| 1 | Mrs. Deepa Gopalan Wadhwa (Chairperson) | Non- Executive, Independent Director |
| 2 | Mrs. Sushila Devi Singhania | Non- Executive, Non- Independent Director |
| 3 | Dr. K.B. Agarwal (till 31.03.2023) | Non- Executive, Independent Director |
| 4 | Mr. Mudit Aggarwal | Non- Executive, Independent Director |
| 5 | Mr. Ajay Narayan Jha | Non- Executive, Independent Director |

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

**Terms of Reference of the Committee interalia, includes the following:**

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

(ii) **CSR committee attendance**

Two CSR committee meetings were held during the year on (1) 20th May, 2022 and (2) 11th November, 2022

| Sl. No. | Name of Director | No. of Meetings Attended |
|---|---|---|
| 1 | Mrs. Sushila Devi Singhania | NIL |
| 2 | Dr. K.B. Agarwal (till 31.03.2023) | 2 |
| 3 | Mr. Mudit Aggarwal | 2 |
| 4 | Mr. Ajay Narayan Jha | 2 |
| 5 | Mrs. Deepa Gopalan Wadha (Chairperson) | 2 |

## 7. Risk Management Committee

The provisions of Regulation 21(5) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 became applicable to the Company w.e.f. 1.4.2019. Accordingly, the Board of Directors of the Company constituted Risk Management Committee with the following composition. Two meetings of Risk Management Committee has been held on 12.08.2022 and 03.02.2023 in which all Members were present

(i) **Composition of Risk Management Committee**

| Sl. No. | Name of Director | Designation of The Director |
|---|---|---|
| 1 | Mr. Saurabh Chandra (Chairman) | Non- Executive, Independent Director |
| 2 | Dr. K.B. Agarwal (till 31.03.2023) | Non- Executive, Independent Director |
| 3 | Mr. Satish Kumar Kalra | Non- Executive, Independent Director |
| 4 | Mrs. Deepa Gopalan Wadhwa | Non- Executive, Independent Director |
| 5 | Mr. Madhavkrishna Singhania | Executive, Non Independent Director |

**Mr. Neeraj Singhal, Chief Internal Auditor is acting as Chief Risk Officer who in all the meeting of Risk Management Committee remains present and gives presentations.**

(ii) **Role and Responsibility of Committee shall inter-alia includes the following:**

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee coordinates its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

(iii) **Risk Committee Meeting attendance**

Two Risk Committee meetings were held during the year on (1) 12th August, 2022 and (2) 3rd February, 2023

| Sl. No. | Name of Director | No. of Meetings Attended |
|---|---|---|
| 1 | Mr. Saurabh Chandra | 2 |
| 2 | Dr. K. B. Agarwal (till 31.03.2023) | 2 |
| 3 | Mr. Satish Kumar Kalra | 2 |
| 4 | Mr. Madhavkrishna Singhania | 2 |
| 5 | Mrs. Deepa Gopalan Wadhwa | 2 |

## 8. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three (3) years.

## 9. Legal Compliance Management Tool

The Company has in place an on-line legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, RMX facilities, sales and corporate offices. The Chief Internal Auditor and his team members are monitoring the compliance periodically and reports to the Audit Committee in quarterly internal audit presentations.

## 10. Certification from Company Secretary in Practice

Ms. Reena Jakhodia of M/s. Reena Jakhodia & Associates, Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory Authority. The certificate is enclosed with this section as Annexure 1.

## 11. MD/CFO Certification

The Managing Director and the CFO have certified to the Board, inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Listing Regulations, for the year ended 31.3.2023.

Dates, time and places of last three Annual General Meetings held are given below:

| Financial Year | Date | Time | Place |
|---|---|---|---|
| 2019-20 (AGM) | 14th August , 2020 | 12 Noon | Through video conferencing/ Other Audio Visual Means (OAVM). |
| 2020-21 (AGM) | 14th August, 2021 | 11 AM | Through video conferencing/ Other Audio Visual Means (OAVM). |
| 2021-22 (AGM) | 13th August, 2022 | 11 AM | Through video conferencing/ Other Audio Visual Means (OAVM). |

Five special resolutions were passed in the Annual General Meeting of the Company held on 14th August, 2020. Two special resolutions were passed in the Annual General Meeting of the Company held on 14th August, 2021. Two special resolutions were passed in the Annual General Meeting of the Company held on 13th August, 2022 There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110 of the Companies Act, 2013. The Chairman of the Audit Committee was present at AGMs held on, 14th August, 2020 14th and August, 2021 and 13th August, 2022 to answer the queries of the shareholders.

### Disclosures regarding appointment or reappointment of Directors

1. **Mrs. Sushila Devi Singhania (DIN 00142549)**
According to the provisions of Companies Act, 2013 read with Articles of Association of the Company one Non-Executive, Non-Independent Director Mrs. Sushila Devi Singhania will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-election. Also since she has crossed the age of 75 years, approval of Members are sought for continuing her to enjoy the Office of Director of the Company. Given below is the brief resume of Mrs. Sushila Devi Singhania pursuant to the listing regulations:

   Scion of renowned Jalan family representing Surajmall Nagarmall group, famous industrial house. She is having keen interest in industry and commerce. She is a member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juhari Devi Girls Inter College, Kanpur and President of Juhari Devi Girls Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities. She is acting as Director of M/s. Yadu International Ltd.

2. **Mr. Paul Heinz Hugentobler (DIN 00452691)**
will attain the age of 75 (Seventy Five) years on 14th February, 2024, therefore, his continuance of office after attaining the age of 75 years would require approval of the Members by way of Special Resolution at the ensuing Annual

General Meeting. Given below is the brief resume of Mr. Paul Heinz Hugentobler pursuant to the listing regulations:

Mr. Paul Heinz Hugentobler (DIN 00452691) is a Non Executive Non Independent Director liable to retire by rotation will attain the age of 75 (Seventy Five) years on 14th February, 2024. He is a Swiss national, he Joined Holcim Group Support Ltd. as Project Manager in 1980. He graduated in Civil Engineering from Swiss Federal Institute of Technology, Zurich and Economic Science from Graduate School of Economics and Business of St. Gallen. Served as Holcim Ltd. Area Manager for the Asia Pacific Region. From 1999 to 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a Director. Until his retirement in February 2014, he was appointed as a member of the Executive Committee at Holcim Ltd. with the responsibility for South Asia and ASEAN except the Philippines. He joined JK Cement Ltd. as a Director w.e.f 17th May, 2014.

3. **Mrs. Deepa Gopalan Wadhwa (DIN 07862942)** was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from November 3, 2018, till November 2, 2023, and she is eligible for reappointment for the second term of 5 years that is from November 3, 2023, till November 2, 2028 would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting. of the Given below is the brief resume of Mrs. Deepa Gopalan Wadhwa pursuant to the listing regulations:

   Mrs. Deepa Gopalan Wadhwa, aged about 67 years has 36 years of Indian Foreign Service (IFS) career behind her. She joined IFS in 1979 and retired in December, 2015. She has served in the Ministry of External Affairs, New Delhi, Indian Council for Cultural Relations and International Labour Organisation. She has served as Ambassador of India to Japan (from 2012-2015), Qatar (from 2009-2012) and Sweden (from 2005-2009). She was concurrently accredited as Ambassador to Latvia (from Stockholm) and Republic of the Marshall Islands (from Tokyo). During her career she has also held other significant assignments in Geneva, Hong Kong, China and the Netherlands in between 1981 to 1987 and 1989 to 1998 and in the Ministry of External Affairs from 1987-1989 and 1999-2005. Important issues and subjects handled by her are India's relations and strategic policies concerning Pakistan, China, the GCC, Japan, EU and the UN. In the context of the UN she has dealt specifically with issues of global significance such as Climate Change, Sustainable Development, Disarmament and Human Rights. In the context of India's economic priorities, she has vast experience in the promotion of Indian interests in the areas of trade, technology, investment and energy security during her postings in Europe, the GCC and Japan. Mrs. Wadhwa is currently co-chair of the India-Japan Partnership Forum located in FICCI, member Governing Council of the Institute of China Studies and serves as Independent Director on the Boards of a few companies.

4. **Mr. Ashok Sinha (DIN 00070477)** was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029. Mr. Ashok Sinha will attain the age of 75 (Seventy Five) years on 15th February, 2027, therefore, his continuance of office after attaining the age of 75 years and would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting. Given below is the brief resume of Mr. Ashok Sinha pursuant to the listing regulations:

   Mr. Ashok Sinha, aged about 71 years has a B.Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur (1973) and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance (1977). He has been conferred the Distinguished Alumnus Award from both IIT Kanpur and IIM Bangalore. He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from TMG (Technology Media Group) for Customer Management. Since 2011, he has served on the Boards of Petronet LNG Ltd., CMC Ltd. (erstwhile subsidiary of Tata Consultancy Services Ltd.), four subsidiaries of Vodafone India Ltd., Tata Advanced Systems Ltd., Tata Lockheed Martin Aerostructures, and Nova Integrated Systems. Currently, he is serving as Independent Director on the Board of Cipla Ltd., Tata Communications Limited and The Tata Power Company Ltd.

5. **Mr. Saurabh Chandra (DIN 02726077)** Mr. Saurabh Chandra, was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029 and would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting. Given below is the brief resume of Mr. Saurabh Chandra pursuant to the listing regulations:

   Mr. Saurabh Chandra, aged about 67 years, a B.Tech from IIT Kanpur (First with Distinction), retired as Secretary, Ministry of Petroleum and Natural Gas, Govt. of India and prior there to he served as Secretary in the DIPP, Ministry of Commerce and Industry. He served as Public Interest Director and Chairman of the Governing Board of Multi Commodity Exchange of India Limited and serving as an Independent Director on the Boards of SBI Pension Funds Pvt. Ltd. and Vacmet India Limited. He possesses experience in formulation and implementation of policies in multiple areas and sectors, such as oil and gas, industry & manufacturing, foreign direct investment, intellectual property, and disinvestment including strategic sales. During his tenure as Secretary, DIPP major reforms were initiated in the FDI policy and intellectual policy regime, while implementation of the National Manufacturing Policy started in the right earnest. Deregulation of diesel prices, launching of PAHAL Scheme, Give Up campaign and work on the Hydrocarbon Exploration Licensing Policy, Discovered Small Fields Policy and the National Gas Grid were initiated during his tenure as Secretary, Petroleum.

### Confirmation by the Board of Directors' Acceptance of Recommendation of Mandatory/ Non-Mandatory Committees.

The Board of Directors have confirmed that during the year under report, it has accepted the recommendations received from its mandatory/ non mandatory Committees. None of the recommendations made by any of the Committees has been rejected by the Board.

### Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to Executive as well as Non- Executive Directors and members of the Senior Management. A copy of the Code has been hosted on the Company's website www.jkcement.com. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them hereinafter.

## 12. Means of Communications

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

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

Presentations to Institutional Investors/ Analysts:- These presentations and schedule of Analyst or Institutional Investors meet are also uploaded on the Company's website www.jkcement.com as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in the presentation made to Institutional Investors and Financial Analysts. Further, the Transcript of such Institutional Investors and Financial Analysts meet are uploaded on Company's website www.jkcement.com

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

## 13. General Shareholders Information

| | |
|---|---|
| **(i) Annual General Meeting** | |
| Date, Time & Venue | Friday the 11th day of August, 2023 at 11 A.M |
| **(ii) Financial Year** | 2023-24 |
| a) First Quarter Result | Within 45 days from the close of Quarter Ending June, 2023 |
| b) Second Quarter Result | Within 45 days from the close of Quarter Ending September, 2023 |
| c) Third Quarter Result | Within 45 days from the close of Quarter Ending December, 2023 |
| d) Result for the Year ending 31st March, 2024 | Within 60 days from the close of Quarter/ Year Ending March, 2024 |

### (iii) Date of Book Closure

Company's Register of Members and Share Transfer Books be closed from Wednesday the 2nd day of August, 2023 to Friday the 11th day of August, 2023 (both day inclusive).

### (iv) Dividend payment date

The Board of Directors of the Company has recommended a dividend of ₹15 (150%) for the year 2022-23 which shall be payable on or after 11th August, 2023

**Dividend Policy**

The Company has been declaring/paying dividend every year since 2005-06 consistently. It is maintaining a payout of 20% to 25% of Net Profit as Dividend.

### (v) Listing on Stock Exchanges

The equity shares of the Company are listed with the BSE Ltd. (Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001) and National Stock Exchange of India Ltd. (Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051) and the listing fees has been duly and timely paid to both the Stock Exchanges for 2023-24

The debt securities viz. Non-Convertible Debentures of the Company are also listed on BSE Ltd.

### (vi) Stock Code

BSE 532644 NSE JKCEMENT

ISIN NUMBER INE823G01014

### (vii) Market Price Data

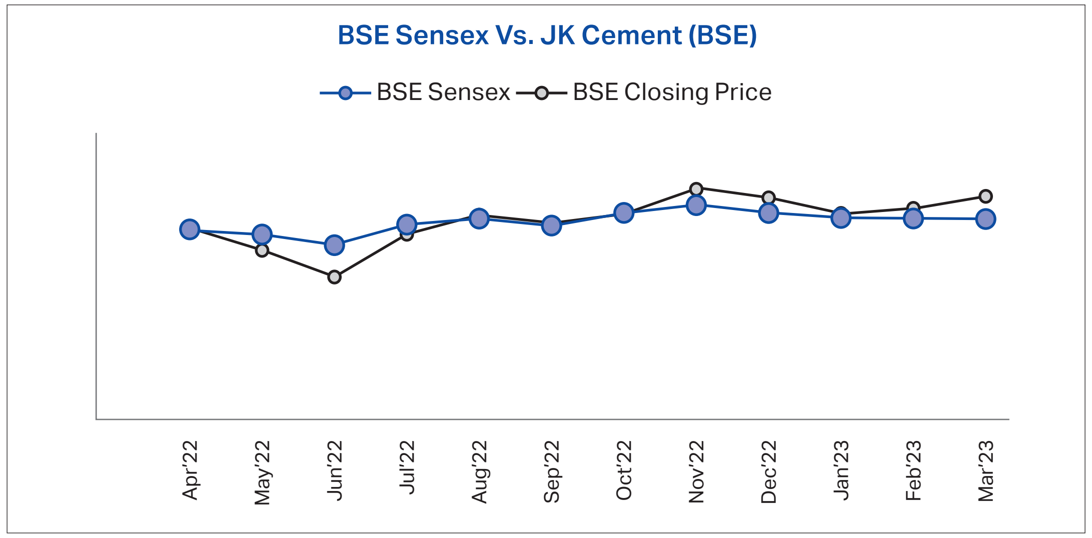
**JK cement share price on BSE vs BSE SENSEX Apr' 22 to Mar' 23**

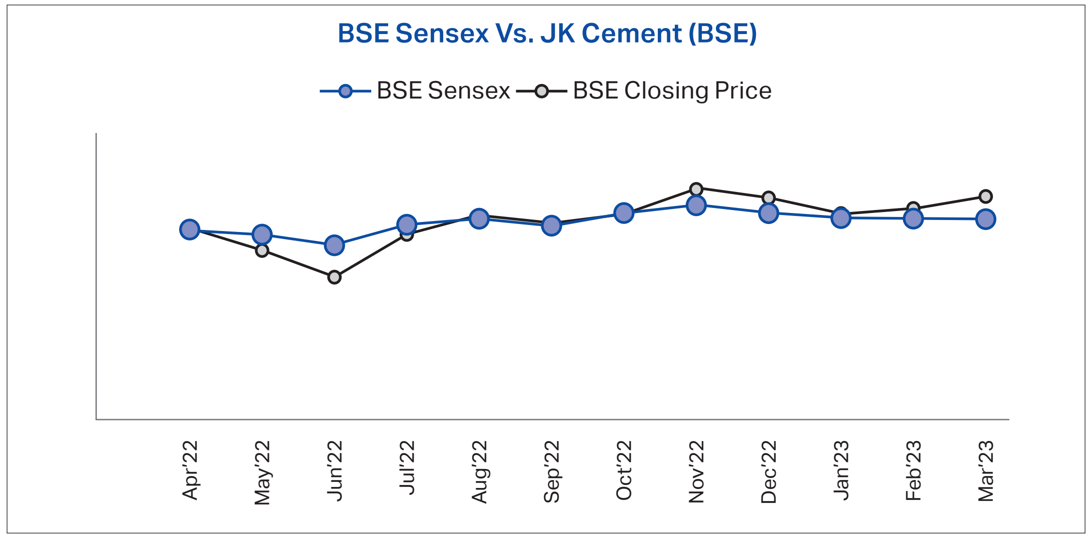
| Month | BSE Sensex close | JK Cement Ltd share price | | | |
|---|---|---|---|---|---|
| | | BSE High ₹ | BSE Low ₹ | Close ₹ | No. of Shares traded during the month |
| April, 2022 | 57060.9 | 2,850.80 | 2,422.55 | 2643.25 | 1,63,684 |
| May, 2022 | 55566.4 | 2,645.10 | 2,199.05 | 2381.40 | 79,854 |
| June, 2022 | 53018.9 | 2,444.00 | 2,005.00 | 2108.25 | 1,24,832 |
| July, 2022 | 57570.3 | 2,516.90 | 2,107.55 | 2505.15 | 95,642 |
| August, 2022 | 59537.1 | 2,785.00 | 2,483.90 | 2715.30 | 88,038 |
| September, 2022 | 57426.9 | 2,984.00 | 2,471.05 | 2626.20 | 2,00,655 |
| October, 2022 | 60746.6 | 2,744.95 | 2,425.55 | 2712.65 | 3,39,686 |
| November, 2022 | 63099.7 | 3,091.15 | 2,692.30 | 3069.90 | 1,70,375 |
| December, 2022 | 60840.7 | 3,248.05 | 2,874.70 | 2920.25 | 79,360 |
| January, 2023 | 59549.9 | 2,988.95 | 2,542.65 | 2711.05 | 71,109 |
| February, 2023 | 58962.1 | 2,969.00 | 2,557.20 | 2764.60 | 1,12,761 |
| March, 2023 | 58991.5 | 2,982.95 | 2,738.35 | 2923.20 | 75,258 |

**JK cement share price on NSE vs Nifty Apr' 22 to Mar'23**

| Month | Nifty close | JK Cement Ltd share price | | | |
|---|---|---|---|---|---|
| | | NSE High ₹ | NSE Low ₹ | Close ₹ | No. of Shares traded during the month |
| April, 2022 | 17102.6 | 2,850.00 | 2,422.55 | 2,647.10 | 3929575 |
| May, 2022 | 16584.6 | 2,647.15 | 2,195.05 | 2,382.25 | 1905454 |
| June, 2022 | 15780.3 | 2,443.85 | 2,003.70 | 2,108.95 | 4618030 |
| July, 2022 | 17158.3 | 2,515.00 | 2,100.00 | 2,504.15 | 3088858 |
| August, 2022 | 17759.3 | 2,786.00 | 2,486.00 | 2,716.55 | 2494239 |
| September, 2022 | 17094.4 | 2,985.00 | 2,451.30 | 2,625.65 | 3762871 |
| October, 2022 | 18012.2 | 2,746.95 | 2,425.25 | 2,712.65 | 1803939 |
| November, 2022 | 18758.4 | 3,092.85 | 2,691.55 | 3,079.70 | 3253901 |
| December, 2022 | 18105.3 | 3,262.20 | 2,874.60 | 2,920.60 | 2395829 |
| January, 2023 | 17662.2 | 2,988.00 | 2,540.00 | 2,710.15 | 2119837 |
| February, 2023 | 17303.95 | 2,970.00 | 2,552.90 | 2,764.60 | 3626656 |
| March, 2023 | 17359.8 | 2,986.30 | 2,708.00 | 2,923.70 | 1940824 |

### (viia) Performance in comparison to broad based indices



### (viii) Registrar and Share Transfer Agent

M/s. NSDL Database Management Limited is acting as Registrar and Transfer Agent (RTA) of the Company for Physical and Demat Segment, Under Common Agency Concept of SEBI.

**Their address for communication is as under:-**

M/s. NSDL Database Management Limited, 4TH Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 Tel: 022-49142578 / 2636 Email: sunilk@nsdl.co.in / kycndml.rta@nsdl.co.in

### (ix) Share Transfer System

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

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

### (x) Distribution of Shareholding as on 31st March, 2023

| No. of Equity Share Held | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share Holdings |
|---|---|---|---|---|
| UP TO 500 | 75000 | 98.99 | 1959215 | 2.54 |
| 501 TO 1000 | 402 | 0.53 | 288763 | 0.37 |
| 1001 TO 2000 | 115 | 0.15 | 168158 | 0.22 |
| 2001 TO 3000 | 50 | 0.07 | 121067 | 0.15 |
| 3001 TO 4000 | 23 | 0.03 | 81152 | 0.11 |
| 4001 TO 5000 | 15 | 0.02 | 69519 | 0.09 |
| 5001 TO 10000 | 37 | 0.05 | 255639 | 0.33 |
| 10001 AND ABOVE | 121 | 0.16 | 74324738 | 96.19 |
| **TOTAL** | **75763** | **100** | **77268251** | **100** |

### (xi) Category of Shareholders as on 31st March, 2023

| Category | No. of Share holders | % of Share holders | No. of Shares Held | % of Share holding |
|---|---|---|---|---|
| Promoters and Promoter group | 12 | 0.02 | 35409053 | 45.83 |
| Mutual Funds / UTI | 28 | 0.04 | 16225935 | 21.00 |
| Financial Institutions / Banks | 41 | 0.05 | 21645 | 0.03 |
| Insurance Companies | 11 | 0.01 | 1119168 | 1.45 |
| Foreign Institutional Investors | 1 | 0.00 | 100 | 0.00 |
| Foreign Portfolio Investors Corp. | 136 | 0.18 | 11995154 | 15.52 |
| Bodies Corporate | 466 | 0.62 | 813296 | 1.05 |
| Bodies Corporate (IEPF) | 1 | 0.00 | 222882 | 0.29 |
| Individuals | 74313 | 98.09 | 3251841 | 4.21 |
| Other | 754 | 1.00 | 8209177 | 10.62 |
| **TOTAL** | **75763** | **100.00** | **77268251** | **100.00** |

### (xii) Dematerialization of Shares and liquidity

77039770 Equity shares representing 99.70 % of the paid up equity capital of the company have been dematerialized till March 31, 2023 (includes *21522 equity shares of physical segment/ Shares transferred to Investor Education and Protection Fund Authorities, IEPF Auth. Ministry of Corp. Affairs through corporation action in depository CDSL)

### (xiii) Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), CS Kunal Sippy, FCS 11364 of Kunal Sippy & Associates, Company Secretaries, a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits

### (xiv) Shares Transferred to IEPF

During the year under report 21522 equity shares held by 2411 shareholders in physical mode, 2039 equity shares held by 85 shareholders with NSDL Depository & 410 equity shares held by shareholders with CDSL Depository which were due for transfer in FY 2022-23, transferred to Investor Education and Protection Fund with CDSL after close of the year in compliance with Section 124 of Companies Act, 2013.

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

**(xvi)** Commodity price risk or foreign exchange risk and hedging activities

**(xvii) Plant Location:** Company has following Plants

| Plants (India) | Location |
|---|---|
| Grey Cement Plants | Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan<br>Mangrol, Dist. Chittorgarh, Rajasthan,<br>Gotan, Dist. Nagaur, Rajasthan,<br>Muddapur, Dist. Bagalkot, Karnataka,<br>Jharli, Dist. Jhajjar, Haryana,<br>Satha, Pargana Morthal, Tehsil: Koil, Dist: Aligarh, UP,<br>Vadadala, Tehsil: Balasinor, Dist: Mahisagar, Gujarat<br>Madhavgarh, Ujjain, M.P. (under implementation) |
| White Cement & White Cement based Wall Putty Plant | Gotan, Dist. Nagaur, Rajasthan,<br>Village: Rupaund, Tehsil- Badwara, Dist. Katni, M.P. |
| Thermal Power Plants | Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan,<br>Mangrol, Chittorgarh, Rajasthan<br>Gotan, Dist. Nagaur, Rajasthan,<br>Muddapur, Dist. Bagalkot, Karnataka, |
| Waste Heat Recovery Power Plant (For captive consumption) | i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan<br>ii) Mangrol, Dist. Chittorgarh, Rajasthan |

### (xviii) Address for Correspondence

Mr. Shambhu Singh

Company Secretary

J.K. Cement Ltd.,

Kamla Tower, Kanpur-208001, Telephone No.- 0512 2371478-81

Fax: - 0512-2332665/2399854

Email: shambhu.singh @jkcement.com Website: www.jkcement.com (xix)List of Credit ratings obtained by Company

| Sl. No. | Particulars | CARE Rating | Remarks |
|---|---|---|---|
| 1 | Commercial Papers (Standalone) | CARE AI+ (A One Plus) | Reaffirmed |
| 2 | Commercial Papers (Carved Out) | CAREAI+ (A One Plus) | Reaffirmed |
| 3 | Non-Convertible Debentures (NCDs) | CARE AA+; Stable (Double A Plus; Outlook: Stable) | Reaffirmed |
| 4 | Long Term Bank Facilities | CARE AA+; Stable (Double A Plus; Outlook: Stable) | Reaffirmed |
| 5 | Short Term Bank Facilities | CARE AI+ (A One Plus) | Reaffirmed |

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

a) Deletion of name of deceased shareholder, where the shares are held in the name of two or more shareholders

b) Transmission of shares to legal heirs, where deceased shareholder was a sole holder.

c) Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders

**Other Disclosures**

a) There is no materially significant transaction with the related parties viz. Promoters, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS- 24) has been made in the Annual Report.

b) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.

c) Establishment of Vigil Mechanism

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

The policy is applicable to all the Directors, Employees, Vendors and Customers and provides a platform to all of them to report any suspected or confirmed incident of fraud/ misconduct, unethical practices, violation of code of conduct etc. As per the Policy, no person is denied access to the Chairman of the Audit Committee, in case of exceptional cases.

d) The Company has complied with the mandatory requirements of Listing Regulations. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

e) Web link of " Policy for determination of Material Subsidiaries"

f) https://www.jkcement.com/frontTheme/pdf/policy_for_determining_material_subsidiaries_new.pdf Web link of "Policy on dealing with related party transactions"

https://www.jkcement.com/frontTheme/pdf/related_party_transaction_policy_new.pdf

g) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

During the financial year, there was no instance where recommendation of the Audit Committee was not accepted by the Board

h) Certificate from Company Secretary in practice has been obtained stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by SEBI/MCA or any such statutory authority. The Certificate is enclosed with this section as ANNEXURE 1.

i) Compliance with Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations.

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under Regulations 17 to 27 and sub regulation (2) of Regulation 46 of the SEBI Listing Regulations

j) Statutory Audit Fees paid to Statutory Auditors For Financial/Calender Year 2022-23/2022:

| S. No. | Fee paid by | Status | Amount (₹in Lakh) |
|---|---|---|---|
| 1 | J.K. Cement Ltd. | Company | ₹185.00 |
| 2 | Jaykaycem (Central) Ltd. | Subsidiary | ₹1.00 |
| 3 | JK Cement (Fujairah) FZC | Subsidiary | ₹4.68 |
| 4 | JK Maxx Paint Limited (formerly known as JK Paints and Coatings Limited) | Subsidiary | ₹0.25 |
| 5 | Acro Paints Limited | Step-Down Subsidiary | ₹3.39 |
| 6 | J.K. Cement Works (Fujairah)FZC | Step-Down Subsidiary | ₹13.78 |
| 7 | JK White Cement (Africa) Ltd. | Step-Down Subsidiary | ₹5.58 |

k) Disclosure under the Sexual Harassment of Women at Workplace ( Prevention, Prohibition and Redressal) Act, 2013:

| | | |
|---|---|---|
| A | No. of Complaint filed during the F.Y. | NIL |
| B | No. of Complaint disposed of during F.Y. | NIL |
| C | No. of Complaint pending during F.Y. | NIL |

l) disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

m) The Company has adopted discretionary requirements as specified in Part E of Schedule II of SEBI (LODR). Further, the Company's financial statements for the FY 2022-23 do not contain any modified opinion.

n) The Company during the financial year have opened Unclaimed Securities Suspense Escrow Account as per Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 a Suspense Escrow Demat Account required to be opened for the purpose of crediting physical shares of the shareholders who fails to dematerialise their shares after the end of 120 days of receiving Letter/Notice of Confirmation by RTA/Issuer Company.

# Declaration

Compliance with the Code of Business Conduct and Ethics

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in 2018 ('Listing Regulations'), all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct and Ethics for the year ended 31st March, 2023.

For J.K. Cement Ltd.

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

**Madhavkrishna Singhania**
Dy.Managing Director & CEO
DIN: 07022433

Place: New Delhi
Date: 27.05.2023



# Reena Jakhodia & Associates

**Company Secretaries**
104A/47, Ram Bagh, Kanpur - 208012
Phone: +91 - 9336205217, 9935902244

## Practising Company Secretary's Certificate on Corporate Governance

To
The Members of **J.K. CEMENT LIMITED**

We have examined the compliance of conditions of Corporate Governance by J.K. Cement Limited ("the Company") for the year ended 31st March, 2023, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and Paragraphs C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with amendments as applicable.

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

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

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

For: Reena Jakhodia & Associates
Company Secretaries

**(Reena Jakhodia)**
Proprietor
Membership No: F6435
C.P. No.: 6083
UDIN: F006435E000322465

Place: Kanpur
Date: 17.05.2023

# Certificate By Managing Director and Deputy Managing Director and Chief Financial Officer pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned, in our respective capacities as Managing Director and Deputy Managing Director and Chief Financial Officer of J. K Cement Limited (the Company) to the best of our knowledge and belief certify that:

a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We hereby declare that all the members of the Board of Directors and Sr. Managerial Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

e) We have indicated, based in our most recent evaluation, wherever applicable, to the auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

**Dr. Raghavpat Singhania**
Managing Director
Place: New Delhi
Date : May 27, 2023

**Ajay Kumar Saraogi**
Dy. Managing Director and Chief Financial Officer



Annexure 1

# Certificate of Non-Disqualification of Directors

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To
The Members,
J.K. Cement Limited
Kamla Tower,
Kanpur-208001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of J.K. Cement Limited having CIN L17229UP1994PLC017199 and having registered office at Kamla Tower, Kanpur and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year Ended on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in the Company |
|---|---|---|---|
| 1. | Mr. Ashok Kumar Sinha | 00070477 | 18/05/2019 |
| 2. | Mr. Sudhir Jalan | 00111118 | 17/12/2019 |
| 3. | Mr. Ajay Kumar Saraogi | 00130805 | 17/06/2020 |
| 4. | Mrs. Sushila Devi Singhania | 00142549 | 26/07/2014 |
| 5. | Dr. Nidhipati Singhania | 00171211 | 28/05/2021 |
| 6. | Mr. Paul Heinz Hugentobler | 00452691 | 17/05/2014 |
| 7. | Mr. Satish Kumar Kalra | 01952165 | 14/08/2021 |
| 8. | Mr. Ajay Narayan Jha | 02270071 | 28/05/2021 |
| 9. | Dr. Krishna Behari Agarwal* | 00339934 | 25/08/2007 |
| 10. | Dr. Raghavpat Singhania | 02426556 | 17/06/2020 |
| 11. | Mr. Saurabh Chandra | 02726077 | 18/05/2019 |
| 12. | Mr. Madhavkrishna Singhania | 07022433 | 17/06/2020 |
| 13. | Mr. Mudit Aggarwal | 07374870 | 14/08/2021 |
| 14. | Mrs. Deepa Gopalan Wadhwa | 07862942 | 03/11/2018 |

* Dr. Krishna Behari Agarwal ceased from directorship with effect from 31.03.2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Reena Jakhodia & Associates
Company Secretaries

**(Reena Jakhodia)**
Proprietor
Membership No: F6435
CP No: 6083
UDIN: F006435E000322487

Date: 17.05.2023
Place: Kanpur

# Independent Auditor's Report

To the Members of J.K. Cement Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statement of J.K. Cement Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter on CCI Case ('EOM')

We draw attention to Note 36A to the standalone Ind AS financial statements wherein it has been stated that the Competition Commission of India ('CCI') has imposed penalty of ₹12,854 lacs ('first matter') and ₹928 lacs ('second matter') in two separate orders dated August 31, 2016 and January 19, 2017 respectively for alleged contravention of provisions of Competition Act 2002 by the Company. The Company has filed appeals against the above orders.

The National Company Law Appellate Tribunal ('NCLAT'), on hearing the appeal in the first matter, upheld the decision of CCI for levying the penalty vide its order dated July 25, 2018. Post order of the NCLAT, CCI issued a revised demand notice dated August 7, 2018 of ₹15,492 lacs consisting of penalty of ₹12,854 lacs and interest of ₹2,638 lacs. The Company has filed appeal with Hon'ble Supreme Court against the above order. Hon'ble Supreme Court has stayed the NCLAT order. While the appeal of the Company is pending for hearing, the Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts.

In the second matter, demand had been stayed and the matter is pending for the hearing before NCLAT. While the appeal of the Company is pending for hearing, the Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of Investments in J.K. Cement (Fujairah) FZC, a wholly owned subsidiary**<br>(as described in note 4A and 45 of the standalone Ind AS financial statements) | |
| As at March 31, 2023 the Company has an investment in J. K. Cement (Fujairah) FZC, a wholly owned subsidiary of ₹1,09,615.21 lacs.<br>J. K. Cement Works (Fujairah) FZC (step down subsidiary) is incurring losses and its entire net worth is eroded. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised.<br>During the current year, based on business valuation of J.K. Cement Works (Fujairah) FZC by an independent external valuer, no provision has recognised by the Company considering recoverable amount of these investments exceeds its carrying amount. The Total amount of provision for diminution in value of investment amounts to ₹45,837.92 lacs as at March 31, 2023.<br>For the purposes of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.<br>Further, the determination of the recoverable amount of the investments in J. K. Cement (Fujairah) FZC involved judgements due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.<br>Accordingly, the impairment assessment of investments in J. K. Cement (Fujairah) FZC, was determined to be a key audit matter in our audit of the standalone Ind AS financial statements. | Our audit procedures included the following:<br>• Gained an understanding of the impairment assessment process and evaluated the design and tested the operating effectiveness of controls.<br>• Assessed the Company's valuation methodology applied in determining the recoverable amount.<br>• Assessed the assumptions of the cash flow forecasts including weighted average cost of capital, expected growth rates and terminal growth rates used.<br>• Discussed potential changes inputs as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate.<br>• Involved specialists to assist us in evaluating the valuation methodologies and sensitivity testing of key assumptions used by management in determining the recoverable value headroom.<br>• Tested the arithmetical accuracy of the valuation model.<br>• Assessed the relevant disclosures made within the standalone Ind AS financial statements. |
| **Claims, litigations and contingent liabilities**<br>(as described in note 36A of the standalone Ind AS financial statements) | |
| As of March 31, 2023, the Company has disclosed contingent liabilities of ₹26,112.48 lacs (excluding amount of ₹13,782 lacs and interest of ₹2,638 lacs related to CCI case covered in EOM para above) relating to tax and legal claims.<br>There are several pending legal and regulatory cases against the Company across various jurisdictions. Accordingly, management exercises its judgement in estimation of provision required in respect of such cases. The evaluation of management's judgements, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of the ranges of potential financial settlement have been a matter of most significance during the current year audit.<br>Furthermore, the Company has operations across many jurisdictions and is subject to taxation related litigations as per local tax regulations. Evaluation of the outcome of the taxation related matters, and whether the risk of loss is remote, possible or probable, requires judgement by management given the complexities involved.<br>Accordingly, due to large number of claims and complexity/judgement involved in outcome of these litigations. Claims, litigations and contingent liabilities was determined to be a key audit matter in our audit of the standalone Ind AS financial statements | Our audit procedures included the following:<br>• Gained an understanding of the process of identification of claims, litigations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls.<br>• Obtained the summary of Company's legal and tax cases and assessed management's position through discussions with the legal head, tax head and Company's management, on both the probability of success in significant cases, and the magnitude of any potential loss.<br>• Obtained responses from third-party legal counsel against independent confirmation rolled out by us and conducted discussion with them regarding material cases.<br>• Inspected external legal opinions and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br>• Engaged tax specialists to assess management's application and interpretation of tax legislation affecting the Company, and to consider the quantification of exposures and settlements arising from disputes with tax authorities in the various tax jurisdictions.<br>• Assessed the relevant disclosures made within the standalone Ind AS financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition – Discounts, incentives, rebates etc.**<br>(as described in note 27 of the standalone Ind AS financial statements) | |
| For the year ended March 31, 2023 the Company has recognised revenue from sale of goods of ₹8,77,678.06 lacs.<br>Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Company's sales.<br>Due to the Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental and dependent on various performance obligations and market conditions.<br>Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.<br>Accordingly, given the complexity and judgement involved in the assessment of provisions required for discounts, incentives and rebates, Revenue recognition – Discounts, incentives, rebates etc. was determined to be a key audit matter in our audit of the Standalone Ind AS financial statements. | Our audit procedures included the following:<br>• Considered Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br>• Assessed the design and tested the operating effectiveness of internal controls with regards to approvals, calculation, provision and disbursement of discounts, incentives and rebates.<br>• Performed sample test of supporting documentation for computation of discounts, incentives and rebates recorded and/or disbursed during the year including credit notes issued after the year end date.<br>• Performed analytical review and compared the management's assessment of discounts, incentives and rebates recorded for the current year with historical trends of discount given and reversal of such discounts, incentives and rebates to assess the adequacy of provisions made during the current year.<br>• Performed sample test of manual journals posted to discounts, incentives and rebates to identify unusual or irregular items.<br>• Assessed the relevant disclosures made within the standalone Ind AS financial statements. |

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual reports, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended].
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

   (e) The matter described in Emphasis of Matter on CCI case' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36A to the standalone Ind AS financial statements;

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

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

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

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

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

   v. The final dividend paid by the Company, during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 16 to the standalone Ind AS financial statements, the Board of Directors of the Company, have proposed final dividend for the year which is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

   vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZK8879

Place of Signature: New Delhi
Date: 27 May 2023

# Annexure 1

**Referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

Re: J.K. Cement Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(b) Property, plant and equipment have been physically verified by the management during the current year under a regular programme of verification in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

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

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed in respect of such verification. Inventories lying with third parties amounting to ₹11,706.47 lacs have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations.

(b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly statements filed by the Company with such banks and are in agreement with the books of accounts of the Company. The Company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) The Company has made investments in companies and has not made investments in firms, Limited Liability Partnerships or any other parties. During the year the Company has provided guarantee for its subsidiary company and loans to employees as detailed in table below:

(₹ in lacs)

| Particulars | Loans | Guarantee |
|---|---|---|
| Aggregate amount granted/ provided during the year | | |
| - Subsidiary | - | 1,12,247.75 |
| - Others | 978.17 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | |
| - Subsidiary | - | - |
| - Others | 857.78 | 1,12,247.75 |

Other than above, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the investments made, guarantee provided and the terms and conditions of the grant of all loans and guarantee provided are not prejudicial to the Company's interest.

(c) The Company has granted loans to employees only where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to employees which are overdue for more than ninety days.

(e) There were no loans granted to employees which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

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

(iv) There are no loans and security in respect of which provisions of sections 185 and 186 of the Companies Act,2013 are applicable. Further, investments made and guarantees provided in respect of which provisions of sections 185 and 186 of the Companies Act,2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in lacs)* | Period to which Amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 | Entry tax | 314.28 | 2005-2006 to 2009-2010 | Supreme Court |
| The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1993 | Entry Tax | 76.97 | 2011-12 and 2015-2016 | Appellate Authorities |
| Nagar Palika Adhiniyam, 1959 | Octroi | 216.66 | 1985-86 to 1989-90 | High Court |
| Central Excise Act, 1944 | Excise Duty | 419.02 | 1989-1990 | Supreme Court |
| | Excise Duty | 40.66 | 2007-08 to 2017-18 | Appellate Authorities |
| | Excise Duty | 1,304.56 | 2006-08 | High Court |
| | Excise Duty | 97.56 | 2013-14 | Tribunal(s) |
| Custom Tariff Act, 1975 | Custom | 78.51 | 2012-13 | Additional commissioner of custom (Kutch) |
| Finance Act, 2008 (State) | Environment & Health Cess | 4,897.18 | 2008-2009 to 2015-2016 | High court |

| Name of the statute | Nature of the dues | Amount (₹ in lacs)* | Period to which Amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Sales tax/value added tax (VAT) | Sales Tax, VAT, interest and Penalty | 178.03 | 2007-08 to 2009-10 | Supreme Court |
| | Sales Tax, VAT, interest and Penalty | 9,437.85 | 2014-15 to 2017-18 | High Court |
| | Sales Tax, VAT, interest and Penalty | 122.28 | 2012-13 | Tribunal(s) |
| | Sales Tax, VAT, interest and Penalty | 38.11 | 2013-14 | High Court |
| | Sales Tax, VAT, interest and Penalty | 12.93 | 2013-14 | Appellate Authorities |
| | Sales Tax, VAT, interest and Penalty | 181.28 | 1991-1992 to 2016-2017 | Appellate Authorities |
| Goods and Service tax Act | Goods and Service tax | 154.68 | 2017-18 to 2022-23 | Appellate Authorities |
| | Goods and Service tax | 548.00 | 2017-18 | Appellate Authorities |
| Income-tax Act, 1961 | Income Tax | 1,087.48 | AY 2007-2008 to AY 2008-2009 | High Court |
| | Income Tax | 2,090.49 | AY 2018-2019 to AY 2020-2021 | Appellate Authorities |
| Rajasthan Finance Act, 2006 | Land Tax | 1,203.39 | 2006-2007 to 2013-2014 and 2019-2020 to 2021-2022 | Supreme Court |
| The Mines and Minerals (Development and Regulation) Act, 2011 | Special Charges | 330.31 | 2011-12 to 2022-23 | High Court |
| The Mines and Minerals (Development and Regulation) Act, 2015 | NMET | 47.69 | 2014- 15 to 2016-17 | High Court |
| Electricity Rules 2005 | Electricity duty, water cess and Urban cess | 1,727.65 | 2009-10 to 2022-2023 | High Court |

* Net of amounts paid under protest/ adjusted against refunds of ₹2,893.94 lacs.

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

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

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

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

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

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

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

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

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

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

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

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

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

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

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

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

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in note 43 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act. This matter has been disclosed in note to 43 the financial statements.

(xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZK8879

Place of Signature: New Delhi
Date: 27 May 2023

# Annexure 2

**To the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of J. K. Cement Limted**

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

We have audited the internal financial controls with reference to standalone Ind As financial statements of J.K. Cement Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

## Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

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

## Inherent Limitations of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2023, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZK8879

Place of Signature: New Delhi
Date: 27 May 2023

# Standalone Balance Sheet

as at 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 5,10,206.58 | 5,15,875.40 |
| Capital work-in-progress | 2 | 16,882.83 | 7,103.33 |
| Intangible assets | 3 | 2,548.90 | 2,738.84 |
| Right-of-use assets | 3(i) | 18,625.46 | 18,155.77 |
| Financial assets: | | | |
| (i) Investments | 4 | 2,18,957.75 | 1,54,007.39 |
| (ii) Other financial assets | 5 | 28,639.09 | 10,310.00 |
| Other non-current assets | 6 | 12,945.27 | 7,898.46 |
| **Total non-current assets** | | **8,08,805.88** | **7,16,089.19** |
| **Current assets** | | | |
| Inventories | 7 | 77,790.48 | 1,11,357.33 |
| Financial assets: | | | |
| (i) Investments | 8 | 7,081.82 | 20,469.50 |
| (ii) Trade receivables | 9 | 37,116.13 | 39,779.05 |
| (iii) Cash and cash equivalent | 10 | 5,883.70 | 6,442.56 |
| (iv) Bank balances other than (iii) above | 11 | 50,889.08 | 21,817.32 |
| (v) Other financial assets | 12 | 78,952.88 | 90,252.21 |
| Current tax assets (net) | 13 | 3,407.17 | 1,554.18 |
| Other current assets | 14 | 19,162.74 | 26,464.25 |
| **Total current assets** | | **2,80,284.00** | **3,18,136.40** |
| **Total assets** | | **10,89,089.88** | **10,34,225.59** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 15 | 7,726.83 | 7,726.83 |
| Other equity | 16 | 4,62,423.45 | 4,17,440.12 |
| **Total equity** | | **4,70,150.28** | **4,25,166.95** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities: | | | |
| (i) Borrowings | 17 | 2,48,860.48 | 2,47,551.28 |
| (ii) Lease liabilities | 17d | 3,949.34 | 3,191.51 |
| (iii) Other financial liabilities | 18 | 40,085.63 | 35,837.82 |
| Provisions | 19 | 4,689.08 | 4,705.51 |
| Deferred tax liabilities (net) | 20 | 83,582.85 | 73,848.22 |
| Other non-current liabilities | 21 | 11,603.83 | 11,141.28 |
| **Total non-current liabilities** | | **3,92,771.21** | **3,76,275.62** |
| **Current liabilities** | | | |
| Financial liabilities: | | | |
| (i) Borrowings | 22 | 72,263.39 | 75,188.07 |
| (ii) Lease liabilities | 22a | 964.56 | 742.80 |
| (iii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 23 | 8,057.83 | 6,544.39 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 52,359.90 | 60,370.58 |
| (iv) Other financial liabilities | 24 | 14,033.32 | 21,905.85 |
| Other current liabilities | 25 | 69,400.81 | 60,017.63 |
| Provisions | 26 | 9,088.58 | 8,013.70 |
| **Total current liabilities** | | **2,26,168.39** | **2,32,783.02** |
| **Total liabilities** | | **6,18,939.60** | **6,09,058.64** |
| **Total equity and liabilities** | | **10,89,089.88** | **10,34,225.59** |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433



# Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 8,99,859.90 | 7,67,858.40 |
| Other income | 28 | 8,292.85 | 14,279.60 |
| **Total income (I)** | | **9,08,152.75** | **7,82,138.00** |
| **Expenses** | | | |
| Cost of materials consumed | 29 | 1,31,418.30 | 1,15,538.58 |
| Purchase of traded goods | | 15,019.42 | 13,462.71 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 30 | 1,475.04 | (1,904.02) |
| Employee benefit expense | 31 | 56,321.43 | 50,417.39 |
| Finance costs | 32 | 26,049.26 | 24,931.78 |
| Depreciation and amortisation expense | 33 | 36,146.40 | 28,201.96 |
| Power and fuel | | 2,30,818.72 | 1,57,187.21 |
| Freight and forwarding | | 1,85,594.33 | 1,56,203.56 |
| Other expenses | 34 | 1,45,284.13 | 1,28,745.26 |
| **Total Expenses (II)** | | **8,28,127.03** | **6,72,784.43** |
| **Profit before exceptional items & tax expense (I) - (II)** | | **80,025.72** | **1,09,353.57** |
| Exceptional Items | 45 | - | 13,000.00 |
| **Profit before tax** | | **80,025.72** | **96,353.57** |
| **Tax expense** | | | |
| Current tax | | 14,208.58 | 19,036.31 |
| Deferred tax charge | 20 | 9,563.04 | 15,670.31 |
| Earlier years tax adjustments | | - | (1,420.77) |
| **Total tax expense** | | **23,771.62** | **33,285.85** |
| **Profit for the year (III)** | | **56,254.10** | **63,067.72** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement gains on defined benefit plans | | 491.07 | 585.05 |
| Income tax relating to remeasurement of defined benefit plans | | (171.60) | (204.44) |
| **Other comprehensive income for the year (IV)** | | **319.47** | **380.61** |
| **Total comprehensive income for the year (III + IV)** | | **56,573.57** | **63,448.33** |
| **Earnings per equity share (Face value of ₹10 each)** | 35 | | |
| Basic (in ₹) | | 72.80 | 81.62 |
| Diluted (in ₹) | | 72.80 | 81.62 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433

# Standalone Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## (a) Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balance at the beginning of the year (77,268,251 Equity shares of ₹10 each issued, subscribed and fully paid) | 7,726.83 | 7,726.83 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year (77,268,251 Equity shares of ₹10 each issued, subscribed and fully paid) | **7,726.83** | **7,726.83** |

## (b) Other equity

| | Reserves and Surplus | | | | |
|---|---|---|---|---|---|
| | Securities premium | Debenture redemption reserve | General reserve | Retained earnings (including Other Comprehensive Income) | Total |
| **Balance as at 01 April 2021** | **75,679.66** | **4,722.40** | **1,10,325.02** | **1,74,854.95** | **3,65,582.03** |
| Profit for the year | - | - | - | 63,067.72 | 63,067.72 |
| Other comprehensive income for the year | - | - | - | 380.61 | 380.61 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **63,448.33** | **63,448.33** |
| Transfer to/(from) general reserve | - | - | 20,000.00 | (20,000.00) | - |
| Transfer to/(from) debenture redemption reserve | - | (1,357.70) | - | 1,357.70 | - |
| Dividend paid | - | - | - | (11,590.24) | (11,590.24) |
| **Balance as at 31 March 2022** | **75,679.66** | **3,364.70** | **1,30,325.02** | **2,08,070.74** | **4,17,440.12** |
| Profit for the year | - | - | - | 56,254.10 | 56,254.10 |
| Other comprehensive income for the year | - | - | - | 319.47 | 319.47 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **56,573.57** | **56,573.57** |
| **Adjustment during the year** | | | | | |
| Transfer to/(from) general reserve | - | - | 20,000.00 | (20,000.00) | - |
| Transfer to/(from) debenture redemption reserve | - | (1,307.35) | - | 1,307.35 | - |
| Dividend paid | - | - | - | (11,590.24) | (11,590.24) |
| **Balance as at 31 March 2023** | **75,679.66** | **2,057.35** | **1,50,325.02** | **2,34,361.42** | **4,62,423.45** |

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433



# Standalone Statement of Cash flow

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| A. | Cash Flow from Operating Activities | | |
| | **Net Profit before tax** | 80,025.72 | 96,353.57 |
| | Adjustment for:- | | |
| | Depreciation & amortisation expenses | 36,146.40 | 28,201.96 |
| | Net loss on discard of property, plant & equipment | 1,143.67 | 2,991.14 |
| | Diminution in the value of investment in subsidiary | - | 13,000.00 |
| | Interest paid | 25,203.12 | 24,566.13 |
| | Interest received | (5,564.62) | (7,561.39) |
| | Bad trade receivables/advances written off | 0.04 | 6.00 |
| | Expected Credit loss for trade receivables/advances | 563.53 | - |
| | Gain on fair valuation/sale of investment (net) | (351.03) | (49.44) |
| | Provisions/Other non cash adjustment | (3,536.98) | (5,291.28) |
| | Exchange difference | 117.64 | (416.45) |
| | Mines restoration charges | 121.77 | 623.10 |
| | **Operating Profit Before Working Capital Changes** | **1,33,869.26** | **1,52,423.34** |
| | Working capital adjustments :- | | |
| | (Decrease)/Increase in trade payables | (5,101.80) | 12,337.76 |
| | Increase in other financial liabilities | 98.45 | 9,232.77 |
| | Increase in other liabilities | 9,079.36 | 10,814.85 |
| | Increase in provisions | 1,427.75 | 2,373.65 |
| | Decrease/(Increase) in inventories | 33,566.85 | (42,691.15) |
| | Decrease/(Increase) in trade receivables | 2,321.49 | (8,177.73) |
| | (Increase) in other financial assets | (11,640.53) | (3,520.40) |
| | Decrease/(Increase) in other assets | 6,238.16 | (10,555.83) |
| | **Cash Generated From Operations** | **1,69,859.00** | **1,22,237.27** |
| | Less : Income tax paid (inclusive of tax deducted at source) | (16,061.58) | (21,313.67) |
| | **Net Cash flow From operating activities** | **1,53,797.42** | **1,00,923.60** |
| B. | Cash Used in Investing Activities | | |
| | Proceed from maturity of fixed deposit | 99,773.82 | 1,56,714.83 |
| | Investment in Fixed Deposits | (1,26,652.43) | (1,04,710.85) |
| | Acquisition/Purchase of property, plant & equipment | (47,939.68) | (47,392.40) |
| | Sale of property, plant & equipment | 824.70 | 2,624.62 |
| | Net Investments in Subsidiaries | (61,429.90) | (86,117.87) |
| | Investments in equity, mutual funds & bonds other than in Subsidiaries | (65,265.14) | (50,783.61) |
| | Sale of investments | 77,503.91 | 29,882.99 |
| | Interest received | 5,739.58 | 9,224.01 |
| | **Net Cash (Used In) Investing Activities** | **(1,17,445.14)** | **(90,558.28)** |

# Standalone Statement of Cash flow

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **C. Cash used in Financing Activities*** | | |
| Proceeds from long term borrowings | 42,000.00 | 15,500.00 |
| Repayment of long term borrowings | (36,704.45) | (18,948.99) |
| (Repayment)/Proceeds of short term borrowings (net) | (7,719.72) | 24,759.03 |
| Proceeds from VAT loans | 2,853.28 | 3,403.98 |
| Repayment of deferred sales Tax | (487.70) | (959.66) |
| Proceeds from vehicle loans (net) | 69.68 | 942.14 |
| Payment towards principal portion of lease liability | (1,013.42) | (793.02) |
| Interest paid on lease liability | (284.63) | (154.68) |
| Interest Paid | (24,034.72) | (24,495.39) |
| Dividend paid | (11,589.46) | (11,562.04) |
| **Net Cash (Used in) Financing Activities** | **(36,911.14)** | **(12,308.63)** |
| **Net (Decrease) in Cash and Cash Equivalent (A+B+C)** | **(558.86)** | **(1,943.31)** |
| Cash and Cash Equivalent at the beginning of the year (note 10) | 6,442.56 | 8,385.87 |
| Cash and Cash Equivalent at the end of the year (note 10) | 5,883.70 | 6,442.56 |
| | **(558.86)** | **(1,943.31)** |

* Refer note 17c for change in financing activity.

Notes :

i Cash and cash equivalent includes cash in hand and bank balances including Fixed Deposits below 3 months.

ii The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows'.

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

per **Sanjay Vij**
Partner
Membership No: 095169

Place : New Delhi
Dated : 27 May 2023

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

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433



# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

## 1. Corporate Information

### I. Reporting Entity

J. K. Cement Limited ("J K Cement Limited" or "the Company") is a public limited company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208 001. J K Cement Limited's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is engaged in the manufacturing and selling of Cement and Cement related products.

### II. Significant Accounting Policies

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

### 1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

These are Company's separate financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27.05.2023

### 2. Basis of measurement

The financial statements have been prepared on a historical cost basis except the following assets and liabilities which are measured on fair value basis:

- Certain financial assets and liabilities that is measured at fair value (Refer note 40)
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation (Refer note 38)

### 3. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lacs up to two decimal places, except when otherwise indicated.

### 4. Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

#### A. Judgements

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

- Provision and contingencies

The assessment undertaken in recognizing provision and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss.

#### B. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below, the company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market change or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occurred.

Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To determine the future taxable profits, reference is made to the latest available profit forecasts. The Company is having MAT credit that may be used to offset taxable income.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 20.

#### Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

During the current year, the management had re-assessed useful life of its captive power plants (CPP) having carrying value of ₹31,588.27 lacs on the basis of technical evaluation, economic effectiveness and tests. Accordingly, the Company had estimated that its CPP life would be ranging between 15-20 years (Initial life estimated was 40 years). Consequently, an additional depreciation of ₹5,835.34 lacs has been recorded for the year ended March 31, 2023.

#### Post-retirement benefit plans

Employee benefit obligations (gratuity obligations) are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and Mortality rates. Due to the complexities involved in the valuation and its long term natures, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available and measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

#### Provision for expected credit losses of trade receivables

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables and contract assets is disclosed in Note 40 (II) Financial risk management objective and policies

#### Provision for mines reclamation

The Company has recognised a provision for mines reclamation based on its best estimates. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines.

#### Litigations and contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that the Company will be required to settle that obligation.Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of specific applicable law, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current assets and liabilities

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

### 6. Property, plant and equipment( PPE)

#### Recognition and measurement

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

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

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**Subsequent Measurement**

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

**Expenditure during construction period:**

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "Other non-current assets".

**Depreciation**

Depreciation on Property, plant and equipment (PPE) is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). The assets residual values and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

| Tangible Assets | Useful Life (In years) |
|---|---|
| Factory building (including roads) | 03-30 Years |
| Non factory building (including roads) | 05-60 Years |
| Plant and machinery | 05-40 Years |
| Vehicles | 08 Years |
| Furniture and fixtures | 10 Years |
| Office equipment | 05 Years |
| Railway sidings | 15 Years |

The Company, based on technical assessment made by technical expert and management estimate, depreciates Buildings and certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Machinery spares are depreciated on straight line basis over the remaining useful life of related plant and equipment or useful life of spare part, whichever is lower.

The management believes that the estimated useful lives are realistic and reflect approximation of the period over which the assets are likely to be used.

## 7. Intangible assets

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 3 years.

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

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

Mining rights are Amortised over the period of respective Mining Agreement and on the basis of material extraction (proportion of material extracted per annum to total mining reserve).

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

## 8. Financial instruments

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



# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

**Financial Assets**

Initial recognition and measurement

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

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

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value through other comprehensive income (FVOCI) or fair value through Profit and Loss Account (FVTPL) on the basis of either

Company's business model for managing the financial assets or

Contractual cash flow characteristics of the financial assets.

**Business model assessment**

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

Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value and all changes in fair value are recorded in FVTPL. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI and fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

### Derecognition of financial assets

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

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

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

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

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

### Impairment of financial assets

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity revert to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date

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

### Financial liabilities

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

#### Financial Liabilities measured at amortised cost

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

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Financial guarantee contracts

Financial guarantee contract issued by the Company is 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 recognised 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 transaction amount recognised less cumulative amortisation.

### Derecognition of financial liabilities

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

### Reclassification of financial assets

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

## 9. Inventories

**Inventories are valued as follows:**

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

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

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

## 10. Investment in subsidiary and joint venture

Investment in subsidiaries and joint venture are carried at cost / fair value as per the requirement of IND AS- 27 ,IND AS 32, Financial Instruments and IND AS 109, Financial Instruments in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36, Impairment of Assets. Investments in subsidiaries and JV are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

## 11. Provisions, Contingent Liabilities and Assets

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

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

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

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

**Mines Restoration Expenditure**

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

## 12. Revenue Recognition

The Company derives revenues primarily from sale of cement and cement related products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

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

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

**Sale of goods**

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the



# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer or their agent as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of contract.

**Variable consideration**

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most expected value method for contracts. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

**Contract balances**

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

**Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised

**Critical judgements**

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

will not occur and is reassessed at the end of each reporting period.

(a) Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

**Other revenue streams**

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other income in the statement of profit and loss.

## 13. Government Grants and Subsidies

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

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

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

## 14. Employee benefits

**(i) Short term employee benefits**

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

Accumulated compensated absences which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are treated as short-term benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**(ii) Defined contribution plans**

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

a) Provident fund

The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution is recognised as an expense in the Statement of Profit and Loss during the period in which employee renders the related service.

b) Superannuation scheme

Certain employees of the Company are eligible for participation in defined contribution plans such as superannuation. Contributions towards these funds are recognised as an expense periodically based on the contribution by the Company, since Company has no further obligation beyond its periodic contribution.

**(iii) Defined benefit plans**

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

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

The company has following defined benefit plans:

Gratuity

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

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

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

The company has following long term employment benefit plans:

Leave Encashment

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

## 15. Foreign currency transactions

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

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

## 16. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 17. Taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax asset is reviewed on each reporting date.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period

Goods and service taxes (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service taxes paid, except :

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.



# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

- when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the balance sheet.

## 18. 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.

**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 remeasurement of lease liabilities. The cost of right-of-use asset 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 amortised over their actual lease period as per lease deed.

Leasehold Land is amortised over the primary lease period.

Free hold Mining Land is depleted according to the ‘unit of production’ method by reference to the ratio of extraction of limestone in the year to the related reserves of limestone.

Limestone reserves are estimated by the management based on the internal best estimates or independent expert’s valuation as considered appropriate. These estimates are reviewed at least annually.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 19 section-Impairment of non-financial assets.

**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 incremental 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 remeasured 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.

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

The Company applies the short-term lease recognition exemption to its short-term leases of wharehouses, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

**19. Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**20. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. Refer note 37 for segment information presented.

**21. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**22. Exceptional item**

Items of income or expense of non-routine are presented separately when their nature and amount of such significance and is relevant to an understanding of the entity's financial performance.

**23. Earnings Per Share (EPS)**

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit for the year by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus elements in a rights issue, share split and reverse share split(consolidation of shares) that have changed the no of equity shares outstanding without a corresponding change in resources.

**24. Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that



Notes to the Standalone Financial Statements

for notes the year ended 31 March 2023

form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**25. Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

**26. Incentives under the State Industrial Policy**

The Company's manufacturing units in various States are eligible for incentives under the respective State Industrial Policy. The Company accrues these incentives as refund claims in respect of GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is reasonable assurance that the incentive claims will be disbursed by the State Governments.

**27. Changes in accounting policies and disclosures**

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022. The adoption of following mentioned amendments had no impact on the financial statements of the Company.

i. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

ii. Reference to the Conceptual Framework – Amendments to Ind AS 103

iii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

iv. Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

v. Ind AS 109 Financial Instruments – Fees in the '10%' test for derecognition of financial liabilities

vi. Ind AS 41 Agriculture – Taxation in fair value measurements

Further, the Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to Ind AS 12

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 2. Property, plant and equipment

### As at 31 March, 2023

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 |
| **Tangible Assets** | | | | | | | | | | |
| Freehold land | 37,580.29 | 5,251.87 | (102.64) | 42,729.52 | - | - | - | - | 37,580.29 | 42,729.52 |
| Building | 92,461.99 | 2,238.53 | (75.61) | 94,624.91 | 23,746.11 | 3,185.81 | (34.64) | 26,897.28 | 68,715.88 | 67,727.63 |
| Plant and equipment | 5,66,166.20 | 20,560.81 | (3,167.46) | 5,83,559.55 | 1,70,431.81 | 28,900.87 | (1,494.48) | 1,97,838.20 | 3,95,734.39 | 3,85,721.35 |
| Vehicles | 5,661.99 | 1,324.12 | (707.82) | 6,278.29 | 2,103.65 | 633.57 | (513.57) | 2,223.65 | 3,558.34 | 4,054.64 |
| Furniture and fixtures | 4,135.37 | 336.05 | (8.72) | 4,462.70 | 2,836.10 | 247.39 | (5.15) | 3,078.34 | 1,299.27 | 1,384.36 |
| Office Equipment | 658.73 | 134.48 | (16.28) | 776.93 | 447.88 | 82.56 | (15.35) | 515.09 | 210.85 | 261.84 |
| Railway sidings | 13,765.92 | 301.17 | - | 14,067.09 | 5,398.55 | 845.79 | - | 6,244.34 | 8,367.37 | 7,822.75 |
| Rolling stock | 89.43 | - | - | 89.43 | 84.96 | - | - | 84.96 | 4.47 | 4.47 |
| Other assets | 758.37 | 224.84 | (18.69) | 964.52 | 353.83 | 124.99 | (14.32) | 464.50 | 404.54 | 500.02 |
| **Total** | **7,21,278.29** | **30,371.87** | **(4,097.22)** | **7,47,552.94** | **2,05,402.89** | **34,020.98** | **(2,077.51)** | **2,37,346.36** | **5,15,875.40** | **5,10,206.58** |
| Capital work-in-progress (Refer note iv) | 7,103.33 | 29,064.42 | (19,284.92) | 16,882.83 | | | | - | 7,103.33 | 16,882.83 |
| **Total** | **7,103.33** | **29,064.42** | **(19,284.92)** | **16,882.83** | **-** | **-** | **-** | **-** | **7,103.33** | **16,882.83** |

### As at 31 March, 2022

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 |
| **Tangible Assets** | | | | | | | | | | |
| Freehold land | 34,282.10 | 4,935.70 | (1,637.51) | 37,580.29 | - | - | - | - | 34,282.10 | 37,580.29 |
| Building | 84,714.66 | 7,684.77 | 62.56 | 92,461.99 | 20,829.91 | 2,920.43 | (4.23) | 23,746.11 | 63,884.75 | 68,715.88 |
| Plant and equipment | 5,05,233.51 | 69,002.27 | (8,069.58) | 5,66,166.20 | 1,52,970.03 | 21,677.65 | (4,215.87) | 1,70,431.81 | 3,52,263.48 | 3,95,734.39 |
| Vehicles | 4,707.68 | 2,062.87 | (1,108.56) | 5,661.99 | 2,302.44 | 535.90 | (734.69) | 2,103.65 | 2,405.24 | 3,558.34 |
| Furniture and fixtures | 3,769.01 | 366.36 | - | 4,135.37 | 2,596.61 | 239.49 | - | 2,836.10 | 1,172.40 | 1,299.27 |
| Office Equipment | 626.80 | 37.92 | (5.99) | 658.73 | 366.33 | 84.38 | (2.83) | 447.88 | 260.47 | 210.85 |
| Railway sidings | 13,192.08 | 573.84 | - | 13,765.92 | 4,585.03 | 813.52 | - | 5,398.55 | 8,607.05 | 8,367.37 |
| Rolling stock | 89.43 | - | - | 89.43 | 84.96 | - | - | 84.96 | 4.47 | 4.47 |
| Other assets | 493.27 | 265.54 | (0.44) | 758.37 | 257.91 | 95.92 | - | 353.83 | 235.36 | 404.54 |
| **Total** | **6,47,108.54** | **84,929.27** | **(10,759.52)** | **7,21,278.29** | **1,83,993.22** | **26,367.29** | **(4,957.62)** | **2,05,402.89** | **4,63,115.32** | **5,15,875.40** |
| Capital work-in-progress (Refer note iv) | 48,852.54 | 28,439.69 | (70,188.90) | 7,103.33 | | | | - | 48,852.54 | 7,103.33 |
| **Total** | **48,852.54** | **28,439.69** | **(70,188.90)** | **7,103.33** | **-** | **-** | **-** | **-** | **48,852.54** | **7,103.33** |

(i) Property, plant & equipment pledged as security: Refer note 17a for information on property, plant & equipment pledged as security by the Company.

(ii) In regard to brownfield expansion project, the amount of borrowing cost that has been capitalised during the previous year ended 31 March 2022 was: ₹1,860.54 lacs. The rate used to determine the amount of borrowing costs eligible for capitalisation ranged between 6.50% to 6.65%.

(iii) During the year, the management had re-assessed useful life of its captive power plants (CPP) having carrying value of ₹31,588.27 lacs on the basis of technical evaluation, economic effectiveness and tests. Accordingly the Company had estimated that its CPP life would be ranging between 15-20 years (Initial life estimated was 40 years). Consequently, an additional depreciation of ₹5,835.34 lacs has been recorded for the year ended March 31, 2023.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

(iv) The table below provides details regarding the ageing for Capital work-in-progress :

### As at 31 March, 2023

| Particulars | Amount in CWIP in a period of | | | | Total As at 31 March 2023 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 15,032.65 | 1,729.77 | - | - | 16,762.42 |
| Projects Temporarily suspended | 84.86 | 35.55 | - | - | 120.41 |
| **Total** | **15,117.51** | **1,765.32** | **-** | **-** | **16,882.83** |

### As at 31 March, 2022

| Particulars | Amount in CWIP in a period of | | | | Total As at 31 March 2022 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 3,577.17 | 3,407.02 | - | 119.14 | 7,103.33 |
| Projects Temporarily suspended | - | - | - | - | - |
| **Total** | **3,577.17** | **3,407.02** | **-** | **119.14** | **7,103.33** |

(v) Contractual obligation-Refer note 36 (B) for disclosure of contractual commitment for the acquisition of Property, Plant & equipment.

## 3. Intangible Assets

### As at 31 March, 2023

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 1,454.50 | 87.00 | - | 1,541.50 | 1,131.47 | 164.62 | - | 1,296.09 | 323.03 | 245.41 |
| Mining Rights | 2,882.02 | - | - | 2,882.02 | 466.21 | 112.32 | - | 578.53 | 2,415.81 | 2,303.49 |
| **Total** | **4,336.52** | **87.00** | **-** | **4,423.52** | **1,597.68** | **276.94** | **-** | **1,874.62** | **2,738.84** | **2,548.90** |

### As at 31 March, 2022

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 1,213.44 | 243.12 | (2.06) | 1,454.50 | 952.07 | 181.20 | (1.80) | 1,131.47 | 261.37 | 323.03 |
| Mining Rights | 2,882.02 | - | - | 2,882.02 | 353.89 | 112.32 | - | 466.21 | 2,528.13 | 2,415.81 |
| **Total** | **4,095.46** | **243.12** | **(2.06)** | **4,336.52** | **1,305.96** | **293.52** | **(1.80)** | **1,597.68** | **2,789.50** | **2,738.84** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### 3 (i). Right-of-use assets

**Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:**

**As at 31 March, 2023**

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 |
| **Right-of-use assets** | | | | | | | | | | |
| Leasehold land | 18,781.72 | 325.16 | - | 19,106.88 | 4,324.84 | 762.92 | - | 5,087.76 | 14,456.88 | 14,019.12 |
| Buildings | 5,120.66 | 2,062.80 | (787.99) | 6,395.47 | 1,437.29 | 1,070.04 | (718.20) | 1,789.13 | 3,683.37 | 4,606.34 |
| Other Equipment | 31.86 | - | (31.86) | - | 16.34 | 15.52 | (31.86) | - | 15.52 | - |
| **Total** | **23,934.24** | **2,387.96** | **(819.85)** | **25,502.35** | **5,778.47** | **1,848.48** | **(750.06)** | **6,876.89** | **18,155.77** | **18,625.46** |

**As at 31 March, 2022**

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | Opening | Addition | Disposal/ Adjustment | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 |
| **Right-of-use assets** | | | | | | | | | | |
| Leasehold land | 18,290.00 | 1,803.60 | (1,311.88) | 18,781.72 | 4,991.97 | 686.70 | (1,353.83) | 4,324.84 | 13,298.03 | 14,456.88 |
| Buildings | 2,490.19 | 3,316.04 | (685.57) | 5,120.66 | 817.19 | 854.45 | (234.35) | 1,437.29 | 1,673.00 | 3,683.37 |
| Other Equipment | 31.86 | - | - | 31.86 | 16.34 | - | - | 16.34 | 15.52 | 15.52 |
| **Total** | **20,812.05** | **5,119.64** | **(1,997.45)** | **23,934.24** | **5,825.50** | **1,541.15** | **(1,588.18)** | **5,778.47** | **14,986.55** | **18,155.77** |

The Company also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.





# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

**Set out below are the carrying amounts of lease liabilities and the movements during the year:**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 3,934.31 | 1,862.51 |
| Addition | 2,062.80 | 3,316.04 |
| Deletions | (69.79) | (451.22) |
| Accretion of Interest | 284.63 | 154.68 |
| Payment of lease liabilities | (1,298.05) | (947.70) |
| **Closing balance** | **4,913.90** | **3,934.31** |
| Current | 964.56 | 742.80 |
| Non-current | 3,949.34 | 3,191.51 |

**The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022 on an undiscounted basis.**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Less than one year | 1,449.78 | 1,072.97 |
| One to five years | 3,399.60 | 3,050.68 |
| More than five years | 1,898.67 | 1,395.24 |
| | **6,748.05** | **5,518.89** |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The average borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet.

**The following are the amounts recognised in profit or loss:**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 1,085.56 | 854.45 |
| Interest expense on lease liabilities | 284.63 | 154.68 |
| **Total amount recognised in profit or loss** | **1,370.19** | **1,009.13** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 4. Non-Current Financial Assets - Investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **A. Investment in equity instruments (fully paid-up)** | | |
| **Unquoted** | | |
| **Subsidiary Companies(at cost)** | | |
| - 440,000 (31 March 2022 : 319,030) equity shares of J. K. Cement (Fujairah) FZC (Face value AED1000 each) | 78,766.73 | 54,200.79 |
| Less: Diminution in the value of investment (Refer note 45) | (45,837.92) | (45,837.92) |
| - 46,591,157 (31 March 2022: 40,805,774) equity shares of Jaykaycem (Central) Limited (Face value ₹10 each) | 1,24,472.05 | 1,01,909.06 |
| - 85,400,000 (31 March 2022: Nil ) equity shares of J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) (Face value ₹10 each) | 8,540.00 | - |
| **Others (at FVTPL)** | | |
| - 303,702 (31 March 2022 : 169,120) equity shares of Atria Wind Power (Chitradurga) Pvt. Ltd. (Face value ₹100 each) | 762.22 | 424.42 |
| - 5,496,372 (31 March 2022 : 3,820,170 ) equity shares of Nay Energy Pvt Ltd (Face value ₹10 each) | 624.89 | 417.04 |
| - 20,445 (31 March 2022 : Nil ) equity shares of FP Centaurus Private Limited (Face value ₹10 each) | 350.00 | - |
| - 2,600 (31 March 2022 : Nil ) equity shares of Clean Max Matahari Private Limited (Face value ₹10 each) | 0.26 | - |
| - 8,000 (31 March 2022: 8,000) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹10 each) | 8.00 | 8.00 |
| - 1,530,433 (31 March 2022 : 433 ) equity shares of AMP Solar Technology Pvt. Ltd. (Face value ₹10 each) | 153.04 | 0.04 |
| **B. Investment in preference shares (fully paid up)** | | |
| **Unquoted** | | |
| **Subsidiary Companies (at cost)** | | |
| **Considered as Equity** | | |
| - 200,000,000 (31 March 2022: Nil ) 7% Non- cumulative compulsory convertible preference shares of J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) (Face value ₹10 each) | 20,000.00 | - |
| -148,169 (31 March 2022 : Nil ) 3% Non- cumulative 11 years convertible preference shares of J.K. Cement (Fujairah) FZC (Face value AED1000 each) | 30,848.48 | - |
| - Nil (31 March 2022 : 52,682 )3% Non cumulative 11 years preference shares in J. K. Cement (Fujairah)FZC (Face value AED1000 each) | - | 10,653.99 |
| - Nil (31 March 2022 : 52,681 )3% Non cumulative 12 years preference shares in J. K. Cement (Fujairah)FZC (Face value AED1000 each) | - | 10,653.79 |
| - Nil (31 March 2022 : 52,681 ) 3% Non cumulative 13 years preference shares in J. K. Cement (Fujairah)FZC (Face value AED1000 each) | - | 10,653.79 |
| - Nil (31 March 2022 : 52,684 ) 3% Non cumulative 14 years preference shares in J. K. Cement (Fujairah)FZC (Face value AED1000 each) | - | 10,654.39 |
| **C. Investments in Debentures (at FVTPL)** | | |
| - 27,000 (31 March 2022: 27,000 ) 0.01% Compulsory Convertible debentures in AMP Solar Urja Pvt Ltd (Face value ₹1000 each) | 270.00 | 270.00 |
| | **2,18,957.75** | **1,54,007.39** |
| Aggregate amount of market value of quoted investment | - | - |
| Aggregate amount of unquoted investment | 2,18,957.75 | 1,54,007.39 |
| Aggregate Impairment amount of unquoted investment | 45,837.92 | 45,837.92 |

The Company has invested 8,54,00,000 equity shares and 200,000,000 7% non cumulative compulsory convertible preference share at par @₹10 each of JK Maxx Paints Limited (earstwhile knows as JK Paints & Coating Limited) in FY 2022-23 making it 100% subsidiary of the company.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

Further JK Maxx Paints Limited, a wholly owned Subsidiary of JK Cement Limited ("the Company") has acquired 100% control in the Acro Paints Limited, making it as a Step down subsidiary, vide Share Purchase Agreement dated December 26, 2022 for a consideration of ₹26,655 lacs on the following given payment terms:

- 60% on January 06, 2023 ('First Closing Date');
- 20% after expiry of six months from first closing date ('Second Closing Date'); and
- 20% after expiry of 6 months from Second closing date .

## 5. Non-Current Financial Assets - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Unsecured, Considered good) | | |
| (Carried at Amortised Cost) | | |
| Fixed deposits with remaining maturity of more than 12 months from the reporting date * | 15,702.47 | 107.45 |
| Vehicle Loan Recoverable | 557.15 | 319.62 |
| Security Deposits ** | 11,928.44 | 7,411.38 |
| Share Application Money# | 451.03 | 2,471.55 |
| | **28,639.09** | **10,310.00** |

*Includes ₹212.96 lacs (31 March 2022 ₹95.95 lacs) pledged against overdraft /other commitments.

**Majorly includes deposits with State Electricity boards, tender money deposits and godown/office deposits.

# Share application money of ₹450.94 lacs paid to Clean Max Matahari Private Limited in current year is against issuance of equity shares which is yet to be alloted.

No loans due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

## 6. Other Non-Current Assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Unsecured, Considered good) | | |
| Capital advances | 8,287.47 | 4,304.01 |
| **Advances other than capital advances** | | |
| Prepaid expenses | 674.42 | 735.32 |
| Deferred employee compensation | 88.23 | 41.66 |
| Advance to employees | 440.73 | 242.51 |
| Deposit under protest with Government authorities | 3,454.42 | 2,574.96 |
| | **12,945.27** | **7,898.46** |

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 7. Inventories

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Valued at lower of cost and net realisable value) | | |
| Raw materials (net of provisions for slow and non-moving inventories of ₹649.01 lacs (31 March 2022: Nil)) | 9,236.31 | 25,530.71 |
| Work-in-process | 7,191.93 | 9,202.69 |
| Finished goods | 9,593.84 | 9,264.04 |
| Traded goods | 459.89 | 253.97 |
| Fuel (net of provisions for slow and non-moving inventories of ₹200.05 lacs (31 March 2022: Nil)) | 13,849.41 | 29,534.75 |
| Packing material (net of provisions for slow and non-moving inventories of ₹87.38 lacs (31 March 2022: Nil)) | 1,847.26 | 2,824.11 |
| Consumable stores and spares (net of provisions for slow and non-moving inventories of ₹3,155.67 lacs (31 March 2022: ₹2,650.85 lacs)) | 23,905.37 | 20,203.57 |
| **Goods in transit :** | | |
| - Raw materials | 328.56 | 860.24 |
| - Fuel | 11,316.15 | 13,255.78 |
| - Consumable stores and spares | 61.76 | 427.47 |
| | **77,790.48** | **1,11,357.33** |

Refer note 17a(2) & 22 for information on inventories pledged as security by the Company.

## 8. Current Financial Assets - Investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Investment in Mutual Funds** | | |
| **Quoted (at FVTPL)** | | |
| - Nil (31 March 2022: 71,904.35) units of HDFC Liquid Fund -DP-Growth Option | - | 3,009.01 |
| - Nil (31 March 2022: 953,968.71) units of ICICI Prudential Liquid fund -Direct Plan -Growth | - | 3,007.45 |
| - 60,066.714 (31 March 2022: 342,713.55) units of Axis Liquid Fund - Direct Growth (CFDGG) | 1,502.20 | 8,102.03 |
| - Nil (31 March 2022: 94,136.55) units of Canara Robeco Liquid Fund-Direct Growth | - | 2,400.29 |
| -19,999,000.05 (31 March 2022: Nil) units of SBI FMP-Series 69(367 days) Regular growth | 2,060.18 | - |
| -211,021.442 (31 March 2022: Nil) units of Axis Over Night Fund Direct Growth (ONDGG) | 2,501.78 | - |
| **Investments in Bonds(Quoted) (at FVTPL)** | | |
| -Nil (31 March 2022: 150) 8.75% Axis 28 June 2022 perpetual bonds, Face value per Bond ₹1,000,000 purchased @ ₹1,035,807.51 each | - | 1,504.74 |
| -Nil (31 March 2022: 93) 9.80% Canara 25 July 2022 perpetual bonds, Face value per Bond ₹1,000,000 purchased @ ₹1,026,188.96 each | - | 935.32 |
| -Nil (31 March 2022: 150) 8.65% BOB 11 August 2022 perpetual bonds , Face value per Bond ₹1,000,000 purchased @ ₹1,104,861.56 each | - | 1,510.66 |
| **Investments in Debenture (Quoted) (at FVTPL)** | | |
| -45 (31 March 2022: Nil) Shree Ram Transport , Face value per NCD ₹1,000,000 | 512.59 | - |
| -35 (31 March 2022: Nil) L&T INFRA Debt Fund , Face value per NCD ₹1,000,000 | 505.07 | - |
| | **7,081.82** | **20,469.50** |
| **Aggregate amount of quoted investments** | **7,081.82** | **20,469.50** |
| **Aggregate amount of market value of quoted investment** | **7,081.82** | **20,469.50** |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 9. Current Financial Assets - Trade Receivables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost, except otherwise stated) | | |
| Considered good - secured | 11,792.50 | 12,986.22 |
| Considered good - unsecured | 25,304.48 | 26,792.83 |
| - Related Party (Refer note 39) | 19.15 | - |
| Receivables - usecured credit impaired | 1,545.35 | 1,208.96 |
| | **38,661.48** | **40,988.01** |
| Less: Provision for impairment of trade receivables | (1,545.35) | (1,208.96) |
| | **37,116.13** | **39,779.05** |

### Trade receivable Ageing Schedule

**As at 31 March 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2023 | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Undisputed Trade receivables-Considered Good | 37,116.13 | 36,108.32 | 336.43 | 268.74 | 10.47 | 392.17 |
| (ii) Undisputed Trade receivables-credit impaired | 431.45 | 199.85 | 71.36 | 80.99 | 32.62 | 46.63 |
| (iii) Disputed Trade receivables-credit impaired | 1,113.90 | 0.09 | 98.45 | 78.94 | 31.46 | 904.96 |
| | **38,661.48** | **36,308.26** | **506.24** | **428.67** | **74.55** | **1,343.76** |
| (iv) Undisputed Trade receivables-Provision for impairment | (431.45) | (199.85) | (71.36) | (80.99) | (32.62) | (46.63) |
| (v) Disputed Trade receivables-Provision for impairment | (1,113.90) | (0.09) | (98.45) | (78.94) | (31.46) | (904.96) |
| | **37,116.13** | **36,108.32** | **336.43** | **268.74** | **10.47** | **392.17** |

**As at 31 March 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2022 | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Undisputed Trade receivables-Considered Good | 39,779.05 | 38,827.49 | 521.00 | 21.83 | 23.94 | 384.79 |
| (ii) Undisputed Trade receivables-credit impaired | 212.22 | - | 91.49 | 94.49 | 25.38 | 0.86 |
| (iii) Disputed Trade receivables-credit impaired | 996.74 | - | 4.09 | 19.67 | 53.90 | 919.08 |
| | **40,988.01** | **38,827.49** | **616.58** | **135.99** | **103.22** | **1,304.73** |
| (iv) Undisputed Trade receivables-Provision for impairment | (212.22) | - | (91.49) | (94.49) | (25.38) | (0.86) |
| (v) Disputed Trade receivables-Provision for impairment | (996.74) | - | (4.09) | (19.67) | (53.90) | (919.08) |
| | **39,779.05** | **38,827.49** | **521.00** | **21.83** | **23.94** | **384.79** |

Refer to Note 17a(2) & 22 for information on trade receivables pledged as security by the Company.

No trade receivable are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of below 90 days.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 10. Current Financial Assets - Cash and Cash equivalent

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balance with banks: | | |
| In current accounts | 1,021.90 | 487.90 |
| In EEFC accounts | 939.84 | 9.70 |
| Fixed deposits with original maturity of upto 3 months* | 3,894.93 | 5,915.17 |
| Others | 0.60 | 0.60 |
| Cash on hand | 25.43 | 29.13 |
| Cheques in hand | 1.00 | 0.06 |
| | **5,883.70** | **6,442.56** |

*Fixed Deposits upto one year include deposit of Nil (31 March 2022: ₹1,402.48 lacs) pledged against overdraft /other commitments.

## 11. Current Financial Assets - Other Bank Balances

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Earmarked balance with bank for unclaimed dividends # | 175.50 | 174.71 |
| Fixed deposits with original maturity of more than 3 months but upto one year* | 50,713.58 | 21,642.61 |
| | **50,889.08** | **21,817.32** |

#Earmarked unpaid dividend accounts are restricted in use as it relates to unpaid & unclaimed dividends

*Fixed Deposits upto one year include deposit of ₹5,611.36 lacs (31 March 2022: ₹2,672.64 lacs) pledged against overdraft /other commitments.

## 12. Current Financial Assets - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Unsecured Considered Good, unless otherwise stated) | | |
| (Carried at Amortised Cost) | | |
| Other loans and advances | | |
| Considered good | 1,237.81 | 1,444.66 |
| Considered doubtful | 357.90 | 135.76 |
| Less: Allowance for doubtful loans and advances | (357.90) | (135.76) |
| Advance to employees | 421.47 | 501.62 |
| Government grants receivable | 16,925.77 | 9,974.97 |
| Fixed deposits with original maturity of more than 12 months and remaining maturity of less than 12 months from the reporting date* | 57,777.00 | 75,565.17 |
| Interest accrued on fixed deposits | 2,590.83 | 2,765.79 |
| | **78,952.88** | **90,252.21** |

*Fixed Deposits due upto one year having original maturity period more than 12 months include deposit of ₹10,782.17 lacs (31 March 2022: ₹29,467.67 lacs) pledged against overdraft /other commitments.

## 13. Current Tax Assets (net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance tax (net) | 3,407.17 | 1,554.18 |
| | **3,407.17** | **1,554.18** |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 14. Other Current Assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balances with Government authorities | 4,729.45 | 6,362.99 |
| Prepaid expenses | 2,648.14 | 2,125.18 |
| Advance to employees | 189.77 | 105.03 |
| Advances to suppliers | 11,566.82 | 17,850.12 |
| Deferred employee compensation | 28.56 | 20.93 |
| | **19,162.74** | **26,464.25** |

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

## 15. Equity Share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised:** | | |
| 8,00,00,000 (31 March 2022 : 8,00,00,000) equity shares of ₹10/- each | 8,000.00 | 8,000.00 |
| **Issued, subscribed & fully paid up:** | | |
| 7,72,68,251 (31 March 2022 : 7,72,68,251) equity Shares of ₹10/- each | 7,726.83 | 7,726.83 |
| | **7,726.83** | **7,726.83** |

### a. Terms and rights attached to equity shares

There are only 1 class of Equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### b. Reconciliation of number of shares outstanding at the beginning and end of the year

| | Number of Shares | Amount |
|---|---|---|
| Outstanding as at 01 April 2021 | 7,72,68,251 | 7,726.83 |
| Equity Shares issued during the year | - | - |
| **Outstanding as at 31 March 2022** | **7,72,68,251** | **7,726.83** |
| Equity Shares issued during the year | - | - |
| **Outstanding as at 31 March 2023** | **7,72,68,251** | **7,726.83** |

### c. Shareholders holding more than 5% shares in the Company

| Equity shares of ₹10 each fully paid | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| M/s Yadu International Ltd. | 3,10,50,918 | 40.19% | 3,10,36,918 | 40.17% |
| Shri. Abhishek Singhania | 38,95,276 | 5.04% | 40,08,994 | 5.19% |
| Smt. Kavita Y Singhania | 38,69,650 | 5.01% | 38,69,650 | 5.01% |
| Investment Trust Fidelity Series | 42,54,631 | 5.51% | 48,16,431 | 6.23% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date is Nil.

**d. Detail of shares held by promoters (Legal & beneficiary ownership)**

**As at 31st March 2023**

| S. No. | Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|
| 1 | Gaur Hari Singhania with Vasantlal D. Mehta & Raghubir Prasad Singhania | 20 | - | 20 | - | - |
| 2 | Sushila Devi Singhania | 33,35,957 | - | 33,35,957 | 4.32 | - |
| 3 | Kalpana Singhania | 4,72,862 | (7,500) | 4,65,362 | 0.60 | (1.59) |
| 4 | Nidhipati Singhania | 42,428 | 2,500 | 44,928 | 0.06 | 5.89 |
| 5 | Madhavkrishna Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 6 | Raghavpat Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 7 | Ajay Kumar Saraogi | 3,340 | - | 3,340 | - | - |
| 8 | Amrita Saraogi | 3,000 | - | 3,000 | - | - |
| 9 | Kailash Nath Khandelwal jointly with Radha Rani Khandelwal | 1,000 | (1,000) | - | - | (100.00) |
| 10 | Pushpa Saraogi | 5,048 | - | 5,048 | 0.01 | - |
| 11 | Radha Rani Khandelwal jointly with Kailash Nath Khandelwal | 500 | (500) | - | - | (100.00) |
| 12 | G.H.Securities Pvt. Ltd. | 20 | - | 20 | - | - |
| 13 | Yadu International Ltd. | 3,10,36,918 | 14,000 | 3,10,50,918 | 40.19 | 0.05 |
| 14 | Yadu Securities Pvt. Ltd | 40 | - | 40 | - | - |
| | **Total** | **3,54,01,553** | **7,500** | **3,54,09,053** | **45.83** | |

As at 31st March 2022

| S. No. | Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|
| 1 | Gaur Hari Singhania with Vasantlal D. Mehta & Raghubir Prasad Singhania | 20 | - | 20 | - | - |
| 2 | Sushila Devi Singhania | 33,35,957 | - | 33,35,957 | 4.32 | - |
| 3 | Kalpana Singhania | 4,75,263 | (2,401) | 4,72,862 | 0.61 | (0.51) |
| 4 | Manorama Devi Singhania | 5,31,465 | (5,31,465) | - | - | (100.00) |
| 5 | Nidhipati Singhania | 42,428 | - | 42,428 | 0.05 | - |
| 6 | Abhishek Singhania | 40,08,994 | (40,08,994) | - | - | (100.00) |
| 7 | Madhavkrishna Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 8 | Raghavpat Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 9 | Kavita Y Singhania | 38,69,650 | (38,69,650) | - | - | (100.00) |
| 10 | Ajay Kumar Saraogi | 3,340 | - | 3,340 | - | - |
| 11 | Amrita Saraogi | 3,000 | - | 3,000 | - | - |
| 12 | Kailash Nath Khandelwal jointly with Radha Rani Khandelwal | 1,000 | - | 1,000 | - | - |
| 13 | Pushpa Saraogi | 5,048 | - | 5,048 | 0.01 | - |
| 14 | Radha Rani Khandelwal jointly with Kailash Nath Khandelwal | 500 | - | 500 | - | - |
| 15 | J.K.Traders Ltd. | 1,81,254 | (1,81,254) | - | | (100.00) |
| 16 | G.H.Securities Pvt. Ltd. | 20 | - | 20 | - | - |
| 17 | Yadu International Ltd. | 3,10,34,518 | 2,400 | 3,10,36,918 | 40.17 | 0.01 |
| 18 | Yadu Securities Pvt. Ltd | 40 | - | 40 | - | - |
| 19 | Ramapati Singhania jointly with Rajeshree Singhania | 5,49,662 | (5,49,662) | - | - | (100.00) |
| | **Total** | **4,45,42,579** | **(91,41,026)** | **3,54,01,553** | **45.81** | |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 16. Other equity

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **a.** | **Securities premium** | | |
| | Balance at the beginning of the year | 75,679.66 | 75,679.66 |
| | Changes during the year | - | - |
| | Balance at the end of the year | **75,679.66** | **75,679.66** |
| **b.** | **Debenture redemption reserve** | | |
| | Balance at the beginning of the year | 3,364.70 | 4,722.40 |
| | Less: Transfer to retained earnings | (1,307.35) | (1,357.70) |
| | Balance at the end of the year | **2,057.35** | **3,364.70** |
| **c.** | **General reserve** | | |
| | Balance at the beginning of the year | 1,30,325.02 | 1,10,325.02 |
| | Add: Transfer from retained earnings | 20,000.00 | 20,000.00 |
| | Balance at the end of the year | **1,50,325.02** | **1,30,325.02** |
| **d.** | **Retained earnings (including Other Comprehensive Income)** | | |
| | Balance at the beginning of the year | 2,08,070.74 | 1,74,854.95 |
| | Add: Profit for the year | 56,254.10 | 63,067.72 |
| | Add: Other Comprehensive income for the year | 319.47 | 380.61 |
| | Less: Transfer to general reserve | (20,000.00) | (20,000.00) |
| | Add: Transfer from debenture redemption reserve | 1,307.35 | 1,357.70 |
| | Less: Dividend on equity shares | (11,590.24) | (11,590.24) |
| | | **2,34,361.42** | **2,08,070.74** |
| | | **4,62,423.45** | **4,17,440.12** |

### Debenture Redemption Reserve (DRR)

For the debentures issued and outstanding, the Company has created DRR in accordance with requirement of section 71 of the Companies Act 2013. However, pursuant to a Ministry of Corporate Affairs notification dated 16 August 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, the Company is not required to maintain DRR for debentures issued and accordingly has applied the said change in provision to debentures issued prospectively post 31 March 2020.

### General Reserve

The Company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act.

### Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### Retained earnings

Retained earnings represents all accumulated net income netted by all dividends paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

### Other Comprehensive Income

**Remeasurement of defined benefit plans**

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Dividend

The following dividends were paid by the Company for the year.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Final dividend paid for the year ended 31 March 2022 ₹15.00 per share (31 March 2021: ₹15.00 per share) | 11,590.24 | 11,590.24 |
| | **11,590.24** | **11,590.24** |

After the reporting date, the board of directors confirms the proposed divided as final dividend. The dividends have not been recognised as liabilities and there are no tax consequences.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Proposed dividend for the year ended 31 March 2023 ₹15.00 per share (31 March 2022: ₹15.00 per share) | 11,590.24 | 11,590.24 |
| | **11,590.24** | **11,590.24** |

### Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalent,fixed deposits and current investments.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Borrowings (note 17) | 2,48,860.48 | 2,47,551.28 |
| Current Borrowings (note 22) | 72,263.39 | 75,188.07 |
| Current Investments (note 8) | (7,081.82) | (20,469.50) |
| Cash and Cash equivalent (note 10) | (5,883.70) | (6,442.56) |
| Fixed Deposits (note 5, 11 & 12) | (1,24,193.05) | (97,315.23) |
| **Net debt** | **1,83,965.30** | **1,98,512.06** |
| Total Equity (note 15 & 16) | 4,70,150.28 | 4,25,166.95 |
| **Capital and net debt** | **6,54,115.58** | **6,23,679.01** |
| **Gearing ratio** | **28.12%** | **31.83%** |

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 17. Non-Current Financial Liabilities - Borrowings

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | (Carried at amortised cost) | | |
| | **Secured** | | |
| **a.** | Non convertible debentures | 38,348.76 | 45,675.87 |
| | Less: Current maturities of non convertible debentures (Refer note 22) | (17,400.00) | (17,400.00) |
| **b.** | Term Loans From banks in Local Currency | 2,40,347.11 | 2,27,599.67 |
| | Less: Current maturities of term loans (Refer note 22) | (24,634.58) | (18,695.06) |
| **c.** | Vehicle loans | 1,617.48 | 1,547.80 |
| | Less: Current maturities of vehicle loans (Refer note 22) | (879.70) | (649.43) |
| **d.** | VAT loans from Government | 11,104.90 | 10,135.44 |
| | Less: Current maturities of vat loans (Refer note 22) | - | (1,388.03) |
| | **Total Secured** | **2,48,503.97** | **2,46,826.26** |
| | **Unsecured** | | |
| **e.** | Deferred sales tax liabilities | 1,157.21 | 1,512.44 |
| | Less: Current maturities of deferred sales tax liabilities (Refer note 22) | (800.70) | (787.42) |
| | **Total Unsecured** | **356.51** | **725.02** |
| | | **2,48,860.48** | **2,47,551.28** |

## 17a. Particulars of Securities, Repayment & Interest

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| **1) Secured Non Convertible Debentures** | | | | | |
| NCD as shown includes ₹51.24 lacs (31 March 2022 : ₹124.13 lacs) towards amortised expenses. Non Convertible Debentures(NCDs): ₹38,400 lacs (31 March 2022 : ₹45,800.00 lacs) | | | | | |
| i) Security for NCDs for ₹13,400 lacs (31 March 2022 : ₹20,800.00 lacs) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable PPE pertaining to Company's existing cement plant at village Muddapur Karnataka | Annual<br>Annual<br>Annual | 2023-24<br>2023-24<br>2025-26 | 10.50%<br>11.00%<br>9.65% | 1,950.00<br>3,450.00<br>8,000.00 | 3,900.00<br>6,900.00<br>10,000.00 |
| ii) Security for NCDs for ₹15,000.00 lacs (31 March 2022 : ₹25,000.00 lacs) Secured by first pari-passu charge on the fixed assets related to Company's Grey Cement Plants (excluding mining land, mining leases and vehicles) at (a) Nimbahera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan. | Semi Annual | 2024-25 | 7.36% | 15,000.00 | 25,000.00 |
| iii) Security for NCDs for ₹10,000.00 lacs (31 March 2022 : Nil) Secured by first pari-passu charge on the immovable and movable fixed assets (excluding mining land, mining lease, Captive Power plant and vehicles) of Grey Cement Plant situated at village Muddapur, Karnataka. | Semi Annual | 2027-28 | 7.90% | 10,000.00 | - |
| **Sub Total (1)** | | | | **38,400.00** | **45,800.00** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| **2) Secured Term Loans from Banks** | | | | | |
| Term Loan as shown includes ₹332.53 lacs (31 March 2022 : ₹357.16 lacs) towards amortised expenses. | | | | | |
| a) Secured by pari-passu first charge on the Company's PPE (movable & immovable) by way of equitable mortgage on immovable assets and hypothecation on movable PPE, related to company's existing plant at Nimbahera, Mangrol & Gotan white. i) Company's Existing Plant at Nimbahera. ii) Company's Existing Plant at Mangrol. iii) Company's Existing White Cement Plant at Gotan consisting of White Cement plant and Thermal Power Plant | Quarterly | 2023-24 | MCLR+0.10% | 1,559.18 | 3,155.57 |
| b) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land & vehicles and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka. | Quarterly | 2028-29 | MCLR+ 0.10% | 9,703.87 | 11,476.67 |
| c) Subservient / Residual Charge on current assets of the Company namely inventories and book debts (both present and future) | Quarterly | 2027-28 | MCLR+ 0.10% | 12,000.00 | - |
| d) Subservient / Residual Charge on current assets of the Company namely inventories and book debts (both present and future) | Quarterly | 2027-28 | MCLR | 20,000.00 | - |
| e) Secured against exclusive charge on entire movable PPE (by way of hypothecation) and on immovable PPE (by way of equitable mortgage) related to the Wall Putty project at Katni, Madhya Pradesh (excluding current assets and mining land, if any). | Quarterly | 2023-24 | Fixed at 7.75% | 1,300.00 | 3,300.00 |
| f) Secured by First charge by way of equitable mortgage, on all the immovable properties, both present and future pertaining to, the new cement Plant at Mangrol, Rajasthan (save and except mining land) including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana and hypothecation of all the movable PPE of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities). | Quarterly | 2030-31 | MCLR+ 0.10% | 86,952.40 | 96,935.44 |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| g) (i) Secured by pari-passu first charge by way of equitable mortgage of the immovable properties, present and future, pertaining to the Mangrol 3rd Line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit and Balasinor Grinding unit but excluding mining land.<br>(ii) First pari-passu charge with existing lenders by way of equitable mortgage of the immovable properties present and future, pertaining to the Mangrol expanded Grinding unit and Nimbahera expanded Grinding unit but excluded the mining land.<br>(iii) Secured by pari passu first charge by way of hypothecation of the movable fixed assets both present and future, pertaining to the Mangrol 3rd Line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit and Balasinor Grinding unit, (save and except the current assets and vehicles).<br>(iv) First pari-passu charge by way of hypothecation of the movable fixed assets, both present and future, pertaining to Mangrol expanded Grinding unit and Nimbahera expanded Grinding unit (save and except the current assets and vehicles).<br>(v) Secured by second charge by way of hypothecation of the current assets pertaining to Mangrol 3rd line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit, Balasinor Grinding unit, Mangrol Expanded Grinding unit and Nimbahera Expanded Grinding unit both present and future (subject to prior charge created or to be created on the current assets in favour of borrower's bankers for securing their working capital advances.). | Quarterly | 2032-33 | MCLR+ 0.10% | 1,09,164.19 | 1,13,089.15 |
| **Sub Total (2)** | | | | **2,40,679.64** | **2,27,956.83** |
| **3) Secured Vehicle loans from Banks** | | | | | |
| Secured by hypothecation of vehicles | Monthly | 3 years | Fixed Rate | 1,617.48 | 1,547.80 |
| **4) Secured VAT loans from Government** | | | | | |
| Secured by second pari passu charge by way of equitable mortgage of land building and plant and machinery pertaining to J.K. Cement Works, Muddapur,Karnataka and bank guarantee.The availment of said scheme is still continued. | 10 years | 10 years from Grant | Interest Free | 11,104.90 | 10,135.44 |
| **5) Unsecured Deferred sales tax liabilities** | | | | | |
| Unsecured interest free Deferred sales tax liabilities | Quarterly | 2024-25 | Interest Free | 1,157.21 | 1,512.44 |
| **Total (1) + (2) + (3) + (4) + (5)** | | | | **2,92,959.23** | **2,86,952.51** |
| Less : Amortised expenses | | | | (383.77) | (481.29) |
| Less : Shown in current maturities of long term debt (Refer note 22) | | | | (43,714.98) | (38,919.94) |
| **Balance shown as above** | | | | **2,48,860.48** | **2,47,551.28** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 17b. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash and cash equivalent (note 10) | 5,883.70 | 6,442.56 |
| Fixed Deposits (note 5, 11 & 12) | 1,24,193.05 | 97,315.23 |
| Current investments (note 8) | 7,081.82 | 20,469.50 |
| Current borrowings (note 22) | (72,263.39) | (75,188.07) |
| Non current borrowings (note 17) | (2,48,860.48) | (2,47,551.28) |
| **Net Debt** | **(1,83,965.30)** | **(1,98,512.06)** |

## 17c. Changes in liabilities arising from financial activities

| Particulars | Current borrowings | Non-Current borrowings including current maturity of long term borrowings | Lease liabilities (including current and non current) |
|---|---|---|---|
| Opening balance as at 01 April 2021 | 11,509.10 | 2,86,533.75 | 1,862.51 |
| Addition on account of new leases during the year | - | - | 3,316.04 |
| Deletion on account of leases during the year | - | - | (451.22) |
| Cash flow (net) | 24,759.03 | (62.53) | (947.70) |
| Interest expenses | - | - | 154.68 |
| **As at 31 March 2022** | **36,268.13** | **2,86,471.22** | **3,934.31** |
| Addition on account of new leases during the year | - | - | 2,062.80 |
| Deletion on account of leases during the year | - | - | (69.79) |
| Cash flow (net) | (7,719.72) | 7,730.81 | (1,298.05) |
| Interest expenses | - | - | 284.63 |
| Changes in fair values | - | (1,626.57) | - |
| **As at 31 March 2023** | **28,548.41** | **2,92,575.46** | **4,913.90** |

## 17d. Non-Current Financial Liabilities - Lease

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Lease liabilities [Refer note 3(i)] | 3,949.34 | 3,191.51 |
| | **3,949.34** | **3,191.51** |

## 18. Non-Current Financial Liabilities - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at amortised cost) | | |
| Security deposits | 40,085.63 | 35,837.82 |
| | **40,085.63** | **35,837.82** |

## 19. Non-Current Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Provision for employee benefits | 2,937.53 | 3,075.73 |
| Provision for mines restoration charges* | 1,751.55 | 1,629.78 |
| | **4,689.08** | **4,705.51** |
| *** Provision for mines restoration charges:** | | |
| Opening balance | 1,629.78 | 1,006.68 |
| Addition during the year | 121.77 | 623.10 |
| Closing balance | **1,751.55** | **1,629.78** |



Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on the estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

## 20. Deferred tax liabilities (net)

### A. The balance comprises temporary differences attributable to:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Property, plant and equipment and intangible assets | 88,647.91 | 87,292.32 |
| **Deferred tax assets** | | |
| Provision for employee benefits | 1,228.47 | 1,264.67 |
| Provision for trade receivables, other advances and inventories | 2,095.02 | 852.46 |
| Provision for contigencies and others | 1,661.55 | 3,106.63 |
| **MAT credit entitlement** | 80.02 | 8,220.34 |
| | **83,582.85** | **73,848.22** |

### B. Movement in deferred tax balances

| | As at 31 March 2022 | Recognised in P&L charge/(credit) | Recognised in OCI charge/(credit) | As at 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 87,292.32 | 1,355.59 | - | 88,647.91 |
| **Sub- total (a)** | **87,292.32** | **1,355.59** | **-** | **88,647.91** |
| **Deferred tax assets** | | | | |
| Provision for employee benefits | 1,264.67 | 135.40 | (171.60) | 1,228.47 |
| Provision for trade receivables, other advances and inventories | 852.46 | 1,242.56 | - | 2,095.02 |
| Provision for contigencies and others | 3,106.63 | (1,445.08) | - | 1,661.55 |
| **Sub- total (b)** | **5,223.76** | **(67.12)** | **(171.60)** | **4,985.04** |
| **Deferred tax liability (a)-(b)** | **82,068.56** | **1,422.71** | **171.60** | **83,662.87** |
| MAT credit entitlement | 8,220.34 | (8,140.32) | - | 80.02 |
| **Deferred tax liability (net)** | **73,848.22** | **9,563.03** | **171.60** | **83,582.85** |

| | As at 31 March 2021 | Recognised in P&L charge/(credit) | Recognised in OCI charge/(credit) | As at 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 77,926.22 | 9,366.10 | - | 87,292.32 |
| **Sub- total (a)** | **77,926.22** | **9,366.10** | **-** | **87,292.32** |
| **Deferred tax assets** | | | | |
| Provision for employee benefits | 1,281.42 | 187.69 | (204.44) | 1,264.67 |
| Provision for trade receivables, other advances and inventories | 841.87 | 10.59 | - | 852.46 |
| Provision for contigencies and others | 2,945.73 | 160.90 | - | 3,106.63 |
| **Sub- total (b)** | **5,069.02** | **359.18** | **(204.44)** | **5,223.76** |
| **Deferred tax liability (a)-(b)** | **72,857.20** | **9,006.92** | **204.44** | **82,068.56** |
| MAT credit entitlement | 13,462.96 | (5,242.62) | - | 8,220.34 |
| **Deferred tax liability (net)** | **59,394.24** | **14,249.54** | **204.44** | **73,848.22** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same tax authority.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## C. Amounts recognised in profit or loss

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current tax expense*** | | |
| Current year | 14,208.58 | 19,036.31 |
| | **14,208.58** | **19,036.31** |
| **Deferred tax charge/(credit)** | | |
| Origination and reversal of temporary differences | 9,563.04 | 15,670.31 |
| Earlier year tax adjustment | - | (1,420.77) |
| | **9,563.04** | **14,249.54** |
| **Total tax expenses** | **23,771.62** | **33,285.85** |

*The Government of India on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income-tax Act, 1961, which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective, 1 April 2019, subject to certain conditions. The Company is continuing to provide for income tax at old rates, considering available unutilised minimum alternative tax credit and other tax benefits/holidays.

In calculating the tax provisions, the Company has considered certain deductions under section 80IA as being deductible for tax purposes based on expert opinion and other court rulings in similar matters.Accordingly management has determined that no provision is required to be recognised for these deductions.

## D. Amounts recognised in other comprehensive Income

| | For the year ended 31 March 2023 | | | For the year ended 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (Expense)/ Income | Net of tax | Before tax | Tax (Expense)/ Income | Net of tax |
| Remeasurements of defined benefit liability | 491.07 | (171.60) | 319.47 | 585.05 | (204.44) | 380.61 |
| | **491.07** | **(171.60)** | **319.47** | **585.05** | **(204.44)** | **380.61** |

## E. Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s)

| | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Rate | Amount | Rate | Amount |
| **Profit before tax** | 34.94% | 80,025.72 | 34.94% | 96,353.57 |
| Tax using the Company's domestic tax rate | | 27,964.19 | | 33,669.79 |
| **Tax effect of:** | | | | |
| Non-deductible expenses | | 680.72 | | 845.51 |
| Provision for impairment (Non-Deductible expenses) | | - | | 4,542.72 |
| Tax-exempt income & incentives | | (4,873.29) | | (4,351.40) |
| Adjustments in earlier years tax | | - | | (1,420.77) |
| | | **23,771.62** | | **33,285.85** |
| **Income tax expenses reported in statement of profit & loss** | | **23,771.62** | | **33,285.85** |

At effective income tax rate of 29.70% (31 March 2022: 34.55 % )

## 21. Other non-current liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income from government grants | 11,603.83 | 11,141.28 |
| | **11,603.83** | **11,141.28** |

Government grants have been received against the purchase of certain items of property, plant and equipment and sales tax loan. There are no unfulfilled conditions or contingencies attached to these grants.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | | |
| Current (Refer note 25) | 1,462.96 | 821.76 |
| Non current | 11,141.28 | 7,820.63 |
| | **12,604.24** | **8,642.39** |
| Received during the year | 2,790.26 | 5,154.82 |
| Amortised during the year | (1,965.59) | (1,192.97) |
| Closing balance | **13,428.91** | **12,604.24** |
| Current (Refer note 25) | 1,825.08 | 1,462.96 |
| Non-current | 11,603.83 | 11,141.28 |
| | **13,428.91** | **12,604.24** |

## 22. Current Financial Liabilities - Borrowings

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost) | | |
| Loan repayable on demand (Secured)* | | |
| - From banks | 28,548.41 | 23,768.13 |
| - Commercial Paper | - | 12,500.00 |
| Current maturities of long-term debt (Refer note 17) | 43,714.98 | 38,919.94 |
| | **72,263.39** | **75,188.07** |

*Loan repayable on demand are secured by first charge on current assets of the Company namely inventories, book debts and second charge on PPE of the Company except the PPE pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Balasinor, J.K. Cement Works, Katni and the assets having exclusive charge of other lenders.Second charge on fixed assets at Karnataka plant shall rank pari passu with the State Govt. of Karnataka for interest free loan against VAT payable by the Borrower.

## 22a. Current Financial Liabilities - Lease

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Lease liabilities [Refer note 3(i)] | 964.56 | 742.80 |
| | **964.56** | **742.80** |

## 23. Current Financial Liabilities - Trade Payables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost) | | |
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer note 41) | 8,057.83 | 6,544.39 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 52,359.90 | 60,370.58 |
| | **60,417.73** | **66,914.97** |

### Trade payable Ageing Schedule

**As at 31 March 2023**

| Particulars | Outstanding for following periods | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2023 | Unbilled | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Micro enterprises and small enterprises | 8,057.83 | - | 7,682.36 | 255.96 | 102.45 | 17.07 |
| (ii) Creditors other than micro enterprises and small enterprises | 52,359.90 | 16,526.89 | 34,169.68 | 1,004.44 | 258.62 | 400.27 |
| | **60,417.73** | **16,526.89** | **41,852.04** | **1,260.40** | **361.06** | **417.34** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### As at 31 March 2022

| Particulars | | Outstanding for following periods | | | | | |
|---|---|---|---|---|---|---|---|
| | Total 31 March 2022 | Unbilled | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Micro enterprises and small enterprises | 6,544.39 | - | 6,289.65 | 206.05 | 38.03 | 10.66 |
| (ii) Creditors other than micro enterprises and small enterprises | 60,370.58 | 18,051.60 | 40,565.95 | 1,169.14 | 270.88 | 313.01 |
| | **66,914.97** | **18,051.60** | **46,855.60** | **1,375.19** | **308.91** | **323.67** |

Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31 March 2023 as per the terms of contract.

Trade payables are non-interest bearing and are generally on terms of below 90 days.

## 24. Current Financial Liabilities - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost) | | |
| Employee dues | 1,542.44 | 2,189.22 |
| Interest accrued but not due on borrowings | 438.93 | 718.85 |
| Unpaid dividends* | 166.28 | 165.50 |
| Unclaimed fraction money | 9.21 | 9.21 |
| Security deposits** | 4,490.72 | 3,663.49 |
| Project creditors | 5,231.39 | 8,675.42 |
| Temporary book overdraft | 197.08 | 4,572.90 |
| Others | 1,957.27 | 1,911.26 |
| | **14,033.32** | **21,905.85** |

*Unpaid dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

**Balance includes security deposit received from the retailers & interest due on security deposits.

## 25. Other Current Liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Statutory dues payable | 14,021.05 | 15,345.76 |
| Deferred income from government grants | 1,825.08 | 1,462.96 |
| Advance from customers | 13,586.69 | 12,043.84 |
| Others* | 39,967.99 | 31,165.07 |
| | **69,400.81** | **60,017.63** |

*It includes Retention price and Liability towards dealers incentive relates to the accrual and release of in-kind discount.

## 26. Current Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Employee benefits | 928.66 | 778.03 |
| Contingency* | 8,159.92 | 7,235.67 |
| | **9,088.58** | **8,013.70** |

* Movement of provision during the year as required by Ind AS - 37 " Provisions, Contingent Liabilities and Contingent Asset"



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Provision for Contingency

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 7,235.67 | 7,384.49 |
| Add: Provision during the year (net) | 924.25 | 1,031.15 |
| Less: Utilisation during the year | - | (1,179.97) |
| Closing Balance | **8,159.92** | **7,235.67** |

## 27 Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Sale of finished goods | 8,42,552.98 | 7,38,599.13 |
| Sale of traded goods | 35,125.08 | 14,306.15 |
| **Total (i)*** | **8,77,678.06** | **7,52,905.28** |
| **Other operating revenues** | | |
| Claims realised | 149.08 | 156.70 |
| Government grants | 13,327.99 | 9,263.35 |
| Miscellaneous income | 8,704.77 | 5,533.07 |
| **Total (ii)** | **22,181.84** | **14,953.12** |
| **Revenue from operations [(i) + (ii)]** | **8,99,859.90** | **7,67,858.40** |

### *Reconciliation of Revenue as per Contract Price and as recognised in the Statement of Profit and Loss

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Revenue as per Contract Price | 10,10,376.79 | 8,64,103.66 |
| Less: Discounts and Incentives** | (1,32,698.73) | (1,11,198.38) |
| **Total Revenue from operations** | **8,77,678.06** | **7,52,905.28** |

**Includes variable considerations which are included in the transaction price determined at the inception of the contract.

Disaggregated revenue information

a. The Company is primarily in the business of manufacture and sale of cement. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The amounts receivable from customers are generally on terms of 0 to 90 days. There is no significant financing component in any transaction with the customers.

b. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

c. The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d. The management determines that the segment information reported in Note 37 is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 28. Other Income

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income from financial assets measured at amortised cost | | |
| - from bank deposits | 5,505.85 | 6,698.66 |
| - from others | 58.77 | 862.73 |
| Gain on fair valuation/sale of investment (net) | 351.03 | 49.44 |
| Government grants * | 743.50 | 300.45 |
| Miscellaneous income | 1,633.70 | 5,951.87 |
| Net gain on foreign currency transactions and translation | - | 416.45 |
| | **8,292.85** | **14,279.60** |

*Government grants income on account of capital subsidy recognised over the period of useful life of property, plant and equipment against which the grant is received.

## 29. Cost of Materials Consumed

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening inventory (A) | 26,390.95 | 14,798.46 |
| Purchases (B) | 1,14,592.22 | 1,27,131.07 |
| Closing inventory (C) | (9,564.87) | (26,390.95) |
| **Total (A+B+C)** | **1,31,418.30** | **1,15,538.58** |

## 30. Changes in Inventories of Finished Goods,Work-in-Progress and Traded Goods

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Closing inventory** | | |
| Work-in-progress | 7,191.93 | 9,202.69 |
| Finished goods | 9,593.84 | 9,264.04 |
| Traded Goods | 459.89 | 253.97 |
| **Total (A)** | **17,245.66** | **18,720.70** |
| **Opening inventory** | | |
| Work-in-progress | 9,202.69 | 8,407.42 |
| Finished goods | 9,264.04 | 8,260.53 |
| Traded Goods | 253.97 | 148.73 |
| **Total (B)** | **18,720.70** | **16,816.68** |
| **Total (B-A)** | **1,475.04** | **(1,904.02)** |

## 31. Employee Benefits Expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries and wages | 49,302.63 | 43,810.83 |
| Contribution to provident and other funds | 3,888.84 | 3,694.82 |
| Staff welfare expenses | 3,129.96 | 2,911.74 |
| | **56,321.43** | **50,417.39** |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 32. Finance Costs

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest expenses | 23,754.80 | 25,314.20 |
| Interest expenses on Lease liabilities | 284.63 | 154.68 |
| Other borrowing costs (includes bank charges, etc.) | 442.02 | 314.87 |
| Unwinding of discounts | 1,163.69 | 957.79 |
| Loss on forward Contract | 286.48 | 50.78 |
| Exchange differences regarded as an adjustment to borrowing costs | 117.64 | - |
| | **26,049.26** | **26,792.32** |
| Less: Interest Capitalised (Refer note 2) | - | (1,860.54) |
| | **26,049.26** | **24,931.78** |

## 33. Depreciation and Amortisation Expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation on tangible assets (Refer note 2) | 34,020.98 | 26,367.29 |
| Amortisation on intangible assets (Refer note 3) | 276.94 | 293.52 |
| Depreciation on Right of use assets (Refer note 3(i)) | 1,848.48 | 1,541.15 |
| | **36,146.40** | **28,201.96** |

## 34. Other Expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Packing material consumed | 37,797.78 | 35,347.35 |
| Stores and spares consumed | 14,890.24 | 12,981.78 |
| Repairs and maintenance: | | |
| - Buildings | 1,864.44 | 1,993.36 |
| - Plant and machinery | 11,672.87 | 10,184.27 |
| -Others | 109.18 | 147.41 |
| Other manufacturing expenses | 910.56 | 1,072.55 |
| Rent | 2,326.61 | 1,704.89 |
| Lease rent and hire charges | 4.01 | 4.85 |
| Rates and taxes | 1,243.90 | 2,208.84 |
| Insurance | 2,365.92 | 2,164.51 |
| Travelling and conveyance # | 6,531.47 | 3,824.60 |
| Corporate social responsibility expenses (Refer note no 43) | 2,683.43 | 1,695.85 |
| Bad trade receivables / advances / deposits written off | 0.04 | 6.00 |
| Expected Credit loss for trade receivables/advances | 563.53 | - |
| Loss on disposal of property, plant & equipment | 1,242.10 | 3,043.19 |
| Legal & Professional expenses | 10,532.24 | 9,802.88 |
| Sales promotion and other selling expenses | 20,691.51 | 15,407.38 |
| Advertisement and publicity | 8,145.07 | 8,459.51 |
| Miscellaneous expenses # | 21,709.23 | 18,696.04 |
| | **1,45,284.13** | **1,28,745.26** |

### # Details of Payments to Statutory Auditors

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| As auditor: | | |
| Audit fees | 185.00 | 160.00 |
| For other services | | |
| Certification fees and other matters | 31.45 | 58.75 |
| Re-imbursement of expenses | 10.58 | - |
| | **227.03** | **218.75** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 35. Earning Per Share

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Total profit for the year attributable to equity shareholders | 56,254.10 | 63,067.72 |
| Weighted average number of equity shares of ₹10/- each (In lacs) | 772.68 | 772.68 |
| EPS - Basic and Diluted (in ₹) | 72.80 | 81.62 |

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

## 36. Contingent liabilities, contingent assets and commitments

### A. Contingent liabilities in respect of:

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| 1. | Claim against the Company not acknowledged as debts includes show cause notices pertaining to excise duty, interest which is included in point no. 5 below and others (cash flow is dependent on court decision pending at various level) | 4,367.73 | 4,470.30 |
| 2. | There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact. As a matter of caution, the Company has applied the judgement on a prospective basis from the date of the SC order. The Company will update its provision for the period prior to the Supreme Court judgement, on receiving further clarity on the subject. | - | - |
| | **Other for which the Company is contingently liable** | | |
| 3. | In respect of disputed demands for which Appeals are pending with Appellate Authorities/ Courts – no provision has been considered necessary by the Management | | |
| | a) Excise duty and Octroi * | 678.16 | 2,606.37 |
| | b) GST , Sales Tax and Entry Tax* | 11,177.72 | 10,480.80 |
| | c) Service Tax* | - | 48.56 |
| | d) Income Tax (primarily on account of disallowance of 80 IA claims, depreciation on goodwill and additional depreciation on power plants etc.) | 3,187.97 | 6,219.95 |
| 4. | In respect of interest on "Cement Retention Price" realised in earlier years | 1,353.33 | 1,332.95 |
| 5. | The Competition Commission of India ('CCI') has imposed penalty of ₹12,854 lacs ('first matter') and ₹928 lacs ('second matter') in two separate orders dated 31 August 2016 and 19 January 2017 respectively for alleged contravention of provisions of Competition Act 2002 by the Company. The Company has filed appeals against the above orders. The National Company Law Appellate Tribunal ('NCLAT'), on hearing the appeal in the first matter, upheld the decision of CCI for levying the penalty vide its order dated 25 July 2018. Post order of the NCLAT, CCI issued a revised demand notice dated 7 August 2018 of ₹15,492 lacs consisting of penalty of ₹12,854 lacs and interest of ₹2,638 lacs (included under 'Claim against the Company not acknowledged as debts'). The Company has filed appeal with Hon'ble Supreme Court against the above order. Hon'ble Supreme Court has stayed the NCLAT order. In the second matter, demand had been stayed and the matter is pending for the hearing before NCLAT. While the appeal of the Company is pending for hearing, the Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts. | 13,782.00 | 13,782.00 |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| 6. | In respect of land tax levied by state Government of Rajasthan | 15.46 | 15.46 |
| 7. | In respect of demand of Railway Administration pending with Jodhpur High Court | 266.18 | 257.16 |
| 8. | In respect of charges on account of electricity duty, water cess and urban cess etc. levied by Ajmer Vidyut Vitran Nigam Ltd (AVVNL) | 5,738.39 | 5,117.69 |
| 9. | In respect of Environmental and Health Cess | 1,902.11 | 328.37 |
| 10. | In respect of Interest on Rajasthan Electricity duty WHR 2017-18,2018-2019 and 2019-2020 | - | 460.51 |
| 11. | In respect of Workmen Compensation Act Case no. 55/2020 | 6.33 | 6.33 |
| 12. | In respect of S.B. Civil Misc. Appeal no. 919/2013 | 1.62 | 1.62 |
| 13. | In respect of J.K. Cement Vs Jagdish Jatia & Others 89/2019 | 3.00 | 3.00 |
| 14. | In respect of J.K. Cement Vs G.M.(Eastern)Railway Kolkata & Others 32/05 & 33/05, case nos. 5299/2019 and 5312/2019 | 52.49 | 52.49 |
| | * Disputes are primarily on account of disallowances of input credits, interest on entry tax, etc. | | |
| **B.** | **Financial Guarantees** | | |
| | Corporate guarantees given to Banks for finance provided to subsidiary Companies** | 161,192.88 | 58,540.00 |

**The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required for the above guarantees.

| | | | |
|---|---|---|---|
| **C.** | **Commitments** | | |
| | Capital commitment | 24,481.01 | 7,356.41 |
| **D.** | **Contingent assets** | | |
| | Insurance Claims | 408.86 | 359.08 |
| | Refund expected in legal cases | 219.00 | 259.17 |

## 37. Segment information

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

### Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at company level, accordingly there is only one Reportable Segment for the Company which is "Cement", hence no specific disclosures have been made.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## Entity wide disclosures

### A. Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets) are in India.

| Revenue | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Within territory | 8,75,498.50 | 7,50,820.97 |
| Outside territory | 2,179.56 | 2,084.31 |

### B. Information about major customers (from external customers)

The Company has not derived revenues from single customer during the year as well as during previous year which amount to 10% or more of the entity's revenues.

## 38. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Contribution to government Provident Fund | 1,911.67 | 1,724.42 |
| Contribution to Superannuation Scheme | 336.03 | 369.62 |
| Contribution to Family Pension Fund | 671.04 | 646.09 |

### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity Trust (J. K. Cement Gratuity Fund) registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**A.** Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Net defined benefit obligation | 7,433.24 | 7,841.77 |
| Total employee benefit asset | 7,082.58 | 7,607.15 |
| Net defined benefit liability | 350.66 | 234.62 |



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### B. Movement in net defined benefit (asset) liability - Gratuity (Funded)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| Opening Balance | 7,841.77 | 7,607.15 | 234.62 | 7,863.12 | 7,237.72 | 625.40 |
| **Included in profit or loss** | | | | | | |
| Current service cost | 829.69 | - | 829.69 | 799.97 | - | 799.97 |
| Interest cost (income) | 471.11 | 463.23 | 7.88 | 471.60 | 451.90 | 19.70 |
| | **1,300.80** | **463.23** | **837.57** | **1,271.57** | **451.90** | **819.67** |
| **Included in OCI** | | | | | | |
| Remeasurements loss (gain) | | | | | | |
| Actuarial loss (gain) arising from: | | | | | | |
| - financial assumptions | (441.37) | - | (441.37) | (171.81) | - | (171.81) |
| - demographic assumptions | - | | - | (151.80) | | (151.80) |
| - experience adjustment | (104.12) | - | (104.12) | (214.38) | - | (214.38) |
| - return on plan assets excluding interest income | - | (54.42) | 54.42 | - | 47.06 | (47.06) |
| | **(545.49)** | **(54.42)** | **(491.07)** | **(537.99)** | **47.06** | **(585.05)** |
| **Other** | | | | | | |
| Contributions paid by the employer | - | 230.45 | (230.45) | - | 625.40 | (625.40) |
| Benefits paid | (920.32) | (920.31) | (0.01) | (754.93) | (754.93) | - |
| Acquisition adjustment | (243.52) | (243.52) | - | - | - | - |
| | **(1,163.84)** | **(933.38)** | **(230.46)** | **(754.93)** | **(129.53)** | **(625.40)** |
| **Closing Balance** | **7,433.24** | **7,082.58** | **350.66** | **7,841.77** | **7,607.15** | **234.62** |

### C. Plan assets

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Government of India Securities (Central and State) | 50.21% | 52.66% |
| High quality corporate bonds (including Public Sector Bonds) | 38.22% | 24.74% |
| Equity shares of listed companies | 0.55% | - |
| Cash (including Special Deposits) | 11.02% | 22.60% |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.10% | 6.60% |
| Mortality | IALM (2006-08) | IALM (2006-08) |
| Turnover rate : Staff | 10% of all ages | 10% of all ages |
| Turnover rate : Worker | 1% of all ages | 1% of all ages |
| Expected rate of future salary increase | First Year-7% Thereafter-10% | 10% |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2023, the weighted-average duration of the defined benefit obligation was 7 years (as at 31 March 2022: 7 years).

## E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Gratuity

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (493.21) | 570.29 | (521.87) | 603.88 |
| Expected rate of future salary increase (1% movement) | 451.51 | (426.46) | 476.03 | (447.52) |
| | **(41.70)** | **143.83** | **(45.84)** | **156.36** |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The actuarial demographic assumptions taken for the calculation are as follows

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| Withdrawal Rate | Staff | 10% | Staff | 10% |
| | Workers | 1% | Workers | 1% |
| Mortality Rate | Indian Assured Lives | | Indian Assured Lives | |
| | Mortality (2006-08)Ultimate | | Mortality (2006-08)Ultimate | |

## F. Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the scheme's bond holdings.

**Life expectancy:** The pension obligations are to provide benefits for the life of the member, so increase in life expectancy will result in increase in plans liability. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the pension obligations under the employee benefit plan term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets at reporting date consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The Company believes that equities offer the best returns over the long term with an acceptable level of risk.

## G. The expected benefit payments in future years:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 867.74 | 866.95 |
| Between 2 and 5 years | 3,932.64 | 4,176.79 |
| Between 5 and 10 years | 5,494.98 | 5,415.19 |
| Beyond 10 years | 25,232.08 | 19,474.02 |
| **Total expected payments** | **35,527.44** | **29,932.95** |

## H. The expected employer contribution in the next year

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 350.66 | 234.62 |

## I. Social Security Code

The Code on Social Security, 2020 ('Code) amended and consolidated the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors. In light of the amended code, employers are required to assess the impact of change in definition of wages on their organisations. A change in the definition of wage might have a large impact due to enhanced provision for gratuity/leave, net pay of employees, possible enhanced provision for Provident Fund and other employee benefits dependent on the wages.

The government decided to defer the decision to notify the date of implementation of the code, so the companies are advised to include a disclosure about the impact on transition to the new code in their financial statements. However, once the code becomes effective the entities will be required to evaluate if the changes are a plan amendment or change in actuarial assumption.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 39. Related parties

(1) **(a) Parties having direct or indirect control over the Company with whom we have made transactions during the year:-**

i) Yadu International Ltd
ii) Lohia Packaing Solution(Division Lohia)

**(b) Subsidiary Companies**

| | | |
|---|---|---|
| i) | Jaykaycem (Central) Ltd. | Wholly-owned Subsidiary |
| ii) | J. K. Cement (Fujairah) FZC | Wholly-owned Subsidiary |
| iii) | J. K. Cement Works (Fujairah) FZC | Step down Subsidiary |
| iv) | J. K. White Cement (Africa) Ltd. | Step down Subsidiary |
| v) | J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) | Wholly-owned Subsidiary |
| vi) | Acro Paints Ltd | Step down Subsidiary |

**(c) Director, Key Management Personnel & their Relatives :**

| | | |
|---|---|---|
| i) | Dr. Raghavpat Singhania | Managing Director |
| ii) | Shri Madhavkrishna Singhania | Dy Managing Director and CEO |
| iii) | Smt. Sushila Devi Singhania | Chairperson and Non Executive Non Independent Director |
| iv) | Dr. Nidhipati Singhania | Vice-Chairperson and Non- Executive Non- Independent Director |
| v) | Shri Sudhir Jalan | Non Executive Non Independent Director |
| vi) | Shri Ajay Kumar Saraogi | Dy Managing Director and CFO |
| vii) | Mr. Paul Heinz Hugentobler | Non Executive Non Independent Director |
| viii) | Shri Shambhu Singh | Company Secretary |
| ix) | Dr. Krishna Behari Agarwal | Non Executive Independent Director |
| x) | Smt. Deepa Gopalan Wadhwa | Non Executive Independent Director |
| xi) | Shri Ashok Sinha | Non Executive Independent Director |
| xii) | Shri Saurabh Chandra | Non Executive Independent Director |
| xiii) | Shri Mudit Agarwal | Non Executive Independent Director |
| xiv) | Shri Ajay Narayan Jha | Non-Executive Independent Director |
| xv) | Shri Satish Kumar Kalra | Non-Executive Independent Director |

**(d) Enterprises significantly influenced by Directors, Key Management Personnel or their Relatives with whom we have made transactions during the year**

i) Lala Kamlapat Singhania Education Centre
ii) J. K. Cement Nimbahera Foundation
iii) J. K. Gotan Foundation
iv) Kailash Nagar Education Society
v) Yadupati Singhania Vocational Education Foundation
vi) Sir Padampat Singhania University
vii) J K Cement(Western) Ltd
viii) Jaykaycem (Northern) Ltd
ix) J K Paints and Pigments Limited (Erstwhile Jaykaycem (Eastern) Ltd)

**(e) Trust under common control**

i) J. K. Cement Gratuity Fund
ii) J. K. Cement Employees Superannuation Fund



Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

(2) a) **Following are the transactions with related parties as defined under section 188 of Companies Act 2013 and Ind AS 24.**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **(a) Parties having direct or indirect control** | | |
| (i) Yadu International Ltd | | |
| - Lease Rent paid | 50.00 | 4.17 |
| (ii) Lohia Packaing Solution(Division Lohia) | | |
| - Purchase of Packing material | 27.08 | - |
| **(b) Subsidiary Companies** | | |
| (i) Jaykaycem (Central) Ltd.(Wholly-owned Subsidiary) | | |
| - Equity shares acquired during the year | 22,563.00 | 68,650.04 |
| - Corporate Guarantees | 1,61,192.88 | 48,945.13 |
| - Sale of cement | 1,650.89 | 2,664.96 |
| - Sale of Scrap items | 589.96 | 281.95 |
| (ii) J. K. Cement (Fujairah) FZC (Wholly-owned Subsidiary) | | |
| - Corporate Guarantees | - | 9,594.87 |
| - Interest on Corporate Guarantees | - | 2.90 |
| - Amount paid as application money for 3% Non- cumulative convertible preference shares | 10,327.00 | 30,050.78 |
| - Allotment of 3% Non cumulative convertible preference shares | 12,798.46 | 29,759.28 |
| (iii) J. K. Cement Works (Fujairah) FZC (Step down Subsidiary) | | |
| - Purchases | 3,327.03 | 3,230.95 |
| - Commission paid | - | 21.19 |
| - Amount payable against purchase | - | 341.97 |
| (iv) J. K. White Cement(Africa) Ltd. (Step down Subsidiary) | | |
| - Sale of Putty | 179.45 | - |
| (v) J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) (Wholly-owned Subsidiary) | | |
| - Incorporation expenses | 780.81 | - |
| - Amount receivable | 7.42 | - |
| - Investment made | 28,540.00 | - |
| (vi) Acro Paints Ltd (Step down Subsidiary) | | |
| - Payment received | 105.01 | - |
| - Sale of white cement | 101.87 | - |
| - Purchases | 0.56 | - |
| - Amount receivable (Trade receivable) | 19.15 | - |
| **(c) Key Management Personnel and their relatives** | | |
| i) Smt Sushila Devi Singhania (Chairperson) | | |
| - Commission | 25.00 | 25.00 |
| - Sitting Fees | 4.50 | 5.00 |
| - Rent paid | 9.12 | 9.12 |
| - Rent paid to relatives | 9.12 | 9.12 |
| ii) Dr. Nidhipati Singhania (Vice-Chairperson) | | |
| - Commission | 20.00 | 20.00 |
| - Sitting Fees | 2.25 | 3.00 |
| - Rent paid | 9.12 | 9.12 |
| iii) Dr. Raghavpat Singhania (Managing Director) | | |
| - Remuneration | 1,612.62 | 1,433.59 |
| iv) Shri Madhavkrishna Singhania (Dy Managing Director and CEO) | | |
| - Remuneration | 1,549.14 | 1,367.14 |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| v) Shri Ajay Kumar Saraogi (Dy Managing Director and CFO) | | |
| - Remuneration | 913.36 | 881.72 |
| vi) Shri Shambhu Singh (Company Secretary) | | |
| - Remuneration | 88.36 | 87.32 |
| vii) Other Directors | | |
| - Commission | 126.00 | 126.00 |
| - Sitting Fees | 34.75 | 45.50 |
| - Paid to other Director Mr. Paul Heinz Hugentobler on professional capacity. | 122.55 | 112.55 |
| **(d) Enterprises where significant influence exists** | | |
| (i) Lala Kamlapat Singhania Education Centre | | |
| - School Fees | - | 390.00 |
| - Donation | 210.00 | 375.00 |
| - Sale of cement | 46.45 | - |
| (ii) J. K. Cement Nimbahera Foundation | | |
| - Charity Collected & paid | 1,343.94 | - |
| - Donation | 1,200.00 | 400.00 |
| (iii) J. K. Gotan Foundation | | |
| - Charity Collected & paid | 308.59 | 326.76 |
| (iv) Kailash Nagar Education Society | | |
| - School Fees | 72.00 | 72.00 |
| (v) Yadupati Singhania Vocational Education Foundation | | |
| - Donation | 200.00 | - |
| (vi) Sir Padampat Singhania University | | |
| - Services received and payment made | 19.19 | - |
| - Sale of goods | 11.12 | - |
| (vii) J K Cement(Western) Ltd | | |
| - Reimbursement made | 0.36 | - |
| (viii)Jaykaycem (Northern) Ltd | | |
| - Reimbursement made | 0.35 | - |
| (viii)J K Paints and Pigments Limited (Erstwhile Jaykaycem (Eastern) Ltd) | | |
| - Reimbursement made | 0.70 | - |
| **(e) Trust under common control** | | |
| (i) J. K. Cement Gratuity Fund | | |
| - Contribution made | 350.66 | 234.62 |
| (ii) J. K. Cement Employees Superannuation Fund | | |
| - Contribution made | 340.92 | - |

b) Outstanding as on date

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Commission Payable to Managing Director & Dy Managing Director | 2,800.00 | 2,500.00 |

c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees (except corporate guarantee) provided or received for any related party receivables or payables.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

d) Compensation of key management personnel of the Company

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| - short-term employee benefits | 4,163.48 | 3,769.77 |
| - other long-term benefits | - | 26.07 |
| | **4,163.48** | **3,795.84** |

Post employment benefit such as gratuity which are actuarially determined on an overall basis are not disclosed separately.

## 40. Financial instruments – Fair values and risk management

### I. Fair value measurements

### A. Financial instruments by category

| | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | 9,250.23 | - | - | 21,589.00 | - | - |
| Other financial assets | - | - | 1,07,591.97 | - | - | 1,00,562.21 |
| Trade receivables | - | - | 37,116.13 | - | - | 39,779.05 |
| Cash and cash equivalent | - | - | 5,883.70 | - | - | 6,442.56 |
| Other Bank balances | - | - | 50,889.08 | - | - | 21,817.32 |
| | **9,250.23** | **-** | **2,01,480.88** | **21,589.00** | **-** | **1,68,601.14** |
| **Financial liabilities** | | | | | | |
| Non Current Borrowings | - | - | 2,48,860.48 | - | - | 2,47,551.28 |
| Lease Liability | - | - | 4,913.90 | - | - | 3,934.31 |
| Other non-current financial liabilities | - | - | 40,085.63 | - | - | 35,837.82 |
| Current borrowings | - | - | 72,263.39 | - | - | 75,188.07 |
| Trade payables | - | - | 60,417.73 | - | - | 66,914.97 |
| Other current financial liabilities | - | | 14,033.32 | | | 21,905.85 |
| | **-** | **-** | **4,40,574.45** | **-** | **-** | **4,51,332.30** |

### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

| | As at 31 March 2023 | | | |
|---|---|---|---|---|
| | Quoted Prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| **Financial assets** | | | | |
| **Assets measured at fair value and for which fair value are disclosed** | | | | |
| Investments | | | | |
| Equity Shares | - | - | 1,898.41 | 1,898.41 |
| Mutual Funds & Debentures | 7,081.82 | - | 270.00 | 7,351.82 |
| Other financial assets | - | 1,07,591.97 | - | 1,07,591.97 |
| Trade receivables | - | 37,116.13 | - | 37,116.13 |
| Cash and cash equivalent | - | 5,883.70 | - | 5,883.70 |
| Other Bank balances | - | 50,889.08 | - | 50,889.08 |
| **Financial liabilities** | | | | |
| **Liabilities for which fair values are disclosed** | | | | |
| Non Current Borrowings | - | 2,48,860.48 | - | 2,48,860.48 |
| Lease Liability | - | 4,913.90 | - | 4,913.90 |
| Other non-current financial liabilities | - | 40,085.63 | - | 40,085.63 |
| Current borrowings | - | 72,263.39 | - | 72,263.39 |
| Trade payables | - | 60,417.73 | - | 60,417.73 |
| Other current financial liabilities | - | 14,033.32 | - | 14,033.32 |
| | **7,081.82** | **6,42,055.33** | **2,168.41** | **6,51,305.56** |

Financial assets and liabilities measured at fair value - recurring fair value measurements

| | As at 31 March 2022 | | | |
|---|---|---|---|---|
| | Quoted Prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| **Financial assets** | | | | |
| **Assets measured at fair value and for which fair value are disclosed** | | | | |
| Investments | | | | |
| Equity Shares | - | - | 849.50 | 849.50 |
| Mutual Funds, Bonds & Debentures | 20,469.50 | - | 270.00 | 20,739.50 |
| Other financial assets | - | 1,00,562.21 | - | 1,00,562.21 |
| Trade receivables | - | 39,779.05 | - | 39,779.05 |
| Cash and cash equivalent | - | 6,442.56 | - | 6,442.56 |
| Other Bank balances | - | 21,817.32 | - | 21,817.32 |
| **Financial liabilities** | | | | |
| **Liabilities for which fair values are disclosed** | | | | |
| Non Current Borrowings | - | 2,47,551.28 | - | 2,47,551.28 |
| Lease Liability | - | 3,934.31 | - | 3,934.31 |
| Other non-current financial liabilities | - | 35,837.82 | - | 35,837.82 |
| Current borrowings | - | 75,188.07 | - | 75,188.07 |
| Trade payables | - | 66,914.97 | - | 66,914.97 |
| Other current financial liabilities | - | 21,905.85 | - | 21,905.85 |
| | **20,469.50** | **6,19,933.44** | **1,119.50** | **6,41,522.44** |



Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

| Particulars | Valuation technique | Significant unobservable inputs | Change | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Atria Wind Power (Chitradurga) Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| Nay Energy Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| FP Centaurus Private Limited | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| Clean Max Matahari Private Limited | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| ReNew Wind Energy AP (Pvt.) Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| AMP Solar Technology Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |

There are no transfers between level 1 and level 2 during the year.

### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### C. Fair value of financial assets and liabilities measured at amortised cost

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | |
| Other financial assets | 1,07,591.97 | 1,07,591.97 | 1,00,562.21 | 1,00,562.21 |
| Trade receivables | 37,116.13 | 37,116.13 | 39,779.05 | 39,779.05 |
| Cash and cash equivalent | 5,883.70 | 5,883.70 | 6,442.56 | 6,442.56 |
| Other Bank balances | 50,889.08 | 50,889.08 | 21,817.32 | 21,817.32 |
| | **2,01,480.88** | **2,01,480.88** | **1,68,601.14** | **1,68,601.14** |
| **Financial liabilities** | | | | |
| Non Current Borrowings | 2,48,860.48 | 2,48,973.35 | 2,47,551.28 | 2,47,106.88 |
| Lease Liability | 4,913.90 | 4,913.90 | 3,934.31 | 3,934.31 |
| Other non current financial liabilities | 40,085.63 | 41,150.76 | 35,837.82 | 36,836.46 |
| Current borrowings | 72,263.39 | 72,263.39 | 75,188.07 | 75,188.07 |
| Trade payables | 60,417.73 | 60,417.73 | 66,914.97 | 66,914.97 |
| Other current financial liabilities | 14,033.32 | 14,033.32 | 21,905.85 | 21,905.85 |
| | **4,40,574.45** | **4,41,752.45** | **4,51,332.30** | **4,51,886.54** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

The carrying amounts of trade receivables, trade payables, current borrowings, cash and cash equivalent, other bank balances, other current financial liabilities/ assets are considered to be the same as their fair values, due to their short-term nature.

### Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values :

(a) The fair value of unquoted non current investments and other non current financial liabilities/assets (majorily Security deposits) are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(b) Fair value of current investment in mutual funds are based on market observable inputs i.e. Net Asset Value at the reporting date.

(c) The fair values of the Company's interest-bearing borrowings were determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

(d) The fair value of lease liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

## II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers including deposits with banks and financial institutions.

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

In monitoring customer credit risk, customers are accompanied according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors. The Company holds bank guarantees/ security deposits against trade receivables of ₹12,508.41 lacs (31 March 2022: ₹14,064.88 lacs) and as per the terms and condition of the agreements, the Company has the right to encash the bank guarantee or adjust the security deposits in case of defaults.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

During the year based on specific assessment, the Company recognised bad debts and advances of ₹0.04 lacs (31 March 2022: Nil). The year end trade receivables do not include any amounts with such parties.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9.

#### Reconciliation of loss allowance provision - Trade Receivables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 1,208.96 | 1,255.11 |
| Less: Provision written back and bad debts written off during the year | (4.99) | (46.15) |
| Add: Provision made during the year | 341.38 | - |
| **Closing Balance** | **1,545.35** | **1,208.96** |

#### Reconciliation of loss allowance provision - Other Receivables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 135.76 | 135.76 |
| Less: Provision written back and bad debts written off during the year | - | - |
| Add: Provision made during the year | 222.14 | - |
| **Closing Balance** | **357.90** | **135.76** |

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as shown in Note 4,8,10,11 & 12. The Company has not recorded any further loss during the year in these financial instruments and cash deposits as these pertains to counter parties of good credit ratings/credit worthiness.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalent on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### (a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Floating rate** | | |
| Expiring within one year (bank overdraft and other facilities) | - | - |
| Expiring beyond one year (bank loans) | 8,000.00 | 170.00 |
| | **8,000.00** | **170.00** |

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian National Rupee ('INR'). and have an average maturity of Nil years (as at 31 March 2022 - Nil years).

#### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Carrying Amounts 31 march 2023 | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | Total | Less than 1 year | 1-5 years | More than 5 years |
| **Financial liabilities** | | | | | |
| Non Current Borrowings | 2,48,860.48 | 2,49,244.25 | - | 1,51,538.89 | 97,705.36 |
| Lease Liability | 4,913.90 | 6,748.05 | 1,449.78 | 3,399.60 | 1,898.67 |
| Other non-current financial liabilities | 40,085.63 | 40,085.63 | - | 40,085.63 | - |
| Current borrowings | 72,263.39 | 72,263.39 | 72,263.39 | - | - |
| Trade payables | 60,417.73 | 60,417.73 | 60,417.73 | - | - |
| Other current financial liabilities | 14,033.32 | 14,033.32 | 14,033.32 | - | - |
| **Total financial liabilities** | **4,40,574.45** | **4,42,792.37** | **1,48,164.22** | **1,95,024.12** | **99,604.03** |

| | Carrying Amounts 31 march 2022 | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | Total | Less than 1 year | 1-5 years | More than 5 years |
| **Financial liabilities** | | | | | |
| Non Current Borrowings | 2,47,551.28 | 2,48,032.57 | - | 1,26,333.00 | 1,21,699.57 |
| Lease Liability | 3,934.31 | 5,518.89 | 1,072.97 | 3,050.68 | 1,395.24 |
| Other non-current financial liabilities | 35,837.82 | 35,837.82 | - | 35,837.82 | - |
| Current borrowings | 75,188.07 | 75,188.07 | 75,188.07 | - | - |
| Trade payables | 66,914.97 | 66,914.97 | 66,914.97 | - | - |
| Other current financial liabilities | 21,905.85 | 21,905.85 | 21,905.85 | - | - |
| **Total financial liabilities** | **4,51,332.30** | **4,53,398.17** | **1,65,081.86** | **1,65,221.50** | **1,23,094.81** |

Further the Company issued financial guarantee as disclosed in note 36 for which the possibility of payment is remote.

### iv. Market risk

Market risk comprises of Interest rate risk, commodity risk and currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk primarily include trade and other receivables, trade and other payables and borrowings.

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Commodity Price Risk

The Company is exposed to commodity price risk arising out of fluctuation in prices of raw materials (flyash, gypsum and laterite) and fuel (coal and pet coke). Such price movements, mostly linked to external factors, can affect the production cost of the Company. To manage this risk, the Company take steps such as monitoring of prices, optimising fuel mix and pursue longer and fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are controlled by central procurement team and reviewed by the senior management.

#### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by taking foreign currency forward contracts, if required

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

| | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EUR | GBP | AED | USD | EUR | GBP | AED |
| Trade receivables | 1,88,299.60 | - | - | - | 2,75,214.55 | 1,45,863.96 | - | - |
| Trade payables | 25,84,192.04 | 4,47,056.00 | - | 1,48,278.00 | 1,19,57,210.56 | 1,53,076.00 | 4,750.00 | - |

The following significant exchange rates have been applied

| | Average Rates | | Year end spot rates | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| USD 1 | 80.33 | 74.51 | 82.22 | 75.81 |
| EUR 1 | 83.71 | 86.59 | 89.61 | 84.66 |
| AED 1 | 21.87 | 20.29 | 22.39 | 20.64 |
| GBP 1 | 96.83 | 101.80 | 101.87 | 99.55 |
| J.YEN 1 | 0.59 | 0.66 | 0.62 | 0.62 |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian National Rupee ('INR') against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Profit or loss, before tax | | Equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **31 March 2023** | | | | |
| USD (10% movement) | 196.98 | (196.98) | 128.15 | (128.15) |
| EUR (10% movement) | 40.06 | (40.06) | 26.06 | (26.06) |
| AED (10% movement) | 3.32 | (3.32) | 2.16 | (2.16) |
| **31 March 2022** | | | | |
| USD (10% movement) | 885.58 | (885.58) | 576.12 | (576.12) |
| EUR (10% movement) | 0.61 | (0.61) | 0.40 | (0.40) |
| GBP (10% movement) | 0.47 | (0.47) | 0.31 | (0.31) |

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2023 and 31 March 2022, the Company's borrowings at variable rate were mainly denominated in Indian National Rupee ('INR').

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| | Nominal Amount | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| **Fixed-rate instruments** | | |
| Financial assets | 1,42,877.25 | 1,13,677.57 |
| Financial liabilities | 92,313.98 | 94,709.37 |
| | **2,35,191.23** | **2,08,386.94** |
| **Variable-rate instruments** | | |
| Financial assets | 2,25,769.57 | 1,74,206.89 |
| Financial liabilities | 2,68,895.52 | 2,63,867.80 |
| | **4,94,665.09** | **4,38,074.69** |

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Profit or loss, before tax | | Equity, net of tax | |
|---|---|---|---|---|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| **31 March 2023** | | | | |
| Variable-rate instruments | (2,581.80) | 2,581.80 | (1,679.62) | 1,679.62 |
| **Cash flow sensitivity** | **(2,581.80)** | **2,581.80** | **(1,679.62)** | **1,679.62** |
| **31 March 2022** | | | | |
| Variable-rate instruments | (2,608.46) | 2,608.46 | (1,696.96) | 1,696.96 |
| **Cash flow sensitivity** | **(2,608.46)** | **2,608.46** | **(1,696.96)** | **1,696.96** |

## 41. Details of dues to micro and small enterprises as defined under the MSMED, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 8,057.83 | 6,544.39 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iv) 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 under the MSMED Act 2006.The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | - | - |

Dues to Micro and Small Enterprises have been determined to the extent declarations received from vendors.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 42. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % change | Explanation for variation above 25% |
|---|---|---|---|---|---|---|
| Debt-Equity Ratio (in Times) | Long Term Borrowings + Short Term Borrowings | Total Equity | 0.68 | 0.76 | -11% | |
| Debt Service Coverage Ratio (in Times) | Profit before interest and Depreciation but after tax | Principal Debt Repayments + Gross Interest | 1.71 | 2.03 | -16% | |
| Interest Service Coverage Ratio (in Times) | Profit before interest and Depreciation and tax | Gross Interest | 5.61 | 6.60 | -15% | |
| Current Ratio (in Times) | Total Current Assets | Total Current Liabilities-Current maturities of Long term Borrowings | 1.54 | 1.64 | -6% | |
| Long Term Debt to Working Capital (in Times) | Long Term Borrowings + Current maturities of Long term Borrowings | Total Current Assets-(Total Current Liabilities -Current maturities of Long term Borrowings) | 2.99 | 2.31 | 29% | The Long Term Debt to Working Capital Ratio has been increased due to reduction in working capital. |
| Bad debts to Account Receivable Ratio (in %) | Bad debts provided | Average Trade receivables | 1.42 | - | 0% | The bad debt to account receivable ratio has been increased as during last year there was no provision created for doubtful debts |
| Current Liability Ratio (in Times) | Total Current Liabilities-Current maturities of Long term Borrowings | Total Liabilities | 0.29 | 0.32 | -9% | |
| Total Debts to Total Assets (in Times) | Long Term Borrowings + Short Term Borrowings | Total Assets | 0.29 | 0.31 | -6% | |
| Trade Receivables Turnover Ratio (in Times) | Revenue from sales of Products | Average Trade Receivables | 22.04 | 19.79 | 11% | |
| Inventory Turnover Ratio (in Times) | Revenue from sales of Products | Average Inventories | 9.28 | 8.36 | 11% | |
| Operating Margin (in %) | Profit before interest, Depreciation and tax and non operational income | Total operating income | 14.88 | 19.30 | -23% | |
| Net Profit Margin (in %) | Profit for the year | Total Income | 6.19 | 8.06 | -23% | |
| Asset cover ratio for Secured NCDs (in Times) | Net Assets covered | Outstanding Secured NCDs | 12.60 | 9.76 | 29% | The Asset cover ratio for Secured NCDs Ratio has been increased due to reduction in outstanding debenture liability |
| Return on Equity (in %) | Profit for the year | Total equity | 11.97 | 14.83 | -19% | |
| Return on Capital Employed (in %) | Profit for the year | Total equity+Long Term Borrowings+Current maturities of Long term Borrowings+Deferred tax liabilities+Deferred income on government grants | 6.56 | 7.92 | -17% | |



Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % change | Explanation for variation above 25% |
|---|---|---|---|---|---|---|
| Trade Payable Turnover Ratio (in Times ) | Revenue from sales of Products | Average Trade Payables | 13.79 | 12.35 | 12% | |
| Net Capital Turnover Ratio (in Times ) | Revenue from sales of Products | Net Working Capital | 8.97 | 6.06 | 48% | The Net Capital Turnover Ratio has been increased due to reduction in the blockage of fund in working capital as well as in the revenue from operation . |
| Return on Investment Ratio (in %) | Income generated from invested fund | Average Investment | 2.55 | 0.30 | 750% | The Return on Investment Ratio has been increased due to substantial disposal of Investment during current year |

## 43. Corporate Social Responsibility

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | In Cash | Yet to be paid in cash | In Cash | Yet to be paid in cash |
| i) Gross amount required to be spent by the Company during the year | 2117.97 | - | 1689.77 | - |
| ii) Amount approved by the Board to be spent during the year | 2683.43 | - | 1695.85 | - |
| iii) Amount spent on: | | | | |
| a) Construction/acquisition of any asset | 1,533.71 | - | 878.83 | - |
| b) On purposes other than (a) above | 1,149.72 | - | 817.02 | - |

### Amount of expenses excess spent

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening Balances | 6.08 | - |
| Amount required to be spent during the year | 2,117.97 | 1,689.77 |
| Amount spent during the year | 2,683.43 | 1,695.85 |
| **Closing Balances** | **571.54** | **6.08** |

### Balance of CSR provision/CSR expenses not yet paid in cash

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening Balances | - | - |
| Provision made during the year | 2,683.43 | 1,695.85 |
| Payment made during the year | (2,683.43) | (1,695.85) |
| **Closing Balances** | **-** | **-** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## Nature of CSR expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Community Welfare | 57.38 | 229.63 |
| Education | 585.06 | 190.80 |
| Enviromental Sustainability | 21.23 | 10.37 |
| Health Care | 1,052.11 | 563.47 |
| Livelihood Development | 52.46 | 48.14 |
| Rural Development | 755.21 | 474.88 |
| Sports | 102.42 | 16.61 |
| Covid support | - | 161.95 |
| Art & Culture | 4.32 | - |
| Animal welfare | 53.25 | - |
| **Closing Balances** | **2,683.43** | **1,695.85** |

## 44. Additional regulatory information required by Schedule III

### (i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### (ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

### (iii) Wilful defaulter

None of the entities in the company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

### (iv) Relationship with struck off companies

The Company has not made any transactions during the year with the companies struck off under Companies Act, 2013 or Companies Act, 1956. However, there are certain old balances lying in books of account as mentioned below:

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding |
|---|---|---|
| BL and CK(OPC) Private Limited | Trade Receivables | (0.07) |
| DMP Nirman Private Limited | Trade Receivables | (0.11) |

### (v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

### (vi) Compliance with approved scheme(s) of arrangements

The Board of Directors at their meeting held on August 14,2021 had approved a scheme of amalgamation involving amalgamation of Jaykay Cem (Central) Ltd ('wholly owned subsidiary company') with JK Cement Ltd. under section 230 to 232 and other applicable provisions of the Companies Act, 2013 subject to requisite approvals. Under the aforesaid scheme the appointed date for the amalgamation is April 01, 2021.

The scheme has been approved by the Hon'ble National Company Law Tribunal('NCLT') on March 02, 2023 and management has made application to get the certified copy of the order on March 06, 2023 which is yet to be obtained from the NCLT. Further management is in the process to obtain the other necessary approvals including transfer of Mining right and other incentive scheme in the name of Company. The Scheme shall become effective upon receipt of all requisite approvals, fulfilment of conditions prescribed therein and upon filing of the certified copy of the NCLT Order with the Registrar of Companies involved in the Scheme.

### (vii) Utilisation of borrowed funds and share premium

The Company has not advanced or lend or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### (viii) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

### (ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (xi) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### (xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

## 45. Exceptional Item

J. K. Cement Works (Fujairah) FZC is incurring losses for the past several years since its incorporation and its net worth has been significantly eroded. In the Current year, based on business valuation of J. K. Cement Works (Fujairah) FZC (step down subsidiary of J. K. Cement (Fujairah) FZC ) by an independent external valuer, the company had recognised provision towards diminution in carrying value of investment in J. K. Cement (Fujairah) FZC of Nil (31 March 2022 ₹13,000 lacs ) leading to total diminution in carrying value of investment in J.K. Cement (Fujairah) of ₹45,837.92 lacs as at March 31, 2023. The amount of ₹13,000 lacs was disclosed as an exceptional item in the previous year ended March 31, 2022.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

per **Sanjay Vij**
Partner
Membership No: 095169

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

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433

# Independent Auditor's Report

To the Members of J.K. Cement Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of J.K. Cement Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter on CCI case ('EOM')

We draw attention to Note 36A to the consolidated Ind AS financial statements wherein it has been stated that the Competition Commission of India ('CCI') has imposed penalty of ₹12,854 lacs ('first matter') and ₹928 lacs ('second matter') in two separate orders dated August 31, 2016 and January 19, 2017 respectively for alleged contravention of provisions of Competition Act 2002 by the Holding Company. The Holding Company has filed appeals against the above orders.

The National Company Law Appellate Tribunal ('NCLAT'), on hearing the appeal in the first matter, upheld the decision of CCI for levying the penalty vide its order dated July 25, 2018. Post order of the NCLAT, CCI issued a revised demand notice dated August 7, 2018 of ₹15,492 lacs consisting of penalty of ₹12,854 lacs and interest of ₹2,638 lacs. The Holding Company has filed appeal with Hon'ble Supreme Court against the above order. Hon'ble Supreme Court has stayed the NCLAT order. While the appeal of the Holding Company is pending for hearing, the Holding Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts.

In the second matter, demand had been stayed and the matter is pending for the hearing before NCLAT. While the appeal of the Holding Company is pending for hearing, the Holding Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of property, plant and equipment, capital work in progress and intangible assets of J. K. Cement Works (Fujairah) FZC (a Step down subsidiary)** (as described in note 2 and 3 of the consolidated Ind AS financial statements) | |
| As at March 31, 2023, the carrying value of property, plant and equipment, capital work in progress and intangible assets of J. K. Cement Works (Fujairah) FZC (a Step down subsidiary) was ₹77,413.52 lacs constituting in total approximately 9.22 % of the Group.<br>The impairment assessment of property plant and equipment, capital work in progress and intangible assets of J.K. Cement Works (Fujairah) FZC has been identified as a key audit matter due to:<br>• J. K. Cement Works (Fujairah) FZC is incurring losses and its entire net worth is eroded and hence there is presence of impairment indicators.<br>• The assessment of the recoverable amount of the Group's Cash Generating Units (CGUs) involves significant judgements about the future cash flow forecasts and the discount rate that is applied.<br>Accordingly, the impairment of assets in J. K. Cement (Fujairah) FZC, was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements. | Our audit procedures included the following:<br>• Evaluated Group assessment of the analysis of internal and external factors impacting the entity, whether there were any indicators of impairment in line with Ind AS 36, Impairment of Assets.<br>• Assessed the process and identification of control mechanisms operating in the Group related to impairment tests of assets, as well as an understanding of the accounting policies and procedures, including internal control environment related to the process of assessing impairment indicators, performing of impairment tests, recognition and measurement controls.<br>• Obtained and evaluated the valuation model used to determine the recoverable amount of J. K. Cement Works (Fujairah) FZC (a step down subsidiary) by assessing the key assumptions used by management including:<br>- Considering forecasted volumes in relation to asset development plans.<br>- Assessed management's forecasts by comparing with prior year forecasts to actual results and assessed the potential impact of any variances.<br>- Assessed of price assumptions used in the models against past trends and research material.<br>- Tested the rate of weighted average cost of capital used to discount the impairment models through valuations experts.<br>- Assessed the competence and objectivity of the Group's external experts, to satisfy ourselves that these parties are appropriate in their roles within the estimation process.<br>- Testing the mathematical accuracy of the model.<br>- Evaluated the Group's assessment for recoverable amount of CGU vis-a-vis carrying amount for their determination of impairment loss, if any<br>• Assessed the adequacy of the disclosures made by the Group in this regard. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Claims, litigations and contingent liabilities**<br>(as described in note 36A of the consolidated Ind AS financial statements) | |
| As of March 31, 2023, the Group has disclosed contingent liabilities of ₹26,925.04 lacs (excluding amount of ₹13,782 lacs and interest of ₹2,638 lacs related to CCI case covered in EOM para above) relating to tax and legal claims.<br>There are several pending legal and regulatory cases against the Group across various jurisdictions. Accordingly, management exercises its judgement in estimation of provision required in respect of such cases. The evaluation of management's judgements, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of the ranges of potential financial settlement have been a matter of most significance during the current year audit.<br>Furthermore, the Group has operations across many jurisdictions and is subject to taxation related litigations as per local tax regulations. Evaluation of the outcome of the taxation related matters, and whether the risk of loss is remote, possible or probable, requires significant judgement by management given the complexities involved.<br>Accordingly, due to large number of claims and complexity/ judgement involved in outcome of these litigations. Claims, litigations and contingent liabilities was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements. | Our audit procedures included the following:<br>• Obtained an understanding of the Group's process of identification of claims, litigations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls.<br>• Obtained the summary of the Group's legal and tax cases and assessed management's position through discussions with the legal head, tax head and Group's management, on both the probability of success in significant cases, and the magnitude of any potential loss.<br>• Obtained responses from relevant third-party legal counsel and conducted discussions with them regarding material cases.<br>• Inspected external legal opinions and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br>• Assessed the competence and objectivity of the external experts<br>• Involved tax specialists to assess management's application and interpretation of tax legislation affecting the Group, and to consider the quantification of exposures and settlements arising from disputes with tax authorities in the various tax jurisdictions.<br>• Assessed the relevant disclosures made within the consolidated Ind AS financial statements |
| **Revenue Recognition – Discounts, incentives, rebates etc.**<br>(as described in note 27 of the consolidated Ind AS financial statements) | |
| For the year ended March 31, 23 the Group has recognised revenue from sale of goods of ₹9,50,372.76 lacs.<br>Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the Group's sales.<br>Due to the Group's presence across different marketing regions within the country/abroad and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental and dependent on various performance obligations and market conditions.<br>Therefore, there is a risk of revenue being misstated as a result of inaccurate estimations over discounts, incentives and rebates.<br>Accordingly, given the complexity and judgement involved in the assessment of provisions required for discounts, incentives and rebates, Revenue recognition – Discounts, incentives, rebates etc. was determined to be a key audit matter in our audit of the Consolidated Ind AS financial statements. | Our audit procedures included the following:<br>• Considered Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br>• Assessed the design and tested the operating effectiveness of internal controls with regards to approvals, calculation, provision and disbursement of discounts, incentives and rebates.<br>• Performed sample tests of management's calculations for discounts, incentives and rebates recorded and disbursed during the period including credit notes issued after the period end date.<br>• Performed sample test of supporting documentation for computation of discounts, incentives and rebates recorded and disbursed after the period end dates.<br>• Performed analytical review and compared the management's assessment of discounts, incentives and rebates recorded for the current year with historical trends of discount given and reversal of such discounts, incentives and rebates to assess the adequacy of provisions made during the current year.<br>• Performed sample test of manual journals posted to discounts, incentives and rebates to identify unusual or irregular items.<br>• Assessed the relevant disclosures made within the consolidated Ind AS financial statements. |

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual reports, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the group.

## Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose financial statements include total assets of ₹5,49,712.87 lacs as at March 31, 2023, and total revenues of ₹79,543.79 lacs and net cash inflows of ₹11,442.17 lacs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

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

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

   (e) The matter described in 'Emphasis of matter on CCI case' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Based on the consideration of reports of the other auditor, no amount has been paid under provision of Section 197 read with Schedule V to the Act with respect to one subsidiary;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph;

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group in its consolidated Ind AS financial statements – Refer Note 36A to the consolidated Ind AS financial statements;

      ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2023.

      iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 16 to the consolidated Ind AS financial statements, the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiary companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZL7414

Place of Signature: New Delhi
Date: 27 May 2023

# Annexure 1

**Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

Re: JK Cement Limited ('the Holding Company')

In terms of the information and explanations sought by us and given by the Group and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

Qualifications or adverse remarks by the respective auditors in the companies (Auditors Report) Order (CARO) reports of the companies incorporated in india included in the consolidated financial statements are:

| Sr. No. | Name of entity | CIN | Holding Company/ Subsidiary/Step down subsidiary | Clause Number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1. | Jaykaycem (Central) Limited | U72305UP1987PLC009162 | Subsidiary | 3(i)(c) |
| 2. | Acro Paints Limited | U24119DL1989PLC036308 | Step down subsidiary | 3(i)(c) |

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZL7414

Place of Signature: New Delhi
Date: 27 May 2023

# Annexure 2

To the Independent Auditor's Report of Even Date on the Consolidated Ind As Financial Statements of J.k. Cement Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of J.K. Cement Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31 March 2023, we have audited the internal financial controls with reference to these consolidated Ind AS financial statements of J.K. Cement Limited (hereinafter referred to as the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

## Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

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

## Inherent Limitations of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

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

## Opinion

In our opinion, the Holding Company, its subsidiary companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditor of such subsidiary companies incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 23095169BGXZZL7414

Place of Signature: New Delhi
Date: 27 May 2023

# Consolidated Balance Sheet

as at 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 7,75,614.91 | 6,09,187.19 |
| Capital work-in-progress | 2 | 59,200.89 | 1,03,206.90 |
| Intangible assets | 3 | 4,546.15 | 4,635.80 |
| Right-of-use assets | 3(i) | 40,812.24 | 40,548.78 |
| Intangible assets acquired through business combination | 46 | 23,584.54 | - |
| Financial assets: | | | |
| (i) Investments | 4 | 2,147.24 | 1,098.33 |
| (ii) Other financial assets | 5 | 30,362.85 | 8,330.92 |
| Other non-current assets | 6 | 18,411.68 | 20,824.27 |
| **Total non-current assets** | | **9,54,680.50** | **7,87,832.19** |
| **Current assets** | | | |
| Inventories | 7 | 98,211.56 | 1,20,871.09 |
| Financial assets: | | | |
| (i) Investments | 8 | 7,081.82 | 20,469.50 |
| (ii) Trade receivables | 9 | 48,007.54 | 42,679.91 |
| (iii) Cash and cash equivalents | 10 | 25,713.63 | 10,304.08 |
| (iv) Bank balances other than (iii) above | 11 | 57,613.46 | 22,212.32 |
| (v) Other financial assets | 12 | 79,495.28 | 90,219.53 |
| Current tax assets (net) | 13 | 3,639.94 | 1,607.27 |
| Other current assets | 14 | 54,062.06 | 44,101.90 |
| **Total current assets** | | **3,73,825.29** | **3,52,465.60** |
| **Total assets** | | **13,28,505.79** | **11,40,297.79** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 15 | 7,726.83 | 7,726.83 |
| Other equity | 16 | 4,60,948.20 | 4,24,762.31 |
| Equity attributable to equity holders of the J K Cement Ltd. | | **4,68,675.03** | **4,32,489.14** |
| Non-controlling interests | | (4,439.72) | (3,425.51) |
| **Total equity** | | **4,64,235.31** | **4,29,063.63** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities: | | | |
| (i) Borrowings | 17 | 4,10,097.14 | 2,98,661.57 |
| (ii) Lease liabilities | 17d | 19,565.04 | 18,852.49 |
| (iii) Other financial liabilities | 18 | 41,365.19 | 35,837.82 |
| Provisions | 19 | 6,017.36 | 5,874.84 |
| Deferred tax liabilities (net) | 20 | 80,939.13 | 73,825.88 |
| Other non-current liabilities | 21 | 11,603.83 | 11,141.28 |
| **Total non-current liabilities** | | **5,69,587.69** | **4,44,193.88** |
| **Current liabilities** | | | |
| Financial liabilities: | | | |
| (i) Borrowings | 22 | 89,414.11 | 86,827.30 |
| (ii) Lease liabilities | 22a | 10,142.21 | 7,187.33 |
| (iii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 23 | 9,783.82 | 6,544.39 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 72,430.16 | 64,970.52 |
| (iv) Other financial liabilities | 24 | 25,658.78 | 27,851.86 |
| Other current liabilities | 25 | 78,158.67 | 65,645.18 |
| Provisions | 26 | 9,095.04 | 8,013.70 |
| **Total current liabilities** | | **2,94,682.79** | **2,67,040.28** |
| **Total liabilities** | | **8,64,270.48** | **7,11,234.16** |
| **Total equity and liabilities** | | **13,28,505.79** | **11,40,297.79** |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 9,72,019.92 | 7,99,081.90 |
| Other income | 28 | 8,740.52 | 14,287.24 |
| **Total income (I)** | | **9,80,760.44** | **8,13,369.14** |
| **Expenses** | | | |
| Cost of materials consumed | 29 | 1,49,157.69 | 1,20,555.49 |
| Purchase of traded goods | | 12,655.58 | 10,524.59 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 30 | (2,529.20) | (2,299.14) |
| Employee benefits expenses | 31 | 63,775.71 | 55,894.86 |
| Finance costs | 32 | 31,218.02 | 26,969.22 |
| Depreciation and amortisation expenses | 33 | 45,823.83 | 34,246.55 |
| Power and fuel | | 2,56,340.90 | 1,65,200.27 |
| Freight and forwarding | | 2,03,311.36 | 1,65,305.39 |
| Other expenses | 34 | 1,57,877.39 | 1,35,659.47 |
| **Total Expenses (II)** | | **9,17,631.28** | **7,12,056.70** |
| **Profit before share of loss of an associate and tax expense (I) - (II)** | | **63,129.16** | **1,01,312.44** |
| Share in (Loss) of associate (net of tax) | | - | (21.17) |
| **Profit before tax (III)** | | **63,129.16** | **1,01,291.27** |
| **Tax expense:** | | | |
| Current tax | | 14,247.53 | 19,044.51 |
| Deferred tax | 20 | 6,976.96 | 15,746.42 |
| Earlier years tax adjustments | | (3.28) | (1,420.77) |
| **Total tax expense** | | **21,221.21** | **33,370.16** |
| **Profit for the year (IV)** | | **41,907.95** | **67,921.11** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement gains of defined benefit plans | | 502.11 | 585.05 |
| Income tax relating to remeasurement of defined benefit plans | | (174.38) | (204.44) |
| Exchange rate differences on translations | | 4,526.24 | 1,250.91 |
| **Other comprehensive income for the year (V)** | | **4,853.97** | **1,631.52** |
| **Total comprehensive income for the year (IV+V)** | | **46,761.92** | **69,552.63** |
| **Profit attributable to:** | | | |
| Equity holders of the J K Cement Limited | | 42,632.67 | 68,711.93 |
| Non-controlling interests | | (724.72) | (790.82) |
| | | **41,907.95** | **67,921.11** |
| **Other comprehensive income attributable to:** | | | |
| Equity holders of the J K Cement Limited | | 5,143.46 | 1,692.76 |
| Non-controlling interests | | (289.49) | (61.24) |
| | | **4,853.97** | **1,631.52** |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the J K Cement Limited | | 47,776.13 | 70,404.69 |
| Non-controlling interests | | (1,014.21) | (852.06) |
| | | **46,761.92** | **69,552.63** |
| **Earnings per equity share (Face value of ₹10 each)** | 35 | | |
| Basic (in ₹) | | 55.17 | 87.90 |
| Diluted (in ₹) | | 55.17 | 87.90 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## (a) Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balance at the beginning of the year (77,268,251 Equity shares of ₹10 each issued, subscribed and fully paid) | 7,726.83 | 7,726.83 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year (77,268,251 Equity shares of ₹10 each issued, subscribed and fully paid) | **7,726.83** | **7,726.83** |

## (b) Other equity

| | Reserves and Surplus | | | | | | |
|---|---|---|---|---|---|---|---|
| | Securities premium | Debenture redemption reserve | General reserve | Retained earnings (including Other Comprehensive Income) | Total | Non-controlling interests | Total |
| **Balance as on 01 April 2021** | **75,679.66** | **4,722.40** | **1,10,325.02** | **1,75,220.78** | **3,65,947.86** | **(2,573.45)** | **3,63,374.41** |
| Profit for the year | - | - | - | 68,711.93 | 68,711.93 | (790.82) | 67,921.11 |
| Other comprehensive income for the year | - | - | - | 1,692.76 | 1,692.76 | (61.24) | 1,631.52 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **70,404.69** | **70,404.69** | **(852.06)** | **69,552.63** |
| Transfer (to)/from general reserve | - | - | 20,000.00 | (20,000.00) | - | - | - |
| Transfer (to)/from debenture redemption reserve | - | (1,357.70) | - | 1,357.70 | - | - | - |
| Dividend paid | - | - | - | (11,590.24) | (11,590.24) | - | (11,590.24) |
| **Balance as at 31 March 2022** | **75,679.66** | **3,364.70** | **1,30,325.02** | **2,15,392.93** | **4,24,762.31** | **(3,425.51)** | **4,21,336.80** |
| Profit for the year | - | - | - | 42,632.67 | 42,632.67 | (724.72) | 41,907.95 |
| Other comprehensive income for the year | - | - | - | 5,143.46 | 5,143.46 | (289.49) | 4,853.97 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **47,776.13** | **47,776.13** | **(1,014.21)** | **46,761.92** |
| Transfer (to)/from general reserve | - | - | 20,000.00 | (20,000.00) | - | - | - |
| Transfer (to)/from debenture redemption reserve | - | (1,307.35) | - | 1,307.35 | - | - | - |
| Dividend paid | - | - | - | (11,590.24) | (11,590.24) | - | (11,590.24) |
| **Balance as at 31 March 2023** | **75,679.66** | **2,057.35** | **1,50,325.02** | **2,32,886.17** | **4,60,948.20** | **(4,439.72)** | **4,56,508.48** |

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433

# Consolidated Statement of Cash flow

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **Net Profit before tax** | 63,129.16 | 1,01,291.27 |
| | Adjustment for : | | |
| | Depreciation & amortisation expenses | 45,823.83 | 34,246.55 |
| | Net loss on discard of property, plant & equipment | 1,144.68 | 2,991.36 |
| | Share in Loss on equity accounted investment | - | 21.17 |
| | Interest paid | 30,187.24 | 26,430.78 |
| | Interest received | (6,010.93) | (7,558.49) |
| | Bad trade receivables/advances written off | (0.33) | 6.00 |
| | Expected Credit loss for trade receivables/advances | 618.73 | 15.52 |
| | Gain on fair valuation/sale of investment (net) | (351.03) | (51.66) |
| | Provisions/Other non cash adjustments | (3,536.99) | (5,291.28) |
| | Exchange rate difference | 161.18 | (423.11) |
| | Mines restoration charges | 121.77 | 623.10 |
| | **Operating Profit Before Working Capital Changes** | **1,31,287.31** | **1,52,301.21** |
| | **Working capital adjustments :-** | | |
| | Increase in Trade Payables | 10,896.11 | 11,961.83 |
| | Increase in other financial liabilities | 2,280.12 | 10,841.82 |
| | Increase in Other liabilities | 12,056.67 | 13,309.74 |
| | Increase in Provisions | 1,582.01 | 2,329.12 |
| | Decrease/(Increase) in Inventories | 24,157.66 | (45,212.49) |
| | (Increase) in Trade receivables | (4,858.74) | (6,549.68) |
| | (Increase) in Other assets | (10,929.05) | (26,272.71) |
| | (Increase) in Other financial assets | (12,545.71) | (3,489.21) |
| | **Cash Generated From Operations** | **1,53,926.39** | **1,09,219.63** |
| | Less : Income Tax Paid (inclusive of tax deducted at source) | (16,218.48) | (21,373.43) |
| | **Net Cash Flow From operating activities** | **1,37,707.91** | **87,846.20** |
| **B.** | **Cash used in Investing Activities** | | |
| | Proceed from maturity of fixed deposit | 1,14,269.55 | 2,23,996.83 |
| | Investment in fixed deposit | (1,46,718.12) | (1,72,777.85) |
| | Acquisition of paint undertaking (refer note 46) | (26,655.00) | - |
| | Acquisition/Purchase of property, plant & equipment | (1,61,144.58) | (1,55,375.80) |
| | Sale of property, plant & equipment | 828.26 | 2,624.62 |
| | Investment in Equity, Mutual funds & Bonds | (65,265.05) | (38,196.39) |
| | Sale of Investment | 77,503.91 | 30,882.99 |
| | Interest received | 5,703.04 | 9,210.98 |
| | **Net Cash Used In Investing Activities** | **(2,01,477.99)** | **(99,634.62)** |

# Consolidated Statement of Cash flow

for the year ended 31 March 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **C. Cash used in Financing Activities*** | | |
| Proceeds from Long Term Borrowings | 1,54,217.00 | 64,445.13 |
| Repayment of Long Term Borrowings | (46,230.87) | (48,121.46) |
| Proceeds of short term borrowings (net) | 5,119.87 | 25,611.40 |
| Proceeds from VAT Loans | 2,853.28 | 3,403.98 |
| Repayment of deferred sales Tax | (487.70) | (959.66) |
| Proceeds from Vehicle Loans (net) | 131.01 | 942.14 |
| Payment towards principal portion of lease liability | (466.17) | (831.74) |
| Interest paid on lease liability | (1,120.36) | (964.25) |
| Interest Paid | (28,294.93) | (25,795.03) |
| Dividend paid | (11,589.46) | (11,562.04) |
| **Net Cash From Financing Activities** | **74,131.68** | **6,168.47** |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | **10,361.59** | **(5,619.95)** |
| Cash and Cash Equivalents at the beginning of the year (note 10) | 10,304.08 | 14,673.12 |
| Cash acquired on account of acquisition of paint undertaking (refer note 46) | 521.72 | - |
| Exchange rate fluctuation reserve on conversion | 4,526.24 | 1,250.91 |
| Cash and Cash Equivalents at the end of the year (note 10) | 25,713.63 | 10,304.08 |
| | **10,361.59** | **(5,619.95)** |

*Refer note 17c for change in financing activity

Notes :
i) Cash and cash equivalents includes cash in hand and bank balances including Fixed Deposits below 3 months.
ii) The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows'

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433



# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

## 1. Corporate Information

### I. Reporting Entity

The consolidated financial statement comprise statement of JK Cement limited, its subsidiaries and associate operation (collectively, the group) for the year ended 31 March 2023. J K Cement Limited

("J K Cement Limited" or "the Holding Company" or the "Parent") is a public limited company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh – 208 001. J K Cement Limited's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Group is engaged in the manufacturing and selling of Cement and Cement related products.

### II. Significant Accounting Policies

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

### 1. Basis of consolidation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The financial statements of the Group and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-company balances.

These are Group's separate financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27.05.2023

(a) The assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Holding company uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

(b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Group's separate financial statements.

(d) The Companies considered in the consolidated financial statements are:

| Name of the company | Nature of croup | Country of Incorporation | Holding as at 31.03.2023 | Period of consolidation |
|---|---|---|---|---|
| J.K. Cement (Fujairah)FZC | Subsidiary | U.A.E. | 100% | FY 2022-23 |
| J.K. Cement Works (Fujairaj) FZC | Step down Subsidiary | U.A.E. | 90% | FY 2022-23 |
| J.K. White Cement (Africa) Ltd | Step down Subsidiary | Africa | 100% | FY 2022-23 |
| Jaykaycem(Central) Ltd | Subsidiary | India | 100% | FY 2022-23 |
| J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) | Subsidiary | India | 100% | FY 2022-23 |
| Acro Paints Limited | Step down Subsidiary | India | 100% (Control) | FY 2022-23 |

(e) Profit or loss attributable to 'non-controlling interest' and to 'owners of the parent' in the statement of profit and loss is presented as allocation for the period. Further, 'total comprehensive income' for the period attributable to 'non-controlling interest' and to 'owners of the parent' is presented in the statement of profit and loss as allocation for the period. The aforesaid disclosures for 'total comprehensive income' is made in the statement of changes in equity.

# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

Non-controlling interests' in the Balance Sheet and in the Statement of Changes in Equity, within equity, is presented separately from the equity of the 'owners of the parent'.

## 2. Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis except the following assets and liabilities, which are measured on fair value basis:

- Certain financial assets and liabilities that is measured at fair value (Refer note 40)
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation (Refer note 38)

## 3. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lacs up to two decimal places except when otherwise indicated.

## 4. Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

### A. Judgements

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

-Provision and contingencies

The assessment undertaken in recognizing provision and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss.

### B. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below, the group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market change or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occurred.

Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To determine the future taxable profits, reference is made to the latest available profit forecasts. The Group is having MAT credit that may be used to offset taxable income.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 20.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.



# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

During the current year, the management had re-assessed useful life of its captive power plants (CPP) having carrying value of ₹31,588.27 lacs on the basis of technical evaluation, economic effectiveness and tests. Accordingly, the Holding Company had estimated that its CPP life would be ranging between 15-20 years (Initial life estimated was 40 years). Consequently, an additional depreciation of ₹5,835.34 lacs has been recorded for the year ended March 31, 2023.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligations) are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and Mortality rates. Due to the complexities involved in the valuation and its long term natures, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available and measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

Provision for expected credit losses of trade receivables

The Group makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Group makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 40 (II) Financial risk management objective and policies

Provision for mines reclamation

The Group has recognised a provision for mines reclamation based on its best estimates. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines.

Litigations and contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events and it is probable that the Group will be required to settle that obligation.Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon

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management's interpretation of specific applicable law, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current assets and liabilities

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

### Property, plant and equipment( PPE)

#### Recognition and measurement

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

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

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### Subsequent Measurement

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

#### Expenditure during construction period:

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "Other non-current assets".

#### Depreciation

Depreciation on Property, plant and equipment (PPE) is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). The assets residual values and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

| Tangible Assets | Useful Life (In years) |
|---|---|
| Factory building (including roads) | 03-30 Years |
| Non factory building (including roads) | 05-60 Years |
| Plant and machinery | 05-40 Years |
| Vehicles | 08 Years |
| Furniture and fixtures | 10 Years |
| Office equipment | 05 Years |
| Railway sidings | 15 Years |

The Group, based on technical assessment made by technical expert and management estimate, depreciates Buildings and certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Machinery spares are depreciated on straight line basis over the remaining useful life of related plant and equipment or useful life of spare part, whichever is lower.

The management believes that the estimated useful lives are realistic and reflect approximation of the period over which the assets are likely to be used.

## 6. Intangible assets

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 3 years.

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

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

Mining rights are Amortised over the period of respective Mining Agreement and on the basis of material extraction (proportion of material extracted per annum to total mining reserve).

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

## 7. Financial instruments

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

### Financial Assets

#### Initial recognition and measurement

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

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

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### Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value through other comprehensive income (FVOCI) or fair value through Profit and Loss Account (FVTPL) on the basis of either

Group's business model for managing the financial assets or

Contractual cash flow characteristics of the financial assets.

### Business model assessment

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

### Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

### Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value and all changes in fair value are recorded in FVTPL. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI and fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

### Derecognition of financial assets

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

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



# Notes to the Consolidated Financial Statements

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

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

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

### Impairment of financial assets

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity revert to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date

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

## Financial liabilities

### Initial recognition and measurement

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

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

### Subsequent measurement

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

### Financial Liabilities measured at amortised cost

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

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

Financial guarantee contracts

Financial guarantee contract issued by the Group is 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 recognised 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 transaction amount recognised less cumulative amortisation.

Derecognition of financial liabilities

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

Reclassification of financial assets

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

## 8. Inventories

Inventories are valued as follows:

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

## 9. Investment in subsidiary and joint venture

Investment in subsidiaries and joint venture are carried at cost / fair value as per the requirement of IND AS 32, Financial Instruments and IND AS 109, Financial Instruments in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36, Impairment of Assets. Investments in subsidiaries and JV are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

## 10. Provisions, Contingent Liabilities and Assets

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time



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value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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

### Mines Restoration Expenditure

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

## 11. Revenue Recognition

The Group derives revenues primarily from sale of cement and cement related products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

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

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

### Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer or their agent as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of contract.

### Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for

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transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

The Group provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most expected value method for contracts. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

**Contract balances**

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

**Cost to obtain a contract**

The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised

**Critical judgements**

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

(a) Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

**Other revenue streams**

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial



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liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other income in the statement of profit and loss.

## 12. Government Grants and Subsidies

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

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

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

## 13. Employee benefits

**(i) Short term employee benefits**

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

Accumulated compensated absences which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are treated as short-term benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**(ii) Defined contribution plans**

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

a) Provident fund

The Group makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution is recognised as an expense in the Statement of Profit and Loss during the period in which employee renders the related service.

b) Superannuation scheme

Certain employees of the Group are eligible for participation in defined contribution plans such as superannuation. Contributions towards these funds are recognised as an expense periodically based on the contribution by the Group, since Group has no further obligation beyond its periodic contribution.

**(iii) Defined benefit plans**

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

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

The Group has following defined benefit plans:

Gratuity

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

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

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

The Group has following long term employment benefit plans:

Leave Encashment

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

## 14. Foreign currency transactions

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

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

## 15. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 16. Taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Current tax assets and liabilities are offset only if, the Group:

a) Has a legally enforceable right to set off the recognised amounts; and



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b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax asset is reviewed on each reporting date.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Goods and service taxes (GST) paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of goods and service taxes paid, except :

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the balance sheet.

## 18. Leases

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

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset 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 amortised over their actual lease period as per lease deed.

Leasehold Land is amortised over the primary lease period.

Free hold Mining Land is depleted according to the 'unit of production' method by reference to the ratio of extraction of limestone in the year to the related reserves of limestone.

Limestone reserves are estimated by the management based on the internal best estimates or independent expert's valuation as considered appropriate. These estimates are reviewed at least annually.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 19 section-Impairment of non-financial assets.

ii) Lease Liabilities

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

In calculating the present value of lease payments, the Group uses its incremental 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 remeasured 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.

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

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 19. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').



# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group has been identified as being the chief operating decision maker by the Management of the Group. Refer note 37 for segment information presented.

### 21. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 22. Exceptional item

Items of income or expense of non-routine are presented separately when their nature and amount of such significance and is relevant to an understanding of the entity's financial performance.

### 23. Earnings Per Share (EPS)

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit for the year by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus elements in a rights issue, share split and reverse share split(consolidation of shares) that have changed the no of equity shares outstanding without a corresponding change in resources.

### 24. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### 25. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

# Notes to the Consolidated Financial Statements

For Notes the year ended 31 March 2023

**26. Incentives under the State Industrial Policy**

The Group's manufacturing units in various States are eligible for incentives under the respective State Industrial Policy. The Group accrues these incentives as refund claims in respect of GST paid, on the basis that all attaching conditions were fulfilled by the Group and there is reasonable assurance that the incentive claims will be disbursed by the State Governments.

**27. Changes in accounting policies and disclosures**

**New and amended standards**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022. The adoption of following mentioned amendments had no impact on the financial statements of the Company.

i. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

ii. Reference to the Conceptual Framework – Amendments to Ind AS 103

iii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

iv. Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

v. Ind AS 109 Financial Instruments – Fees in the '10%' test for derecognition of financial liabilities

vi. Ind AS 41 Agriculture – Taxation in fair value measurements

Further, the Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to Ind AS 12



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 2. Property, plant and equipment

As at 31 March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Particulars | Gross Block | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition# | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2023 | Opening | Addition* | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2023 |
| **Tangible Assets** | | | | | | | | | | | | |
| Freehold land | 55,319.46 | 17,612.70 | (102.64) | - | 72,829.52 | - | - | - | - | - | 55,319.46 | 72,829.52 |
| Building | 1,15,482.72 | 14,123.58 | (77.24) | 1,929.25 | 1,31,458.31 | 31,900.44 | 4,675.99 | (35.56) | 712.85 | 37,253.72 | 83,582.28 | 94,204.59 |
| Plant and equipment | 6,53,622.82 | 1,67,736.85 | (3,170.26) | 7,295.56 | 8,25,484.97 | 1,97,668.24 | 35,538.58 | (1,495.56) | 2,432.90 | 2,34,144.16 | 4,55,954.58 | 5,91,340.81 |
| Vehicles | 6,606.56 | 3,852.69 | (796.34) | 68.66 | 9,731.57 | 2,882.02 | 857.64 | (597.67) | 63.74 | 3,205.73 | 3,724.54 | 6,525.84 |
| Furniture and fixtures | 4,407.45 | 490.97 | (7.59) | 18.51 | 4,909.34 | 3,026.17 | 271.37 | (4.95) | 16.04 | 3,308.63 | 1,381.28 | 1,600.71 |
| Office Equipment | 728.17 | 347.45 | (18.94) | 4.41 | 1,061.09 | 489.98 | 108.27 | (17.46) | 3.38 | 584.17 | 238.19 | 476.92 |
| Railway sidings | 13,765.92 | 301.17 | - | - | 14,067.09 | 5,398.55 | 845.79 | - | - | 6,244.34 | 8,367.37 | 7,822.75 |
| Rolling stock | 89.43 | - | - | - | 89.43 | 84.96 | - | - | - | 84.96 | 4.47 | 4.47 |
| Other assets | 1,266.21 | 388.14 | (17.93) | 45.49 | 1,681.91 | 651.19 | 208.20 | (13.75) | 26.97 | 872.61 | 615.02 | 809.30 |
| **Total** | **8,51,288.74** | **2,04,853.55** | **(4,190.94)** | **9,361.88** | **10,61,313.23** | **2,42,101.55** | **42,505.84** | **(2,164.95)** | **3,255.88** | **2,85,698.32** | **6,09,187.19** | **7,75,614.91** |
| Capital work-in-progress (Refer note iv) | 1,03,206.90 | 1,50,367.67 | (1,94,387.33) | 13.65 | 59,200.89 | - | - | - | - | - | 1,03,206.90 | 59,200.89 |
| **Total** | **1,03,206.90** | **1,50,367.67** | **(1,94,387.33)** | **13.65** | **59,200.89** | **-** | **-** | **-** | **-** | **-** | **1,03,206.90** | **59,200.89** |

# includes additions of ₹470.78 lacs on account of acquisition of paint undertaking (refer note 46)

* includes depreciation of ₹316.38 lacs which has been transferred to preoperative expense leading to net depreciation of ₹42,189.46 (refer note 33).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### As at 31 March, 2022

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | Opening | Addition* | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 |
| **Tangible Assets** | | | | | | | | | | | | |
| Freehold land | 45,691.31 | 11,265.66 | (1,637.51) | - | 55,319.46 | - | - | - | - | - | 45,691.31 | 55,319.46 |
| Building | 1,06,826.82 | 7,877.08 | 86.11 | 692.71 | 1,15,482.72 | 27,696.94 | 3,974.77 | (4.23) | 232.95 | 31,900.43 | 79,129.88 | 83,582.29 |
| Plant and equipment | 5,88,690.15 | 70,383.35 | (8,067.74) | 2,617.06 | 6,53,622.82 | 1,75,732.96 | 25,375.46 | (4,216.89) | 776.71 | 1,97,668.24 | 4,12,957.19 | 4,55,954.58 |
| Vehicles | 5,499.61 | 2,190.49 | (1,108.57) | 25.03 | 6,606.56 | 3,050.66 | 544.01 | (736.14) | 23.50 | 2,882.03 | 2,448.95 | 3,724.53 |
| Furniture and fixtures | 4,015.64 | 416.54 | (32.74) | 8.01 | 4,407.45 | 2,764.78 | 256.35 | (0.43) | 5.47 | 3,026.17 | 1,250.86 | 1,381.28 |
| Office Equipment | 674.03 | 56.39 | (2.33) | 0.07 | 728.17 | 398.31 | 92.90 | (2.37) | 1.14 | 489.98 | 275.72 | 238.19 |
| Railway sidings | 13,192.08 | 573.84 | - | - | 13,765.92 | 4,585.03 | 813.52 | - | - | 5,398.55 | 8,607.05 | 8,367.37 |
| Rolling stock | 89.43 | - | - | - | 89.43 | 84.96 | - | - | - | 84.96 | 4.47 | 4.47 |
| Other assets | 936.13 | 314.93 | 0.42 | 14.73 | 1,266.21 | 487.59 | 155.18 | 0.19 | 8.23 | 651.19 | 448.54 | 615.02 |
| **Total** | **7,65,615.20** | **93,078.28** | **(10,762.35)** | **3,357.61** | **8,51,288.74** | **2,14,801.23** | **31,212.19** | **(4,959.87)** | **1,048.00** | **2,42,101.55** | **5,50,813.98** | **6,09,187.19** |
| Capital work-in-progress (Refer note iv) | 50,933.35 | 1,29,539.57 | (77,255.26) | (10.76) | 1,03,206.90 | - | - | - | - | - | 50,933.35 | 1,03,206.90 |
| **Total** | **50,933.35** | **1,29,539.57** | **(77,255.26)** | **(10.76)** | **1,03,206.90** | **-** | **-** | **-** | **-** | **-** | **50,933.35** | **1,03,206.90** |

* includes depreciation of ₹85.75 lacs which has been transferred to preoperative expense leading to net depreciation of ₹ 31,126.44 (refer note 33).

(i) Property, plant & equipment pledged as security: Refer note 17a for information on property, plant & equipment pledged as security by the Holding Company.

(ii) In regard to brownfield expansion project, the amount of borrowing cost that has been capitalised during the previous year ended 31 March 2022 was: ₹1,860.54 lacs. The rate used to determine the amount of borrowing costs eligible for capitalisation ranged between 6.50% to 6.65%.

(iii) During the year, the management had re-assessed useful life of its captive power plants (CPP) having carrying value of ₹31,588.27 lacs on the basis of technical evaluation, economic effectiveness and tests. Accordingly the Group had estimated that its CPP life would be ranging between 15-20 years (Initial life estimated was 40 years). Consequently, an additional depreciation of ₹5,835.34 lacs has been recorded for the year ended March 31, 2023.

(iv) The table below provides details regarding the Ageing for Projects as at 31 March 2023 and 31 March 2022



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### As at 31 March, 2023

| Particulars | Amount in CWIP in a period of | | | | Total As at 31 March 2023 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 57,254.81 | 1,729.77 | 78.35 | 17.55 | 59,080.48 |
| Projects Temporarily suspended | 84.86 | 35.55 | - | - | 120.41 |
| **Total** | **57,339.67** | **1,765.32** | **78.35** | **17.55** | **59,200.89** |

### As at 31 March, 2022

| Particulars | Amount in CWIP in a period of | | | | Total As at 31 March 2022 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 15,372.07 | 87,589.60 | 72.25 | 135.32 | 103,169.24 |
| Projects Temporarily suspended | - | - | - | 37.66 | 37.66 |
| **Total** | **15,372.07** | **87,589.60** | **72.25** | **172.98** | **103,206.90** |

(v) Contractual obligation-Refer note 36 (B) for disclosure of contractual commitment for the acquisition of Property, Plant & equipment.

## 3. Intangible Assets

### As at 31 March, 2023

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition# | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2023 | Opening | Addition | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2023 |
| **Intangible Assets** | | | | | | | | | | | | |
| Goodwill | 742.70 | - | - | - | 742.70 | 742.70 | - | - | - | 742.70 | - | - |
| Computer Software | 1,457.34 | 93.49 | (3.00) | 0.16 | 1,547.99 | 1,133.98 | 165.93 | (3.00) | 0.12 | 1,297.03 | 323.36 | 250.96 |
| Mining Rights | 5,109.55 | - | - | 188.35 | 5,297.90 | 797.11 | 176.11 | - | 29.49 | 1,002.71 | 4,312.44 | 4,295.19 |
| **Total** | **6,566.89** | **93.49** | **(3.00)** | **188.51** | **6,845.89** | **1,931.09** | **342.04** | **(3.00)** | **29.61** | **2,299.74** | **4,635.80** | **4,546.15** |

# includes additions of ₹0.60 lacs on account of acquisition of paint undertaking (refer note 46)

### As at 31 March, 2022

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | Opening | Addition | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 |
| **Intangible Assets** | | | | | | | | | | | | |
| Goodwill | 742.70 | - | - | - | 742.70 | 742.70 | - | - | - | 742.70 | - | - |
| Computer Software | 1,216.20 | 243.12 | (2.06) | 0.08 | 1,457.34 | 953.55 | 182.16 | (1.80) | 0.07 | 1,133.98 | 262.65 | 323.36 |
| Mining Rights | 5,041.90 | - | - | 67.65 | 5,109.55 | 616.38 | 171.48 | - | 9.25 | 797.11 | 4,425.52 | 4,312.44 |
| **Total** | **6,258.10** | **243.12** | **(2.06)** | **67.73** | **6,566.89** | **1,569.93** | **353.64** | **(1.80)** | **9.32** | **1,931.09** | **4,688.17** | **4,635.80** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### 3(i). Right to use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

As at 31 March, 2023

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition# | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2023 | Opening | Addition* | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2023 |
| **Right-of-use assets** | | | | | | | | | | | | |
| Leasehold land | 28,253.69 | 346.07 | - | - | 28,599.76 | 4,515.71 | 954.10 | - | - | 5,469.81 | 23,737.98 | 23,129.95 |
| Vehicles | 170.67 | 41.49 | - | 15.41 | 227.57 | 44.93 | 13.77 | - | 50.58 | 109.28 | 125.74 | 118.29 |
| Buildings | 24,714.59 | 2,267.68 | (787.99) | 1,660.85 | 27,855.13 | 8,045.05 | 2,435.92 | (733.72) | 543.88 | 10,291.13 | 16,669.54 | 17,564.00 |
| Other Equipment | 31.86 | - | (31.86) | - | - | 16.34 | - | 15.52 | (31.86) | - | 15.52 | - |
| **Total** | **53,170.81** | **2,655.24** | **(819.85)** | **1,676.26** | **56,682.46** | **12,622.03** | **3,403.79** | **(718.20)** | **562.60** | **15,870.22** | **40,548.78** | **40,812.24** |

# includes additions of ₹33.40 lacs on account of acquisition of paint undertaking (refer note 46)

* includes depreciation of ₹111.46 lacs which has been transferred to preoperative expense leading to net depreciation of ₹3,292.33 (refer note 33).

As at 31 March, 2022

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Addition | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | Opening | Addition* | (Disposal)/ Adjustment | Foreign Exchange Impact | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 |
| **Right-of-use assets** | | | | | | | | | | | | |
| Leasehold land | 27,729.84 | 1,835.73 | (1,311.88) | - | 28,253.69 | 4,991.97 | 877.57 | (1,353.83) | - | 4,515.71 | 22,737.87 | 23,737.98 |
| Vehicles | 135.61 | 116.93 | (86.65) | 4.78 | 170.67 | 92.05 | 37.50 | (86.65) | 2.03 | 44.93 | 43.56 | 125.74 |
| Buildings | 21,489.04 | 3,316.04 | (685.57) | 595.08 | 24,714.59 | 6,052.42 | 2,042.27 | (234.35) | 184.71 | 8,045.05 | 15,436.62 | 16,669.54 |
| Other Equipment | 31.86 | - | - | - | 31.86 | 16.34 | - | - | - | 16.34 | 15.52 | 15.52 |
| **Total** | **49,386.35** | **5,268.70** | **(2,084.10)** | **599.86** | **53,170.81** | **11,152.78** | **2,957.34** | **(1,674.83)** | **186.74** | **12,622.03** | **38,233.57** | **40,548.78** |

* includes depreciation of ₹190.87 lacs which has been transferred to preoperative expense leading to net depreciation of ₹2,766.47 (refer note 33).




# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)


### Set out below are the carrying amounts of lease liabilities and the movements during the year:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 26,039.82 | 22,422.14 |
| Addition# | 2,320.21 | 3,432.97 |
| Deletions | (69.79) | (451.22) |
| Accretion of Interest | 1,120.36 | 964.25 |
| Payment of lease liabilities | (1,587.52) | (1,795.99) |
| Foreign exchange impact | 1,884.18 | 1,467.67 |
| **Closing Balance** | **29,707.25** | **26,039.82** |
| Current | 10,142.21 | 7,187.33 |
| Non-current | 19,565.04 | 18,852.49 |

# includes additions of ₹13.71 lacs on account of acquisition of paint undertaking (refer note 46)

### The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31,2022 on an undiscounted basis.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Less than one year | 11,429.73 | 8,116.02 |
| One to five years | 12,009.93 | 8,989.98 |
| More than five years | 12,783.56 | 15,625.92 |
| | **36,223.21** | **32,731.92** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The average borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

### The following are the amounts recognised in profit or loss:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 2,449.69 | 2,079.77 |
| Interest expense on lease liabilities | 1,120.36 | 964.25 |
| **Total amount recognised in profit or loss** | **3,570.05** | **3,044.02** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 4. Non-Current Financial Assets - Investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **A. Investment in equity instruments (fully paid-up)** | | |
| **Unquoted** | | |
| **Others (at FVTPL)** | | |
| - 303,702 (31 March 2022 : 169,120) equity shares of Atria Wind Power (Chitradurga) Pvt. Ltd. (Face value ₹100 each) | 762.22 | 424.42 |
| - 5,496,372 (31 March 2022 : 3,820,170 ) equity shares of Nay Energy Pvt Ltd (Face value ₹10 each) | 603.72 | 395.87 |
| - 20,445 (31 March 2022 : Nil) equity shares of FP Centaurus Private Limited (Face value ₹10 each) | 350.00 | - |
| - 2,600 (31 March 2022 : Nil ) equity shares of Clean Max Matahari Private Limited (Face value ₹10 each) | 0.26 | - |
| - 8,000 (31 March 2022: 8,000) equity shares of ReNew Wind Energy AP (Pvt.) Ltd. (Face value ₹10 each) | 8.00 | 8.00 |
| - 1,534,330 (31 March 2022 : 433) equity shares of AMP Solar Technology Pvt. Ltd. (Face value ₹10 each) | 153.04 | 0.04 |
| **B. Investments in Debentures (at FVTPL)** | | |
| - 27,000 (31 March 2022: 27,000 ) 0.01% Compulsory Convertible debentures in AMP Solar Urja Pvt Ltd (Face value ₹1000 each) | 270.00 | 270.00 |
| | **2,147.24** | **1,098.33** |
| **Aggregate amount of market value of quoted investment** | **-** | **-** |
| **Aggregate amount of unquoted investment** | **2,147.24** | **1,098.33** |

## 5. Non-Current Financial Assets - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(Unsecured, Considered good)** | | |
| (Carried at Amortised Cost) | | |
| Fixed deposits with remaining maturity of more than 12 months from the reporting date* | 16,448.49 | 497.45 |
| Vehicle Loan Recoverable | 652.99 | 327.61 |
| Security Deposits** | 12,810.43 | 7,505.86 |
| Share Application money# | 450.94 | - |
| | **30,362.85** | **8,330.92** |

*includes ₹582.96 lacs (31 March 2022 ₹95.95 lacs) pledged against overdraft /other commitments.

**Majorly includes deposits with State Electricity boards, tender money deposits and godown/office deposits.

# Share application money of ₹450.94 paid to Clean Max Matahari Private Limited in current year against issuance of equity shares which are yet to be alloted.

No loans due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 6. Other Non-Current Assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Unsecured, Considered good) | | |
| Capital advances | 13,753.86 | 17,229.82 |
| **Advance other than capital advances** | | |
| Prepaid expenses | 674.42 | 735.32 |
| Deferred employee compensation | 88.23 | 41.66 |
| Advance to employees | 440.73 | 242.51 |
| Deposit under protest with Government authorities | 3,454.44 | 2,574.96 |
| | **18,411.68** | **20,824.27** |

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

## 7. Inventories

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Valued at lower of cost and net realisable value) | | |
| Raw materials (net of provisions for slow and non-moving inventories of ₹649.01 lacs (31 March 2022: ₹Nil)) | 12,061.52 | 26,605.31 |
| Work-in-process | 12,167.30 | 11,426.34 |
| Finished goods | 12,862.59 | 10,643.67 |
| Traded goods | 819.72 | 288.24 |
| Fuel (net of provisions for slow and non-moving inventories of ₹200.05 lacs (31 March 2022: ₹Nil)) | 17,312.92 | 31,893.75 |
| Packing material (net of provisions for slow and non-moving inventories of ₹87.38 lacs (31 March 2022: ₹Nil)) | 2,706.17 | 3,336.95 |
| Consumable stores and spares (net of provisions for slow and non-moving inventories of ₹3,155.67 lacs (31 March 2022: ₹2,650.85 lacs)) | 28,574.87 | 22,133.34 |
| **Goods in transit :** | | |
| - Raw materials | 328.56 | 860.24 |
| - Fuel | 11,316.15 | 13,255.78 |
| - Consumable stores and spares | 61.76 | 427.47 |
| | **98,211.56** | **1,20,871.09** |

Refer note 17a (2) & 22 for information on inventories pledged as security by the company.

## 8. Current Financial Assets - Investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Investment in Mutual Funds** | | |
| **Quoted (at FVTPL)** | | |
| - Nil (31 March 2022: 71,904.35) units of HDFC Liquid Fund -DP-Growth Option | - | 3,009.01 |
| - Nil (31 March 2022: 953,968.71) units of ICICI Prudential Liquid fund -Direct Plan -Growth | - | 3,007.45 |
| - 60,066.714 (31 March 2022: 342,713.55) units of Axis Liquid Fund - Direct Growth (CFDGG) | 1,502.20 | 8,102.03 |
| - Nil (31 March 2022: 94,136.55) units of Canara Robeco Liquid Fund-Direct Growth | - | 2,400.29 |
| - 19,999,000.05 (31 March 2022: Nil) units of SBI FMP-Series 69(367 days) Regular Growth | 2,060.18 | - |
| - 211,021.442 (31 March 2022: Nil) units of Axis Over Night Fund -Direct Growth (ONDGG) | 2,501.78 | - |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Investments in Bonds (Quoted) (at FVTPL)** | | |
| - Nil (31 March 2022: 150) 8.75% Axis 28 June 2022 perpetual bonds, Face value per Bond ₹1,000,000 purchased @ ₹1,035,807.51 each | - | 1,504.74 |
| - Nil (31 March 2022: 93) 9.80% Canara 25 July 2022 perpetual bonds, Face value per Bond ₹1,000,000 purchased @ ₹1,026,188.96 each | - | 935.32 |
| - Nil (31 March 2022: 150) 8.65% BOB 11 August 2022 perpetual bonds , Face value per Bond ₹1,000,000 purchased @ ₹1,104,861.56 each | - | 1,510.66 |
| **Investments in Debenture (Quoted) (at FVTPL)** | | |
| - 45 (31 March 2022: Nil) Shree Ram Transport , Face value per NCD ₹1,000,000 | 512.59 | - |
| - 35 (31 March 2022: Nil) L&T INFRA Debt Fund, Face value per NCD ₹1,000,000 | 505.07 | - |
| **Aggregate amount of quoted Investments** | **7,081.82** | **20,469.50** |
| **Aggregate amount of market value of quoted Investments** | **7,081.82** | **20,469.50** |

## 9. Current Financial Assets - Trade Receivables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost, except otherwise stated) | | |
| Considered good - secured | 17,625.43 | 16,688.76 |
| Considered good - unsecured | 30,382.11 | 25,991.15 |
| Receivables - unsecured credit impaired | 1,705.38 | 1,208.96 |
| | **49,712.92** | **43,888.87** |
| Less: Provision for impairment of trade receivables | (1,705.38) | (1,208.96) |
| | **48,007.54** | **42,679.91** |

### Trade receivable Ageing Schedule

**As at 31 March 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2023 | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Undisputed Trade receivables-Considered Good | 48,007.54 | 46,890.58 | 445.58 | 268.74 | 10.47 | 392.17 |
| (ii) Undisputed Trade receivables-credit impaired | 431.45 | 199.85 | 71.36 | 80.99 | 32.62 | 46.63 |
| (iii) Disputed Trade receivables-Credit impaired | 1,187.68 | 0.09 | 172.23 | 78.94 | 31.46 | 904.96 |
| | **49,626.67** | **47,090.52** | **689.17** | **428.67** | **74.55** | **1,343.76** |
| (iv) Undisputed Trade receivables-Provision for impairment | (431.45) | (199.85) | (71.36) | (80.99) | (32.62) | (46.63) |
| (v) Disputed Trade receivables-Provision for impairment | (1,187.68) | (0.09) | (172.23) | (78.94) | (31.46) | (904.96) |
| | **48,007.54** | **46,890.58** | **445.58** | **268.74** | **10.47** | **392.17** |



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Trade receivable Ageing Schedule

**As at 31 March 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2022 | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Undisputed Trade receivables-Considered Good | 42,679.91 | 41,638.28 | 611.07 | 21.83 | 23.94 | 384.79 |
| (ii) Undisputed Trade receivables-credit impaired | 212.22 | - | 91.49 | 94.49 | 25.38 | 0.86 |
| (iii) Disputed Trade receivables-Credit impaired | 996.74 | - | 4.09 | 19.67 | 53.90 | 919.08 |
| | **43,888.87** | **41,638.28** | **706.65** | **135.99** | **103.22** | **1,304.73** |
| (iv) Undisputed Trade receivables-Provision for impairment | (212.22) | - | (91.49) | (94.49) | (25.38) | (0.86) |
| (v) Disputed Trade receivables-Provision for impairment | (996.74) | - | (4.09) | (19.67) | (53.90) | (919.08) |
| | **42,679.91** | **41,638.28** | **611.07** | **21.83** | **23.94** | **384.79** |

Refer to Note 17a(2) & 22 for information on Trade receivables pledged as security by the company.

No trade receivable are due from directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of below 90 days payment.

## 10. Current Financial Assets - Cash and Cash equivalents

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balance with banks: | | |
| - In current accounts | 2,841.48 | 1,194.68 |
| - In EEFC accounts | 939.84 | 9.70 |
| -Fixed Deposits with original maturity of upto 3 months* | 16,471.29 | 9,065.17 |
| - Others | 0.60 | 0.60 |
| Cash in hand | 31.45 | 33.87 |
| Cheques in hand | 5,428.97 | 0.06 |
| | **25,713.63** | **10,304.08** |

*Fixed Deposits upto one year include deposit of ₹380.00 lacs (31 March 2022:₹1,402.48 lacs) pledged against overdraft /other commitments.

## 11. Current Financial Assets - Other Bank Balances

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Earmarked balance with bank for unclaimed dividends # | 175.50 | 174.71 |
| Fixed deposits with original maturity of more than 3 months but upto one year* | 57,437.96 | 22,037.61 |
| | **57,613.46** | **22,212.32** |

#Earmarked unpaid dividend accounts are restricted in use as it relates to unpaid & unclaimed dividends.

*Fixed Deposits upto one year include deposit of ₹11,877.82 lacs (31 March 2022: ₹2,672.64 lacs) pledged against overdraft /other commitments.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 12. Current Financial Assets - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unsecured (Considered Good, unless otherwise stated)** | | |
| (Carried at Amortised Cost, except otherwise stated) | | |
| Other loans and advances | | |
| Considered good | 1,119.54 | 1,276.08 |
| Considered doubtful | 357.90 | 135.76 |
| Less: Allowance for doubtful loans and advances | (357.90) | (135.76) |
| Advance to Employees | 589.16 | 627.39 |
| Government grants receivable | 16,925.77 | 9,974.97 |
| Fixed deposits with original maturity of more than 12 months and remaining maturity of less than 12 months from the reporting date* | 57,777.00 | 75,565.17 |
| Interest accrued on fixed deposits | 3,083.81 | 2,775.92 |
| | **79,495.28** | **90,219.53** |

*Fixed Deposits due upto one year having original maturity period more than 12 months include deposit of ₹10,782.17 lacs (31 March 2022: ₹29,467.67 lacs) pledged against overdraft /other commitments.

## 13. Current Tax Assets (Net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance tax (net) | 3,639.94 | 1,607.27 |
| | **3,639.94** | **1,607.27** |

## 14. Other Current Assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Balances with Government authorities | 33,920.47 | 23,468.67 |
| Prepaid Expenses | 3,070.67 | 2,342.02 |
| Advance to Employees | 189.77 | 105.03 |
| Advances to Suppliers | 16,852.59 | 18,165.25 |
| Deferred employee compensation | 28.56 | 20.93 |
| | **54,062.06** | **44,101.90** |

No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due from firms or private companies respectively in which any director is a partner or a director or a member.

## 15. Equity Share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised:** | | |
| 8,00,00,000 (31 March 2022 - 8,00,00,000) equity shares of ₹10/- each | 8,000.00 | 8,000.00 |
| **Issued, subscribed & fully paid up:** | | |
| 7,72,68,251 (31 March 2022 - 7,72,68,251) equity Shares of ₹10/- each | 7,726.83 | 7,726.83 |
| | **7,726.83** | **7,726.83** |

### a. Terms and rights attached to equity shares

There are only 1 class of Equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. The Holding company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### b. Reconciliation of number of shares outstanding at the beginning and end of the year

| | Number of Shares | Amount |
|---|---|---|
| Outstanding as at 01 April 2021 | 7,72,68,251 | 7,726.83 |
| Equity Shares issued during the year | - | - |
| Outstanding as at 31 March 2022 | 7,72,68,251 | 7,726.83 |
| Equity Shares issued during the year | - | - |
| **Outstanding as at 31 March 2023** | **7,72,68,251** | **7,726.83** |

### c. Shareholders holding more than 5% equity shares of ₹10 each in the company

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| M/s Yadu International Ltd. | 3,10,50,918 | 40.19% | 3,10,36,918 | 40.17% |
| Shri. Abhishek Singhania | 38,95,276 | 5.04% | 40,08,994 | 5.19% |
| Smt. Kavita Y Singhania | 38,69,650 | 5.01% | 38,69,650 | 5.01% |
| Investment Trust Fidelity Series | 42,54,631 | 5.51% | 48,16,431 | 6.23% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date is Nil.

### d. Details of equity shares held by promoters (legal & beneficiary ownership)

**As at 31st March 2023**

| S. No. | Promoter Name | No. of shares at the beginning of the year | Change during the - below year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|
| 1 | Gaur Hari Singhania with Vasantlal D. Mehta & Raghubir Prasad Singhania | 20 | - | 20 | - | - |
| 2 | Sushila Devi Singhania | 33,35,957 | - | 33,35,957 | 4.32 | - |
| 3 | Kalpana Singhania | 4,72,862 | (7,500) | 4,65,362 | 0.60 | (1.59) |
| 4 | Nidhipati Singhania | 42,428 | 2,500 | 44,928 | 0.06 | 5.89 |
| 5 | Madhavkrishna Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 6 | Raghavpat Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 7 | Ajay Kumar Saraogi | 3,340 | - | 3,340 | - | - |
| 8 | Amrita Saraogi | 3,000 | - | 3,000 | - | - |
| 9 | Kailash Nath Khandelwal jointly with Radha Rani Khandelwal | 1,000 | (1,000) | - | - | (100.00) |
| 10 | Pushpa Saraogi | 5,048 | - | 5,048 | 0.01 | - |
| 11 | Radha Rani Khandelwal jointly with Kailash Nath Khandelwal | 500 | (500) | - | - | (100.00) |
| 12 | G.H.Securities Pvt. Ltd. | 20 | - | 20 | - | - |
| 13 | Yadu International Ltd. | 3,10,36,918 | 14,000 | 3,10,50,918 | 40.19 | 0.05 |
| 14 | Yadu Securities Pvt. Ltd | 40 | - | 40 | - | - |
| **Total** | | **3,54,01,553** | **7,500** | **3,54,09,053** | **45.83** | |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

As at 31st March 2022

| S. No. | Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|
| 1 | Gaur Hari Singhania with Vasantlal D. Mehta & Raghubir Prasad Singhania | 20 | - | 20 | - | - |
| 2 | Sushila Devi Singhania | 33,35,957 | - | 33,35,957 | 4.32 | - |
| 3 | Kalpana Singhania | 4,75,263 | (2,401) | 4,72,862 | 0.61 | (0.51) |
| 4 | Manorama Devi Singhania | 5,31,465 | (5,31,465) | - | - | (100.00) |
| 5 | Nidhipati Singhania | 42,428 | - | 42,428 | 0.05 | - |
| 6 | Abhishek Singhania | 40,08,994 | (40,08,994) | - | - | (100.00) |
| 7 | Madhavkrishna Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 8 | Raghavpat Singhania | 2,50,210 | - | 2,50,210 | 0.32 | - |
| 9 | Kavita Y Singhania | 38,69,650 | (38,69,650) | - | - | (100.00) |
| 10 | Ajay Kumar Saraogi | 3,340 | - | 3,340 | - | - |
| 11 | Amrita Saraogi | 3,000 | - | 3,000 | - | - |
| 12 | Kailash Nath Khandelwal jointly with Radha Rani Khandelwal | 1,000 | - | 1,000 | - | - |
| 13 | Pushpa Saraogi | 5,048 | - | 5,048 | 0.01 | - |
| 14 | Radha Rani Khandelwal jointly with Kailash Nath Khandelwal | 500 | - | 500 | - | - |
| 15 | J.K.Traders Ltd. | 1,81,254 | (1,81,254) | - | - | (100.00) |
| 16 | G.H.Securities Pvt. Ltd. | 20 | - | 20 | - | - |
| 17 | Yadu International Ltd. | 3,10,34,518 | 2,400 | 3,10,36,918 | 40.17 | 0.01 |
| 18 | Yadu Securities Pvt. Ltd | 40 | - | 40 | - | - |
| 19 | Ramapati Singhania jointly with Rajeshree Singhania | 5,49,662 | (5,49,662) | - | - | (100.00) |
| **Total** | | **4,45,42,579** | **(91,41,026)** | **3,54,01,553** | **45.81** | |

## 16. Other equity

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **a.** | **Securities premium** | | |
| | Balance at the beginning of the year | 75,679.66 | 75,679.66 |
| | Changes during the year | - | - |
| | Balance at the end of the year | **75,679.66** | **75,679.66** |
| **b.** | **Debenture redemption reserve** | | |
| | Balance at the beginning of the year | 3,364.70 | 4,722.40 |
| | Less: Transfer to retained earnings | (1,307.35) | (1,357.70) |
| | Balance at the end of the year | **2,057.35** | **3,364.70** |
| **c.** | **General reserve** | | |
| | Balance at the beginning of the year | 1,30,325.02 | 1,10,325.02 |
| | Add: Transfer from retained earnings | 20,000.00 | 20,000.00 |
| | Balance at the end of the year | **1,50,325.02** | **1,30,325.02** |
| **d.** | **Retained earnings** | | |
| | Balance at the beginning of the year | 2,15,392.93 | 1,75,220.78 |
| | Add: Profit for the year | 42,632.67 | 68,711.93 |
| | Add: Other Comprehensive income/(loss) for the year | 5,143.46 | 1,692.76 |
| | Less: Transfer to general reserve | (20,000.00) | (20,000.00) |
| | Add: Transfer from debenture redemption reserve | 1,307.35 | 1,357.70 |
| | Less: Dividend on equity shares | (11,590.24) | (11,590.24) |
| | | **2,32,886.17** | **2,15,392.93** |
| | | **4,60,948.20** | **4,24,762.31** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Nature and purpose of other equity

**Debenture Redemption Reserve**

For the debentures issued and outstanding, the Holding Company has created DRR in accordance with requirement of section 71 of the Companies Act 2013. However, pursuant to a Ministry of Corporate Affairs notification dated 16 August 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, the Holding Company is not required to maintain DRR for debentures issued and accordingly has applied the said change in provision to debentures issued prospectively post 31 March 2020.

### General reserve

The Holding company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act.

### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### Retained earnings

Retained earnings represents all accumulated net income netted by all dividends paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

### Other Comprehensive Income

**a) Remeasurement of defined benefit plans**

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

**b) Foreign Currency Translations**

Foreign Currency Translation adjustments on foreign subsidiaries.

### Dividend

The following dividends were paid by the Group for the year.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Final dividend for the year ended 31 March 2022 ₹15 per share (31 March 2021: ₹15 per share) | 11,590.24 | 11,590.24 |
| | **11,590.24** | **11,590.24** |

After the reporting date, the board of directors confirms the proposed divided as final dividend. The dividends have not been recognised as liabilities and there are no tax consequences.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Proposed dividend for the year ended 31 March 2023 ₹15 per share (31 March 2022: ₹15 per share) | 11,590.24 | 11,590.24 |
| | **11,590.24** | **11,590.24** |

### Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, fixed deposits and current investments.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Borrowings (Note 17) | 4,10,097.14 | 2,98,661.57 |
| Current Borrowings (note 22) | 89,414.11 | 86,827.30 |
| Current Investments (note 8) | (7,081.82) | (20,469.50) |
| Cash and cash equivalents (Note 10) | (25,713.63) | (10,304.08) |
| Fixed Deposits (note 5, 11 & 12) | (1,31,663.45) | (98,100.23) |
| **Net debt** | **3,35,052.35** | **2,56,615.06** |
| Total Equity (note 15 & 16) | 4,64,235.31 | 4,29,063.63 |
| **Capital and net debt** | **7,99,287.66** | **6,85,678.69** |
| Gearing ratio | 41.92% | 37.42% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

## 17. Non-Current Financial Liabilities - Borrowings

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **(Carried at amortised cost)** | | |
| | **Secured** | | |
| a. | Non convertible debentures | 38,348.76 | 45,675.87 |
| | Less: Current maturities of non convertible debentures (Refer note 22) | (17,400.00) | (17,400.00) |
| b. | Term Loans From banks in Local Currency | 4,01,539.98 | 2,86,071.22 |
| | Less: Current maturities of term loans (Refer note 22) | (24,634.58) | (26,056.32) |
| c. | Vehicle loans | 1,678.81 | 1,547.80 |
| | Less: Current maturities of vehicle loans (Refer note 22) | (897.24) | (649.43) |
| d. | VAT loans from Government | 11,104.90 | 10,135.44 |
| | Less: Current maturities of VAT loans (Refer note 22) | - | (1,388.03) |
| | **Total Secured** | **4,09,740.63** | **2,97,936.55** |
| | Unsecured | | |
| e. | Deferred sales tax liabilities | 1,157.21 | 1,512.44 |
| | Less: Current maturities of deferred sales tax liabilities (Refer note 22) | (800.70) | (787.42) |
| | **Total Unsecured** | **356.51** | **725.02** |
| | | **4,10,097.14** | **2,98,661.57** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 17 a. Particulars of Securities, Repayment & Interest

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| **1) Secured Non Convertible Debentures** | | | | | |
| NCD as shown includes ₹51.24 lacs (31 March 2022 : ₹124.13 lacs) towards amortised expenses. Non Convertible Debentures(NCDs): ₹38,400 lacs (31 March 2022 : ₹45,800.00 lacs) | | | | | |
| i) Security for NCDs for ₹13,400 lacs (31 March 2022 : ₹20,800.00 lacs) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of movable PPE pertaining to Company's existing cement plant at village Muddapur Karnataka | Annual<br>Annual<br>Annual | 2023-24<br>2023-24<br>2025-26 | 10.50%<br>11.00%<br>9.65% | 1,950.00<br>3,450.00<br>8,000.00 | 3,900.00<br>6,900.00<br>10,000.00 |
| ii) Security for NCDs for ₹15,000.00 lacs (31 March 2022: ₹25,000.00 lacs) Secured by first pari-passu charge on the fixed assets related to Company's Grey Cement Plants (excluding mining land, mining leases and vehicles) at (a) Nimbahera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan. | Semi Annual | 2024-25 | 7.36% | 15,000.00 | 25,000.00 |
| iii) Security for NCDs for ₹10,000.00 lacs (31 March 2022: ₹Nil lacs) Secured by first pari-passu charge on the immovable and movable fixed assets (excluding mining land, mining lease, Captive Power plant and vehicles) of Grey Cement Plant situated at village Muddapur, Karnataka. | Semi Annual | 2027-28 | 7.90% | 10,000.00 | - |
| **Sub Total (1)** | | | | **38,400.00** | **45,800.00** |
| **2) Secured Term Loans from Banks** | | | | | |
| Term Loan as shown includes ₹332.53 lacs (31 March 2022: ₹357.16 lacs) towards amortised expenses. | | | | | |
| a) Secured by pari-passu first charge on the Holding Company's PPE (movable & immovable) by way of equitable mortgage on immovable Assets and hypothecation on movable PPE, related to company's existing plant at Nimbahera, Mangrol & Gotan white.<br>i) Holding Company's Existing Plant at Nimbahera<br>ii) Holding Company's Existing Plant at Mangrol<br>iii) Holding Company's Existing White Cement Plant at Gotan consisting of White Cement plant and Thermal Power Plant. | Quarterly | 2023-24 | MCLR+0.10% | 1,559.18 | 3,155.57 |
| b) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land & vehicles and hypothecation of all movable PPE, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka. | Quarterly | 2028-29 | MCLR+ 0.10% | 9,703.87 | 11,476.67 |
| c) Subservient / Residual Charge on current assets of the Holding Company namely inventories and book debts (both present and future) | Quarterly | 2027-28 | MCLR+ 0.10% | 12,000.00 | - |
| d) Subservient / Residual Charge on current assets of the Holding Company namely inventories and book debts (both present and future) | Quarterly | 2027-28 | MCLR+ 0.10% | 20,000.00 | - |
| e) Secured against exclusive charge on entire movable PPE (by way of hypothecation) and on immovable PPE (by way of equitable mortgage) related to the Wall Putty project at Katni, Madhya Pradesh (excluding current assets and mining land, if any). | Quarterly | 2023-24 | Fixed at 7.75% | 1,300.00 | 3,300.00 |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| f) First pari-passu charge on the entire movable and immovable fixed assets pertaining to J.K. Cement Works(Fujairah)FZC, UAE as per prevalent local laws in UAE. Hypothecation of Inventories & assignment of trade receivables. Assignment of the rights under the Land Lease Agreement in respect of lease hold land(both plant and mining land). Corporate Guarantee of J.K. Cement Limited for entire tenor of loan. Assignment of Insurance Contracts/Insurance proceeds arising from the Insurance Contracts. | Quarterly | 2024-25 | 3.25% + 6 Month LIBORE | - | 9,526.42 |
| g) Secured by pari-passu first charge by way of (i) equitable mortgage of the immovable properties, present and future, pertaining to the project related to Panna and Hamirpur plants (Project) (excluding the mining land) and (ii) hypothecation of the movable fixed assets pertaining to the Project (save and except the Current Assets and vehicles), both present and future, including movable plant and machinery, furniture, fixtures, and all other moveable fixed assets related to the Project. | Quarterly | 2036-37 | Link to MCLR | 1,61,192.87 | 48,945.13 |
| h) Secured by First charge by way of equitable mortgage, on all the immovable properties, both present and future pertaining to, of the new cement Plants at Mangrol, Rajasthan (save and except mining land) including captive power plant of 25 MW and waste heat recovery based power plant of 10 MW and split Grinding Unit at Jharli, Haryana and hypothecation of all the movable PPE of the above plants (save and except Current Assets), both present and future and second charge on all current assets, present and future, pertaining to the above plants (subject to prior charge created or to be created on the Current Assets in favour of the Working Capital Lenders for securing the Working Capital Facilities. | Quarterly | 2030-31 | MCLR+ 0.10% | 86,952.40 | 96,935.44 |
| (i) (i) Secured by pari-passu first charge by way of equitable mortgage of the immovable properties, present and future, pertaining to the Mangrol 3rd Line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit and Balasinor Grinding unit but excluding mining land. (ii) First pari-passu charge with existing lenders by way of equitable mortgage of the immovable properties present and future, pertaining to the Mangrol expanded Grinding unit and Nimbahera expanded Grinding unit but excluded the mining land. (iii) Secured by pari passu first charge by way of hypothecation of the movable fixed assets both present and future, pertaining to the Mangrol 3rd Line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit and Balasinor Grinding unit, (save and except the current assets and vehicles). (iv) First pari-passu charge by way of hypothecation of the movable fixed assets, both present and future, pertaining to Mangrol expanded Grinding unit and Nimbahera expanded Grinding unit (save and except the current assets and vehicles). (v) Secured by second charge by way of hypothecation of the current assets pertaining to Mangrol 3rd line clinker unit, Mangrol WHR Plant, Aligarh Grinding unit, Balasinor Grinding unit, Mangrol Expanded Grinding unit and Nimbahera Expanded Grinding unit both present and future (subject to prior charge created or to be created on the current assets in favour of borrower's bankers for securing their working capital advances.). | Quarterly | 2032-33 | MCLR+ 0.10% | 1,09,164.19 | 1,13,089.15 |
| **Sub Total (2)** | | | | **4,01,872.51** | **2,86,428.38** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Loan's Securities | Repayment Frequency | Year of Maturity | Rate of Interest p.a. | Carrying Amount As at 31 March 2023 | Carrying Amount As at 31 March 2022 |
|---|---|---|---|---|---|
| **3) Secured Vehicle loans from Banks** | | | | | |
| Secured by hypothecation of vehicles | Monthly | 3 years | Fixed rate | 1,678.81 | 1,547.80 |
| **4) Secured VAT loans from Government** | | | | | |
| Secured by second pari passu charge by way of equitable mortgage of land building and plant and machinery pertaining to J.K. Cement Works, Muddapur,Karnataka and bank guarantee.The availment of said scheme is still continued. | 10 years | 10 years from Grant | Interest Free | 11,104.90 | 10,135.44 |
| **5) Unsecured Deferred sales tax liabilities** | | | | | |
| Unsecured interest free Deferred sales tax liabilities | Quarterly | 2024-25 | Interest Free | 1,157.21 | 1,512.44 |
| **Total (1)+(2)+(3)+(4)+(5)** | | | | **4,54,213.43** | **3,45,424.06** |
| Less : Amortised expenses | | | | (383.77) | (481.29) |
| Less : Shown in current maturities of long term debt [Refer note 22] | | | | (43,732.52) | (46,281.20) |
| **Balance shown as above** | | | | **4,10,097.14** | **2,98,661.57** |

## 17 b. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash and cash equivalents (note 10) | 25,713.63 | 10,304.08 |
| Fixed Deposits (note 5,11 & 12) | 1,31,663.45 | 98,100.23 |
| Current investments (note 8) | 7,081.82 | 20,469.50 |
| Current borrowings (note 22) | (89,414.11) | (86,827.30) |
| Non Current borrowings (note 17) | (4,10,097.14) | (2,98,661.57) |
| **Net Debt** | **(3,35,052.35)** | **(2,56,615.06)** |

## 17 c. Changes in liabilities arising from financial activities

| Particulars | Current borrowings | Non-Current borrowings including current maturity of long term borrowings | Lease liabilities (including current and non current) |
|---|---|---|---|
| **Opening balance as at 01 April 2021** | **14,934.70** | **3,25,232.64** | **22,422.14** |
| Addition on account of new leases during the year | - | - | 2,981.75 |
| Cash flow (net) | 25,611.40 | 19,710.13 | (1,795.99) |
| Interest expenses | - | - | 964.25 |
| Foreign exchange impact | - | - | 1,467.67 |
| **As at 31 March 2022** | **40,546.10** | **3,44,942.77** | **26,039.82** |
| Addition on account of new leases during the year | - | - | 2,249.42 |
| Cash flow (net) | 5,119.87 | 1,10,482.72 | (1,586.53) |
| Interest expenses | - | - | 1,120.36 |
| Changes in fair values | - | (1,626.57) | - |
| Addition on account of acquisition of paint undertaking (refer note 46) | 15.62 | 30.74 | - |
| Foreign exchange impact | - | - | 1,884.18 |
| **As at 31 March 2023** | **45,681.59** | **4,53,829.66** | **29,707.25** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 17d. Non-Current Financial Liabilities - Lease

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at Amortised Cost) | | |
| Lease Liabilities [Refer note 3 (i)] | 19,565.04 | 18,852.49 |
| | **19,565.04** | **18,852.49** |

## 18. Non-Current Financial Liabilities - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (Carried at amortised cost) | | |
| Security Deposits | 41,365.19 | 35,837.82 |
| | **41,365.19** | **35,837.82** |

## 19. Non-Current Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Provision for employee benefits | 4,265.81 | 4,245.06 |
| Provision for Mines Restoration Charges* | 1,751.55 | 1,629.78 |
| | **6,017.36** | **5,874.84** |
| *** Provision for Mines Restoration charges:** | | |
| Opening Balance | 1,629.78 | 1,006.68 |
| Addition during the year | 121.77 | 623.10 |
| **Closing Balance** | **1,751.55** | **1,629.78** |

The Holding Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on the estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

## 20. Deferred tax liabilities (net)

### A. The balance comprises temporary differences attributable to:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Property, plant and equipment and intangible assets | 94,671.86 | 87,292.32 |
| **Deferred tax assets** | | |
| Unabsorbed depreciation and business losses | 8,576.13 | 22.34 |
| Provision for employee benefits | 1,268.25 | 1,264.67 |
| Provision for trade receivables, other advances and inventories | 2,095.02 | 852.46 |
| Provision for contigencies and others | 1,713.31 | 3,106.63 |
| MAT Credit Entitlement | 80.02 | 8,220.34 |
| | **80,939.13** | **73,825.88** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### B. Movement in deferred tax balances

| | As at 31 March 2022 | Recognised in P&L charge/(credit) / Additions* | Recognised in OCI charge/(credit) | As at 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 87,292.32 | 7,379.54 | - | 94,671.86 |
| **Sub- total (a)** | **87,292.32** | **7,379.54** | **-** | **94,671.86** |
| **Deferred Tax Assets** | | | | |
| Unabsorbed depreciation and business losses | 22.34 | 8,553.79 | - | 8,576.13 |
| Provision for employee benefits | 1,264.67 | 177.96 | (174.38) | 1,268.25 |
| Provision for trade receivables, other advances and inventories | 852.46 | 1,242.56 | - | 2,095.02 |
| Provision for contigencies and others | 3,106.63 | (1,393.32) | - | 1,713.31 |
| **Sub- total (b)** | **5,246.10** | **8,580.99** | **(174.38)** | **13,652.71** |
| **Deferred tax liability (a)-(b)** | **82,046.22** | **(1,201.45)** | **174.38** | **81,019.15** |
| MAT Credit Entitlement | 8,220.34 | (8,140.32) | - | 80.02 |
| **Deferred tax liability (net)** | **73,825.88** | **6,938.87** | **174.38** | **80,939.13** |

* includes addition of deferred tax asset of ₹38.09 lacs on account of acquisition of paint undertaking (refer note 46). Accordingly, the net charge in statement of profit and loss amounts to ₹6,976.96.

| | As at 31 March 2021 | Recognised in P&L charge/(credit) | Recognised in OCI charge/(credit) | As at 31 March 2022 |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment and intangible assets | 77,926.22 | 9,366.10 | - | 87,292.32 |
| **Sub- Total (a)** | **77,926.22** | **9,366.10** | **-** | **87,292.32** |
| **Deferred Tax Assets** | | | | |
| Unabsorbed depreciation and business losses | 97.41 | (76.11) | 1.04 | 22.34 |
| Provision for employee benefits | 1,281.42 | 187.69 | (204.44) | 1,264.67 |
| Provision for trade receivables, other advances and inventories | 841.87 | 10.59 | - | 852.46 |
| Provision for contigencies and others | 2,945.73 | 160.90 | - | 3,106.63 |
| **Sub- Total (b)** | **5,166.43** | **283.07** | **(203.40)** | **5,246.10** |
| **Deferred tax liability (a-b)** | **72,759.79** | **9,083.03** | **203.40** | **82,046.22** |
| MAT Credit Entitlement | 13,462.96 | (5,242.62) | - | 8,220.34 |
| **Deferred tax liability (net)** | **59,296.83** | **14,325.65** | **203.40** | **73,825.88** |

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same tax authority.

### C. Amounts recognised in profit or loss

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current tax expense*** | | |
| Current year | 14,247.53 | 19,044.51 |
| Earlier year Tax Adjustment | (3.28) | - |
| | **14,244.25** | **19,044.51** |
| **Deferred tax charged/(credit)** | | |
| Origination and reversal of temporary differences | 6,976.96 | 15,746.42 |
| Earlier year Tax Adjustment | - | (1,420.77) |
| | **6,976.96** | **14,325.65** |
| **Total Tax Expense** | **21,221.21** | **33,370.16** |

*The Government of India on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income-tax Act, 1961, which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective, 1 April 2019, subject to certain conditions. The Group is continuing to provide for income tax at old rates, considering available unutilised minimum alternative tax credit, unabsorbed depreciation & business losses and other tax benefits/holidays.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

In calculating the tax provisions, the Group has considered certain deductions under section 80IA as being deductible for tax purposes based on expert opinion and other court rulings in similar matters.Accordingly management has determined that no provision is required to be recognised for these deductions.

### D. Amounts recognised in Other Comprehensive Income

| | For the year ended 31 March 2023 | | | For the year ended 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (Expense)/ Income & Exchange difference | Net of tax | Before tax | Tax (Expense)/ Income & Exchange difference | Net of tax |
| Remeasurements of defined benefit liability | 502.11 | (174.38) | 327.73 | 585.05 | (204.44) | 380.61 |
| | **502.11** | **(174.38)** | **327.73** | **585.05** | **(204.44)** | **380.61** |

### E. Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate(s)

| | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Rate | Amount | Rate | Amount |
| **Profit before tax** | 34.94% | 63,129.16 | 34.94% | 1,01,291.27 |
| Tax using the Holding Company's domestic tax rate | | 22,059.85 | | 35,395.22 |
| Tax effect of: | | | | |
| Non-deductible expenses | | 677.20 | | 865.13 |
| Tax-exempt income & incentives | | (4,873.29) | | (4,351.40) |
| Adjustments in earlier years tax | | (3.28) | | (1,420.77) |
| Difference in tax rate | | 3,360.72 | | 2,881.98 |
| | | **21,221.21** | | **33,370.16** |
| **Income tax expenses reported in statement of profit & loss** | | **21,221.21** | | **33,370.16** |

At effective income tax rate of 33.62% (31 March 2022: 32.94 %)

## 21. Other non-current liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income from government grants | 11,603.83 | 11,141.28 |
| | **11,603.83** | **11,141.28** |

Government grants have been received against the purchase of certain items of property, plant and equipment and sales tax loan. There are no unfulfilled conditions or contingencies attached to these grants.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | | |
| Current (Refer note 25) | 1,462.96 | 821.76 |
| Non Current | 11,141.28 | 7,820.63 |
| | **12,604.24** | **8,642.39** |
| Net received during the year | 2,790.26 | 5,154.82 |
| Amortised during the year | (1,965.59) | (1,192.97) |
| **Closing Balance** | **13,428.91** | **12,604.24** |
| Current (Refer note 25) | 1,825.08 | 1,462.96 |
| Non Current | 11,603.83 | 11,141.28 |
| | **13,428.91** | **12,604.24** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 22. Current Financial Liabilities - Borrowings

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(Carried at Amortised Cost)** | | |
| Loan repayable on demand (Secured)* | | |
| - From banks | 43,589.86 | 27,490.20 |
| -Acceptance - Bill of Exchange | 2,091.73 | 555.90 |
| -Commercial Paper | - | 12,500.00 |
| Current maturities of long-term debt (Refer note 22) | 43,732.52 | 46,281.20 |
| | **89,414.11** | **86,827.30** |

*Loan repayable on demand are secured by first charge on current assets of the Holding company namely inventories, book debts etc. and second charge on PPE of the Holding Company except the PPE pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Balasinor, J.K. Cement Works, Katni and the assets having exclusive charge of other lenders. Second charge on fixed assets at Karnataka plant shall rank pari passu with the State Govt. of Karnataka for interest free loan against VAT payable by the Borrower.

## 22a. Current Financial Liabilities - Lease

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Lease Liabilities [Refer note 3 (i)] | 10,142.21 | 7,187.33 |
| | **10,142.21** | **7,187.33** |

## 23. Current Financial Liabilities - Trade Payables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(Carried at Amortised Cost)** | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 9,783.82 | 6,544.39 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 72,430.16 | 64,970.52 |
| | **82,213.98** | **71,514.91** |

### Trade payable Ageing Schedule

**As at 31 March 2023**

| Particulars | Outstanding for following periods | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2023 | Unbilled | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Micro enterprises and small enterprises | 9,783.83 | - | 9,408.24 | 256.07 | 102.45 | 17.07 |
| (ii) Creditors other than micro enterprises and small enterprises | 72,430.15 | 21,588.21 | 49,033.55 | 1,060.19 | 321.13 | 427.07 |
| | **82,213.98** | **21,588.21** | **58,441.79** | **1,316.26** | **423.58** | **444.14** |

### Trade payable Ageing Schedule

**As at 31 March 2022**

| Particulars | Outstanding for following periods | | | | | |
|---|---|---|---|---|---|---|
| | Total 31 March 2022 | Unbilled | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years |
| (i) Micro enterprises and small enterprises | 6,544.39 | - | 6,289.65 | 206.05 | 38.03 | 10.66 |
| (ii) Creditors other than micro enterprises and small enterprises | 64,970.52 | 19,022.84 | 44,059.76 | 1,249.61 | 321.67 | 316.64 |
| | **71,514.91** | **19,022.84** | **50,349.41** | **1,455.66** | **359.70** | **327.30** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

Based on the information available with the Group regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises as on 31 March 2023 as per the terms of contract.

Trade payables are non-interest bearing and are generally on terms of below 90 days.

## 24. Current Financial Liabilities - Others

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(Carried at Amortised Cost)** | | |
| Employee dues | 1,824.72 | 2,216.59 |
| Interest accrued but not due on borrowings | 476.89 | 868.63 |
| Unpaid dividends* | 166.28 | 165.50 |
| Unclaimed fraction money | 9.21 | 9.21 |
| Security deposits** | 4,576.97 | 3,663.49 |
| Project creditors | 16,382.61 | 14,443.00 |
| Temporary book overdraft | 197.08 | 4,572.90 |
| Others | 2,025.02 | 1,912.54 |
| | **25,658.78** | **27,851.86** |

*Unpaid dividends does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

**Balance includes security deposit received from the retailers & interest due on security deposits.

## 25. Other Current Liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Statutory dues payable | 18,921.24 | 18,938.55 |
| Deferred income from government grants | 1,825.08 | 1,462.96 |
| Advance from customers | 15,915.64 | 14,078.60 |
| Others* | 41,496.71 | 31,165.07 |
| | **78,158.67** | **65,645.18** |

*It includes Retention price and Liability towards dealer incentive relates to the accrual and release of in-kind discount.

## 26. Current Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Employee benefits | 935.12 | 778.03 |
| Contingency* | 8,159.92 | 7,235.67 |
| | **9,095.04** | **8,013.70** |

* Movement of provision during the year as required by Ind AS - 37 " Provisions, Contingent Liabilities and Contingent Asset"

### Provision for Contingency

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 7,235.67 | 7,384.49 |
| Add: Provision during the year (net) | 924.25 | 1,031.15 |
| Less: Utilisation during the year | - | (1,179.97) |
| **Closing Balance** | **8,159.92** | **7,235.67** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 27. Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Sale of finished goods | 9,11,355.55 | 7,68,201.15 |
| Sale of traded goods | 39,017.21 | 15,822.79 |
| **Total (i)*** | **9,50,372.76** | **7,84,023.94** |
| **Other operating revenues** | | |
| Claims realised | 149.08 | 156.70 |
| Government grants | 13,327.99 | 9,263.35 |
| Miscellaneous income | 8,170.09 | 5,637.91 |
| **Total (ii)** | **21,647.16** | **15,057.96** |
| **Revenue from operations [(i) + (ii)]** | **9,72,019.92** | **7,99,081.90** |

### *Reconciliation of Revenue as per Contract Price and as recognised in the Statement of Profit and Loss

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Revenue as per Contract Price | 10,88,841.62 | 8,95,923.69 |
| Less: Discounts and Incentives** | (1,38,468.86) | (1,11,899.75) |
| **Total Revenue from operations** | **9,50,372.76** | **7,84,023.94** |

**Includes variable considerations which are included in the transaction price determined at the inception of the contract.

### Disaggregated revenue information

a. The Group is primarily in the business of manufacture and sale of cement. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The amounts receivable from customers are generally on terms of 0 to 90 days. There is no significant financing component in any transaction with the customers.

b. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

c. The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d. The management determines that the segment information reported in Note 37 is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

## 28. Other Income

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income from financial assets measured at amortised cost | | |
| - from bank deposits | 5,933.04 | 6,698.66 |
| - from others | 77.89 | 859.83 |
| Gain on fair valuation/sale of investment (net) | 351.03 | 51.66 |
| Government grants * | 743.50 | 300.45 |
| Miscellaneous income | 1,635.06 | 5,952.79 |
| Net Gain on Foreign Currency transactions and translation | - | 423.85 |
| | **8,740.52** | **14,287.24** |

*Government grants income on account of capital subsidy recognised over the period of useful life of property, plant and equipment against which the grant is received.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 29. Cost of Materials Consumed

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening inventory (A) | 27,465.55 | 15,509.48 |
| Purchases (B)* | 1,34,082.22 | 1,32,511.56 |
| Closing inventory (C) | (12,390.08) | (27,465.55) |
| **Total (A+B+C)** | **1,49,157.69** | **1,20,555.49** |

* includes amount of ₹535.96 lacs on account of acquisition of Paint undertaking (refer note 46)

## 30. Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Closing Inventory** | | |
| Work-in-progress | 12,167.30 | 11,426.34 |
| Finished goods | 12,862.59 | 10,643.67 |
| Traded Goods | 819.72 | 288.24 |
| **Total (A)** | **25,849.61** | **22,358.25** |
| **Opening Inventory** | | |
| Work-in-progress | 11,426.34 | 10,295.94 |
| Finished goods* | 11,605.83 | 9,553.57 |
| Traded Goods | 288.24 | 209.60 |
| **Total (B)** | **23,320.41** | **20,059.11** |
| **Total (B-A)** | **(2,529.20)** | **(2,299.14)** |

* includes amount of ₹962.16 lacs on account of acquisition of Paint undertaking (refer note 46)

## 31. Employee Benefits Expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries and wages | 56,147.81 | 49,045.91 |
| Contribution to provident and other funds | 4,217.65 | 3,852.07 |
| Staff welfare expenses | 3,410.25 | 2,996.88 |
| | **63,775.71** | **55,894.86** |

## 32. Finance Costs

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest expenses | 33,121.90 | 26,369.28 |
| Interest expenses on Lease liabilities | 1,120.36 | 964.25 |
| Other borrowing costs (includes bank charges, etc.) | 583.12 | 487.66 |
| Unwinding of discounts | 1,163.69 | 957.79 |
| Loss on forward Contract | 286.48 | 50.78 |
| Exchange rate differences regarded as an adjustment to borrowing costs | 161.18 | - |
| | **36,436.73** | **28,829.76** |
| Less: Interest Capitalised | (5,218.71) | (1,860.54) |
| | **31,218.02** | **26,969.22** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 33. Depreciation and Amortisation Expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation on tangible assets (Refer note 2) | 42,189.46 | 31,126.44 |
| Amortisation on intangible assets (Refer note 3) | 342.04 | 353.64 |
| Depreciation on Right of use assets (Refer note 3 (i)) | 3,292.33 | 2,766.47 |
| | **45,823.83** | **34,246.55** |

## 34. Other Expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Packing material consumed | 41,046.38 | 36,917.85 |
| Stores and spares consumed | 15,587.82 | 13,730.65 |
| Repairs and maintenance: | | |
| - Buildings | 1,901.87 | 2,016.37 |
| - Plant and machinery | 12,542.20 | 10,404.86 |
| - Others | 111.33 | 147.41 |
| Other manufacturing expenses | 1,442.70 | 1,462.52 |
| Rent | 2,446.52 | 1,791.28 |
| Lease rent and hire charges | 251.80 | 356.96 |
| Rates and taxes | 1,659.34 | 2,534.87 |
| Insurance | 2,732.49 | 2,470.76 |
| Travelling and conveyance # | 6,921.13 | 3,947.83 |
| Corporate social responsibility expenses (Refer note 42) | 2,686.46 | 1,695.85 |
| Bad trade receivables / advances / deposits written off | (0.33) | 6.00 |
| Expected Credit loss for trade receivables/advances | 618.73 | 15.52 |
| Loss on disposal of property, plant & equipment | 1,244.35 | 3,043.41 |
| Legal & professional expenses | 11,431.31 | 10,290.95 |
| Sales promotion and other selling expenses | 21,748.96 | 16,015.47 |
| Advertisement and publicity | 8,343.51 | 8,503.77 |
| Miscellaneous expenses # | 25,160.82 | 20,307.14 |
| | **1,57,877.39** | **1,35,659.47** |

### # Details of Payments to Statutory Auditors

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| As auditor: | | |
| Audit fees | 213.38 | 185.81 |
| **For other services** | | |
| Certification fees and other matters | 35.50 | 59.16 |
| Re-imbursement of expenses | 11.66 | 0.30 |
| | **260.54** | **245.27** |

## 35. Earning Per Share

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Total profit for the year attributable to Equity shareholders | 42,632.67 | 67,921.11 |
| Weighted average number of equity shares of ₹10/- each (In lacs) | 772.68 | 772.68 |
| EPS - Basic and Diluted (₹) | 55.17 | 87.90 |

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 36. Contingent Liabilities, Contingent assets and commitments

### (A) Contingent Liabilities

| | | As at 31 March 2023 | As at 31 March 2023 |
|---|---|---|---|
| (i) | Claim against the Group not acknowledged as debts includes show cause notices pertaining to excise duty, interest which is included in point no. 5 below and others (cash flow is dependent on court decision pending at various level) | 4,367.73 | 4,470.30 |
| (ii) | There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Holding Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact. As a matter of caution, the Holding Company has applied the judgement on a prospective basis from the date of the SC order. The Holding Company will update its provision for the period prior to the Supreme Court judgement, on receiving further clarity on the subject. | - | - |
| (iii) | Letters of guarantees | 789.00 | 789.00 |
| **Other for which the Group is contingently liable** | | | |
| (iv) | In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts- no provision has been considered necessary by the Management | | |
| | a) Excise Duty and Octroi* | 678.16 | 2,606.37 |
| | b) GST, Sales Tax and Entry Tax* | 11,177.72 | 10,480.80 |
| | c) Service Tax* | - | 48.56 |
| | d) Income Tax (primarily on account of disallowance of 80 IA claims, depreciation on goodwill and additional depreciation on Power Plants etc.) | 3,187.97 | 6,219.95 |
| (v) | In respect of Interest on " Cement Retention Price" realised in earlier years | 1,353.33 | 1,332.95 |
| (vi) | The Competition Commission of India ('CCI') has imposed penalty of ₹12,854 lacs ('first matter') and ₹928 lacs ('second matter') in two separate orders dated 31 August 2016 and 19 January 2017 respectively for alleged contravention of provisions of Competition Act 2002 by the Holding Company. The Holding Company has filed appeals against the above orders. The National Company Law Appellate Tribunal ('NCLAT'), on hearing the appeal in the first matter, upheld the decision of CCI for levying the penalty vide its order dated 25 July 2018. Post order of the NCLAT, CCI issued a revised demand notice dated 07 August 2018 of ₹15,492 lacs consisting of penalty of ₹12,854 lacs and interest of ₹2,638 lacs. The Holding Company has filed appeal with Hon'ble Supreme Court against the above order. Hon'ble Supreme Court has stayed the NCLAT order. In the second matter, demand had been stayed and the matter is pending for the hearing before NCLAT. While the appeal of the Holding Company is pending for hearing, the Holding Company backed by a legal opinion, believes that it has a good case and accordingly no provision has been considered in the books of accounts. | 13,782.00 | 13,782.00 |
| (vii) | In respect of land tax levied by State Government of Rajasthan | 15.46 | 15.46 |
| (viii) | In respect of demand of Railway Administration pending with Jodhpur High Court | 266.18 | 257.16 |
| (ix) | In respect of charges on account of electricity duty, water cess etc levied by Ajmer Vidyut Vitran Nigam Ltd. | 5,738.39 | 5,117.69 |
| (x) | In respect of Environmental and Health Cess | 1,902.11 | 328.37 |
| (xi) | In respect of Interest on Rajasthan Electricity duty WHR 2017-18,2018-2019 and 2019-2020 | - | 460.51 |
| (xii) | In respect of Workmen Compensation Act Case no. 55/2020 | 6.33 | 6.33 |
| (xiii) | In respect of S.B. Civil Misc. Appeal no. 919/2013 | 1.62 | 1.62 |
| (xiv) | In respect of J.K. Cement Vs Jagdish Jatia & Others 89/2019 | 3.00 | 3.00 |
| (xv) | In respect of J.K. Cement Vs G.M.(Eastern)Railway Kolkata & Others 32/05 & 33/05, case nos 5299/2019 and 5312/2019 | 52.49 | 52.49 |
| (xvi) | Common effluent treatment plant (CETP) demand charges | 23.56 | - |

* disputes are primarily on account of disallowances of input credits, entry tax ( including interest & penalities), etc.

| | | |
|---|---|---|
| **B. Commitments** | | |
| Capital commitments | 30,604.52 | 80,367.86 |
| **C. Contingent assets** | | |
| Insurance Claims | 408.86 | 359.08 |
| Refund expected in legal cases | 219.00 | 259.17 |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 37. Segment information

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the Group's management and internal reporting structure.

### Operating Segments

The Group's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at company level, accordingly there is only one Reportable Segment for the Group which is "Cement", hence no specific disclosures have been made.

### Entity wide disclosures

**A. Information about geographical areas**

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets) are in India and UAE.

| Revenue | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Within territory | 9,22,390.94 | 7,58,788.52 |
| Outside territory | 27,981.82 | 25,235.42 |

**B. Information about major customers (from external customers)**

The Group has not derived revenues from single customer during the year as well as during previous year which amount to 10% or more of the entity's revenues.

## 38. Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

### (i) Defined Contribution Plans:

The Group makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Contribution to Government Provident Fund | 1,961.43 | 1,724.42 |
| Contribution to Superannuation Scheme | 351.78 | 369.62 |
| Contribution to Family Pension Fund | 682.39 | 646.09 |

### (ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to Group Gratuity Trust (J. K. Cement Gratuity Fund) registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

**A.** Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Net defined benefit obligation | 7,469.23 | 7,841.77 |
| Total employee benefit asset | 7,080.01 | 7,607.15 |
| **Net defined benefit liability** | **389.22** | **234.62** |

## B. Movement in net defined benefit (asset) liability - Gratuity (Funded)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| Opening Balance | 7,841.77 | 7,607.15 | 234.62 | 7,863.12 | 7,237.72 | 625.40 |
| **Included in profit or loss** | | | | | | |
| Current service cost | 879.28 | - | 879.28 | 799.97 | - | 799.97 |
| Interest cost (income) | 471.11 | 463.23 | 7.88 | 471.60 | 451.90 | 19.70 |
| | **1,350.39** | **463.23** | **887.16** | **1,271.57** | **451.90** | **819.67** |
| **Included in OCI** | | | | | | |
| Remeasurements loss (gain) | | | | | | |
| Actuarial loss (gain) arising from: | | | | | | |
| - financial assumptions | (454.97) | - | (454.97) | (171.81) | - | (171.81) |
| - demographic assumptions | - | - | - | (151.80) | - | (151.80) |
| - experience adjustment | (104.12) | - | (104.12) | (214.38) | - | (214.38) |
| – Return on plan assets excluding interest income | - | (56.99) | 56.99 | - | 47.06 | (47.06) |
| | **(559.09)** | **(56.99)** | **(502.10)** | **(537.99)** | **47.06** | **(585.05)** |
| **Other** | | | | | | |
| Contributions paid by the employer | - | 230.45 | (230.45) | - | 625.40 | (625.40) |
| Benefits paid directly by the Group | - | - | - | - | - | - |
| Benefits paid | (920.32) | (920.31) | (0.01) | (754.93) | (754.93) | - |
| Acquisition adjustment | (243.52) | (243.52) | - | - | - | - |
| | **(1,163.84)** | **(933.38)** | **(230.46)** | **(754.93)** | **(129.53)** | **(625.40)** |
| **Closing Balance** | **7,469.23** | **7,080.01** | **389.22** | **7,841.77** | **7,607.15** | **234.62** |

In case of foreign subsidiaries, the amount required to cover end of service benefits at the ending of the reporting period are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at that date. Hence the above details of net defined benefit (asset) liability and its components do not include the figures of foreign subsidiaries.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## C. Plan assets

The plan assets are managed by the Gratuity Trust formed by the Group. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Group.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Government of India Securities (Central and State) | 50.21% | 52.66% |
| High quality corporate bonds (including Public Sector Bonds) | 38.22% | 24.74% |
| Equity shares of listed companies | 0.55% | - |
| Cash (including Special Deposits) | 11.02% | 22.60% |

## D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.10% | 6.60% |
| Mortality | IALM (2006-08) | IALM (2006-08) |
| Turnover rate : Staff | 10% of all ages | 10% of all ages |
| Turnover rate : Worker | 1% of all ages | 1% of all ages |
| Expected rate of future salary increase | First Year-7% Thereafter-10% | 10% |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2023, the weighted-average duration of the defined benefit obligation was 7 years (as at 31 March 2022: 7 years).

## E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**Gratuity**

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (514.98) | 595.18 | (521.87) | 603.88 |
| Expected rate of future salary increase (1% movement) | 468.91 | (443.33) | 476.03 | (447.52) |
| | **(46.07)** | **151.85** | **(45.84)** | **156.36** |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The actuarial demographic assumptions taken for the calculation are as follows

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| Withdrawal Rate | Staff | 10% | Staff | 10% |
| | Workers | 1% | Workers | 1% |
| Mortality Rate | Indian Assured Lives Mortality (2006-08)Ultimate | | Indian Assured Lives Mortality (2006-08)Ultimate | |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

**F.** Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the scheme's bond holdings.

**Life expectancy:** The pension obligations are to provide benefits for the life of the member, so increase in life expectancy will result in increase in plans liability. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the pension obligations under the employee benefit plan term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets at reporting date consists of government and corporate bonds, although the group also invests in equities, cash and mutual funds. The group believes that equities offer the best returns over the long term with an acceptable level of risk.

### G. The expected benefit payments in future years:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 892.94 | 866.95 |
| Between 2 and 5 years | 4,092.32 | 4,176.79 |
| Between 5 and 10 years | 5,861.57 | 5,415.19 |
| Beyond 10 years | 25,232.08 | 19,474.02 |
| **Total expected payments** | **36,078.91** | **29,932.95** |

### H. The expected employer contribution in the next year

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 389.22 | 234.62 |

### I. Social Security Code

The Code on Social Security, 2020 ('Code) amended and consolidated the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors. In light of the amended code, employers are required to assess the impact of change in definition of wages on their organisations. A change in the definition of wage might have a large impact due to enhanced provision for gratuity/leave, net pay of employees, possible enhanced provision for Provident Fund and other employee benefits dependent on the wages.

The government decided to defer the decision to notify the date of implementation of the code, so the companies are advised to include a disclosure about the impact on transition to the new code in their financial statements. However, once the code becomes effective the entities will be required to evaluate if the changes are a plan amendment or change in actuarial assumption.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 39. Related parties

1 **(a) Parties having direct or indirect control over the Company with whom we have made transactions during the year:-**

i) Yadu International Ltd
ii) Lohia Packaging Solution(Division Lohia)

**(b) Subsidiary Companies**

| | |
|---|---|
| i) Jaykaycem (Central) Ltd. | Wholly-owned Subsidiary |
| ii) J. K. Cement (Fujairah) FZC | Wholly-owned Subsidiary |
| iii) J. K. Cement Works(Fujairah) FZC | Step down Subsidiary |
| iv) J. K. White Cement(Africa) Ltd. | Step down Subsidiary |
| v) J.K. Maxx Paint Ltd. (Erstwhile J. K. Paints & Coatings Ltd.) | Wholly-owned Subsidiary |
| vi) Acro Paints Ltd. | Step down Subsidiary |

**(c) Director, Key Management Personnel & their Relatives :**

| | |
|---|---|
| i) Dr. Raghavpat Singhania | Managing Director |
| ii) Shri Madhavkrishna Singhania | Dy Managing Director and CEO |
| iii) Smt. Sushila Devi Singhania | Chairperson and Non Executive Non Independent Director |
| iv) Dr. Nidhipati Singhania | Vice Chairman and Non- Executive Non- Independent Director |
| v) Shri Sudhir Jalan | Non Executive Non Independent Director |
| vi) Shri Ajay Kumar Saraogi | Dy Managing Director and CFO |
| vii) Mr. Paul Heinz Hugentobler | Non Executive Non Independent Director |
| viii) Shri Shambhu Singh | Company Secretary |
| ix) Dr. Krishna Behari Agarwal | Non Executive Independent Director |
| x) Smt. Deepa Gopalan Wadhwa | Non Executive Independent Director |
| xi) Shri Ashok Sinha | Non Executive Independent Director |
| xii) Shri Saurabh Chandra | Non Executive Independent Director |
| xiii) Mudit Aggarwal | Non Executive Independent Director |
| xiv) Shri Ajay Narayan Jha | Non Executive Independent Director |
| xv) Shri Satish Kumar Kalra | Non Executive Independent Director |

**(e) Director, Key Management Personnel of Subsidiaries:**

| | |
|---|---|
| i) Dr. Raghavpat Singhania | Managing Director |
| ii) Shri Madhavkrishna Singhania | Dy Managing Director and CEO |
| iii) Shri Ajay Kumar Saraogi | Non-Executive Non- Independent Director |
| iv) Mr. Paul Heinz Hugentobler | Non-Executive Non- Independent Director |
| v) Shri Tushar Sawhney | Non-Executive Non- Independent Director |
| vi) Shri Amit Kothari | CEO & Whole Time Director |
| vii) Shri Anil Kumar Agarwal | Non-Executive Non- Independent Director |
| viii) Shri Rajnish Rawat | CFO |
| ix) Shri Prabhat Srivastava | Company Secretary |

**(f) Enterprises significantly influenced by Directors, Key Management Personnel or their Relatives with whom we have made transactions during the year**

i) Lala Kamlapat Singhania Education Centre
ii) J. K. Cement Nimbahera Foundation
iii) J. K. Gotan Foundation
iv) Kailash Nagar Education Society
v) Yadupati Singhania Vocational Education Foundation
vi) Sir Padampat Singhania University
vii) J K Cement(Western) Ltd
viii) Jaykaycem (Northern) Ltd
ix) J K Paints and Pigments Limited (Erstwhile Jaykaycem (Eastern) Ltd)

**(g) Trust under common control**

i) J. K. Cement Gratuity Fund
ii) J. K. Cement Employees Superannuation Fund

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

(2) a) Following are the transactions with related parties as defined under section 188 of Companies Act 2013 and Ind AS 24.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **(a) Parties having direct or indirect control** | | |
| (i) Yadu International Ltd | | |
| - Lease Rent paid | 50.00 | 4.17 |
| (ii) Lohia Packaing Solution (Division Lohia) | | |
| - Purchase of packing material | 27.08 | - |
| **(c) Key Management Personnel and their relatives** | | |
| **Parent Company :** | | |
| i) Smt Sushila Devi Singhania (Chairperson) | | |
| - Commission | 30.00 | 25.00 |
| - Sitting Fees | 4.50 | 5.00 |
| - Rent paid | 9.12 | 9.12 |
| - Rent paid to relatives | 9.12 | 9.12 |
| ii) Dr. Nidhipati Singhania (Vice-Chairperson) | | |
| - Commission | 20.00 | 20.00 |
| - Sitting Fees | 2.25 | 3.00 |
| - Rent paid | 9.12 | 9.12 |
| iii) Dr. Raghavpat Singhania (Managing Director) | | |
| -Remuneration | 1,612.62 | 1,433.59 |
| iv) Shri Madhavkrishna Singhania (Dy Managing Director and CEO) | | |
| -Remuneration | 1,549.14 | 1,367.14 |
| v) Shri Ajay Kumar Saraogi (Dy Managing Director and CFO) | | |
| -Remuneration | 913.36 | 881.72 |
| vi) Shri Shambhu Singh (Company Secretary) | | |
| -Remuneration | 88.36 | 87.32 |
| vii) Other Directors | | |
| - Commission | 126.00 | 126.00 |
| - Sitting Fees | 34.75 | 45.50 |
| - paid to other Director Shri Paul Heinz Hugentobler on professional capacity. | 122.55 | 112.55 |
| **Subsidiaries Company :** | | |
| i) Other Directors | | |
| - Remuneration | 757.01 | 740.78 |
| - Sitting Fees | 54.68 | 50.72 |
| **(d) Enterprises where significant influence exists** | | |
| (i) Lala Kamlapat Singhania Education Centre | | |
| - School Fees | - | 390.00 |
| - Donation | 210.00 | 375.00 |
| - Sale of cement | 46.45 | - |
| (ii) J. K. Cement Nimbahera Foundation | | |
| - Charity collected & paid | 1,343.94 | - |
| - Donation | 1,200.00 | 400.00 |
| (iii) J. K. Gotan Foundation | | |
| - Charity collected & paid | 308.59 | 326.76 |
| (iv) Kailash Nagar Education Society | | |
| - School Fees | 72.00 | 72.00 |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| (v) Yadupati Singhania Vocational Education Foundation | | |
| - Donation | 200.00 | - |
| (vi) Sir Padampat Singhania University | | |
| - Services received and payment made | 19.19 | - |
| - Sale of goods | 11.12 | - |
| (vii) J K Cement(Western) Ltd | | |
| - Reimbursement made | 0.36 | - |
| (viii)Jaykaycem (Northern) Ltd | | |
| - Reimbursement made | 0.35 | - |
| (viii)J K Paints and Pigments Limited (Erstwhile Jaykaycem (Eastern) Ltd) | | |
| - Reimbursement made | 0.70 | - |
| **(e) Trust under common control** | | |
| (i) J. K. Cement Gratuity Fund | | |
| - Contribution made | 350.66 | 234.62 |
| (i) J. K. Cement Employees Superannuation Fund | | |
| - Contribution made | 340.92 | - |

## b) Outstanding as on date

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Commission Payable to Managing Director & Dy Managing Director | 2,800.00 | 2,500.00 |

## c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees (except corporate guarantees) provided or received for any related party receivables or payables.

## d) Compensation of key management personnel of the Group

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| - short-term employee benefits | 4,920.49 | 3,581.93 |
| - other long-term benefits | - | 26.07 |
| | **4,920.49** | **3,608.00** |

Post employment benefit such as gratuity which are actuarially determined on an overall basis are not disclosed separately.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 40. Financial instruments – Fair values and risk management

### I. Fair value measurements

### A. Financial instruments by category

| | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | 9,229.06 | - | - | 21,567.83 | - | - |
| Other financial assets | - | - | 1,09,858.13 | - | - | 98,550.45 |
| Trade receivables | - | - | 48,007.54 | - | - | 42,679.91 |
| Cash and cash equivalents | - | - | 25,713.63 | - | - | 10,304.08 |
| Other Bank balances | - | - | 57,613.46 | - | - | 22,212.32 |
| | **9,229.06** | **-** | **2,41,192.76** | **21,567.83** | **-** | **1,73,746.76** |
| **Financial liabilities** | | | | | | |
| Non-current Borrowings | - | - | 4,10,097.14 | - | - | 2,98,661.57 |
| Lease Liability | - | - | 29,707.25 | - | - | 26,039.82 |
| Other non-current financial liabilities | - | - | 41,365.19 | - | - | 35,837.82 |
| Current borrowings | - | - | 89,414.11 | - | - | 86,827.30 |
| Trade payables | - | - | 82,213.98 | - | - | 71,514.91 |
| Other current financial liabilities | - | | 25,658.78 | - | - | 27,851.86 |
| | **-** | **-** | **6,78,456.45** | **-** | **-** | **5,46,733.28** |

### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Financial assets and liabilities measured at fair value - recurring fair value measurements**

| | As at 31 March 2023 | | | |
|---|---|---|---|---|
| | Quoted Prices in active markets (Level 1) | Significant Observable inputs (Level 2) | Significant Observable inputs (Level 3) | Total |
| **Financial assets** | | | | |
| **Assets measured at fair value and for which fair value are disclosed** | | | | |
| Investments | | | | |
| Equity Shares | - | - | 1,877.24 | 1,877.24 |
| Mutual Funds & Debentures | 7,081.82 | - | 270.00 | 7,351.82 |
| Other financial assets | - | 1,09,858.13 | - | 1,09,858.13 |
| Trade receivables | - | 48,007.54 | - | 48,007.54 |
| Cash and cash equivalents | - | 25,713.63 | - | 25,713.63 |
| Other Bank balances | - | 57,613.46 | - | 57,613.46 |
| **Financial liabilities** | | | | |
| **Liabilities for which fair values are disclosed** | | | | |
| Non Current Borrowings | - | 4,10,437.25 | - | 4,10,437.25 |
| Lease Liability | - | 29,707.25 | - | 29,707.25 |
| Other non-current financial liabilities | - | 41,365.19 | - | 41,365.19 |
| Current borrowings | - | 89,414.11 | - | 89,414.11 |
| Trade payables | - | 82,213.98 | - | 82,213.98 |
| Other current financial liabilities | - | 25,658.78 | - | 25,658.78 |
| | **7,081.82** | **9,19,989.32** | **2,147.24** | **9,29,218.38** |

**Financial assets and liabilities measured at fair value - recurring fair value measurements**

| | As at 31 March 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| **Assets measured at fair value and for which fair value are disclosed** | | | | |
| Investments | | | | |
| Equity Shares | - | - | 828.33 | 828.33 |
| Mutual Funds, Bonds & Debentures | 20,469.50 | - | 270.00 | 20,739.50 |
| Other financial assets | - | 98,550.45 | - | 98,550.45 |
| Trade receivables | - | 42,679.91 | - | 42,679.91 |
| Cash and cash equivalents | - | 10,304.08 | - | 10,304.08 |
| Other Bank balances | - | 22,212.32 | - | 22,212.32 |
| **Financial liabilities** | | | | |
| **Liabilities for which fair values are disclosed** | | | | |
| Non Current Borrowings | - | 2,98,661.57 | 2,98,217.17 | 5,96,878.74 |
| Lease Liability | - | 26,039.82 | - | 26,039.82 |
| Other non-current financial liabilities | - | 35,837.82 | - | 35,837.82 |
| Current borrowings | - | 86,827.30 | - | 86,827.30 |
| Trade payables | - | 71,514.91 | - | 71,514.91 |
| Other current financial liabilities | - | 27,851.86 | - | 27,851.86 |
| | **20,469.50** | **7,20,480.04** | **2,99,315.50** | **10,40,265.04** |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Particulars | Valuation technique | Significant unobservable inputs | Change | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Atria Wind Power (Chitradurga) Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| Nay Energy Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| FP Centaurus Private Limited | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| Clean Max Matahari Private Limited | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| ReNew Wind Energy AP (Pvt.) Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |
| AMP Solar Technology Pvt. Ltd. | DCF method | Cost is approximate estimate of fair value | - | Sensitivity is not likely to be material |

There are no transfers between level 1 and level 2 during the year

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### C. Fair value of financial assets and liabilities measured at amortised cost

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | |
| Other financial assets | 1,09,858.13 | 1,09,858.13 | 98,550.45 | 98,550.45 |
| Trade receivables | 48,007.54 | 48,007.54 | 42,679.91 | 42,679.91 |
| Cash and cash equivalents | 25,713.63 | 25,713.63 | 10,304.08 | 10,304.08 |
| Other Bank balances | 57,613.46 | 57,613.46 | 22,212.32 | 22,212.32 |
| | **2,41,192.76** | **2,41,192.76** | **1,73,746.76** | **1,73,746.76** |
| **Financial liabilities** | | | | |
| Non-current Borrowings | 4,10,097.14 | 4,10,437.25 | 2,98,661.57 | 2,98,217.17 |
| Lease Liability | 29,707.25 | 29,707.25 | 26,039.82 | 26,039.82 |
| Other non current financial liabilities | 41,365.19 | 42,363.83 | 35,837.82 | 36,836.46 |
| Current borrowings | 89,414.11 | 89,414.11 | 86,827.30 | 86,827.30 |
| Trade payables | 82,213.98 | 82,213.98 | 71,514.91 | 71,514.91 |
| Other current financial liabilities | 25,658.78 | 25,658.78 | 27,851.86 | 27,851.86 |
| | **6,78,456.45** | **6,79,795.20** | **5,46,733.28** | **5,47,287.52** |

The carrying amounts of trade receivables, trade payables, current borrowings, cash and cash equivalent, other bank balances, other current financial liabilities/ assets are considered to be the same as their fair values, due to their short-term nature.

#### Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) The fair value of unquoted non current investments and other non current financial liabilities/assets (majorily Security deposits) are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(b) Fair value of current investment in mutual funds are based on market observable inputs i.e. Net Asset Value at the reporting date.

(c) The fair values of the Company's interest-bearing borrowings were determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

(d) The fair value of lease liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

### II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

#### i. Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Holding Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers including deposits with banks and financial institutions.

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

In monitoring customer credit risk, customers are accompanied according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The Group evaluates the concentration of risk with respect to trade

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors. The Group holds bank guarantees/ security deposits against trade receivables of ₹17,625.43 lacs (31 March 2022: ₹16,688.76 lacs) and as per the terms and condition of the agreements, the Group has the right to encash the bank guarantee or adjust the security deposits in case of defaults.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

During the based on specific assessment, the Group recognised bad debts and advances of 0.04 lacs (31 March 2022: Nil lacs). The year end trade receivables do not include any amounts with such parties.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9

**Reconciliation of loss allowance provision -Trade Receivables**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 1,208.96 | 1,255.11 |
| Less: Provision written back and bad debts written off during the year | (4.99) | (61.67) |
| Add: Provision made during the year (net) | 501.41 | 15.52 |
| **Closing Balance** | **1,705.38** | **1,208.96** |

**Reconciliation of loss allowance provision - Other Receivables**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 135.76 | 135.76 |
| Less: Provision written back and bad debts written off during the year | - | - |
| Add: Provision made during the year (net) | 222.14 | - |
| **Closing Balance** | **357.90** | **135.76** |

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as shown in Note 4,8,10,11 & 12. The Group has not recorded any further loss during the year in these financial instruments and cash deposits as these pertains to counter parties of good credit ratings/credit worthiness.

A default on financial assets is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.



Notes to the Consolidated Financial Statements

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(All amounts are in Rupees lacs, unless otherwise stated)

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(a) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Floating rate** | | |
| Expiring within one year (bank overdraft and other facilities) | - | - |
| Expiring beyond one year (bank loans) | 8,000.00 | 170.00 |
| | **8,000.00** | **170.00** |

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian National Rupee ('INR') and have an average maturity of Nil years (as at 31 March 2022 - Nil years).

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

| | Carrying Amounts 31 March 2023 | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | Total | Less than 1 year | 1–5 years | More than 5 years |
| **Financial liabilities** | | | | | |
| Non-current Borrowings | 4,10,097.14 | 4,10,437.25 | - | 1,76,717.83 | 2,33,719.42 |
| Lease Liability | 29,707.25 | 36,223.21 | 11,429.73 | 12,009.93 | 12,783.56 |
| Other non-current financial liabilities | 41,365.19 | 41,365.19 | - | 41,365.19 | - |
| Current borrowings | 89,414.11 | 89,414.11 | 89,414.11 | - | - |
| Trade payables | 82,213.98 | 82,213.98 | 82,213.98 | - | - |
| Other current financial liabilities | 25,658.78 | 25,658.78 | 25,658.78 | - | - |
| **Total financial liabilities** | **6,78,456.45** | **6,85,312.52** | **2,08,716.60** | **2,30,092.95** | **2,46,502.98** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| | Carrying Amounts 31 March 2022 | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | Total | Less than 1 year | 1-5 years | More than 5 years |
| **Financial liabilities** | | | | | |
| Non-current Borrowings | 2,98,661.57 | 2,99,142.86 | 2,210.29 | 1,38,093.00 | 1,58,839.57 |
| Lease Liability | 26,039.82 | 32,731.92 | 8,116.02 | 8,989.98 | 15,625.92 |
| Other non-current financial liabilities | 35,837.82 | 35,837.82 | - | 35,837.82 | - |
| Current borrowings | 86,827.30 | 80,288.67 | 80,288.67 | - | - |
| Trade payables | 71,514.91 | 71,514.91 | 71,514.91 | - | - |
| Other current financial liabilities | 27,851.86 | 27,894.25 | 27,894.25 | - | - |
| **Total financial liabilities** | **5,46,733.28** | **5,47,410.43** | **1,90,024.14** | **1,82,920.80** | **1,74,465.49** |

iv. **Market risk**

Market risk comprises of Interest rate risk, commodity risk and currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk primarily include trade and other receivables, trade and other payables and borrowings.

### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### Commodity Price Risk

The Company is exposed to commodity price risk arising out of fluctuation in prices of raw materials (flyash, gypsum and laterite) and fuel (coal and pet coke). Such price movements, mostly linked to external factors, can affect the production cost of the Company. To manage this risk, the Company take steps such as monitoring of prices, optimising fuel mix and pursue longer and fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are controlled by central procurement team and reviewed by the senior management.

### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group manages its foreign currency risk by taking foreign currency forward contracts, if required

### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

| | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EUR | GBP | AED | USD | EUR | GBP | J.YEN |
| Trade receivables | 1,88,299.60 | - | - | - | 2,75,214.55 | 1,45,863.96 | - | - |
| Trade payables | 25,84,192.04 | 4,47,056.00 | - | 1,48,278.00 | 1,19,57,210.56 | 1,53,076.00 | 4,750.00 | - |




# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)


The following significant exchange rates have been applied

| | Average Rates | | Year end spot rates | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| USD 1 | 80.33 | 74.51 | 82.22 | 75.81 |
| EUR 1 | 83.71 | 86.59 | 89.61 | 84.66 |
| AED 1 | 21.87 | 20.29 | 22.39 | 20.64 |
| GBP 1 | 96.83 | 101.80 | 101.87 | 99.55 |
| J.YEN 1 | 0.59 | 0.66 | 0.62 | 0.62 |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian National Rupee ('INR') against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Profit or loss, before tax | | Equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **31 March 2023** | | | | |
| USD (10% movement) | 196.98 | (196.98) | 128.15 | (128.15) |
| EUR (10% movement) | 40.06 | (40.06) | 26.06 | (26.06) |
| AED (10% movement) | 3.32 | (3.32) | 2.16 | (2.16) |
| **31 March 2022** | | | | |
| USD (10% movement) | 885.58 | (885.58) | 576.12 | (576.12) |
| EUR (10% movement) | 0.61 | (0.61) | 0.40 | (0.40) |
| GBP (10% movement) | 0.47 | (0.47) | 0.31 | (0.31) |

### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31 March 2023 and 31 March 2022, the Group's borrowings at variable rate were mainly denominated in Indian National Rupee ('INR').

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

| | Nominal Amount | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| **Fixed-rate instruments** | | |
| Financial assets | 1,65,316.64 | 1,21,667.90 |
| Financial liabilities | 93,654.87 | 94,709.37 |
| | **2,58,971.51** | **2,16,377.27** |
| **Variable-rate instruments** | | |
| Financial assets | 7,941.40 | 17,347.11 |
| Financial liabilities | 4,45,129.84 | 3,13,561.42 |
| | **4,53,071.24** | **3,30,908.53** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Profit or loss, before tax | | Equity, net of tax | |
|---|---|---|---|---|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| **31 March 2023** | | | | |
| Variable-rate instruments | (2,581.80) | 2,581.80 | (1,679.62) | 1,679.62 |
| **Cash flow sensitivity** | **(2,581.80)** | **2,581.80** | **(1,679.62)** | **1,679.62** |
| **31 March 2022** | | | | |
| Variable-rate instruments | (2,608.46) | 2,608.46 | (1,696.96) | 1,696.96 |
| **Cash flow sensitivity** | **(2,608.46)** | **2,608.46** | **(1,696.96)** | **1,696.96** |

## 41. Details of dues to micro and small enterprises as defined under the MSMED, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below.

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 9,783.82 | 6,544.39 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iv) 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 under the MSMED Act 2006.The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | - | - |

Dues to Micro and Small Enterprises have been determined to the extent declarations received from vendors.

## 42. Corporate Social Responsibility

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | In Cash | Yet to be paid in cash | In Cash | Yet to be paid in cash |
| i) Gross amount required to be spent by the Company during the year | 2,117.97 | - | 1,689.77 | - |
| ii) Amount approved by the Board to be spent during the year | 2,686.46 | - | 1,695.85 | - |
| iii) Amount spent on: | | | | |
| a) Construction/acquisition of any asset | 1,533.71 | - | 878.83 | - |
| b) On purposes other than (a) above | 1,152.75 | - | 817.02 | - |

### Amount of expenses excess spent

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening Balances | 6.08 | - |
| Amount required to be spent during the year | 2,117.97 | 1,689.77 |
| Amount spent during the year | 2,686.46 | 1,695.85 |
| **Closing Balances** | **568.49** | **6.08** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### Balance of CSR provision/CSR expenses not yet paid in cash

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening Balances | - | - |
| Provision made during the year | 2,686.46 | 1,695.85 |
| Payment made during the year | (2,686.46) | (1,695.85) |
| **Closing Balances** | **-** | **-** |

### Nature of CSR expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Community Welfare | 57.47 | 229.63 |
| Education | 585.06 | 190.80 |
| Environmental Sustainability | 21.23 | 10.37 |
| Health Care | 1,055.05 | 563.47 |
| Livelihood Development | 52.46 | 48.14 |
| Rural Development | 755.21 | 474.88 |
| Sports | 102.42 | 16.61 |
| Covid support | - | 161.95 |
| Art & Culture | 4.32 | - |
| Animal welfare | 53.25 | - |
| **Closing Balances** | **2,686.46** | **1,695.85** |

## 43 (1) Additional information, as required under Schedule III of the Companies Act,2013 of Enterprises:

| Name of Enterprise | Net Assets i.e. (Total Assets-Total Liabilities) | | Share in Profit or Loss | | Share in OCI | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Assets | Amount | As % of Consolidated Profit/(Loss) | Amount | As % of Consolidated OCI | Amount | As % of Consolidated Total Comprehensive Income | Amount |
| **Holding** | | | | | | | | |
| J. K. Cement Ltd. | 54.53% | 2,53,154.07 | 134.28% | 56,275.49 | 202.33% | 9,820.82 | 141.35% | 66,096.31 |
| **Subsidiary (Indian)** | | | | | | | | |
| Jaykaycem Central Ltd. | 25.48% | 1,18,307.70 | (14.24%) | (5,969.40) | 0.22% | 10.87 | (12.74%) | (5,958.53) |
| **Subsidiary including Stepdown Subsidiaries (Indian)** | | | | | | | | |
| J.K.Maxx Paints Ltd (erstwhile J.K.Paints & Coatings Ltd.) & Acro Paints Ltd. | 5.98% | 27,756.99 | (1.86%) | (780.40) | (0.05%) | (2.61) | (1.67%) | (783.01) |
| **Subsidiary including Stepdown Subsidiaries (Foreign)** | | | | | | | | |
| J. K. Cement (Fujairah) FZC, J. K. Cement Works (Fujairah) FZC & J. K. White Cement (Africa) Ltd | 14.96% | 69,456.27 | (16.45%) | (6,893.02) | (96.53%) | (4,685.62) | (24.76%) | (11,578.64) |
| **Non Controlling Interest** | (0.96%) | (4,439.72) | (1.73%) | (724.72) | (5.96%) | (289.49) | (2.17%) | (1,014.21) |
| **Total** | **100.00%** | **4,64,235.31** | **100.00%** | **41,907.95** | **100.00%** | **4,853.97** | **100.00%** | **46,761.92** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 43 (2) Salient Features of Financial Statements of Subsidiaries

| S. No. | Name of the Subsidiary Companies (including step down subsidiaries) | Reporting Currency* | Share Capital | Reserves & Surplus | Non Current Assets | Current Assets | Investment | Total Assets | Non Current Liabilities | Current Liabilities | Total Liabilities | Total Income | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend | % of Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | J. K. Cement (Fujairah) FZC | AED | 98,503.68 | 43,039.68 | 7,974.10 | 6.05 | 80,677.83 | 88,657.97 | 33,171.00 | 22.98 | 33,193.97 | 433.79 | 422.92 | - | 422.92 | - | 100.00 |
| 2 | J. K. Cement Works (Fujairah) FZC (Step down Subsidiary) @ | AED | 19,958.39 | (73,200.92) | 90,453.91 | 18,453.26 | 212.03 | 1,09,119.21 | 1,35,412.28 | 26,949.46 | 1,62,361.74 | 40,487.97 | (7,247.22) | - | (7,247.22) | - | 90.00 |
| 3 | J. K. White Cement (Africa) Limited (Step Down Subsidiary) | TSH | 176.96 | (826.93) | 188.19 | 723.61 | - | 911.80 | 301.08 | 1,260.69 | 1,561.77 | 3,892.13 | (402.44) | 19.03 | (421.47) | - | 100.00 |
| 4 | Jaykaycem (Central) Ltd. | RS. | 4,659.11 | 1,13,648.59 | 2,46,839.18 | 70,892.90 | - | 3,17,732.08 | 1,60,325.18 | 39,099.20 | 1,99,424.38 | 33,265.54 | (8,235.90) | (2,266.50) | (5,969.40) | - | 100.00 |
| 5 | J.K.Maxx Paints Ltd. (erstwhile J.K.Paints & Coatings Ltd) | RS. | 28,540.00 | (909.78) | 16,244.99 | 11,704.15 | - | 27,949.14 | 13.37 | 305.55 | 318.92 | 205.28 | (1,208.45) | (301.28) | (907.17) | - | 100.00 |
| 6 | Acro Paints Limited (Step down subsidiary) | RS. | 93.70 | 3,103.53 | 948.21 | 4,228.53 | - | 5,176.74 | 51.82 | 1,927.69 | 1,979.51 | 2,149.52 | 125.11 | (1.66) | 126.77 | - | 100.00 |

Notes ;

*Closing exchange rate adopted for consolidation: 1 AED = ₹22.3872 and 1 TSH = ₹0.0353919

*Average exchange rate adopted for consolidation: 1 AED = ₹21.8737 and 1 TSH = ₹0.0346610

@ Non-controlling interest as on reporting date is ₹(4,439.72) lacs

Information of subsidiaries as given above are extracted from their respective financial statements.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 44. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % change | Explanation for variation above 25% |
|---|---|---|---|---|---|---|
| Debt-Equity Ratio (in Times) | Long Term Borrowings + Short Term Borrowings | Total Equity | 1.08 | 0.90 | 20% | |
| Debt Service Coverage Ratio (in Times) | Profit before interest and Depreciation but after tax | Principal Debt Repayments + Gross Interest | 1.60 | 1.77 | -10% | |
| Interest Service Coverage Ratio (in Times) | Profit before interest and Depreciation and tax | Gross Interest | 4.61 | 6.13 | -25% | |
| Current Ratio (in Times) | Total Current Assets | Total Current Liabilities-Current maturities of Long term Borrowings | 1.49 | 1.60 | -7% | |
| Long Term Debt to Working Capital (in Times) | Long Term Borrowings + Current maturities of Long term Borrowings | Total Current Assets-(Total Current Liabilities -Current maturities of Long term Borrowings) | 3.69 | 2.62 | 41% | The Long Term Debt to Working Capital Ratio has been increased due to reduction in working capital |
| Bad debts to Account Receivable Ratio (in %) | Bad debts provided | Average Trade receivables | 1.32 | 0.04 | 3200% | The bad debt to account receivable ratio has been increased as during last year there was no provision created for doubtful debts |
| Current Liability Ratio (in Times) | Total Current Liabilities-Current maturities of Long term Borrowings | Total Liabilities | 0.29 | 0.31 | -6% | |
| Total Debts to Total Assets (in Times) | Long Term Borrowings + Short Term Borrowings | Total Assets | 0.38 | 0.34 | 12% | |
| Trade Receivables Turnover Ratio (in Times) | Revenue from sales of Products | Average Trade Receivables | 20.31 | 18.77 | 8% | |
| Inventory Turnover Ratio (in Times) | Revenue from sales of Products | Average Inventories | 8.68 | 7.98 | 9% | |
| Operating Margin (in %) | Profit before interest, Depreciation and tax and non operational income | Total operating income | 13.52 | 18.55 | -27% | The Operating profit margin ratio has been decreased due to decrease in profit before tax and depreciation |
| Net Profit Margin (in %) | Profit for the year | Total Income | 4.27 | 8.35 | -49% | The Net profit margin ratio has been decreased due to decrease in net profit after tax from last year |
| Asset cover ratio for Secured NCDs (in Times) | Net Assets covered | Outstanding Secured NCDs | 10.19 | 8.31 | 23% | |
| Return on Equity (in %) | Profit for the year | Total equity | 9.03 | 15.83 | -43% | The Return on Equity ratio has been decreased due to decrease in net profit after tax from last year |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % change | Explanation for variation above 25% |
|---|---|---|---|---|---|---|
| Return on Capital Employed (in %) | Profit for the year | Total equity fund+Long Term Borrowings+Current maturities of Long term Borrowings+Deferred tax liabilities+Deferred income on government grants | 4.15 | 7.91 | -48% | The Return on capital employed ratio has been decreased due to decrease in net profit after tax from last year |
| Trade Payable Turnover Ratio (in Times) | Revenue from sales of Products | Average Trade Payables | 12.36 | 11.92 | 4% | |
| Net Capital Turnover Ratio (in Times) | Revenue from sales of Products | Net Working Capital | 7.73 | 5.95 | 30% | The Net Capital Turnover Ratio has been increased due to reduction in the blockage of fund in working capital as well as in the revenue from operation. |
| Return on Investment Ratio (in %) | Income generated from invested funds | Average investments | 2.55 | 0.29 | 779% | The Return on Investment Ratio has been increased due to substantial disposal of Investment during current year |

## 45. Additional regulatory information required by Schedule III

### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Holding Company and Indian subsidiary for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### (ii) Borrowing secured against current assets

The Holding Company and Indian subsidiary has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company and Indian subsidiary with banks and financial institutions are in agreement with the books of accounts.

### (iii) Wilful defaulter

The Holding Company and Indian subsidiary have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### (iv) Relationship with struck off companies

The Holding Company and Indian subsidiary has not made any transactions during the year with the companies struck off under Companies Act, 2013 or Companies Act, 1956. However, there are certain old balances lying in books of account as mentioned below:

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding (in Lacs) |
|---|---|---|
| BL and CK(OPC) Private Limited | Trade Receivables | (0.07) |
| DMP Nirman Private Limited | Trade Receivables | (0.11) |

### (v) Compliance with number of layers of companies

The Holding Company and Indian subsidiaries has complied with the number of layers prescribed under the Companies Act, 2013.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

### (vi) Compliance with approved scheme(s) of arrangements

The Board of Directors of Holding Company at their meeting held on August 14,2021 had approved a scheme of amalgamation involving amalgamation of Jaykay Cem (Central) Ltd ('wholly owned subsidiary company') with JK Cement Ltd. under section 230 to 232 and other applicable provisions of the Companies Act, 2013 subject to requisite approvals. Under the aforesaid scheme the appointed date for the amalgamation is April 01, 2021.

The scheme has been approved by the Hon'ble National Company Law Tribunal('NCLT') on March 02, 2023 and management has made application to get the certified copy of the order on March 06, 2023 which is yet to be obtained from the NCLT. Further management is in the process to obtain the other necessary approvals including transfer of Mining right and other incentive scheme in the name of Holding Company. The Scheme shall become effective upon receipt of all requisite approvals, fulfilment of conditions prescribed therein and upon filing of the certified copy of the NCLT Order with the Registrar of Companies involved in the Scheme.

### (vii) Utilisation of borrowed funds and share premium

The Holding Company and Indian subsidiaries has not advanced or lend or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Holding Company and Indian subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### (viii) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were taken.

### (ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (x) Details of crypto currency or virtual currency

The Holding Company and Indian subsidiary has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (xi) Valuation of PPE, intangible asset and investment property

The Holding Company and Indian subsidiary has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### (xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

## 46. Acquisition of paint undertaking of Acro Paints Limited (Ind AS 103)

a.) JK Maxx Paints Limited, a wholly owned Subsidiary of JK Cement Limited ("the Holding Company") has acquired 100% control in Acro Paints Limited, vide Share Purchase Agreement dated December 26, 2022, for a consideration of ₹ 26,655.00 lacs. The management has undertaken provisional Purchase Price Allocation (PPA) on the date of acquisition ( i.e. January 06, 2023) by determining the fair value of property plant and equipment as determined by an external expert and Holding Company is in the process of identifying and valuing the other intangible assets including goodwill. The purchase price is allocated to the fair value of net assets amounting to ₹3,070.46 lacs and balance of ₹23,584.54 lacs is shown as Intangible assets as described below:

| Particulars | Amount |
|---|---|
| Total Consideration Paid | 26,655.00 |
| Less: Fair Value of Net assets acquired (refer note (e) below) | (3,070.46) |
| **Intangible assets (including goodwill) acquired through business combination, pending determination** | **23,584.54** |

b.) Adjustment, resulting from such PPA shall be carried out in the financial statements of Acro Paints Limited and JK Maxx Paints Limited. Consequently, the values of intangible and goodwill shall be determined once the PPA valuation is completed. This is in line with provisions of Ind AS 103 Business Combinations which allows the initial accounting for a business combination to be completed within one year from the acquisition date.

c.) Depreciation on the intangible assets pending determination has not been recorded in these financial statements. However considering that the acquisition is completed on January 06 2023, the depreciation impact is not likely to be material for these financials statements.

d.) In share purchase agreement dated December 26, 2022 a consideration amount of ₹26,655.00 lacs will be paid through Axis bank escrow account on given payment terms by J.K. Maxx Paints Limited.

- 60% on January 06, 2023 ('First Closing Date');
- 20% after expiry of six months from first closing date ('Second Closing Date');and
- 20% after expiry of 6 months from Second closing date.

e.) The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date are as below:

| Particulars | Amount |
|---|---|
| Property, plant and equipment (refer note 2) | 310.64 |
| Right of use assets (refer note 3(i)) | 33.40 |
| Intangible assets (refer note 3) | 0.60 |
| Capital work-in-progress (refer note 2) | 160.14 |
| Other financial assets | 62.41 |
| Deferred tax assets (refer note 20) | 38.09 |
| Other assets | 152.92 |
| Inventories (refer note 29 & 30) | 1498.12 |
| Trade receivables | 865.15 |
| Cash and cash equivalents | 521.72 |
| Bank balances other than above | 1115.44 |
| **Total Assets** | **4758.63** |
| Trade Payables | 1154.86 |
| Non-current borrowings | 30.74 |
| Current borrowings (refer note 17 c) | 15.62 |
| Lease liabilities (refer note 3(i)) | 13.71 |
| Other financial liabilities | 298.04 |
| Other current liabilities | 153.01 |
| Provisions | 22.19 |
| **Total Liabilities** | **1688.17** |
| **Total Fair Value of the Net Assets** | **3070.46** |



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(All amounts are in Rupees lacs, unless otherwise stated)

f.) **Financial Information of Revenue and Profits:**

The amount of revenue and profit of the acquiree since the acquisition date which has been included in the Statement of Profit and Loss for the reporting period:

| Particulars – Amount of the acquiree's undertaking | Revenue | Profit |
|---|---|---|
| From acquisition date | **2,130.00** | **126.77** |

As per our report of even date.
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Regn. No. 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No: 095169

**Ajay Narayan Jha**
Director
DIN: 02270071

**Sushila Devi Singhania**
Chairperson
DIN: 00142549

**A.K. Saraogi**
Dy Managing Director and CFO
DIN: 00130805

**Dr. Raghavpat Singhania**
Managing Director
DIN: 02426556

Place : New Delhi
Dated : 27 May 2023

**Shambhu Singh**
Company Secretary
Membership No: F5836

**Madhavkrishna Singhania**
Dy Managing Director and CEO
DIN: 07022433

**CIN.** L17229UP1994PLC017199

**Registered Office**

Kamla Tower, Kanpur - 208001, Uttar Pradesh, India

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

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

**Notice** is hereby given that the **Twenty Nineth Annual General Meeting (AGM)** of Members of J.K. CEMENT LIMITED ("Company") will be held on Friday, 11th day of August 2023 at 11.00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM). No physical meeting of members will be held, however, the meeting will be deemed to have been held at the Registered office of the Company at Kamla Tower Kanpur 208001, UP, to transact the following business: -

## ORDINARY BUSINESS

1. **To receive, consider and adopt**

   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the Reports of Directors and Auditors thereon.

   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the Reports of Auditors thereon.

2. To confirm dividend of ₹15 (150%) on Equity Shares of the Company for the FY 2022-23

3. To appoint a Director in place of Mrs. Sushila Devi Singhania aged about 87 years (DIN 00142549), who retires by rotation pursuant to the provisions of Article 90 of the Articles of Association of the Company and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS

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

### As Ordinary Resolution(s)

4. **Ratification of remuneration to the Cost Auditors for the financial year ended March 31, 2024**

   "**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹7,50,000 plus service tax as applicable and reimbursement of actual travel and out-of- pocket expenses for the Financial Year ending 31st March, 2024 as recommended by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 27.05.2023, to be paid to M/s. K. G. Goyal & Company, Cost Accountants, for conducting cost audit of the Company's Cement Manufacturing Units viz. J. K. Cement Works, Nimbahera, J. K. Cement Works, Mangrol, J. K. Cement Works, Gotan, J.K.White Cement Works, Gotan all situated in the State of Rajasthan, J. K. Cement Works, Jharli, situated in the State of Haryana, J. K. Cement Works, Muddapur, situated in the State of Karnataka ,J.K. Cement Works, Balasinor, situated in the state of Gujarat, J. K. Cement Works, Aligarh, situated in the state of U.P. , be and is hereby ratified and confirmed."

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

### As Special Resolution(s)

5. **Private Placement of Non Convertible Debentures (NCDs)**

   "**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture Rules), 2014, and all other applicable provisions of the Act and the rules framed thereunder, as may be applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, or any other applicable laws, rules and regulations and subject to the provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any Committee of Directors thereof), to create, offer, issue and allot Secured/ unsecured, Listed/unlisted, related/unrelated redeemable Non-convertible Debentures upto a limit of ₹500 Crores (Rupees Five Hundred Crores only), (hereinafter referred to as the "NCDs"), on a private placement basis, to eligible investor(s), in one or more tranches of series, during the period of one year from the date of passing of this Resolution, subject to the overall borrowing limits of the Company, as approved by the Members and other applicable requirements, from time to time."

   "**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to determine the terms and conditions of issue of NCDs including but not limited to, the number of NCDs to be offered/issued in each tranche, face value, issue price including premium, if any, tenor interest rate, security for the NCDs and to settle any questions, difficulties etc, that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company"

   "**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient including delegation of all or any of the above powers to Committee of Directors or official(s) of the Company".

6. **To approve the continuation of Directorship of Mrs. Sushila Devi Singhania aged about 87 years (DIN 00142549)**

   "**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded for continuation of Mrs. Sushila Devi Singhania (DIN 00142549), aged about 87 years (Date of Birth 01.08.1935), who has attained the age of seventy five(75) years, as a Non- Executive Non Independent Director of the Company, and her term shall be liable to retire by rotation".

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

7. **To approve the continuation of Directorship of Mr. Paul Heinz Hugentobler aged about 74 years (DIN 00452691)**

   "**RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI Listing Regulations and other applicable provisions of the Companies Act and rules made thereunder, consent of the Members be and is hereby accorded for continuation of Directorship by Mr. Paul Heinz Hugentobler as Non-Executive Non-Independent Director on the Board of the Company notwithstanding his attaining age of 75 (Seventy Five) years on 14 February, 2024 during the tenure of his Directorship."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as it may in its absolute discretion considers necessary, expedient and proper for giving effect to this resolution and matters, incidental, consequential and connected therewith."

8. **Re-Appointment of Mrs. Deepa Gopalan Wadhwa (DIN 07862942) as an Independent Director of the Company for the second term of 5 years**

   To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mrs. Deepa Gopalan Wadhwa (DIN 07862942), who has submitted a declaration confirming that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from November 3, 2023 upto November 2, 2028, be and is hereby approved."

   "**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mrs. Deepa Gopalan Wadhwa (DIN 07862942) shall be entitled to receive the remuneration/ fees/

commission as permitted to be received in a capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. **Re-appointment of Mr. Ashok Sinha (DIN 00070477) as an Independent Director of the Company for the second term of 5 years**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Ashok Sinha (DIN 00070477), who has submitted a declaration confirming that he meets the criteria of independence as provided Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from May 18, 2024 upto May 17, 2029, be and is hereby approved."

**"RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI Listing Regulations and other applicable provisions of the Act and rules made thereunder, consent of the Members be and is hereby accorded for continuation of Directorship of Mr. Ashok Sinha (DIN 00070477) as Non-Executive Independent Director on the Board of the Company notwithstanding his attaining age of 75 (Seventy Five) years on 15$^{th}$ February, 2027 during the tenure of his appointment."

**"RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Ashok Sinha (DIN 00070477) shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **Re-appointment of Mr. Saurabh Chandra (DIN 02726077) as an Independent Director of the Company for the second term of 5 years**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Saurabh Chandra (DIN 02726077), who has submitted a declaration confirming that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from May 18, 2024 upto May 17, 2029, be and is hereby approved."

**"RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mr. Saurabh Chandra (DIN 02726077) shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board**

**Shambhu Singh**
**Company Secretary**
**Membership No. FCS 5836**

Place : Kanpur
Date : 27.05.2023

## NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Businesses set out in the Notice is annexed.

2. Pursuant to circular dated 28$^{th}$ Dec,2022 read with the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, Securities Exchange Board of India ("SEBI") Circular No. SEBI/HQ/CFD/ CMD2/CIRP/P/2022/62 dated 13 May 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 and other applicable notifications in this regard physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM), on or before 30$^{th}$ Sep 2023, without the presence of the Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the registered office of the Company.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Companies/Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

5. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.jkcement.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited (NSDL) i.e. agency for providing the Remote E-Voting facility i.e. www.evoting.nsdl.com

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013.

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

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

10. The Dividend, as recommended by the Board of Directors, and approved by the members shall be paid to those members, whose names shall appear on the Company's Register of members on 1st August, 2023. In respect of Shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

11. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars in respect of the Directors seeking re-appointment/ Appointment at the AGM, is furnished as annexure to the Notice. The Director has furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules there under.

12. AGM will be held through VC in accordance with the Circulars, and hence the route map and attendance slips are not attached to this Notice.

13. Pursuant to section 91 of the Companies Act 2013 read with Companies (Management & Administration) Rules 2014 and Regulation 42 of the SEBI (LODR) Regulations 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday the 2nd day of August, 2023 to Friday the 11th day of August, 2023 (**both days inclusive**).

14. Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) jkcinv.grievances@jkcement.com, (c) sunilk@nsdl.co.in.

15. Queries, if any, regarding the Annual Report and operations of the Company, may be sent at shambhu.singh@jkcement.com at least seven days prior to the date of the AGM. The member must mention his name, demat account number/ folio number, email id, mobile number with the query; so that the relevant query may be replied by the Company suitably at the meeting.

16. Pursuant to the provisions of SEBI circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023 w.r.t. "Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination", all the shareholders holding shares in physical form are requested to approach for furnishing their PAN, Nomination, Contact details, Bank Account details and Specimen signature for their corresponding folio numbers etc. to the Registrar and Transfer Agent of the Company ("RTA") viz. M/s. NSDL Database Management Limited in the format/mode as prescribed under above mentioned SEBI Circular. The shareholders can also reach the RTA of the Company at 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 Tel: 022 49142589 / 249142700/49142503 or
Email: sunilk@nsdl.co.in / vishal.parad@nsdl.co.in for any clarification. Please note that the folios wherein any of the above cited document/details are not available on or after October 01, 2023, shall be frozen by the RTA of the Company as per above mentioned SEBI Circular. Shareholders holding shares in dematerialized form are requested to approach their respective Depository Participants for updating above mentioned details.

17. Notice of the AGM and the Annual Report for the FY 2022-23 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or RTA. It would also be uploaded on the website of Company www.jkcement.com. Any member, who has not registered his Email ID), may register his / her Email ID with RTA for getting registered and may also request for a copy Annual Report electronically.

18. As per SEBI directives, securities of listed companies can be transferred only in dematerialised form, with effect from April 1, 2019. Members, holding shares in physical forms, are advised to dematerialize their shares.

19. The statutory registers including Register of Directors, Key Managerial Personnel, the Register of Contracts under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to shambhu.singh@jkcement.com.

20. The Company has appointed M/s. Reena Jakhodia & Associates (Prop. Ms. R. Jakhodia) of Kanpur, Practicing Company Secretaries (C.P No. 6083) as the Scrutinizer for conducting the e-voting process in fair and transparent manner. The Scrutinizer, after scrutinizing the votes cast, shall submit her Report to the Company Secretary.

21. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company www.jkcement.com immediately after the declaration of result by such Director/ Company Secretary and the results shall also be communicated to the Stock Exchanges.

22. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company, accordingly, transferred ₹13,98,060/- being the unpaid and unclaimed dividend amount pertaining to Dividend 2014-15 to the IEPF during the Financial Year.

23. The Company has been sending reminders to those members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded as per the requirements, on the Company's website www.jkcement.com. Members, who have not encashed their dividend pertaining to Dividend 2015-16, are advised to write to the Company immediately claiming dividends declared by the Company.

24. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years has to be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. During the year under report, 21522 equity shares held by 2411 shareholders in physical mode, 2039 equity shares held by 85 shareholders with NSDL Depository & 410 equity shares held by 22 shareholders with CDSL Depository which were due for transfer in FY 2022-23, transferred to Investor Education and Protection Fund with CDSL after close of the year in compliance with Section 124 of Companies Act, 2013.

25. Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from 2015-16 are requested to claim the same by 2.9.2023. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the "Investors Section" of the website of the Company viz. www.jkcement.com. Members are requested to convert their share(s) lying in physical form to the Demat form, as effective from 1.4.2019. As per law, the Company and/or RTA are not permitted to give effect to transfer of shares held in physical mode. For any help the shareholders may contact the Company Secretary at mail id. shambhu.singh@jkcement.com.

26. The Annual Report of the Company shall be dispatched through email to the Persons, whose names are recorded in the Register of Members, maintained by RTA.

27. The remote e-Voting period commences on **8th August, 2023 at 10 A.M. and will end on 10th August, 2023 at 5 P.M.** No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period. Only the members whose names appear in the register of members as on **4th August, 2023** shall be allowed to cast their votes by remote e-Voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

28. Members are required to cast their votes by Remote e -voting only during voting period. However, they may attend the AGM through VC/OAVM but shall not be entitled to cast their votes again at Annual General Meeting except for proposing and / or seconding a resolution by show of hands.

29. Pursuant to the Income Tax Act 1961 as amended, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source on dividend paid to the Members at the prescribed rates. The Members of the Company are requested to kindly go through the important communication of the Company with respect to deduction of tax at source on dividend which is available on the Company's website at www.jkcement.com

## 30. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store  Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000 and 022-24997000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800225533 |

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mrs. Reena Jakhodia at email id: rjkanpur@gmail.com with a copy marked to evoting@nsdl.co.in/shambhu.singh@jkcement.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sunil Kumble at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Shambhu.singh@jkcement.com or Secretary.yaduestates@jkcement.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Shambhu.singh@jkcement.com or Secretary. yaduestates@jkcement.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The Instructions for Members for e-Voting on the Day of the AGM are as Under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Instructions for Members for Attending the AGM Through VC/OAVM are as Under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVENT of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at Shambhu.singh@jkcement.com or Secretary.yaduestates@jkcement.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at shambhu.singh@jkcement.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at shambhu.singh@jkcement.com.These queries will be replied to by the company suitably by email.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

# EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

## Item No. 4

Pursuant to provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹7,50,000 plus GST as applicable and reimbursement of actual travel and out of pocket expenses for the Financial year ending on March 31st 2024 as recommended by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 27.05.2023, to be paid to M/s. K.G. Goyal & Company, Cost Accountants, for conducting cost Audit of the Company's Cement manufacturing units viz. J. K. Cement Works, Nimbahera, J. K. Cement Works, Mangrol, J. K. Cement Works, Gotan, J.K.White Cement Works, Gotan all situated in the State of Rajasthan, J. K. Cement Works, Jharli, situated in the State of Haryana and J. K. Cement Works, Muddapur, situated in the State of Karnataka, J.K. Cement Works, Balasinor, situated in the state of Gujrat, J. K. Cement Works, Aligarh, situated in the state of U.P. to be ratified and confirmed by the Shareholders.

None of the Director, Key Managerial personnel of the Company or their relatives are in any way concerned in aforementioned resolution.

The Board recommends the Ordinary Resolution set forth at item No. 4 for the approval of the Members.

## Item No. 5

As per the provisions of Section 23, 42 and 71 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Non Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations for such NCDs during the year. In terms of SEBI Regulations, a proportion of incremental borrowing is required to be raised through NCDs issued on private placement basis and more so are a source of borrowings for the Company.

The approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules made there under to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of this resolution by the Members/ Shareholders within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs.

The Board shall utilize the proceeds of NCDs for general corporate and other purposes.

The Directors recommend the Resolution at Item No. 5 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of the resolutions at Item No.5 except to the extent of NCDs that may be subscribed by them, their relatives or companies/firms in which they are interested.

## Item No. 6

Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment/ continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years. Mrs. Sushila Devi Singhania aged about 87 years is a Non-Executive, Non Independent Director of the Company liable to retire by rotation. She has been functioning as a Director of our Company since July 26, 2014. She is also Director of Yadu International Limited. She is a member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juhari Devi Girls Inter College, Kanpur and President of Juhari Devi Girls Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities.

The Nomination and Remuneration Committee/Board of Directors has recommended the continuation of appointment of Mrs. Sushila Devi Singhania as a "Non-Executive Non Independent Director" of the Company, considering her rich experience, expertise and contribution in the growth of the Company.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of appointment of Mrs. Sushila Devi Singhania (DIN 00142549) as a 'Non-Executive Non Independent Director' of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives [except Mrs. Sushila Devi Singhania and Mr. Sudhir Jalan (Brother of Mrs. Sushila Devi Singhania)] is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth at Item No. 6 for approval of the Members.

## Item No.7

Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment/ continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years. Mr. Paul Heinz Hugentobler (DIN 00452691) is a Non Executive Non Independent Director liable to retire by rotation will attain the age of 75 (Seventy Five) years on 14th February, 2024. He is a Swiss national, he Joined Holcim Group Support Ltd. as Project Manager in 1980. He graduated in Civil Engineering from Swiss Federal Institute of Technology, Zurich and Economic Science from Graduate School of Economics and Business of St. Gallen. Served as Holcim Ltd. Area Manager for the Asia Pacific Region. From 1999 to 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a Director. Until his retirement in February 2014, he was appointed as a member of the Executive Committee at Holcim Ltd. with the responsibility for South Asia and ASEAN except the Philippines. He joined JK Cement Ltd. as a Director w.e.f 17th May, 2014.

The Nomination and Remuneration Committee/ Board of Directors has recommended the continuation of appointment of Mr. Paul Heinz Hugentobler as a "Non-Executive Non Independent Director" of the Company, considering his rich experience, expertise and contribution in the growth of the Company.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of appointment of Mr. Paul Heinz Hugentobler [DIN 00452691] as a 'Non-Executive Non Independent Director' of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives (Except Mr. Paul Heinz Hugentobler) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth at Item No. 7 for approval of the Members.

## Item No. 8

Mrs. Deepa Gopalan Wadhwa, was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from November 3, 2018, till November 2, 2023, and she is eligible for reappointment for the second term of 5 years that is from November 3, 2023, till November 2, 2028.

Mrs. Deepa Gopalan Wadhwa, aged about 67 years has 36 years of Indian Foreign Service (IFS) career behind her. She joined IFS in 1979 and retired in December, 2015. She has served in the Ministry of External Affairs, New Delhi, Indian Council for Cultural Relations and International Labour Organisation. She has served as Ambassador of India to Japan (from 2012-2015), Qatar (from 2009-2012) and Sweden (from 2005-2009). She was concurrently accredited as Ambassador to Latvia (from Stockholm) and Republic of the Marshall Islands (from Tokyo). During her career she has also held other significant assignments in Geneva, Hong Kong, China and the Netherlands in between 1981 to 1987 and 1989 to 1998 and in the Ministry of External Affairs from 1987-1989 and 1999-2005. Important issues and subjects handled by her are India's relations and strategic policies concerning Pakistan, China, the GCC, Japan, EU and the UN. In the context of the UN she has dealt specifically with issues of global significance such as Climate Change, Sustainable Development, Disarmament and Human Rights. In the context of India's economic priorities, she has vast experience in the promotion of Indian interests in the areas of trade, technology, investment and energy security during her postings in Europe, the GCC and Japan. Mrs. Wadhwa is currently co-chair of the India-Japan Partnership Forum located in FICCI, member Governing Council of the Institute of China Studies and serves as Independent Director on the Boards of a few companies.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on May 27, 2023, recommended the reappointment of Mrs. Deepa Gopalan Wadhwa, for the second term of five years i.e. from November 3, 2023, till November 2, 2028, subject to the approval of the Members.

Mrs. Deepa Gopalan Wadhwa has given her declaration to the Board that she continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent for such reappointment. In the opinion of the Board, Mrs. Deepa Gopalan Wadhwa is a person of integrity, possesses the relevant expertise/ experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and she is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mrs. Deepa Gopalan Wadhwa has confirmed that she is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Given her experience, the Board considers it desirable and in the interest of the Company to continue Mrs. Deepa Gopalan Wadhwa on the Board of the Company and accordingly the Board recommends the re-appointment of Mrs. Deepa Gopalan Wadhwa as an Independent Director for a second term of 5 years, as proposed in the Resolution no. 8 for approval by the Members as a Special Resolution.

Except Mrs. Deepa Gopalan Wadhwa and/or her relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

The Board recommends the Special Resolution set forth at Item No. 8 for approval of the Members.

## Item No. 9

Mr. Ashok Sinha, was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029.

Mr. Ashok Sinha, aged about 71 years has a B.Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur (1973) and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance (1977). He has been conferred the Distinguished Alumnus Award from both IIT Kanpur and IIM Bangalore. He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from TMG (Technology Media Group) for Customer Management. Since 2011, he has served on the Boards of Petronet LNG Ltd., CMC Ltd. (erstwhile subsidiary of Tata Consultancy Services Ltd.), four subsidiaries of Vodafone India Ltd., Tata Advanced Systems Ltd., Tata Lockheed Martin Aerostructures, and Nova Integrated Systems. Currently, he is serving as Independent Director on the Board of Cipla Ltd., Tata Communications Limited and The Tata Power Company Ltd.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on May 27, 2023, recommended the reappointment of Mr. Ashok Sinha, for the second term of five years i.e. from May 18, 2024, till May 17, 2029, subject to the approval of the Members.

Mr. Ashok Sinha has given his declaration to the Board that he continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent for such reappointment. In the opinion of the Board, Mr. Ashok Sinha is a person of integrity, possesses the relevant expertise/ experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Ashok Sinha has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In accordance with sub-regulation (1A) of Regulation 17 of the SEBI Listing Regulations inserted by Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018, no listed entity shall appoint a person or continue the Directorship of any person as a Non- Executive Director who has attained the age of seventy-five years unless a Special resolution is passed to that effect. Mr. Ashok Sinha will attain the age of 75 (Seventy Five) years on 15th February, 2027,therefore, his continuance of office after attaining the age of 75 years would require approval of the Members by way of Special Resolution.

Given his experience, the Board considers it desirable and in the interest of the Company to continue Mr. Ashok Sinha on the Board of the Company and accordingly the Board recommends the re-appointment of Mr. Ashok Sinha as an Independent Director for a second term of 5 years, as proposed in the Resolution no. 9 for approval by the Members as a Special Resolution.

Except Mr. Ashok Sinha and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

The Board recommends the Special Resolution set forth at Item No. 9 for approval of the Members.

## Item No. 10

Mr. Saurabh Chandra, was appointed as an Independent Director at the 25th Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on May 27, 2023, recommended the reappointment of Mr. Saurabh Chandra, for the second term of five years i.e. from May 18, 2024, till May 17, 2029, subject to the approval of the Members.

Mr. Saurabh Chandra, aged about 67 years, a B.Tech from IIT Kanpur (First with Distinction), retired as Secretary, Ministry of Petroleum and Natural Gas, Govt. of India and prior there to he served as Secretary in the DIPP, Ministry of Commerce and Industry. He served as Public Interest Director and Chairman of the Governing Board of Multi Commodity Exchange of India Limited and serving as an Independent Director on the Boards of SBI Pension Funds Pvt. Ltd. and Vacmet India Limited. He possesses experience in formulation and implementation of policies in multiple areas and sectors, such as oil and gas, industry & manufacturing, foreign direct investment, intellectual property, and disinvestment including strategic sales. During his tenure as Secretary, DIPP major reforms were initiated in the FDI policy and intellectual policy regime, while implementation of the National Manufacturing Policy started in the right earnest. Deregulation of diesel prices, launching of PAHAL Scheme, Give Up campaign and work on the Hydrocarbon Exploration Licensing Policy, Discovered Small Fields Policy and the National Gas Grid were initiated during his tenure as Secretary, Petroleum.

Mr. Saurabh Chandra has given his declaration to the Board that he continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent for such reappointment. In the opinion of the Board, Mr. Saurabh Chandra is a person of integrity, possesses the relevant expertise/ experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Saurabh Chandra has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Given his experience, the Board considers it desirable and in the interest of the Company to continue Mr. Saurabh Chandra on the Board of the Company and accordingly the Board recommends the re-appointment of Mr. Saurabh Chandra as an Independent Director for a second term of 5 years, as proposed in the Resolution no. 10 for approval by the Members as a Special Resolution.

Except Mr. Saurabh Chandra and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set forth at Item No. 10 for approval of the Members.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

**By Order of the Board**

**Shambhu Singh**
**Company Secretary**
**Membership No. FCS 5836**

Place : Kanpur
Date : 27.05.2023

## ANNEXURE

Details of Director seeking appointment/ re-appointment/ Continuation at the forthcoming Annual General Meeting.

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

| Name of the Director | Mrs. Sushila Devi Singhania (DIN:00142549) | Mr. Paul Heinz Hugentobler (DIN:00452691) | Mrs. Deepa Gopalan Wadhwa (DIN:07862942) | Mr. Ashok Sinha (DIN:00070477) | Mr. Saurabh Chandra (DIN:02726077) |
|---|---|---|---|---|---|
| Age | 87 years | 74 years | 67 years | 71 years | 68 years |
| Date of Birth | 01-08-1935 | 14-02-1949 | 28-11-1955 | 15-02-1952 | 11-04-1955 |
| Nationality | Indian | Swiss | Indian | Indian | Indian |
| Date of Appointment on the Board | 26-07-2014. Her directorship is subject to retirement by rotation. | 17-05-2014 His directorship is subject to retirement by rotation | 03-11-2018 | 18-05-2019 | 18-05-2019 |
| Qualifications | Graduate in Arts | Civil Engineer & Degree in Economic Science | Rtd. IFS | B.Tech from IIT, Kanpur and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance | B.Tech from IIT, Kanpur |
| Terms of Appointment | Liable to retire by Rotation | Continuation of Directorship of Mr. Paul Heinz Hugentobler after attaining the age of 75 (Seventy Five) years on 14th February, 2024 | Re-appointment as a Non-Executive, Independent Director for Five years effective from 3rd November, 2023 | Re-appointment as a Non-Executive, Independent Director for Five years effective from 18th May, 2024 | Re-appointment as a Non-Executive, Independent Director for Five years effective from 18th May, 2024 |
| Name of listed entities from which the person has resigned in the past three years | - | - | - | - | 1. Multi Commodity Exchange of India |
| In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | NA | NA | The role and capabilities as required in the case of an independent director are well defined in the Policy<br>The Nomination and Remuneration Committee of the Board has evaluated the profile of Mrs. Deepa Gopalan Wadhwa, Mr. Ashok Sinha and Mr. Saurabh Chandra and concluded that Mrs. Deepa Gopalan Wadhwa, Mr. Ashok Sinha and Mr. Saurabh Chandra possess the relevant skill and capabilities to discharge the role of Independent Directors. | | |
| Expertise in specific functional area | Business and Philanthropy | Experience of Cement Industry | Vast Experience in Indian Foreign Service (IFS) | Experience of Oil and Gas Industry | Experience of Oil and Gas Industry |
| Number of shares held in the Company | 3335957 | NIL | NIL | 10 | NIL |
| List of the directorships held in other companies* | Yadu International Ltd. | Dalmia Cement (Bharat) Limited | 1. JK Paper Limited<br>2. NDR Auto Components Limited<br>3. Sapphire Foods India Limited<br>4. Bengal & Assam Company Limited<br>5. Artemis Medicare Services Limited<br>6. Mukand Sumi Special Steel Limited | 1. Navin Fluorine International Limited<br>2. Cipla Limited<br>3. The Tata Power Company Limited<br>4. TATA Communications Limited<br>5. Maithon Power Limited | 1. Vacmet India Limited |
| Remuneration sought to be paid | Commission as may be decided by the board and sitting fees as per attendance on the meeting of the board. | | | | |
| Last Remuneration Drawn | ₹25,00,000 towards Commission | ₹14,00,000 towards Commission | ₹14,00,000 towards Commission | ₹14,00,000 towards Commission | ₹14,00,000 towards Commission |
| Number of Board Meeting attended | 4 OUT OF 4 | 4 OUT OF 4 | 4 OUT OF 4 | 4 OUT OF 4 | 4 OUT OF 4 |
| Inter-se relationships with directors and key managerial personnel - | Sister of Mr. Sudhir Jalan, Director | NIL | NIL | NIL | NIL |
| Chairman/Members in the **Committee of the Board of Companies in which she/he is Director* | NIL | Member-1<br>Chairman - NIL | Chairperson-1<br>Member-6 | Chairman-3<br>Member-1 | Chairman-Nil<br>Member-1 |

*Directorship includes Directorship of other Indian Public Companies and

**Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company. (whether Listed or not).



## Shareholders General Information & Guidance

1 The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone Number, NECS/ ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) shambhu.singh@jkcement.com (b) sunilk@nsdl.co.in (c) jkcinv.grievances@jkcement.com . Send NECS/ ECS Mandate to the Registered Office of the Company.

2 The equity shares of your company are listed on the BSE Ltd. & National Stock Exchange of India Ltd. Mumbai and the same are compulsorily traded in dematerialised mode. Shareholders are required to compulsorily dematerialise their shareholdings for share transfer and are therefore advised to send their request on prescribed form (available with DP) alongwith share certificate(s)/ for dematerialisation through depository participant (DP) with whom they are maintaining a demat account. The ISIN of the Company is INE 823G01014.

3 The shareholders who have not received corporate benefit i.e. share certificates, on account of shares held by them in Jaykay Enterprises Ltd. (erstwhile JK Synthetics Ltd.), dispatched by the Company during April, 2005 may intimate the Company by quoting reference of Folio No./DP-ID and Client ID etc.

4 The shareholders who have not received dividend warrants for the year 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on account of their change in address or for any other reason may write to the Company's Registrar & Transfer Agent M/s. NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013,by quoting reference of their folio or DP-ID & Client ID.The Shareholders are advised to lodge their claim with IEPF authority pertaining to earlier years.

5 The shareholders who wish to seek any information, clarification in respect of share transfer activities or status of their grievances may write to Company's Registrar Transfer Agent:
M/s. NSDL Database Management Limited
4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013
OR at email address:
shambhu.singh@jkcement.com, sunilk@nsdl.co.in

6 The shareholders of physical segment who are having identical names in different folios are advised to consolidate their holdings in one folio which will facilitate the investors in receiving consolidated dividend or non-cash corporate benefit in future and would reduce un-necessary paper work and service cost.

7 The investors who have not received Demat credit of shares allotted under public issue may write to us by quoting reference of their application no., name, address & No. of shares applied for.

8 Shareholders of physical segment who wish to notify change in their address may intimate complete new address with PIN code by quoting the Folio No. and proof of Address i.e. copy of telephone/ electricity bill or any receipt of Municipal Corporation etc. The Shareholders who holds shares in electronic/ Demat segment may notify change in their address to the DP with whom they are maintaining a Demat account. No request for change in address from the holders of Demat segment will be entertained directly by the Company.

9 The shareholders who wish to make nomination may send their application on prescribed form under Companies Act 2013 and Rules frame thereunder. The said form is also available on Company's website www.jkcement.com.

10 The Shareholders who holds shares in physical segment are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in SEBI Circular No. CIR/MRD/DP/10/2013 dated 21.3.13. Pursuant to SEBI norms letters are issued instead of issuance of physical share certificate(s) after Transfer/ Transmission/Duplicate/Rematerisation. Hence, shareholders are requested on their own interest to open Demat Account for getting their entitled share in Demat account.

# Corporate Information

## BOARD OF DIRECTORS

**Mrs. Sushila Devi Singhania** – Chairperson
**Dr. Nidhipati Singhania** – Vice Chairman
**Dr. Raghavpat Singhania** – Managing Director (KMP)
**Madhavkrishna Singhania** – Dy. Managing Director & CEO (KMP)
**Ajay Kumar Saraogi** – Dy. Managing Director & CFO (KMP)
**Ajay Narayan Jha**
**Ashok Sinha**
**Ashok Kumar Sharma**
**Mrs. Deepa Gopalan Wadhwa**
**Mudit Aggarwal**
**Paul Heinz Hugentobler**
**Satish Kumar Kalra**
**Saurabh Chandra**
**Sudhir Jalan**

## COMPANY SECRETARY & COMPLIANCE OFFICER

Shambhu Singh (KMP)

## BANKERS

Axis Bank
Bank of Baroda
Canara Bank
Export Import Bank of India
IDBI Bank Ltd.
Indian Bank.
Jammu & Kashmir Bank
Punjab National Bank
State Bank of India
Union Bank of India
National Bank of Fujairah-UAE

## REGISTERED OFFICE

Kamla Tower, Kanpur- 208001, UP

## SENIOR MANAGEMENT PERSONNEL

**Rajnish Kapur** – Chief Operating Officer- Grey Cement
**Niranjan Mishra** – Business Head- Paints
**Sumnesh Khandelwal** – Deputy Chief Financial Officer
**Pushpraj Singh** – Group President - Sales and Marketing (Grey Cement)
**Anil Kumar Agrawal** – Group President - Management Services
**Andleeb Jain** – Group President - Human Capital and Corporate Communications.
**Amit Kothari** – Group President - Group Strategy & New Business Development.
**Ajai Kumar** – President - Govt. and Industry Affairs
**Anoop Kr. Shukla** – President (Accounts and Consolidation)
**Atul Bagla** – President (Corporate Finance & Treasury)
**Jitendra Singh** – President and Chief Digital Officer
**Prashant Seth** – President - Business Information and Investor Relations
**Puneet Arora** – President (Projects)
**RBM Tripathi** – President and Unit Head –Grey Cement, Rajasthan
**Sanjeev Garg** – President (MD Office and Finance)
**Hardeep Singh** – Business Head - White Cement
**Yagyesh Gupta** – Head - Manufacturing - Grey Cement
**Ajay Mathur** – Head (UAE Operations)

## AUDITORS

M/s. S.R. Batliboi & Co, LLP,
Chartered Accountants,
Golf View Corporate Tower B, Sector 42,
Sector Road, Gurgaon- 122002

## REGISTRAR & TRANSFER AGENT

NSDL Database Management Limited ('NDML')
4th Floor, Trade World
A wing, Kamala Mills Compound
Senapati Bapat Marg Lower Parel
Mumbai- 400 013

## CORPORATE OFFICE

Prism Tower
Gurgaon-Faridabad Road,
Gwal Pahari, Gurgaon, INDIA-122102

## DELHI OFFICE

Padam Tower
19, DDA Community Centre,
Okhla Phase 1, New Delhi-110020

| PLANTS (INDIA) | LOCATION |
|---|---|
| Grey Cement Plants | Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan |
| | Mangrol, Dist. Chittorgarh, Rajasthan, |
| | Gotan, Dist. Nagaur, Rajasthan, |
| | Muddapur, Dist. Bagalkot, Karnataka, |
| | Jharli, Dist. Jhajjar, Haryana, |
| | Satha, Pargana Morthal, Tehsil: Koil, Dist: Aligarh, UP, |
| | Vadadala, Tehsil: Balasinor, Dist: Mahisagar, Gujarat |
| | Madhavgarh, Ujjain, Madhya Pradesh (Under Implementation) |
| White Cement & White Cement based Wall Putty Plant | Gotan, Dist. Nagaur, Rajasthan, |
| | Village: Rupaund, Tehsil- Badwara, Dist. Katni, M.P. |
| Thermal Power Plants | Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan,<br>Mangrol, Chittorgarh, Rajasthan<br>Gotan, Dist. Nagaur, Rajasthan,<br>Muddapur, Dist. Bagalkot, Karnataka, |
| Waste Heat Recovery Power Plant (For captive consumption) | i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan |
| | ii) Mangrol, Dist. Chittorgarh, Rajasthan |
| **INDIAN SUBSIDIARY** | |
| Jaykaycem (Central) Limited | Dist. Panna, Madhya Pradesh |
| Integrated Grey Cement Plant<br>Waste Heat Power Plant (under implementation) | |
| Grinding Unit | Dist. Hamirpur, Uttar Pradesh |
| Grinding Unit | Dist Prayagraj, Uttar Pradesh (under implementation) |
| JK Maxx Paint Limited (Erstwhile JK Paints and Coatings Ltd) | Kamla Tower, 29/1, Dwarikadheesh Road, Kanpur - 208001, U.P. |
| Acro Paints Limited | Unit No. 1: A-115/A, RIICO Industrial Area, Phase I, Bhiwadi, Alwar, Rajasthan<br>Unit No. 2: Industrial Plot No. G1-986, RIICO Industrial Area Ghatal Bhiwadi Alwar Rajasthan 301019 |
| **OVERSEAS SUBSIDIARY** | |
| J.K. Cement Works (Fujairah) FZC | Plot No.7, Habhab, Tawian Fujairah, UAE |
| J.K. White Cement (Africa) Ltd. | 4th Floor, Room No. 406, Jangid Plaza,<br>Chabrume Street, Ali Hassan Mwinyi Road,<br>P.O.Box 79282, Kinondoni District,<br>Dar es Salaam, Tanzania |

## Notes

## Notes

## Notes

# MANDATE FORM

(Mandate Form for receiving dividend by National Electronic Clearing Service (NECS)/Printing of Bank details on Dividend Warrant)

To
**J. K. Cement Ltd.**
Kamla Tower,
Kanpur - 208001.

Dear Sirs,
Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY.
For shares held in physical form

**FOR OFFICE USE ONLY**

NECS
Ref. No.

Folio No.
For shares held in electronic form

D.P.Id

Client Id

| | |
|---|---|
| Name of Sole/First holder<br>Bank name<br>Branch name | |
| Branch Code | (9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a photo copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number. |

| | | | |
|---|---|---|---|
| Account Type [Please Tick (√) wherever applicable] | Savings | Current | Cash Credit |

A/c.No.(as appearing in the cheque book)

Effective date of this mandate

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompletencess or incorrectness of information supplied as above, the Company will not be held responsible. I agree to avail the NECS facility provided by RBI, as and when implemented by RBI/ J. K.Cement Ltd. Further in case of NECS facility is not available in my city please print Bank details furnished by me on the dividend warrant.

I, further undertake to inform the Company any change in my Bank/branch and account number.

Dated:--------------------------------------- (Signature of Sole/First holder)

Notes:

1. Whenever the Shares in the given folio are entirely dematerialised, then the NECS mandate form will stand rescinded.
2. For Shares held in dematerialised mode nomination is required to be filled with the Depository Participant in their prescribed form.
3. In case NECS facility is not available in your city then bank details furnished by you will be printed on dividend warrants.
4. The Share holders who hold shares in physical mode should ensure that this mandate form duly completed in all resect & signed by the Sole/ First named holder should reach the company on or before 1st August, 2023.
5. The share holder of physical segment who do not wish to opt for NECS facility need not furnish Digits Code Number appearing on the MICR band of the cheque supplied by the Bank and the photo copy of the blank cheque.
6. The Share holders who holds shares in physical segmeni are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in Sebi Circular No.CIR/MRD/DP/10/2013 dated 21.3.13.

JKcement

**Registered Office**
Kamla Tower, Kanpur - 208001
Uttar Pradesh, INDIA
**Telephone:** 0091-512-2371478
**Fax:** 0091-512-2332665
**Email:** shambhu.singh@jkcement.com
**Web:** www.jkcement.com