

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.**

**THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (“SEBI ICDR REGULATIONS”).**

**IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing.** The following applies to the pre-numbered placement document of Shree Cement Limited (the “**Company**”) dated November 22, 2019 in relation to the proposed qualified institutions placement of equity shares by the Company filed with BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”) (such document, the “**Placement Document**”) attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Placement Document. In accessing the Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Placement Document is confidential and subject to updation, completion, revision, verification, amendment and change without notice. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS WHO ARE “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT (“**RULE 144A**”)) (“**U.S. QIB(S)**”) PURSUANT TO SECTION 4(A)(2) OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT; FOR AVOIDANCE OF DOUBT, THE TERM U.S. QIBS DOES NOT REFER TO A CATEGORY OF INSTITUTIONAL INVESTORS DEFINED UNDER APPLICABLE INDIAN REGULATIONS AND REFERRED TO IN THIS PLACEMENT DOCUMENT AS “QIBS” AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATIONS UNDER THE U.S. SECURITIES ACT (“**REGULATION S**”) AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE.

FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE EQUITY SHARES AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT, SEE “SELLING RESTRICTIONS”, “NOTICE TO INVESTORS”, AND “TRANSFER RESTRICTIONS”. THE ATTACHED PRE-NUMBERED PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT.

This Issue and the distribution of this Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, as amended and the rules framed thereunder. This Placement

Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

**Confirmation of your Representation:** You are accessing the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to JM Financial Limited and ICICI Securities Limited (the “**Book Running Lead Managers**”) that: (1) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S or (ii) you are, or are acting on behalf of, a “qualified institutional buyer” (as defined in Rule 144A) pursuant to Section 4(a)(2) of the U.S. Securities Act; (2) the securities offered hereby have not been registered under the U.S. Securities Act; (3) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.; (4) you are a “Qualified Institutional Buyer” as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (5) you are aware that your name has been included in the Placement Document as proposed allottees along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post issue shareholding in the Company and you consent to such disclosure; (6) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure; (7) you are aware that if you are circulated the Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, Rajasthan at Jaipur and you consent to such disclosures; and (8) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Book Running Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a “general solicitation” or “general advertising” (each as defined in Regulation D under the U.S. Securities Act) or “directed selling efforts” (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Book Running Lead Managers or any affiliate of the Book Running Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Book Running Lead Managers or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under the Companies Act, 2013, or any other applicable law, by or on behalf of either the Company or the Book Running Lead Managers to subscribe for or purchase any of the equity shares described in the attached Placement Document. The attached Placement Document has not been and will not be registered as a prospectus with any registrar of companies in India and is not and should not be construed as an offer document under the SEBI ICDR Regulations or any other applicable law. The attached Placement Document has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India. The attached Placement Document is not and should not be construed as an invitation, offer or sale of any securities to the public in India.

The Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Book Running Lead Managers or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any

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**Actions That You May Not Take:** You should not reply by e-mail to this announcement, and you may not purchase any of the equity shares described in the attached pre-numbered Placement Document by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR (2) REPRODUCE THE ATTACHED PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.**



## SHREE CEMENT LIMITED

Shree Cement Limited (the “Company” or the “Issuer”) was incorporated as a public company with limited liability, on October 25, 1979, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, Rajasthan at Jaipur.

**Corporate Identity Number:** L26943RJ1979PLC001935

**Registered Office:** Bangur Nagar, Beawar 305 901, Ajmer, Rajasthan, India

**Corporate Office:** 21, Strand Road, Kolkata 700 001, West Bengal, India

**Telephone:** +91 1462 228101-06; **Facsimile:** +91 1462 228117/119; **E-mail:** complianceofficer@shreecement.com; **Website:** www.shreecement.com

Issue of 12,43,523 equity shares of face value of ₹ 10 each (the “Equity Shares”) at a price of ₹ 19,300.00 per Equity Share (the “Issue Price”), including a premium of ₹ 19,290.00 per Equity Share, aggregating to approximately ₹ 2,400 crore (the “Issue”). For further details, see “Summary of the Issue” on page 39.

**THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED (THE “COMPANIES ACT, 2013”).**

**THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS (“ELIGIBLE QIBs”) AS DEFINED IN THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTIONS 42 AND 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES.**

**THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.**

Invitations for subscription, offer and sale of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document together with the respective Application Form, this Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see “Issue Procedure” on page 191. The distribution of this Placement Document or the disclosure of its contents without our Company’s prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have been delivered to the BSE Limited (the “BSE”) and the National Stock Exchange of India Limited (the “NSE”), and together with the BSE, the “Stock Exchanges”). Our Company shall also make the requisite filings with the Registrar of Companies, Rajasthan at Jaipur (the “RoC”) within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India (the “SEBI”), Reserve Bank of India (the “RBI”), the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for Eligible QIBs by way of a private placement and is not an offer to the public or to any other class of investors.

**INVESTMENTS IN THE EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR ANY PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO READ “RISK FACTORS” ON PAGE 52 CAREFULLY BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN DUE DILIGENCE OF THE EQUITY SHARES AND OF OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND / OR LEGAL ADVISOR.**

The information on the websites of our Company or our Subsidiaries or any website directly or indirectly linked to such websites or the websites of the book running lead managers (the “BRLMs”) or their respective affiliates do not form part of this Placement Document and prospective investors in the Issue should not rely on such information contained in, or available through, any such websites.

All of our Company’s outstanding Equity Shares are listed on the Stock Exchanges. The closing price of the outstanding Equity Shares on the BSE and the NSE on November 18, 2019 was ₹ 19,854.85 and ₹ 19,869.30 per Equity Share, respectively. Each of the in-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) for listing of the Equity Shares have been received from the BSE and the NSE on November 19, 2019. Applications to the BSE and the NSE will be made for obtaining listing and trading approvals for the Equity Shares offered through this Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

**THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY OUR COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) (“U.S. QIB(s)”) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as “QIBs”; and (b) outside the United States, in offshore transactions in reliance upon Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “Selling Restrictions” and “Transfer Restrictions” on pages 206 and 212, respectively.

### BOOK RUNNING LEAD MANAGERS

<p><b>JM Financial Limited</b></p>	<p><b>ICICI Securities Limited</b></p>

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and we confirm that, to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all the information with respect to us and the Equity Shares, that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

JM Financial Limited and ICICI Securities Limited (together, the “**Book Running Lead Managers**” or the “**BRLMs**”) have made reasonable enquiries but have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs, nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on the BRLMs or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of us or any of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

**The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”)) (“**U.S. QIB(s)**”) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as “QIBs”; and (b) outside the United States, in offshore transactions in reliance upon Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 206 and 212, respectively.

See “*Selling Restrictions*” on page 206 for information about eligible offerees for the Issue and “*Transfer Restrictions*” on page 212 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Notice to Investors*”, “*Representations by Investors*”, “*Selling*

*Restrictions*” and “*Transfer Restrictions*” on pages 3, 6, 206 and 212, respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by our Company and the BRLMs which would permit an issue of the Equity Shares offered in the Issue or the distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs specified by the BRLMs or their representatives, and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents in connection with the Issue.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither we nor any of the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

**Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in the Equity Shares under Indian law, including Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI, RBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares, or otherwise accessing the capital markets in India. Each investor or subscriber of Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from us and review information relating to us and the Equity Shares.**

The information on the websites of our Company or our Subsidiaries or any website directly or indirectly linked to such websites or the websites of the BRLMs or their respective affiliates do not constitute or form part of this Placement Document and prospective investors in the Issue should not rely on such information contained in, or available through, any such websites.

This Placement Document contains summaries of certain terms of certain documents which are qualified in their entirety by the terms and conditions of such documents.

#### **CERTAIN U.S. MATTERS**

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS WHO ARE “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A) PURSUANT TO SECTION 4(a)(2) UNDER THE U.S. SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATIONS AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON

TRANSFER OF THE EQUITY SHARES, SEE “*TRANSFER RESTRICTIONS*” ON PAGE 212.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

**NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS**

For information relating to investors in certain other jurisdictions, see the sections “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 206 and 212, respectively.

## REPRESENTATIONS BY INVESTORS

All references to “you” or “your” in this section are to the prospective investors in this Issue.

By bidding for and/ or subscribing to any of the Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLMs as follows:

- (a) your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries which is not set forth in this Placement Document;
- (b) you are a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (iv) undertake to comply with the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws, including in respect of reporting requirements in India, or making necessary filings, if any, in connection with the Issue or otherwise accessing the capital markets;
- (c) you are eligible to invest in India under applicable laws, including those issued by the RBI and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any notifications, circulars or clarifications issued thereunder (“**FEMA Rules**”), and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;
- (d) you will make all necessary filings with the appropriate regulatory authorities including with the RBI, as required, pursuant to applicable laws;
- (e) if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are in the United States); For additional restrictions in this regard, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 206 and 212, respectively;
- (f) you will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue;
- (g) you are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013 and the SEBI ICDR Regulations or under any other law in force in India. You are aware that the Preliminary Placement Document and this Placement Document have not been reviewed or affirmed by the SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended for use only by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges and will be displayed on the websites of our Company and the Stock Exchanges;
- (h) you are permitted and have necessary capacity to acquire/subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- (i) neither we nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendation to you or, advising you regarding the suitability of any transactions it may enter into in connection with this Issue; your participation in this Issue is on the basis that you are not, and will not, up to Allotment, be a client of any of the BRLMs and that neither the BRLMs nor any of their respective shareholders, directors, officers,

employees, counsels, representatives, agents or affiliates have any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

- (j) you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by us or our agents with regard to us or this Issue (“**Company Presentations**”); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that we or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm, that to the best of your knowledge, you have not been provided any material or price sensitive information relating to us and / or the Issue that was not publicly available;
- (k) you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (the “**Insider Trading Regulations**”), the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, and the Companies Act, 2013;
- (l) you are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of the Equity Shares shall be at the discretion of our Company in consultation with the Book Running Lead Managers;
- (m) you understand that the Equity Shares issued pursuant to the Issue will, be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;
- (n) all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;
- (o) you have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read them in their entirety including, in particular “*Risk Factors*” on page 52;
- (p) in making your investment decision (i) you have relied on your own examination of our Company and its Subsidiaries and the terms of this Issue, including the merits and risks involved; (ii) you have made your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of this Issue based solely on the information contained in this Placement Document and no other representation by us or any other party; (iii) you have consulted your own independent counsels and advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by us or the BRLMs or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares; and (vi) relied upon your investigation and resources in deciding to invest in this Issue. You are seeking to subscribe to/acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;

- (q) you are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;
- (r) neither the BRLMs nor any of their shareholders, investors, officers, employees, counsels, agents, representatives or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of subscription, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates when evaluating the tax consequences of the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us, the BRLMs or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- (s) where you are acquiring the Equity Shares to be issued for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- (t) you are not a ‘promoter’ of our Company, as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to any of the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the Promoters or any of the members of the Promoter Group, or persons related to any of the Promoters;
- (u) you have no rights under a shareholders’ agreement or voting agreement with any of the Promoters or the members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares of our Company, the acquisition of which shall not deem you to be a Promoter or a person related to any of the Promoters;
- (v) you have no right to withdraw or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);
- (w) you are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon the Allotment of Equity Shares pursuant to this Issue shall not exceed the level permissible as per any applicable law;
- (x) the Bid submitted by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**Takeover Regulations**”), and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;
- (y) your aggregate holding, together with other QIBs participating in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the present Issue, shall not exceed 50% of this Issue. For the purposes of this representation:

- (i) QIBs belonging to the “same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and
- (ii) “**Control**” shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;
- (z) you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;
- (aa) you are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted, to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosure being made by us;
- (bb) you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and an approval has been received from each of the Stock Exchanges, and (ii) the application for the listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing and trading in the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLMs shall be responsible for any delay or non-receipt of such approvals for listing and trading or any loss arising from such delay or non-receipt;
- (cc) you are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company was required to disclose the names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;
- (dd) you agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;
- (ee) you are aware and understand that the BRLMs have entered into a placement agreement with our Company (the “**Placement Agreement**”) whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken severally and not jointly to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;
- (ff) you are aware that in terms of the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed 24% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations.

- (gg) the contents of this Placement Document are the exclusive responsibility of our Company and that neither the BRLMs nor any person acting on their behalf, nor any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting to participate in this Issue, you agree and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by BRLMs (including any view, statement, opinion or representation expressed in any research published or distributed by any of the BRLMs or its affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of any of the BRLMs or its affiliates) or our Company or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates and neither the BRLMs nor our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
- (hh) you understand that neither the BRLMs nor any of their affiliates have any obligation to subscribe or acquire all or any part of the Equity Shares subscribed by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- (ii) you agree to indemnify and hold us and the BRLMs and their employees, officers, directors, associates, representatives and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, acknowledgements and agreements made by you in this Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- (jj) you are a sophisticated investor who is seeking to subscribe the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the subscription of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investment matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
- (kk) any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;
- (ll) If you are not a resident of India, but a QIB, you are an Eligible FPI (as defined hereinafter) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution or a FVCI under the FEMA Rules, and are eligible to invest in India under applicable law, including the FEMA Rules and any notification, circular or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;
- (mm) you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings set forth in this section and in "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 212, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- (nn) if you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;
- (oo) if you are outside the United States, you are subscribing for the Equity Shares in an “offshore transaction” within the meaning of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;
- (pp) you are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) under the U.S. Securities Act, Rule 144A or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144A thereunder; and (b) outside the United States, are being made in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 206 and 212, respectively;
- (qq) you represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the U.S. Securities Act or; (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;
- (rr) you represent that you are not an affiliate of our Company or the Book Running Lead Managers or a person acting on behalf of such affiliate;
- (ss) each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares on the Stock Exchanges;
- (tt) our Company, the BRLMs, their employees, officers, directors, associates, representatives and affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to them on their own behalf and on behalf of us and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers; and
- (uu) you acknowledge that the Preliminary Placement Document and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person.

## OFF-SHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (“**SEBI FPI Regulations**”), Category I FPIs, including the affiliates of the Book Running Lead Managers, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as “**P-Notes**”), for which they may receive compensation from the purchasers of such instruments.

Further, in accordance with SEBI FPI Regulations, Category I FPIs are permitted to issue P-Notes to only those persons eligible for registration as Category I FPIs as per the SEBI FPI Regulations. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person eligible for registration as Category I foreign portfolio investors. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by the SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document or this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

**Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company.** Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Respective affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase the Equity Shares in the Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;
2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of our Company, our Promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies references to:

- “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the Eligible QIBs who are prospective investors in the Equity Shares issued pursuant to this Issue;
- unless otherwise specified and as applicable, “we”, “us” and “our” refers to Shree Cement Limited and its Subsidiaries, on a consolidated basis; and
- unless otherwise specified, “our Company”, “the Company” and “the Issuer” refers to Shree Cement Limited on a standalone basis.

References in this Placement Document to “India” are to the Republic of India and its territories and possessions and the “Government” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

### Currency and Units of Presentation

In this Placement Document, all references to:

- “Rs.” or “Rupee(s)” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollars, the official currency of the United States of America; and
- “AED” or “Emirati Dirham” are to United Arab Emirates Dirham, the legal currency of the United Arab Emirates.

### Financial and other information

Our Company publishes its financial statements in Indian Rupees. Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs, our Company adopted Ind AS with effect from April 1, 2016. Accordingly, our financial statements for the year ended March 31, 2017 were the first financial statements to be prepared in accordance with Ind AS. Our historical financial statements for Fiscal 2016 and any period prior to Fiscal 2016 were originally prepared in accordance with Indian GAAP. Our financial statements for Fiscal 2016 were subsequently restated in accordance with Ind AS for the purpose of inclusion of corresponding figures in our Ind AS financial statements for the year ended March 31, 2017. However, Ind AS varies in many respects from Indian GAAP, and accordingly, our financial statements for Fiscal 2017 (including the comparative figures included therein for Fiscal 2016), Fiscal 2018, Fiscal 2019 and the six months ended September 30, 2019 and September 30, 2018 are not directly comparable with our historical financial statements prepared in accordance with Indian GAAP. See “*Financial Statements*” on page 250.

In this Placement Document we have included the following financial statements prepared under Ind AS: (i) audited standalone and consolidated financial statements for Fiscal 2017 read along with the notes thereto (the “**Fiscal 2017 Audited Financial Statements**”); (ii) audited standalone and consolidated financial statements for Fiscal 2018 read along with the notes thereto (the “**Fiscal 2018 Audited Financial Statements**”); (iii) audited standalone and consolidated financial statements for Fiscal 2019 read along with the notes thereto (the “**Fiscal 2019 Audited Financial Statements**” and collectively with Fiscal 2017 Audited Financial Statements and Fiscal 2018 Audited Financial Statements, the “**Audited Financial Statements**”); and (iv) the unaudited interim condensed standalone and consolidated financial statements for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) read

along with the notes thereto (the “**Unaudited Interim Condensed Financial Statements**”).

The audited standalone and consolidated financial statements for Fiscal 2017 have been audited by B R Maheswari & Co LLP, the previous statutory auditors of our Company (“**Previous Statutory Auditors**”), on which they have issued the respective audit reports, each dated May 16, 2017. The audited standalone and consolidated financial statements for Fiscal 2018 have been audited by our statutory auditors, Gupta & Dua, Chartered Accountants (“**Statutory Auditors**”), on which they have issued the respective audit reports, each dated April 28, 2018. The audited standalone and consolidated financial statements for Fiscal 2019 have also been audited by our Statutory Auditors on which they have issued the respective audit reports, each dated May 18, 2019. The unaudited interim condensed standalone and consolidated financial statements for the six months ended September 30, 2019 have been subjected to limited review by our Statutory Auditors and they have issued the respective review reports, each dated November 18, 2019 based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India (“**ICAI**”). The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Condensed Financial Statements should be read along with the review reports issued thereon. Further, our Unaudited Interim Condensed Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period. For further information, see “*Financial Statements*” on page 250.

Unless the context requires otherwise, the financial data in this Placement Document is derived from our Audited Financial Statements and Unaudited Interim Condensed Financial Statements. Our Company’s Financial Year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular “Fiscal Year”, “Fiscal”, “Financial Year” or “FY” are to the 12 months period ended on March 31 of that year.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does it provide a reconciliation of its Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Financial Statements and Unaudited Interim Condensed Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader’s familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. For differences in accounting principles, please see the section entitled “*Risk Factors – Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition*” on page 78.

In this Placement Document, certain monetary thresholds have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in “crore” units. One crore represents 1,00,00,000 and one billion represents 1,00,00,00,000.

## MARKET AND INDUSTRY DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled “*Cement Market Assessment*” dated October 2019 (the “**CRISIL Report**”), which is a commissioned report prepared by CRISIL Research, a division of CRISIL Limited.

We have not commissioned any report for purposes of this Placement Document other than the CRISIL Report. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Placement Document are reliable, it has not been independently verified by us or the BRLMs or any of their respective affiliates or advisors.

CRISIL Research, while preparing the CRISIL Report, has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the BRLMs have (i) independently verified this data; and/or (ii) make any representation regarding the accuracy or completeness of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have neither been verified by any independent source and nor can we assure potential investors as to their accuracy. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we nor the BRLMs make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources. **The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 71. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based on such information.**

Industry information included in this Placement Document from the CRISIL Report is subject to the following disclaimer from CRISIL:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shree Cement Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their*

*regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

### **AVAILABLE INFORMATION**

Our Company has agreed that, for so long as any Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute “forward-looking statements.” Bidders can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “seek”, “can”, “could”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business being dependent upon our ability to mine/ procure sufficient limestone for our operations;
- Dependence upon the continued availability of coal and other raw materials, the costs and supply of which can be subject to significant variation due to factors outside our control;
- Inability to effectively manage our growth and expansion;
- Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities;
- Reliance on the demand for cement from various industries such as infrastructure, housing and commercial real estate and any downturn in these cement consuming industries;
- Inability to effectively integrate our operations with our acquisitions and achieve operational efficiency; and
- Most of our manufacturing facilities and grinding units being located in the northern region of India.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in “*Risk Factors*”, “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 52, 108 and 131, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company and the Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any changes in our Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises 11 Directors. While all our Directors and Senior Management Personnel are citizens of India, our Chairman, Benu Gopal Bangur, is not a resident of India. Majority of our assets are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained in courts outside India against them.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (“**Civil Code**”).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

- (a) where it has not been pronounced by a court of competent jurisdiction;
- (b) where it has not been given on the merits of the case;
- (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- (d) where the proceedings in which the judgment was obtained were opposed to natural justice;
- (e) where it has been obtained by fraud; or
- (f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Among other jurisdictions, each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment.

## EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following tables sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$) for or as of the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On November 15, 2019, the exchange rate (the FBIL reference rate) was ₹ 71.71 to USD 1 (*source: www.fbil.org.in*).

Period	Fiscal Year end <sup>(4)(5)</sup>	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
2017	64.84	67.09	68.72	64.84
Period	Period end <sup>(4)(5)</sup>	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Quarter ended:</b>				
September 30, 2019	69.17	70.49	71.75	68.58
June 30, 2019	68.92	69.56	70.42	68.49
March 31, 2019	70.69	70.34	72.19	68.37
<b>Month ended:</b>				
October 31, 2019	70.81	71.51	70.73	71.04
September 30, 2019	70.69	71.33	72.19	70.69
August 31, 2019	71.76	71.15	72.18	69.06
July 31, 2019	68.86	68.81	69.06	68.37
June 30, 2019	68.92	69.44	69.84	68.92
May 31, 2019	69.81	69.77	70.42	69.27

**Notes:**

- (1) Average of the official rate for each working day of the relevant period.
- (2) Maximum of the official rate for each working day of the relevant period.
- (3) Minimum of the official rate for each working day of the relevant period.
- (4) Source: [www.rbi.org.in](http://www.rbi.org.in) (for a period prior to July 9, 2018) and [www.fbil.org.in](http://www.fbil.org.in) (for a period post July 9, 2018).
- (5) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.

The following tables sets forth information with respect to the exchange rates between the Rupee and the Emirati Dirham (in ₹ per AED) for or as of the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into AED dirhams at any particular rate, the rates stated below, or at all.

On November 15, 2019, the exchange rate (the Bloomberg reference rate) was ₹ 19.50 to AED 1 (*source: Bloomberg*).

Period	Fiscal Year end <sup>(4)(5)</sup>	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	18.89	19.04	20.25	17.66
2018	17.72	17.55	17.86	17.23
2017	17.65	18.25	18.73	17.64
Period	Period end <sup>(4)(5)</sup>	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Quarter ended:</b>				
September 30, 2019	19.23	19.17	19.63	18.61
June 30, 2019	18.77	18.93	19.22	18.64
March 31, 2019	18.89	19.18	19.52	18.67
<b>Month ended:</b>				
October 31, 2019	19.35	19.34	19.47	19.26
September 30, 2019	19.23	19.43	19.63	19.23
August 31, 2019	19.53	19.39	19.58	18.86
July 31, 2019	18.84	18.72	18.84	18.61
June 30, 2019	18.77	18.89	19.02	18.77
May 31, 2019	18.94	19.00	19.22	18.83

**Notes:**

- (1) *Average of the official rate for each working day of the relevant period.*
- (2) *Maximum of the official rate for each working day of the relevant period.*
- (3) *Minimum of the official rate for each working day of the relevant period.*
- (4) *Source: Bloomberg*
- (5) *In the event that the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.*

## DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “*Summary Financial Statements*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Legal Proceedings*” and “*Financial Statements*” on pages 41, 223, 92, 241 and 250, respectively, shall have the meaning given to such terms in such sections.

### General Terms

Term	Description
Company / Our Company / the Issuer	Shree Cement Limited, a public limited company incorporated under the Companies Act, 1956
‘us’, ‘we’, or ‘our’	Our Company, together with its Subsidiaries

### Company Related Terms

Term	Description
Articles / Articles of Association	The articles of association of our Company as amended from time to time
Audited Financial Statements	Collectively, the Fiscal 2017 Audited Financial Statements, Fiscal 2018 Audited Financial Statements and Fiscal 2019 Audited Financial Statements
Auditors or Statutory Auditors	The statutory auditors of our Company, namely, Gupta & Dua, Chartered Accountants
Board of Directors / Board	The board of directors of our Company, or a duly constituted committee thereof
Corporate Office	The corporate office of our Company, situated at 21, Strand Road, Kolkata 700 001, West Bengal, India
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	The equity shares of face value ₹ 10 each of our Company
Executive Directors	Executive director(s) of our Company, unless otherwise specified
Fiscal 2017 Audited Financial Statements	The audited standalone and consolidated financial statements for Fiscal 2017 read along with the notes thereto, prepared in accordance with Ind AS
Fiscal 2018 Audited Financial Statements	The audited standalone and consolidated financial statements for Fiscal 2018 read along with the notes thereto, prepared in accordance with Ind AS
Fiscal 2019 Audited Financial Statements	The audited standalone and consolidated financial statements for Fiscal 2019 read along with the notes thereto, prepared in accordance with Ind AS
Independent Directors	Independent directors of our Company, unless otherwise specified
Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Non-Executive Director	Non-executive directors of our Company, unless otherwise specified
Previous Statutory Auditors	The previous statutory auditors of our Company namely, B R Maheswari & Co LLP, Chartered Accountants
Promoters	Benu Gopal Bangur, Hari Mohan Bangur, and Prashant Bangur, collectively
Promoter Group / members of the Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company, situated at Bangur Nagar, Beawar 305 901, Ajmer, Rajasthan, India
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof
Subsidiaries	The subsidiaries of our Company, namely Shree Global FZE, Shree Enterprises Management Limited, Shree International Holding Limited, Union Cement Company PrJSC, Union Cement Norcem Company Limited LLC and Raipur Handling and Infrastructure Private Limited
Unaudited Interim Condensed	The unaudited interim condensed standalone and consolidated financial statements

Term	Description
Financial Statements	for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) read along with the notes thereto, prepared in accordance with Ind AS.

#### Issue Related Terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Bid Amounts submitted by them in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form, including any revisions thereof, the indicative format of which is as set forth in section “ <i>Application Form</i> ” on page 628 of this Placement Document submitted by the QIBs for registering a Bid in this Issue during the Issue Period.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term “ <i>Bidding</i> ” shall be construed accordingly.
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by such Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period / Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders could submit their Bids including any revision and/or modifications thereof along with the Bid Amount
Book Running Lead Managers / BRLMs	JM Financial Limited and ICICI Securities Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e. on or about November 25, 2019
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee’s demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs which are eligible to participate in the Issue and who are (i) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and (ii) not restricted from participating in the Issue under applicable law, including the SEBI ICDR Regulations. In addition, QIBs outside the United States in “offshore transactions” in reliance upon Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made, and within the United States, persons reasonably believed to be “qualified institutional buyers” as defined in Rule 144A of the U.S. Securities Act
Escrow Account	The account opened with the Escrow Agent in the name and style “SHREE CEMENT LIMITED - QIP ESCROW ACCOUNT”, pursuant to the Escrow Agreement, into which the Bid Amount payable by Bidders towards subscription of the Equity Shares pursuant to the Issue has been deposited
Escrow Bank / Escrow Agent	Axis Bank Limited
Escrow Agreement	The agreement dated November 19, 2019 entered into amongst our Company, the Escrow Agent and the BRLMs
Floor Price	The price of ₹ 19,806.46 per Equity Share, which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations.  Our Company has offered a discount of 2.56% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, and pursuant to the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on November 18, 2019
Issue	The offer, issue and Allotment of the Equity Shares to eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act,

<b>Term</b>	<b>Description</b>
	2013
Issue Closing Date	November 22, 2019, which is the last date up to which the Application Forms and Bid Amount were accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	November 19, 2019, which was the date on which the acceptance of the Application Forms and Bid Amount was commenced by our Company (or the BRLM, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 19,300.00
Issue Size	The issue of 12,43,523 Equity Shares, aggregating to approximately ₹ 2,400 crore
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, which is approximately ₹ 2,383 crore
Placement Agreement	The agreement dated November 19, 2019 between our Company and the BRLMs
Placement Document	This placement document dated November 22, 2019 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013
Preliminary Placement Document	The preliminary placement document-cum-Application Form dated November 19, 2019, issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013
QIBs / Qualified Institutional Buyers	A qualified institutional buyer as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013, read with PAS Rules, and all other applicable provisions of the Companies Act, 2013
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Company intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.
Relevant Date	November 19, 2019, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decided to open the Issue
Systemically Important NBFC / SI-NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Equity Shares in the Issue
U.S. QIB	Qualified institutional buyer, as defined in Rule 144A
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

### Conventional and General Terms/Abbreviations

<b>Term</b>	<b>Description</b>
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS / Accounting Standards	Accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
BSE	BSE Limited
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CESTAT	Custom Excise and Service Tax Appellate Tribunal
CIN	Corporate identity number
Civil Code	Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder

Term	Description
Creore/Cr	Creore
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DP / Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBIT	Earnings before interest and tax
EGM	Extraordinary general meeting
EPS	Earnings per share, i.e., profit after tax for a financial year / period divided by the weighted average number of equity shares during the financial year / period
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the regulations framed thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / Fiscal / FY	A period of 12 months ending March 31, unless otherwise stated
FIR	First information report
Form PAS-4	The Form PAS-4 prescribed under the PAS Rules
FPI / Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross domestic product
GIR Number	General Index Register Number
GoI / Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
Ind AS / IAS Rules	Indian accounting standards as notified by the MCA vide Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015 in its G.S.R dated February 16, 2015
Income Tax Act / IT Act	The Income Tax Act, 1961
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
MMDR Act	Mines and Minerals (Development and Regulation) Act, 1957, as amended
Non-Resident Indian(s) / NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAN	Permanent account number
Regulation S	Regulation S under the U.S. Securities Act
₹ / Rs / Rupees / Indian Rupees	The legal currency of India
RBI	Reserve Bank of India
RoC	Registrar of Companies, Rajasthan at Jaipur
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCR(SECC) Rules	Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure

Term	Description
	Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Stock Exchanges	BSE and NSE
Supreme Court	Supreme Court of India
Takeover Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.\$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	The United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

### Technical/Industry Related Terms/Abbreviations

Term	Description
API	American Petroleum Institute
BIS	Bureau of Indian Standards
CAGR	Compounded annual growth rate
CRISIL Report	“Cement Market Assessment” dated October 2019 prepared and issued by CRISIL Research, a division of CRISIL Limited
CRISIL Cement Peer Companies	CRISIL Cement Peer Companies refers to ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, J.K. Cement Limited, JK Lakshmi Cement, The Ramco Cements Limited and UltraTech Cement Limited (as defined in the CRISIL Report)
DISCOM	Electricity distribution companies of India
Debt to equity ratio	Debt to equity ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by total equity less deferred tax assets (net)
Debt to EBITDA ratio	Debt to EBITDA ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by EBITDA for the relevant fiscal year/ period
EBITDA	EBITDA has been calculated as profit for the year/ period (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other income
EBITDA margin	EBITDA margin has been calculated as EBITDA divided by revenue from operations (net of excise duty)
EBITDA from cement operations	EBITDA from cement operations has been calculated as profit for the year/ period from cement operations (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other operating revenue excluding other income (all calculated based on cement operations)
EBITDA from cement operations per tonne	EBITDA from cement operations per tonne has been calculated as EBITDA from cement operations divided by cement and clinker sales volume in the relevant fiscal year/ period
EBITDA from power operations	EBITDA from power operations has been calculated as profit for the year/ period (before exceptional items) from power operations plus finance costs, taxes, depreciation and amortization excluding other income (all calculated based on power operations)
Heat consumption	Heat consumption in terms of kcal per kg of clinker has been calculated as total net calorific value of all types of fuel consumed (i.e. total volume of each type of fuel consumed in the relevant fiscal year / period multiplied by the net calorific value of relevant fuel) for clinker production in the relevant fiscal year/ period divided by the volume of clinker production in the relevant fiscal year/ period
Interest Coverage Ratio	Interest coverage ratio, on a consolidated basis, is calculated on the basis on profit after tax plus exceptional items, finance costs, depreciation and amortisation, and tax expenses divided by finance costs, for the relevant fiscal year/ period.
ISO	International Organization for Standardization
OHSAS	Occupational Health and Safety Assessment Series
Kg	Kilogram
KWh	kilowatt hour
Kcal	Kilocalorie
MT	Metric tonne or tonne
MTPA	Million tonne per annum
MW	Mega watts

<b>Term</b>	<b>Description</b>
OPC	Ordinary Portland Cement
PAT Margin	PAT Margin has been calculated as profit for the year/ period divided by revenue from operations (net of excise duty)
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
Pet coke	Petroleum coke
Power and fuel cost per tonne (for cement operations)	Power and fuel cost per tonne (for cement operations) has been calculated as power and fuel cost pertaining to cement operations divided by the cement sales volume in the relevant fiscal year/ period.
Power consumption	Power consumption in terms of kwh per tonne of cement has been calculated based on per ton of electrical energy consumed by all sections of cement plant (for example, amongst others, crusher, raw mill, kiln and cement mill) in relation to their respective outputs during the relevant fiscal year/ period multiplied by the percentage contribution of those respective outputs in production of per ton of cement manufactured during the relevant fiscal year/ period.
ROE/ Return on equity	Return on equity has been calculated as profit for the year/ period (excluding deferred tax credit/ charges) divided by total equity less deferred tax assets (net)
ROCE/ Return on average capital employed	Return on average capital employed has been calculated as profit before tax plus finance costs divided by average of opening and closing capital employed (calculated as total equity plus total non-current liabilities, current borrowing, current maturities of long term debt and lease obligation)
Total cost per tonne for cement operations	Total cost per tonne for cement operations has been calculated as total cost of cement operations comprising of cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefits expense, power and fuel cost, freight and forwarding expenses, other expenses and captive consumption of cement (net of excise duty) divided by the cement sales volume in the relevant fiscal year/ period
WHR	Waste heat recovery

## SUMMARY OF BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward Looking Statements” on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Industry Overview”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations”, “Risk Factors” and “Summary Financial Statements” on pages 92, 250, 134, 52 and 41, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2017, 2018 and 2019 included herein is based on the Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) is based on the Unaudited Interim Condensed Financial Statements, included in this Placement Document. For further information, see “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary Financial Statements” on pages 250, 131 and 41, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to Shree Cement Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to Shree Cement Limited and its Subsidiaries on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report “Cement Market Assessment” dated October 2019 (the “CRISIL Report”) prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

Our Company was the largest cement manufacturing company in north India and the third largest cement manufacturing group in India, in terms of installed cement production capacity as of March 31, 2019 (*Source: CRISIL Report*). Incorporated in 1979, with more than three decades of operations, we have been able to leverage our strategically located integrated manufacturing facilities and grinding units, extensive sales and distribution network and brands to successfully expand our operations. Further, in Fiscal 2019, our Company’s market share in India was 7% of the total cement production in India (*Source: CRISIL Report*).

Our Company operates four integrated manufacturing facilities and eight grinding units across the states of Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar and Karnataka, with an aggregate cement production capacity of 40.40 million tonne per annum (“MTPA”) and clinker production capacity of 25.60 MTPA, as of September 30, 2019. As of March 31, 2019, our Company’s installed cement production capacity represented 8%, 24% and 10% of the total cement production capacity in India, north India and east (including north-east) India, respectively (*Source: CRISIL Report*). Further, our Company is in the process of increasing our cement production capacity by commissioning two additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. In addition, we have recently expanded our operations to United Arab Emirates by acquiring a controlling stake in Union Cement Company PrJSC, in Ras Al Khaimah in Fiscal 2019, which has an integrated manufacturing facility with a cement and clinker production capacity of 4.00 MTPA and 3.30 MTPA, respectively, as of September 30, 2019.

We follow a strategy of split grinding where grinding units are set up closer to our principal markets and raw material sources, enabling us to manufacture and sell cement in a cost efficient manner. Accordingly, our facilities are strategically located in close proximity to our raw material sources and principal markets, which lowers our transportation costs and provides significant logistics management and cost benefits.

We have adopted a multi-brand marketing strategy to cater to the various needs of our customers. Our Company produces and sells Ordinary Portland Cement (“**OPC**”), Portland Pozzolana Cement (“**PPC**”) and Portland Slag Cement (“**PSC**”) products under the brands, ‘*Shree Jung Rodhak Cement*’, ‘*Bangur Cement*’ and ‘*Rockstrong*’, and recently, in Fiscal 2019, we introduced our premium cement offerings under the brands, ‘*Roofon*’ and ‘*Bangur Power*’, to cater to a niche customer segment. We have an extensive and structured sales and distribution network with 20,250 dealers and 746 distributors spread across 18 States and two Union Territories in India, as of September 30, 2019.

We believe, over the years, we have developed an established track record of efficient project management and execution experience, involving trained and skilled manpower, innovative work practices, efficient deployment of equipment with an in-house project management team. We have demonstrated a differentiated expansion strategy by executing projects in a ‘modular manner’ and with regular capacity additions at short intervals, allowing us to expand systematically and achieve faster project turn around.

Our Company set up its first power plant (coal fired) at Beawar in 2003 and has since, over the years, established captive power plants (coal fired) at Ras and Baloda Bazar, with an aggregate installed capacity of 203 MW, as of September 30, 2019, and WHR based power generation units at Beawar, Ras, Baloda Bazar and Kodla, with an aggregate installed capacity of 186 MW, as of September 30, 2019. In addition, pursuant to the acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with an aggregate installed capacity of 13 MW, as of September 30, 2019, and we are currently in the process of increasing its capacity by 16.5 MW, which is expected to become operational in Fiscal 2021. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company’s WHR based power generation unit capacity increased by 25 MW and power plant (coal fired) capacity increased by 5 MW.

In line with our strategy to increase the share of renewable energy in energy consumption, our Company has established a wind power plant in Kustagi, with an aggregate installed capacity of 21 MW, as of September 30, 2019, and recently commissioned a solar power plant in Panipat, with an installed capacity of approximately 1 MW. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources in India. We also have merchant thermal power plants in Beawar, with an aggregate installed capacity of 300 MW, as of September 30, 2019, which we primarily utilize to sell power to various state DISCOMs, as well as for supplying power to our grinding unit located in Bulandshahr. In Fiscals 2017, 2018 and 2019, and the six months ended September 30, 2019, our Company’s power sales amounted to ₹ 571.44 crore, ₹ 432.88 crore, ₹ 801.88 crore and ₹ 327.17 crore, respectively.

According to the CRISIL Report, our Company had the lowest total cost per tonne for cement operations among the CRISIL Cement Peer Companies in Fiscal 2019. Further, in Fiscals 2017, 2018 and 2019, our Company had a lower power and fuel cost per tonne (for cement operations) in comparison with the average of power and fuel cost per tonne of the CRISIL Cement Peer Companies (*Source: CRISIL Report*). Further, in 2016, our Company was ranked second by CDP (formerly known as Carbon Disclosure Project) in terms of best emissions and water related metrics among the cement manufacturing companies internationally. In addition, our Company has achieved its target under the ‘Perform, Achieve and Trade’ scheme of the Government of India and was also awarded the ‘Best Performer’ award for energy saving under the ‘Perform, Achieve and Trade’ scheme by the Bureau of Energy Efficiency in 2017.

We believe we have established stable and cost-effective supply channel for raw materials including limestone, gypsum and fly ash, as well as coal for our integrated manufacturing facilities. Limestone is extracted from our captive limestone mines in India, for which we have obtained long term mining lease agreements from certain state governments. Majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. Our fuel requirements are met by sourcing coal and pet coke from domestic and international markets, and in addition, we have secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our integrated manufacturing facility located at Baloda Bazar. We believe we have been able to demonstrate significant cost advantages and operational efficiencies primarily due to establishing multiple grinding units, efficient cost structure, particularly in energy consumption, generation of low cost power, and cost savings on freight and logistics expenses on account of lower lead distances between our manufacturing facilities, grinding units, raw materials and principal markets.

We aim to consistently deliver strong financial performance and believe that our Company has a strong balance sheet and has been able to maintain a low debt position. In Fiscal 2019, our Company's revenue from operations, EBITDA and profit for the year were ₹ 11,722.00 crores, ₹ 2,898.22 crores and ₹ 951.05 crores, respectively, while in the six months ended September 30, 2019, our Company's revenue from operations, EBITDA and profit for the period were ₹ 5,838.12 crores, ₹ 1,855.22 crores and ₹ 672.08 crores, respectively. Our Company's cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. Further, our Company's EBITDA from cement operations per tonne, debt to equity ratio, return on average capital employed and return on equity was ₹ 955.59, 0.26, 9.82% and 9.61%, respectively, in Fiscal 2019. According to the CRISIL Report, in Fiscal 2019, our Company had a higher EBITDA per tonne (for cement operations) in comparison with the average of EBITDA per tonne of the CRISIL Cement Peer Companies. Our strong credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for our long term banking facilities since Fiscal 2016 and CARE A1+ for our short term banking facilities since Fiscal 2014, have enabled us to fund our operations and expansions at relatively lower costs.

## **Strengths**

### ***Third largest cement manufacturing group in India with strong distribution network and well-established brands***

As of March 31, 2019, in terms of installed cement production capacity, our Company was the largest cement manufacturing company in north India and the third largest cement manufacturing group in India (*Source: CRISIL Report*). Further, in east India, our Company was the fourth largest cement manufacturing group in terms of installed cement production capacity, as of March 31, 2019 (*Source: CRISIL Report*). In addition, as of March 31, 2019, our Company's installed cement production capacity represented 8%, 24% and 10% of the total cement production capacity in India, north India and east (including north-east) India, respectively (*Source: CRISIL Report*). Our Company operates four integrated manufacturing facilities and eight grinding units across India with an aggregate cement production capacity of 40.40 MTPA and an aggregate clinker production capacity of 25.60 MTPA, as of September 30, 2019. Further, our Company is in the process of increasing our cement production capacity by 6.00 MTPA by commissioning two additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. In addition, we expanded our operations to United Arab Emirates by acquiring a majority stake in Union Cement Company PrJSC, in Ras Al Khaimah in Fiscal 2019, which has an integrated manufacturing facility with a cement production capacity of 4.00 MTPA and clinker production capacity of 3.30 MTPA, as of September 30, 2019.

Our extensive and structured sales and distribution network is spread across 18 States and two Union Territories in India, as of September 30, 2019. Our pan-India presence is achieved through a network of 20,250 dealers and 746 distributors, as of September 30, 2019. Our Company's market share in India was 7% of the total cement production in India in Fiscal 2019 (*Source: CRISIL Report*). Our cement products are sold to the trade segment (which typically includes wholesale customers including dealers and distributors who then resell our products to retail customers) and the non-trade segment (which typically includes government and private infrastructure projects, real estate companies, and ready-mixed concrete stations). In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's sales to the trade segment accounted for 72.26%, 69.56%, 72.05% and 81.78%, respectively, of our total cement sales volume, while our Company's sales to non-trade segment accounted for 27.74%, 30.44%, 27.95% and 18.22%, respectively, of our total cement sales volume in the same periods. We believe that the extent of our distribution network, and our relationships with the dealers and distributors, enables us to market and distribute our products widely and efficiently.

We believe that our long operating history, longstanding market leadership in the markets we operate, quality of products and extensive distribution network have led to wide recognition of our brand and generated significant brand equity. We have adopted a multi-brand marketing strategy to cater to the various needs of our customers. Our Company produces and sells cement products under the brands, 'Shree Jung Rodhak Cement', 'Bangur Cement' and 'Rockstrong'. In Fiscal 2019, our Company launched two premium cement offerings under the brands, 'Roofon' and 'Bangur Power', to cater to a niche customer segment. The strong recall of our brands has allowed us to create a large and diverse customer base and facilitated our ability to market new products. We have received various awards recognizing our brand, including being awarded Asia's Most Trusted Company Award 2018 by International Brand Consulting, United States of America.

### ***Ability to identify and implement cost and operational efficiencies resulting in lower cost of production***

According to the CRISIL Report, our Company had the lowest total cost per tonne for cement operations among the CRISIL Cement Peer Companies in Fiscal 2019. Further, our Company had a lower total cost per tonne (for cement operations) in comparison with the average of total cost per tonne of the CRISIL Cement Peer Companies in Fiscals 2017, 2018 and 2019 (*Source: CRISIL Report*). In Fiscals 2017, 2018 and 2019, and the six months ended September 30, 2019, our Company's total cost per tonne for cement operations was ₹ 2,822.34, ₹ 3,152.69, ₹ 3,396.43 and ₹ 3,362.16, respectively. We believe we were the pioneers in the Indian cement industry to successfully start utilizing pet coke, WHR based power generation units and power plants (coal fired) in cement manufacturing operations, which provided us with an early mover advantage in terms of cost and operational efficiencies. In Fiscal 2019, our Company's cost per kwh for power plants (coal fired), WHR based power generation units, merchant power plants and renewable energy power plants (wind power plant and solar power plant) in India was ₹ 4.26, ₹ 0.66, ₹ 3.39 and ₹ 0.18, respectively. We have installed WHR based power generation units, which recycle waste heat generated from the clinker production process and convert it to steam to generate power for our integrated operations, across Rajasthan, Chhattisgarh and Karnataka. As of September 30, 2019, our Company's aggregate WHR based power generation capacity was 186 MW in India. In addition, pursuant to our acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with a capacity of 13 MW, as of September 30, 2019. Our WHR systems have allowed us to achieve significant cost savings on electricity and also helped minimize our carbon footprint. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 35.76%, 36.75%, 39.39% and 39.35%, respectively, of the power requirements in India through WHR based power generation units. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company's WHR based power generation unit capacity increased by 25 MW and power plant (coal fired) capacity increased by 5 MW.

We believe our cost leadership in terms of energy usage is attributable to our efficient utilization of power and lower fuel consumption. In Fiscals 2017, 2018 and 2019, our Company had a lower power and fuel cost per tonne (for cement operations) in comparison with the average of power and fuel cost per tonne of the CRISIL Cement Peer Companies (*Source: CRISIL Report*). Our Company's power and fuel cost per tonne (for cement operations) was ₹ 566.94, ₹ 746.93, ₹ 888.44 and ₹ 885.96 in Fiscals 2017, 2018 and 2019 and the six months ended September 30, 2019, respectively. In addition, our Company exhibited better power and thermal efficiency among the CRISIL Cement Peer Companies, and accordingly, had lower average power consumption (kwh per tonne of cement) and average heat consumption (kcal per kg of clinker) than the average of power consumption and heat consumption of the CRISIL Cement Peer Companies in Fiscal 2019 (*Source: CRISIL Report*). Further, in Fiscals 2017, 2018, 2019 and in the six months ended September 30, 2019, our Company's average heat consumption in terms of kcal per kg of clinker was 717.60, 727.79, 718.70 and 721.96, respectively, while our Company's average power consumption in terms of kwh per tonne of cement was 69.99, 68.67, 69.05 and 70.98, respectively, in the same periods. We have the flexibility to use coal and pet coke for fuel in all of our facilities, which enables us to maintain a lower cost of energy. We have also been able to reduce our cost of production further by producing synthetic gypsum, through a patented process, at our integrated manufacturing facilities located in Beawar and Ras.

Further, we believe that captive power generation sources ensure a lower cost of power as well as a reliable source for meeting our power requirements. Our Company has established captive power plants (coal fired) and WHR based power generation units at our integrated manufacturing facilities located in Rajasthan, Chhattisgarh and Karnataka. A significant majority of our power requirements for our integrated manufacturing facilities at Ras, Beawar, Baloda Bazar and Kodla, and our grinding units at Khushkhera, Jobner and Suratgarh are met through our captive power sources. Further, we have also set up a dedicated transmission line between our manufacturing facilities at Beawar and Ras to ensure transmission of power to either of the facilities. Our Company has also established a wind power plant in Kustagi, which helps in meeting the power requirements at our Kodla facility. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources. We also undertake routine trials and experiments to identify opportunities for any further increase in the production capacity of our facilities and routinely upgrade them through debottlenecking and modifications, which results in lowering our capital costs and improving efficiency in productivity. Our integrated manufacturing facility located at Ras received a '5-star' ranking by Whitehopleman U.K. (a global firm associated with benchmarking for cement plants) for its performance in 2015 and became the first cement factory to achieve '5-star' ranking in the Whitehopleman star ranking system during the 18 years of Whitehopleman independent cement factory benchmarking. In addition, we believe we have achieved high efficiency in our production of cement by maintaining a high capacity utilization rate of our facilities. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's overall capacity utilization for cement production in India was 72.03%, 74.09%, 67.42% and 58.28%, respectively. Further, our Company's clinker to cement ratio was 64.92%,

65.82%, 65.71% and 64.79% in Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, respectively.

***Strategically located integrated manufacturing facilities and grinding units with proximity to our principal markets and raw materials***

Our integrated manufacturing facilities and grinding units are strategically located in Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand and Bihar, and are in close proximity to our customers in the northern and eastern states of India, while our integrated manufacturing facility located in Karnataka is in close proximity to our customers in the western and southern states of India. Further, our facilities are in proximity to our raw material sources and principal markets as well as are well connected by road and rail, which lowers our transportation costs and provides significant logistics management and cost benefits. We follow a strategy of split grinding where grinding units are set up closer to our principal markets and raw material sources enabling us to manufacture and sell cement in a cost efficient manner.

Limestone is the principal raw material used in the production of clinker, which in turn is the base of all cement products. We have obtained mining lease agreements for limestone mines in Beawar, Ras, Baloda Bazar and Kodla, which are pit head mines and are located in close proximity to our integrated manufacturing facilities. All of our integrated manufacturing facilities have installed conveyor belts to deliver limestone directly to them, thus decreasing transportation costs. As of March 31, 2019, our Company's captive limestone mines had aggregate residual reserves of 1,087.32 million MT of limestone. We believe that the residual reserves of our mining lease agreements are sufficient to meet the production requirements of our existing facilities for the remaining estimated life of such facilities. Further, majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. We procure fly ash and slag from thermal power plants and steel manufacturing facilities, respectively, located near our facilities. In addition, our fuel requirements are met by sourcing coal and pet coke from domestic and international markets, and we have also secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our Baloda Bazar integrated manufacturing facility. For further information, see “- Raw Materials” on page 125.

We have installed dedicated railway sidings at our integrated manufacturing facilities located at Beawar and Ras. Further, through Raipur Handling and Infrastructure Private Limited, our wholly-owned Subsidiary, we have access to a private freight terminal of the Indian Railways situated at Hathbandh in Raipur located near our Baloda Bazar integrated manufacturing facility. We have also implemented a mechanized clinker wagon loading system at our Ras integrated manufacturing facility, which allows us to directly load clinker in the clinker wagons using telescopic chutes. In addition, in Fiscal 2019, we acquired an integrated manufacturing facility in Ras Al Khaimah, United Arab Emirates that is located adjacent to Saqr port, which provides us access to key export markets as well as helps in saving cost of sourcing raw materials, coal and other associated logistics costs.

Being located close to the raw materials and principal markets helps us save time and cost towards transportation of raw materials, and allows for lesser turnaround time for supply of final products to our customers while maintaining cost efficiency.

***Consistent track record of financial performance leading to strong balance sheet position***

Our focus on continuous efficiency improvements, improved productivity and cost rationalization has enabled us to deliver consistent and strong financial performance. We believe we have a strong balance sheet and have been able to maintain a low debt position. As of September 30, 2019, our Company's total long-term borrowing (including current maturities) amounted to ₹ 2,296.20 crore, while our Company's interest coverage ratio was 13.60 times.

Our Company's cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. Further, according to the CRISIL Report, in Fiscal 2019, our Company had a higher EBITDA per tonne (for cement operations) in comparison with the average of EBITDA per tonne of the CRISIL Cement Peer Companies. We believe we have prudently utilized our resources, which has enabled us to fund our expansions through a mix of internal accruals and debt. Our strong credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for our long term banking facilities since Fiscal 2016 and CARE A1+ for our short term banking facilities since Fiscal 2014, have enabled us to fund our operations and expansions at relatively lower costs. We believe that our strong

operational and financial performance will allow us to take advantage of the growth opportunities in the cement manufacturing industry in India.

The following table provides certain key performance indicators of our Company, on a standalone basis, for the periods indicated:

Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended	As of and for the six months ended
	2017	2018	2019	September 30, 2018	September 30, 2019
Cement and clinker sales volume (in million MT)	20.59	22.53	25.86	12.63	11.77
Power sales volume (in million units kwh)	1,658.34	1,196.53	1,678.20	850.34	753.93
EBITDA (₹ crore) <sup>(1)</sup>	2,874.94	2,861.83	2,898.22	1,239.94	1,855.22
EBITDA Margin (%) <sup>(2)</sup>	33.45%	29.10%	24.72%	21.92%	31.78%
EBITDA from cement operations (₹ crore) <sup>(3)</sup>	2,356.67	2,458.35	2,471.26	1,013.29	1,705.18
EBITDA from cement operations per tonne (₹) <sup>(4)</sup>	1,144.79	1,090.95	955.59	802.42	1,448.50
EBITDA from power operations (₹ crore) <sup>(5)</sup>	156.50	14.43	181.56	81.65	41.15
Debt to Equity Ratio <sup>(6)</sup>	0.07	0.26	0.26	0.29	0.25
Debt to EBITDA Ratio <sup>(7)</sup>	0.18	0.77	0.80	1.97	1.26
Return on Average Capital Employed (%) <sup>(8)</sup>	17.85%	16.83%	9.82%	4.44%	7.33%
Return on Equity (%) <sup>(9)</sup>	16.75%	16.47%	9.61%	2.63%	6.42%
PAT Margin <sup>(10)</sup>	15.58%	14.08%	8.11%	5.81%	11.51%

Note: (1) EBITDA has been calculated as profit for the year/ period (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other income.

(2) EBITDA margin has been calculated as EBITDA divided by revenue from operations (net of excise duty).

(3) EBITDA from cement operations has been calculated as profit for the year/ period from cement operations (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other operating revenue excluding other income (all calculated based on cement operations).

(4) EBITDA from cement operations per tonne has been calculated as EBITDA from cement operations divided by cement and clinker sales volume in the relevant fiscal year/ period.

(5) EBITDA from power operations has been calculated as profit for the year/ period (before exceptional items) from power operations plus finance costs, taxes, depreciation and amortization excluding other income (all calculated based on power operations).

(6) Debt to equity ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by total equity less deferred tax assets (net).

(7) Debt to EBITDA ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by EBITDA for the relevant fiscal year/ period.

(8) Return on average capital employed has been calculated as profit before tax plus finance costs divided by average of opening and closing capital employed (calculated as total equity plus total non-current liabilities, current borrowing, current maturities of long term debt and lease obligation).

(9) Return on equity has been calculated as profit for the year/ period (excluding deferred tax credit/ charges) divided by total equity less deferred tax assets (net).

(10) PAT Margin has been calculated as profit for the year/ period divided by revenue from operations (net of excise duty).

The following table provides certain key performance indicators (average) of ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, J.K. Cement Limited, JK Lakshmi Cement, The Ramco Cements Limited and UltraTech Cement Limited, collectively referred to as the “CRISIL Cement Peer Companies”, for the periods indicated:

Key Performance Indicators	As of and for the financial year ended March 31,		
	2017	2018	2019
	CRISIL Cement Peer Companies (average)		
EBITDA per tonne (₹) <sup>(1)</sup>	922	925	860
EBITDA Margin (%) <sup>(2)</sup>	19.6%	18.8%	17.2%
Debt to Equity ratio	0.4	0.5	0.5
Debt to EBITDA Ratio	1.5	2.0	1.8
Return on Capital Employed (%)	11.1%	11.0%	10.5%
Return on Equity (%)	9.3%	9.0%	9.1%

Note: CRISIL Cement Peer Companies have been selected based on player category (in terms of capacity), product portfolio and geographical presence that accords with our Company.

(1) EBITDA per tonne for CRISIL Cement Peer Companies has been considered as the (operating profit before interest, taxes, depreciation and amortization plus non-operating income) divided by annual cement sales volume.

(2) EBITDA margin for CRISIL Cement Peer Companies has been considered as the (operating profit before interest, taxes, depreciation and amortization and non-operating income) divided by (operating income plus non-operating income less discounts)  
Source: CRISIL Report

For further information, see “*Industry Overview – Competitive Benchmarking - Financial Benchmarking*” on page 104.

***Established track record of project management and timely execution***

We have more than three decades of experience which includes establishing and operating manufacturing facilities and grinding units in India. We believe, over the years, we have an established track record of efficient project management and execution experience, involving trained and skilled manpower, innovative work practices, efficient deployment of equipment with an in-house project management team. We have demonstrated a differentiated expansion strategy, with regular and smaller capacity additions at short intervals, allowing us to expand systematically and achieve faster project turn around as well as help in growing our operations. For information in relation to capital expenditure per tonne by our Company vis-à-vis CRISIL Cement Peer Companies, see “*Industry Overview – Competitive Benchmarking – Operational Benchmarking – Capital Expenditure per Tonne*” on page 104.

We typically execute projects in a ‘modular’ manner with identified equipment suppliers and similar civil structures, which leads to efficient, coordinated and relatively quicker execution of work. For instance, we undertook a project to set up a kiln at our Ras integrated manufacturing facility and subsequently, replicated the same project set up for an additional five kilns at the same location. Our experienced project management and execution teams ensure operational efficiencies through overall supervision of the project execution process as well as enable on-time completion of new facilities. During project implementation and execution, we typically breakdown the project into smaller components and engage different contractors for each of such smaller projects allowing us to ensure that timelines are met. We typically fund our projects primarily through internal accruals, thereby resulting in no additional financing costs. We believe our model of implementing these projects has resulted in cost efficiencies and faster execution.

As a result, we have been able to complete construction and expansion of most of our manufacturing facilities and grinding units on or before stipulated timelines. To illustrate this further, we have included the information in relation to the expected and actual commissioning dates for the construction and expansion, as applicable, of certain of our facilities in India in the following table for the last five years:

<b>Facility</b>	<b>Expected Commissioning Date</b>	<b>Actual Commissioning Date</b>
Set up of Bulandshahr grinding unit	December 2015	October 2015
Set up of new cement production capacity of Aurangabad grinding unit	March 2018	February 2018
Set up of Suratgarh grinding unit	June 2018	February 2018
Set up of cement section at Kodla integrated manufacturing facility	December 2018	June 2018
Set up of cement production capacity at Saraikela grinding unit	June 2019	June 2019

***Experienced Promoters and senior management team***

We have a qualified management team with considerable industry experience. Our Promoters, B.G. Bangur, H.M. Bangur and Prashant Bangur, have been instrumental in the growth of our business. In 2019, Business Today Magazine also recognized H.M. Bangur as ‘India’s best CEO’ in the cement category. We also have an experienced and professional Board and qualified management team. Our senior management team has been responsible for implementing our business strategies and identifying new opportunities. We believe that our cost effectiveness has been achieved by adherence to the vision of our Promoters and focus of our senior management team and their experience in the cement industry. We also believe that our experienced management team positions us well to capitalize on future growth opportunities.

## Strategies

### ***Strategically capture the growing cement demand in India***

While India was the second largest producer of cement in 2018 accounting for approximately 8% of the total international cement production, the per capita cement consumption in India was much lower at approximately 200 kilograms to 250 kilograms compared with the world average of approximately 500 kilograms to 550 kilograms in 2018 (*Source: CRISIL Report*). Further, India was the second largest cement consumer internationally in 2018 (*Source: CRISIL Report*). The cement demand in India has been growing at a significantly faster rate at a CAGR of approximately 6.5% during Fiscal 2014 to Fiscal 2019 while in comparison the international cement demand has been growing at a CAGR of approximately 2% during the same periods (*Source: CRISIL Report*). The cement demand in India is expected to grow at a rate of approximately 7% to 8% in Fiscal 2021 and in the long term, the cement demand is expected to grow at a CAGR of approximately 6% to 7% from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*). The demand will be driven by the increase in housing demand and infrastructure development on account of affordable housing and increase in government spending on infrastructure activities (*Source: CRISIL Report*).

In particular, the demand for cement in northern and eastern regions of India are expected to grow at a CAGR of approximately 5.5% to 6.5% and 7% to 9%, respectively, from Fiscal 2019 to Fiscal 2024 primarily due to key infrastructure projects, such as, dedicated freight corridor, metro projects and ‘smart city’ related development (*Source: CRISIL Report*). Further, the cement demand in the central and western regions of India is expected to grow at a CAGR of approximately 6% to 8% and 5% to 7% from Fiscal 2019 to Fiscal 2024 primarily aided by key infrastructure projects, such as urban infrastructure projects, including, metros, expressways, waterway projects, expansion projects in power sector and increasing housing demand in emerging cities in these regions (*Source: CRISIL Report*). In addition, southern regions of India are expected to grow at a CAGR of approximately 4% to 6% from Fiscal 2019 to Fiscal 2024 in terms of cement demand (*Source: CRISIL Report*). We believe that we are well positioned to capitalize on such demand on account of our manufacturing and distribution capabilities, access to raw materials and recognizable brand. In addition, our strategic focus of expanding our production capacity through the construction of additional grinding units near principal markets, and improving cost efficiency and productivity will allow us to take advantage of this growth opportunity.

### ***Grow our manufacturing capacity and increase market share through organic and inorganic routes.***

We intend to strengthen our leading market position in India and achieve better economies of scale by establishing and acquiring additional facilities and expanding our existing production capacities. We have, over the years, consistently grown our manufacturing and production capabilities. Our Company’s cement production capacity in India has increased at a CAGR of 18.70% from 4.10 MTPA as of March 31, 2006 to 37.90 MTPA as of March 31, 2019, and was 40.40 MTPA as of September 30, 2019. Further, our Company’s power capacity in India has grown at a CAGR of 23.40% from 42 MW as of March 31, 2006 to 646 MW as of March 31, 2019 and was 711 MW as of September 30, 2019. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. Our Company is in the process of establishing additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. The estimated project cost for our Athagarh and Patas grinding units is approximately ₹ 423 crores and approximately ₹ 525 crores, respectively. We have also purchased the land required for both of our grinding units and have obtained licenses, approvals and permissions, including environmental clearances and consents to establish, as well as placed orders for plant and machinery. With the establishment of grinding units in Athagarh and Patas, we believe that we will be able to further penetrate the western and eastern regions of India, respectively. We also intend to continue to increase our production capacity by debottlenecking and upgrading our existing manufacturing facilities by implementing new technology and adding additional production lines. Further, our Company operates limestone mines across Rajasthan, Chhattisgarh and Karnataka. As of March 31, 2019, our Company’s captive limestone mines had aggregate residual reserves of 1,087.32 million MT of limestone. Our Company has also signed mining lease agreements for additional limestone mines in Rajasthan and Andhra Pradesh, and is currently in process of acquiring the requisite land for these limestone mines. In addition, our Company has received the letter of intent for limestone mines located in Gujarat and Chhattisgarh. For further information, see “- *Raw Materials - Limestone*” on page 125.

In order to diversify into new markets, we also aim to selectively acquire established businesses whose operations, resources and capabilities are complementary to ours. Our proposed acquisitions will revolve around increasing our market share, achieving operating leverage in key markets, increasing sales and distribution network and

strengthen cost competitiveness in the market. We believe our expansion plans and strategy will allow us to meet the anticipated increase in cement demand in the future, enable us to supply growing markets more efficiently and drive profitability.

***Continue to focus on cost efficiency and improving productivity***

We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improve our operational efficiencies. Our focus is to continue to develop and adopt energy efficient technologies and practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products and optimize our production costs. For instance, we have recently commissioned a solar power plant in Panipat to meet our energy requirements and increase the share of renewable energy in our energy consumption. We are also currently in the process of increasing the capacity of our WHR based power generation unit by 16.5 MW at our integrated manufacturing facility at Ras Al Khaimah in United Arab Emirates, which is expected to become operational in Fiscal 2021. The estimated project cost for the increase in our WHR based power generation capacity in United Arab Emirates is approximately AED 103.98 million (equivalent to approximately ₹ 199.95 crores, based on the exchange rate (the Bloomberg reference rate) on September 30, 2019). In addition, we have also increased the reuse of low grade limestone and quarry rejects, extracted as part of regular limestone mining operations, along with the waste of other industries as raw materials in our operations, which has helped us significantly in reducing our costs and environmental impact.

We also place significant importance in reducing our carbon footprint, and have in the past and intend to continue to adopt measures and practices, which will help us in reducing our carbon footprint. In Fiscal 2017, our Company's specific net CO<sub>2</sub> emission was 549 KgCO<sub>2</sub> per tonne of cement, while in Fiscal 2019, it reduced further to 543 KgCO<sub>2</sub> per tonne of cement. In comparison, the average industry standard was 588 KgCO<sub>2</sub> per tonne of cement in 2017 (*Source: Report on Low Carbon Technology Roadmap for the Indian Cement Sector: Status Review 2018 published by World Business Council for Sustainable Development*). Further, owing to our large and diverse operations, we continue to evaluate our manufacturing and distribution costs for each of our facilities in a particular region based on various factors, including changes in demand and customer preferences, in order for us to operate such facilities and units in the most optimal manner in terms of manufacturing and distribution costs. We have, in the past, undertaken and developed various measures to reduce our costs, such as, a mechanized clinker wagon loading system at our Ras integrated manufacturing facility, which has led to a reduction in clinker transportation and loading cost. In addition, Our Company is in the process of setting up a dedicated railway siding at our Saraikela grinding unit and have also obtained approval from south-eastern railway for the land where the railway siding is proposed to be installed. We believe this will allow us to efficiently transport clinker, cement and coal. We intend to continue to develop such cost-reduction strategies and implement more sustainable methods in our operations to maintain our cost leadership position.

***Continue to enhance our brand by leveraging and expanding our distribution network***

Our brands are one of our key strengths and we believe that brand and reputation are important to our dealers, distributors and customers who associate our brands with high quality products. Accordingly, we intend to continue with a strategy of investing in our brands and marketing to differentiate our products in the marketplace and grow our market share across India. Our brands, 'Shree Jung Rodhak Cement', 'Bangur Cement' and 'Rockstrong', meet the requirements of a varied segment of customers. We intend to continue to leverage the goodwill of our brand to differentiate us from our competitors, enhance relationships with existing dealers, distributors and customers as well as seek new dealers, distributors and customers. We are currently focusing on introducing premium products and have recently launched 'Roofon' and 'Bangur Power' that cater to a niche customer segment. In addition, through our operations in the United Arab Emirates, we produce and sell oil-well cement, a special purpose cement, under the brand 'Norwell', under the premium category. Our focus is to undertake customer and market research to measure the various aspects of a product, plan our marketing campaigns and accordingly, continue to enhance the brand recall through a range of targeted advertising activities including television commercials, sponsorships, digital media and other media advertisements.

We also intend to continue to focus on leveraging and expanding of our distribution network to increase our market share and sales volume. As of September 30, 2019, our Company had a network of 20,250 dealers and 746 distributors in India, that market and distribute our products. We continuously seek to add additional dealers and distributors to our sales and distribution network, grow our product reach to under-penetrated geographies, and further strengthen our relationships with the existing dealers and distributors that carry our cement products. In

order to enhance our relationships with such dealers, we have developed a mobile application that connects our marketing teams with such dealers on a real-time basis. In addition to supplying quality products, we are focussed on increasing customer awareness of our products by providing training and workshops for masons and civil engineers. Further, our sales team generally meets with dealers, distributors and potential end users of our cement products to educate them about the diverse uses of cement, as well as more traditional uses of various varieties of cement that we manufacture.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. The summary should be read in conjunction with, and is qualified in its entirety by, the more detailed terms appearing elsewhere in this Placement Document, including under the sections titled “Risk Factors”, “Use of Proceeds”, “Issue Procedure”, “Description of the Equity Shares” and “Placement” on pages 52, 86, 191, 219 and 204, respectively.

<b>Issuer</b>	Shree Cement Limited
<b>Issue Size</b>	12,43,523 Equity Shares at a premium of ₹ 19,290.00 each, aggregating to approximately ₹ 2,400 crore  <b>A minimum of 10% of the Issue Size, i.e. at least 1,24,353 Equity Shares, were made available for Allocation to Mutual Funds only, and the balance 11,19,170 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds</b>  In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
<b>Face Value</b>	₹ 10 per Equity Share
<b>Floor Price</b>	₹ 19,806.46 per Equity Share  The Floor Price for the Issue is calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 2.56% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on November 18, 2019.
<b>Issue Price</b>	₹ 19,300.00 per Equity Share
<b>Eligible Investors</b>	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were circulated and who are eligible to make a Bid and participate in the Issue. See “Issue Procedure”, “Selling Restrictions” and “Transfer Restrictions” on pages 191, 206 and 212, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document has been delivered was determined by the Book Running Lead Managers, in consultation with our Company, at their sole discretion
<b>Dividend</b>	See “Description of the Equity Shares” and “Dividend” on pages 219 and 91, respectively
<b>Indian Taxation</b>	See “Statement of Possible Tax Benefits” on page 223
<b>Date of Board Resolution authorizing the Issue</b>	October 19, 2019
<b>Date of passing of resolution by Shareholders (through postal ballot) authorizing the Issue</b>	November 18, 2019
<b>Equity Shares issued and outstanding immediately prior to the Issue</b>	3,48,37,225 Equity Shares
<b>Equity Shares issued and outstanding immediately after the Issue</b>	3,60,80,748 Equity Shares
<b>Issue Procedure</b>	The Issue is being made to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For details in relation to Issue procedure, see “Issue Procedure” on page 191
<b>Listing</b>	Our Company has obtained in-principle approvals each dated November 19, 2019, from the NSE and the BSE, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue. Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approvals for the Equity Shares
<b>Lock-up</b>	See “Placement – Lock-up” on page 204 for a description of restrictions on our

	Company, Promoters and certain members of our Promoter Group, in relation to Equity Shares
<b>Transferability Restriction</b>	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see “ <i>Selling Restrictions</i> ” and “ <i>Transfer Restrictions</i> ” on pages 206 and 212, respectively
<b>Use of Proceeds</b>	The gross proceeds from the Issue aggregates to approximately ₹ 2,400 crore. The net proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, is approximately ₹ 2,383 crore. See “ <i>Use of Proceeds</i> ” on page 86 for further information
<b>Risk Factors</b>	See “ <i>Risk Factors</i> ” on page 52 for a discussion of risks that you should consider before participating in the Issue
<b>Closing Date</b>	The Allotment is expected to be made on or about November 25, 2019
<b>Ranking</b>	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares including the rights in respect of dividends after the Closing Date. The holders of such Equity Shares as on the record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws. The holders of such Equity Shares may attend and vote in Shareholders’ meetings in accordance with the provisions of the Companies Act, 2013. See “ <i>Dividend</i> ” and “ <i>Description of the Equity Shares</i> ” on pages 91 and 219, respectively
<b>Voting Rights of Share Holders</b>	See “ <i>Description of the Equity Shares- Voting Rights</i> ” on page 221
<b>Security Codes for the Equity Shares</b>	ISIN: INE070A01015 BSE Code: 500387 NSE Code: SHRECEM

## SUMMARY FINANCIAL STATEMENTS

The following tables set out selected financial information derived from our Audited Financial Statements and Unaudited Interim Condensed Financial Statements, in each case prepared in accordance with the applicable accounting standards and Companies Act, 2013 and presented in "Financial Statements" on page 250. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Our Financial Conditions and Results of Operations" and "Financial Statements" on pages 131 and 250, respectively.

### SUMMARY OF CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2019, MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<i>(in ₹ crore)</i>				
<b>ASSETS</b>				
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6,370.86	6,135.16	3,577.11	2,586.34
Capital Work-in-Progress	855.04	1,129.45	1,427.15	710.44
Intangible Assets	55.88	46.49	12.07	12.78
<b>Financial Assets</b>				
Investments	2,227.49	2,252.89	3,123.04	3,388.23
Loans	58.66	53.13	48.81	43.59
Other Financial Assets	39.95	27.85	200.00	200.00
Deferred Tax Assets (Net)	670.03	612.64	513.05	507.69
Non-Current Tax Assets (Net)	128.58	111.01	100.28	20.28
Other Non-Current Assets	433.81	405.21	439.91	414.44
<b>Total Non-Current Assets</b>	<b>10,840.30</b>	<b>10,773.83</b>	<b>9,441.42</b>	<b>7,883.79</b>
<b>Current Assets</b>				
Inventories	1,811.46	1,870.31	1,569.02	1,314.50
<b>Financial Assets</b>				
Investments	796.65	32.74	2,311.04	654.12
Trade Receivables	1,091.34	1,023.71	459.25	335.12
Cash and Cash Equivalents	141.76	142.20	51.77	45.50
Bank Balances other than Cash and Cash Equivalents	303.28	297.09	69.20	65.60
Loans	7.14	9.80	7.79	5.50
Other Financial Assets	144.41	106.75	92.99	87.22
Other Current Assets	1,176.09	1,236.62	1,139.19	774.63
<b>Total Current Assets</b>	<b>5,472.13</b>	<b>4,719.22</b>	<b>5,700.25</b>	<b>3,282.19</b>
<b>Total Assets</b>	<b>16,312.43</b>	<b>15,493.05</b>	<b>15,141.67</b>	<b>11,165.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	34.84	34.84	34.84	34.84
Other Equity	10,239.43	9,635.91	8,861.82	7,663.16
Total Equity Attributable to Owners of the Company	10,274.27	9,670.75	8,896.66	7,698.00
Non Controlling Interest	62.96	62.48	-	-
<b>Total Equity</b>	<b>10,337.23</b>	<b>9,733.23</b>	<b>8,896.66</b>	<b>7,698.00</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	1,688.11	2,309.04	2,208.13	518.74
Other Financial Liabilities	842.83	734.20	525.55	365.58
Deferred Tax Liabilities (Net)	0.23	0.25	-	-
Provisions	32.44	32.02	7.61	7.28
Other Non-Current Liabilities	575.33	557.73	536.57	587.36
<b>Total Non-current Liabilities</b>	<b>3,138.94</b>	<b>3,633.24</b>	<b>3,277.86</b>	<b>1,478.96</b>
<b>Current Liabilities</b>				

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Financial Liabilities				
Borrowings	470.72	472.67	1,185.86	773.74
Trade Payables				
Total Outstanding Dues of Micro Enterprises and Small Enterprises	1.89	2.11	7.50	8.01
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	493.60	536.08	719.78	343.68
Other Financial Liabilities	1,257.36	462.52	411.67	386.11
Other Current Liabilities	571.51	624.98	619.15	475.29
Provisions	18.93	5.97	0.94	0.85
Current Tax Liabilities (Net)	22.25	22.25	22.25	1.34
<b>Total Current Liabilities</b>	<b>2,836.26</b>	<b>2,126.58</b>	<b>2,967.15</b>	<b>1,989.02</b>
<b>Total Equity and Liabilities</b>	<b>16,312.43</b>	<b>15,493.05</b>	<b>15,141.67</b>	<b>11,165.98</b>

**SUMMARY OF STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2019, MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ crore)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>				
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	4,632.98	4,465.04	3,577.11	2,586.34
Capital Work-in-Progress	814.65	1,121.11	1,427.15	710.44
Intangible Assets	21.17	10.63	12.07	12.78
Financial Assets				
Investments	4,400.74	4,411.14	3,123.29	3,388.48
Loans	57.40	51.87	48.81	43.59
Other Financial Assets	34.71	22.72	200.00	200.00
Deferred Tax Assets (Net)	670.03	612.64	513.05	507.69
Non-Current Tax Assets (Net)	128.27	110.76	100.28	20.28
Other Non-Current Assets	402.91	395.65	439.91	414.44
<b>Total Non-Current Assets</b>	<b>11,162.86</b>	<b>11,201.56</b>	<b>9,441.67</b>	<b>7,884.04</b>
<b>Current Assets</b>				
Inventories	1,492.54	1,589.05	1,569.02	1,314.50
Financial Assets				
Investments	796.65	32.74	2,311.04	654.12
Trade Receivables	823.67	732.40	459.25	335.12
Cash and Cash Equivalents	26.38	35.00	51.70	45.40
Bank Balances other than Cash and Cash Equivalents	278.48	272.78	69.20	65.60
Loans	6.96	9.65	7.77	5.48
Other Financial Assets	138.11	101.45	92.99	87.22
Other Current Assets	1,148.80	1,218.62	1,139.19	774.63
<b>Total Current Assets</b>	<b>4,711.59</b>	<b>3,991.69</b>	<b>5,700.16</b>	<b>3,282.07</b>
<b>Total Assets</b>	<b>15,874.45</b>	<b>15,193.25</b>	<b>15,141.83</b>	<b>11,166.11</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	34.84	34.84	34.84	34.84
Other Equity	10,100.17	9,562.55	8,861.99	7,663.30
<b>Total Equity</b>	<b>10,135.01</b>	<b>9,597.39</b>	<b>8,896.83</b>	<b>7,698.14</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	1,688.11	2,309.04	2,208.13	518.74

<b>Particulars</b>	<b>As at September 30, 2019</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Other Financial Liabilities	775.28	734.19	525.55	365.58
Provisions	6.90	8.24	7.61	7.28
Other Non-Current Liabilities	575.33	557.73	536.57	587.36
<b>Total non-current Liabilities</b>	<b>3,045.62</b>	<b>3,609.20</b>	<b>3,277.86</b>	<b>1,478.96</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	463.48	467.95	1,185.86	773.74
Trade Payables				
Total Outstanding Dues of Micro Enterprises and Small Enterprises	1.89	2.11	7.50	8.01
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	403.38	448.68	719.77	343.67
Other Financial Liabilities	1,220.97	423.03	411.67	386.11
Other Current Liabilities	568.50	621.61	619.15	475.29
Provisions	13.35	1.03	0.94	0.85
Current Tax Liabilities (Net)	22.25	22.25	22.25	1.34
<b>Total Current Liabilities</b>	<b>2,693.82</b>	<b>1,986.66</b>	<b>2,967.14</b>	<b>1,989.01</b>
<b>Total Equity and Liabilities</b>	<b>15,874.45</b>	<b>15,193.25</b>	<b>15,141.83</b>	<b>11,166.11</b>

**SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018 AND THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

*(in ₹ crore)*

<b>Particulars</b>	<b>For the six months period ended September 30, 2019</b>	<b>For the six months period ended September 30, 2018</b>	<b>For the fiscal year ended March 31, 2019</b>	<b>For the fiscal year ended March 31, 2018</b>	<b>For the fiscal year ended March 31, 2017</b>
Revenue from Operations	6,307.24	5,925.54	12,554.65	10,159.53	9,661.66
Other Income	110.59	145.28	249.76	389.05	361.77
<b>Total Income</b>	<b>6,417.83</b>	<b>6,070.82</b>	<b>12,804.41</b>	<b>10,548.58</b>	<b>10,023.43</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	459.92	494.47	1,029.74	769.05	680.66
Purchases of Stock in Trade	20.80	-	25.64	-	-
Changes in Inventories of Finished Goods and Work-in-Progress	(61.49)	(44.72)	(39.94)	1.29	(53.48)
Excise Duty on Sales	-	-	-	326.43	1,067.36
Employee Benefits Expense	437.11	369.65	767.18	588.05	537.18
Power and Fuel	1,424.27	1,450.28	3,092.63	1,979.65	1,444.27
Freight and Forwarding Expenses	1,272.93	1,451.20	2,903.37	2,524.89	1,874.00
Finance Costs	142.13	118.11	247.86	135.27	129.42
Depreciation and Amortisation Expense	883.10	659.71	1,471.81	899.40	1,214.71
Other Expenses	947.89	1,088.58	2,020.29	1,553.67	1,623.48
	5,526.66	5,587.28	11,518.58	8,777.71	8,517.60
Captive Consumption of Cement	(16.97)	(17.78)	(37.94)	(56.26)	(24.95)
<b>Total Expenses</b>	<b>5,509.69</b>	<b>5,569.50</b>	<b>11,480.64</b>	<b>8,721.45</b>	<b>8,492.65</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>908.14</b>	<b>501.32</b>	<b>1,323.77</b>	<b>1,827.13</b>	<b>1,530.78</b>
Exceptional Items	-	178.13	178.13	-	-
<b>PROFIT BEFORE TAX</b>	<b>908.14</b>	<b>323.19</b>	<b>1,145.64</b>	<b>1,827.13</b>	<b>1,530.78</b>
<b>Tax Expense</b>					
Current Tax	276.70	87.64	220.56	446.27	324.13
Tax Expense Relating to Earlier Years (Net)	-	(2.69)	(2.69)	0.30	2.13
Deferred Tax (Credit) / Charge	(64.14)	(104.89)	(87.28)	(3.59)	(134.56)
	<b>212.56</b>	<b>(19.94)</b>	<b>130.59</b>	<b>442.98</b>	<b>191.70</b>
<b>PROFIT FOR THE YEAR</b>	<b>695.58</b>	<b>343.13</b>	<b>1,015.05</b>	<b>1,384.15</b>	<b>1,339.08</b>
<b>Profit Attributable to:</b>					
Owners of the Company	690.29	339.78	1,006.39	1,384.15	1,339.08
Non-controlling Interest	5.29	3.35	8.66	-	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	-	-	5.54	3.27	3.70
Income Tax relating to Items that will not be Reclassified to Profit or Loss	-	-	(1.76)	(1.13)	(1.28)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge	68.29	147.54	(28.10)	(4.92)	(3.88)

Particulars	For the six months period ended September 30, 2019	For the six months period ended September 30, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
and Exchange Differences on Translation of Foreign Operation					
Income Tax relating to Items that will be Reclassified to Profit or Loss	(6.73)	(11.24)	12.25	1.77	1.34
	<b>61.56</b>	<b>136.30</b>	<b>(12.07)</b>	<b>(1.01)</b>	<b>(0.12)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit &amp; Other Comprehensive Income for the Year)</b>	<b>757.14</b>	<b>479.43</b>	<b>1,002.98</b>	<b>1,383.14</b>	<b>1,338.96</b>
<b>Other Comprehensive Income Attributable to:</b>					
Owners of the Company	60.17	132.70	(12.16)	(1.01)	(0.12)
Non Controlling Interest	1.39	3.60	0.09	-	-
	<b>61.56</b>	<b>136.30</b>	<b>(12.07)</b>	<b>(1.01)</b>	<b>(0.12)</b>
<b>Total Comprehensive Income Attributable to:</b>					
Owners of the Company	750.46	472.48	994.23	1,384.14	1,338.96
Non Controlling Interest	6.68	6.95	8.75	-	-
	<b>757.14</b>	<b>479.43</b>	<b>1,002.98</b>	<b>1,383.14</b>	<b>1,338.96</b>
<b>Earnings per Equity Share of ₹ 10 each (in ₹)</b>					
Cash	432.89	307.77	736.92	654.46	694.44
Basic and Diluted	198.14	97.53	288.88	397.32	384.38

**SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018 AND THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ crore)

Particulars	For the six months period ended September 30, 2019	For the six months period ended September 30, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Revenue from Operations	5,838.12	5,656.50	11,722.00	10,159.53	9,661.66
Other Income	108.89	145.00	245.40	389.05	361.77
<b>Total Income</b>	<b>5,947.01</b>	<b>5,801.50</b>	<b>11,967.40</b>	<b>10,548.58</b>	<b>10,023.43</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	382.96	446.71	894.81	769.06	680.66
Changes in Inventories of Finished Goods and Work-in-Progress	(46.62)	(37.55)	(30.61)	1.29	(53.48)
Excise Duty on Sales	-	-	-	326.43	1,067.36
Employee Benefits Expense	376.34	340.78	677.82	588.05	537.18
Power and Fuel	1,246.59	1,322.64	2,745.04	1,979.65	1,444.27
Freight and Forwarding Expenses	1,247.94	1,438.19	2,864.10	2,524.89	1,874.00
Finance Costs	139.78	117.97	246.98	135.27	129.42
Depreciation and Amortisation Expense	830.99	635.01	1,391.68	899.40	1,214.71
Other Expenses	901.55	1,068.58	1,955.96	1,553.64	1,623.45
	<b>5,079.53</b>	<b>5,332.33</b>	<b>10,745.78</b>	<b>8,777.68</b>	<b>8,517.57</b>
Captive Consumption of Cement	(16.97)	(17.79)	(37.94)	(56.26)	(24.95)
<b>Total Expenses</b>	<b>5,062.56</b>	<b>5,314.54</b>	<b>10,707.84</b>	<b>8,721.42</b>	<b>8,492.62</b>

Particulars	For the six months period ended September 30, 2019	For the six months period ended September 30, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>884.45</b>	<b>486.96</b>	<b>1,259.56</b>	<b>1,827.16</b>	<b>1,530.81</b>
Exceptional Items	-	178.13	178.13	-	-
<b>PROFIT BEFORE TAX</b>	<b>884.45</b>	<b>308.83</b>	<b>1,081.43</b>	<b>1,827.16</b>	<b>1,530.81</b>
<b>Tax Expense</b>					
Current Tax	276.49	87.58	220.41	446.27	324.13
Tax Expense Relating to Earlier Years (Net)	-	(2.69)	(2.69)	0.30	2.13
Deferred Tax (Credit) / Charge	(64.12)	(104.87)	(87.34)	(3.59)	(134.56)
	<b>212.37</b>	<b>(19.98)</b>	<b>130.38</b>	<b>442.98</b>	<b>191.70</b>
<b>PROFIT FOR THE YEAR</b>	<b>672.08</b>	<b>328.81</b>	<b>951.05</b>	<b>1,384.18</b>	<b>1,339.11</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	-	-	5.05	3.27	3.70
Income Tax relating to Items that will not be Reclassified to Profit or Loss	-	-	(1.76)	(1.13)	(1.28)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge	19.26	32.15	(35.05)	(4.92)	(3.88)
Income Tax relating to Items that will be Reclassified to Profit or Loss	(6.73)	(11.24)	12.25	1.77	1.34
	12.53	20.91	(19.51)	(1.01)	(0.12)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit &amp; Other Comprehensive Income for the Year)</b>	<b>684.61</b>	<b>349.72</b>	<b>931.54</b>	<b>1,383.17</b>	<b>1,338.99</b>
<b>Earnings per Equity Share of ₹ 10 each (in ₹)</b>					
Cash	413.05	297.69	698.54	654.47	694.45
Basic and Diluted	192.92	94.38	273.00	397.33	384.39



Particulars	For the six months period ended September 30, 2019		For the six months period ended September 30, 2018		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2018		For the fiscal year ended March 31, 2017	
Payments for Intangible Assets	(12.17)		(1.58)		(2.15)		(2.68)		(15.35)	
Purchases of Investments in Bonds, Debentures and Preference Shares	-		-		-		(815.11)		(1,272.62)	
Payment for Acquisition of Controlling Stake in Subsidiaries (net of cash and cash equivalents acquired)	-		(2008.10)		(2,008.10)		-		-	
Proceeds from Sale/Redemption of Bonds, Debentures and Preference Shares	40.00		441.30		705.75		913.91		369.50	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(764.66)		2280.05		2,281.18		(1,931.72)		(221.58)	
Investments in Bank Deposits	(170.92)		(120.98)		(235.63)		(65.08)		(61.85)	
Maturity of Bank Deposits	147.26		96.54		207.30		61.63		30.83	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.03)		0.01		(0.14)		(0.15)		(1.77)	
Dividend Received	12.12		45.03		59.43		95.70		37.70	
Interest Received (Including Interest on Zero Coupon Bonds)	44.93		65.25		191.14		672.34		366.67	
<b>Net Cash Used in Investing Activities</b>		<b>(1461.37)</b>		<b>(194.90)</b>		<b>(721.52)</b>		<b>(3,594.73)</b>		<b>(2,047.77)</b>

### C. Cash Flow From Financing Activities

Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest	(0.84)		-		-		-		-	
Proceeds from Long Term Borrowings	-		-		-		1,684.82		-	
Repayment of Long Term Borrowings	(67.50)		(3.78)		(7.53)		-		(146.33)	
Payment of Finance Lease Liabilities	(7.14)		(1.52)		(1.52)		(3.98)		-	
Proceeds from Short Term Borrowings	-		75.00		75.00		1,009.27		629.60	
Repayment of Short Term Borrowings	(75.00)		(479.60)		(1,048.53)		(660.16)		(45.82)	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	66.54		356.83		223.44		5.38		8.02	
Interest and Financial Charges Paid	143.96		(113.72)		(276.14)		(124.78)		(127.77)	
Dividend and Tax Paid there on (Interim and Final)	(152.27)		(126.00)		(240.71)		(184.33)		(484.61)	

Particulars	For the six months period ended September 30, 2019	For the six months period ended September 30, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Net Cash (Used in) / From Financing Activities	(380.17)	(292.79)	(1,275.99)	1,726.22	(166.91)
Net (Decrease) / Increase in Cash and Cash Equivalents	(9.27)	57.94	82.51	10.21	(13.07)
Cash and Cash Equivalents as at the beginning of the Year	117.72	33.52	33.52	23.31	36.38
Add: Effect of exchange rate on consolidation of Foreign Subsidiaries	2.34	6.30	1.69	-	-
Cash and Cash Equivalents as at the end of the Year	110.79	97.76	117.72	33.52	23.31

**SUMMARY OF STANDALONE CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018 AND THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ crore)

Particulars	For the six months period ended September 30, 2019	For the six months period ended September 30, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>A. Cash Flow from Operating Activities</b>					
Profit Before Exceptional Items and Tax	884.45	486.96	1,259.56	1,827.16	1,530.81
Adjustments For:					
Depreciation and Amortisation Expense	830.99	635.01	1,391.68	899.40	1,214.71
Foreign Exchange Rate Differences (Net)	(0.69)	159.91	142.12	21.03	22.38
Balances Written Back	(1.30)	(1.11)	(2.14)	(12.76)	(5.48)
Provision No Longer Required	-	-	(0.20)	(42.13)	(9.53)
Allowance for Doubtful Trade Receivables (Net)	-	-	0.57	0.43	0.02
Net Gain on Sale of Investments	(0.30)	(5.87)	(9.92)	(36.43)	(11.41)
Loss on Liquidation of a Subsidiary Company Classified at Cost	-	-	0.21	-	-
Gain on Fair Value of Financial Assets through Profit or Loss	(17.91)	(14.52)	(14.84)	(2.68)	(24.67)
Interest Income	(77.20)	(87.19)	(163.68)	(209.26)	(250.43)
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(8.66)	(34.97)	(52.84)	(82.52)	(58.23)
Profit on Sale of Property, Plant and Equipment (Net)/Assets Written Off	(0.13)	8.98	22.35	1.10	4.05
Finance Costs	139.78	864.58	117.97	778.21	246.98
<b>Operating Profit Before Working Capital Changes</b>	<b>1,749.03</b>	<b>1,265.17</b>	<b>2,819.85</b>	<b>2,498.61</b>	<b>2,541.64</b>
Adjustments For:					

Particulars	For the six months period ended September 30, 2019		For the six months period ended September 30, 2018		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2018		For the fiscal year ended March 31, 2017	
(Increase) / Decrease in Trade and Other Receivables	13.81		(208.61)		(400.73)		(509.92)		16.53	
(Increase) / Decrease in Inventories	96.51		(181.54)		(20.03)		(254.52)		(499.31)	
Increase / (Decrease) in Trade & Other Payables and Provisions	204.27	314.59	(185.93)	(576.08)	(109.44)	(530.20)	651.37	(113.07)	431.86	(50.92)
<b>Cash Generated From Operations</b>		<b>2,063.62</b>		<b>689.09</b>		<b>2,289.65</b>		<b>2,385.54</b>		<b>2,490.72</b>
Direct Taxes Paid (Net of Refunds)		(294.00)		(116.19)		(229.96)		(506.79)		(289.07)
<b>Net Cash From Operating Activities</b>		<b>1,769.62</b>		<b>572.90</b>		<b>2,059.69</b>		<b>1,878.75</b>		<b>2,201.65</b>

#### B. Cash Flow from Investing Activities

Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(690.56)		(978.39)		(1,897.12)		(2,525.13)		(1,280.90)	
Proceeds from Sale of Property, Plant and Equipment	1.91		0.66		13.97		1.56		1.60	
Payments for Intangible Assets	(12.15)		(1.58)		(2.13)		(2.68)		(15.35)	
Purchases of Investments in Bonds, Debentures and Preference Shares	-		-		-		(815.11)		(1,272.62)	
Payment for Acquisition of Controlling Stake in Subsidiaries (net of cash and cash equivalents acquired)	-		(59.00)		(59.00)		-		-	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	40.00		441.30		705.75		913.91		369.50	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(764.66)		2279.12		2,279.47		(1,931.72)		(221.58)	
Investment made in Subsidiary Companies	(15.00)		(2091.81)		(2,099.31)		-		(0.13)	
Proceeds from liquidation of a Subsidiary Company	-		-		0.04		-		-	
Investments in Bank Deposits	(170.92)		(98.14)		(210.74)		(65.08)		(61.85)	
Maturity of Bank Deposits	147.26		96.54		207.30		61.63		30.83	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.03)		0.01		(0.14)		(0.15)		(1.77)	
Dividend Received	12.12		45.03		59.43		95.70		37.70	
Interest Received (Including Interest on Zero Coupon Bonds)	43.18		65.06		189.85		672.34		366.67	

Particulars	For the six months period ended September 30, 2019		For the six months period ended September 30, 2018		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2018		For the fiscal year ended March 31, 2017	
<b>Net Cash Used in Investing Activities</b>		<b>(1,408.85)</b>		<b>(301.20)</b>		<b>(812.63)</b>		<b>(3,594.73)</b>		<b>(2,047.90)</b>
<b>C. Cash Flow From Financing Activities</b>										
Proceeds from Long Term Borrowings	(67.50)		(3.78)		-		1,684.82		-	
Repayment of Long Term Borrowings	-		-		(7.53)		-		(146.33)	
Payment of Finance Lease Liabilities	(7.14)		(1.52)		(1.52)		(3.98)		-	
Proceeds from Short Term Borrowings	-		75.00		75.00		1,009.27		629.60	
Repayment of Short Term Borrowings	(75.00)		(479.60)		(1,048.53)		(660.16)		(45.82)	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	66.54		356.83		223.44		5.38		8.02	
Interest and Financial Charges Paid	(143.30)		(113.59)		(275.29)		(124.78)		(127.77)	
Dividend and Tax Paid there on (Interim and Final)	(146.96)		(126.00)		(230.84)		(184.33)		(484.61)	
<b>Net Cash (Used in) / From Financing Activities</b>		<b>(373.36)</b>		<b>(292.66)</b>		<b>(1,265.27)</b>		<b>1,726.22</b>		<b>(166.91)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(12.59)</b>		<b>(20.96)</b>		<b>(18.21)</b>		<b>10.24</b>		<b>(13.16)</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>		<b>15.24</b>		<b>33.45</b>		<b>33.45</b>		<b>23.21</b>		<b>36.37</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>		<b>2.65</b>		<b>12.49</b>		<b>15.24</b>		<b>33.45</b>		<b>23.21</b>

## RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Investors should carefully consider each of the following risk factors and all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Placement Document. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations, cash flows and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Business”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 108, 92, 250 and 131, respectively, as well as the other financial information included in this Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations, cash flows and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Any potential investor in the Equity Shares should pay attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must read the risk factors described below carefully and rely on their own examination of our Company on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further information, see “Forward Looking Statements” on page 19.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2017, 2018 and 2019 included herein is based on the Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) is based on the Unaudited Interim Condensed Financial Statements, included in this Placement Document. For further information, see “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary Financial Statements” on pages 250, 131 and 41, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to Shree Cement Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to Shree Cement Limited and its Subsidiaries on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report “Cement Market Assessment” dated October 2019 (the “CRISIL Report”) prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### **RISKS RELATED TO OUR COMPANY AND BUSINESS**

- 1. Our business is dependent upon our ability to mine/ procure sufficient limestone for our operations, and our inability to do so on reasonable terms, or at all, could have an adverse impact on our business, financial condition and results of operations.***

Limestone is the principal raw material used in the production of clinker, which in turn is the base of all cement products. In Fiscals 2017, 2018 and 2019 and in the six months ended September 30, 2019, our Company utilized approximately 20.81 million MT, 22.95 million MT, 26.32 million MT and 11.74 million MT, respectively, of

limestone for the manufacture of clinker. As of September 30, 2019, our Company operates five limestone mines, which are pit head mines and are located in close proximity to our integrated manufacturing facilities. We are required to obtain a lease from the relevant state governments in order to mine the limestone deposits and accordingly, have obtained long-term mining lease agreements to excavate limestone from these mines. Further, our Company has signed mining lease agreements for additional limestone mines in Rajasthan and Andhra Pradesh, and is currently in the process of acquiring the requisite land for these limestone mines. In addition, our Company has also received the letter of intent for mines located in Chhattisgarh and Gujarat. Further, for our operations in the United Arab Emirates, we source limestone under a long-term limestone supply agreement, that is valid for a period of 50 years and due to expire in 2068, from a United Arab Emirates mining company. During the term of the long-term limestone supply agreement, Union Cement Company PrJSC is obligated to exclusively purchase limestone from the United Arab Emirates mining company. However, Union Cement Company PrJSC does have the option to purchase limestone from any third party if it has purchased the minimum purchase quantity as stated in the limestone supply agreement from the United Arab Emirates mining company. For further information on our mining lease agreements, see “*Our Business – Raw Materials – Limestone*” on page 125.

The lease period for our mines is typically 50 years in accordance with the current provisions of the Mines and Minerals (Development and Regulation) Act, 1957, as amended (“**MMDR Act**”), and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016. In terms of the MMDR Act, a lease granted on or after January 12, 2015 shall be for a period of 50 years from the date of the original grant and leases granted before January 12, 2015 shall be deemed to have been granted for 50 years from the date of the grant or up to the current renewal period of the mine or up to March 31, 2030, whichever is later, and shall be put on auction after expiry of the lease period with a right of first refusal granted to the holder of the mining lease agreement granted for captive purposes. Further, our mining lease agreements contain various obligations and restrictions, including to report discovery of other minerals within a specified period and permit officials to enter and inspect the mines. If we breach these obligations, we may suffer adverse consequences, such as penalties and/ or termination of our mining lease agreements. The loss of our mining lease agreements would have a material adverse effect on our business, financial condition, results of operations and profits.

Mining rights are subject to compliance with certain terms and conditions of the mining lease agreements and as relevant mining and environment laws are also governed by the relevant state authorities, any change in state government policy or adverse rulings by adjudicating bodies, would impact the operations of the relevant mine. Further, the GoI and state governments have the power to take action with respect to mining rights, including imposing fines or restrictions, revoking mining rights, prohibiting mining activities in certain regions, or changing the amount of royalties payable for mining. State governments also have the right of pre-emption with respect to any minerals lying in or upon the lands in relation to which the mining lease agreements have been granted to our Company. See “– *We may be adversely affected by increases in, or structural changes to royalties payable by us*” on page 59.

Although we believe that the residual reserves of our mining lease agreements are sufficient to meet the production requirements of our existing facilities for the remaining estimated life of such facilities, in case such rights are revoked or our mining lease agreements expire and are not renewed upon expiration or renewed through auction at a higher price, or significant restrictions on the usage of the rights are imposed resulting in failure to extract required amounts of limestone, or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our manufacturing facilities situated in close proximity to the affected limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations. In addition, we may not be able to acquire new limestone mining lease agreements, pursuant to the amendment to the MMDR Act in 2015 which requires that the grant of mining lease agreements by respective state governments is to be compulsorily carried out through an auction process, for which the applicant is required to meet certain eligibility requirements. For instance, if the value of estimated resources is more than ₹ 1,000 crore, the applicant is required to have net worth exceeding 2% of the value of the estimated resources. The respective state governments may also prescribe additional eligibility requirements from time to time. There can be no assurance that we will be able to successfully compete in the auction process, or be able to participate at all. Any failure on our part to acquire mining lease agreements in the future, or to retain our existing leases, may have an adverse impact on our business and operations.

- 2. We are dependent upon the continued availability of coal and other raw materials, the costs and supply of which can be subject to significant variation due to factors outside our control.***

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials (such as limestone, gypsum, slag and fly ash) and fuel (including coal and pet coke) at acceptable prices. For further information, see “*Our Business – Raw Materials*” on page 125. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, the cost of materials consumed, on a standalone basis, represented 7.92%, 7.82%, 7.63% and 6.56%, respectively, of our Company’s revenue from operations (net of excise duty). We do not own any coal mines for our operations and typically source coal and pet coke from domestic and international suppliers based on purchase orders and fuel supply agreements. We have also secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our integrated manufacturing facility located at Baloda Bazar. For further information on our mining lease agreements, see “*Our Business – Raw Materials – Power and Fuel – Coal and Pet Coke*” on page 126.

Raw materials and coal are subject to price volatility caused by external factors beyond our control, such as climatic and environmental conditions, commodity price fluctuations, market demand, production and transportation cost, and changes in government policies including duties and taxes and trade restrictions. Further, the supply of coal and raw material (including power and fuel) could be disrupted for reasons beyond our control, including extreme weather conditions, fire, natural catastrophes or other raw material supply disruptions, including by way of changes in government policy and judicial intervention. For instance, on October 24, 2017, the Supreme Court of India banned the use of pet coke in the states of Uttar Pradesh, Haryana and Rajasthan with effect from November 1, 2017. While the restriction was subsequently relaxed for use of pet coke in the cement industry, the Supreme Court in its order dated July 26, 2018 imposed certain limitations on import of pet coke and clarified that such import should be permitted only in industries where pet coke is used as a feedstock or in the manufacturing process, and not as a fuel. These industries include cement, lime kiln, calcium carbide and gasification. There can be no assurance that disruptions in the availability or supply of pet coke, including by way of banning the use of pet coke in the cement industry, will not occur in the future.

In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company utilized 0.26 million MT, 0.54 million MT, 1.25 million MT and 0.56 million MT, respectively, of coal, and 1.95 million MT, 1.89 million MT, 1.51 million MT and 0.74 million MT, respectively, of pet coke in the same periods, in manufacturing operations and power generation in India. If supply of pet coke is interrupted, we may be compelled to rely on more expensive alternatives that may therefore affect our production volumes, as well as profitability. In addition, competition in the industry may result in increase in prices of certain raw materials, which we may not be able to meet, thereby affecting our procurement of such raw materials.

Increases in the global prices for fuel (including coal and pet coke) have, in the past, resulted in increases in our cost of power and fuel expenses. The pricing of coal under our supply arrangements is directly linked to market prices, subjecting us to the risk of coal price fluctuations. We cannot predict future price trends for coal or petcoke, or the degree of volatility with any certainty. There can be no assurance that disruptions in supply of our raw materials or fuels will not take place or that we will be able to anticipate shortfalls in advance and identify suitable alternate sources in every instance. Further, we source our coal and pet coke requirement from suppliers of coal and pet coke outside India as well and accordingly, we are also exposed to the risk of foreign exchange rate fluctuations, increases in freight rates and imposition of freight restrictions.

In addition, we do not have long or medium-term contracts with any of our coal/ pet coke or gypsum or slag suppliers since we typically place orders with them based on our anticipated requirements on a short-term basis. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw material that we require and we may be unable to pass these costs onto our customers and which could negatively affect the overall profitability and financial performance of our business. If we are unable to obtain adequate supplies of coal and raw materials or power and fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

**3. *An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

We have experienced stable growth over the past three years. Our Company’s cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends, amongst other factors, on increasing/ expanding presence across India, establishing new grinding units, increasing manufacturing capacity and market share, achieving cost efficiency and improving productivity, and expanding our distribution network. For further information, see “*Our Business – Strategies*” on page 114. Our ability to achieve growth will be subject to a range of factors, including our ability to identify trends and demands in the industry; compete with existing companies in our markets; consistently exercise effective quality control; recognition of our brand in the new regions; hire and train qualified personnel; and ability to transport our finished products efficiently. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Our future growth also depends on expanding our sales and distribution network to enter new markets, and recognition of our existing and recently introduced brands. We may face increased risks when we enter new markets in India, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and dealer and distributors with efficient distribution networks. As a result, the products we introduce in new markets may be more expensive to produce and/ or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Our expansion plans and business growth could strain our managerial, operational and financial resources. For information on our expansion plans, see “*Our Business – Proposed Expansion Plans*” on page 124. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability. Also see “ – *Our proposed capacity expansion plans relating to our grinding units are subject to the risk of unanticipated delays and cost overruns*” on page 55.

**4. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

All of our current manufacturing facilities and grinding units are located in the states of Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar and Karnataka in India, and in Ras Al Khaimah in the United Arab Emirates. Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities and grinding units, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we have made certain investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments, including by way of establishing additional grinding units. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacity efficiently.

In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company’s overall capacity utilization for cement production in India was 72.03%, 74.09%, 67.42% and 58.28%, respectively. While our capacity utilization for cement production in United Arab Emirates was 39.66% and 30.12% in Fiscal 2019 and the six months ended September 30, 2019, respectively. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 124. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, customer preferences, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

**5. *Our proposed capacity expansion plans relating to our grinding units are subject to the risk of unanticipated delays in implementation and cost overruns.***

We have made and intend to continue making investments to expand the capacity of our existing integrated manufacturing facilities and establishing additional grinding units. For our India operations, we are in the process of establishing grinding units at Athagarh and Patas, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. For our international operations, we are in the process of increasing the capacity of the WHR based power generation unit by 16.50 MW, at our integrated manufacturing facility at Ras Al Khaimah in United Arab Emirates, which is expected to become operational in Fiscal 2021. For further information, see “*Our Business - Our Strategies*” and “*Our Business – Proposed Expansion Plans*” on pages 114 and 124, respectively. Our expansion plans remain subject to potential problems and uncertainties that routine construction projects typically face. Problems that could adversely affect our expansion plans include delays in obtaining regulatory approvals, macro-economic reasons, major accidents or mishaps, cost overruns, labour shortages, increased costs of equipment or manpower, delays in procurement of equipment and machinery, inadequate performance of the equipment and machinery installed in our manufacturing facilities and grinding units, defects in design or construction and the possibility of unanticipated future regulatory restrictions. There can be no assurance that the proposed capacity expansions and additions will be completed as scheduled. For instance, we had, previously, anticipated that our proposed grinding unit at Athagarh would be operational by September 2019, however, on account of certain delays, it is expected to be operational by the end of Fiscal 2020. In addition, capacity expansion plans may result in our capacity utilization rates not increasing at the desired rate. If our actual capital expenditures significantly exceed our budgets, due to delays and other various factors beyond our control, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations and prospects.

**6. *We rely on the demand for cement from various sectors such as infrastructure, housing and commercial real estate. Any downturn in the major cement consuming sectors could have an adverse impact on our business, growth and results of operations.***

The cement demand in India is expected to grow at a rate of approximately 7% to 8% in Fiscal 2021 and in the long term, the cement demand is expected to grow at a CAGR of approximately 6.5% from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*). The demand will be driven by the increase in housing demand and infrastructure development on account of affordable housing and increase in government spending on infrastructure activities (*Source: CRISIL Report*). Accordingly, cement manufacturing companies, including our Company, are heavily reliant on demand from the cement-consuming sectors such as infrastructure, housing and commercial real estate. These sectors are, in turn, affected by macro-economic factors and the general Indian economy. In addition, activities in the infrastructure, housing and commercial real estate sectors are influenced by and sensitive to a number of factors including mortgage availability, cost of financing, unemployment levels, residential vacancy and foreclosure rates, among others.

Demand for cement is principally dependent on sustained infrastructure development in the regions in which we operate. While cement consuming sectors such as infrastructure, housing and commercial real estate are expected to drive the demand for cement, there can be no assurance that these expectations will be met. In addition, cement manufacturing companies rely on the GoI’s infrastructure projects including ‘smart cities’, metro projects, ‘Housing For All’ and the Pradhan Mantri Gram Sadak Yojana (*Source: CRISIL Report*). However, there can be no assurance that the GoI or the state governments will continue to place emphasis on the infrastructure projects. In the event of any overall economic slowdown, adverse change in budgetary allocations for infrastructure development, or a downturn in available work in the infrastructure sector, or any change in government policies or priorities, our business prospects and our financial performance may be adversely affected as a significant portion of our business is dependent on public infrastructure spending. Accordingly, a slowdown, downturn or reduction of capital investment in the cement consuming sectors including infrastructure, housing and commercial real estate or a failure of these sectors to recover from such downturn, could have adverse impact on cement demand and, consequently, on our business, growth and results from operations.

**7. *We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.***

The Indian cement industry is highly fragmented with a presence of few large players and several medium and small players (*Source: CRISIL Report*). We operate and sell our products in highly competitive markets and competition occurs principally on the basis of price, quality, brand name and technology adoption such as energy efficient technologies, cooling technologies, and waste utilization technologies. As a result, to remain competitive in our markets, we must continuously strive to manufacture cement more efficiently by reducing our costs of

production, transportation and distribution and improving our operating efficiencies. We face competition from regional and national players including UltraTech Cement Limited, ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, Birla Corporation Limited, India Cements Limited and The Ramco Cements Limited (Source: CRISIL Report).

Our competitors also include companies that have established their presence in specific regions as part of their strategy. These competitors may limit our opportunity to increase our market share and may compete with us on pricing of products. Similarly, consolidation in the Indian cement industry and an increase in the number of larger competitors may also adversely affect our results of operations. Over the past decade, many large mergers and acquisitions have taken place in the cement manufacturing industry with global majors and domestic companies looking to consolidate their market positions (Source: CRISIL Report). As cement manufacturers consolidate and become larger, and as they gain greater access to debt and equity financing, we expect that we will face greater competition, which may lead to lower margins and adversely affect our results of operations.

Some of our competitors may have larger business operations, may be diversified with operations across India, may have greater financial resources than we do, may have access to a cheaper cost of capital and may be able to produce cement more efficiently or to invest larger amounts of capital into their businesses. Our business could be adversely affected if we are unable to compete with our competitors and sell cement at competitive prices. For example, if any of our competitors develop more efficient manufacturing facilities or grinding units, enabling them to produce cement and clinker at a significantly lower cost and sell at lower prices than us, we may be required to lower the prices of our products to match the comparable rates in the market and our business and results of operations could therefore be adversely impacted. Our competitors may also introduce new and more competitive products and strengthen their supply chain management, make strategic acquisitions or establish relationships among themselves or with third parties, including dealers/ distributors of our products, thereby increasing their ability to address the needs of our target customers. An inability to effectively compete in terms of pricing, provide competitive products or services or expand into new markets, could have a material negative effect on our business, financial condition and growth prospects.

**8. *Most of our manufacturing facilities and grinding units are located in the northern region of India and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Certain of our manufacturing facilities are located in Ras and Beawar as well as certain of our grinding units are located in Khushkhera, Jobner, Suratgarh, Laksar, Panipat and Bulandshahr. Accordingly, at present majority of our operations are concentrated in the northern region of India. In addition, as of September 30, 2019, in India, two out of four of our integrated manufacturing facilities and three out of eight of our grinding units were located in Rajasthan. As a result, 59.39%, 60.17%, 55.41% and 51.98% of our Company's aggregate cement production capacity in Fiscals 2017, 2018 and 2019 and the six months ended September 30, 2019, was derived from our integrated manufacturing facilities and grinding units located in Rajasthan.

Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the Rajasthan state government or state or local governments in the northern region where most of our manufacturing facilities and grinding units are located could adversely affect manufacturing activities at such facilities, and require a modification of our business strategy, or require us to incur significant capital expenditure. Any such adverse development affecting continuing operations at our manufacturing facilities and grinding units could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**9. *Inability to effectively integrate our operations with our acquisitions and achieve operational efficiency may not yield timely or effective results, which may affect our financial condition and results of operations.***

In 2015, we acquired a grinding unit located at Panipat from Jaiprakash Associates Limited with an aggregate cement production capacity of 1.50 MTPA. Further, in Fiscal 2019, we acquired 100% stake in Raipur Handling and Infrastructure Private Limited. In addition, in Fiscal 2019, we acquired a majority stake in Union Cement Company PrJSC in Ras Al Khaimah, UAE, an entity engaged in operating a cement manufacturing facility, with a view to diversify our geographical presence internationally and to tap the growing demand for cement in the construction sector in the GCC region. However, there can be no assurance that we will be able to successfully

derive anticipated benefits from such acquisitions, and integrate the acquired business into our existing operations. Such acquisition involves various risks and challenges, including the diversion of management's attention from our existing business operations; the potential loss of key employees and customers of the acquired businesses; potential disruption of business relationships with current customers; uncertainties that may impair our ability to attract, retain and motivate key personnel; issues relating to management and integration of operations; potential deficiencies in financial control and statutory compliance at the acquired companies; increase in our expenses and working capital requirements; failure to achieve cultural compatibility and other benefits expected from an acquisition; and exposure to unanticipated liabilities of the acquired companies. An inability to integrate our operations or manage the acquired business may result in increased costs and adversely affect our results of operations.

Further, we may be adversely impacted by liabilities that we assume from our acquisitions, including known and unknown obligations, and we may fail to identify or adequately assess the magnitude of certain liabilities. In addition, we may require additional financial resources for the successful expansion or reorganization of the recently acquired business and integrating their operations into our operations. An inability to raise adequate finances in a timely manner and on commercially acceptable terms for the expansion, reorganization or integration of the business with our existing operations could materially and adversely affect our business, results of operations and financial condition.

***10. Our manufacturing activities and mining operations are subject to risks of operational hazards and can cause injury to people or property in certain circumstances, the occurrence of which may hamper our reputation, business, financial condition and results of operations.***

Our manufacturing facilities and grinding units require individuals to work with heavy machinery and other materials as well as in high temperatures near our kilns and at potentially dangerous heights at our preheaters, grinding mills and storage silos. This work environment has the potential to cause harm and injury when due care is not exercised. Our operations, which include activities undertaken by our third-party contractors, such as assisting in civil, mechanical and electrical related works, also involve significant operational risks. An accident or injury that occurs in the course of our operations could result in disruptions to our business and have legal and regulatory consequences and we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could adversely affect our reputation, business, prospects, financial condition and results of operations. For instance, during the construction of our facility at Kodla, an accident resulted in the fatality of six workers and grievous injury to one worker each of who were reported in the accident investigation report dated August 3, 2018 issued by the Deputy Director of Factories, Kalburgi to have been engaged by K.E. Builders for the purposes of the project. A first information report, and subsequent final report / chargesheet, were filed against various persons, including certain employees of our Company. For further details in relation to this matter, see 'Legal Proceedings' on page 241. Further, while we have obtained insurance which we believe to be in line with industry practice in the cement industry, there can be no assurance that such insurance policies will provide adequate coverage in the event of a claim.

In addition, our mining operations are also subject to risks and hazards associated with the exploration, development and production of natural resources, such as inclement weather, fires and explosions, which can disrupt our operations by limiting our ability to extract limestone from the mines and cause injury to people or property in situations when the safety and precautionary measures are breached. Mining operations can also lead to severe environmental consequences including those resulting from effluent management, disposal of waste water and rehabilitation of land. Further, opposition to mining operations has also increased recently due to the perceived negative environmental impact and as a result, public protests over our mining operations could disrupt our operations, damage our reputation and also affect our ability to obtain necessary licenses to expand existing manufacturing facilities and grinding units or establish new operations. Such public protests could adversely affect our ability to obtain necessary licenses to expand existing manufacturing facilities and grinding units or establish new operations, which could further adversely affect our business and results of operations.

***11. We are in the process of expanding our operations and establishing manufacturing facilities and grinding units in regions where we do not have a significant presence and prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition and result of operations.***

In order to meet the growing market demand for cement across east and west India markets and expand our presence across India, we are expanding our manufacturing capabilities through construction of grinding units in Athagarh and Patas. For further information on our proposed expansion plans, see "Our Business – Strategies" and "Our Business – Proposed Expansion Plans" on pages 114 and 124, respectively. Historically, a significant

amount of our sales have been made in northern regions of India. Accordingly, we do not possess the same level of familiarity with the economic condition, consumer base, commercial operations and state specific legal regulations in the new markets we propose to enter into and therefore, we will be initially exposed to a degree of risk in realization and volume of sales.

There can be no assurance that our expansion plans in these new regions will be successful or that these regions we will be able to expand successfully into these new regions, as our competitors may have more established brands, more experience in consumer trends and deeper relationship with customers, suppliers and distribution channels in these regions. Further, having limited or no presence in such new markets as compared to some of our competitors, may lead to lower product pricing due to lack of brand presence and higher expenditure on brand building. As a result, it may be more expensive for us to manufacture and/ or distribute cement products in these new regions and it may take longer to reach expected sales and profit levels than anticipated, which could affect the viability of these operations or our overall profitability. Entering into new markets and regions can be risky and expensive, and there can be no assurance that our products will gain market acceptance or meet the particular requirements of customers in these new markets and regions. If we do not successfully establish our operations, reputation and brand image in these new markets and regions, our sales, financial condition and results of operations could be materially and adversely affected.

***12. We do not have long-term agreements with our customers which would have a material adverse effect on our business, results of operations and financial condition.***

Our cement products are sold to the trade segment (which typically includes wholesale customers including dealers and distributors who then resell our products to retail customers) and the non-trade segment (which typically includes government and private infrastructure projects, real estate companies, and ready-mixed concrete stations). In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's sales to the trade segment accounted for 72.26%, 69.56%, 72.05% and 81.78%, respectively, of our total cement sales volume, while our Company's sales to non-trade segment accounted for 27.74%, 30.44%, 27.95% and 18.22%, respectively, of our total cement sales volume in the same periods. Though we have had repeat orders from customers and have developed long-term relationships with certain customers, we do not typically enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products that may have a material adverse effect on our business, results of operations and financial condition. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers.

***13. We may be adversely affected by increases in, or structural changes to royalties payable by us.***

Our limestone mining operations are subject to the provisions of the MMDR Act and the rules issued thereunder such as the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016. Under these regulations, our mining rights are subject to compliance with certain terms and conditions set out by the relevant state or Central government, which includes payment of certain royalties for the extraction of limestone. The GoI is not only empowered under these legislations to review and revise royalty payments for a particular mineral but is also empowered to introduce new levies. In case of increase of rate of royalty for mining of limestone or the introduction of additional levies, the cost of production will also increase to that extent. For instance, by a 2015 amendment to the MMDR Act and the issuance of the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015, the GoI established the District Mineral Foundation and required a percentage contribution of royalty in respect of mining lease agreements to be contributed towards it, which is either 10% or 30% of royalty depending upon whether the mining lease agreement was granted after, on, or prior to January 12, 2015. In Fiscals 2017, 2018, 2019 and in the six months ended September 30, 2019, our royalty expenses, on a standalone basis, were ₹ 239.38 crore, ₹ 233.34 crore, ₹ 278.89 crore and ₹ 134.49 crore, respectively, which represented 3.22%, 2.78%, 2.60% and 2.66%, respectively, of our Company's total expenses (net of excise duty) in the same periods. To the extent there are significant increases in royalties payable, there can be no assurance that we will be able to pass such cost increases on to our customers, which may result in increased operating costs and lower profitability.

***14. Non-compliance with and changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.***

Our operations generate pollutants and waste, some of which may be hazardous. We are therefore subject to a broad range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste used as a fuel substitute at our cement kiln, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facilities and grinding units may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities and grinding units. While there have been no material violations in the past, independent safety audits carried out at our manufacturing facilities and grinding units previously have identified certain areas for improvement including widening access for emergency vehicles, proper storage of flammable raw materials, and training for laboratory staff on use of chemicals and related first aid procedures. Failure to implement these recommendations may render us susceptible to certain violations, the occurrence of which may expose us to imposition of fines and penalties, adversely affecting our financial condition and prospects.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

***15. Our Company is entitled to certain incentives and subsidies pursuant to several state and central government schemes and any change in these incentives and subsidies applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.***

In Fiscals 2017, 2018, and 2019, and in the six months ended September 30, 2019, we availed incentives and subsidies amounting to ₹ 145.94 crore, ₹ 268.93 crore, ₹ 257.60 crore and ₹ 83.26 crore, respectively. We are eligible to avail these incentives pursuant to several state and Central government schemes. Pursuant to these schemes, we receive incentives in the form of state and central indirect tax refunds, subject to certain thresholds. These incentives are available to us for periods as stated in the respective schemes. The incentives under such industrial schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits. State governments may unilaterally terminate incentives or amend such schemes with retrospective effect cancelling the incentives available under such schemes. Further, state governments may also delay in the disbursement of subsidies under such schemes. If such incentives expire, are terminated, or if the relevant authorities do not renew these schemes,

or if there are any substantial delays in disbursements under such schemes our results of operations could be adversely affected.

***16. Prolonged outage of operations, including due to breakdown of machinery at our manufacturing facilities or grinding units may have a material adverse effect on our business, financial condition and results of operations. In addition, our inability to continue to obtain equipment and ancillary services from our key suppliers could affect our business and results of operations.***

Our manufacturing facilities and grinding units are subject to various operating risks, such as the breakdown or failure of equipment, power supply, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes and lock-outs, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks and particularly, any significant malfunction or breakdown of our machinery, could significantly affect our operating results. Long periods of business disruption could result in a loss of customers. While we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities and grinding units, our business, financial condition and results of operations may be adversely affected by any disruption of operations at manufacturing facilities and grinding units, including due to any of the factors mentioned above.

Although we have not experienced any significant disruptions at our manufacturing facilities and grinding units in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to adverse events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities and grinding units, which in turn may have an adverse effect on our business, results of operations and financial condition.

In addition, we depend on our certain suppliers, vendors and other partners to provide the necessary equipment and services that we will need for our continuing operations. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner, or at all, could adversely affect our business and results of operations.

***17. We depend on limited suppliers for the supply of raw materials and coal and pet coke. The loss of one or more such suppliers could adversely affect our business, results of operations, financial condition and cash flows.***

We currently rely on limited suppliers to provide certain raw materials, including gypsum, fly ash and slag, and coal and pet coke. We do not have long-term agreements with such suppliers (except for the limestone supply agreement for our operations in United Arab Emirates), and the loss of one or more of our significant suppliers or a reduction in the amount of raw materials or coal or pet coke we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Our suppliers could fail to meet their obligations, which may have an adverse impact on our business and results of operations. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials, coal and pet coke. If we experience a significant or prolonged shortage of raw materials or pet coke from any of our suppliers, and we cannot procure the raw materials or coal or pet coke from other sources, we will be unable to meet our production schedules and customer orders in a timely manner, which will adversely affect our sales and customer relations. In the absence of long-term supply contracts, there can be no assurance that a particular supplier will continue to supply our products in the future. Any change in the supplying pattern of our raw materials, coal and pet coke can adversely affect our business and profits.

***18. Our Company is involved in certain material legal proceedings in India which, if determined against us, may have a material adverse impact on our business, reputation and financial condition.***

Our Company is involved in certain material legal proceedings. These proceedings are pending at different levels of adjudication before various courts and tribunals. For further information, see “*Legal Proceedings*” on page 241. While the amounts involved in relation to certain of these proceedings have been specified in the Audited Financial Statements included in this Placement Document to the extent ascertainable, there are many matters for which the

liability cannot be quantified and therefore it has not been disclosed. Further, our Company does not consider the entire amount involved in these legal proceedings as present or potential liability and accordingly, the contingency for the entire amount involved in all these legal proceedings has not been provided for in our books. These legal proceedings could divert management time and attention, and consume financial resources in defence or prosecution. Further, any adverse rulings in these proceedings or consequent levy of penalties, if any, on us for the offences alleged against them could cause negative publicity or have an adverse impact on our reputation, business, financial condition and results of operations. For further information on certain material litigation, see “*Legal Proceedings*” on page 241.

***19. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities and grinding units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

We require numerous statutory and regulatory permits, licenses and approvals to operate our business. Certain of our approvals are granted for a limited period of time and require renewal from time to time. These include renewing (and for any future greenfield units, obtaining) consents to establish and consents to operate from the state pollution control boards, environmental clearances from the Ministry of Environment, Forest and Climate Change, registration and licenses issued under the Factories Act, fire no objection certificates from municipal authorities, licenses to purchase, transport and use explosives in our mining operations, licenses to dispose hazardous waste, authorization for management and handling of hazardous waste, licenses for boilers, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various taxation related registrations, such as registrations for payment of income taxes and GST. Our licenses, permits and approvals impose certain terms and conditions that require us to incur costs, limit the maximum quantity that can be manufactured and govern the manner of effluent discharge. Further, pursuant to a joint venture agreement executed on March 11, 2019, between Union Cement Company PrJSC, Norcem AS, Heidelberg Cement Asia and Shree Enterprises Management Limited, Norcem AS shall continue to provide assistance, expertise and know-how needed to enable Union Cement Norcem Company Limited LLC to continue using the official ‘American Petroleum Institute’ (“API”) monogram on its oil well products. However, if the use of the official API monogram is revoked or restrained, sale of our oil well products may be adversely affected and we may be required to apply for such approval at our own costs.

Some of our licenses and approvals expire from time to time in the ordinary course of business and there can be no assurance that we will be able to apply and obtain such approvals, licenses or renewals in a timely manner or that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of a part or all our operations and have a material adverse effect on our business, financial condition and results of operations.

***20. An inability to protect, strengthen and enhance our existing brands, and successfully launch and market new brands, could adversely affect our business prospects and financial performance.***

Our business reputation and the brands under which our Company sells products include ‘*Shree Jung Rodhak*’, ‘*Bangur Cement*’ and ‘*Rockstrong*’, are critical to the success of our business as they serve in attracting customers to our products in preference to those of our competitors. Various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, which may negatively affect our brand if not properly managed. These include our ability to, effectively manage the quality of our products and address customer grievances; increase brand awareness among existing and potential customers; adopt new technologies or adapt our systems to user requirements or emerging industry standards; and protect the intellectual property related to our brands. Also see “ – *We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.*”

Our brands could also be harmed if our services fail to meet the expectation of our customers, if we fail to maintain our established standards or if we become the subject of any negative media coverage. Any allegations of product defects even when false or unfounded, could tarnish the image of our brands and may cause our customers to choose other products. In addition, our Company launched new brands ‘*Roofon*’ and ‘*Bangur Power*’ for marketing our premium cement products to a niche customer segment in Fiscal 2019. There can be no assurance that these brands will gain market acceptance or meet the requirements of our customers seeking premium products. The success of our new brands depends on our ability to effectively execute marketing initiatives to deepen the presence of our brands and differentiate ourselves from competition. Our marketing and business

promotion efforts may be costly and may fail to effectively enhance our brand or generate additional revenues. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our business, financial condition and results of operations.

***21. Our business is subject to seasonal variations and cyclicity that could result in fluctuations in our results of operations.***

Our business is subject to seasonal variations on account of lower demand for building materials, including cement, during the monsoon season. Consequently, our revenues recorded during the months of June to September could be relatively lower compared to other periods. During the monsoons, construction activity is curtailed and we may continue to incur operating expenses, but our revenue from the sale of our products may be delayed or reduced. As a result of such fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance. In addition, a majority of our revenue is from the trade segment who are in sectors and businesses that are cyclical in nature and subject to changes in general economic conditions. For example, many of our customers operate in the construction industry. The level of construction activity in local and national markets is inherently cyclical, being influenced by a wide variety of factors including global and national economic circumstances, governments' ability to fund infrastructure projects, consumer sentiment and other factors beyond our control. As a result, any adverse developments in such industries could adversely affect our business and results of operations.

***22. The business and activities of our Company are regulated by the Competition Act, 2002, which may restrain our flexibility in pricing our products***

The Competition Act, 2002, as amended ("**Competition Act**") regulates, among others, practices having an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void and attracts substantial penalties. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government of India brought into force the provisions for regulation of combinations ("**Merger Control**") provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed value of asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**").

On May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Merger Control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India.

In the event we enter into any agreement or transaction that is held to have an AAEC in the relevant market in India, the provisions of the Competition Act will be applicable. Any prohibition or substantial penalties levied under the Competition Act could adversely affect our financial condition and results of operations, which in turn may have a material adverse impact on our business or prospects, and our ability to make distributions to the shareholders. For instance, the CCI has imposed penalties of ₹ 397.51 crore and ₹ 18.44 crore on our Company, in two separate orders dated August 31, 2016 and January 19, 2017, respectively for alleged contravention of provisions of the Competition Act. Our Company preferred appeals before the Competition Appellate Tribunal ("**COMPAT**") against the above orders. The notification dated May 26, 2017 issued by the Ministry of Finance replaced the COMPAT with the National Company Law Appellate Tribunal ("**NCLAT**") with effect from May 26, 2017. For further information, see "*Legal Proceedings*" on page 241.

There can be no assurance that we will be successful in our appeals with respect to the described matters. Further, any similar proceedings in the future may restrain our flexibility in pricing our products, and have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

**23. *The cement industry is capital intensive, and we may need to seek additional financing to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.***

The cement industry is capital intensive. We require a substantial amount of capital to build our manufacturing facilities and grinding units, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities and grinding units. In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the six months ended September 30, 2019, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹ 1,267.51 crore, ₹ 2,655.59 crore, ₹ 2,025.62 crore and ₹ 753.92 crore, respectively. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks and financial institutions. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. See “ – *An inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.*” If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

**24. *We will continue to depend on our distribution network for the sale and distribution of our products. Any disruption in our distribution network will adversely affect our business and results of operations.***

We distribute our products through our distribution network, which comprised 20,250 dealers and 746 distributors, as of September 30, 2019. Our future growth depends on expanding our sales and distribution network to enter new markets, through different sales and distribution channels. Our orders for sales to dealers are typically a one-time purchase orders and such dealers place orders for products based on prices, availability and the quality of products offered. As a result, we rely and will continue to rely to a significant extent on the relationships we have with our dealers. Further, as our authorized dealers have day-to-day contact with customers, we are exposed to the risk of our dealers failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect our customers' perception of our brand and products. In addition, if our competitors provide better commissions or incentives to our dealers, it could result in them favoring the products of other cement manufacturers including our direct competitors. Further, our competitors may have exclusive arrangements with their dealers who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. Our ability to grow and expand our product reach significantly depends on the reach and effective management of our distribution network. In the event we fail to engage adequate dealers, or fail to establish relationships with new dealers, our sales volumes may be affected which will have an adverse effect on our business and results of operation. Also see “ – *Our inability to collect receivables and default in payment from our dealers and distributors could result in reduced profits and affect our cash flows*” on page 66.

**25. *An inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.***

We have entered into agreements with certain banks for short-term and long-term. As of September 30, 2019, we had total borrowings (consisting of debentures, long term borrowings and short term borrowings) of ₹ 2,766.92 crore, certain of which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, further issuance of any shares, effecting any scheme of amalgamation or reconstruction, changing the management, dilution of Promoters' shareholding, and change in majority of the Directors. Further, in terms of security, we are required to create a mortgage over our immovable properties and hypothecation of our movable properties, including by way of a pledge of our fixed deposits. Additionally, we are required to, among others, to maintain the prescribed debt coverage ratio, net total debt, fixed asset coverage ratio and net external debt. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates or downgrade in the credit ratings assigned to our debt instruments may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such manufacturing facilities and grinding units or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

**26. Any failure of our information technology systems could adversely affect our business and operations.**

We have information technology systems that support our business processes including product development, sales, order processing, production, procurement, inventory management, quality control, human resource functions, distribution and finance. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, and similar events, even with our disaster recovery system in place. Effective response to such disruptions will require effort and diligence on the part of our employees to avoid any adverse effect to our information technology systems. Any breakdown in our enterprise resource planning system could adversely impair our operations. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

**27. We have certain contingent liabilities that have not been provided for in our financial statements, and if they materialize, it may adversely affect our financial condition.**

As of September 30, 2019, our contingent liabilities (claims/ demands not acknowledged as debt) were as follows:

Particulars	Amount
	(₹ crore)
Custom duty (including interest)	65.72
Service tax and education cess (including interest)	1.11
Anti-competitive matters (CCI) <sup>(1)</sup>	415.95
VAT subsidy matters <sup>(2)</sup>	355.38
<b>Total</b>	<b>838.16</b>

Notes:

(1) (i) Competition Commission of India (CCI), in its order dated August 31, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and the Competition Appellate Tribunal (COMPAT), in its order dated November 7, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% per annum on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT); (ii) In another matter, CCI in its order dated January 19, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order. Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

(2) The Divisional Bench of the Honorable Rajasthan High Court vide Judgement dated December 6, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Government of Rajasthan against earlier favorable order of single member bench of Honorable Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme 2003 to the Company for capital investment made in cement plants in the state of Rajasthan. In the above judgement of Honorable High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax / VAT". The Company has filed Special Leave Petition before the Honorable Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us. Based on the legal opinion, it has a good case before Honorable Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

**28. Our business is dependent on adequate and uninterrupted availability of electrical power and water. We may also face certain risks with regard to the operation of our captive power plants in Rajasthan, Chhattisgarh and Karnataka. Any shortages or any prolonged interruption of power and water or increase in the cost of power, could adversely affect our business, result of operations and financial conditions.**

Adequate and uninterrupted supply of electrical power and water is critical to our operations. We also need to ensure that the supply of power is at rates that are cost effective. Our Company operates four integrated manufacturing facilities, and eight grinding units across eight states in India, as of September 30, 2019. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources in India. Although we source power from our captive power plants in Rajasthan, Chhattisgarh and Karnataka, we still rely on the various state electricity boards through a power grid for the supply of electricity to ensure uninterrupted operations. For further information, see “*Our Business – Facilities*” on page 120. For manufacturing facilities and grinding units, where we do not have a captive power source, there may be power cuts in the supply provided by the relevant state electricity boards from time to time. While we have not faced any material issues in relation to uninterrupted power supply in the recent past, there can be no assurance that there will be no disruptions in production in cases of prolonged power failures. If the per unit cost of electricity is increased by the state electricity boards, our power costs will increase. Also, if fuel costs or the costs of operating our power generation plants increase, our cost of generation of electricity through our captive power plants will rise. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, power and fuel expenses, on a standalone basis, accounted for 19.45%, 23.58%, 25.64% and 24.62%, respectively, of our Company’s total expenses (net of excise duty).

Further, power generation at our wind power plant in Koppal and solar power plant in Panipat to service our integrated manufacturing facility at Kodla and grinding unit at Panipat, respectively, is dependent on various factors beyond our control. Unfavourable weather conditions could impair the effectiveness of such plants, reduce their output beneath their rated capacity, and may also require the shutdown of key equipments. Any such interruptions may impede our ability to source power from our captive power plants, and may compel us to fulfil a greater share of our requirements from state electricity boards, at an increased cost. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. A prolonged interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations.

Our operations, manufacturing facilities and grinding units are dependent on a steady and stable supply of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. There can be no assurance that we will always have access to sufficient supplies of water in the future to accommodate our production requirements and planned growth. In addition to the production losses that we would incur during production shutdowns in the absence of supply of water, we would not be able to immediately return to full production volumes following such interruptions, however brief.

***29. Our inability to collect receivables and default in payment from our dealers and distributors could result in reduced profits and affect our cash flows.***

In our sales through dealers in India, we strive to operate on immediate payment terms, and at times with partial or no advance payment terms, but there is no guarantee that our dealers will not default on their payments. We extend credit periods to our dealers and we cannot guarantee that our dealers will not default on their payments which might adversely affect our profits margins and cash flows. We may similarly face delays in receiving payment for supply of electricity to certain state electricity boards. An inability to collect receivables from our dealers and electricity distribution companies in a timely manner or at all, could adversely affect our working capital cycle, and cash flow. In Fiscals 2017, 2018 and 2019 and in the six months ended September 30, 2019, our trade receivables, on a standalone basis, were ₹ 335.12 crore, ₹ 459.25 crore, ₹ 732.40 crore and ₹ 823.67 crore, respectively.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements. Any such increase in our receivable turnover days will negatively affect our business.

***30. We carry out part of our business in the UAE, and supply our cement products to a number of countries, and are accordingly subject to risks associated with doing business internationally.***

As of September 30, 2019, we operated our integrated manufacturing facilities and grinding units in India and an integrated manufacturing facility in the UAE. While our manufacturing facilities and grinding units in India

produce and supply our products primarily within India, our facility in the UAE is engaged in export of cement and clinker to different countries. As a result, we are subject to risks associated with doing business internationally. Our prospective financial performance in international markets may be adversely affected by various factors many of which are beyond our control. These factors include political instability, local and global economic conditions, terrorist attacks, legal and regulatory constraints, tax regulations, local labor laws, anti-money laundering laws and regulations, trade policies, currency fluctuations, and other matters in any of the countries or regions in which we operate, currently or in the future. Decrease in the growth rate of economy, periods of negative growth and/ or increase in inflation or interest rates may result in lower demand for our products, lower real pricing of our products or a shift to lower margin products and consequently our profit margins may suffer. In particular, the geopolitical risk in the GCC region and the economic sanctions imposed on Iran which led to an increase in freight costs and consequently, increased the price for insurance premium, resulted in adversely affecting our business operations and results of operations. Other factors which may impact our international operations include foreign trade, monetary and fiscal policies both of India and of other countries, and laws, regulations and other activities of foreign governments, agencies and similar organizations. The various risks inherent in doing business generally also exist when doing business outside of India, and may be more onerous given the difficulty of doing business due to differences in language, culture, as well as local commercial practice and customs.

Further, the regulatory regime in some of the regions we operate in continue to evolve at a rapid pace and may be unclear or inconsistent or open to conflicting interpretation. For instance, we operate our manufacturing facility in the UAE through our subsidiary in that region. We are accordingly subject to foreign ownership laws in the UAE which state that nationals of the UAE must, directly or indirectly, be the legal/ registered owners of at least 51% of the share capital of UAE companies and foreign investors cannot acquire more than 49% of such share capital. In order to secure beneficial ownership of our UAE operations above the UAE foreign ownership restriction threshold, we adopted the approach taken by many foreign-owned companies operating in the UAE by implementing commonly used arrangements. Our ownership structure for our subsidiaries incorporated in the UAE could be unilaterally challenged before a UAE court and decided that our ownership structure for the UAE subsidiaries violate public policy, morals or law in the UAE. In the event our ownership structure for our subsidiaries incorporated in the UAE is successfully challenged, it could result in a loss of revenues from our subsidiaries incorporated in the UAE or the imposition of material fines, which could have a material adverse effect on our business, financial condition and results of operations.

These risks may impact our ability to expand our operations in different regions and otherwise achieve our objectives relating to our foreign operations, including utilizing these locations as suppliers to other markets. In addition, compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and exchange controls is burdensome and expensive. Our foreign operations also subject us to the risks of international terrorism and hostilities and to foreign currency risks, including exchange rate fluctuations and limits on the repatriation of funds.

***31. The introduction of substitutes for cement in the markets in which we operate and the development of new construction techniques could have an adverse effect on our business, results of operations and financial condition.***

Materials such as plastic, aluminum, ceramics, glass, wood and steel can be used in construction to substitute cement. In addition, other construction techniques, such as the use of dry wall, could decrease the demand for cement, ready-mix concrete and mortars. Further, new construction techniques and modern materials may be introduced in the future. The increase in use of substitutes for cement could cause a significant reduction in the demand and prices for our cement products and have an adverse effect on our business, results of operations and financial condition.

***32. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.***

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in cement manufacturing operations. As of September 30, 2019, we employed 6,334 full time personnel across our various manufacturing facilities and grinding units. Certain of our employees are unionised into labour unions. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour.

We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. Any labour unrest including labour disputes, strikes and lock-outs, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected.

**33. *We face foreign exchange risks that could adversely affect our results of operations and cash flows.***

We have obtained foreign currency loans and have foreign currency payables for supply of fuel, raw material and equipment and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. dollars and other foreign currencies including the UAE Dirham. We use cross currency swaps and forward currency contracts to eliminate the currency exposures. There can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies. Any significant fluctuation in the value of the Indian Rupee against such currencies including as noticed recently in the case of the US Dollar, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations.

**34. *Disruptions in transportation of raw materials and finished products could affect our business.***

The production of cement is dependent on a steady supply of various raw materials and delivery of cement as the finished product. Our raw materials are primarily transported to our manufacturing facilities by road and rail transport and cement is transported to our customers by road (through trucks) and rail transport. Transport of our raw materials and finished products is subject to various factors beyond our control, including poor infrastructure, accidents, adverse weather conditions, strikes and civil unrest, and regulatory restrictions, which may adversely affect our business and results of operations. Further, cement is a perishable product as its quality deteriorates upon contact with moisture or humidity over a period of time. Therefore, prolonged storage or exposure to moisture during transport may result in cement stocks being written-off. Similarly, our cement is sold in bags, which may be subject to wear and tear during transport, resulting in stocks being written-off. There can be no assurance that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material. Transportation strikes have had in the past, and could have in the future, an adverse effect on our Company's receipt of supplies and its ability to deliver its products. In addition, transportation costs have been steadily increasing. Any significant disruption in the transportation of our raw materials and finished products could have a significant impact on our business and results of operations.

**35. *Any failure or delay in the acquisition or leasing of land or an inability to acquire land or renew leases with respect to such land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial condition.***

We require substantial amount of land for the purposes of operating our manufacturing facilities and grinding units. Our registered office is located at Bangur Nagar, Beawar in Rajasthan and our corporate office is located in Kolkata, West Bengal, both of which are on leased premises. Some of the land on which these manufacturing facilities and grinding units are located are held by us on freehold basis and some are held by us, including our international manufacturing facility, on leasehold basis. In addition, we have also acquired land for our proposed grinding units located in Athagarh and Patas. For further information, see "*Our Business – Properties*" on page 130.

In the event we intend to further expand the capacity of our manufacturing facilities or grinding units, and require additional land for such purposes, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis for our manufacturing facilities and grinding units may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our manufacturing facilities and grinding units from local communities, tribes, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our manufacturing facilities and grinding units, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause

construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

Certain of our lease agreements for our manufacturing facilities contain restrictive covenants, including but not limited to, requirements that we obtain consent from the lessor, which is typically the industrial development authority, prior to undertaking certain matters including altering our capital structure, change in the shareholding, change in ownership, change in management and altering its memorandum and articles of association. For instance, by way of letters dated October 24, 2019 and October 30, 2019, we sought consents from each of the U.P. State Industrial Development Corporation Limited and Bihar Industrial Area Development Authority for change in capital structure and shareholding of the Company pursuant to the Issue. As of the date of this Placement Document, no response has been received from any of the authorities within the time frame set out by us in our letters to them. While we believe that we have taken adequate steps to seek their consent, we cannot assure that such authorities will not take any adverse action against us under the terms of their respective lease agreements. Further, these lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. In addition, these leases generally have periodic escalation clauses for rent payments. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for our manufacturing facilities and grinding units on terms favorable to us, or at all. If our current or future lessors terminate our lease agreements, we may have to relocate to alternative premises or shut down our operations at such site. The relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. We cannot assure you that in such a case, we will be able to find suitable premises on commercially viable terms, in a timely manner, or at all, and we may have to pay higher rent or incur additional expenses.

***36. Changes in technology may affect our business by making our manufacturing facilities and grinding units or equipment less competitive.***

Our profitability and competitiveness are in large part dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities and grinding units. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other cement manufacturing companies and other methods of manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

***37. The success and wide acceptability of our products is largely dependent upon certain quality accreditations which are valid for a limited time period and to maintain an effective quality control system. An inability to ensure the renewal of these quality accreditations in a timely manner or at all may adversely affect our business prospects and financial performance.***

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities. All of our integrated manufacturing facilities are accredited by international certifying agencies with certifications including ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems, OHSAS 18001:2007 for occupational health and safety management systems and ISO 50001:2011 for energy management systems. We also comply with prescribed specifications and standards of quality approved by the Government of India in connection with the products we manufacture. We manufacture products as per Bureau of Indian Standards (“BIS”) specifications, including IS 269:2015, IS 455:2015 and IS 1489: Part 1: 2015. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or

substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

***38. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations and financial condition.***

Our business depends on our estimate of the demand for our products from customers. As is typical in the cement manufacturing industry, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods. However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

***39. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations, including, maintenance of plant and machinery at our manufacturing facilities and grinding units, assisting in civil, mechanical and electrical related works and housekeeping activities. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. All contract labourers engaged at our manufacturing facilities and grinding units are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract labourers as our employees, the Indian courts on a case by case basis have directed employers in the past to absorb contract labourers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

***40. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. While we believe that the insurance coverage which we maintain is in keeping with industry standards including mega risk insurance policy, erection industrial all risks policy, marine open import/ export policy and open policy- inland for our operations in India, there can be no assurance that future claims under such policies will be honored fully, in part or on time. For further information on our insurance arrangements, see “*Our Business – Insurance*” on page 129.

In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we are negligent, provided inadequate supervision or be otherwise liable for the injuries. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events

for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

***41. We may be subject to product liability claims that could harm our business, financial condition and results of operations.***

We are exposed to risks associated with product liability claims if the use of our cement products results in property damage or personal injury. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. Our cement products are mainly used as construction materials. While we seek to conform our products to meet a variety of contractual specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Any such claims, regardless of whether they are ultimately successful, could cause us to incur litigation costs, harm our business reputation and disrupt our operations. Further, there can be no assurance that we will be able to successfully defend such claims. If any such claims against us are ultimately successful, we could be required to pay substantial damages, which could materially and adversely affect our business, financial condition and results of operations.

***42. Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, CRISIL Research, a division of CRISIL Limited, to prepare an industry report titled “Cement Market Assessment” dated October 2019, for purposes of inclusion of such information in this Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the CRISIL Report provides information in relation to CRISIL Cement Peer Companies that have been selected based the player category in terms of capacity, product portfolio and geographical presence that accords with our Company. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics or financial parameters, including pertaining to the CRISIL Cement Peer Companies, in the CRISIL Report may be inaccurate or may not be comparable to statistics or financial parameters produced for other economies and should not be unduly relied upon. Further, there is no assurance that such information are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

***43. Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own or intend to acquire in connection with the development of our manufacturing facilities and grinding units.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, or may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records.

In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners.

Further, non-executed or improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors,

ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our current manufacturing facilities and grinding units are located or the manufacturing facilities and grinding units that we plan to construct may arise. Any defects in, or irregularities of, title may result in loss of development or operating rights over land.

***44. Our revenues are subject to a number of tax regimes and changes in the legislation governing the rules implementing them or the regulator enforcing them in any one of these countries could negatively and adversely affect our results of operations.***

As of September 30, 2019, we had manufacturing facilities and grinding units across various States and Union Territories in India and in the United Arab Emirates. Consequently, we are subject to a number of different tax authorities and regimes. The accounting standards, tax laws and other fiscal regulations in these jurisdictions are subject to differing interpretations, and revenues earned are taxed on differing bases. Differing interpretations of tax and other fiscal laws and regulations may exist within several governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potentially unexpected results, exposing us to risks of non-compliance with such standards.

The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among our Company and subsidiaries in different tax jurisdictions, and although we enter into arms-length transactions with respect to the supply of products and raw materials among our Company and subsidiaries, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/ repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year.

***45. Information relating to the installed production capacity and capacity utilization of our manufacturing facilities and grinding units included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed production capacity and capacity utilization of our manufacturing facilities and grinding units included in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed capacity of our manufacturing facilities and grinding units. These assumptions and estimates include the standard capacity calculation practice of cement industry after examining the kiln capacity, cement grinding capacity and other ancillary equipment installed at the plant and the calculations and explanations provided by our management. Actual production capacity, production levels and utilization rates may therefore vary from the information of our integrated manufacturing facilities and grinding units included in this Placement Document or from the historical installed production capacity information of our manufacturing facilities and grinding units depending on the product type.

***46. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.***

Our business requires working capital for activities including purchase of raw materials, for our limestone mining operations as well as for the purchase of packing materials for our cement products. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition.

**47. Internal or external fraud or misconduct by our employees could adversely affect our reputation and our results of operations.**

We may be subject to instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. Further, we employ third parties for certain operations and accordingly, we are exposed to the risk of theft and embezzlement. Our businesses are accordingly exposed to the risk of fraud, misappropriation or unauthorized acts by our representatives and employees responsible for dealing with our operations. In addition, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misconduct by our representatives and employees, which could adversely affect our goodwill. Any instances of such fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

**48. We are dependent on a number of key personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.**

We are dependent on our Promoters, Directors, senior management and other key personnel for setting our strategic business direction and managing our business. Our Managing Director, Joint Managing Director and whole-time Director and other senior members of our management team have extensive experience in the cement sector. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

**49. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.**

Our Company has registered its name, 'Shree Cement Limited', and logos,  and brand,  under Trade Marks Act, 1999. Our brand 'Bangur Cement' is also registered under the Trade Marks Act, 1999. In addition, our Company has also applied for the registration of 'Roofon Concrete Master' under the Trade Marks Act, 1999. Our Company has also applied for renewal of the mark 'Rockstrong Cement', the registration for which had expired. Our Company has also obtained a patent for 'an improved process for preparing synthetic gypsum for use in cement production', valid for a period of 20 years from March 6, 2009. In addition, 'Union Cement Company' is registered with the Trade Marks Department, Ministry of Economy, United Arab Emirates. Further, Union Cement Norcem Company Limited, a subsidiary of Union Cement Company PrJSC, has registered 'Norwell' with the Trade Marks Department, Ministry of Economy, United Arab Emirates. For further information, see "Our Business – Intellectual Property Rights" on page 130. While we have initiated applications and renewal processes for these brands, there can be no assurance that we will be able to successfully obtain or renew our registration in a timely manner or at all. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. We may also incur significant costs in connection with legal actions relating to such rights. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations and financial condition. Our failure to detect counterfeiting or imitation of our own brand products and trademarks and to mitigate the adverse impact from such counterfeiting and imitation could result in a decrease in our sales volume or market share.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

**50. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. For further information, see “*Financial Statements*” on page 250. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future.

We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**51. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.**

We have declared dividend in the past. Our Board has approved and adopted a formal dividend policy on August 12, 2016, in accordance with the SEBI Listing Regulations. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. Additionally, dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. For further information on the dividend paid by the Company during the last three years, see “*Dividend*” on page 91.

Further, our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries.

**52. Our Promoters and certain of our Directors and senior management personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.**

Our Promoters and certain of our Directors and senior management personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters and key management personnel may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in our Company. For instance, as on November 15, 2019, our Promoters and Directors, Benu Gopal Bangur, Hari Mohan Bangur and Prashant Bangur hold 0.03%, 1.38% and 1.12%, respectively, of our issued and paid-up equity share capital.

We cannot assure you that our Promoters, Directors and our senior management personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “*Board of Directors and Senior Management– Interest of our Directors*” on page 173.

**53. We may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.**

Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. For further information in relation to the objects of the Issue, see “*Use of Proceeds*” on page 86. Further, the objects of the Issue have not been appraised by any bank or financial institution. While as required under the SEBI Listing Regulations, we will continue to disclose annually our utilization of the proceeds from the Issue in our annual report, we cannot assure that the current business plan will be implemented in its entirety or at all and accordingly, we may have to revise this from time to time as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board.

Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.

***54. Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Our customers may be located in and/ or may enter into transactions with end customers located in, jurisdictions to which certain OFAC-administered and other sanctions apply, such as Iran, Iraq and Syria. In addition, while we own 97.65% of the equity share capital of our Subsidiary, Union Cement Company Pr. JSC, as of September 30, 2019, certain minority shareholders of such Subsidiary may be nationals of jurisdictions subject to such sanctions. In addition, certain employees of our Subsidiary may be nationals of jurisdictions subject to such sanctions. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as a consequence.

***55. We are unable to trace a copy of Form 2 which had been filed with the RoC in relation to one of our allotments.***

We are unable to trace a copy of the Form 2, the form for return of allotment, filed by us in the past with the RoC, in relation to allotment made on May 5, 1995 pursuant to the conversion of warrants attached with non-convertible debentures. While information in relation to such allotment, has been disclosed under “*Capital Structure*” in this Placement Document, based on the certified true copy of the board and committee resolutions currently available with us, we may not be able to furnish any further document evidencing such allotment. Therefore, we cannot assure you that we have adequately reflected all such requisite disclosures, or that we have not inadvertently omitted any clarification or additional information that we may have been in a position to disclose, had we been able to trace the complete set of documentation in relation thereto. While we believe that this Form 2 had been filed with the RoC in a timely manner, we cannot assure you that we will not undergo any regulatory scrutiny in the future, with respect to our compliance with the applicable form filing and related requirements, in connection with the foregoing.

***56. Reliance has been placed on declarations and affidavit furnished by one of our Directors for details of his profile included in this Placement Document.***

One of our Directors, Shreekant Somany, has been unable to trace copies of certain documents pertaining to his educational qualifications. Our Company has obtained confirmations from him, that he has made his best efforts to procure the relevant supporting documents for these disclosures being made in this Placement Document, and despite such efforts, certain documents were not traceable. Accordingly, reliance has been placed on declarations, undertakings, and an affidavit furnished by him to disclose details of his educational qualifications in this Placement Document and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational qualifications of such Director included in “*Board of Directors and Senior Management*” on page 170 is complete, true and accurate.

## **RISKS RELATING TO INDIA**

***57. Most of our revenue is derived from business in India and a slowdown in economic growth in India could cause our business to suffer.***

We derive most of our revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy's growth momentum moderated significantly in Fiscals 2018 and 2019 as compared to previous years. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 8.2% in Fiscal 2017 to 7.2% in Fiscal 2018 and further decreased to 6.8% in Fiscal 2019. This slower rate of economic growth was primarily driven by a slowdown in consumer demand, the transitional impacts of the introduction of the Goods and Services Tax in 2017 and the lingering residual effects of demonetization in 2016. According to the Indian Central Statistics Organization, industrial sector growth slowed from 8.3% in Fiscal 2017 and 6.1% in Fiscal 2018 to 7.6% in Fiscal 2019. The Indian economy has slowed further in Fiscal 2020. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

***58. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of the Equity Shares.

Developments in the Eurozone have aggravated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/ or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

Further, trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

**59. It may not be possible for investors to enforce any judgment obtained outside India against us, the Placement Agents or any of their directors and executive officers in India respectively, except by way of a law suit in India.**

The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 (“**Civil Code**”) on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

**60. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.**

In recent months, consumer and wholesale prices in India have exhibited subdued inflationary trends, as the result of a decrease in crude oil prices, lower international commodity prices, and lower domestic food prices. The Consumer Price Index declined from 4.5% (average) in Fiscal 2017, to 3.6% (average) in Fiscal 2018, and to 3.4% (average) in Fiscal 2019. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**61. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**62. *Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

**63. *Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

**64. *Any downgrade of India's debt rating by an independent agency may adversely affect our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business, financial condition and the price of our Equity Shares.

**65. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years, in particular has significantly depreciated in the year 2018, and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

## **RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES**

**66. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in accordance with applicable prevailing regulations. This price will be determined on the basis of applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

***67. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.***

The trading price of our Equity Shares may fluctuate after the Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, economic liberalisation, deregulation policies and procedures or programs applicable to our business, adverse media reports on our Company, volatility in the Indian and global securities market, performance of our competitors, the Indian real estate industry and the perception in the market about investments in the real estate industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding new projects, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

***68. Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.***

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares, including sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investor that such issuances or sales might occur could also affect the trading price of our Equity Shares.

***69. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.***

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 206. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Transfer Restrictions*" on page 212. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

***70. Our Promoters and Promoter Group have significant control over us and have the ability to direct our business and affairs; their interests may conflict with the interests of the shareholders.***

As on September 30, 2019, our Promoters and Promoter Group, beneficially held 64.79% of our issued and outstanding Equity Shares. The Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. The Promoters' control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in the Company's best interest. The Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

***71. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

***72. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company’s ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of our Equity Shares between non-residents and residents and issuances of shares to non-residents by our Company are freely permitted (subject to certain exceptions), subject to compliance with certain applicable pricing and reporting requirements. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

***73. The Equity Shares are subject to transfer restrictions.***

The Equity Shares that are being offered are not required to be registered under the U.S. Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under or exempted from the registration requirements of the U.S. Securities Act and in compliance with any other applicable securities laws. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of Allotment of the Equity Shares in the Issue, QIBs subscribing Equity Shares in the Issue may only sell their Equity Shares on BSE or NSE and may not enter into any off-market trading in respect of these Equity Shares. There is no assurance that the restriction will not have an impact on the price and liquidity of the Equity Shares.

***74. Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.***

In terms of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investor’s demat account with the depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Company, or other events affecting the investor’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall

not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. The Company may complete the Allotment of the Equity Shares even if such events may limit the investors' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

***75. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including, our financial results and the financial results of the companies in the businesses we operate in; the history of, and the prospects for, our business and the sectors in which we compete; the valuation of publicly traded companies that are engaged in business activities similar to us; and significant developments in India's economic liberalization and deregulation policies.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects and may limit your ability to sell the Equity Shares.

***76. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

***77. Investors will be subject to market risks until the Equity Shares credited to the investors' demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investors' demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when Equity Shares Allotted are listed and permitted to trade. Further, there can be no assurance that the Equity Shares Allotted to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

***78. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

Our Company believes it was likely not a PFIC for the taxable year ending March 31, 2019, and likely will not be a PFIC for the current year and future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination whether or not our Company is a PFIC is a factual determination that is made annually based on the types of income we earn and the value of our assets.

Further, our PFIC status may also depend on the market price of the Equity Shares, which may fluctuate considerably. Assuming our Company is considered a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the U.S. Internal Revenue Code of 1986, as amended. For further information, see *“United States Federal Income Tax Considerations”* on page 236.

***79. Withholding may be imposed on payments on the Equity Shares under the U.S. Foreign Account Tax Compliance Act.***

Certain U.S. tax provisions commonly referred to as FATCA may impose 30% withholding on “foreign passthru payments” made by a “foreign financial institution” (an “**FFI**”). Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final regulations defining the term “foreign passthru payment.” The United States has entered into an intergovernmental agreement with India (the “**IGA**”) which potentially modifies the FATCA withholding regime described above. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Equity Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA, on their investment in the Equity Shares. See *“United States Federal Income Tax Considerations”* on page 236.

## MARKET PRICE INFORMATION

The Equity Shares are listed and available for trading on the BSE and the NSE.

On November 18, 2019, the closing price of Equity Shares on the BSE and the NSE was ₹ 19,854.85 and ₹ 19,869.30 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and the NSE, the market price and other information for each of the BSE and the NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded for Financial Years ended March 31, 2017, March 31, 2018 and March 31, 2019:

### BSE

Financial Year ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in crore)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in crore)	Average price for the year (₹) <sup>(3)</sup>
2017	18,519	October 3, 2016	760	1.36	12,001	April 5, 2016	181	0.22	15,290.36
2018	20,560	May 15, 2017	615	1.24	15,600	February 6, 2018	8,285	13.87	17,895.95
2019	19,260	September 3, 2018	413	0.79	13,125	October 31, 2018	1256	1.71	16,519.99

(Source: [www.bseindia.com](http://www.bseindia.com))

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the year represents the average of daily closing prices.

### NSE

Financial Year ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in crore)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in crore)	Average price for the year (₹) <sup>(3)</sup>
2017	18,490.00	October 3, 2016	17,481	31.03	11,988.80	April 4, 2016	8,036	9.97	15,300.87
2018	20,538.00	May 15, 2017	18,095	36.63	15,652.15	February 6, 2018	61,641	99.80	17,904.90
2019	19,290.00	September 3, 2018	20,906	39.98	13,100.00	October 31, 2018	102,127	139.68	16,528.47

(Source: [www.nseindia.com](http://www.nseindia.com))

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the year represents the average of daily closing prices.

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded during each of the last six months:

#### BSE

Month Ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in crore)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the date of low (₹ in crore)	Average price for the month (₹) <sup>(3)</sup>
May 31, 2019	21,899.85	May 30, 2019	334	0.72	18,575.00	May 13, 2019	538	1.02	20,148.68
June 30, 2019	22,051.00	June 27, 2019	411	0.90	19,849.75	June 17, 2019	6,775	13.64	21,025.56
July 31, 2019	22,200.00	July 1, 2019	4,927	10.56	19,908.00	July 31, 2019	1,129	2.26	21,207.44
August 31, 2019	20,805.00	August 9, 2019	1,284	2.62	17,931.50	August 26, 2019	290	0.54	19,386.59
September 30, 2019	20,450.45	September 20, 2019	3,519	6.76	17,280.00	September 4, 2019	497	0.87	18,702.94
October 31, 2019	20,495.35	October 30, 2019	246	0.50	17,743.25	October 7, 2019	232	0.42	19,054.80

(Source: www.bseindia.com)

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the month represents the average of daily closing prices.

#### NSE

Month Ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in crore)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the date of low (₹ in crore)	Average price for the month (₹) <sup>(3)</sup>
May 31, 2019	21,950.00	May 30, 2019	26,839	58.00	18,540.40	May 14, 2019	19,376	36.52	20,168.91
June 30, 2019	22,100.35	June 27, 2019	63,640	139.33	19,857.10	June 17, 2019	20,508	41.20	21,018.82
July 31, 2019	22,399.90	July 1, 2019	20,072	43.35	19,889.55	July 31, 2019	46,252	92.95	21,200.75
August 31, 2019	20,918.30	August 9, 2019	52,782	107.82	17,929.15	August 26, 2019	23,442	42.99	19,380.33
September 30, 2019	20,490.00	September 20, 2019	115,041	222.09	17,285.70	September 4, 2019	35,965	63.14	18,698.63
October 31, 2019	20,600.00	October 30, 2019	20,701	42.09	17,727.00	October 7, 2019	11,866	21.25	19,054.05

(Source: www.nseindia.com)

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the month represents the average of daily closing prices.

The following table sets forth the market price on the BSE and the NSE on October 22, 2019, i.e., the first working day following the approval of the Board of Directors for the Issue:

**BSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
19,511.00	20,377.40	19,278.00	19,501.40	4,545	8.91

(Source: [www.bseindia.com](http://www.bseindia.com))

**NSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
19,400.00	20,312.45	19,258.25	19,515.60	1,15,473	227.71

(Source: [www.nseindia.com](http://www.nseindia.com))

## USE OF PROCEEDS

The gross proceeds from the Issue aggregates to approximately ₹ 2,400 crore. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, is approximately ₹ 2,383 crore (the “**Net Proceeds**”).

### **Purpose of the Issue**

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for business purposes such as funding future growth opportunities and/or strategic acquisitions, general corporate requirements as well as meeting our working capital requirement, pre-payment and/or repayment of loans and/or any other purposes, as may be permissible under applicable law and approved by our Board or its duly constituted committee.

### **Interim use of funds**

In accordance with the policies instituted by our Board and as may be permissible under applicable laws and government policies, our management will have the flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to invest these funds in creditworthy instruments, including money market instruments, mutual funds, bonds and other securities issued by governments, PSUs, corporate bodies (both tax free as well as taxable), among others, as deemed appropriate by the Board. Any modification/ change in the investment policy would be at the discretion of the Board from time to time and in accordance with applicable laws. Our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

### **Other confirmations**

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds.

Our Company shall not utilise monies raised through the Issue until the Allotment is made and the return of Allotment is filed with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later.

The Net proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific purposes. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth our capitalisation statement, on a consolidated basis, as at September 30, 2019 which has been derived from our Unaudited Interim Condensed Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with “*Summary Financial Statements*”, “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Statements*” on pages 41, 52, 131 and 250, respectively.

(in ₹ crore)

	As at September 30, 2019 Actual (Unaudited)	As adjusted for the Issue <sup>(1)</sup>
<b>Current borrowings (A-1):</b>		
Total secured current borrowings	223.59	223.59
- Loans repayable on demand from the banks	192.61	192.61
- Bank overdraft	30.98	30.98
Total unsecured current borrowings	247.13	247.13
- Commercial papers	247.13	247.13
<b>Non-Current borrowings (A-2):</b>		
Total secured non-current borrowings	2,296.20	2,296.20
- External commercial borrowings	1,688.11	1,688.11
- Current maturities of external commercial borrowings <sup>(2)</sup>	608.09	608.09
<b>Total borrowings – A (A1+A2)</b>	<b>2,766.92</b>	<b>2,766.92</b>
<b>Equity attributable to owners</b>		
Equity share capital	34.84	36.08
Other equity	10,239.43	12,638.19
Total equity attributable to owners of the Company	10,274.27	12,674.27
Non controlling interest	62.96	62.96
<b>Total equity attributable to owners – B</b>	<b>10,274.27</b>	<b>12,674.27</b>
<b>Total capitalisation A+B</b>	<b>13,041.19</b>	<b>15,441.19</b>
<b>Non-Current borrowings /Total equity attributable to owners (A-2/B)</b>	<b>0.22</b>	<b>0.18</b>

<sup>(1)</sup> As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

<sup>(2)</sup> Current maturities of external commercial borrowings included in non-current borrowings amounting to ₹ 608.09 crores has been disclosed under the head ‘other current financial liabilities’ in the unaudited interim condensed balance sheet as at September 30, 2019.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

<i>(in ₹ except Equity Share data)</i>	
	Aggregate at face value
<b>Authorized Share Capital</b>	
- 6,00,00,000 Equity Shares of ₹ 10 each	60,00,00,000
- 15,00,00,000 preference shares of ₹ 100 each	15,00,00,000
<b>Issued, subscribed and paid-up share capital prior to the Issue</b>	
- 3,48,37,225 Equity Shares of ₹ 10 each	34,83,72,250
<b>Present Issue in terms of this Placement Document<sup>(1)</sup></b>	
- 12,43,523 Equity Shares at a premium of ₹ 19,290.00, i.e. at a price per Equity Share of ₹ 19,300.00, aggregating to approximately ₹ 2,400 crore <sup>(1)</sup>	1,24,35,230
<b>Issued, subscribed and paid-up share capital after the Issue</b>	
- 3,60,80,748 Equity Shares	36,08,07,480
<b>Securities premium account</b>	
- Prior to the Issue <sup>(2)</sup>	26,52,72,694
- After the Issue <sup>(3)</sup>	24,25,28,31,364

<sup>(1)</sup> The Issue has been authorised by our Board pursuant to a resolution passed on October 19, 2019 and by our Shareholders pursuant to their resolution passed by way a postal ballot dated November 18, 2019.

<sup>(2)</sup> As on September 30, 2019

<sup>(3)</sup> The securities premium account after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses

### Equity share capital history of our Company

The history of the Equity Share capital of our Company since incorporation is provided hereunder.

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration
October 25, 1979	70	10	10	Cash
January 4, 1985	1,06,99,930	10	10	Cash
February 18, 1985	47,00,000	10	10	Cash
February 3, 1989	46,00,000	10	-	Other than cash
November 22, 1991	7,96,000	10	-	Other than cash
February 8, 1993	36,00,000	10	35	Cash
October 12, 1993	2,40,021	10	-	Other than cash
May 5, 1995	43,95,000	10	43.25	Cash
April 8, 1997	58,06,204	10	20	Cash

In the last one year preceding the date of this Placement Document, our Company has not made any allotments of Equity Shares (either on preferential basis, or private placements or rights issue) including for consideration other than cash.

### Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of post-Issue Equity Share capital that may be held by them, see “Proposed Allottees” on page 621.

### Pre-Issue and post-Issue shareholding pattern of our Company

The pre-Issue shareholding pattern of our Company as on September 30, 2019 and the post-Issue shareholding pattern of our Company is set forth below:

Sl. No.	Category	Pre-Issue, as of September 30, 2019		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
<b>A</b>	<b>Promoters' holding<sup>#</sup></b>				
1	Indian				
	<i>Individual</i>	10,74,484	3.09%	10,74,484	2.98%
	<i>Bodies corporate</i>	2,14,95,313	61.70%	2,14,95,313	59.58%
	<i>Others</i>	-	-	-	-
	<b>Sub-total</b>	<b>2,25,69,797</b>	<b>64.79%</b>	<b>2,25,69,797</b>	<b>62.55%</b>
2	Foreign promoters	-	-	-	-
	<b>Sub-total (A)</b>	<b>2,25,69,797</b>	<b>64.79%</b>	<b>2,25,69,797</b>	<b>62.55%</b>
<b>B</b>	<b>Non-promoters' holding</b>				
1	Institutional investors	71,24,598	20.45%	83,68,121	23.19%
2	Non-institutional Investors				
	<i>Private corporate bodies</i>	38,41,357	11.03%	38,41,357	10.65%
	<i>Directors and relatives</i>	-	-	-	-
	<i>Indian public</i>	10,80,216	3.10%	10,80,216	2.99%
	<i>Others (including Non-resident Indians (NRIs))</i>	2,21,257	0.64%	2,21,257	0.61%
	<b>Sub-total (B)</b>	<b>1,22,67,428</b>	<b>35.21%</b>	<b>1,35,10,951</b>	<b>37.45%</b>
	<b>Total (A+B)</b>	<b>3,48,37,225</b>	<b>100.00%</b>	<b>3,60,80,748</b>	<b>100.00%</b>

<sup>#</sup> This includes the shareholding of the members of our Promoter Group.

\* The table for the post-Issue shareholding pattern of our Company reflects the shareholding of the Institutional Investors category as of September 30, 2019 adjusted for Allocation made in the Issue, and reflects the shareholding of all other categories of shareholders as of September 30, 2019.

### Employee Stock Option Schemes

As on the date of this Placement Document, our Company has not instituted any employees stock options schemes.

### Other Confirmations

There will be no change of control pursuant to the Issue.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions as per the requirements under Ind AS 24, as notified under section 133 of the Companies Act, 2013 read with Ind AS rules as amended during the (i) six months period ended September 30, 2019, (ii) fiscal year ended March 31, 2019, (iii) fiscal year ended March 31, 2018, and (iv) fiscal year ended March 31, 2017, see “*Financial Statements*” on page 250.

## DIVIDEND

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends.

Our Company has approved and adopted a formal dividend distribution policy on August 12, 2016 in accordance with Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend is dependent on the prevalent macro-economic conditions and industry – specific scenario, and the capital expenditure program of our Company currently under implementation.

The details of the dividends paid by our Company during the six months ended September 30, 2019 and in the Fiscals 2017, 2018 and 2019 are set out below:

Particulars	Six months ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Face value of Equity Shares (₹ per Equity Share)	10.00	10.00	10.00	10.00
Dividend (Interim) per Equity Share (in ₹)	-	25.00	20.00	16.00
Dividend (One time Special) per Equity Share (in ₹)	-	-	-	100.00
Dividend (Final) per Equity Share (in ₹)	35.00 <sup>(1)</sup>	30.00 <sup>(2)</sup>	24.00 <sup>(3)</sup>	-
Total Dividend per Equity Share (in ₹)	35.00	55.00	44.00	116.00
Total dividend (₹ in crores)	121.93	191.60	153.28	404.11
Dividend rate (%)	350%	550%	440%	1,160%

(1) The amount pertains to dividend related to Fiscal 2019, which was paid post approval of the Shareholders in the annual general meeting held during six months period ended September 30, 2019.

(2) The amount pertains to dividend related to Fiscal 2018, which was paid post approval of the Shareholders in the annual general meeting held in Fiscal 2019.

(3) The amount pertains to dividend related to Fiscal 2017, which was paid post approval of the Shareholders in the annual general meeting held in Fiscal 2018.

Our past practices with respect to the declaration of dividend are not necessarily indicative of the dividend distribution policy of our Company or of our future dividend declaration. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. The form, frequency and amount of future dividends depend on a number of internal and external factors in addition to those contemplated under our dividend distribution policy, including, but not limited to, distributable surplus available with our Company as per Companies Act, 2013, our Company's earnings, cash flows, financial condition, liquidity position, working capital and other financing requirements considering expansion and acquisition opportunities, lender approvals, contractual obligations, stipulations/ covenants of loan agreements macroeconomic and business conditions in general, applicable legal restrictions and other factors, and shall be at the discretion of our Board and subject to the approval of our shareholders. Investors are cautioned not to rely on past dividends as an indication of our future performance or for an investment in the equity shares. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements." on page 74.

## INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “Cement Market Assessment” dated October 2019 (the “CRISIL Report”) prepared and issued by CRISIL Research, a division of CRISIL Limited, on our request. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Industry information included in this Placement Document, including this section, from the CRISIL Report is subject to the following disclaimer from CRISIL:

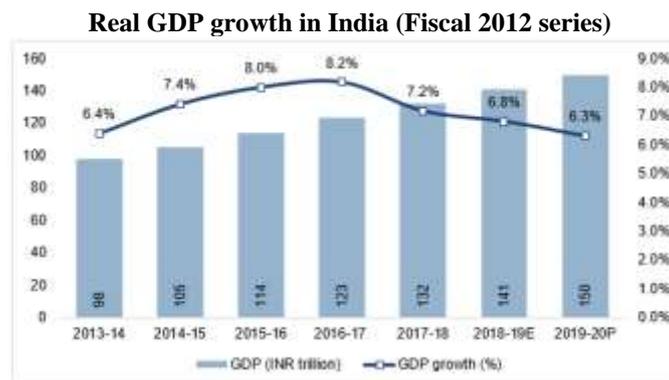
“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shree Cement Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

## MACRO-ECONOMIC OVERVIEW

### Gross Domestic Product (“GDP”)

*Real GDP grew at CAGR of approximately 7.5% over past 5 years.*

India’s GDP is expected to increase at a compounded annual growth rate (“CAGR”) of approximately 7.5% from ₹ 98 trillion in Fiscal 2014 to ₹ 141 trillion in Fiscal 2019. As per the Central Statistics Office, India’s GDP growth is estimated at 6.8% in Fiscal 2019, driven by faster growth in first half of the Fiscal.



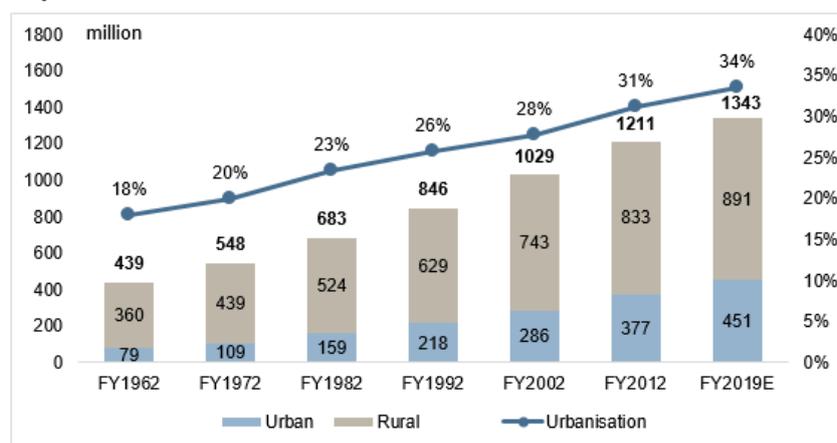
Note: Figures for Fiscal 2019 and Fiscal 2020 are based on estimated and projected figures, respectively.

Internationally, India's GDP growth was relatively higher than the other major economies, including Europe, United States and Japan, with a GDP growth rate of over 7% in 2017 and 2018. In absolute terms, India's GDP accounted for approximately 8% of total GDP internationally, while in comparison, China, Europe, United States and Japan's GDP accounted for approximately 19%, 16%, 15%, and 4%, respectively, of the total GDP internationally.

## INDIAN DEMOGRAPHICS OVERVIEW

Historically, India's population has been growing at a CAGR of approximately 2%. However, since Fiscal 2012, India's population growth has decreased to a CAGR of approximately 1.5% till Fiscal 2019. Rural population accounts for approximately two-thirds of India's total population. Urbanization in India is still significantly lower in comparison with other countries.

**Population and urbanization trend in India**



Note: Figures for Fiscal 2019 are based on estimated figures.

## OVERVIEW OF INDIAN CEMENT INDUSTRY

The international cement production was approximately 4,100 million tonne in 2018. The international cement production is led by China and accounted for more than half of the international cement production in 2018. India ranks second in terms of cement production and accounted for approximately 8% of international cement production in 2018.

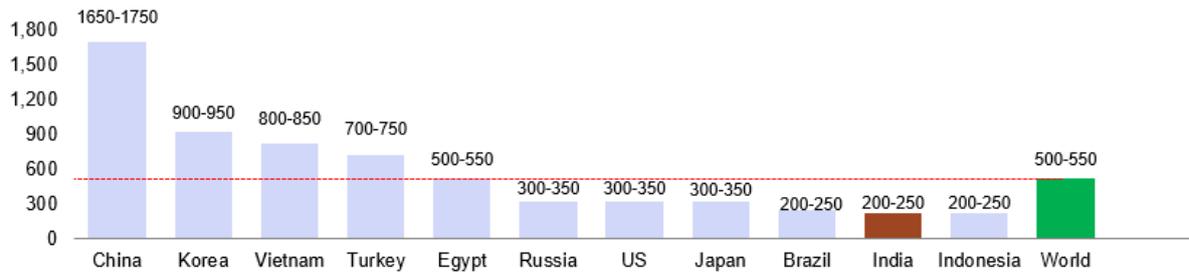
Country	Production in 2018 (million tonnes)	Share (%)
China	2,370	58%
India	340	8%
United States*	88.5	2%
Turkey	84	2%
Vietnam	80	2%
Russia	55	1%
Brazil	52	1%
Others	1,031	25%
<b>Total</b>	<b>4,100</b>	

\*United States includes Puerto Rico

Note: India production data are on a fiscal year (Apr-Mar) basis whereas others are calendar year basis.

Developing nations, such as, Indonesia, India and Vietnam have been some of the fastest growing countries in terms of cement production during 2013 and 2018. During 2013 and 2018, the Indian cement demand has grown significantly at a CAGR of approximately 6% to 7% in comparison with the international cement demand growth, which has grown at a CAGR of approximately 2% during the same period.

**Global trends in cement consumption (2018)**  
**Per capita cement consumption (kgs)**



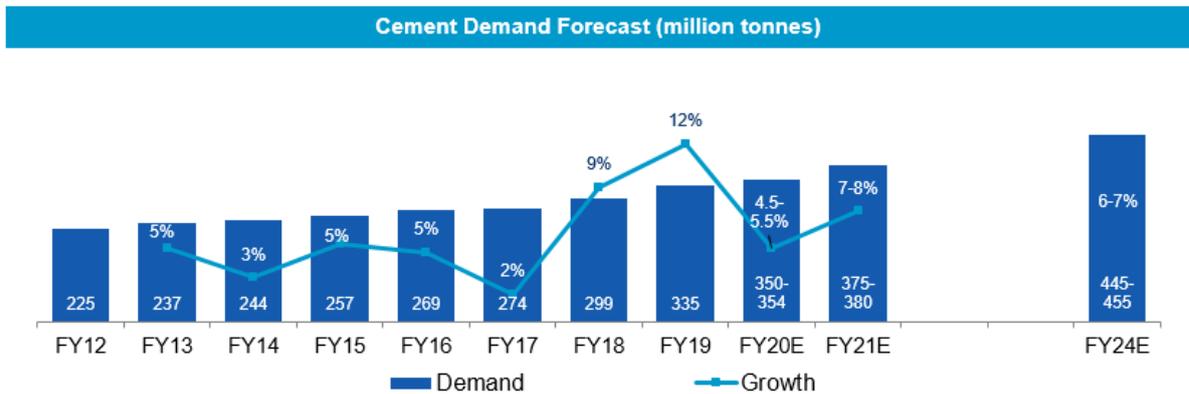
Note: India production numbers are on a fiscal year (Apr-Mar) basis whereas others are calendar year basis

In comparison with the major cement producing countries, in 2018, India demonstrated the lowest per capita cement consumption at approximately 200 kgs to 250 kgs, which was approximately half of world average of approximately 500 kgs to 550 kgs. China had the highest per capita cement consumption of approximately 1,650 kgs to 1,750 kgs, followed by Korea at approximately 900 kgs to 950 kgs in 2018. However, despite a low per capita cement consumption, India is the second largest cement consumer internationally followed by China.

**CEMENT DEMAND ASSESSMENT**

**Demand assessment – Segment wise**

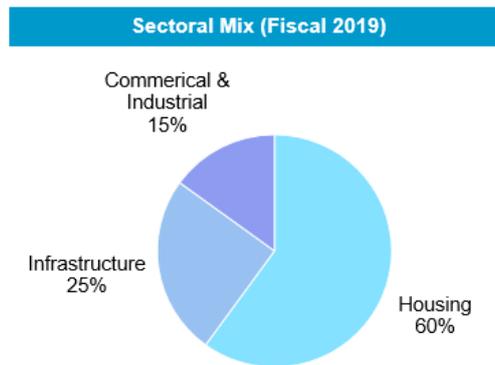
The cement demand in India grew at a CAGR of approximately 6.5% during Fiscal 2014 to Fiscal 2019. In Fiscal 2021, India’s cement demand is expected to have growth rate of approximately 7% to 8% due to realization of constrained demand, low base of the first half of Fiscal 2020 as well as increase in infrastructure spending of the Government. In the long-term, cement demand in India is expected to grow at a CAGR of approximately 6.5% between Fiscal 2019 and Fiscal 2024, primarily led by increase in infrastructure investments and revival in housing demand.



Note: Figures for Fiscal 2020, Fiscal 2021 and Fiscal 2024 are based on estimated figures.

**Cement demand in India registered the highest growth in over a decade at approximately 12% in Fiscal 2019**

In the past, cement industry in India has been growing at a strong multiple of 1.2 times of GDP growth during Fiscal 2007 and Fiscal 2013 due to strong capital investments. Such cement demand to GDP multiplier increased in Fiscal 2018 to 1.4. Further, the cement demand in India to GDP multiple increased to approximately 1.7 in Fiscal 2019 led by strong demand growth of approximately 12% primarily driven by a number of infrastructure activities undertaken by the central Government supported by strong demand from affordable housing. The cement demand multiplier is expected to remain strong in the future.



The share of housing sector in India’s cement demand has decreased over the past five years on account of decreasing housing sector demand due to slow economic growth, weak demand, high finance cost, buyer-unaffordability and high inventory. However, housing sector accounts for approximately 60% to 65% of total demand on account of central Government’s drive towards “Housing for All” scheme.

***Housing cement demand to be driven by affordable housing and rural housing***

In Fiscal 2019, approximately two million units, under affordable housing, were constructed as compared to approximately 2.4 million units in Fiscal 2018. The Government had set a target of 10 million rural households to be constructed between Fiscal 2017 and Fiscal 2019 of which approximately 79% of the target was met. In the future, the central Government has set a target of 19.5 million units to be constructed between Fiscal 2020 and Fiscal 2022. Due to the continuation of current Government and increased focus on ‘Housing for All’, it is expected that the demand growth from housing sector will continue. The cement demand from rural housing is expected to increase at a CAGR of approximately 6% to 7% during Fiscal 2020 and Fiscal 2024. Further, individual home builders’ demand, commercialization of Tier III/ Tier IV cities and affordable housing are expected to aid the growth for urban housing demand growth. As the Government has significantly increased the budget for urban housing, it is expected that it would lead to faster pace of completion of houses, thereby leading to a revival in urban housing demand. Approximately 1.5 million houses were constructed under Pradhan Mantri Awas Yojana in Fiscal 2019.

***Infrastructure demand to be driven by roads, irrigation and urban infrastructure***

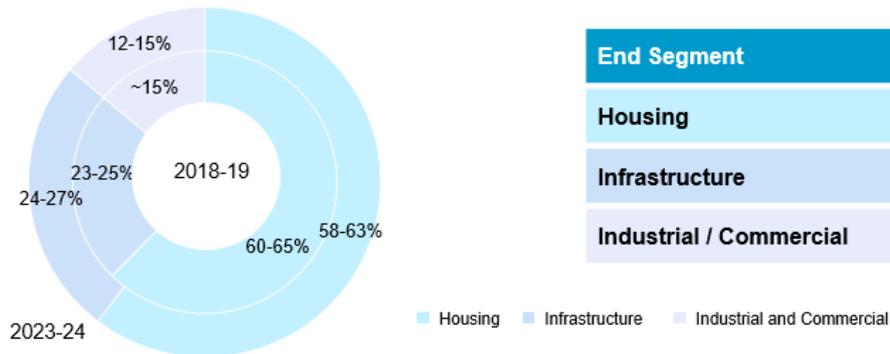
The Union Government has continued its focus on infrastructure segment and increased its budget on roads and rails by approximately 14% each. Further, the significant increase in capital expenditure by state Government is also expected to keep infrastructure demand momentum strong. The budgetary allocation to Pradhan Mantri Gram Sadak Yojana, at ₹ 19,000 crore for Fiscal 2020, has remained the same for the past four fiscals. The allocation has been revised to ₹ 17,714 crore for the various metro projects from ₹ 14,865 crore in Fiscal 2019 to increase cement demand.

Over the next five years, construction investments from the infrastructure sector is projected to expand by approximately 1.6 times over the last five years. Within the infrastructure sector, it is expected that the share of high-intensity segments, such as, road, irrigation and urban infrastructure, will increase in the overall infrastructure cement demand.

***Share of infrastructure to increase on account of increased Government investments***

With the projected fast growth in the infrastructure sector over the next few years, the share of infrastructure sector is expected to increase from approximately 23% to 25% in Fiscal 2019 to approximately 24% to 27% in Fiscal 2024. However, with the increased growth in other sectors, the share of housing in overall cement consumption is expected to reduce to approximately 58% to 63% from approximately 60% to 65%.

## Segmental demand growth outlook



End Segment	FY19-24
Housing	5.5-6.5%
Infrastructure	8-10%
Industrial / Commercial	3-4%

Note: Figures for Fiscal 2019 to Fiscal 2024 are based on estimated figures.

### Demand assessment – Region wise

#### Robust growth to continue in east India followed by central India in next five years

During Fiscal 2014 to Fiscal 2019, the cement demand in India grew at a CAGR of approximately 6.5%. The cement demand in India is expected to grow at a rate of approximately 7% to 8% in Fiscal 2021 and in the long term, the cement demand is expected to grow at a CAGR of approximately 6.5% from Fiscal 2019 to Fiscal 2024. The demand will be driven by the increase in housing demand and infrastructure development on account of affordable housing and increase in government spending on infrastructure activities. Further, east India is expected to exhibit robust growth followed by central India. The share of east India in terms of cement demand is expected to increase from approximately 24% in Fiscal 2019 to approximately 26% to 27% in Fiscal 2024.

At a segmental level, infrastructure sector is expected to drive growth on account of strong push from the Government primarily towards roads construction as well as rail/ metro projects. Housing demand is expected to continue its strong momentum led by affordable housing.



Note: Figures for Fiscal 2019 to Fiscal 2024 are based on estimated figures.

The cement demand robustly grew by approximately 12% on-year in Fiscal 2019 primarily led by a number of infrastructure activities along with affordable housing. Southern region of India, particularly Andhra Pradesh and Tamil Nadu, and eastern region of India, particularly, Odisha and Bihar, witnessed strong demand led by an increase in infrastructure construction including irrigation projects in Andhra Pradesh and Telangana, construction of capital city Amravati as well as national highways construction. During Fiscal 2014 to Fiscal 2019, the cement demand in India grew at a CAGR of approximately 6.5% driven by infrastructure development as well as rural housing construction in the eastern region of India.

### Region-wise demand and growth

	Housing	Infrastructure	Commercial / Industrial	FY19 over FY18	FY20P over FY18	CAGR FY19-24P
PAN India	↑	↑	↔	12%	4.5-5.5%	6-7%
North Region	↔	↑	↔	6-7%	3.4%	5.5-6.5%
West Region	↔	↑	↔	7.5-8.5%	5-7%	5-7%
East Region	↑	↑	↑	13-15%	2-4%	7-9%
Central Region	↑	↑	↑	9-11%	4-6%	6-8%
South Region	↔	↑	↑	18-20%	4-6%	4-6%

Note: Arrows represent the period between Fiscal 2019 to Fiscal 2024. Yellow arrow indicates range bound growth, light green arrow indicates moderate growth and dark green arrow indicates high growth. Figures for Fiscal 2020 and Fiscal 2024 are based on estimated figures.

#### North India: Demand to increase at moderate pace over the next five years

In the long-term, the cement demand in north India is expected to grow at a CAGR of approximately 5.5% to 6.5%, in comparison to the cement demand in north India grew at a CAGR of approximately 4.5% to 5.5% during the last five years. Key infrastructure projects in north India, include dedicated freight corridor in Haryana, Rajasthan; metro projects in Delhi, Gurugram (Gurugram-Alwar metro); smart city related development in Delhi, Jaipur, Udaipur and Faridabad; and several road and highway projects, which are expected to drive the cement demand in this region. Real estate development in key existing and emerging pockets will also drive cement demand. Cities, such as, Bahadurgarh, Rohtak, Jaipur, Udaipur and Chandigarh, will drive the urban demand. Further, construction of Renuka Dam project in Himachal and Shahpurkandi dam project in Punjab are expected to lead to an increase in the demand. However, approval from environmental bodies as well as release on funds by central Government will remain a key monitorable as both the projects remain in a very nascent stage.

#### West India: Cement demand is expected to increase at a CAGR of approximately 5% to 7% till Fiscal 2024 led by infrastructure development

In the long term, the cement demand in west India is expected to witness a growth at a CAGR of approximately 5% to 7% from Fiscal 2019 to Fiscal 2024. The growth is expected to be aided primarily by development on key infrastructure projects, such as, urban infrastructure projects (metros, expressways and national highways), expansion projects in power sector in Maharashtra and state roads in Gujarat.

#### East India: To witness passive demand in Fiscal 2020, however cement demand is expected to revive over the long term

In the long term, the cement demand in east India is expected to be the highest in comparison with most of the other regions of India. The cement demand in east India is expected to increase at a CAGR of approximately 7% to 9% from Fiscal 2019 to Fiscal 2024, however, this growth shall be slower than the CAGR of approximately 10% to 11% recorded in the previous five fiscal years. With approximately 35 million housing shortage identified in the region, the cement demand growth is expected to remain strong. Further an increase in infrastructure investments is also expected through key projects, such as, eastern dedicated freight corridor in Bihar, Jharkhand and West Bengal; metro projects in Kolkata, Patna, Ranchi; smart city related development in Odisha (Bhubaneswar), West Bengal

(Newtown Kolkata), Jharkhand (Ranchi), Bihar (Bhagalpur), Chhattisgarh (Raipur); and several other road and highway projects. Industrial demand is also expected to be strong on account of investments by Government and private players in information technology, railways, power and steel.

**Central: Housing and Infrastructure development to spearhead healthy growth over long-term**

In long- term, the cement demand in the region is expected to grow moderately at a CAGR of approximately 6% to 8% from Fiscal 2019 to Fiscal 2024. Key infrastructure projects in the region, such as, metro projects in Bhopal and Indore; smart city related development in Madhya Pradesh (Bhopal, Indore and Jabalpur) Uttar Pradesh (Lucknow); several road and highway projects; and waterway project from Varanasi-Haldi, are expected to drive cement demand in this region. Further, housing demand in the new emerging pockets, such as Meerut (post metro linkage to National Capital Region) and Aligarh, and continued development in key centers of Indore, Bhopal and Noida, are expected to continue to aid demand.

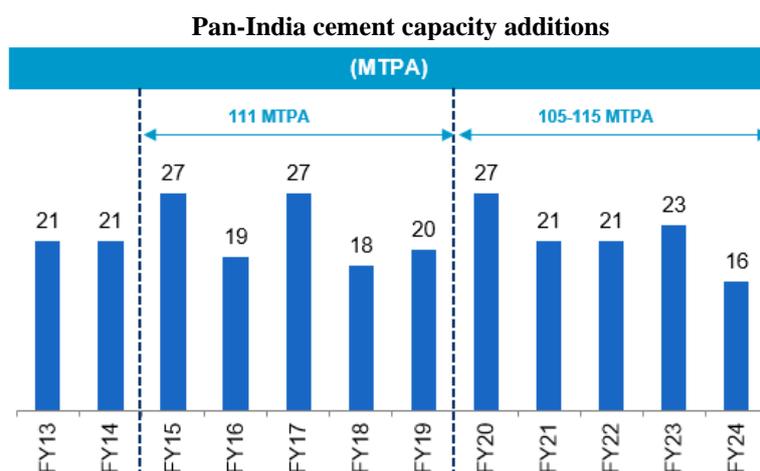
**South India: Cement demand is expected to grow modestly over the long-term**

In long term, the cement demand is expected to grow moderately at a CAGR of 4% to 6% during Fiscal 2019 to Fiscal 2024. The states with relatively lower growth in the past, such as, Tamil Nadu and Karnataka, are expected to witness some increase in cement demand on account of growth in some pockets, such as, north Karnataka. However, slowdown in information technology sector, which was the largest job generating sector in past few years and contributing to cement demand from the real estate indirectly, is expected to limit any sharp increase in the overall state housing demand in Karnataka. Demand growth from Andhra Pradesh is expected to remain slow in the near term due to political/ regulatory instability in this region.

**CEMENT SUPPLY ASSESSMENT**

**Supply assessment – Capacity additions**

The Indian cement industry is expected to witness a capacity addition of approximately 105 MTPA to 115 MTPA in the next five years. The Indian cement industry is estimated to have approximately 20 MTPA of grinding capacity in Fiscal 2019 in addition to approximately 18 MTPA of capacities commissioned in Fiscal 2018. As of March 31, 2019, the overall installed capacity for the Indian cement industry was 496 MTPA. The capacity additions is expected to remain robust with approximately 45 MTPA to 50 MTPA capacity expected to be added in during Fiscal 2020 and Fiscal 2021.



Note: Figures for Fiscal 2020, Fiscal 2021, Fiscal 2022, Fiscal 2023 and Fiscal 2024 are based on projected figures.

**Region-wise market share based on installed cement capacity as of March 31, 2019**

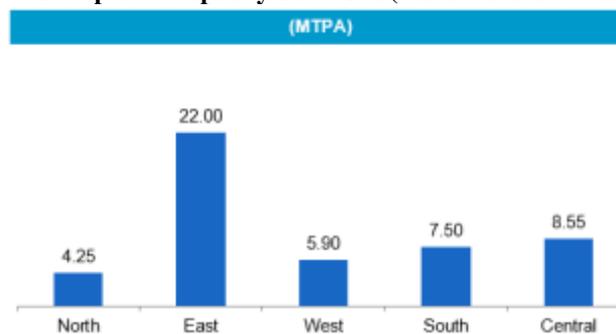
Total installed cement capacity in India was approximately 496 MTPA, as of March 31, 2019. Region-wise split of the installed capacity as of March 31, 2019 is given below:



**East India is expected to account for approximately half of the capacity addition over Fiscal 2020 and 2021**

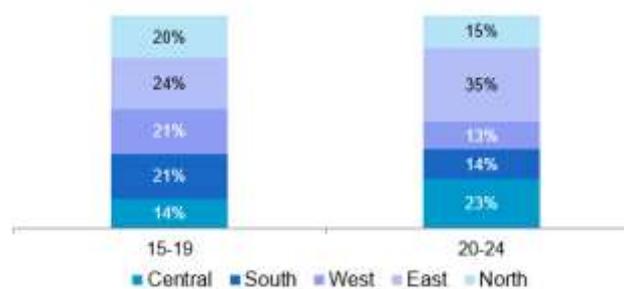
In Fiscal 2018 and Fiscal 2019, south India and east India comprised approximately 56% of the overall capacity additions, with large part of capacity addition concentrated in the southern region of India. In Fiscal 2019, approximately 10 MTPA of capacity addition took place in south. In the short-term, east India and central India are expected to drive capacity additions followed by south India, west India and north India.

#### Region-wise expected capacity additions (Fiscal 2020 and Fiscal 2021)



Note: Figures for Fiscal 2020 and Fiscal 2021 are based on estimated figures

#### Region wise share of capacity addition



Note: Figures for Fiscal 2020 to Fiscal 2024 are based on estimated figures.

### Supply assessment – Operating rates

#### Operating rates to increase further in the long term

Operating rates increased from 65% in Fiscal 2018 to approximately 70% in Fiscal 2019 on account of robust demand growth of approximately 12%. The incremental demand outpaced incremental supply in Fiscal 2019 despite capacity addition of approximately 21 MTPA. Utilization levels are expected to remain the same in Fiscal 2020, as capacity additions of approximately 25 MTPA to 28 MTPA is expected to offset the demand growth of approximately 4.5% to 5.5%. Further, in the long term, the pan-India operating rates is expected to average at approximately 72% to 75% over Fiscal 2020 to Fiscal 2024 (both years inclusive), higher than approximately 67% for the previous five periods (i.e. Fiscal 2015 to Fiscal 2019, both years inclusive) led by slowdown in capacity additions and due to strong demand growth phase.

## Capacity Utilization



Note: Figures for Fiscal 2020, Fiscal 2021, Fiscal 2022, Fiscal 2023 and Fiscal 2024 are based on estimated figures. In addition, Figures for Fiscal 2019 are adjusted for period of commissioning. Further, effective cement capacity is calculated on pro-rata basis, taking into account the month in which the capacity becomes operational.

### Clinker utilisation rates higher compared to cement; expansion of kilns to increase

In the next five years, it is expected that the cement players will focus on capacity additions in clinker capacity as well to cater to increased requirement and demand. A total of approximately 45 MTPA and 50 MTPA of clinker capacity is expected to be added over the next three years, i.e. 2019 to 2022. Further, most large and medium players are undertaking debottlenecking exercises to increase their clinker capacity.



Note: Figures for Fiscal 2020, Fiscal 2021 and Fiscal 2022 are based on estimated figures.

### Region wise operating rates

Southern region of India would continue to witness lower capacity utilization as against other regions in the future. Despite strong demand growth in Andhra Pradesh, Telangana and Tamil Nadu in Fiscal 2019, capacity additions limited rise in utilization levels. In the long run, strong capacity additions in the eastern region of India will also limit movement of cement from southern region of India, thereby, impacting capacity utilisation further.

Strong demand growth in the western region of India will put pressure on the overall capacity utilisation of that region. Further, northern and central regions of India will continue to operate at higher capacity utilisation on account of lower additions and steady demand growth.

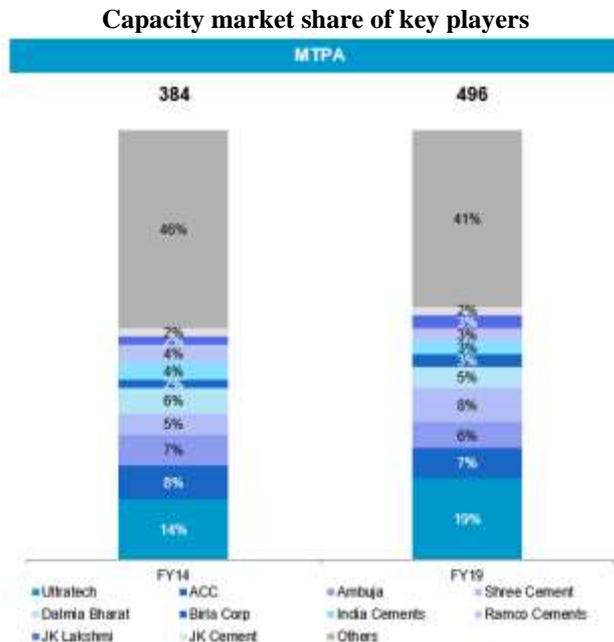


Note: Last five years refers to Fiscal 2014 to Fiscal 2019 and next five years refers to Fiscal 2019 to Fiscal 2024. Figures for Fiscal 2019 to Fiscal 2024 are based on estimated figures.

## Player wise assessment

### Player wise capacity review

Between Fiscal 2014 and Fiscal 2019, the Indian cement industry saw a cumulative capacity addition of approximately 111 MTPA. More than half of the 111 MTPA was contributed by Ultratech Cement Limited, which had a 37% share in total capacity addition, and Shree Cement Limited, which had a 18% share in total capacity addition. Robust capacity addition by Ultratech Cement Limited and Shree Cement Limited resulted in their capacity share increasing from 14% and 5%, respectively, in Fiscal 2014 to 19% and 8%, respectively, in Fiscal 2019.



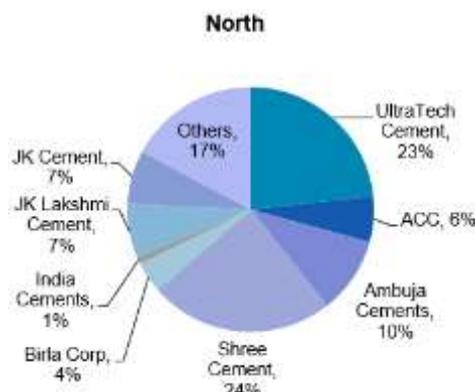
*Note: Total capacity denotes installed capacity. Further, LafargeHolcim is the holding company of ACC Limited and Ambuja Cements Limited*

The top five players together accounted for approximately 45% of India's cement capacity. At a company level, Ultratech Cement Limited is the largest cement player in India, in terms of installed capacity, with 19% capacity share as of March 31, 2019. Shree Cement Limited is the second largest cement manufacturer, in terms of installed capacity, with 8% capacity share as of March 31, 2019.

### Region-wise player-wise market share basis installed capacity in India (as of March 31, 2019)

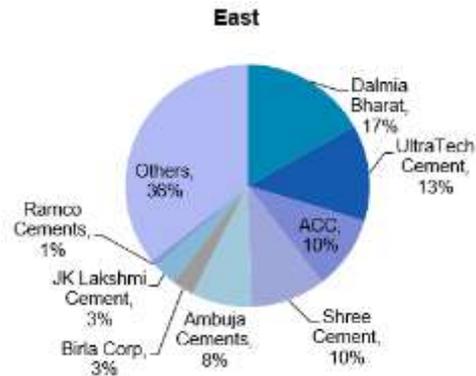
#### Northern region of India: Total installed capacity of 102 MTPA

Shree Cement Limited is the largest player in north India with 24% market share followed Ultratech Cement Limited with a market share of 23%, as of March 31, 2019.



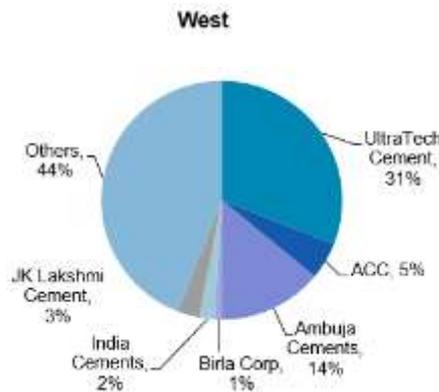
**Eastern (includes northeast) region of India: Total installed capacity of 90 MPTA**

Dalmia Bharat Limited is the largest player in east India with a market share of 17% followed by Ultratech Cement Limited with a market share of 13%, as of March 31, 2019.



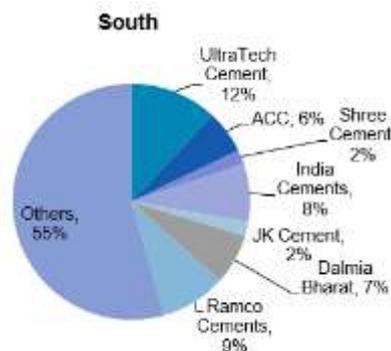
**Western region of India: Total installed capacity of 71 MPTA**

Smaller cement manufacturers account for 44% market share in west India, as of March 31, 2019. Ultratech Cement Limited accounts for approximately one-third of the installed capacity in west India, as of March 31, 2019.



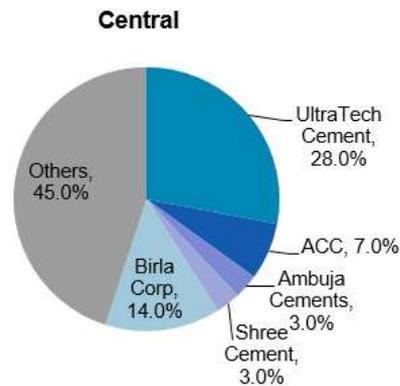
**Southern region of India: Total installed capacity of 172 MPTA**

Southern region is fragmented with smaller cement manufacturers accounting for approximately 55% market share, as of March 31, 2019. UltraTech Cement Limited has the highest installed capacity, among the large cement manufacturers, with a market share of 12%, as of March 31, 2019.



**Central region of India: Total installed capacity of 62 MPTA**

Approximately 50% of the installed capacity in central India is from UltraTech Cement Limited, Birla Corporation Limited and ACC Limited, as of March 31, 2019. Approximately 45% market share is held by smaller cement manufacturers, as of March 31, 2019.



### ***Player wise production review***

The cement production in India has increased at a CAGR of 5.8% from 257 million tonnes in Fiscal 2014 to 340 million tonnes in Fiscal 2019. Robust capacity additions, improving utilisation rates and acquisition activities have led to an increase in share of key players, *i.e.* top 10 cement companies, from 55% in Fiscal 2014 to 64% in Fiscal 2019. Players, such as, Dalmia Bharat Limited, Birla Corporation Limited, Shree Cement Limited and UltraTech Cement Limited, have primarily been driving the rise in production share of key players. The cement production CAGR of these four players combined is double, at 13%, in comparison with the industry average of 6%. In Fiscal 2019, UltraTech Cement Limited led the market with approximately 20% market share, followed by ACC Limited at 8% market share. Ambuja Cement Limited and Shree Cement Limited ranked third with 7% production market share in Fiscal 2019.

### **Player wise production market share review**



## **COMPETITIVE BENCHMARKING**

### **Operational benchmarking**

#### ***Power and heat consumption***

Cement plants in India consume on an average of approximately 75 kWh to 80 kWh of electrical energy for producing one tonne of cement. However, the consumption for relatively older cement plants could be higher at approximately 80kWh to 100 kWh. Further, in terms of thermal energy, Indian cement plants need approximately 700 kcal to 750 kcal to produce one kg of clinker on an average.

The following table sets forth certain information in relation to power consumption and heat consumption for the following cement manufacturers in Fiscal 2019:

Company	Fiscal 2019	
	Power consumption	Heat consumption
	(kWh/T of cement)	(kcal/T of clinker)
ACC Limited	81	741
Ambuja Cements Limited	77	760
Dalmia Bharat Limited	NA	774
Birla Corporation Limited	NA	670
JK Lakshmi Cement Limited	69	701
Shree Cement Limited	69	719
The Ramco Cements Limited	76	NA
UltraTech Cement Limited	79	713

Note: Company data wise has been assessed basis information available in public domain

At a company level, JK Lakshmi Cement Limited and Shree Cement Limited ranked highest among the large cement producers in terms of power efficiency with 69 kWh/T of cement. Similarly, Birla Corporation Limited ranked first in terms of thermal efficiency with 670 kcal/T of clinker. At an aggregate level, among the peer companies, Shree Cement Limited exhibited better power and thermal efficiency.

The following table sets forth certain information in relation to power consumption and heat consumption for Shree Cement Limited and Industry Peer average in Fiscal 2019:

Parameter	Unit	Fiscal 2019	
		Shree Cement Limited	Peer companies
Power consumption	kWh/T of cement	69	77
Heat consumption	kcal/T of clinker	719	730

Note: Peer companies denote ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, The Ramco Cements Limited, JK Lakshmi Cement and UltraTech Cement Limited

#### Capital expenditure per tonne

The following table sets forth certain information in relation to cement capacity addition and capital expenditure for Shree Cement Limited, Industry peers and Industry average during Fiscal 2014 and Fiscal 2019:

Company/ set	Cumulative investment in fixed assets (₹ crore)	Cement capacity addition (MTPA)	Capex per tonne (₹ per tonne)
Shree Cement Limited	9,664	24.4	3,961
Industry peers	40,654	68.5	5,938
Industry average	62,812	110.5	5,683

Note: Cumulative indicates investment done during Fiscal 2014 and Fiscal 2019. Cement capacity addition refers to capacity added during the same period.

#### Financial benchmarking

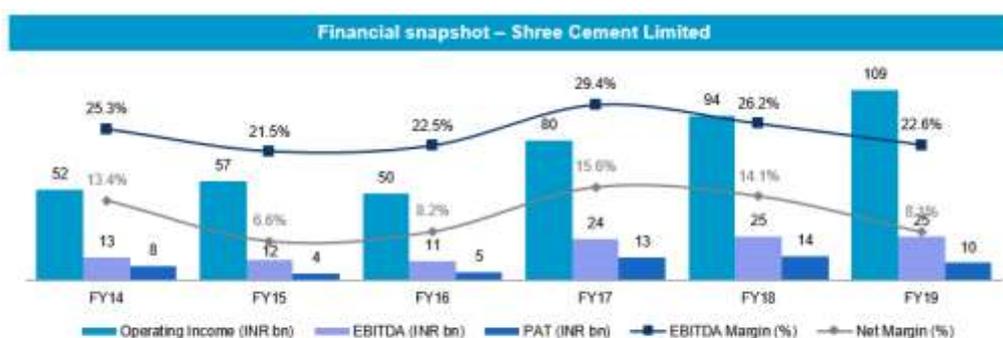
For the financial analysis and competitive benchmarking of key large players across India, the CRISIL Report has formulated two sets of key cement players to represent a peer set for Shree Cement Limited (termed as 'Industry peers') and an indicative of the overall industry (termed as 'Industry average'). Companies considered for each set are as follows:

Industry peers	Industry average
ACC Ltd (Consolidated)	ACC Ltd (Consolidated)
Ambuja Cements Limited	Ambuja Cements Limited
Dalmia Bharat Limited (Consolidated)	Birla Corporation Ltd (Consolidated)
J.K. Cement Limited	Dalmia Bharat Limited (Consolidated)
JK Lakshmi Cement Limited	Deccan Cements Limited
The Ramco Cements Limited	Heidelberg Cement India Ltd
UltraTech Cement Limited	India Cements Limited (Consolidated)
	J.K. Cement Limited
	JK Lakshmi Cement Limited
	Mangalam Cement Limited
	Orient Cement Limited

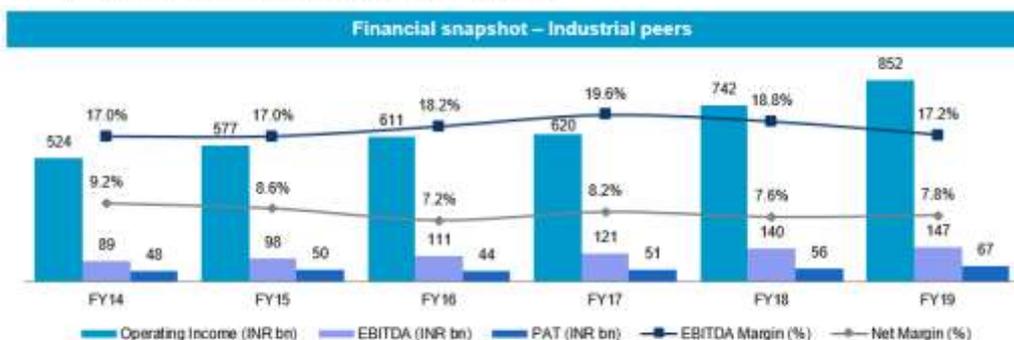
Industry peers	Industry average
	Sagar Cements Limited
	Sanghi Industries Limited
	Shree Cement Limited
	The Ramco Cements Limited
	UltraTech Cement Limited

Note: Industry peers have been selected based on player category (in terms of capacity), product portfolio and geographical presence that accords with Shree Cement Limited

### Financial Snapshot



Notes  
1. Figures have been reclassified as per CRISIL Standards  
2. Data for Shree Cement Ltd. Has been considered for its Cement division only (except for net margins)



Notes  
1. Figure have been reclassified as per CRISIL Standards

### Key Financial Ratios

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019
<b>Gearing</b>			
Shree Cement Limited	0.2	0.4	0.3
Industry Peers	0.4	0.5	0.5
Industry Average	0.3	0.5	0.4
<b>Debt/EBITDA</b>			
Shree Cement Limited	0.4	1.2	1.0
Industry Peers	1.5	2.0	1.8
Industry Average	1.7	2.1	1.9
<b>Return on Equity (%)</b>			
Shree Cement Limited	18.4	16.7	10.3
Industry Peers	9.3	9.0	9.1
Industry Average	9.1	8.8	9.8
<b>Return on Capital Employed (%)</b>			
Shree Cement Limited	21.0	19.4	11.3
Industry Peers	11.1	11.0	10.5
Industry Average	11.1	10.9	11.1
<b>EBITDA Margin (%)<sup>(1)</sup></b>			
Shree Cement Limited	29.4	26.2	22.6
Industry Peers	19.6	18.8	17.2
Industry Average	19.7	18.7	17.0

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019
<b>EBITDA per Tonne (₹ Per tonne)<sup>(2)</sup></b>			
Shree Cement Limited	1,174	1,116	993
Industry Peers	922	925	860
Industry Average	891	888	822
<b>Total Cost per Tonne (₹ Per tonne)</b>			
Shree Cement Limited	2,822	3,153	3,396
Industry Peers	3,794	3,984	4,142
Industry Average	3,639	3,855	4,009
<b>Power and Fuel cost per tonne (₹ Per tonne)</b>			
Shree Cement Limited	567	747	888
Industry Peers	812	975	1,066
Industry Average	816	968	1,067

(1) EBITDA margin has been considered as the (operating profit before interest, taxes, depreciation and amortization and non-operating income) divided by (operating income plus non-operating income less discounts)

(2) EBITDA per tonne has been considered as the (operating profit before interest, taxes, depreciation and amortization plus non-operating income) divided by annual cement sales volume.

Note: Figures have been reclassified as per CRISIL standards.

Data for per tonne for Shree Cement Limited has been considered for its cement division only.

#### Total Cost Per Tonne

Company/set	Fiscal 2017	Fiscal 2018	Fiscal 2019
ACC Limited (Consolidated)	4,137	4,351	4,471
Ambuja Cements Limited	3,557	3,703	3,914
Birla Corporation Limited (consolidated)	3,670	3,976	4,047
Dalmia Bharat Limited (consolidated)	3,627	3,937	4,034
Deccan Cements Limited	3,045	3,230	3,271
Heidelberg Cement India Limited	3,211	3,296	3,365
India Cements Limited (consolidated)	3,950	4,087	4,178
J.K. Cement Limited	4,493	4,855	4,980
JK Lakshmi Cement Limited	3,209	3,535	3,598
Mangalam Cement Limited	3,266	3,613	3,864
Orient Cement Limited	3,267	3,626	3,689
Sagar Cements Limited	3,173	3,138	3,208
Sanghi Industries Limited	3,159	3,420	3,524
Shree Cements Limited	2,822	3,153	3,396
The Ramco Cements Limited	3,303	3,555	3,693
UltraTeach Cement Limited	3,869	3,959	4,163
Industry peer	3,794	3,984	4,142
Industry Average	3,639	3,855	4,009

Note: Figures have been reclassified as per CRISIL standards.

Data for per tonne for Shree Cement Limited has been considered for its cement division only.

#### Operational Data: Demand and Supply (Annual)

##### Player wise installed capacity

Company	Installed Capacity as of March 31, 2019 (MTPA)
UltraTech Cement Limited	94.8
ACC Limited	33.4
Ambuja Cement Limited	29.7
Shree Cement Limited	37.9
Dalmia Bharat Group	26.5
The Ramco Cement Limited	16.5
India Cement Limited	15.6
Birla Corporation Limited	15.4
JK Lakshmi Cement	12.5
J.K. Cement Limited	10.5

*Region-wise, player-wise installed capacity*

Company	Installed Capacity as of March 31, 2019 (MTPA)					
	Central	East	North	South	West	Total
UltraTech Cement Limited	15-20	10-15	20-25	18-22	20-25	<b>95</b>
ACC Limited	3-5	5-10	5-7	10-12	3-4	<b>33</b>
Ambuja Cement Limited	1-2	6-9	10-12	0	10-12	<b>30</b>
Shree Cement Limited	2	8.6	24.3	3	0	<b>37.9</b>
Dalmia Bharat Limited	0	10-15	0	10-12	0	<b>26</b>
Birla Corporation Limited	7-9	2-4	3-5	0	0.5-1	<b>15</b>
India Cement Limited	0	0	1-2	12-14	1-2	<b>16</b>
The Ramco Cement Limited	0	1-2	0	15-17	0	<b>17</b>
JK Lakshmi Cement	0	2-4	6-8	0	2-4	<b>13</b>
J.K. Cement Limited	0	0	7-9	2-4	0	<b>11</b>
Others	20-30	25-35	10-20	90-100	25-35	<b>203</b>
<b>Total</b>	<b>62</b>	<b>90</b>	<b>102</b>	<b>172</b>	<b>71</b>	<b>496</b>

*Region wise demand and supply*

Region	Installed capacity (in MTPA)	
	As of March 31, 2014	As of March 31, 2019
North	80	102
East	63	90
West	48	71
South	148	171
Central	46	62
<b>Total</b>	<b>384</b>	<b>496</b>

Region	Demand (in million tonnes)	
	Fiscal 2014	Fiscal 2019
North	47	60
East	48	80
West	49	63
South	64	82
Central	37	50
<b>Total</b>	<b>244</b>	<b>335</b>

Region	Production (in million tonnes)	
	Fiscal 2014	Fiscal 2019
North	63	75.2
East	39	66.1
West	36	50.1
South	77	98.7
Central	41	50.1
<b>Total</b>	<b>257</b>	<b>340</b>

Region	Capacity Utilization (%)	
	Fiscal 2014	Fiscal 2019
North	81%	74%
East	67%	75%
West	76%	72%
South	53%	59%
Central	91%	82%
<b>Total</b>	<b>69%</b>	<b>70%</b>

*Note: Capacity utilization is calculated on effective capacity and not installed capacity*

## BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward Looking Statements” on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Industry Overview”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations”, “Risk Factors” and “Summary Financial Statements” on pages 92, 250, 134, 52 and 41, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2017, 2018 and 2019 included herein is based on the Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) is based on the Unaudited Interim Condensed Financial Statements, included in this Placement Document. For further information, see “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary Financial Statements” on pages 250, 131 and 41, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to Shree Cement Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to Shree Cement Limited and its Subsidiaries on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report “Cement Market Assessment” dated October 2019 (the “CRISIL Report”) prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

Our Company was the largest cement manufacturing company in north India and the third largest cement manufacturing group in India, in terms of installed cement production capacity as of March 31, 2019 (*Source: CRISIL Report*). Incorporated in 1979, with more than three decades of operations, we have been able to leverage our strategically located integrated manufacturing facilities and grinding units, extensive sales and distribution network and brands to successfully expand our operations. Further, in Fiscal 2019, our Company’s market share in India was 7% of the total cement production in India (*Source: CRISIL Report*).

Our Company operates four integrated manufacturing facilities and eight grinding units across the states of Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar and Karnataka, with an aggregate cement production capacity of 40.40 million tonne per annum (“MTPA”) and clinker production capacity of 25.60 MTPA, as of September 30, 2019. As of March 31, 2019, our Company’s installed cement production capacity represented 8%, 24% and 10% of the total cement production capacity in India, north India and east (including north-east) India, respectively (*Source: CRISIL Report*). Further, our Company is in the process of increasing our cement production capacity by commissioning two additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. In addition, we have recently expanded our operations to United Arab Emirates by acquiring a controlling stake in Union Cement Company PrJSC, in Ras Al Khaimah in Fiscal 2019, which has an integrated manufacturing facility with a cement and clinker production capacity of 4.00 MTPA and 3.30 MTPA, respectively, as of September 30, 2019.

We follow a strategy of split grinding where grinding units are set up closer to our principal markets and raw material sources, enabling us to manufacture and sell cement in a cost efficient manner. Accordingly, our facilities are strategically located in close proximity to our raw material sources and principal markets, which lowers our transportation costs and provides significant logistics management and cost benefits.

We have adopted a multi-brand marketing strategy to cater to the various needs of our customers. Our Company produces and sells Ordinary Portland Cement (“**OPC**”), Portland Pozzolana Cement (“**PPC**”) and Portland Slag Cement (“**PSC**”) products under the brands, ‘*Shree Jung Rodhak Cement*’, ‘*Bangur Cement*’ and ‘*Rockstrong*’, and recently, in Fiscal 2019, we introduced our premium cement offerings under the brands, ‘*Roofon*’ and ‘*Bangur Power*’, to cater to a niche customer segment. We have an extensive and structured sales and distribution network with 20,250 dealers and 746 distributors spread across 18 States and two Union Territories in India, as of September 30, 2019.

We believe, over the years, we have developed an established track record of efficient project management and execution experience, involving trained and skilled manpower, innovative work practices, efficient deployment of equipment with an in-house project management team. We have demonstrated a differentiated expansion strategy by executing projects in a ‘modular manner’ and with regular capacity additions at short intervals, allowing us to expand systematically and achieve faster project turn around.

Our Company set up its first power plant (coal fired) at Beawar in 2003 and has since, over the years, established captive power plants (coal fired) at Ras and Baloda Bazar, with an aggregate installed capacity of 203 MW, as of September 30, 2019, and WHR based power generation units at Beawar, Ras, Baloda Bazar and Kodla, with an aggregate installed capacity of 186 MW, as of September 30, 2019. In addition, pursuant to the acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with an aggregate installed capacity of 13 MW, as of September 30, 2019, and we are currently in the process of increasing its capacity by 16.5 MW, which is expected to become operational in Fiscal 2021. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company’s WHR based power generation unit capacity increased by 25 MW and power plant (coal fired) capacity increased by 5 MW.

In line with our strategy to increase the share of renewable energy in energy consumption, our Company has established a wind power plant in Kustagi, with an aggregate installed capacity of 21 MW, as of September 30, 2019, and recently commissioned a solar power plant in Panipat, with an installed capacity of approximately 1 MW. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources in India. We also have merchant thermal power plants in Beawar, with an aggregate installed capacity of 300 MW, as of September 30, 2019, which we primarily utilize to sell power to various state DISCOMs, as well as for supplying power to our grinding unit located in Bulandshahr. In Fiscals 2017, 2018 and 2019, and the six months ended September 30, 2019, our Company’s power sales amounted to ₹ 571.44 crore, ₹ 432.88 crore, ₹ 801.88 crore and ₹ 327.17 crore, respectively.

According to the CRISIL Report, our Company had the lowest total cost per tonne for cement operations among the CRISIL Cement Peer Companies in Fiscal 2019. Further, in Fiscals 2017, 2018 and 2019, our Company had a lower power and fuel cost per tonne (for cement operations) in comparison with the average of power and fuel cost per tonne of the CRISIL Cement Peer Companies (*Source: CRISIL Report*). Further, in 2016, our Company was ranked second by CDP (formerly known as Carbon Disclosure Project) in terms of best emissions and water related metrics among the cement manufacturing companies internationally. In addition, our Company has achieved its target under the ‘Perform, Achieve and Trade’ scheme of the Government of India and was also awarded the ‘Best Performer’ award for energy saving under the ‘Perform, Achieve and Trade’ scheme by the Bureau of Energy Efficiency in 2017.

We believe we have established stable and cost-effective supply channel for raw materials including limestone, gypsum and fly ash, as well as coal for our integrated manufacturing facilities. Limestone is extracted from our captive limestone mines in India, for which we have obtained long term mining lease agreements from certain state governments. Majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. Our fuel requirements are met by sourcing coal and pet coke from domestic and international markets, and in addition, we have secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our integrated manufacturing facility located at Baloda Bazar. We believe we have been able to demonstrate significant cost advantages and operational efficiencies primarily due to establishing multiple grinding units, efficient cost structure, particularly in energy consumption, generation of low cost power, and cost savings on freight and logistics expenses on account of lower lead distances between our manufacturing facilities, grinding units, raw materials and principal markets.

We aim to consistently deliver strong financial performance and believe that our Company has a strong balance sheet and has been able to maintain a low debt position. In Fiscal 2019, our Company's revenue from operations, EBITDA and profit for the year were ₹ 11,722.00 crores, ₹ 2,898.22 crores and ₹ 951.05 crores, respectively, while in the six months ended September 30, 2019, our Company's revenue from operations, EBITDA and profit for the period were ₹ 5,838.12 crores, ₹ 1,855.22 crores and ₹ 672.08 crores, respectively. Our Company's cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. Further, our Company's EBITDA from cement operations per tonne, debt to equity ratio, return on average capital employed and return on equity was ₹ 955.59, 0.26, 9.82% and 9.61%, respectively, in Fiscal 2019. According to the CRISIL Report, in Fiscal 2019, our Company had a higher EBITDA per tonne (for cement operations) in comparison with the average of EBITDA per tonne of the CRISIL Cement Peer Companies. Our strong credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for our long term banking facilities since Fiscal 2016 and CARE A1+ for our short term banking facilities since Fiscal 2014, have enabled us to fund our operations and expansions at relatively lower costs.

## **Strengths**

### ***Third largest cement manufacturing group in India with strong distribution network and well-established brands***

As of March 31, 2019, in terms of installed cement production capacity, our Company was the largest cement manufacturing company in north India and the third largest cement manufacturing group in India (*Source: CRISIL Report*). Further, in east India, our Company was the fourth largest cement manufacturing group in terms of installed cement production capacity, as of March 31, 2019 (*Source: CRISIL Report*). In addition, as of March 31, 2019, our Company's installed cement production capacity represented 8%, 24% and 10% of the total cement production capacity in India, north India and east (including north-east) India, respectively (*Source: CRISIL Report*). Our Company operates four integrated manufacturing facilities and eight grinding units across India with an aggregate cement production capacity of 40.40 MTPA and an aggregate clinker production capacity of 25.60 MTPA, as of September 30, 2019. Further, our Company is in the process of increasing our cement production capacity by 6.00 MTPA by commissioning two additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. In addition, we expanded our operations to United Arab Emirates by acquiring a majority stake in Union Cement Company PrJSC, in Ras Al Khaimah in Fiscal 2019, which has an integrated manufacturing facility with a cement production capacity of 4.00 MTPA and clinker production capacity of 3.30 MTPA, as of September 30, 2019.

Our extensive and structured sales and distribution network is spread across 18 States and two Union Territories in India, as of September 30, 2019. Our pan-India presence is achieved through a network of 20,250 dealers and 746 distributors, as of September 30, 2019. Our Company's market share in India was 7% of the total cement production in India in Fiscal 2019 (*Source: CRISIL Report*). Our cement products are sold to the trade segment (which typically includes wholesale customers including dealers and distributors who then resell our products to retail customers) and the non-trade segment (which typically includes government and private infrastructure projects, real estate companies, and ready-mixed concrete stations). In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's sales to the trade segment accounted for 72.26%, 69.56%, 72.05% and 81.78%, respectively, of our total cement sales volume, while our Company's sales to non-trade segment accounted for 27.74%, 30.44%, 27.95% and 18.22%, respectively, of our total cement sales volume in the same periods. We believe that the extent of our distribution network, and our relationships with the dealers and distributors, enables us to market and distribute our products widely and efficiently.

We believe that our long operating history, longstanding market leadership in the markets we operate, quality of products and extensive distribution network have led to wide recognition of our brand and generated significant brand equity. We have adopted a multi-brand marketing strategy to cater to the various needs of our customers. Our Company produces and sells cement products under the brands, 'Shree Jung Rodhak Cement', 'Bangur Cement' and 'Rockstrong'. In Fiscal 2019, our Company launched two premium cement offerings under the brands, 'Roofon' and 'Bangur Power', to cater to a niche customer segment. The strong recall of our brands has allowed us to create a large and diverse customer base and facilitated our ability to market new products. We have received various awards recognizing our brand, including being awarded Asia's Most Trusted Company Award 2018 by International Brand Consulting, United States of America.

### ***Ability to identify and implement cost and operational efficiencies resulting in lower cost of production***

According to the CRISIL Report, our Company had the lowest total cost per tonne for cement operations among the CRISIL Cement Peer Companies in Fiscal 2019. Further, our Company had a lower total cost per tonne (for cement operations) in comparison with the average of total cost per tonne of the CRISIL Cement Peer Companies in Fiscals 2017, 2018 and 2019 (*Source: CRISIL Report*). In Fiscals 2017, 2018 and 2019, and the six months ended September 30, 2019, our Company's total cost per tonne for cement operations was ₹ 2,822.34, ₹ 3,152.69, ₹ 3,396.43 and ₹ 3,362.16, respectively. We believe we were the pioneers in the Indian cement industry to successfully start utilizing pet coke, WHR based power generation units and power plants (coal fired) in cement manufacturing operations, which provided us with an early mover advantage in terms of cost and operational efficiencies. In Fiscal 2019, our Company's cost per kwh for power plants (coal fired), WHR based power generation units, merchant power plants and renewable energy power plants (wind power plant and solar power plant) in India was ₹ 4.26, ₹ 0.66, ₹ 3.39 and ₹ 0.18, respectively. We have installed WHR based power generation units, which recycle waste heat generated from the clinker production process and convert it to steam to generate power for our integrated operations, across Rajasthan, Chhattisgarh and Karnataka. As of September 30, 2019, our Company's aggregate WHR based power generation capacity was 186 MW in India. In addition, pursuant to our acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with a capacity of 13 MW, as of September 30, 2019. Our WHR systems have allowed us to achieve significant cost savings on electricity and also helped minimize our carbon footprint. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 35.76%, 36.75%, 39.39% and 39.35%, respectively, of the power requirements in India through WHR based power generation units. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company's WHR based power generation unit capacity increased by 25 MW and power plant (coal fired) capacity increased by 5 MW.

We believe our cost leadership in terms of energy usage is attributable to our efficient utilization of power and lower fuel consumption. In Fiscals 2017, 2018 and 2019, our Company had a lower power and fuel cost per tonne (for cement operations) in comparison with the average of power and fuel cost per tonne of the CRISIL Cement Peer Companies (*Source: CRISIL Report*). Our Company's power and fuel cost per tonne (for cement operations) was ₹ 566.94, ₹ 746.93, ₹ 888.44 and ₹ 885.96 in Fiscals 2017, 2018 and 2019 and the six months ended September 30, 2019, respectively. In addition, our Company exhibited better power and thermal efficiency among the CRISIL Cement Peer Companies, and accordingly, had lower average power consumption (kwh per tonne of cement) and average heat consumption (kcal per kg of clinker) than the average of power consumption and heat consumption of the CRISIL Cement Peer Companies in Fiscal 2019 (*Source: CRISIL Report*). Further, in Fiscals 2017, 2018, 2019 and in the six months ended September 30, 2019, our Company's average heat consumption in terms of kcal per kg of clinker was 717.60, 727.79, 718.70 and 721.96, respectively, while our Company's average power consumption in terms of kwh per tonne of cement was 69.99, 68.67, 69.05 and 70.98, respectively, in the same periods. We have the flexibility to use coal and pet coke for fuel in all of our facilities, which enables us to maintain a lower cost of energy. We have also been able to reduce our cost of production further by producing synthetic gypsum, through a patented process, at our integrated manufacturing facilities located in Beawar and Ras.

Further, we believe that captive power generation sources ensure a lower cost of power as well as a reliable source for meeting our power requirements. Our Company has established captive power plants (coal fired) and WHR based power generation units at our integrated manufacturing facilities located in Rajasthan, Chhattisgarh and Karnataka. A significant majority of our power requirements for our integrated manufacturing facilities at Ras, Beawar, Baloda Bazar and Kodla, and our grinding units at Khushkhera, Jobner and Suratgarh are met through our captive power sources. Further, we have also set up a dedicated transmission line between our manufacturing facilities at Beawar and Ras to ensure transmission of power to either of the facilities. Our Company has also established a wind power plant in Kustagi, which helps in meeting the power requirements at our Kodla facility. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources. We also undertake routine trials and experiments to identify opportunities for any further increase in the production capacity of our facilities and routinely upgrade them through debottlenecking and modifications, which results in lowering our capital costs and improving efficiency in productivity. Our integrated manufacturing facility located at Ras received a '5-star' ranking by Whitehopleman U.K. (a global firm associated with benchmarking for cement plants) for its performance in 2015 and became the first cement factory to achieve '5-star' ranking in the Whitehopleman star ranking system during the 18 years of Whitehopleman independent cement factory benchmarking. In addition, we believe we have achieved high efficiency in our production of cement by maintaining a high capacity utilization rate of our facilities. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's overall capacity utilization for cement production in India was 72.03%, 74.09%, 67.42% and 58.28%, respectively. Further, our Company's clinker to cement ratio was 64.92%,

65.82%, 65.71% and 64.79% in Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, respectively.

***Strategically located integrated manufacturing facilities and grinding units with proximity to our principal markets and raw materials***

Our integrated manufacturing facilities and grinding units are strategically located in Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand and Bihar, and are in close proximity to our customers in the northern and eastern states of India, while our integrated manufacturing facility located in Karnataka is in close proximity to our customers in the western and southern states of India. Further, our facilities are in proximity to our raw material sources and principal markets as well as are well connected by road and rail, which lowers our transportation costs and provides significant logistics management and cost benefits. We follow a strategy of split grinding where grinding units are set up closer to our principal markets and raw material sources enabling us to manufacture and sell cement in a cost efficient manner.

Limestone is the principal raw material used in the production of clinker, which in turn is the base of all cement products. We have obtained mining lease agreements for limestone mines in Beawar, Ras, Baloda Bazar and Kodla, which are pit head mines and are located in close proximity to our integrated manufacturing facilities. All of our integrated manufacturing facilities have installed conveyor belts to deliver limestone directly to them, thus decreasing transportation costs. As of March 31, 2019, our Company's captive limestone mines had aggregate residual reserves of 1,087.32 million MT of limestone. We believe that the residual reserves of our mining lease agreements are sufficient to meet the production requirements of our existing facilities for the remaining estimated life of such facilities. Further, majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. We procure fly ash and slag from thermal power plants and steel manufacturing facilities, respectively, located near our facilities. In addition, our fuel requirements are met by sourcing coal and pet coke from domestic and international markets, and we have also secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our Baloda Bazar integrated manufacturing facility. For further information, see "*Raw Materials*" on page 125.

We have installed dedicated railway sidings at our integrated manufacturing facilities located at Beawar and Ras. Further, through Raipur Handling and Infrastructure Private Limited, our wholly-owned Subsidiary, we have access to a private freight terminal of the Indian Railways situated at Hathbandh in Raipur located near our Baloda Bazar integrated manufacturing facility. We have also implemented a mechanized clinker wagon loading system at our Ras integrated manufacturing facility, which allows us to directly load clinker in the clinker wagons using telescopic chutes. In addition, in Fiscal 2019, we acquired an integrated manufacturing facility in Ras Al Khaimah, United Arab Emirates that is located adjacent to Saqr port, which provides us access to key export markets as well as helps in saving cost of sourcing raw materials, coal and other associated logistics costs.

Being located close to the raw materials and principal markets helps us save time and cost towards transportation of raw materials, and allows for lesser turnaround time for supply of final products to our customers while maintaining cost efficiency.

***Consistent track record of financial performance leading to strong balance sheet position***

Our focus on continuous efficiency improvements, improved productivity and cost rationalization has enabled us to deliver consistent and strong financial performance. We believe we have a strong balance sheet and have been able to maintain a low debt position. As of September 30, 2019, our Company's total long-term borrowing (including current maturities) amounted to ₹ 2,296.20 crore, while our Company's interest coverage ratio was 13.60 times.

Our Company's cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. Further, according to the CRISIL Report, in Fiscal 2019, our Company had a higher EBITDA per tonne (for cement operations) in comparison with the average of EBITDA per tonne of the CRISIL Cement Peer Companies. We believe we have prudently utilized our resources, which has enabled us to fund our expansions through a mix of internal accruals and debt. Our strong credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for our long term banking facilities since Fiscal 2016 and CARE A1+ for our short term banking facilities since Fiscal 2014, have enabled us to fund our operations and expansions at relatively lower costs. We believe that our strong

operational and financial performance will allow us to take advantage of the growth opportunities in the cement manufacturing industry in India.

The following table provides certain key performance indicators of our Company, on a standalone basis, for the periods indicated:

Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended	As of and for the six months ended
	2017	2018	2019	September 30, 2018	September 30, 2019
Cement and clinker sales volume (in million MT)	20.59	22.53	25.86	12.63	11.77
Power sales volume (in million units kwh)	1,658.34	1,196.53	1,678.20	850.34	753.93
EBITDA (₹ crore) <sup>(1)</sup>	2,874.94	2,861.83	2,898.22	1,239.94	1,855.22
EBITDA Margin (%) <sup>(2)</sup>	33.45%	29.10%	24.72%	21.92%	31.78%
EBITDA from cement operations (₹ crore) <sup>(3)</sup>	2,356.67	2,458.35	2,471.26	1,013.29	1,705.18
EBITDA from cement operations per tonne (₹) <sup>(4)</sup>	1,144.79	1,090.95	955.59	802.42	1,448.50
EBITDA from power operations (₹ crore) <sup>(5)</sup>	156.50	14.43	181.56	81.65	41.15
Debt to Equity Ratio <sup>(6)</sup>	0.07	0.26	0.26	0.29	0.25
Debt to EBITDA Ratio <sup>(7)</sup>	0.18	0.77	0.80	1.97	1.26
Return on Average Capital Employed (%) <sup>(8)</sup>	17.85%	16.83%	9.82%	4.44%	7.33%
Return on Equity (%) <sup>(9)</sup>	16.75%	16.47%	9.61%	2.63%	6.42%
PAT Margin <sup>(10)</sup>	15.58%	14.08%	8.11%	5.81%	11.51%

Note: (1) EBITDA has been calculated as profit for the year/ period (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other income.

(2) EBITDA margin has been calculated as EBITDA divided by revenue from operations (net of excise duty).

(3) EBITDA from cement operations has been calculated as profit for the year/ period from cement operations (before exceptional items) plus finance costs, taxes, depreciation and amortization, and other operating revenue excluding other income (all calculated based on cement operations).

(4) EBITDA from cement operations per tonne has been calculated as EBITDA from cement operations divided by cement and clinker sales volume in the relevant fiscal year/ period.

(5) EBITDA from power operations has been calculated as profit for the year/ period (before exceptional items) from power operations plus finance costs, taxes, depreciation and amortization excluding other income (all calculated based on power operations).

(6) Debt to equity ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by total equity less deferred tax assets (net).

(7) Debt to EBITDA ratio has been calculated as total non-current borrowings (including current maturities of long-term debt and lease obligations) divided by EBITDA for the relevant fiscal year/ period.

(8) Return on average capital employed has been calculated as profit before tax plus finance costs divided by average of opening and closing capital employed (calculated as total equity plus total non-current liabilities, current borrowing, current maturities of long term debt and lease obligation).

(9) Return on equity has been calculated as profit for the year/ period (excluding deferred tax credit/ charges) divided by total equity less deferred tax assets (net).

(10) PAT Margin has been calculated as profit for the year/ period divided by revenue from operations (net of excise duty).

The following table provides certain key performance indicators (average) of ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, J.K. Cement Limited, JK Lakshmi Cement, The Ramco Cements Limited and UltraTech Cement Limited, collectively referred to as the “CRISIL Cement Peer Companies”, for the periods indicated:

Key Performance Indicators	As of and for the financial year ended March 31,		
	2017	2018	2019
CRISIL Cement Peer Companies (average)			
EBITDA per tonne (₹) <sup>(1)</sup>	922	925	860
EBITDA Margin (%) <sup>(2)</sup>	19.6%	18.8%	17.2%
Debt to Equity ratio	0.4	0.5	0.5
Debt to EBITDA Ratio	1.5	2.0	1.8
Return on Capital Employed (%)	11.1%	11.0%	10.5%
Return on Equity (%)	9.3%	9.0%	9.1%

Note: CRISIL Cement Peer Companies have been selected based on player category (in terms of capacity), product portfolio and geographical presence that accords with our Company.

(1) EBITDA per tonne for CRISIL Cement Peer Companies has been considered as the (operating profit before interest, taxes, depreciation and amortization plus non-operating income) divided by annual cement sales volume.

(2) EBITDA margin for CRISIL Cement Peer Companies has been considered as the (operating profit before interest, taxes, depreciation and amortization and non-operating income) divided by (operating income plus non-operating income less discounts)  
Source: CRISIL Report

For further information, see “*Industry Overview – Competitive Benchmarking - Financial Benchmarking*” on page 104.

### ***Established track record of project management and timely execution***

We have more than three decades of experience which includes establishing and operating manufacturing facilities and grinding units in India. We believe, over the years, we have an established track record of efficient project management and execution experience, involving trained and skilled manpower, innovative work practices, efficient deployment of equipment with an in-house project management team. We have demonstrated a differentiated expansion strategy, with regular and smaller capacity additions at short intervals, allowing us to expand systematically and achieve faster project turn around as well as help in growing our operations. For information in relation to capital expenditure per tonne by our Company vis-à-vis CRISIL Cement Peer Companies, see “*Industry Overview – Competitive Benchmarking – Operational Benchmarking – Capital Expenditure per Tonne*” on page 104.

We typically execute projects in a ‘modular’ manner with identified equipment suppliers and similar civil structures, which leads to efficient, coordinated and relatively quicker execution of work. For instance, we undertook a project to set up a kiln at our Ras integrated manufacturing facility and subsequently, replicated the same project set up for an additional five kilns at the same location. Our experienced project management and execution teams ensure operational efficiencies through overall supervision of the project execution process as well as enable on-time completion of new facilities. During project implementation and execution, we typically breakdown the project into smaller components and engage different contractors for each of such smaller projects allowing us to ensure that timelines are met. We typically fund our projects primarily through internal accruals, thereby resulting in no additional financing costs. We believe our model of implementing these projects has resulted in cost efficiencies and faster execution.

As a result, we have been able to complete construction and expansion of most of our manufacturing facilities and grinding units on or before stipulated timelines. To illustrate this further, we have included the information in relation to the expected and actual commissioning dates for the construction and expansion, as applicable, of certain of our facilities in India in the following table for the last five years:

<b>Facility</b>	<b>Expected Commissioning Date</b>	<b>Actual Commissioning Date</b>
Set up of Bulandshahr grinding unit	December 2015	October 2015
Expansion of cement production capacity of Aurangabad grinding unit	March 2018	February 2018
Set up of Suratgarh grinding unit	June 2018	February 2018
Set up of cement section at Kodla integrated manufacturing facility	December 2018	June 2018
Set up of cement production capacity at Saraikela grinding unit	June 2019	June 2019

### ***Experienced Promoters and senior management team***

We have a qualified management team with considerable industry experience. Our Promoters, B.G. Bangur, H.M. Bangur and Prashant Bangur, have been instrumental in the growth of our business. In 2019, Business Today Magazine also recognized H.M. Bangur as ‘India’s best CEO’ in the cement category. We also have an experienced and professional Board and qualified management team. Our senior management team has been responsible for implementing our business strategies and identifying new opportunities. We believe that our cost effectiveness has been achieved by adherence to the vision of our Promoters and focus of our senior management team and their experience in the cement industry. We also believe that our experienced management team positions us well to capitalize on future growth opportunities.

### **Strategies**

#### ***Strategically capture the growing cement demand in India***

While India was the second largest producer of cement in 2018 accounting for approximately 8% of the total international cement production, the per capita cement consumption in India was much lower at approximately 200 kilograms to 250 kilograms compared with the world average of approximately 500 kilograms to 550 kilograms in 2018 (*Source: CRISIL Report*). Further, India was the second largest cement consumer internationally in 2018 (*Source: CRISIL Report*). The cement demand in India has been growing at a significantly faster rate at a CAGR of approximately 6.5% during Fiscal 2014 to Fiscal 2019 while in comparison the international cement demand has been growing at a CAGR of approximately 2% during the same periods (*Source: CRISIL Report*). The cement demand in India is expected to grow at a rate of approximately 7% to 8% in Fiscal 2021 and in the long term, the cement demand is expected to grow at a CAGR of approximately 6% to 7% from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*). The demand will be driven by the increase in housing demand and infrastructure development on account of affordable housing and increase in government spending on infrastructure activities (*Source: CRISIL Report*).

In particular, the demand for cement in northern and eastern regions of India are expected to grow at a CAGR of approximately 5.5% to 6.5% and 7% to 9%, respectively, from Fiscal 2019 to Fiscal 2024 primarily due to key infrastructure projects, such as, dedicated freight corridor, metro projects and 'smart city' related development (*Source: CRISIL Report*). Further, the cement demand in the central and western regions of India is expected to grow at a CAGR of approximately 6% to 8% and 5% to 7% from Fiscal 2019 to Fiscal 2024 primarily aided by key infrastructure projects, such as urban infrastructure projects, including, metros, expressways, waterway projects, expansion projects in power sector and increasing housing demand in emerging cities in these regions (*Source: CRISIL Report*). In addition, southern regions of India are expected to grow at a CAGR of approximately 4% to 6% from Fiscal 2019 to Fiscal 2024 in terms of cement demand (*Source: CRISIL Report*). We believe that we are well positioned to capitalize on such demand on account of our manufacturing and distribution capabilities, access to raw materials and recognizable brand. In addition, our strategic focus of expanding our production capacity through the construction of additional grinding units near principal markets, and improving cost efficiency and productivity will allow us to take advantage of this growth opportunity.

***Grow our manufacturing capacity and increase market share through organic and inorganic routes.***

We intend to strengthen our leading market position in India and achieve better economies of scale by establishing and acquiring additional facilities and expanding our existing production capacities. We have, over the years, consistently grown our manufacturing and production capabilities. Our Company's cement production capacity in India has increased at a CAGR of 18.70% from 4.10 MTPA as of March 31, 2006 to 37.90 MTPA as of March 31, 2019, and was 40.40 MTPA as of September 30, 2019. Further, our Company's power capacity in India has grown at a CAGR of 23.40% from 42 MW as of March 31, 2006 to 646 MW as of March 31, 2019 and was 711 MW as of September 30, 2019. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. Our Company is in the process of establishing additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. The estimated project cost for our Athagarh and Patas grinding units is approximately ₹ 423 crores and approximately ₹ 525 crores, respectively. We have also purchased the land required for both of our grinding units and have obtained licenses, approvals and permissions, including environmental clearances and consents to establish, as well as placed orders for plant and machinery. With the establishment of grinding units in Athagarh and Patas, we believe that we will be able to further penetrate the western and eastern regions of India, respectively. We also intend to continue to increase our production capacity by debottlenecking and upgrading our existing manufacturing facilities by implementing new technology and adding additional production lines. Further, our Company operates limestone mines across Rajasthan, Chhattisgarh and Karnataka. As of March 31, 2019, our Company's captive limestone mines had aggregate residual reserves of 1,087.32 million MT of limestone. Our Company has also signed mining lease agreements for additional limestone mines in Rajasthan and Andhra Pradesh, and is currently in process of acquiring the requisite land for these limestone mines. In addition, our Company has received the letter of intent for limestone mines located in Gujarat and Chhattisgarh. For further information, see "*Raw Materials - Limestone*" on page 125.

In order to diversify into new markets, we also aim to selectively acquire established businesses whose operations, resources and capabilities are complementary to ours. Our proposed acquisitions will revolve around increasing our market share, achieving operating leverage in key markets, increasing sales and distribution network and strengthen cost competitiveness in the market. We believe our expansion plans and strategy will allow us to meet the anticipated increase in cement demand in the future, enable us to supply growing markets more efficiently and drive profitability.

### ***Continue to focus on cost efficiency and improving productivity***

We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improve our operational efficiencies. Our focus is to continue to develop and adopt energy efficient technologies and practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products and optimize our production costs. For instance, we have recently commissioned a solar power plant in Panipat to meet our energy requirements and increase the share of renewable energy in our energy consumption. We are also currently in the process of increasing the capacity of our WHR based power generation unit by 16.5 MW at our integrated manufacturing facility at Ras Al Khaimah in United Arab Emirates, which is expected to become operational in Fiscal 2021. The estimated project cost for the increase in our WHR based power generation capacity in United Arab Emirates is approximately AED 103.98 million (equivalent to approximately ₹ 199.95 crores, based on the exchange rate (the Bloomberg reference rate) on September 30, 2019). In addition, we have also increased the reuse of low grade limestone and quarry rejects, extracted as part of regular limestone mining operations, along with the waste of other industries as raw materials in our operations, which has helped us significantly in reducing our costs and environmental impact.

We also place significant importance in reducing our carbon footprint, and have in the past and intend to continue to adopt measures and practices, which will help us in reducing our carbon footprint. In Fiscal 2017, our Company's specific net CO<sub>2</sub> emission was 549 KgCO<sub>2</sub> per tonne of cement, while in Fiscal 2019, it reduced further to 543 KgCO<sub>2</sub> per tonne of cement. In comparison, the average industry standard was 588 KgCO<sub>2</sub> per tonne of cement in 2017 (*Source: Report on Low Carbon Technology Roadmap for the Indian Cement Sector: Status Review 2018 published by World Business Council for Sustainable Development*). Further, owing to our large and diverse operations, we continue to evaluate our manufacturing and distribution costs for each of our facilities in a particular region based on various factors, including changes in demand and customer preferences, in order for us to operate such facilities and units in the most optimal manner in terms of manufacturing and distribution costs. We have, in the past, undertaken and developed various measures to reduce our costs, such as, a mechanized clinker wagon loading system at our Ras integrated manufacturing facility, which has led to a reduction in clinker transportation and loading cost. In addition, Our Company is in the process of setting up a dedicated railway siding at our Saraikeela grinding unit and have also obtained approval from south-eastern railway for the land where the railway siding is proposed to be installed. We believe this will allow us to efficiently transport clinker, cement and coal. We intend to continue to develop such cost-reduction strategies and implement more sustainable methods in our operations to maintain our cost leadership position.

### ***Continue to enhance our brand by leveraging and expanding our distribution network***

Our brands are one of our key strengths and we believe that brand and reputation are important to our dealers, distributors and customers who associate our brands with high quality products. Accordingly, we intend to continue with a strategy of investing in our brands and marketing to differentiate our products in the marketplace and grow our market share across India. Our brands, 'Shree Jung Rodhak Cement', 'Bangur Cement' and 'Rockstrong', meet the requirements of a varied segment of customers. We intend to continue to leverage the goodwill of our brand to differentiate us from our competitors, enhance relationships with existing dealers, distributors and customers as well as seek new dealers, distributors and customers. We are currently focusing on introducing premium products and have recently launched 'Roofon' and 'Bangur Power' that cater to a niche customer segment. In addition, through our operations in the United Arab Emirates, we produce and sell oil-well cement, a special purpose cement, under the brand 'Norwell', under the premium category. Our focus is to undertake customer and market research to measure the various aspects of a product, plan our marketing campaigns and accordingly, continue to enhance the brand recall through a range of targeted advertising activities including television commercials, sponsorships, digital media and other media advertisements.

We also intend to continue to focus on leveraging and expanding of our distribution network to increase our market share and sales volume. As of September 30, 2019, our Company had a network of 20,250 dealers and 746 distributors in India, that market and distribute our products. We continuously seek to add additional dealers and distributors to our sales and distribution network, grow our product reach to under-penetrated geographies, and further strengthen our relationships with the existing dealers and distributors that carry our cement products. In order to enhance our relationships with such dealers, we have developed a mobile application that connects our marketing teams with such dealers on a real-time basis. In addition to supplying quality products, we are focussed on increasing customer awareness of our products by providing training and workshops for masons and civil engineers. Further, our sales team generally meets with dealers, distributors and potential end users of our cement

products to educate them about the diverse uses of cement, as well as more traditional uses of various varieties of cement that we manufacture.

### Key Milestones

Calendar Year	Major Milestones
1979	Incorporated as 'Shree Cement Limited'
1984	Initial public offering
1985	Listed on BSE
1985	Installed first cement integrated manufacturing facility located at Beawar with an initial cement production capacity of 0.60 MTPA
1997	Issue of equity shares through a rights issue in the ratio of 1:5
2003	Established first power plant (coal fired) at Beawar with an initial power capacity of 36 MW
2008	Established first WHR based power generation unit at Beawar
2011	Set up first merchant thermal power plant in Beawar with an initial capacity of 150 MW
2015	Acquired a grinding unit located at Panipat from Jaiprakash Associates Limited with an aggregate cement production capacity of 1.50 MTPA
2018	Acquired majority stake in Union Cement Company PrJSC in Ras Al Khaimah, United Arab Emirates which has an integrated manufacturing facility with cement and clinker production capacity of 4.00 MTPA of 3.30 MTPA, respectively
2018	Set up a wind power plant located at Kustagi in Karnataka with an aggregate capacity of 21 MW, as of September 30, 2019

### Our Products Portfolio

We are engaged in the production of a variety of cement products, which are primarily used in various infrastructure and housing projects. Cement is the key ingredient in concrete, the primary building material in the industrial and residential construction sectors. Our product portfolio comprises OPC, PPC and PSC products, which are produced by mixing different proportions of gypsum, fly ash, slag and other additives to clinker. In addition, through our operations in the United Arab Emirates, we produce and sell oil-well cement, a special purpose cement of premium category.

Our Company produces and sells cement products under the brands, 'Shree Jung Rodhak Cement', 'Bangur Cement' and 'Rockstrong', while premium cement offerings are sold under the brands, 'Roofon' and 'Bangur Power', as highlighted below:



The following table provides certain information in relation to our brands and type of cement:

Type of Cement	Brands				
	<i>Shree Jung Rodhak Cement</i>	<i>Bangur Cement</i>	<i>Rockstrong Cement</i>	<i>Roofon Concrete Master</i>	<i>Bangur Power</i>
OPC	√	√	√	-	-
PPC	√	√	√	√	√
PSC	√	√	-	-	-

### **Ordinary Portland Cement (“OPC”)**

OPC is produced primarily by inter-grinding a mixture, consisting of clinker prepared in a rotary cement kiln and gypsum (within the limits specified in BIS specification IS 269: 2015). OPC is graded on the basis of compressive strength (expressed in mega pascals) and the grade indicates the compression strength of the concrete that it will attain after 28 days of setting. We manufacture two grades of OPC, ‘53-grade OPC’ and ‘43-grade OPC’, which are differentiated by their compressive strengths, as specified by the BIS. We have been granted various licenses to use the BIS mark (IS 269: 2015) for the OPC manufactured by us. OPC is typically suitable for all types of civil engineering works.

### **Portland Pozzolana Cement (“PPC”)**

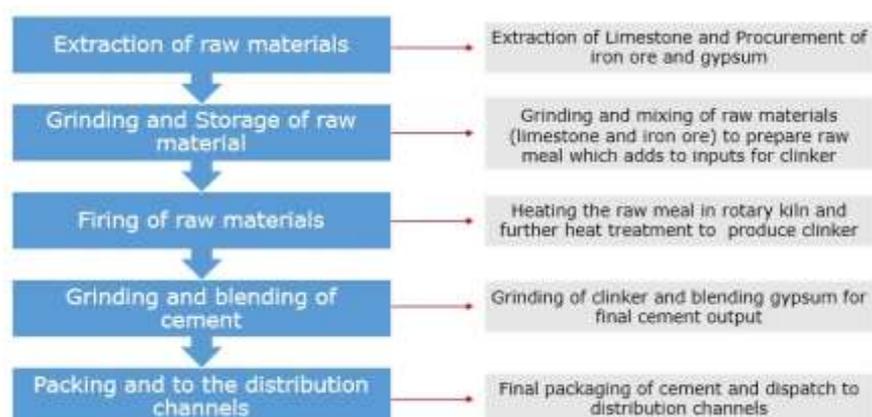
PPC is a special blended cement manufactured by the addition of pozzolanic materials, primarily, fly ash to clinker. We manufacture PPC by inter-grinding clinker with fly ash, a pozzolanic material that is a by-product of thermal power plants, along with gypsum (within the limits specified in BIS specification IS 1489: Part 1: 2015). PPC is widely used in mass concrete works such as dams, spillways, retaining walls, all types of reinforced cement concrete work, underground structures, bridges, general building works and hydro-power stations.

By blending fly ash with OPC, cement producers can lower power, fuel and raw material costs, thereby improving their operating margins (*Source: CRISIL Report*). Further, fly ash being a waste product from the operations of thermal or power plants (coal fired) is readily available and is a lower cost commodity than clinker. For details in relation to procurement of fly ash, see “- Raw Materials” on page 125. We have been granted various licenses to use the BIS mark (IS 1489: Part 1: 2015) for the PPC manufactured by us.

### **Portland Slag Cement (“PSC”)**

PSC is produced by inter-grinding a mixture of granulated blast furnace slag with clinker and gypsum in varying proportions or by uniformly blending OPC and finely grounded blast furnace slag. Slag is primarily a by-product of steel manufacturing process. PSC is typically used for concrete structures including, dams, reservoirs, swimming pools, river embankments and bridge piers. Further, the blending of slag with OPC reduces power consumption as well as fuel and raw material costs which results in improving operating margins (*Source: CRISIL Report*). We have been granted various licenses to use the BIS mark (IS: 455 - 2015) for the PSC manufactured by us.

### **Manufacturing Process**



(Source: CRISIL Report)

*Key materials.* Limestone and iron ore are key materials used to produce clinker. Additives, such as, fly ash, slag and gypsum, are added to clinker in order to manufacture cement. The grades of limestone and additives are used to determine the quality of cement produced. While, the type of fuel depends on the availability, cost and process efficiency. (Source: CRISIL Report)

#### Manufacturing clinker

*Limestone benching, drilling and blasting.* In limestone benching, the quality of the material is assessed and compared with benchmarks before the additives are mixed. The benched limestone is then drilled and blasted into small pieces. Blasting typically takes place in two stages, primary and secondary, wherein if the limestone pieces are not small enough at this stage, the limestone pieces are further broken down in the second stage. After blasting, the limestone is extracted and transported for crushing. (Source: CRISIL Report)

*Crushing.* The limestone is crushed to make particles suitable for blending and storage. Thereafter, all raw materials including additives are grounded. The fineness depends on the grinding mill used for this process. Typically, crushing is done in two stages, primary crusher and secondary crusher. Further, wobblers are used to eliminate already small limestone particles, which do not require crushing. This improves the crusher's throughput and reduces power consumption. (Source: CRISIL Report)

*Pre-homogeneous stage.* Crushed limestone is packed and transported to the piles through stacker, where additives, including, silica, alumina, and iron ore, are added to make the mixture uniform, so as to reduce chemical variations in blend mix. (Source: CRISIL Report)

*Raw mill grinding.* The raw meal, comprising limestone, clay and additives, is finely ground in order for it to react fully before it is burnt in the kiln. Typically, there are two types of mills, while vertical roller mills are used for huge capacities, ball roller mills are used for smaller plants. The type of the mill is also influenced by the type of raw material, power consumed and project outlay. Modern mills use separators/ classifiers, which separate the fine product and return the coarser particles to the grinder. (Source: CRISIL Report)

*Blending and storage.* The raw meal feed for a day is blended in silos, with two or more silos being used in series or in parallel. The feed is continuously blended in the first silo, while in the second one, it is homogenized further (i.e. mixed with other constituents). The feed could also be simultaneously blended and stored in one large silo, wherein blending is done through a series of orifices in the base, with limited fluidization. (Source: CRISIL Report)

*Pre-heating stage and kiln.* After being blended, the raw meal is heated in a rotary kiln, or in a pre-heater and/ or a precalcinator to ensure better product quality. The shape and size of the kiln is also central to cement-making. The kiln is lined with refractory bricks for insulation throughout high-heat zones. The kiln is cylindrical and slightly inclined horizontally, and completes 2-4 revolutions per minute. Primarily in the pre-heating stage, light-weight and high-strength variants are used. The solid material passes down opposite to the flame. Gas, oil, or pulverised coal is used to ignite the flame at the lower or front-end of the kiln. The formation of clinker involves multiple processes, beginning with the evaporation of water, thermal decomposition of clay minerals, calcite formation, liquid formation, and finally, formation of clinker. The clinker then passes into a cooler, before being grounded further. The heat is reclaimed and recycled to the kiln as secondary combustion air. Other gases reclaimed from the suspension pre-heater, precalcinator and the cooler are used as primary combustion air in the kiln. Excess air from the cooler is cleaned and released into the atmosphere. (Source: CRISIL Report)

#### Clinker to cement

*Grinding and blending.* Cement is produced in a separate grinding mill by grinding cooled clinker with gypsum. Gypsum and along with, amongst others, slag, fly ash, pozzolanic materials, or limestone are added to the clinker. The clinker is then grounded into a fine and homogenous powder in a ball mill/ vertical mill. The cement is then stored in silos before being dispatched either in bulk or as bags. (Source: CRISIL Report)

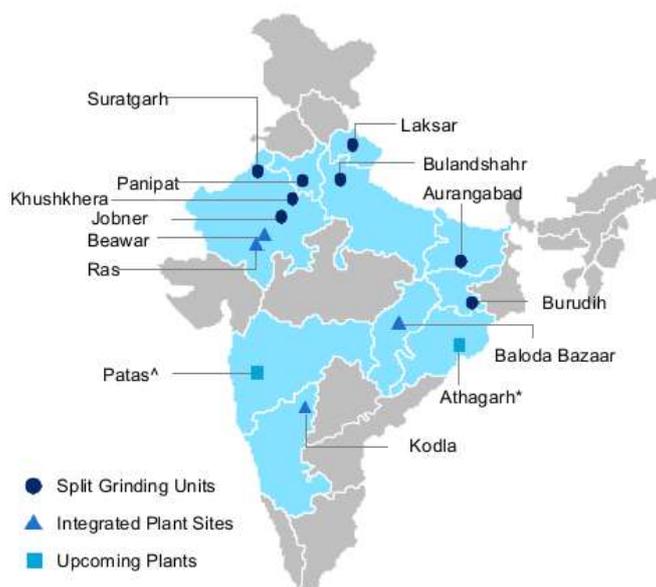
#### **Packaging**

Product packaging is an important characteristic to our business. We package our products in a number of ways depending on the manner of distribution, intended customer, and quantity of the cement being packaged. We primarily package our cement products in polypropylene, paper or laminated bags. Further, packaging bags are sourced from different suppliers in India.

## Facilities

We own and operate four integrated manufacturing facilities and eight grinding units in India. In addition, Union Cement Company PrJSC, step down subsidiary of our Company, also operates an integrated manufacturing facility in Ras Al Khaimah, United Arab Emirates. Our integrated manufacturing facilities are primarily supported by infrastructure for clinkerization and grinding. We primarily use plant and machinery developed by multinational companies located in Europe.

The map below shows the location of our manufacturing facilities and grinding units located in India as well as our proposed grinding units in India:



\*Athagarh grinding unit is expected to become operational in Fiscal 2020.

^ Patas grinding unit is expected to become operational in Fiscal 2021.

Note: Map not to scale

The following table provides the existing production capacity of our integrated manufacturing facilities and grinding units as of September 30, 2019:

S. No.	Region	Integrated Manufacturing Facility/ Grinding Unit	Location	Production capacity as of September 30, 2019*	
				Cement	Clinker
				(in MTPA)	
<b>India Operations</b>					
1.	North India	Ras <sup>#</sup>	Rajasthan	7.00	15.00
2.	North India	Khushkhera	Rajasthan	3.50	-
3.	North India	Beawar <sup>#</sup>	Rajasthan	3.60	3.00
4.	North India	Jobner	Rajasthan	1.50	-
5.	North India	Suratgarh	Rajasthan	5.40	-
6.	North India	Laksar	Uttarakhand	1.80	-
7.	North India	Panipat	Haryana	1.50	-
<b>Total Capacity in North India</b>				<b>24.30</b>	<b>18.00</b>
8.	Central India	Bulandshahr <sup>(1)</sup>	Uttar Pradesh	2.00	-
<b>Total Capacity in Central India</b>				<b>2.00</b>	<b>-</b>
9.	East India	Baloda Bazar <sup>#</sup>	Chhattisgarh	3.00	5.20
10.	East India	Saraikela	Jharkhand	2.50	-
11.	East India	Aurangabad	Bihar	5.60	-

S. No.	Region	Integrated Manufacturing Facility/ Grinding Unit	Location	Production capacity as of September 30, 2019*	
				Cement	Clinker
				(in MTPA)	
<b>Total Capacity in East India</b>				<b>11.10</b>	<b>5.20</b>
12.	South India	Kodla <sup>#</sup>	Karnataka	3.00	2.40
<b>Total Capacity in South India</b>				<b>3.00</b>	<b>2.40</b>
<b>Total Capacity in India</b>				<b>40.40</b>	<b>25.60</b>
<b>International Operations</b>					
13.	Middle East	Ras Al Khaimah <sup>#</sup>	United Arab Emirates	4.00	3.30
<b>Total Current Production Capacity</b>				<b>44.40</b>	<b>28.90</b>

\*As certified by K. Dhanapathi Rao, Chartered Engineer, by certificate dated November 1, 2019.

<sup>#</sup> Integrated manufacturing facilities are located at Ras, Beawar, Baloda Bazar, Kodla and Ras Al Khaimah.

(1) Bulandshahr is generally classified under 'North India' by our Company. However, for comparison with the CRISIL Cement Peer Companies, Bulandshahr has been reclassified under 'Central India'.

The following table provides our aggregate cement production capacity of our facilities for the periods indicated:

Particulars	As of March 31,					As of September 30, 2019
	2006	2009	2010	2014	2019	
	(in MTPA)					
Cement production capacity*	4.10	9.10	12.00	17.50	41.90	44.40

\*As certified by K. Dhanapathi Rao, Chartered Engineer, by certificate dated November 1, 2019.

### ***Integrated Manufacturing Facilities***

#### ***Beawar, Rajasthan***

The manufacturing facility at Beawar in Rajasthan commenced operations in 1985 with an initial cement production capacity of 0.60 MTPA. As of September 30, 2019, our Beawar facility had an aggregate cement and clinker production capacity of 3.60 MTPA and 3.00 MTPA, respectively. We primarily source limestone for this facility from Sheopura Kesarpura mines and Shyamgarh mines located in close proximity to our Beawar facility. In addition, certain amount of limestone is also sourced from Nimbeti mines. Gypsum requirement is met through synthetic gypsum produced internally, while the remaining requirement for gypsum is met by procuring from domestic and international suppliers. Fly ash is sourced from power plants (coal fired), while fuel requirements are met by sourcing coal and pet coke from domestic and international markets. The power requirements are primarily met from our captive power plant and WHR based power generation unit located at Beawar.

#### ***Ras, Rajasthan***

The manufacturing facility at Ras in Rajasthan commenced operations in 2006 with an initial cement production capacity of 1.50 MTPA. As of September 30, 2019, our Ras facility had an aggregate cement and clinker production capacity of 7.00 MTPA and 15.00 MTPA, respectively. We source limestone for this facility from Nimbeti mines located in close proximity to our Ras facility. Gypsum requirement is met through synthetic gypsum produced internally, while the remaining requirement for gypsum is met by procuring from domestic and international suppliers. Fly ash is sourced from power plants (coal fired), while fuel requirements are met by sourcing coal and pet coke from domestic and international markets. The power requirements are primarily met from our captive power plants and WHR based power generation units located at Ras.

#### ***Baloda Bazar, Chhattisgarh***

The manufacturing facility at Baloda Bazar in Chhattisgarh commenced operations in 2015 with an initial cement production capacity of 2.60 MTPA. As of September 30, 2019, our Baloda Bazar facility had an aggregate cement and clinker production capacity of 3.00 MTPA and 5.20 MTPA, respectively. We source limestone for this facility from Bharuwadih/ Semradih mines located in Baloda Bazar. Further, through Raipur Handling and Infrastructure Private Limited, our wholly owned Subsidiary, we have access to a private freight terminal of the Indian Railways situated at Hathbandh in Raipur located near our Baloda Bazar manufacturing facility. Gypsum, fly ash and slag for this facility are procured from international and domestic suppliers, nearby power plants (coal fired) and steel manufacturing facilities, respectively. We have secured coal linkage from a Government owned coal mining company for meeting the fuel requirements for this facility, while the remaining fuel requirement is met by

procuring coal and pet coke from domestic and international markets. The power requirements are primarily met from our captive power plant and WHR based power generation unit located at Baloda Bazar.

#### Kodla, Karnataka

The manufacturing facility at Kodla in Karnataka commenced operations in 2018. As of September 30, 2019, our Kodla facility had an aggregate cement production capacity of 3.00 MTPA. We source limestone for this facility from mines located in Kodla. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and power plants (coal fired), respectively. The power requirements are met through local state power grid, wind power plant located at Kustagi through intra state open access and WHR based power generation unit.

#### Ras Al Khaimah, United Arab Emirates

We acquired a majority stake in Union Cement Company PrJSC, in Ras Al Khaimah, United Arab Emirates in Fiscal 2019, which has an integrated manufacturing facility with a cement production capacity of 4.00 MTPA and clinker production capacity of 3.30 MTPA, as of September 30, 2019. We source limestone for this facility under a long-term limestone supply agreement from a United Arab Emirates mining company located in close proximity to the manufacturing facility and limestone is supplied from conveyor belts to the manufacturing facility. Gypsum is procured from the open market, while the power requirements are met through local state authority, WHR based power generation plant located in Ras Al Khaimah and a third party gas based power generation facility.

#### **Grinding Units**

##### Khushkhera, Rajasthan

The grinding unit at Khushkhera in Rajasthan commenced operations in 2007 with an initial cement production capacity of 2.00 MTPA. As of September 30, 2019, our Khushkhera unit had an aggregate cement production capacity of 3.50 MTPA. Our Khushkhera grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through our captive power plants located at Ras and Beawar, through intra state open access and local state authority.

##### Suratgarh, Rajasthan

The grinding unit at Suratgarh in Rajasthan commenced operations in 2010 with an initial cement production capacity of 1.20 MTPA. As of September 30, 2019, our Suratgarh unit had an aggregate cement production capacity of 5.40 MTPA. Our Suratgarh grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through captive power plants located at Ras and Beawar, through intra state open access and local state authority.

##### Laksar, Uttarakhand

The grinding unit at Laksar in Uttarakhand commenced operations in 2010. As of September 30, 2019, our Laksar unit had an aggregate cement production capacity of 1.80 MTPA. Our Laksar grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through local state power grid and purchases through energy exchanges.

##### Jobner, Rajasthan

The grinding unit at Jobner in Rajasthan commenced operations in 2011. As of September 30, 2019, our Jobner unit had an aggregate cement production capacity of 1.50 MTPA. Our Jobner grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through our captive power plants located at Ras and Beawar, through intra state open access and local state authority.

##### Panipat, Haryana

In 2015, we acquired a grinding unit with an aggregate cement production capacity of 1.50 MTPA, as of September 30, 2019, located at Panipat in Haryana. Our Panipat grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through a solar power plant, local state power grid and purchases through energy exchanges.

#### Bulandshahr, Uttar Pradesh

The grinding unit at Bulandshahr in Uttar Pradesh commenced operations in 2015. As of September 30, 2019, our Bulandshahr unit had an aggregate cement production capacity of 2.00 MTPA. Our Bulandshahr grinding unit is supplied with clinker from our manufacturing facilities at Ras and Beawar. Gypsum and fly ash for this facility are procured from international and domestic suppliers, and nearby power plants (coal fired), respectively. The power requirements are met through local state power grid and from our merchant thermal power plant located at Beawar, through inter state open access.

#### Aurangabad, Bihar

The grinding unit at Aurangabad in Bihar commenced operations in 2014 with an initial cement production capacity of 2.00 MTPA. As of September 30, 2019, our Aurangabad unit had an aggregate cement production capacity of 5.60 MTPA. Our Aurangabad grinding unit is supplied with clinker from our manufacturing facility at Baloda Bazar. Gypsum, fly ash and slag for this facility are procured from international and domestic suppliers, nearby power plants (coal fired) and steel manufacturing facilities, respectively. The power requirements are met through local state power grid and purchases through energy exchanges.

#### Saraikela, Jharkhand

The grinding unit at Saraikela in Jharkhand recently commenced operations in June 2019 with a cement production capacity of 2.50 MTPA, as of September 30, 2019. Our Saraikela grinding unit is supplied with clinker from our manufacturing facility at Baloda Bazar. Gypsum, fly ash and slag for this facility are procured from international and domestic suppliers, nearby power plants (coal fired) and steel manufacturing facilities, respectively. The power requirements are met through local state power grid.

### **Captive Power**

In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, 81.95%, 84.43%, 84.38% and 84.56%, respectively, of our Company's power requirement was met through captive sources, including power plants (coal fired), WHR based power generation units, wind power plant and solar power plant, in India.

The following table provides our aggregate power capacity for the periods indicated:

Particulars	As of March 31,					As of September 30, 2019
	2006	2009	2010	2014	2019	
	<b>Power capacity (in MW)*</b>					
Power plants (coal fired)	42	116	164	516 <sup>#</sup>	499 <sup>#</sup>	503 <sup>#</sup>
WHR based power generation units	-	3.5	46	81	139	199
Wind power plant	-	-	-	-	21	21
Solar power plant	-	-	-	-	-	1
<b>Total</b>	<b>42</b>	<b>119.5</b>	<b>210</b>	<b>597</b>	<b>659</b>	<b>724</b>

\*As certified by K. Dhanapathi Rao, Chartered Engineer, by certificate dated November 1, 2019.

<sup>#</sup>Including merchant thermal power plants located at Beawar.

### **Power Plants (Coal Fired)**

Our Company has, over the years, commissioned operations for power plants (coal fired) located at (i) Beawar; (ii) Ras; and (iii) Baloda Bazar. As of September 30, 2019, our Beawar, Ras and Baloda Bazar plants had a total captive coal fired power capacity of 44 MW, 140 MW and 19 MW, respectively. We have also established merchant thermal power plants located at Beawar with an aggregate installed capacity of 300 MW, as of September 30, 2019, which we primarily utilize for selling power to third parties, including various state DISCOMs as well as for supplying power to our grinding unit located in Bulandshahr. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company's power plant (coal fired) capacity increased by 5 MW.

### Waste Heat Recovery Units (“WHR”)

Our Company has installed WHR based power generation units in India located at (i) Beawar; (ii) Ras; (iii) Baloda Bazar; and (iv) Kodla. As of September 30, 2019, our Beawar, Ras, Baloda Bazar and Kodla units had an aggregate installed capacity of 21 MW, 105 MW, 30 MW and 30 MW, respectively. In addition, pursuant to our acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with a capacity of 13 MW, as of September 30, 2019. These WHR based power generation units collect residual heat from the clinker production process to generate power that can be used in the production process. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company’s WHR based power generation unit capacity increased by 25 MW.

### Renewable Energy Power Plants

Our Company has established a wind power plant located at Kustagi in Karnataka in 2018 with an aggregate installed capacity of 21 MW, as of September 30, 2019, which is primarily utilized for meeting power requirements at our Kodla manufacturing facility. In addition, our Company has recently commissioned a solar power plant in Panipat, with an installed capacity of approximately 1 MW which is primarily utilized for the power requirements of our Panipat grinding unit.

### Capacity and Capacity Utilization

The following table sets forth certain information relating to our capacity utilization of all our integrated manufacturing facilities and grinding units, calculated on the basis of total production capacity and actual production as of/ for the periods indicated below:

Type of the Product	As of and for the financial year ended March 31,									As of and for the six months ended September 30, 2019		
	2017			2018			2019			Production Capacity <sup>(1)</sup> (MTP A)	Actual Production <sup>(2)</sup> (million MT)	Capacity Utilization <sup>(3)</sup> (%)
	Production Capacity <sup>(1)</sup> (MTP A)	Actual Production <sup>(2)</sup> (million MT)	Capacity Utilization <sup>(3)</sup> (%)	Production Capacity <sup>(1)</sup> (MTP A)	Actual Production <sup>(2)</sup> (million MT)	Capacity Utilization <sup>(3)</sup> (%)	Production Capacity <sup>(1)</sup> (MTP A)	Actual Production <sup>(2)</sup> (million MT)	Capacity Utilization <sup>(3)</sup> (%)			
Cement	29.30	20.29	72.03%	34.90	22.20	74.09%	41.90	26.21	65.41%	44.40	12.06	55.67%
Clinker	16.80	13.68	86.95%	20.60	15.13	85.33%	28.90	20.23	82.92%	28.90	9.42	65.00%

<sup>#</sup>As certified by K. Dhanapathi Rao, Chartered Engineer, by certificate dated November 1, 2019.

(1) The information relating to the aggregate production capacity of our integrated manufacturing facilities as of the periods included above and elsewhere in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of cement industry after examining the kiln capacity, cement grinding capacity and other ancillary equipment installed at the plant and the calculations and explanations provided by our management. Actual production capacity, production levels and utilization rates may therefore vary from the information of our integrated manufacturing facilities and grinding units included in this Placement Document. See “Risk Factors – Information relating to the installed production capacity and capacity utilization of our manufacturing facilities and grinding units included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary” on page 72.

(2) Actual production for the facilities does not include any trail run production.

(3) Capacity utilization has been calculated on the basis of actual production of the facility during the relevant fiscal year/ period divided by the aggregate installed production capacity of the facility at the end of the relevant fiscal year/ period. For annualization purposes, 365 operational days for the fiscal year and 183 operational days for the six month period have been considered for calculating the capacity utilization of the facilities which have not been commissioned or not undergone any capacity expansion in the relevant fiscal year/ period. Further, the capacity utilization for new facilities as well as facilities where capacity expansion has been completed during the relevant fiscal year/ period has been calculated based on the number of days of operation of such new facility from the date of commission or completion of capacity expansion of such facility until the end of the relevant fiscal year/ period.

See “Risk Factors - Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance” on page 55.

### Proposed Expansion Plans

In order to meet the growing market demand for cement and to expand our presence geographically, we plan to further expand our production capacity through split-grinding, construction of new grinding units and improving utilization of our existing production capacities to realize cost efficiencies. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels.

For our India operations, our Company is in the process of establishing grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. The estimated project cost for our Athagarh and Patas grinding units is approximately ₹ 423 crores and approximately ₹ 525 crores, respectively. We have also purchased the required land for both of our grinding units and have obtained licenses, approvals and permissions, including environmental clearances and consents to establish. Further, we have placed orders for plant and machinery for these proposed grinding units. We also undertake routine trials and experiments to identify opportunities for any further increase in the production capacity of our facilities and routinely upgrade them through debottlenecking, modifications, implementing new technology and adding additional production lines. In addition, for our international operations, we are in the process of increasing the capacity of the WHR based power generation unit by 16.5 MW, at our integrated manufacturing facility at Ras Al Khaimah in United Arab Emirates, which is expected to become operational in Fiscal 2021. The estimated project cost for the increase in our WHR based power generation capacity in United Arab Emirates is approximately AED 103.98 million (equivalent to approximately ₹ 199.95 crores, based on the exchange rate (the Bloomberg reference rate) on September 30, 2019). We have also obtained clearances and placed orders for machinery and equipment for this increase in capacity of our WHR based power generation unit. Further, our Company has signed mining lease agreements for additional limestone mines in Rajasthan and Andhra Pradesh, and is currently in the process of acquiring the requisite land for these limestone mines. In addition, our Company has also received the letter of intent for mines located in Chhattisgarh and Gujarat.

## **Raw Materials**

The primary raw materials used in our cement production are limestone, gypsum, fly ash and slag. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, the cost of materials consumed, on a standalone basis, represented 7.92%, 7.82%, 7.63% and 6.56%, respectively, of our Company's revenue from operations (net of excise duty). Raw materials are primarily transported to the facilities primarily by means of road and rail transport.

### *Limestone*

Limestone is the principal raw material used in the production of clinker, which in turn is the base of all cement products. In Fiscals 2017, 2018 and 2019 and in the six months ended September 30, 2019, our Company utilized 20.81 million MT, 22.95 million MT, 26.32 million MT and 11.74 million MT, respectively, of limestone for the manufacture of clinker.

Our Company operate five limestone mines, namely, Sheopura Kesarpura mines, Shyamgarh mines, Nimbeti mines, Bharuwadih/ Semardih mins and Kodla mines, which are pit head mines and are located in close proximity to our integrated manufacturing facilities. These limestone mines provide our manufacturing facilities with a secure and stable supply of high quality limestone at low transportation costs. We are required to obtain a lease from the relevant state governments in order to mine the limestone deposits and accordingly, have obtained long-term leases to excavate limestone from these mines. As of March 31, 2019, our Company's captive limestone mines had aggregate residual reserves of 1,087.32 million MT of limestone. We believe that the residual reserves of our mining lease agreements are sufficient to meet the production requirements of our existing facilities for the remaining estimated life of such facilities.

Further, in 2017 and 2018, Nimbeti mine and Sheopura Kesarpura mine were awarded with a five-star rating formulated by the Indian Bureau of Mines, Ministry of Mines, Government of India for their performance in the implementation of sustainable development framework. As we have access to high quality and sufficient limestone, we do not need to purchase limestone or other additives from external sources.

In addition, our Company has signed mining lease agreements for additional limestone mines in Rajasthan and Andhra Pradesh, and is currently in the process of acquiring the requisite land for these limestone mines. In addition, our Company has also received the letter of intent for mines located in Chhattisgarh and Gujarat. The aggregate residual reserves of these limestone mines, as per their respective latest Indian Bureau of Mines approved mining plan, was 667.04 million MT of limestone.

### *Gypsum*

We utilize a significant amount of gypsum in the manufacturing of cement. Gypsum is added as a retarding agent to control the setting time for cement and is grounded with clinker to produce cement. In Fiscals 2017, 2018 and

2019, and in the six months ended September 30, 2019, our Company utilized 1.47 million MT, 1.73 million MT, 2.06 million MT and 1.02 million MT, respectively, of gypsum. Majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. For our other facilities gypsum is procured from international and domestic suppliers.

#### *Fly ash*

We use fly ash, a pozzolanic material, for the production of PPC. Fly ash is a by-product of the coal burning process at thermal power plants. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company utilized 4.82 million MT, 5.19 million MT, 6.00 million MT and 2.87 million MT, respectively, of fly ash. We procure fly ash by entering into bilateral contracts with nearby thermal power plants. In addition, we also participate in tenders invited by the thermal power plants. Further, the availability of fly ash at reasonable cost helps cement manufacturers in achieving higher margins.

#### *Slag*

A by-product of the steel manufacturing process, slag is required for production of PSC. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company utilized 0.59 million MT, 0.45 million MT, 0.27 million MT and 0.05 million MT, respectively, of slag. We source our slag requirements from nearby steel manufacturing plants.

#### *Others*

Additives, such as, red ochre and laterite, are also required in small quantities for manufacture of clinker, OPC, PPC and PSC, which are sourced primarily from domestic suppliers generally located near to our facilities.

### **Power and Fuel**

Coal and electricity are our key sources of energy for cement production. Coal is used in the calcination and sintering process to provide the necessary heat for the clinker production process as well as in our power plants (coal fired), while electricity is used across all the processes. Power and fuel account for a significant amount of our total expenses. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, power and fuel expenses, on a standalone basis, accounted for 19.45%, 23.58%, 25.64% and 24.62%, respectively, of our Company's total expenses (net of excise duty).

#### *Coal and Pet coke*

Coal and pet coke are primarily used as fuel in the kiln to make clinker from ground limestone. We currently procure coal and pet coke from domestic and international markets. We have also secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our integrated manufacturing facility located at Baloda Bazar. We typically aim to procure coal and pet coke with high calorific content since it results in relatively lower transportation costs. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company utilized 0.26 million MT, 0.54 million MT, 1.25 million MT and 0.56 million MT, respectively, of coal, and 1.95 million MT, 1.89 million MT, 1.51 million MT and 0.74 million MT, respectively, of pet coke in the same periods, in manufacturing operations and power generation in India.

#### *Electricity*

Our operations require a steady supply of electricity. We have a total power generation capacity of 724 MW, as of September 30, 2019, spread across our manufacturing facilities, comprising power plants (coal fired), WHR based power generation units, merchant thermal power plants, and solar and wind power plant, located in Rajasthan, Chhattisgarh, Karnataka, Haryana and United Arab Emirates. We sell power generated from our merchant thermal power plants located at Beawar to third parties, including various state DISCOMs. For further information, see “- *Captive Power*” on page 123. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources in India. Our remaining electricity requirements are met through state electricity boards and energy exchanges.

### **Distribution, Sales and Marketing**

We have extensive distribution network spread across India that supports our business operations. Our pan-India presence is achieved through a network of 20,250 dealers and 746 distributors, as of September 30, 2019. We believe that the extent of our distribution network, and our relationships with the dealers and distributors, enables us to market and distribute our products widely and efficiently. In addition, our Company has developed a mobile application, 'Shree Nirman Mitra', which provides us with a digital platform to connect with our masons and dealers, and allows them to know about our ongoing promotions and incentive schemes and helps us in tracking their performance.

Our cement products are sold to the trade segment (which typically includes wholesale customers including dealers and distributors who then resell our products to retail customers) and the non-trade segment (which typically includes government and private infrastructure projects, real estate companies, and ready-mixed concrete stations). In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company's sales to the trade segment accounted for 72.26%, 69.56%, 72.05% and 81.78%, respectively, of our total cement sales volume, while our Company's sales to non-trade segment accounted for 27.74%, 30.44%, 27.95% and 18.22%, respectively, of our total cement sales volume in the same periods. We conduct our sales primarily through our regional and local sales offices located across various states in India. We also have a team of sales officers operating within each district where we sell our products who are in regular contact with our dealers and help us monitor these sales relationships and inventory requirements. In addition, we operate three central marketing offices in New Delhi for the various brands of cement we produce and sell. Our orders for sales to dealers are typically a one-time purchase orders and such dealers place orders for products based on prices, availability and the quality of products offered.

Our sales and marketing team is regularly in contact with our customers and distributors to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customer groups to promote brand recognition of our products, including by participating in industry exhibitions and conferences, and direct marketing to existing and potential customers. Further, we routinely host dealers visits at our facilities.

### **Logistics**

Depending on our contractual arrangements, our suppliers either deliver our raw materials and coal directly to us or we are required to collect the raw materials and coal from our suppliers at our own costs. We outsource the delivery of our clinker to third-party logistics companies. Our logistics chain consists of warehouses cum sales depots located across India, which are supported by transporters authorized by us. Our finished product is dispatched to warehouses and sales depots and thereafter, the depot team dispatches material as per the order required from the sales team. Some of our distributors and direct sale customers collect their cement purchases at their own costs at our facilities. For certain large infrastructure construction projects and government infrastructure projects, we arrange and pay for the shipment of our products from our facilities to construction sites for our customers. We have also implemented a logistics management system, which tracks the movement of trucks from the point of entry to the point of exit. In recognition of our outbound logistics efforts, we have received the award for 'Supply Chain and Logistics Excellence SCALE' by Confederation of Indian Industries in 2017, 2018 and 2019.

### **Production Management and Inventory Control**

Our production and inventory levels of our finished products are planned on a monthly basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our integrated manufacturing facility and grinding unit. Further, for raw materials and coal/ pet coke, we maintain different inventory levels depending on lead time required to obtain additional supplies.

### **Pricing**

We determine the prices for our products based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. Prices for different regions are also affected by local regulations and tax policies. We review our prices regularly based on prevailing whole sale prices in the market. We usually sell our products through advance payments or credit sales.

## **Customers**

Our customer base includes wholesale customers as well as institutional clients, primarily infrastructure and construction companies. Further, as part of our customer relationship management, we have also developed a mobile application, 'Shree Nirman Mitra', that provides us with a digital platform to connect with our masons and dealers, and allows them to know about our ongoing promotions and incentive schemes.

## **Quality Control, Testing and Certifications**

We believe that quality control and management is critical for us to maintain our market leadership. We have adopted a product quality and customer satisfaction policy, which is focused on providing products conforming to applicable standards, meeting customers' requirements, improving performance and effectiveness of quality management system. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. We follow stringent quality standards and as of September 30, 2019, our Company had received several quality certifications for our management systems including ISO 9001:2015, ISO 14001:2015, ISO 50001: 2011 and OHSAS 18001: 2007. Our quality control programs at all of our facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. We have also set up concrete testing labs at all our plants which test the quality of raw materials and further, developed a concrete lab at Jobner grinding unit which is utilized for providing training and market support. We appoint supervisors at every location of our manufacturing operations who are responsible for conducting quality checks, and also for identifying areas for improvement.

## **Repair and Maintenance**

We conduct regular repair and maintenance programs for our manufacturing facilities and grinding units, including relining our kilns. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis. In addition, our facilities are periodically inspected by our engineers and technicians along with external operation and maintenance personnel for our kiln, mills, crusher, turbine and other critical equipment.

## **Health, Safety and Environment**

Our operations are subject to the various environmental laws and regulations, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, natural resource damages, and employee health and employee safety. We aim to comply with the applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy and environment policy that is aimed at complying with requirements under applicable law.

We believe that all our facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution. In order to provide our employees with access to quality and essential healthcare services, we have established 'wellness management centers'. We believe we have built a robust safety management system and are 'OHSAS 18001: 2007 for Occupational Health and Safety' and 'ISO 14001:2015 for Environment Management Systems' certified. Further, in recognition of our efforts, our Company has been awarded the "Fly Ash Utilisation Award- 2019" by Mission Energy Foundation and 'Golden Peacock Award for Sustainability – 2018' by Institute of Directors, New Delhi.

Environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. See "*Risk Factors - Non-compliance with and changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition*" on page 60.

## **Research and Development**

Our principal research and development activities focus on increasing the productivity and cost efficiency of our operations, particularly with respect to the efficient use of resources and power, and implementation of new technologies, in order to assist in reducing our carbon footprint. Our Company has also set up research and development units at Beawar and Ras, both of which are recognized by Department of Science and Industrial

Research, Government of India. In recent years, we have focused our research and development activities on reducing specific power consumption, and the reduction of heat consumption per kg of clinker.

## **Employees**

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position and our human resource policies focus on attracting, developing and retaining talent. We emphasize on providing developmental and skill enhancement opportunities on a continuous basis to enhance the level of operational excellence, productivity and ensure compliance with standards on quality and safety. We train all our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety. Certain of our employees are unionised into labour unions. We have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

As of September 30, 2019, we had 6,334 full-time employees. In addition, we contract with third party manpower and services firms for performing certain of our ancillary operations, including, maintenance of plant and machinery at our manufacturing facilities and grinding units, assisting in civil, mechanical and electrical related works and housekeeping activities. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

## **Competition**

The Indian cement industry is highly fragmented with a presence of few large players and several small players (*Source: CRISIL Report*). Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. National and regional players characterize the cement industry in India. We face competition from national players including UltraTech Cement Limited, ACC Limited, Ambuja Cements Limited, Dalmia Bharat Limited, Birla Corporation Limited, India Cements Limited and The Ramco Cements Limited (*Source: CRISIL Report*).

See, “*Risk Factors - We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.*” on page 56.

## **Information Technology**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers, receivables from customers and distribution network. We also utilize Oracle, an enterprise resource planning solution which covers production, finance, sales, marketing logistics, purchase, human resource and inventory.

## **Insurance**

Our operations are subject to various risks inherent in the cement manufacturing industry. Accordingly, we have obtained a mega risk insurance policy, erection industrial all risks policy, marine open import/ export policy and open policy- inland for our operations in India. We have also obtained insurance coverage for group personal accidental policy and a ‘Business Suraksha ClassiK’ insurance policy. Further, for our United Arab Emirates operations, we have obtained property all risks insurance policy, motor comprehensive fleet, marine cargo open policy, public liability insurance, money all risks insurance, third party liability, contractor’s plant and machinery insurance, third party liability, group medical insurance cover and employers liability insurance. In addition, we have also obtained a directors and officers liability insurance for our India and international operations. Also, see “*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*” on page 70.

## **Corporate Social Responsibility (“CSR”)**

Our Company has formulated a Corporate Social Responsibility (“CSR”) policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social and Business Responsibility Committee. As part of our corporate social responsibility initiatives, our Company has been carrying out various social welfare activities. Our CSR initiatives focus on

education, healthcare, sustainable livelihood, women empowerment, infrastructure development, environment protection and promotion of art and culture, and inclusive growth. In Fiscal 2019, our CSR activities included providing health and sanitation, support to autistic children, drinking water to communities located near our facilities in water scarce areas, support to farmers for improved agriculture produce and support to schools located near our facilities for providing basic education. We also provided training and skill enhancement to communities located in proximity to our facilities, focused on women and girl empowerment and provided support to old-aged people, orphans. In addition, CSR activities included promotion of art and culture and traditions of communities located near our facilities, financial assistance to dependents of martyred soldiers, assisting in the infrastructure and integrated development of areas located close to our facilities as well as undertook construction and repair of roads in villages located in close proximity to our facilities. In recognition of our efforts, we also received the ‘CSR Leadership Award for Best CSR Practices’ by World CSR Congress in 2019.

## Intellectual Property Rights

Our Company has registered its name, ‘Shree Cement Limited’ and logo,  and brand,  under Trade Marks Act, 1999. Our brand ‘Bangur Cement’ is also registered under the Trade Marks Act, 1999. In addition, our Company has also applied for the registration of ‘Roofon Concrete Master’ under the Trade Marks Act, 1999. Our Company has also applied for renewal of the mark ‘Rockstrong Cement’, the registration for which had expired. Our Company has also obtained a patent for ‘an improved process for preparing synthetic gypsum for use in cement production’, valid for a period of 20 years from March 6, 2009. In addition, ‘Union Cement Company’ is registered with the Trade Marks Department, Ministry of Economy, United Arab Emirates. Further, Union Cement Norcem Company Limited, a subsidiary of Union Cement Company PrJSC, has registered ‘Norwell’ with the Trade Marks Department, Ministry of Economy, United Arab Emirates.

## Awards

The following table sets forth certain information relating to certain awards we have received:

Calendar Year	Awards
2019	‘Corporate Governance and Sustainability Vision Award’ by Indian Chamber of Commerce
2019	‘Fly Ash Utilisation Award’ for excellence in transportation/ supply by Mission Energy Foundation
2019	‘CSR Leadership Award for Best CSR Practices’ by ET Now
2018	‘Asia’s Most Trusted Company Award’ by International Brand Consulting Corporation, United States of America
2018	‘Golden Peacock Award for Sustainability’ by Institute of Directors, New Delhi
2018	‘Second Fastest Growing Cement Company – Large Category’ at the Third Indian Cement Review Awards
2018	Supply Chain and Logistic Excellence by Confederation of Indian Industry, Chennai
2018	‘Best Company in Cement Sector’ by CNBC AWAAZ at Rajasthan Ratna Awards
2018	‘Green Tech Employee Engagement Gold Award’ by Greentech Foundation, New Delhi
2017	‘National Awards for Excellence in Cost Management’ by the Institute of Cost Accountants of India

## Properties

Our registered office is located at Bangur Nagar, Beawar in Rajasthan and our corporate office is located in Kolkata, West Bengal, both of which are on leased premises. As of September 30, 2019, we operated four integrated manufacturing facilities and eight grinding units across India along with an integrated manufacturing facility in Ras Al Khaimah, United Arab Emirates. Some of the land on which these manufacturing facilities and grinding units are located are held by us on freehold basis and some are held by us, including our international manufacturing facility, on leasehold basis. In addition, we have also acquired land for our proposed grinding units located in Athagarh and Patas.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Financial Statements and our Unaudited Interim Condensed Financial Statements on pages 291 and 251, respectively.*

*This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward Looking Statements" on page 19. Also read "Business", "Industry Overview", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations", "Risk Factors" and "Summary Financial Statements" on pages 108, 92, 250, 134, 52 and 41, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2017, 2018 and 2019 included herein is based on the Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) is based on the Unaudited Interim Condensed Financial Statements, included in this Placement Document. For further information, see "Financial Statements" and "Summary Financial Statements" on pages 250 and 41, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to "our Company" is a reference to Shree Cement Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Shree Cement Limited and its Subsidiaries on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report "Cement Market Assessment" dated October 2019 (the "CRISIL Report") prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

Our Company was the largest cement manufacturing company in north India and the third largest cement manufacturing group in India, in terms of installed cement production capacity as of March 31, 2019 (*Source: CRISIL Report*). Incorporated in 1979, with more than three decades of operations, we have been able to leverage our strategically located integrated manufacturing facilities and grinding units, extensive sales and distribution network and brands to successfully expand our operations. Further, in Fiscal 2019, our Company's market share in India was 7% of the total cement production in India (*Source: CRISIL Report*).

Our Company operates four integrated manufacturing facilities and eight grinding units across the states of Rajasthan, Uttarakhand, Haryana, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar and Karnataka, with an aggregate cement and clinker production capacity of 40.40 million tonne per annum ("MTPA") and 25.60 MTPA, respectively, as of September 30, 2019. As of March 31, 2019, our Company's installed cement production capacity represented 8%, 24% and 10% of the total cement production capacity in India, north India and east (including north-east) India, respectively (*Source: CRISIL Report*). Further, our Company is in the process of increasing our cement production capacity by commissioning two additional grinding units at Athagarh in Odisha and Patas in Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. In addition, we have recently expanded our operations to United Arab Emirates by acquiring a controlling stake in Union Cement Company PrJSC, in Ras Al Khaimah in Fiscal 2019, which has an integrated manufacturing facility with a cement and clinker production capacity of 4.00 MTPA and 3.30 MTPA, respectively, as of September 30, 2019.

We follow a strategy of split grinding where grinding units are set up closer to our principal markets and raw material sources, enabling us to manufacture and sell cement in a cost efficient manner. Accordingly, our facilities are strategically located in close proximity to our raw material sources and principal markets, which lowers our transportation costs and provides significant logistics management and cost benefits.

We have adopted a multi-brand marketing strategy to cater to the various needs of our customers. Our Company produces and sells Ordinary Portland Cement (“**OPC**”), Portland Pozzolana Cement (“**PPC**”) and Portland Slag Cement (“**PSC**”) products under the brands, ‘*Shree Jung Rodhak Cement*’, ‘*Bangur Cement*’ and ‘*Rockstrong*’, and recently, in Fiscal 2019, we introduced our premium cement offerings under the brands, ‘*Roofon*’ and ‘*Bangur Power*’, to cater to a niche customer segment. We have an extensive and structured sales and distribution network with 20,250 dealers and 746 distributors spread across 18 States and two Union Territories in India, as of September 30, 2019.

We believe, over the years, we have developed an established track record of efficient project management and execution experience, involving trained and skilled manpower, innovative work practices, efficient deployment of equipment with an in-house project management team. We have demonstrated a differentiated expansion strategy by executing projects in a ‘modular manner’ and with regular capacity additions at short intervals, allowing us to expand systematically and achieve faster project turn around.

Our Company set up its first power plant (coal fired) at Beawar in 2003 and has since, over the years, established captive power plants (coal fired) at Ras and Baloda Bazar, with an aggregate installed capacity of 203 MW, as of September 30, 2019, and WHR based power generation units at Beawar, Ras, Baloda Bazar and Kodla, with an aggregate installed capacity of 186 MW, as of September 30, 2019. In addition, pursuant to the acquisition of Union Cement Company PrJSC, we acquired a WHR based power generation unit in Ras Al Khaimah, United Arab Emirates with an aggregate installed capacity of 13 MW, as of September 30, 2019, and we are currently in the process of increasing its capacity by 16.5 MW, which is expected to become operational in Fiscal 2021. Further, in October 2019, our Company commissioned a generating set of 30 MW at Baloda Bazar and as a result, our Company’s WHR based power generation unit capacity increased by 25 MW and power plant (coal fired) capacity increased by 5 MW.

In line with our strategy to increase the share of renewable energy in energy consumption, our Company has established a wind power plant in Kustagi, with an aggregate installed capacity of 21 MW, as of September 30, 2019, and recently commissioned a solar power plant in Panipat, with an installed capacity of approximately 1 MW. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our Company met 81.95%, 84.43%, 84.38% and 84.56%, respectively, of the power requirements through captive sources in India. We also have merchant thermal power plants in Beawar, with an aggregate installed capacity of 300 MW, as of September 30, 2019, which we primarily utilize to sell power to various state DISCOMs, as well as for supplying power to our grinding unit located in Bulandshahr. In Fiscals 2017, 2018 and 2019, and the six months ended September 30, 2019, our Company’s power sales amounted to ₹ 571.44 crore, ₹ 432.88 crore, ₹ 801.88 crore and ₹ 327.17 crore, respectively.

According to the CRISIL Report, our Company had the lowest total cost per tonne for cement operations among the CRISIL Cement Peer Companies in Fiscal 2019. Further, in Fiscals 2017, 2018 and 2019, our Company had a lower power and fuel cost per tonne (for cement operations) in comparison with the average of power and fuel cost per tonne of the CRISIL Cement Peer Companies (*Source: CRISIL Report*). Further, in 2016, our Company was ranked second by CDP (formerly known as Carbon Disclosure Project) in terms of best emissions and water related metrics among the cement manufacturing companies internationally. In addition, our Company has achieved its target under the ‘Perform, Achieve and Trade’ scheme of the Government of India and was also awarded the ‘Best Performer’ award for energy saving under the ‘Perform, Achieve and Trade’ scheme by the Bureau of Energy Efficiency in 2017.

We believe we have established stable and cost-effective supply channel for raw materials including limestone, gypsum and fly ash, as well as coal for our integrated manufacturing facilities. Limestone is extracted from our captive limestone mines in India, for which we have obtained long term mining lease agreements from certain state governments. Majority of our gypsum requirement at our Beawar and Ras facilities is met through synthetic gypsum produced, through a patented process, at these facilities. Our fuel requirements are met by sourcing coal and pet coke from domestic and international markets, and in addition, we have secured coal linkage from a Government owned coal mining company for partly meeting the fuel requirements of our integrated manufacturing facility located at Baloda Bazar. We believe we have been able to demonstrate significant cost advantages and operational efficiencies primarily due to establishing multiple grinding units, efficient cost

structure, particularly in energy consumption, generation of low cost power, and cost savings on freight and logistics expenses on account of lower lead distances between our manufacturing facilities, grinding units, raw materials and principal markets.

We aim to consistently deliver strong financial performance and believe that our Company has a strong balance sheet and has been able to maintain a low debt position. In Fiscal 2019, our Company's revenue from operations, EBITDA and profit for the year were ₹ 11,722.00 crores, ₹ 2,898.22 crores and ₹ 951.05 crores, respectively, while in the six months ended September 30, 2019, our Company's revenue from operations, EBITDA and profit for the period were ₹ 5,838.12 crores, ₹ 1,855.22 crores and ₹ 672.08 crores, respectively. Our Company's cement sales volume has grown at a CAGR of 11.34% from 20.07 million MT in Fiscal 2017 to 24.88 million MT in Fiscal 2019 and was 11.32 million MT in the six months ended September 30, 2019. Further, our Company's EBITDA from cement operations per tonne, debt to equity ratio, return on average capital employed and return on equity was ₹ 955.59, 0.26, 9.82% and 9.61%, respectively, in Fiscal 2019. According to the CRISIL Report, in Fiscal 2019, our Company had a higher EBITDA per tonne (for cement operations) in comparison with the average of EBITDA per tonne of the CRISIL Cement Peer Companies. Our strong credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for our long term banking facilities since Fiscal 2016 and CARE A1+ for our short term banking facilities since Fiscal 2014, have enabled us to fund our operations and expansions at relatively lower costs.

## PRESENTATION OF FINANCIAL INFORMATION

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs, our Company adopted Ind AS with effect from April 1, 2016. Accordingly, our financial statements for the year ended March 31, 2017 were the first financial statements to be prepared in accordance with Ind AS. Our historical financial statements for Fiscal 2016 and any period prior to Fiscal 2016 were originally prepared in accordance with Indian GAAP. Our financial statements for Fiscal 2016 were subsequently restated in accordance with Ind AS for the purpose of inclusion of corresponding figures in our Ind AS financial statements for the year ended March 31, 2017. However, Ind AS varies in many respects from Indian GAAP, and accordingly, our financial statements for Fiscal 2017 (including the comparative figures included therein for Fiscal 2016), Fiscal 2018, Fiscal 2019 and the six months ended September 30, 2019 and September 30, 2018 are not directly comparable with our historical financial statements prepared in accordance with Indian GAAP. See "*Financial Statements*" on page 250.

In this Placement Document we have included the following financial statements prepared under Ind AS: (i) audited standalone and consolidated financial statements for Fiscal 2017 read along with the notes thereto (the "**Fiscal 2017 Audited Financial Statements**"); (ii) audited standalone and consolidated financial statements for Fiscal 2018 read along with the notes thereto (the "**Fiscal 2018 Audited Financial Statements**"); (iii) audited standalone and consolidated financial statements for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Financial Statements**") and collectively with Fiscal 2017 Audited Financial Statements and Fiscal 2018 Audited Financial Statements, the "**Audited Financial Statements**"; and (iv) the unaudited interim condensed standalone and consolidated financial statements for the six months ended September 30, 2019 (including the comparative financial information with respect to the six months ended September 30, 2018) read along with the notes thereto (the "**Unaudited Interim Condensed Financial Statements**").

The audited standalone and consolidated financial statements for Fiscal 2017 have been audited by our Previous Statutory Auditors, on which they have issued the respective audit reports, each dated May 16, 2017. The audited standalone and consolidated financial statements for Fiscal 2018 have been audited by our Statutory Auditors, on which they have issued the respective audit reports, each dated April 28, 2018. The audited standalone and consolidated financial statements for Fiscal 2019 have also been audited by our Statutory Auditors on which they have issued the respective audit reports, each dated May 18, 2019. The unaudited interim condensed standalone and consolidated financial statements for the six months ended September 30, 2019 have been subjected to limited review by our Statutory Auditors and they have issued the respective review reports, each dated November 18, 2019 based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI. The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Condensed Financial Statements should be read along with the review reports issued thereon.

In this section, we have included (i) a comparison of our Ind AS audited consolidated financial statements for Fiscal 2019 with that for Fiscal 2018; (ii) a comparison of our Ind AS audited consolidated financial statements for Fiscal 2018 with that for Fiscal 2017; and (iii) a comparison of our Ind AS unaudited interim condensed

consolidated financial statements for the six months ended September 30, 2019 with that for the six months ended September 30, 2018.

Further, at the meeting of our Board of Directors on October 19, 2019, we have adopted and filed with the Stock Exchanges on October 19, 2019, the Ind AS unaudited standalone and consolidated financial results for the quarter and six months ended September 30, 2019 (including the comparative financial information with respect to the quarter and six months ended September 30, 2018 and other financial information with respect to historical fiscal year/ periods as required under applicable law) (the “**Statement of Unaudited Financial Results**”). However, potential investors are cautioned that the presentation of our Unaudited Interim Condensed Financial Statements may not be strictly comparable to our Statement of Unaudited Financial Results.

### ***Adoption of Ind AS 116***

The Ministry of Corporate Affairs (“MCA”) has vide notification dated March 30, 2019 notified ‘Ind AS 116 – Leases’ and we were required to adopt Ind AS 116 with effect from April 1, 2019. Therefore, our Unaudited Interim Condensed Financial Statements as at and for the six months ended September 30, 2019 have been prepared using Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach, with the right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/ accrual recognized in the balance sheet immediately before the initial application. Accordingly, we were not required to retrospectively adjust the comparative information for the year ended March 31, 2019, and the six months ended September 30, 2018.

Even though the adoption of Ind AS 116 did not have any material impact on the results for the six months ended September 30, 2019, the financial statements/ financial information that we prepare in accordance with Ind AS 116 in the future will not be comparable with our historical financial statements/ financial information. Our (i) Audited Financial Statements; and (ii) unaudited financial information as at and for the six months ended September 30, 2018 included in our Unaudited Interim Condensed Financial Statements, were all prepared based on applicable Ind AS, including Ind AS 17 “Leases”, and do not reflect the application of Ind AS 116 which became applicable with effect from April 1, 2019. Accordingly, (i) the Audited Financial Statements, and (ii) the unaudited financial information as at and for the six months ended September 30, 2018 included in our Unaudited Interim Condensed Financial Statements are not comparable to our unaudited financial statements as at and for the six months ended September 30, 2019 (which reflects the impact of Ind AS 116) included in the Unaudited Interim Condensed Financial Statements.

For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Summary of Significant Accounting Policies – Recent Accounting Pronouncements*” and “*Financial Statements*” on pages 138 and 250, respectively.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

### ***Demand and supply for cement products***

Our sales volumes, pricing of our products and as a result, results of operations are affected by the demand for and supply of cement products in India in general and specifically in the regions in which we operate in. We are directly affected by the cyclical nature of the construction industry, especially in the areas of residential construction, commercial property construction and infrastructure project development. Further, a significant amount of our revenue is from customers who are in industries and businesses that are cyclical in nature and subject to changes in general economic conditions. Activity levels in and demand from the construction industry vary across regions, and are influenced by national as well as regional economic factors, such as GDP growth rates, prevailing interest rates, political and regulatory policy, funding of housing and infrastructure projects from the central and state governments, and climatic conditions such as monsoon and drought.

The cement demand in India has been growing at a significantly faster rate at a CAGR of approximately 6% to 7% during Fiscal 2014 to Fiscal 2019 while in comparison the international cement demand has been growing at a CAGR of approximately 2% during the same periods (*Source: CRISIL Report*). Going forward, the cement demand in India is expected to grow at a CAGR of approximately 4.5% to 5.5% in Fiscal 2020 and approximately 7% to 8% in Fiscal 2021 (*Source: CRISIL Report*). In addition, due to the increase in housing demand on account of affordable housing and increase in government spending on infrastructure activities, the cement demand is expected to grow at a CAGR of approximately 6.5% from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*).

Our ability to benefit from this potential growth opportunity will be significant to our results of operations and financial condition. Further, the cement demand and supply for cement products varies across different regional markets in India. For instance, the projected demand in different regions of India are expected to grow at different rates. The demand for cement in northern and eastern regions of India are expected to grow at a CAGR of approximately 5.5% to 6.5% and 7% to 9%, respectively, from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*). While, the cement demand in the central and western regions of India is expected to grow at a CAGR of approximately 6% to 8% and 5% to 7% from Fiscal 2019 to Fiscal 2024 (*Source: CRISIL Report*). Further, southern regions of India are expected to grow at a CAGR of approximately 4% to 6% from Fiscal 2019 to Fiscal 2024 in terms of cement demand (*Source: CRISIL Report*).

Further, the demand and supply of cement and construction of new capacity are also affected by factors such as availability of limestone and other raw materials, general economic environment, state and central Government spending on various sectors including construction, infrastructure and housing, perception of prospective demand and the cost of capital. In addition, fiscal, tax and other policies of national and state governments have the effect of stimulating or discouraging construction activity. Accordingly, our results of operations are cyclical, with periods of growth typically followed by downturns.

### ***Procurement, cost and availability of raw materials, coal, power and fuel***

We significantly depend on the availability and price of raw materials, such as limestone, gypsum, fly ash and slag, as well as coal, pet coke, power and water, used in our manufacturing process. If we are unable to obtain adequate supplies of such inputs in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

Cost of materials consumed, including gypsum, fly ash and others including limestone blasting material, represent a significant portion of our expenses. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, the cost of materials consumed, on a standalone basis, represented 7.92%, 7.82%, 7.63% and 6.56%, respectively, of our Company's revenue from operations (net of excise duty). While our operations currently have access to such materials, in the event of depletion of these quantities or in the event that we face barriers preventing us from extracting these materials from our limestone mines or in the event of adverse price fluctuations of these materials, we might be forced to search for other sources to secure these materials which will result in a significant increase in the cost of production, and consequently, result in a reduction in our profit margins.

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a steady and sufficient supply of raw material, coal and power at acceptable prices. Limestone is the principal raw material used in the production of clinker, which in turn is the base of all cement products. Our Company currently operate five limestone mines, which are pit head mines and are located in close proximity to our integrated manufacturing facilities. However, our mining leases are subject to various terms and conditions which provides the relevant authorities the right to impose fines or restrictions, revoke mining leases or change the amount of royalties payable for mining the mines. In addition to limestone, we require gypsum, fly ash and slag, for our operations. We currently rely on limited suppliers to provide certain raw materials, including gypsum, fly ash and slag, and have not entered into any medium or long term contractual arrangements with our suppliers. We typically source such materials from the open market as well as by participating in tenders and entering into bilateral contracts. For further information on procurement of our raw materials, see "*Business – Raw Materials*" on page 125. As a result, we are exposed to fluctuations in the availability and prices of our raw materials and we may not be able to effectively pass on all increases in cost of raw materials to our customers, which may affect our margins, results of operations and cash flows.

Cement manufacturing consumes large amount of energy, which represents a significant portion of production costs and prices of the fuel we use can vary significantly. Typically, power and fuel expenses constitute the largest portion of our expenses. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, power and fuel expenses, on a standalone basis, accounted for 19.45%, 23.58%, 25.64% and 24.62%, respectively, of our Company's total expenses (net of excise duty). Increases in the global prices for coal, have in the past resulted in increases in our cost of power and fuel expenses. We currently procure coal and pet coke from domestic and international markets and have also secured coal linkage for partly meeting the fuel requirements of our integrated manufacturing facility located at Boloda Bazar. For further information on procurement of our coal and pet coke, see "*Business – Power and Fuel*" on page 126. Further, as majority of our annual coal/ pet coke requirement is sourced from suppliers outside India and from coal mines located outside of India, we are exposed to the risk of

increases in freight rates and foreign exchange. In addition, the use of pet coke has been previously banned by the Supreme Court of India, which was subsequently lifted for cement production. If such prohibitions are enacted in the future, we may have to source alternate materials and our costs could change.

### ***Capacity utilization and capacity expansion***

Our operating margins and profitability depends on capacity utilization and higher capacity utilization enables us to achieve greater operating leverage and economies of scale. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. Our actual production levels and utilization rates may differ significantly from the estimated production capacities of our facilities. In Fiscals 2017, 2018 and 2019, and in the six months ended September 30, 2019, our overall capacity utilization for cement production in India was 72.03%, 74.09%, 67.42% and 58.28%, respectively. While our capacity utilization for cement production in United Arab Emirates was 39.66% and 30.12% in Fiscal 2019 and the six months ended September 30, 2019, respectively. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 124. As part of our expansion plans, we have in recent periods made capacity additions on an incremental basis, through expansion of our integrated manufacturing facilities as well as commissioning additional integrated manufacturing facilities, grinding units, WHR based power generation units, renewable power plants, de-bottlenecking exercises and improving material handling and other operational efficiencies. For instance, in Fiscal 2019, we commissioned an integrated manufacturing facility at Kodla, with an installed cement and clinker production capacity of 3.00 MTPA and 2.40 MTPA, respectively. In addition, in Fiscal 2019, we also commissioned the remaining 6.3 MW (comprising three wind towers) out of 21 MW wind power plant located at Kustagi in Karnataka. In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the six months ended September 30, 2019, our capital expenditure towards additions to fixed assets (property, plant and equipment’s and intangible assets) were ₹ 1,267.51 crore, ₹ 2,655.59 crore, ₹ 2,025.62 crore and ₹ 753.92 crore, respectively.

Further, for our India operations, we plan to increase our cement production capacity by establishing grinding units at Athagarh, Odisha and Patas, Maharashtra, each with an initial cement production capacity of 3.00 MTPA, which are expected to become operational in Fiscal 2020 and Fiscal 2021, respectively. While, for our international operations, we are in the process of implementing a WHR based power generation unit, with a capacity of 16.50 MW, at our Ras al Khaimah manufacturing facility in United Arab Emirates, which is expected to become operational in Fiscal 2021. For further information on our expansion plans, see “*Our Business – Proposed Expansion Plans*” on page 124. While we have incurred significant capital expenditures in connection with the implementation of our expansion projects, future capacity expansion plans will require substantial additional capital expenditures. In addition, our expansion plans remain subject to various uncertainties, including increased costs of equipment, any unforeseen delays in implementing such expansion plans, any defects in design and improper installation. These factors could lead to a delay in the implementation of our capacity expansion plans and planned commercial production schedules for such expanded capacities.

### ***Working capital requirements and interest rates***

We require significant working capital for our business operations, particularly to maintain and operate our processing facilities. We also require significant amounts of capital to market and distribute our products, develop new products and enhance existing products. As of September 30, 2019, we had an outstanding indebtedness of ₹ 2,766.92 crore. Any fluctuations in interest rates may directly impact the interest costs of such working capital facilities and, in particular, any increase in interest rates could adversely affect our results of operations. Our existing level of indebtedness and non-fund based facilities may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn. Our cost of borrowing will also be affected by the credit ratings issued to our debt instruments. As of September 30, 2019, we have obtained the highest credit ratings, including CRISIL AAA/Stable and CARE AAA; Stable for long term banking facilities and CARE A1+ for short term banking facilities and commercial paper, which has enabled us to fund our operations and expansions at relatively lower costs.

### ***Inorganic growth through strategic acquisitions***

In addition to the organic growth of our business, we intend to grow our business through strategic investments and acquisitions of businesses that supplement our business operations. We intend to continue our strategic expansion plans through inorganic growth opportunities in markets and geographies that complement our existing operations. For further information, see “*Business – Our Strategies – Grow our manufacturing capacity and increase market share through organic and inorganic routes*” on page 115. Through strategic acquisitions, we

intend to increase our market share, enable access to new customers, enter high-growth geographies, obtain synergies and increase our economies of scale. For instance, in Fiscal 2019, we acquired 97.61% stake (97.65% stake as of September 30, 2019) in Union Cement Company PrJSC, a company based in United Arab Emirates on July 11, 2018, through our Subsidiary, Shree International Holding Limited, for a purchase consideration of ₹ 2,086.80 crore. In addition, we acquired 100% stake in Raipur Handling and Infrastructure Private Limited on May 14, 2018, for a purchase consideration of ₹ 59.00 crore. We also believe that these acquisitions have growth potential and the integration of such acquisitions into our businesses will enable us to increase our profitability. However, such acquisitions also expose us to potential risks, including risks associated with the integration of new facilities in different geographies, operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees and customers, any of which could significantly disrupt our ability to manage our business.

In addition, since the acquisition of Union Cement Company PrJSC and Raipur Handling and Infrastructure Private Limited was undertaken in Fiscal 2019, and our consolidated results of operations reflect the effect of consolidation of such entities and accordingly, our results of operations and financial condition subsequent to such acquisition is not directly comparable to those prior to such acquisitions.

### ***Competition***

The Indian cement industry is highly fragmented with a presence of few large players and several medium and small players (*Source: CRISIL Report*). We operate and sell our products in highly competitive markets and competition occurs principally on the basis of price, quality, brand name and technology adoption such as energy efficient technologies, cooling technologies, and waste utilization technologies. Some of our competitors may have greater financial and marketing resources, larger manufacturing capacities, more cost efficient production processes or stronger relationships with distributors, agents or retail chains in key markets for our products. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition from national players including UltraTech Cement Limited, ACC Limited, Ambuja Cement Limited, Dalmia Bharat Cement Limited, Ramco Cements Limited, The India Cements Limited, Birla Corporation Limited, and Orient Cement Limited (*Source: CRISIL Report*). For further information on our competition, see “*Our Business – Competition*” on page 129.

Competition from existing and new cement manufacturers could drive prices for our products lower. Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new products, pricing strategy of competitors, changes in consumer preferences and general economic, political and social conditions in the markets in which we do business. Increasing competition could also result in price and supply volatility. Similarly, consolidation in the Indian cement industry and increase in the number of larger competitors may also adversely affect our results of operations. The large number of smaller manufacturers in the market are likely targets for acquisition as the sector further consolidates. As cement manufacturers consolidate and become larger, and as they gain greater access to debt and equity financing, we expect that we will face greater competition, which may lead to lower margins and adversely affect our results of operations.

### ***Government Incentives***

We are eligible for incentives pursuant to several state and central Government schemes. Pursuant to these schemes, we receive incentives in the form of state tax refunds, subject to certain thresholds. These incentives are available to us for periods as stated in the respective policies. The incentives under such industrial policies are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. In Fiscal 2017, 2018 and 2019 and in the six months ended September 30, 2019, our Company was granted certain incentives and subsidies in relation to sales tax and GST, which amounted to ₹ 145.94 crore, ₹ 268.93 crore, ₹ 257.60 crore and ₹ 83.26 crore, respectively. The incentives available to us are typically for a period of fixed period. If such incentives are not available to us in the future, our tax liabilities may increase, which could affect our results of operations.

### ***Seasonality and weather conditions***

Our business operations are subject to seasonal and weather variations on account of lower demand for building materials during the monsoon season. Weather conditions, particularly the monsoon season, characterized with

heavy rains, landslides, floods, may affect the level of activity in the construction industry resulting in reduced demand for cement, concrete and building materials. As a result, our revenues recorded during the months of June to September could be lower compared to other periods. Accordingly, our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

Seasonal variations and adverse weather conditions may adversely affect our manufacturing and sales volumes and could therefore have a disproportionate impact on our results of operations during the relevant period.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Principles of consolidation

The consolidated financial statements comprise the financial statements of our Company and its subsidiaries as listed below:

Name of Subsidiary	Country of incorporation	Percentage of ownership				
		March 31,			September 30,	
		2017	2018	2019	2018	2019
Shree Global Pte. Limited (liquidated w.e.f. March 11, 2019)	Singapore	100.00%	100.00%	-	100.00%	-
Shree Global FZE (w.e.f. May 7, 2018)	United Arab Emirates	-	-	100.00%	100.00%	100.00%
Shree International Holding Limited (w.e.f. June 28, 2018)	United Arab Emirates	-	-	100.00%*	100.00%*	100.00%*
Shree Enterprises Management Limited (w.e.f. June 19, 2018)	United Arab Emirates	-	-	100.00%*	100.00%*	100.00%*
Union Cement Company PrJSC (w.e.f. July 11, 2018)	United Arab Emirates	-	-	97.61%*	97.61%*	97.65%*
Union Cement Norcem Company Limited L.L.C (w.e.f. July 11, 2018)	United Arab Emirates	-	-	60.00%*	60.00%*	60.00%*
Raipur Handling and Infrastructure Limited (w.e.f. May 14, 2018)	India			100.00%	100.00%	100.00%

\* Beneficially owned

For further information, see “Financial Statements” on page 250.

### Significant Accounting Judgements, Estimates and Assumptions for Fiscal 2019

The preparation of our Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon our management’s best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying our Company’s accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

#### Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. Our Company reviews at each balance sheet date the carrying amount of deferred tax assets.

#### Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Allowances for Uncollected Trade Receivables

Trade receivables do not carry any interest and are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

#### Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against our Company as it is not possible to predict the outcome of pending matters with accuracy.

#### Mines Reclamation Obligation

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

#### Defined Benefit Plan

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date.

#### Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. 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.

### **Significant Accounting Policies for Fiscal 2019**

#### ***Revenue Recognition***

Revenue is recognized to depict the transfer of promised goods or services to customers. Revenue is measured based on the consideration to which our Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of goods and power is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and either the customer has accepted the products in accordance with sales arrangement. Revenue is disclosed net of GST/ sales tax/ value added tax, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty until June 30, 2017.

#### ***Government Grants***

Government grants are recognized when there is reasonable assurance that our Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in the statement of profit and loss on a systematic basis over the period to match them with the related costs.

Grants related to an assets are included in noncurrent liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the statement of profit and loss.

### ***Foreign Currency Transaction***

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). Our Company's financial statements are presented in Indian Rupees, which is also our holding company's functional currency.

Foreign currency transactions are initially recorded in the functional currency of the entity in the Group, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise, except the amount of such differences capitalized in accordance with policy on 'borrowing costs'.

### ***Classification of Assets and Liabilities into Current/Non-Current***

Our Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

For the purpose of balance sheet, an asset is classified as current if:

- i. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is expected to realize the asset within twelve months after the reporting period; or
- iv. The asset is a cash or cash equivalent unless it is 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. Similarly, a liability is classified as current if:

- i. It is expected to be settled in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. Our Company does not have an 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.

### ***Property, Plant and Equipment***

Property, plant and equipment are stated at cost less accumulated depreciation/ amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to statement of profit and loss unless it is probable that future economic benefits associated with the item will flow to our Company and the cost of the item can be measured reliably.

Capital work in progress is carried at cost and directly attributable expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

Depreciation is provided on written down value method except in case of subsidiary companies on Straight Line Method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

<b>Nature of Asset</b>	<b>Estimated Useful Lives</b>
Plant & Machinery	3-30 Years
Building (including Roads)	10-35 Years
Railway Siding	15-20 Years
Vehicles	5-6 Years
Office Equipment	3-6 Years
Furniture & Fixtures	5-10 Years

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of purchase. Leasehold land classified as finance lease is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of projects from the date of when it is ready for intended use. Depreciation on deduction/ disposals is provided on a pro-rata basis up to the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed and/ or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### ***Intangible Assets***

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method except in case of subsidiary companies on straight line method over estimated useful lives. Mining rights is amortized based on units-of-production method. Estimated useful lives of the assets are as follows:

<b>Nature of Asset</b>	<b>Estimated Useful Lives</b>
Computer Software	3-10 Years
Private Freight Terminal License	Over the period of license right

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

#### ***Borrowing Costs***

Borrowing costs directly attributable to the acquisition/ construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### ***Impairment of Non-Financial Assets***

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects

current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

### ***Inventories***

#### *Raw Materials, Stores & Spare Parts, Packing Materials and Fuel*

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

#### *Work-in-progress and Finished goods*

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty until June 30, 2017. Cost is determined on a weighted average basis.

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

### ***Provisions and Contingencies***

#### *Provisions*

Provisions are recognized when our Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

#### *Mines Reclamation Expenditure*

Our Company provides for the expenditure to reclaim the quarries used for mining in the statement of profit and loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

The unwinding of the discount on provision is shown as a finance costs in the statement of profit and loss.

#### *Contingencies*

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

### ***Leases***

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

#### *Assets Taken on Finance Lease*

A lease that transfers substantially all the risks and rewards incidental to ownership to our Company is classified as a finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### *Operating Lease*

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

#### **Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. Inter

Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

#### **Business Combination**

Our Company applies the acquisition method in accounting for business combinations. The consideration transferred by our Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and assumed and the equity interests issued by our Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Intangible Assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, intangible assets with definite useful life acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill and Intangible assets with indefinite useful life, if any, are tested for impairment at the end of each annual reporting period.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as gain on bargain purchase. In case of a bargain purchase, before recognizing a gain in respect thereof,

our Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, our Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognizes any additional assets or liabilities that are so identified, any gain thereafter is recognized in OCI and accumulated in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, our Company recognizes the gain, after reassessing and reviewing, directly in equity as capital reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognized in statement of profit and loss.

### ***Financial Instruments***

Financial assets and financial liabilities are recognized when our Company becomes a party to the contractual provisions of the instruments.

#### *Financial Assets*

##### Initial Recognition and Measurement

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans, other financial assets and investments.

##### Classification and Subsequent Measurement

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

##### Financial Assets at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

##### Derecognition

Our Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

##### Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Our Company recognizes a loss allowance for expected credit losses on financial

asset. In case of trade receivables, our Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require our Company to track changes in credit risk. Our Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### *Financial Liabilities*

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

#### Classification and Subsequent Measurement

The financial liabilities are classified as either ‘financial liabilities at fair value through profit or loss’ or ‘other financial liabilities’.

#### Financial liabilities at Fair Value Through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by our Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

#### Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest rate method.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

#### *Derivative Financial Instruments and Hedge Accounting*

Our Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

Our Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. Our Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the statement of profit

and loss. Amounts accumulated in equity are reclassified to the statement of profit and loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

#### *Financial Liabilities and Equity Instruments: Classification as Debt or Equity*

Financial instruments issued by our Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument. Our Company does not have any compound financial instruments.

#### Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received.

#### *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our Company's cash management.

#### *Earnings Per Share*

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the owners of our Company by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the owners of our Company and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

For further information, see "*Financial Statements*" on page 250.

#### **Significant Accounting Policies, Judgements, Estimates and Assumptions for the six months ended September 30, 2019**

The same accounting policies and significant accounting judgments and estimates and assumptions were followed in the Unaudited Interim Condensed Financial Statements as compared with the accounting policies followed in Fiscal 2019 Audited Financial Statements, except for the new accounting standard adopted during the six months ended September 30, 2019, as explained below:

#### *Recent Accounting Pronouncements*

The MCA has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we were required to adopt Ind AS 116 with effect from April 1, 2019. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach, with the right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/ accrual recognized in the balance sheet immediately before the initial application. Accordingly, we were not required to retrospectively adjust the comparative information for the year and quarter ended March 31, 2019, and the quarter and six months ended September 30, 2018. Further, the adoption of Ind AS 116 did not have any material impact on the results for the six months ended September 30, 2019.

Ind AS 116 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with Ind AS 116's approach to lessor accounting which is substantially similar to Ind AS 17, the erstwhile accounting standard for leases.

The right of use asset is measured at inception at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received,

plus any initial direct costs incurred. The right of use assets is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently premeasured by increasing the carrying amount to reflect interest on the lease liability less the lease payments made.

Accordingly, the above approach has resulted in recognition of right of use asset of ₹ 388.39 crore as at April 1, 2019 (including right of use asset amounting to ₹ 292.72 crore (net of amortization) recognized as finance lease asset under erstwhile lease standard as at March 31, 2019) and a lease liability of ₹ 102.69 crore (including finance lease obligation of ₹ 7.02 crore recognized under erstwhile lease standard as at March 31, 2019) as on April 1, 2019. The right of use assets of ₹ 392.62 crore as on September 30, 2019 is disclosed under property, plant and equipment and lease liability of ₹ 107.23 crore as on September 30, 2019 is disclosed under other financial liabilities.

For further information, see “*Financial Statements*” on page 250.

## **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

### **Income**

Our total income comprises (i) revenue from operations, and (ii) other income.

#### ***Revenue from Operations***

Revenue from operations comprises (i) sale of products, (ii) power sales, (iii) sale of services, (iv) revenue from traded power and (v) other operating revenue, such as incentives and subsidies under various incentive schemes of state and central Government, scrap sales and others.

#### ***Other Income***

Other income includes (i) interest income on (a) deposits classified at amortised cost, (b) bonds and debentures classified at amortised cost, (c) tax refund and (d) others; (ii) dividend income on financial assets classified at fair value through profit or loss; (iii) net gain / loss on sale of investments (a) classified at amortised cost and (b) classified at fair value through profit or loss; (iv) net gain on fair value of financial assets through profit or loss; (v) profit on sale of property, plant and equipment (net); (vi) provisions no longer required; (vii) balances written back; and (viii) other miscellaneous non-operating income.

### **Expenses**

Our expenses comprise (i) cost of materials consumed; (ii) purchases of stock in trade; (iii) changes in inventories of finished goods and work-in-progress; (iv) excise duty on sales; (v) employee benefits expense; (vi) power and fuel; (viii) freight and forwarding expenses; (ix) finance costs; (x) depreciation and amortisation expense; (xi) other expenses; and (xii) captive consumption of cement (net of excise duty).

#### ***Costs of Materials Consumed***

Costs of materials consumed comprises cost of raw material consumed comprising gypsum, fly ash, red ochre and slag, sulphuric acid and others, including limestone blasting materials.

#### ***Purchases of Stock In Trade***

Purchases of stock-in-trade majorly comprises of clinker.

#### ***Changes in Inventories of Finished Goods and Work-In-Progress***

Changes in inventories of finished goods and work-in-progress comprises (i) clinker; (ii) raw meal; and (iii) cement.

#### ***Excise Duty on Sales***

Excise duty paid on sale comprises excise duty on manufactured goods.

#### ***Employee Benefits Expense***

Employee benefits expense comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

#### ***Power and Fuel***

Power and fuel expense comprises (i) power purchase cost; (ii) electricity duty; and (iii) fuel consumption for cement manufacturing.

#### ***Freight and Forwarding Expenses***

Freight and forwarding expenses comprises (i) freight on finished products; and (ii) freight on inter unit clinker transfer.

#### ***Finance Costs***

Finance costs comprise (i) interest expenses, (ii) bank and finance charges, (iii) unwinding of discount on provision, and (iv) exchange differences regarded as an adjustment to borrowing costs. Total interest cost is net of interest capitalized,

#### ***Depreciation and Amortization Expenses***

Depreciation and amortization comprises (i) depreciation on plant and equipment; (ii) depreciation on buildings; and (iii) depreciation on railway sliding and other assets.

#### ***Other Expenses***

Other expenses includes, amongst others (i) packing materials consumed; (ii) stores and spares consumed; (iii) royalty and cess; (iv) repairs to plant and machinery; (v) sales promotion and other selling expenses; (vi) foreign exchange rate differences (net); (vii) advertisement and publicity; (viii) travelling, and (ix) miscellaneous expenses such as expenses towards undertaking CSR activities.

### **NON-GAAP MEASURES**

#### **Earnings before Interest, Taxes, Depreciation and Amortization Expenses (“EBITDA”) and EBITDA Margin**

EBITDA is calculated as profit for the year plus total tax expense, exceptional item, finance costs, depreciation and amortisation expenses for the relevant fiscal year/ period. EBITDA Margin is calculated as EBITDA divided by revenue from operations (net of excise duty).

The following table sets forth certain information with respect to our EBITDA and EBITDA Margin, on a standalone basis, for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Six months ended September 30, 2019	Six months ended September 30, 2018
	(₹ crore, unless otherwise specified)				
<b>Profit for the year</b>	<b>1,339.11</b>	<b>1,384.18</b>	<b>951.05</b>	<b>672.08</b>	<b>328.81</b>
Add: Total Tax expense	191.70	442.98	130.38	212.37	(19.98)
<b>Net Profit before tax (A)</b>	<b>1,530.81</b>	<b>1,827.16</b>	<b>1,081.43</b>	<b>884.45</b>	<b>308.83</b>
Add: Exceptional item	-	-	178.13	-	178.13
Add: Finance costs	129.42	135.27	246.98	139.78	117.97
Add: Depreciation and amortisation expenses	1,214.71	899.40	1,391.68	830.99	635.01
<b>Total Adjustments (B)</b>	<b>1,344.13</b>	<b>1,034.67</b>	<b>1,816.79</b>	<b>970.77</b>	<b>931.11</b>
<b>EBITDA (C= A+B)</b>	<b>2,874.94</b>	<b>2,861.83</b>	<b>2,898.22</b>	<b>1,855.22</b>	<b>1,239.94</b>

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Six months ended September 30, 2019	Six months ended September 30, 2018
	(₹ crore, unless otherwise specified)				
Revenue from operations (net of excise duty) (D)	8,594.30	9,833.10	11,722.00	5,838.12	5,656.50
<b>EBITDA Margin (C/D)</b>	<b>33.45%</b>	<b>29.10%</b>	<b>24.72%</b>	<b>31.78%</b>	<b>21.92%</b>

The following table sets forth certain information with respect to our EBITDA and EBITDA Margin, on a consolidated basis, for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Six months ended September 30, 2019	Six months ended September 30, 2018
	(₹ crore, unless otherwise specified)				
<b>Profit for the year</b>	<b>1,339.08</b>	<b>1,384.15</b>	<b>1,015.05</b>	<b>695.58</b>	<b>343.13</b>
Add: Total Tax expense	191.70	442.98	130.59	212.56	(19.94)
<b>Net Profit before tax (A)</b>	<b>1,530.78</b>	<b>1,827.13</b>	<b>1,145.64</b>	<b>908.14</b>	<b>323.19</b>
Add: Exceptional item	-	-	178.13	-	178.13
Add: Finance costs	129.42	135.27	247.86	142.13	118.11
Add: Depreciation and amortisation expenses	1,214.71	899.40	1,471.81	883.10	659.71
<b>Total Adjustments (B)</b>	<b>1,344.13</b>	<b>1,034.67</b>	<b>1,897.80</b>	<b>1,025.23</b>	<b>955.95</b>
<b>EBITDA (C= A+B)</b>	<b>2,874.91</b>	<b>2,861.80</b>	<b>3,043.44</b>	<b>1,933.37</b>	<b>1,279.14</b>
Revenue from operations (net of excise duty) (D)	8,594.30	9,833.10	12,554.65	6,307.24	5,925.54
<b>EBITDA Margin (C/D)</b>	<b>33.45%</b>	<b>29.10%</b>	<b>24.24%</b>	<b>30.65%</b>	<b>21.59%</b>

EBITDA presented in this Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

### Interest Coverage Ratio

Interest coverage ratio, on a consolidated basis, is calculated on the basis on profit after tax plus exceptional items, finance costs, depreciation and amortisation, and tax expenses divided by finance costs, for the relevant fiscal year/ period.

Particulars	Fiscal			Six months ended September 30, 2019	Six months ended September 30, 2018
	2017	2018	2019		
<b>Interest Coverage Ratio</b>	22.21	21.16	12.28	13.60	10.83

## RESULTS OF OPERATIONS

### SIX MONTHS ENDED SEPTEMBER 30, 2019 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2018

- The MCA has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we were required to adopt Ind AS 116 with effect from April 1, 2019. Therefore, our Unaudited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2019 have been prepared using Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach. Accordingly, the unaudited financial statements as at and for the six months ended September 30, 2018 are not comparable to our unaudited financial statements as at and for the six months ended September 30, 2019. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Presentation of Financial Information – Adoption of Ind AS 116" and "Financial Statements" on pages 134 and 250, respectively.

- The acquisition of Union Cement Company PrJSC and Raipur Handling and Infrastructure Private Limited was undertaken on July 11, 2018 and May 14, 2018, respectively. Accordingly, the unaudited financial statements as at and for the six months ended September 30, 2018 includes the results of Raipur Handling and Infrastructure Private Limited from May 14, 2018 and Union Cement Company PrJSC from July 11, 2018, whereas the unaudited financial statements as at and for the six months ended September 30, 2019 includes the results for Raipur Handling and Infrastructure Private Limited and Union Cement Company PrJSC for the entire six months ended September 30, 2019. Accordingly, the unaudited financial statements as at and for the six months ended September 30, 2019 are not comparable with the unaudited financial statements as at and for the six months ended September 30, 2018.

The following table sets forth certain information relating to our results of operations for the six months ended September 30, 2018 and six months ended September 30, 2019:

Particulars	Six Months ended September 30,			
	2019		2018	
	(₹ crore)	Percentage of total income	(₹ crore)	Percentage of total income
<b>Income</b>				
Revenue from operations	6,307.24	98.28%	5,925.54	97.61%
Other income	110.59	1.72%	145.28	2.39%
<b>Total Income</b>	<b>6,417.83</b>	<b>100.00%</b>	<b>6,070.82</b>	<b>100.00%</b>
<b>Expenses</b>				
Cost of materials consumed	459.92	7.17%	494.47	8.15%
Purchases of stock in trade	20.80	0.32%	-	-
Changes in inventories of finished goods and work-in-progress	(61.49)	(0.96)%	(44.72)	(0.74)%
Employee benefits expense	437.11	6.81%	369.65	6.09%
Power and fuel	1,424.27	22.19%	1,450.28	23.89%
Freight and forwarding expenses	1,272.93	19.83%	1,451.20	23.90%
Finance costs	142.13	2.21%	118.11	1.95%
Depreciation and amortization expense	883.10	13.76%	659.71	10.87%
Other expense	930.92	14.51%	1,070.80	17.64%
<b>Total expenses</b>	<b>5,509.69</b>	<b>85.85%</b>	<b>5,569.50</b>	<b>91.74%</b>
<b>Profit before exceptional items and tax</b>	<b>908.14</b>	<b>14.15%</b>	<b>501.32</b>	<b>8.26%</b>
Exceptional items	-	-	178.13	2.93%
<b>Profit before tax</b>	<b>908.14</b>	<b>14.15%</b>	<b>323.19</b>	<b>5.32%</b>
<b>Tax expense</b>				
(a) Current tax	276.70	4.31%	87.64	1.44%
(b) Deferred tax	(64.14)	(1.00)%	(104.89)	(1.73)%
(c) Tax expense relating to earlier years (net)	-	-	(2.69)	(0.04)%
<b>Total tax expense</b>	<b>212.56</b>	<b>3.31%</b>	<b>(19.94)</b>	<b>(0.33)%</b>
<b>Profit for the period</b>	<b>695.58</b>	<b>10.84%</b>	<b>343.13</b>	<b>5.65%</b>
<b>Profit attributable to:</b>				
Owners of the Company	690.29	10.76%	339.78	5.60%
Non-controlling interest	5.29	0.08%	3.35	0.05%
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Items that will be reclassified to profit or loss in subsequent period	68.29	1.06%	147.54	2.43%
Income tax relating to items that will be reclassified to profit or loss	(6.73)	(0.10)%	(11.24)	(0.19)%
<b>Other comprehensive income/(loss) for the period</b>	<b>61.56</b>	<b>0.96%</b>	<b>136.30</b>	<b>2.25%</b>
<b>Total comprehensive income for the period</b>	<b>757.14</b>	<b>11.80%</b>	<b>479.43</b>	<b>7.90%</b>

## **Key Development**

- We commissioned a grinding unit at Saraikela in Jharkhand with an installed cement production capacity of 2.50 MTPA in June 2019.

## **Income**

Total income increased by 5.72% from ₹ 6,070.82 crore in the six months ended September 30, 2018 to ₹ 6,417.83 crore in the six months ended September 30, 2019 for the reasons discussed below.

### ***Revenue from Operations***

Revenue from operations increased by 6.44% from ₹ 5,925.54 crore in the six months ended September 30, 2018 to ₹ 6,307.24 crore in the six months ended September 30, 2019, primarily due to increase in sale of cement products.

Sale of products increased by 9.24% from ₹ 5,386.58 crore in the six months ended September 30, 2018 to ₹ 5,884.13 crore in the six months ended September 30, 2019, primarily due to improved price realization of cement and power sales, and increase in clinker sales volume. Our clinker sales volume for our India operations increased by 18.42% from 0.38 million MT in the six months ended September 30, 2018 to 0.45 million MT in the six months ended September 30, 2019.

This increase was partially offset by a decrease in cement sales volume, power sales volume and other operating revenue. Our cement sales volume for our India operations decreased by 7.59% from 12.25 million MT in the six months ended September 30, 2018 to 11.32 million MT in the six months ended September 30, 2019 due to low demand on account of prolonged monsoon season. In addition, our cement and clinker sales volume marginally decreased by 1.70% from 13.54 million MT in the six months ended September 30, 2018 to 13.31 million MT in the six months ended September 30, 2019. Power sales also decreased by 13.90% from ₹ 380.00 crore in the six months ended September 30, 2018 to ₹ 327.17 crore in the six months ended September 30, 2019. Our power sales volume in India decreased by 11.34% from 850.34 million units in the six months ended September 30, 2018 to 753.93 million units in the six months ended September 30, 2019. Further, other operating revenue decreased by 40.23% from ₹ 158.32 crore in the six months ended September 30, 2018 to ₹ 94.63 crore in the six months ended September 30, 2019 on account of lower accrual of incentives and subsidies.

### ***Other Income***

Other income decreased by 23.88% from ₹ 145.28 crore in the six months ended September 30, 2018 to ₹ 110.59 crore in the six months ended September 30, 2019, primarily due to a decrease in investment income.

## **Expenses**

Total expenses marginally decreased by 1.07% from ₹ 5,569.50 crore in the six months ended September 30, 2018 to ₹ 5,509.69 crore in the six months ended September 30, 2019, primarily due to a decrease in cost of material consumed, power and fuel expenses, freight and forwarding expenses and other expenses on account of decrease in cement sales volume.

### ***Cost of Materials Consumed***

Cost of materials consumed marginally decreased by 6.99% from ₹ 494.47 crore in the six months ended September 30, 2018 to ₹ 459.92 crore in the six months ended September 30, 2019 due to a decrease in consumption of fly ash, red ochre and slag.

Fly ash is utilized only for our India operations and we utilized 2.98 million MT and 2.87 million MT in the six months ended September 30, 2018 and six months ended September 30, 2019, respectively, of fly ash for our PPC products. Further, we utilized 0.18 million MT and 0.05 million MT of slag for our cement products in India in the six months ended September 30, 2018 and six months ended September 30, 2019, respectively.

### ***Purchase of Stock in Trade***

Purchase of stock in trade increased from nil in the six months ended September 30, 2018 to ₹ 20.80 crore in the six months ended September 30, 2019. This was on account of purchase of materials by our Subsidiaries.

#### ***Changes in Inventories of Finished Goods and Work-In-Progress***

Increase in inventories of finished goods and work-in-progress were ₹ 44.72 crore in the six months ended September 30, 2018 and ₹ 61.49 crore in the six months ended September 30, 2019.

#### ***Employee Benefits Expenses***

Employee benefits expense increased by 18.25% from ₹ 369.65 crore in the six months ended September 30, 2018 to ₹ 437.11 crore in the six months ended September 30, 2019, primarily on account of increase in salaries, wages, allowances and bonus due to an increase in number of employees as well as salary increments.

#### ***Power and Fuel***

Power and fuel marginally decreased by 1.79% from ₹ 1,450.28 crore in the six months ended September 30, 2018 to ₹ 1,424.27 crore in the six months ended September 30, 2019, primarily due to a decrease in cement production and power generation. For our India operations, in the six months ended September 30, 2018 and the six months ended September 30, 2019, we utilized 0.56 million MT and 0.56 million MT, respectively, of coal, while we utilized 0.77 million MT and 0.74 million MT, respectively, of pet coke in the same periods.

#### ***Freight and Forwarding Expenses***

Freight and Forwarding expenses decreased by 12.28% from ₹ 1,451.20 crore in the six months ended September 30, 2018 to ₹ 1,272.93 crore in the six months ended September 30, 2019, primarily due to a decrease in cement sales volume and decrease in diesel prices.

#### ***Finance Costs***

Finance costs increased by 20.34% from ₹ 118.11 crore in the six months ended September 30, 2018 to ₹ 142.13 crore in the six months ended September 30, 2019 primarily due to increase in interest expenses by 18.46% from ₹ 120.13 crore in the six months ended September 30, 2018 to ₹ 142.30 crore in the six months ended September 30, 2019.

#### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense increased by 33.86% from ₹ 659.71 crore in the six months ended September 30, 2018 to ₹ 883.10 crore in the six months ended September 30, 2019. This increase was primarily on account of depreciation pertaining to our integrated manufacturing facility and WHR based power generation unit located at Kodla and grinding unit at Jharkhand.

#### ***Other Expenses***

Other expenses decreased by 13.06% from ₹ 1,070.80 crore in the six months ended September 30, 2018 to ₹ 930.92 crore in the six months ended September 30, 2019, primarily due to a decrease in consumption of packing material and foreign exchange rate differences (net). The decrease was partially offset by an increase in publicity and advertisement expenses.

#### ***Profit before Tax***

For the reasons discussed above, profit before tax and exceptional items was ₹ 908.14 crore in the six months ended September 30, 2019 compared to ₹ 501.32 crore in the six months ended September 30, 2018.

Further, our Company had principal investments of ₹ 171.33 crore in the preference shares of a certain conglomerate in India, which were accounted at fair value through profit or loss as per Ind AS 109 - Financial Instruments. However, in August 2018, credit rating agencies downgraded the conglomerate's credit rating to junk status. As a result, our Company accounted a fair value loss of ₹ 178.13 crore in the six months ended September 30, 2018, which has been recorded as an exceptional item.

## **Tax Expense**

Current tax expenses increased from ₹ 87.64 crore in the six months ended September 30, 2018 to ₹ 276.70 crore in the six months ended September 30, 2019. This increase was partly offset by deferred tax credit of ₹ 104.89 crore in the six months ended September 30, 2018 against ₹ 64.14 crore in the six months ended September 30, 2019. Tax expense relating to earlier years (net) amounted to ₹ 2.69 crore in the six months ended September 30, 2018.

## **Profit for the Period**

For the various reasons discussed above, we recorded a profit for the period of ₹ 695.58 crore in the six months ended September 30, 2019 compared to ₹ 343.13 crore in the six months ended September 30, 2018.

## **Total Comprehensive Income for the Period**

Total comprehensive income for the period was ₹ 757.14 crore in the six months ended September 30, 2019 compared to ₹ 479.43 crore in the six months ended September 30, 2018.

## **Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)**

EBITDA was ₹ 1,279.14 crore in the six months ended September 30, 2018 compared to ₹ 1,933.37 crore in the six months ended September 30, 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations (net of excise duty)) was 21.59% in the six months ended September 30, 2018 compared to 30.65% in the six months ended September 30, 2019.

EBITDA from cement operations was ₹ 1,052.21 crore in the six months ended September 30, 2018 compared to ₹ 1,781.63 crore in the six months ended September 30, 2019, while EBITDA from power operations was ₹ 81.65 crore in the six months ended September 30, 2018 compared to ₹ 41.15 crore in the six months ended September 30, 2019. Further, EBITDA from cement operations per tonne was ₹ 1,338.56 in the six months ended September 30, 2019 compared to ₹ 777.11 in the six months ended September 30, 2018.

EBITDA, on a standalone basis, was ₹ 1,239.94 crore in the six months ended September 30, 2018 compared to ₹ 1,855.22 crore in the six months ended September 30, 2019, while EBITDA margin, on a standalone basis, (EBITDA as a percentage of our revenue from operation (net of excise duty), on standalone basis) was 21.92% in the six months ended September 30, 2018 compared to 31.78% in the six months ended September 30, 2019.

EBITDA from cement operations, on a standalone basis, was ₹ 1,013.29 crore in the six months ended September 30, 2018 compared to ₹ 1,705.18 crore in the six months ended September 30, 2019. Further, EBITDA from cement operations per tonne, on a standalone basis, was ₹ 1,448.50 in the six months ended September 30, 2019 compared to ₹ 802.42 in the six months ended September 30, 2018.

## **FISCAL 2019 COMPARED TO FISCAL 2018**

- The MCA introduced a new model for revenue recognition under Ind AS 115 for accounting periods beginning on or after April 1, 2018. Our Company has adopted Ind AS 115 using the modified retrospective approach. Although, the adoption of Ind AS 115 did not have any material impact, our Fiscal 2019 Audited Financial Statements or the financial statements/ financial information that we prepare in accordance with Ind AS 115 in the future, may not be comparable to our historical financial statements. For further information, see “*Financial Statements*” on page 250.
- In addition, since the acquisition of Union Cement Company PrJSC and Raipur Handling and Infrastructure Private Limited was undertaken in Fiscal 2019, and our consolidated results of operations reflect the effect of consolidation of such entities and accordingly, our results of operations and financial condition subsequent to such acquisition is not directly comparable to those prior to such acquisitions.

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2018 and 2019:

Particulars	Fiscal			
	2018		2019	
	(₹ crore)	Percentage of total income	(₹ crore)	Percentage of total income
<b>Income</b>				
Revenue from operations	10,159.53	96.31%	12,554.65	98.05%
Other income	389.05	3.69%	249.76	1.95%
<b>Total Income</b>	<b>10,548.58</b>	<b>100.00%</b>	<b>12,804.41</b>	<b>100.00%</b>
<b>Expenses</b>				
Cost of materials consumed	769.06	7.29%	1,029.74	8.04%
Purchase of stock in trade	-	-	25.64	0.20%
Changes in inventories of finished goods and work-in-progress	1.29	0.01%	(39.94)	(0.31)%
Excise duty on sales	326.43	3.09%	-	-
Employee benefits expense	588.05	5.57%	767.18	5.99%
Power and fuel	1,979.65	18.77%	3,092.63	24.15%
Freight and forwarding expenses	2,524.89	23.94%	2,903.37	22.67%
Finance costs	135.27	1.28%	247.86	1.94%
Depreciation and amortization expense	899.40	8.53%	1,471.81	11.49%
Other expenses	1,553.67	14.73%	2,020.29	15.78%
Captive consumption of cement	(56.26)	(0.53)%	(37.94)	(0.30)%
<b>Total expenses</b>	<b>8,721.45</b>	<b>82.68%</b>	<b>11,480.64</b>	<b>89.66%</b>
<b>Profit before exceptional items and tax</b>	<b>1,827.13</b>	<b>17.32%</b>	<b>1,323.77</b>	<b>10.34%</b>
Exceptional items	-	-	178.13	1.39%
<b>Profit before tax</b>	<b>1,827.13</b>	<b>17.32%</b>	<b>1,145.64</b>	<b>8.95%</b>
<b>Tax expense</b>				
(a) Current tax	446.27	4.23%	220.56	1.72%
(b) Tax expense relating to earlier years (net)	0.30	0.00%	(2.69)	(0.02)%
(c) Deferred tax (credit)/ charge	(3.59)	(0.03)%	(87.28)	(0.68)%
<b>Total tax expense</b>	<b>442.98</b>	<b>4.20%</b>	<b>130.59</b>	<b>1.02%</b>
<b>Profit for the year</b>	<b>1,384.15</b>	<b>13.12%</b>	<b>1,015.05</b>	<b>7.93%</b>
<b>Profit attributable to:</b>				
Owners of the Company	1,384.15	13.12%	1,006.39	7.86%
Non-controlling interest	-	-	8.66	0.07%
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss – re-measurements of the defined benefit plans	3.27	0.03%	5.54	0.04%
Income tax relating to items that will not be reclassified to profit or loss	(1.13)	(0.01)%	(1.76)	(0.01)%
Items that will be reclassified to profit or loss – cash flow hedge and exchange differences on translation of foreign operation	(4.92)	(0.05)%	(28.10)	(0.22)%
Income tax relating to items that will be reclassified to profit or loss	1.77	0.02%	12.25	0.10%
<b>Total comprehensive income for the year (comprising profit and other comprehensive income for the year)</b>	<b>1,383.14</b>	<b>13.11%</b>	<b>1,002.98</b>	<b>7.83%</b>

## Key Developments

- We acquired 97.61% stake (97.65% stake as of September 30, 2019) in Union Cement Company PrJSC, a company based in United Arab Emirates on July 11, 2018, through our subsidiary, Shree International Holding Limited, for a purchase consideration of ₹ 2,086.80 crore. Union Cement Company PrJSC operates an integrated manufacturing facility with cement and clinker production capacity of 4.00 MTPA of 3.30 MTPA, respectively.

- We acquired 100% stake in Raipur Handling and Infrastructure Private Limited on May 14, 2018, for a purchase consideration of ₹ 59.00 crore.
- In Fiscal 2019, we commissioned an integrated manufacturing facility Kodla in Karnataka, with an installed cement and clinker production capacity of 3.00 MTPA and 2.40 MTPA, respectively.
- In Fiscal 2019, we commissioned the remaining 6.3 MW (comprising three wind towers) out of 21 MW wind power plant located at Kustagi in Karnataka.

## **Income**

Total income increased by 21.39% from ₹ 10,548.58 crore in Fiscal 2018 to ₹ 12,804.41 crore in Fiscal 2019 for the reasons discussed below.

### ***Revenue from Operations***

Revenue from operations (net of excise duty) increased by 27.68% from ₹ 9,833.10 crore in Fiscal 2018 to ₹ 12,554.65 crore in Fiscal 2019, primarily due to increase in sale of cement products and power sales.

Sale of products increased by 21.45% from ₹ 9,433.07 crore in Fiscal 2018 to ₹ 11,456.83 crore in Fiscal 2019, primarily due to the inclusion of sale of products of Union Cement Company PrJSC in our consolidated revenue from operations. During July 11, 2018 to March 31, 2019, Union Cement Company PrJSC's cement and clinker sales volume were 1.13 million MT and 1.61 million MT, respectively. In addition, sale of products increased on account of increase in sale of products from our India operations and improved price realizations. Our cement sales volume for our India operations increased by 12.99% from 22.02 million MT in Fiscal 2018 to 24.88 million MT in Fiscal 2019, while clinker sales volume for our India operations increased by 92.16% from 0.51 million MT in Fiscal 2018 to 0.98 million MT in Fiscal 2019. In addition, our cement and clinker sales volume increased by 26.99% from 22.53 million MT in Fiscal 2018 to 28.61 million MT in Fiscal 2019.

Power sales significantly increased by 85.24% from ₹ 432.88 crore in Fiscal 2018 to ₹ 801.88 crore in Fiscal 2019 on account of improved sales volume and improved price realizations. Our power sales volume in India increased by 40.26% from 1,196.53 million units in Fiscal 2018 to 1,678.20 million units in Fiscal 2019 primarily due to higher power demand.

Incentives and subsidies (under various incentive schemes of state and central government) marginally decreased by 4.21% from ₹ 268.93 crore in Fiscal 2018 to ₹ 257.60 crore in Fiscal 2019.

### ***Other Income***

Other income decreased by 35.80% from ₹ 389.05 crore in Fiscal 2018 to ₹ 249.76 crore in Fiscal 2019, primarily due to a decrease in interest income on bonds and debentures classified at amortised cost by 24.82% from ₹ 184.24 crore in Fiscal 2018 to ₹ 138.52 crore in Fiscal 2019. This decrease was primarily on account of liquidation of investments undertaken for funding the acquisition of Union Cement Company PrJSC. Dividend income on financial assets classified at fair value through profit or loss also decreased by 35.97% from ₹ 82.52 crore in Fiscal 2018 to ₹ 52.84 crore in Fiscal 2019. This was marginally offset by increase in net gain on fair value of financial assets through profit or loss from ₹ 2.68 crore in Fiscal 2018 to ₹ 14.84 crore in Fiscal 2019.

## **Expenses**

Total expenses (net of excise duty) increased by 36.76% from ₹ 8,395.02 crore in Fiscal 2018 to ₹ 11,480.64 crore in Fiscal 2019, primarily due to the inclusion of Union Cement Company PrJSC's expenses in our consolidated expenses as well as increase in expenses in our Indian operations on account of growth in the sales volumes of cement and power.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by 33.90% from ₹ 769.06 crore in Fiscal 2018 to ₹ 1,029.74 crore in Fiscal 2019 primarily due to inclusion of cost of materials consumed by Union Cement Company PrJSC which amounted to ₹ 135.10 crore during July 11, 2018 to March 31, 2019 as well as increase in raw materials consumed such as gypsum, fly ash and others, including, limestone blasting materials, on account of increase in cement production.

Cost of gypsum consumed increased by 27.43% from ₹ 199.13 crore in Fiscal 2018 to ₹ 253.76 crore in Fiscal 2019. During July 11, 2018 to March 31, 2019, the cost of gypsum consumed by Union Cement Company PrJSC amounted to ₹ 4.77 crore. Further, for our India operations, the amount of gypsum utilised at facilities for cement products increased from 1.73 million MT in Fiscal 2018 to 2.06 million MT in Fiscal 2019. In addition, the cost of fly ash consumed increased by 14.21% from ₹ 282.00 crore in Fiscal 2018 to ₹ 322.06 crore in Fiscal 2019 primarily due to increase in cement production for our India operations. Fly ash is utilized only for our India operations and we utilized 5.19 million MT and 6.00 million MT in Fiscal 2018 and Fiscal 2019, respectively, of fly ash for our PPC products. In addition, others, such as limestone and shale consumption, significantly increased from ₹ 154.74 crore in Fiscal 2018 to ₹ 323.42 crore in Fiscal 2019, primarily on account of (i) inclusion of consumption of limestone and shale by Union Cement Company PrJSC, which amounted to ₹ 103.42 crore during July 11, 2018 to March 31, 2019; and (ii) increase in clinker production for our India operations.

#### ***Purchase of Stock in Trade***

Purchase of stock in trade increased from nil in Fiscal 2018 to ₹ 25.64 crore in Fiscal 2019. This was on account of trading of clinker and fuel by our Subsidiary, Union Cement Company PrJSC.

#### ***Changes in Inventories of Finished Goods and Work-in-Progress***

Changes in inventories of finished goods and work-in-progress were ₹ 1.29 crore in Fiscal 2018 and ₹ (39.94) crore in Fiscal 2019.

#### ***Excise Duty on Sales***

In Fiscal 2018, we paid excise duty of ₹ 326.43 crore compared to nil in Fiscal 2019 primarily on account of implementation of GST with effect from July 1, 2017.

#### ***Employee Benefits Expenses***

Employee benefits expense increased by 30.46% from ₹ 588.05 crore in Fiscal 2018 to ₹ 767.18 crore in Fiscal 2019, primarily due to increase in salaries, wages and bonus. Salaries, wages and bonus increased by 31.90% from ₹ 510.98 crore in Fiscal 2018 to ₹ 673.96 crore in Fiscal 2019 primarily on account of increase in number of employees on account of inclusion of employee related costs of our Subsidiaries located in the United Arab Emirates, which amounted to an additional employee cost of ₹ 85.16 crore during July 11, 2018 to March 31, 2019.

#### ***Power and Fuel***

Power and fuel expense significantly increased by 56.22% from ₹ 1,979.65 crore in Fiscal 2018 to ₹ 3,092.63 crore in Fiscal 2019 on account of inclusion of power and fuel cost of ₹ 347.86 crore related to Union Cement Company PrJSC, increase in prices of pet coke and coal from international markets as well as increase in the sales volumes of power. For our India operations, in Fiscal 2018 and Fiscal 2019, we utilized 0.54 million MT and 1.25 million MT, respectively, of coal, while we utilized 1.89 million MT and 1.51 million MT, respectively, of pet coke in the same periods.

#### ***Freight and Forwarding Expenses***

Freight and forwarding expenses increased by 14.99% from ₹ 2,524.89 crore in Fiscal 2018 to ₹ 2,903.37 crore in Fiscal 2019, primarily due to increase in cement sales volume of our India operations by 13.06% from 22.02 million MT in Fiscal 2018 to 24.88 million MT in Fiscal 2019 and increase in diesel prices. In addition, freight and forwarding expenses also increased on account of acquisition of Union Cement Company PrJSC which resulted in the inclusion of their freight and forwarding expenses which amounted to ₹ 40.43 crore during July 11, 2018 to March 31, 2019. Freight and forwarding expense on finished products increased by 16.67% from ₹ 1,782.50 crore in Fiscal 2018 to ₹ 2,079.62 crore in Fiscal 2019, while freight and forwarding expense on inter unit clinker transfer increased by 10.96% from ₹ 742.39 crore in Fiscal 2018 to ₹ 823.75 crore in Fiscal 2019.

#### ***Finance Costs***

Finance costs significantly increased by 83.23% from ₹ 135.27 crore in Fiscal 2018 to ₹ 247.86 crore in Fiscal 2019. This was primarily due to increase in interest expenses from ₹ 125.51 crore in Fiscal 2018 to ₹ 275.30 crore

in Fiscal 2019 on account of increase in debt raised through external commercial borrowings for funding of our new facilities located at Kodla and Saraikela. In addition, exchange differences increased from ₹ 8.79 crore in Fiscal 2018 to ₹ 49.17 crore in Fiscal 2019 due to exchange loss on the external commercial borrowings and buyers credit regarded as an adjustment to borrowing cost in accordance with the provisions of Ind AS. Further, borrowing costs were capitalised using rates based on specific borrowings with interest rates ranging between 3.49% to 7.96% per annum which resulted in increase in interest capitalised from ₹ 1.91 crore in Fiscal 2018 to ₹ 79.51 crore in Fiscal 2019.

#### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense significantly increased by 63.64% from ₹ 899.40 crore in Fiscal 2018 to ₹ 1,471.81 crore in Fiscal 2019, primarily due to capitalisation of our Kodla manufacturing facility and capacity upgradation of our existing facilities, power plants (coal fired) and WHR based power generation units.

#### ***Other Expenses***

Other expenses increased by 30.03% from ₹ 1,553.67 crore in Fiscal 2018 to ₹ 2,020.29 crore in Fiscal 2019, primarily due to increase in cement production for our India operations as well as inclusion of expenses of Union Cement Company PrJSC. In particular, (i) packing materials consumed increased by 21.42% from ₹ 317.48 crore in Fiscal 2018 to ₹ 385.48 crore in Fiscal 2019; (ii) stores and spares consumed increased by 14.27% from ₹ 280.84 crore in Fiscal 2018 to ₹ 320.91 crore in Fiscal 2019; and (iii) royalty and cess increased by from ₹ 233.34 crore in Fiscal 2018 to ₹ 278.89 crore in Fiscal 2019. Further, foreign exchange rate differences (net) significantly increased from ₹ 17.81 crore in Fiscal 2018 to ₹ 148.92 crore in Fiscal 2019 primarily due to the mark-to-market loss on external commercial borrowings obtained by our Company. Miscellaneous expense, such as payments made to auditors and legal and professional expenses, increased by 29.75% from ₹ 139.45 crore in Fiscal 2018 to ₹ 180.93 crore in Fiscal 2019. In addition, repairs to plant and machinery increased by 13.42% from ₹ 236.97 crore in Fiscal 2018 to ₹ 268.77 crore in Fiscal 2019.

#### ***Captive Consumption of Cement***

In Fiscal 2018 and Fiscal 2019, captive consumption of cement (Fiscal 2018: net of excise duty ₹ 1.86 crore) amounted to ₹ 56.26 crore and ₹ 37.94 crore, respectively.

#### **Profit before Tax**

For the reasons discussed above, profit before tax before exceptional items was ₹ 1,323.77 crore in Fiscal 2019 compared to ₹ 1,827.13 crore in Fiscal 2018.

Further, our Company had principal investments of ₹ 171.33 crore in the preference shares of a certain conglomerate in India, which were accounted at fair value through profit or loss as per Ind AS 109 - Financial Instruments. However, in August 2018, credit rating agencies downgraded the conglomerate's credit rating to junk status. As a result, our Company accounted a fair value loss of ₹ 178.13 crore in Fiscal 2019, which has been recorded as an exceptional item.

#### **Tax Expense**

Current tax expenses decreased from ₹ 446.27 crore in Fiscal 2018 to ₹ 220.56 crore in Fiscal 2019. In Fiscal 2018, there was an adjustment of tax relating to earlier years (net) of ₹ 0.30 crore compared to tax credit (net) of ₹ 2.69 crore in Fiscal 2019. Deferred tax credit increased from ₹ 3.59 crore in Fiscal 2018 to ₹ 87.28 crore in Fiscal 2019.

#### **Profit for the Year**

For the various reasons discussed above, and following adjustments of non-controlling interests, we recorded a profit attributable to owners of the Company for the year of ₹ 1,006.39 crore in Fiscal 2019 compared to ₹ 1,384.15 crore in Fiscal 2018. In Fiscal 2019, non-controlling interest amounted to ₹ 8.66 crore.

#### **Total Comprehensive Income for the Year**

Total comprehensive income for the year (comprising profit and other comprehensive income for the year) was ₹ 1,002.98 crore in Fiscal 2019 compared to ₹ 1,383.14 crore in Fiscal 2018.

### Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 3,043.44 crore in Fiscal 2019 compared to ₹ 2,861.80 crore in Fiscal 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations (net of excise duty)) was 24.24% in Fiscal 2019 compared to 29.10% in Fiscal 2018.

EBITDA from cement operations was ₹ 2,612.12 crore in Fiscal 2019 compared to ₹ 2,458.32 crore in Fiscal 2018, while EBITDA from power operations was ₹ 181.56 crore in Fiscal 2019 compared to ₹ 14.43 crore in Fiscal 2018. Further, EBITDA from cement operations per tonne was ₹ 913.01 in Fiscal 2019 compared to ₹ 1,091.13 in Fiscal 2018.

EBITDA, on a standalone basis, was ₹ 2,898.22 crore in Fiscal 2019 compared to ₹ 2,861.83 crore in Fiscal 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations (net of excise duty), on a standalone basis) was 24.72% in Fiscal 2019 compared to 29.10% in Fiscal 2018.

EBITDA from cement operations, on a standalone basis, was ₹ 2,471.26 crore in Fiscal 2019 compared to ₹ 2,458.35 crore in Fiscal 2018. Further, EBITDA from cement operations per tonne, on a standalone basis, was ₹ 955.59 in Fiscal 2019 compared to ₹ 1,090.95 in Fiscal 2018.

### FISCAL 2018 COMPARED TO FISCAL 2017

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2017 and 2018:

Particulars	Fiscal			
	2017		2018	
	(₹ crore)	Percentage of total income	(₹ crore)	Percentage of total income
<b>Income</b>				
Revenue from operations	9,661.66	96.39%	10,159.53	96.31%
Other income	361.77	3.61%	389.05	3.69%
<b>Total Income</b>	<b>10,023.43</b>	<b>100.00%</b>	<b>10,548.58</b>	<b>100.00%</b>
<b>Expenses</b>				
Cost of materials consumed	680.66	6.79%	769.06	7.29%
Changes in inventories of finished goods and work-in-progress	(53.48)	(0.53)%	1.29	0.01%
Excise duty on sales	1,067.36	10.65%	326.43	3.09%
Employee benefits expense	537.18	5.36%	588.05	5.57%
Power and fuel	1,444.27	14.41%	1,979.65	18.77%
Freight and forwarding expenses	1,874.00	18.70%	2,524.89	23.94%
Finance costs	129.42	1.29%	135.27	1.28%
Depreciation and amortization expense	1,214.71	12.12%	899.40	8.53%
Other expenses	1,623.48	16.20%	1,553.67	14.73%
Captive consumption of cement [net of excise duty ₹ 1.86 crore (previous year ₹ 3.51 crore)]	(24.95)	(0.25)%	(56.26)	(0.53)%
<b>Total expenses</b>	<b>8,492.65</b>	<b>84.73%</b>	<b>8,721.45</b>	<b>82.68%</b>
<b>Profit before tax</b>	<b>1,530.78</b>	<b>15.27%</b>	<b>1,827.13</b>	<b>17.32%</b>
<b>Tax expense</b>				
(a) Current tax	324.13	3.23%	446.27	4.23%
(b) Tax expense relating to earlier years (net)	2.13	0.02%	0.30	0.00%
(c) Deferred tax (credit)/ charge	(134.56)	(1.34)%	(3.59)	(0.03)%
<b>Total tax expense</b>	<b>191.70</b>	<b>1.91%</b>	<b>442.98</b>	<b>4.20%</b>
<b>Profit for the year</b>	<b>1,339.08</b>	<b>13.36%</b>	<b>1,384.15</b>	<b>13.12%</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss	3.70	0.04%	3.27	0.03%

Particulars	Fiscal			
	2017		2018	
	(₹ crore)	Percentage of total income	(₹ crore)	Percentage of total income
Income tax relating to items that will not be reclassified to profit or loss	(1.28)	(0.01)%	(1.13)	(0.01)%
Items that will be reclassified to profit or loss	(3.88)	(0.04)%	(4.92)	(0.05)%
Income tax relating to items that will be reclassified to profit or loss	1.34	0.01%	1.77	0.02%
Other comprehensive income / (loss) for the period	(0.12)	(0.00)%	(1.01)	(0.01)%
<b>Total comprehensive income for the year (comprising profit and other comprehensive income for the year)</b>	<b>1,338.96</b>	<b>13.36%</b>	<b>1,383.14</b>	<b>13.11%</b>

### Key Developments

- In February 2018, we commissioned a grinding unit at Suratgarh in Rajasthan, with an installed cement production capacity of 3.60 MTPA.
- In February 2018, we also commissioned a grinding unit at Aurangabad in Bihar, with an installed cement production capacity of 2.00 MTPA.
- In December 2017, we commissioned a clinkerisation unit (kiln-2) having an installed cement production capacity of 2.60 MTPA at our integrated manufacturing facility at Baloda Bazar in Chhattisgarh.
- As of March 31, 2018, we had commissioned 14.7 MW (comprising seven wind towers) out of 21 MW wind power plant located at Kustagi in Karnataka.

### Income

Total income increased by 5.24% from ₹ 10,023.43 crore in Fiscal 2017 to ₹ 10,548.58 crore in Fiscal 2018 for the reasons discussed below.

#### Revenue from Operations

Revenue from operations (net of excise duty) increased by 14.41% from ₹ 8,594.30 crore in Fiscal 2017 to ₹ 9,833.10 crore in Fiscal 2018, primarily due to increase in sale of cement products and other operating revenue, including sales tax/ GST subsidies.

Sale of cement products increased by 5.44% from ₹ 8,775.12 crore in Fiscal 2017 to ₹ 9,252.90 crore in Fiscal 2018. Total revenue from cement segment increased by 5.70% from ₹ 8,924.11 crore in Fiscal 2017 to ₹ 9,433.07 crore in Fiscal 2018 primarily due to penetration in eastern India market and marginally improved price realizations. Further, sale of clinker products also increased by 20.93% from ₹ 148.99 crore in Fiscal 2017 to ₹ 180.17 crore in Fiscal 2018. For our India operations, our cement sales volume increased by 9.72% from 20.07 million MT in Fiscal 2017 to 22.02 million MT in Fiscal 2018. However, clinker sales volume in India marginally decreased by 1.92% from 0.52 million MT in Fiscal 2017 to 0.51 million MT in Fiscal 2018. Further, our cement and clinker sales volume increased by 9.42% from 20.59 million MT in Fiscal 2017 to 22.53 million MT in Fiscal 2018.

Other operating revenue, including sales tax/ GST subsidies and scrap sales, increased by 77.61% from ₹ 165.23 crore in Fiscal 2017 to ₹ 293.46 crore in Fiscal 2018, primarily on account of increase in sales tax/ GST subsidies. Sales tax/ GST subsidies significantly increased by 84.27% from ₹ 145.94 crore in Fiscal 2017 to ₹ 268.93 crore in Fiscal 2018.

The increase in revenue from operations was marginally offset by a decrease in power sales by 24.25% from ₹ 571.44 crore in Fiscal 2017 to ₹ 432.88 crore in Fiscal 2018 on account of lower demand and increase in fuel prices. Our power sales volume in India decreased by 27.85% from 1,658.34 million units in Fiscal 2017 to 1,196.53 million units in Fiscal 2018.

### ***Other Income***

Other income marginally increased by 7.54% from ₹ 361.77 crore in Fiscal 2017 to ₹ 389.05 crore in Fiscal 2018, primarily due to increase in provision no longer required from ₹ 9.53 crore in Fiscal 2017 to ₹ 42.13 crore in Fiscal 2018 on account of reversal of statutory liabilities accounted in previous years as a provision. Further, dividend income on financial assets classified at fair value through profit or loss also increased by 41.71% from ₹ 58.23 crore in Fiscal 2017 to ₹ 82.52 crore in Fiscal 2018. In addition, net gain on sale of investments classified at amortised cost increased from ₹ 8.12 crore in Fiscal 2017 to ₹ 31.94 crore in Fiscal 2018 on account of redemption of investment in zero coupon and tax-free bonds. This increase was significantly offset by a decrease in interest income on bonds and debentures classified at amortized cost by 18.83% from ₹ 226.98 crore in Fiscal 2017 to ₹ 184.24 crore in Fiscal 2018.

### ***Expenses***

Total expenses increased (net of excise duty) by 13.06% from ₹ 7,425.29 crore in Fiscal 2017 to ₹ 8,395.02 crore in Fiscal 2018, primarily due to increase in freight and forwarding expenses, cost of materials consumed, and power and fuel.

### ***Cost of Materials Consumed***

Cost of materials consumed increase by 12.99% from ₹ 680.66 crore in Fiscal 2017 to ₹ 769.06 crore in Fiscal 2018 due to increase in raw materials consumed such as gypsum, fly ash and others, including limestone blasting materials. The increase in raw materials was primarily in line the increase in our cement production.

Cost of gypsum consumed increased by 13.02% from ₹ 176.19 crore in Fiscal 2017 to ₹ 199.13 crore in Fiscal 2018. We utilized 1.47 million MT and 1.73 million MT in Fiscal 2017 and Fiscal 2018, respectively, of gypsum at our manufacturing facilities and grinding units for our cement products. Further, the cost of fly ash consumed increased by 14.43% from ₹ 246.43 crore in Fiscal 2017 to ₹ 282.00 crore in Fiscal 2018. We utilized 4.82 million MT and 5.19 million MT in Fiscal 2017 and Fiscal 2018, respectively, of fly ash at our manufacturing facilities and grinding units for our PPC. In addition, others, such as limestone blasting materials, increased by 23.75% from ₹ 125.04 crore in Fiscal 2017 to ₹ 154.74 crore in Fiscal 2018.

### ***Changes in Inventories of Finished Goods and Work-in-Progress***

Changes in inventories of finished goods and work-in-progress were ₹ (53.48) crore in Fiscal 2017 and ₹ 1.29 crore in Fiscal 2018.

### ***Excise Duty on Sales***

In Fiscal 2017, we paid excise duty of ₹ 1,067.36 crore compared to ₹ 326.43 crore in Fiscal 2018. The decrease in excise duty payment was on account of implementation of GST with effect from July 1, 2017.

### ***Employee Benefits Expenses***

Employee benefits expense increased by 9.47% from ₹ 537.18 crore in Fiscal 2017 to ₹ 588.05 crore in Fiscal 2018, primarily due to increase in salaries, wages and bonus. Salaries, wages and bonus increased by 9.73% from ₹ 465.69 crore in Fiscal 2017 to ₹ 510.98 crore in Fiscal 2018 on account of increase in number of employees and salary increments.

### ***Power and Fuel***

Power and fuel expense significantly increased by 37.07% from ₹ 1,444.27 crore in Fiscal 2017 to ₹ 1,979.65 crore in Fiscal 2018 on account of increase in prices of input fuel cost and coal. In Fiscal 2017 and Fiscal 2018, we utilized 0.26 million MT and 0.54 million MT, respectively, of coal, while we utilized 1.95 million MT and 1.89 million MT, respectively, of pet coke in the same periods.

### ***Freight and Forwarding Expenses***

Freight and forwarding expenses increased by 34.73% from ₹ 1,874.00 crore in Fiscal 2017 to ₹ 2,524.89 crore in Fiscal 2018, primarily due to increase in cement sales volume by 9.72% from 20.07 million MT in Fiscal 2017

to 22.02 million MT in Fiscal 2018 as well as increase in freight rates on account of increase in diesel prices. Freight and forwarding expense on finished products increased by 36.07% from ₹ 1,309.97 crore in Fiscal 2017 to ₹ 1,782.50 crore in Fiscal 2018, while freight and forwarding expense on inter unit clinker transfer increased by 31.62% from ₹ 564.03 crore in Fiscal 2017 to ₹ 742.39 crore in Fiscal 2018.

### ***Finance Costs***

Finance costs marginally increased by 4.52% from ₹ 129.42 crore in Fiscal 2017 to ₹ 135.27 crore in Fiscal 2018 primarily due to increase in exchange differences regarded as an adjustment to borrowing cost from nil in Fiscal 2017 to ₹ 8.79 crore in Fiscal 2018. This increase was offset by a decrease in interest expense by 1.24% from ₹ 127.09 crore in Fiscal 2017 to ₹ 125.51 crore in Fiscal 2018. Further, borrowing costs were capitalised using rates based on specific borrowings with interest rates ranging between 3.49% to 7.15% per annum which resulted in increase in interest capitalised from nil in Fiscal 2017 to ₹ 1.91 crore in Fiscal 2018.

### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense decreased by 25.96% from ₹ 1,214.71 crore in Fiscal 2017 to ₹ 899.40 crore in Fiscal 2018. In Fiscal 2017, depreciation and amortisation expenses were relatively higher primarily on account of review of residual values and useful lives of property, plant and equipment at the year end as per requirement of Ind AS.

### ***Other Expenses***

Other expenses marginally decreased by 4.30% from ₹ 1,623.48 crore in Fiscal 2017 to ₹ 1,553.67 crore in Fiscal 2018. The decrease was primarily due to a (i) decrease in miscellaneous expense by 23.49% from ₹ 182.26 crore in Fiscal 2017 to ₹ 139.45 crore in Fiscal 2018, (ii) decrease in stores and spares consumed by 7.81% from ₹ 304.64 crore in Fiscal 2017 to ₹ 280.84 crore in Fiscal 2018, and (iii) decrease in excise duty on captive consumption of clinker from ₹ 23.91 crore in Fiscal 2017 to ₹ 6.75 crore in Fiscal 2018. Further, advertisement and publicity expense also decreased by 23.26% from ₹ 81.50 crore in Fiscal 2017 to ₹ 62.54 crore in Fiscal 2018. This decrease was offset by increase in repairs to plant and machinery by 18.58% from ₹ 199.84 crore in Fiscal 2017 to ₹ 236.97 crore in Fiscal 2018 and packing materials consumed by 8.61% from ₹ 292.31 crore in Fiscal 2017 to ₹ 317.48 crore in Fiscal 2018.

### ***Captive Consumption of Cement***

In Fiscal 2017 and Fiscal 2018, captive consumption of cement (net of excise duty ₹ 1.86 crore; Fiscal 2017: ₹ 3.51 crore) amounted to ₹ 24.95 crore and ₹ 56.26 crore, respectively.

### **Profit before Tax**

For the reasons discussed above, profit before tax was ₹ 1,530.78 crore in Fiscal 2017 compared to ₹ 1,827.13 crore in Fiscal 2018.

### **Tax Expense**

Current tax expenses increased from ₹ 324.13 crore in Fiscal 2017 to ₹ 446.27 crore in Fiscal 2018. In Fiscal 2017, there was an adjustment of tax relating to earlier years (net) of ₹ 2.13 crore compared to ₹ 0.30 crore in Fiscal 2018. Deferred tax credit decreased from ₹ 134.56 crore in Fiscal 2017 to ₹ 3.59 crore in Fiscal 2018.

### **Profit for the Year**

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,384.15 crore in Fiscal 2018 compared to ₹ 1,339.08 crore in Fiscal 2017.

### **Total Comprehensive Income for the Year**

Total comprehensive income for the year (comprising profit and other comprehensive income for the year) was ₹ 1,383.14 crore in Fiscal 2018 compared to ₹ 1,338.96 crore in Fiscal 2017.

### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹ 2,861.80 crore in Fiscal 2018 compared to ₹ 2,874.91 crore in Fiscal 2017, while EBITDA margin (EBITDA as a percentage of our revenue from operations (net of excise duty)) was 29.10% in Fiscal 2018 compared to 33.45% in Fiscal 2017.

EBITDA from cement operations was ₹ 2,458.32 crore in Fiscal 2018 compared to ₹ 2,356.64 crore in Fiscal 2017, while EBITDA from power operations was ₹ 14.43 crore in Fiscal 2018 compared to ₹ 156.50 crore in Fiscal 2017. Further, EBITDA from cement operations per tonne was ₹ 1,091.13 in Fiscal 2018 compared to ₹ 1,144.56 in Fiscal 2017.

Our Company's EBITDA, on a standalone basis, was ₹ 2,861.83 crore in Fiscal 2018 compared to ₹ 2,874.94 crore in Fiscal 2017, while our Company's EBITDA margin, on a standalone basis, (EBITDA as a percentage of our revenue from operations (net of excise duty), on a standalone basis) was 29.10% in Fiscal 2018 compared to 33.45% in Fiscal 2017.

Our Company's EBITDA from cement operations, on a standalone basis, was ₹ 2,458.35 crore in Fiscal 2018 compared to ₹ 2,356.67 crore in Fiscal 2017. Further, EBITDA from cement operations per tonne was ₹ 1,090.95 in Fiscal 2018 compared to ₹ 1,144.79 in Fiscal 2017.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through internal accruals from our operations and debt financing. From time to time, we may obtain loan facilities to finance our short term working capital requirements. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Indebtedness" on page 165.

## CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Six months ended September 30, 2018	Six months ended September 30, 2019	Fiscal		
			2017	2018	2019
(₹ crore)					
Net cash from operating activities	545.63	1,832.27	2,201.61	1,878.72	2,080.02
Net cash used in investing activities	(194.90)	(1,461.37)	(2,047.77)	(3,594.73)	(721.52)
Net cash flows (used in)/ from financing activities	(292.79)	(380.17)	(166.91)	1,726.22	(1,275.99)
Net (decrease)/ increase in cash and cash equivalents	57.94	(9.27)	(13.07)	10.21	82.51
Effect of exchange rate on consolidation of foreign subsidiaries	6.30	2.34	-	-	1.69
Cash and cash equivalents at the end of the period/ year	97.76	110.79	23.31	33.52	117.72

## Operating Activities

### Six Months Ended September 30, 2019

In the six months ended September 30, 2019, net cash flow from operating activities was ₹ 1,832.27 crore. Profit before exceptional items and tax was ₹ 908.14 crore in the six months ended September 30, 2019 and adjustments to reconcile profit before exceptional items and tax to net cash flows primarily consisted of depreciation and amortization expense of ₹ 883.10 crore, finance costs of ₹ 142.13 crore and interest income of ₹ 78.91 crore. Operating profit before working capital changes was ₹ 1,825.47 crore in the six months ended September 30, 2019. The main working capital adjustments in the six months ended September 30, 2019, included increase in trade and other payable and provisions of ₹ 202.01 crore and decrease in inventories of ₹ 65.33 crore. Cash generated from operations in the six months ended September 30, 2019 amounted to ₹ 2,126.53 crore. Direct taxes paid (net of refunds) amounted to ₹ 294.26 crore.

### ***Six Months Ended September 30, 2018***

In the six months ended September 30, 2018, net cash flow from operating activities was ₹ 545.63 crore. Profit before exceptional items and tax was ₹ 501.32 crore in the six months ended September 30, 2018 and adjustments to reconcile profit before exceptional items and tax to net cash flows primarily consisted of depreciation and amortization expense of ₹ 659.71 crore, foreign exchange rate differences (net) of ₹ 159.91 crore and finance costs of ₹ 118.11 crore. Operating profit before working capital changes was ₹ 1,304.09 crore in the six months ended September 30, 2018. The main working capital adjustments in the six months ended September 30, 2018, included increase in trade and other receivables of ₹ 264.93 crore on account of inclusion of receivables of Union Cement Company PrJSC, our Subsidiary in United Arab Emirates, and increase in inventories of ₹ 254.66 crore. Cash generated from operations in the six months ended September 30, 2018 amounted to ₹ 661.82 crore. Direct taxes paid (net of refunds) amounted to ₹ 116.19 crore.

### ***Fiscal 2019***

In Fiscal 2019, net cash flow from operating activities was ₹ 2,080.02 crore. Profit before exceptional items and tax was ₹ 1,323.77 crore in Fiscal 2019 and adjustments to reconcile profit before exceptional items and tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 1,471.81 crore; (ii) finance costs of ₹ 247.86 crore; interest income of ₹ (165.27) crore; and (iv) foreign exchange rate differences (net) of ₹ 142.12 crore. Operating profit before working capital changes was ₹ 2,960.72 crore in Fiscal 2019. The main working capital adjustments in Fiscal 2019, included increase in trade and other receivables of ₹ 356.11 crore on account of increase in receivables from our sale of power as well as inclusion of receivables of Union Cement Company PrJSC and decrease in trade and other payable and provisions of ₹ 232.46 crore. Cash generated from operations in Fiscal 2019 amounted to ₹ 2,310.24 crore. Direct taxes paid (net of refunds) amounted to ₹ 230.22 crore.

### ***Fiscal 2018***

In Fiscal 2018, net cash flow from operating activities was ₹ 1,878.72 crore. Profit before exceptional items and tax was ₹ 1,827.13 crore in Fiscal 2018 and adjustments to reconcile profit before exceptional items and tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 899.40 crore; (ii) interest income of ₹ (209.26) crore; and (iii) finance costs of ₹ 135.27 crore. Operating profit before working capital changes was ₹ 2,498.58 crore in Fiscal 2018. The main working capital adjustments in Fiscal 2018, included increase in trade and other receivables of ₹ 509.92 crore on account of increase in receivables as well as GST and subsidy receivables, and increase in inventories of ₹ 254.52 crore. Cash generated from operations in Fiscal 2018 amounted to ₹ 2,385.51 crore. Direct taxes paid (net of refunds) amounted to ₹ 506.79 crore.

### ***Fiscal 2017***

In Fiscal 2017, net cash flow from operating activities was ₹ 2,201.61 crore. Profit before tax was ₹ 1,530.78 crore in Fiscal 2017 and adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 1,214.71 crore; (ii) interest income of ₹ (250.43) crore; and (iii) finance costs of ₹ 129.42 crore. Operating profit before working capital changes was ₹ 2,541.61 crore in Fiscal 2017. The main working capital adjustments in Fiscal 2017, included increase in inventories of ₹ 499.31 crore on account of increase in inventory of fuel, and increase in trade and other payables and provisions of ₹ 431.85 crore. Cash generated from operations in Fiscal 2017 amounted to ₹ 2,490.68 crore. Direct taxes paid (net of refunds) amounted to ₹ 289.07 crore.

## **Investing Activities**

### ***Six Months Ended September 30, 2019***

Net cash used in investing activities was ₹ 1,461.37 crore in the six months ended September 30, 2019, primarily on account of (i) purchases of investments in mutual funds (net) of ₹ 764.66 crore; (ii) purchase of property, plant and equipments (including capital work-in-progress and advances) of ₹ 759.81 crore; (iii) investment in bank deposits of ₹ 170.92 crore; (iv) and maturity of bank deposit of ₹ 147.26 crore.

### ***Six Months Ended September 30, 2018***

Net cash used in investing activities was ₹ 194.90 crore in the six months ended September 30, 2018, primarily on account of (i) proceeds of investments in mutual funds (net) of ₹ 2,280.05 crore, (ii) payment for acquisition

of controlling stake in subsidiaries (net of cash and cash equivalents acquired) amounting to ₹ (2,008.10) crore in relation to our Company acquiring voting equity stake of 97.61% (97.65% stake as of September 30, 2019) in Union Cement Company PrJSC through our Subsidiary, Shree International Holding Limited and our Company acquiring 100% voting equity stake in Raipur Handling and Infrastructure Private Limited and (iii) purchase of property, plant and equipments (including capital work-in-progress and advances) of ₹ 993.08 crore.

#### ***Fiscal 2019***

Net cash used in investing activities was ₹ 721.52 crore in Fiscal 2019, primarily on account of (i) proceeds of investments in mutual funds (net) of ₹ 2,281.18 crore; (ii) proceeds from sale/ redemption of bonds, debentures, and preference shares of ₹ 705.75 crore; (iii) payment for acquisition of controlling stake in subsidiaries (net of cash and cash equivalents acquired) amounting to ₹ (2,008.10) crore in relation to our Company acquiring voting equity stake of 97.61% (97.65% stake as of September 30, 2019) in Union Cement Company PrJSC through our Subsidiary, Shree International Holding Limited and our Company acquiring 100% voting equity stake in Raipur Handling and Infrastructure Private Limited; and (iv) purchase of property, plant and equipment (including capital work-in progress and advances) of ₹ (1,934.27) crore; and (v) investment in bank deposits of ₹ (235.63) crore.

#### ***Fiscal 2018***

Net cash used in investing activities was ₹ 3,594.73 crore in Fiscal 2018, primarily on account of (i) purchase of property, plant and equipment (including capital work-in progress and advances) of ₹ (2,525.13) crore; (ii) purchases of investments in mutual funds (net) of ₹ (1,931.72) crore; (iii) proceeds from sale/ redemption of bonds, debentures and preference shares of ₹ 913.91 crore; (iv) purchase of investment in bonds, debentures and preference shares of ₹ (815.11) crore; and (v) interest received (including interest on zero coupon bonds) of ₹ 672.34 crore.

#### ***Fiscal 2017***

Net cash used in investing activities was ₹ 2,047.77 crore in Fiscal 2017, primarily (i) on account of purchase of property, plant and equipment (including capital work-in progress and advances) of ₹ (1,280.90) crore; (ii) purchase of investment in bonds, debentures and preference shares of ₹ (1,272.62) crore; (iii) proceeds from sale/ redemption of bonds, debentures and preferences shares of ₹ 369.50 crore; and (iv) interest received (including interest on zero coupon bonds) of ₹ 366.67 crore.

### **Financing Activities**

#### ***Six Months Ended September 30, 2019***

Net cash used in financing activities was ₹ 380.17 crore in the six months ended September 30, 2019, primarily on account of dividend and tax paid thereon (interim and final) of ₹ 152.27 crore, interest and financial charges paid of ₹ 143.96 crore and repayment of short-term borrowings of ₹ 75.00 crore. This was partially offset by proceeds of short term borrowings (net) (upto three months maturity) of ₹ 66.54 crore.

#### ***Six Months Ended September 30, 2018***

Net cash used in financing activities was ₹ 292.79 crore in the six months ended September 30, 2018, primarily on account of repayment of short term borrowings of ₹ 479.60 crore, dividend and tax paid there on (interim and final) of ₹ 126.00 crore and interest and financial charges paid of ₹ 113.72 crore. This was offset by significantly proceeds of short term borrowings (net) (upto three months maturity) of ₹ 356.83 crore.

#### ***Fiscal 2019***

Net cash used in financing activities was ₹ 1,275.99 crore in Fiscal 2019, primarily on account of (i) repayment of short term borrowings (buyers credit) of ₹ (1,048.53) crore; (ii) interest and financial charges paid of ₹ 276.14 crore; and (iii) dividend and tax paid there on (interim and final) of ₹ 240.71 crore. This was partially offset by proceeds of short term borrowings (net) (upto three months maturity) of ₹ 223.44 crore.

#### ***Fiscal 2018***

Net cash from financing activities was ₹ 1,726.22 crore in Fiscal 2018, primarily (i) on account of proceeds from long term borrowings of ₹ 1,684.82 crore raised through external commercial borrowings for funding of our new facilities located at Kodla in Karnataka and Saraikela in Jharkhand; and (ii) proceeds from short term borrowings of ₹ 1,009.27 crore. This was offset by repayment of short term borrowings of ₹ 660.16 crore and dividend and tax paid there on (interim and final) of ₹ 184.33 crore.

### Fiscal 2017

Net cash used in financing activities was ₹ 166.91 crore in Fiscal 2017, primarily on account of (i) dividend and tax paid there on (interim, special and final) of ₹ 484.61 crore (including payment of one-time special dividend paid at the rate of ₹ 100 per Equity Share); (ii) repayment of long term borrowings of ₹ 146.33 crore; (iii) and interest and financial charges aid of ₹ 127.77 crore. This was offset by proceeds of short-term borrowings (buyers credit) of ₹ 629.60 crore.

### INDEBTEDNESS

As of September 30, 2019, we had total borrowings (consisting of debentures, long term borrowings and short term borrowings) of ₹ 2,766.92 crore, of which ₹ 2,296.20 crore was long term borrowings (including current maturities) and ₹ 470.72 crore was short term borrowings. Our gross debt to equity ratio on standalone basis was 0.26 and 0.25 as of March 31, 2019 and September 30, 2019, respectively. Also, see “Risk Factors - An inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.” on page 64.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2019, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2019				
	Payment due by period				
	(₹ crore)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
<b>Long Term Borrowings</b>					
Non-Convertible Debentures	-	-	-	-	-
Term loans (secured)	2,296.20	608.09	603.51	986.99	97.61
Term loans (unsecured)	-	-	-	-	-
others	-	-	-	-	-
<b>Total long term borrowings (including current maturities)</b>	<b>2,296.20</b>	<b>608.09</b>	<b>603.51</b>	<b>986.99</b>	<b>97.61</b>
<b>Short Term Borrowings</b>					
Secured	223.59	223.59	-	-	-
Unsecured	247.13	247.13	-	-	-
<b>Total Short Term Borrowings</b>	<b>470.72</b>	<b>470.72</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowings</b>	<b>2,766.92</b>	<b>1,078.81</b>	<b>603.51</b>	<b>986.99</b>	<b>97.61</b>

### CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2019, our contingent liabilities (claims/ demands not acknowledged as debt) were as follows:

Particulars	Amount
	(₹ crore)
Custom duty (including interest)	65.72
Service tax and education cess (including interest)	1.11
Anti-competition matters (CCI) <sup>(1)</sup>	415.95
VAT subsidy matters <sup>(2)</sup>	355.38
<b>Total</b>	<b>838.16</b>

Notes:

(1) (i) Competition Commission of India (CCI), in its order dated August 31, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and the Competition Appellate Tribunal (COMPAT), in its order dated November 7, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% per annum on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT); (ii) In another matter, CCI in its order dated January 19, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order. Based on the Company's own assessment and advice

given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

(2) The Divisional Bench of the Honorable Rajasthan High Court vide Judgement dated December 6, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Government of Rajasthan against earlier favorable order of single member bench of Honorable Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme 2003 to the Company for capital investment made in cement plants in the state of Rajasthan. In the above judgement of Honorable High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax / VAT". The Company has filed Special Leave Petition before the Honorable Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us. Based on the legal opinion, it has a good case before Honorable Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

For further information on our contingent liabilities, see "Financial Statements" on page 250.

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2019, aggregated by type of contractual obligation:

Particulars	As of September 30, 2019				
	Payment due by period				
	Total	Less than 1 year*	1-3 years	3-5 years	More than 5 years
	(₹ crore)				
Contractual obligations (Works Contract)	594.39	594.39	-	-	-
<b>Total</b>	<b>594.39</b>	<b>594.39</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Based on our Company's management estimate that such payment will be made within a period of one year.

For further information on our capital and other commitments, see "Financial Statements" on page 250.

## CAPITAL EXPENDITURES

In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the six months ended September 30, 2019, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹ 1,267.51 crore, ₹ 2,655.59 crore, ₹ 2,025.62 crore and ₹ 753.92 crore, respectively. The following table sets forth our capital expenditure for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Six months ended September 30, 2019
	(₹ crore)			
Property, plant and equipment	762.71	1,926.05	2,363.69	986.93
Intangible Assets	15.35	2.68	2.15	12.15
Capital Work in Progress	445.94	716.71	(297.69)	(274.52)
Capital Advances	43.51	10.15	(42.53)	29.36
<b>Total</b>	<b>1,267.51</b>	<b>2,655.59</b>	<b>2,025.62</b>	<b>753.92</b>

The estimated project cost for our proposed Athagarh and Patas grinding units is approximately ₹ 423 crores and approximately ₹ 525 crores, respectively. Further, the estimated project cost for the proposed increase in our WHR based power generation capacity in United Arab Emirates is approximately AED 103.98 million (equivalent to approximately ₹ 199.95 crores, based on the exchange rate (the Bloomberg reference rate) on September 30, 2019).

For further information, see "Financial Statements" on page 250.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see “*Related Party Transactions*” on page 90.

## **CHANGES IN ACCOUNTING POLICIES**

Except as disclosed in this Placement Document, there have been no changes in our accounting policies during Fiscal 2017, 2018 and 2019, except for the changes as necessitated by applicable laws.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments and other market changes that affect market risk sensitive instruments. We manage market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of the treasury department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

### ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Interest rates for borrowings have been volatile in India in recent periods. Our exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and buyer’s credit obligations with floating interest rates. We did not have any buyer’s credit outstanding as of September 30, 2019. Our policy is to manage our floating interest rate on foreign currency loans and borrowings by entering into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

### ***Foreign Exchange Risk***

Changes in currency exchange rates influence our results of operations. Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the change in foreign currency exchange rates. We have obtained foreign currency loans and have foreign currency payables for supply of fuel, raw material and equipment and are therefore, exposed to foreign exchange risk. We use cross currency swaps and forward currency contracts to eliminate the currency exposures. There can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies.

### ***Credit Risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities including deposits with banks, mutual funds and other financial instruments.

We extend credit to customers in normal course of business. We consider factors, such as, credit track record in the market and past dealings for extension of credit to customers. We monitor the payment track record of our customers. Outstanding customer receivables are regularly monitored. In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the six months ended September 30, 2019, our net trade receivables were ₹ 335.12 crore, ₹ 459.25 crore, ₹ 1,023.71 crore and ₹ 1,091.34 crore, respectively.

### ***Liquidity Risk***

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Prudent liquidity risk management implies maintaining sufficient cash and

marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. We monitor our risk to a shortage of funds using a recurring liquidity-planning tool, which considers the maturity of both our financial investments and financial assets (*i.e.* trade receivables and other financial assets) and projected cash flows from operations. We aim to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

### **TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH THE COMPANY OPERATED**

We have two primary business segments, namely cement and power. For further information, see “*Industry Overview*” and “*Financial Statements*” on pages 92 and 250, respectively.

### **NEW PRODUCTS OR BUSINESS SEGMENTS**

We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

### **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **KNOWN TRENDS OR UNCERTAINTIES**

Other than as described in this Placement Document, particularly in the sections “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 52 and 131, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

### **FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described elsewhere in the sections “*Risk Factors*”, “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 52, 108 and 131, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

### **SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS**

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not dependent on single or a few customers.

### **SEASONALITY OF BUSINESS**

Our business exhibits seasonality of limited nature during monsoons. For further information, see “*Industry Overview*”, “*Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*” on pages 92, 108, 52 and 134, respectively.

### **COMPETITIVE CONDITIONS**

We operate in a competitive environment. See sections, “*Our Business*”, “*Industry Overview*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*” on pages 108, 92, 52 and 134, respectively.

**SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2019 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Except as disclosed in this Placement Document, to our knowledge no circumstances have arisen since September 30, 2019, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and our Articles of Association. Our Articles of Association provide that our Company shall not have less than three Directors and not more than 12 Directors. Our Company may appoint more than 12 Directors after passing a special resolution in a general meeting of our Shareholders.

As on the date of this Placement Document, we have 11 Directors, which includes three Executive Directors and eight Non-executive Directors, of whom seven are Independent Directors.

The following table sets forth details of our Board as on the date of this Placement Document:

Name, address, occupation, nationality, term, and DIN	Age (in years)	Designation
<p><b><i>Benu Gopal Bangur</i></b></p> <p><i>Address:</i> Tower-1, Flat 3402, E&amp;W Sub Meter, Burj Dubai Development P.O. Box 184 278, Dubai, United Arab Emirates</p> <p><i>Occupation:</i> Industrialist</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Retirement by rotation</p> <p><i>DIN:</i> 00244196</p>	85	Chairman
<p><b><i>Hari Mohan Bangur</i></b></p> <p><i>Address:</i> 34, New Road, PO / PS – Alipore, Kolkata – 700 207, West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from April 1, 2016</p> <p><i>DIN:</i> 00244329</p>	67	Managing Director
<p><b><i>Prashant Bangur</i></b></p> <p><i>Address:</i> Shree Villa, 34, New Road, Alipore, Kolkata – 700 207, West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from April 1, 2017</p> <p><i>DIN:</i> 00403621</p>	39	Joint Managing Director
<p><b><i>Prakash Narayan Chhangani</i></b></p> <p><i>Address:</i> A 65, Gayatri Nagar, Ganesh Narsari, Beawar, Ajmer Ajmer – 305 901, Rajasthan, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from July 30, 2018</p> <p><i>DIN:</i> 08189579</p>	59	Whole-time Director

<b>Name, address, occupation, nationality, term, and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<p><b>Om Prakash Setia</b></p> <p><i>Address:</i> 1663, Pocket -1, Sector-C, Vasant Kunj, South West Delhi, New Delhi – 110 070, India</p> <p><i>Occupation:</i> Retired banker</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 1, 2019</p> <p><i>DIN:</i> 00244443</p>	81	Independent Director
<p><b>Ratan Lal Gaggar</b></p> <p><i>Address:</i> 11, Lansdown Road, P.O. Elgin Road, Kolkata – 700 020, West Bengal, India</p> <p><i>Occupation:</i> Advocate</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 1, 2019</p> <p><i>DIN:</i> 00066068</p>	86	Independent Director
<p><b>Shreekant Somany</b></p> <p><i>Address:</i> 32, Friends Colony East, New Delhi – 110 065, India</p> <p><i>Occupation:</i> Industrialist</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 1, 2019</p> <p><i>DIN:</i> 00021423</p>	71	Independent Director
<p><b>Yoginder Kumar Alagh</b></p> <p><i>Address:</i> 45, Surdhara, Thaltej, Ahmedabad – 380 054, Gujarat, India</p> <p><i>Occupation:</i> Economist</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 1, 2019</p> <p><i>DIN:</i> 00244686</p>	80	Independent Director
<p><b>Nitin Dayalji Desai</b></p> <p><i>Address:</i> B-63, First Floor, Defence Colony, New Delhi – 110 024, India</p> <p><i>Occupation:</i> Economist</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 1, 2019</p> <p><i>DIN:</i> 02895410</p>	78	Independent Director
<p><b>Sanjiv Krishnaji Shelgikar</b></p> <p><i>Address:</i> Suruchi 320, Sakaram Sawant Marg, Vileparle East, Mumbai – 400 057, Maharashtra, India</p> <p><i>Occupation:</i> Chartered Accountant</p>	64	Independent Director

Name, address, occupation, nationality, term, and DIN	Age (in years)	Designation
<p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years from August 5, 2015</p> <p><i>DIN:</i> 00094311</p>		
<p><b>Uma Ghurka*</b></p> <p><i>Address:</i> 28, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, Telangana, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from November 11, 2019</p> <p><i>DIN:</i> 00351117</p>	65	Independent Director

\*Appointed as an additional Director of our Company, subject to the approval of the Shareholders at the ensuing AGM.

### Brief profiles of our Directors

**Benu Gopal Bangur** is the chairman of our Board and a Promoter of our Company. He has been associated with our Company since its incorporation.

**Hari Mohan Bangur** is the managing Director and a Promoter of our Company. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Bombay. He has been associated with our Company since January 1, 1992.

**Prashant Bangur** is the joint managing Director and a Promoter of our Company. He has completed a post graduate programme in management from the Indian School of Business, Hyderabad. He has been associated with our Company since 2004.

**Prakash Narayan Chhangani** is a whole-time Director on our Board. He attended a course for a bachelor's degree in science specialising in engineering at the Regional Engineering College, Rourkela. He has been associated with our Company since 2006.

**Om Prakash Setia** is an Independent Director on our Board. He holds a master's degree in commerce from the University of Delhi. He was previously a managing director with the State Bank of India.

**Ratan Lal Gaggar** is an Independent Director on our Board. He is an independent practitioner of law. He is also a member of the Incorporated Law Society of Calcutta.

**Shreekant Somany** is an Independent Director on our Board. He holds a bachelor's degree in science from the University of Calcutta. He is currently the chairman and managing director of Somany Ceramics Limited.

**Yoginder Kumar Alagh** is an Independent Director on our Board. He holds a bachelor's degree in arts and a master's degree in arts specialising in economics from the University of Rajasthan, along with a master's degree in arts and a doctorate from the University of Pennsylvania. He was also awarded the Haney Foundation Fellowship and the Harrison Scholarship at the University of Pennsylvania. He is currently a professor emeritus at the Sardar Patel Institute of Economic and Social Research.

**Nitin Dayalji Desai** is an Independent Director on our Board. He holds a bachelor's degree in arts from the University of Bombay and a master's degree in science specialising in economics from the University of London. He is currently the chairman of the governing council of The Energy and Resources Institute. He has held various positions with the United Nations previously, including as under-secretary general for economic and social affairs.

**Sanjiv Krishnaji Shelgikar** is an Independent Director on our Board. He is a fellow of the Institute of Chartered Accountants of India. He is a currently practicing chartered accountant.

**Uma Ghurka** is an Independent Director on our Board. She holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Madras.

### Relationship between Directors

The details of relationship between the Directors are as follows:

S. No.	Name of Director	Related to	Nature of relationship
1.	Benu Gopal Bangur	Hari Mohan Bangur	Father
2.	Hari Mohan Bangur	Benu Gopal Bangur	Son
		Prashant Bangur	Father
3.	Prashant Bangur	Hari Mohan Bangur	Son

### Borrowing powers of our Board

Our Company has, pursuant to the special resolution passed by the Shareholders dated July 30, 2018, authorised the Board to borrow, from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our Company's paid-up share capital, free reserves, and securities premium, apart from the temporary loans obtained or to be obtained from time to time from our Company's bankers / lenders in the ordinary course of business, provided, however, that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 10,000 crore.

### Interest of our Directors

Except as stated below and in "*Related Party Transactions*" on page 90, our Directors do not have any other interest in our Company or its business.

All our Directors may be deemed to be interested to the extent of their Shareholding, remuneration, sitting fees, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares and any other benefit arising out of such holding and transactions of our Company with the companies with which they are associated as directors or members.

All of our Directors may also be regarded as interested in any Equity Shares held by them or their relatives and also to the extent of any dividend and other distributions payable in respect of such Equity Shares held by them or their relatives. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, kartas, or trustees.

Except as provided in "*Financial Statements*" on page 250, our Company has not entered into any contract, agreement or arrangement during six months ended September 30, 2019 and the three years ended March 31, 2019, 2018, and 2017, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions mentioned above, see "*Related Party Transactions*" on page 90.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

### Shareholding of Directors

The following table sets forth the Shareholding of the Directors in our Company as on November 15, 2019:

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Benu Gopal Bangur, Chairman	10,221	0.03

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Hari Mohan Bangur, Managing Director	482,063*	1.38
Prashant Bangur, Joint Managing Director	389,750**	1.12
<b>Total</b>	<b>882,034</b>	<b>2.53</b>

\* Out of the 482,063 Equity Shares held by Hari Mohan Bangur, 14,100 Equity Shares are held by him as a nominee of the following entities belonging to the Promoter Group:

- Benugopal Bangur Family Trust (private trust): 4,000 Equity Shares;
- Sunder Devi Bangur Family Benefit Trust (private trust): 3,000 Equity Shares; and
- Sri Rama Nidhi (family deity): 7,100 Equity Shares.

\*\* Out of the 389,750 Equity Shares held by Prashant Bangur, 93,800 Equity Shares are held by him as a nominee of the Shree Venktesh Ayurvedic Aushdhalaya, (charitable institution), a entity forming part of the Promoter Group.

### Terms of appointment of Executive Directors

The table below sets forth the terms of appointment of the Executive Directors:

Name of the Director	Terms of appointment
<b>Hari Mohan Bangur</b>	<ul style="list-style-type: none"> <li>• Period of appointment: Five years with effect from April 1, 2016</li> <li>• Basic salary: <ul style="list-style-type: none"> <li>○ Fiscal 2017: ₹ 0.77 crore per month;</li> <li>○ Fiscal 2018: ₹ 0.90 crore per month;</li> <li>○ Fiscal 2019: ₹ 1.06 crore per month;</li> <li>○ Fiscal 2020: ₹ 1.25 crore per month; and</li> <li>○ Fiscal 2021: ₹ 1.47 crore per month;</li> </ul> </li> <li>• Commission: Such commission on net profits as may be decided by the Board in its absolute discretion for each financial year or part thereof.</li> <li>• Perquisites / Allowances: <ul style="list-style-type: none"> <li>○ Retaining allowances: 13.50% of the basic salary;</li> <li>○ House rent allowance: 60% of the basic salary;</li> <li>○ Medical reimbursement: All expenses incurred for himself and his family in India and / or abroad including hospitalisation, nursing home and surgical treatment shall be reimbursed at actual;</li> <li>○ Leave travel concession: Reimbursement of leave travel expenses for self and family, once in a year for proceeding on leave at actual;</li> <li>○ Conveyance facility: Our Company shall provide vehicle(s) for both business and personal use and bear all expenses relating to such vehicles, fuel costs, repairs, maintenance, running expenses including driver(s) salary etc;</li> <li>○ Club fee: Payment of fees of clubs including admission and life membership fee;</li> <li>○ Telephone, internet connection and other communication facilities: Our Company shall bear all expenses regarding telephone, internet connectivity and other communication facilities at his residence; and</li> <li>○ Encashment of leaves accumulated and not availed of, gratuity benefits, personal accident benefits, and our Company's contribution to provident fund, superannuation fund, annuity fund, etc., will be in accordance with the rules of our Company.</li> <li>○ Other perquisites / allowances: Subject to the overall ceiling on remuneration as prescribed under the applicable provisions of Companies Act, 2013 or such higher ceiling as may be applicable from time to time during his tenure, he may be given any other allowances, benefits and perquisites as our Board may from time to time, decide at its discretion. However, the aggregate amount of such allowances, benefits (excluding commission) and perquisites (excluding our Company's contribution to provident fund, superannuation fund, annuity fund, leave encashment and gratuity will not exceed 150% of the basic salary of that year.</li> </ul> </li> </ul>

Name of the Director	Terms of appointment
	<ul style="list-style-type: none"> <li>• The Board is further empowered to make any variation in terms and conditions as to his remuneration.</li> <li>• Total remuneration payable to him by way of salary, commission, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Sections 197, 198 and other relevant provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof.</li> <li>• Minimum remuneration: In the absence or inadequacy of the profits in any year, he shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary, allowances, perquisite and other benefits as stated above, subject, however, to the necessary approvals / ceiling specified under Schedule V of the Companies Act, 2013.</li> </ul>
Prashant Bangur	<ul style="list-style-type: none"> <li>• Period of appointment: Five years with effect from April 1, 2017</li> <li>• Annual remuneration: Total annual remuneration including salary, contribution to provident and superannuation fund, allowances and perquisites (excluding commission, leave encashment, club fee, medical reimbursement, gratuity etc.) is ₹ 13.20 crore per annum, with effect from April 1, 2019.  The annual increment in the remuneration to be decided by the Board.</li> <li>• Commission: Such commission on net profits as may be decided by the Board in its absolute discretion for each financial year or part thereof.</li> <li>• Other benefits: <ul style="list-style-type: none"> <li>○ Medical reimbursement: All expenses incurred for himself and his family in India and / or abroad including hospitalisation, nursing home and surgical treatment shall be reimbursed at actual;</li> <li>○ Conveyance facility: Our Company shall provide vehicle(s) for both business and personal use and bear all expenses relating to such vehicles, fuel costs, repairs, maintenance, running expenses including driver(s) salary etc;</li> <li>○ Club fee: Payment of fees of clubs including admission and life membership fee;</li> <li>○ Telephone, internet connection and other communication facilities: Our Company shall bear all expenses regarding telephone, internet connectivity and other communication facilities at his residence.</li> <li>○ Encashment of leaves accumulated and not availed of, gratuity benefits and personal accident benefits will be in accordance with the rules of our Company.</li> </ul> </li> <li>• The Board is empowered to make any variation in the terms and conditions as to his remuneration as may be mutually agreed and subject to such approvals as may be required and within the applicable limits as may be prescribed under Sections 196 and 197 read with Schedule V of the Companies Act, 2013.</li> <li>• Minimum remuneration: In the absence or inadequacy of the profits in any year, he shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary and other benefits as stated above, subject, however, to the necessary approvals / ceiling specified under Schedule V of the Companies Act, 2013.</li> </ul>
Prakash Narayan Chhangani	<ul style="list-style-type: none"> <li>• Period of appointment: Five years with effect from July 30, 2018</li> <li>• Total salary: ₹ 4.00 crore per annum (plus furnished accommodation) with effect from April 1, 2019  The Board is authorized to decide the annual increase in his remuneration. However, such annual increase shall not exceed 30% per annum of his previous year's remuneration.</li> <li>• Other benefits: <ul style="list-style-type: none"> <li>○ Rent free furnished accommodation to be provided by our Company or house rent allowance as per the rules of our Company;</li> </ul> </li> </ul>

Name of the Director	Terms of appointment
	<ul style="list-style-type: none"> <li>○ Club fees: Reimbursement of annual membership fees of clubs, subject to the maximum of two clubs;</li> <li>○ Facility of our Company's car with driver for official use, provision of telephone(s) at residence and payment / reimbursement of expenses thereof; and</li> <li>○ Encashment of leaves accumulated and not availed of, and gratuity benefits will be in accordance with the rules of our Company.</li> </ul> <ul style="list-style-type: none"> <li>● Bonus: Such bonus on net profits as may be decided by the Board in its absolute discretion for each financial year or part thereof.</li> <li>● Overall remuneration: The total remuneration payable to him by way of salary, bonus, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.</li> <li>● Minimum remuneration: In the absence or inadequacy of profits in any year, he shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated above in that year, subject, however, to the necessary approvals and ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof).</li> </ul>

## Remuneration of the Directors

### A. Executive Directors

The following table sets forth the compensation paid by our Company to the Executive Directors during Fiscal 2020 (for the six months ended September 30, 2019), Fiscal 2019, Fiscal 2018, and Fiscal 2017:

<i>(in ₹ crore)</i>					
S. No.	Name of the Director	Compensation for Fiscal 2020 (for the six months ended September 30, 2019)	Compensation for Fiscal 2019	Compensation for Fiscal 2018	Compensation for Fiscal 2017
1.	Hari Mohan Bangur	25.60*	46.24	42.56	38.22
2.	Prashant Bangur	12.39*	23.01	19.50	15.32
3.	Prakash Narayan Chhangani**	2.06	2.61	-	-

\* Includes provision for commission taken for the six months ended September 30, 2019 on an estimated basis, which shall be paid subject to the approval of our Board.

\*\* Compensation paid in his role as whole-time Director, with effect from July 30, 2018.

### B. Non-executive Directors

All the Non-executive Directors are eligible to be paid sitting fees of ₹ 75,000 for every meeting of the Board or a committee of the Board attended by them.

The following table sets forth the compensation paid by our Company to the Non-executive Directors of our Company during the Fiscal 2020 (for the six months ended September 30, 2019), Fiscal 2019, Fiscal 2018, and Fiscal 2017:

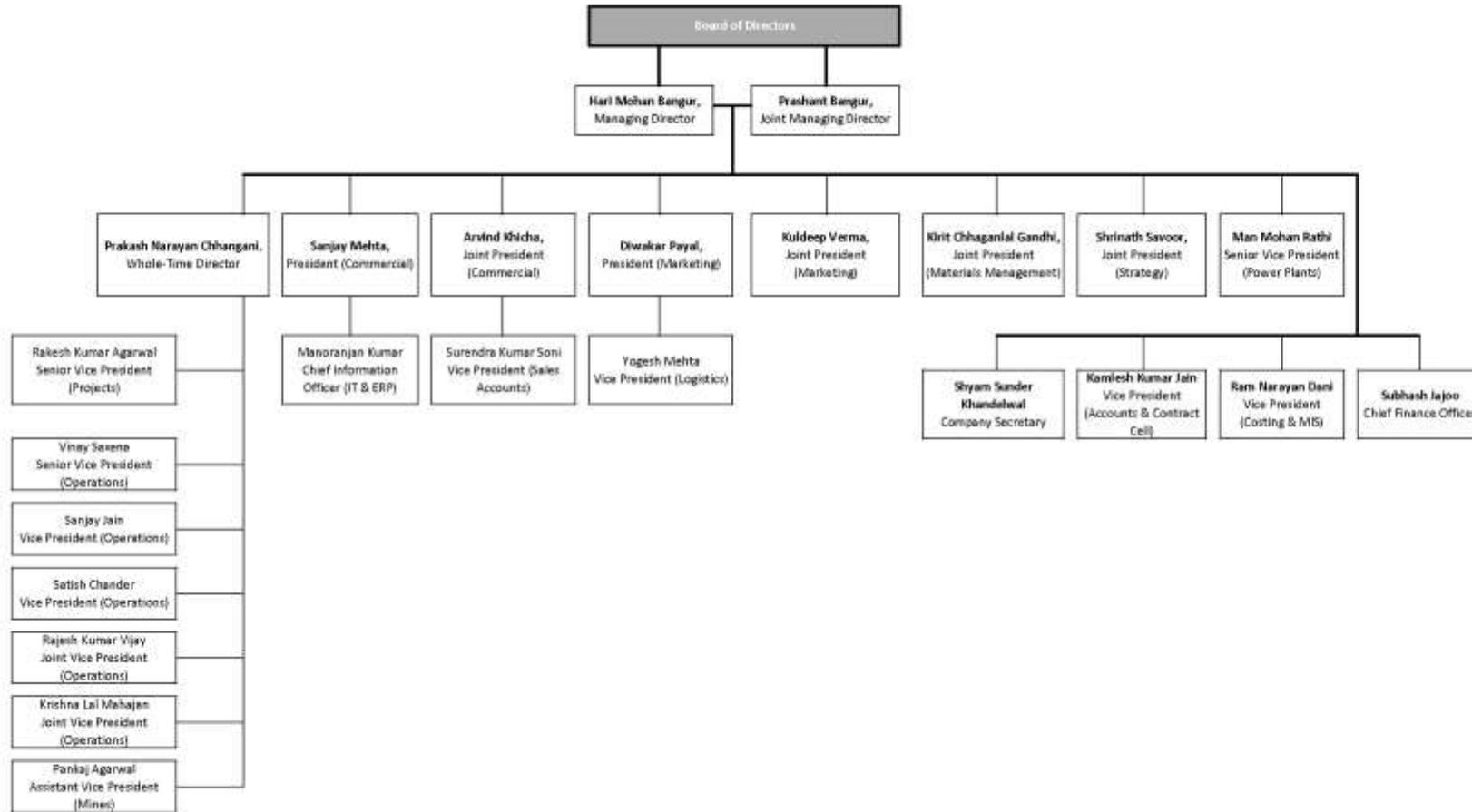
<i>(in ₹ crore)</i>					
S. No.	Name of the Director	Compensation for Fiscal 2020 (for the six months ended September 30, 2019)*	Compensation for Fiscal 2019	Compensation for Fiscal 2018	Compensation for Fiscal 2017
1.	Benu Gopal Bangur	0.19	0.36	0.36	0.33

S. No.	Name of the Director	Compensation for Fiscal 2020 (for the six months ended September 30, 2019)*	Compensation for Fiscal 2019	Compensation for Fiscal 2018	Compensation for Fiscal 2017
2.	Yoginder Kumar Alagh	0.21	0.41	0.41	0.39
3.	Om Prakash Setia	0.22	0.41	0.40	0.39
4.	Ratan Lal Gaggar	0.21	0.41	0.38	0.39
5.	Shreekant Somany	0.20	0.38	0.39	0.37
6.	Nitin Dayalji Desai	0.21	0.41	0.41	0.38
7.	Sanjiv Krishnaji Shelgikar	0.21	0.41	0.41	0.36
8.	Uma Ghurka**	-	-	-	-

\* Includes provision for commission taken for the six months ended September 30, 2019 on an estimated basis, subject to the approval of the Board.

\*\* Since Uma Ghurka was appointed to the Board on November 11, 2019, she has not received any compensation till date.

**Organisation chart of our Company**



## Corporate governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including the constitution of our Board and the committees thereof.

### Committees of our Board of Directors

In accordance with the requirements of the provisions of the Companies Act, 2013 and the provisions of the SEBI Listing Regulations, our Board has constituted various committees as detailed below: (i) Audit and Risk Management Committee; (ii) Nomination cum Remuneration Committee; (iii) Stakeholders' Relationship Committee; and (iv) Corporate Social and Business Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name and designation of members within the committee
1.	Audit and Risk Management Committee	1. Om Prakash Setia, Chairman 2. Ratan Lal Gaggar, Member 3. Yoginder Kumar Alagh, Member 4. Shreekant Somany, Member 5. Prashant Bangur, Member 6. Nitin Dayalji Desai, Member 7. Sanjiv.Krishnaji Shelgikar, Member
2.	Nomination cum Remuneration Committee	1. Ratan Lal Gaggar, Chairman 2. Om Prakash Setia, Member 3. Shreekant Somany, Member 4. Yoginder Kumar Alagh, Member
3.	Stakeholders' Relationship Committee	1. Ratan Lal Gaggar, Chairman 2. Nitin Dayalji Desai, Member 3. Yoginder Kumar Alagh, Member
4.	Corporate Social and Business Responsibility Committee	1. Om Prakash Setia, Chairman 2. Prashant Bangur, Member 3. Nitin Dayalji Desai, Member 4. Sanjiv.Krishnaji Shelgikar, Member

### Senior Management Personnel

In addition to Hari Mohan Bangur, Prashant Bangur, and Prakash Narayan Chhangani, who currently hold Directorships in our Company, and whose details are provided above, the following are the Senior Management Personnel of our Company:

Name	Designation
Diwakar Payal	President (Marketing)
Sanjay Mehta	President (Commercial)
Kuldeep Verma	Joint President (Marketing)
Kirit Chhaganlal Gandhi	Joint President (Materials Management)
Shrinath Savoor	Joint President (Strategy)
Arvind Khicha	Joint President (Commercial)
Man Mohan Rathi	Senior Vice President (Power Plants)
Vinay Saxena	Senior Vice President (Operations)
Rakesh Kumar Agarwal	Senior Vice President (Projects)
Ram Narayan Dani	Vice President (Costing and MIS)
Surendra Kumar Soni	Vice President (Sales and Accounts)
Shyam Sunder Khandelwal	Company Secretary
Kamlesh Kumar Jain	Vice President (Accounts and Contract Cell)
Sanjay Jain	Vice President (Operations)
Satish Chander	Vice President (Operations)
Yogesh Mehta	Vice President (Logistics)
Krishna Lal Mahajan	Joint Vice President (Operations)
Rajesh Kumar Vijay	Joint Vice President (Operations)
Manoranjan Kumar	Chief Information Officer (IT and ERP)

Name	Designation
Subhash Jajoo	Chief Finance Officer
Pankaj Agarwal	Assistant Vice President (Mines)

### Shareholding of Senior Management Personnel

Except in relation to Hari Mohan Bangur and Prashant Bangur, the following table sets forth the Shareholding of the Senior Management Personnel in our Company as on November 15, 2019:

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Kirit Chhaganlal Gandhi, Joint President (Materials Management)	50	Negligible
Ram Narayan Dani, Vice President (Costing and MIS)	50	Negligible
Yogesh Mehta, Vice President (Logistics)*	30	Negligible
Krishna Lal Mahajan, Joint Vice President (Operations)	14	Negligible

\* One Equity Share is separately held by Yogesh Mehta HUF.

### Interest of Senior Management Personnel

Except as stated in “*Interest of Directors*” above and in “*Financial Statements*” on pages 173 and 250, and to the extent of their Shareholding, if any, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Senior Management Personnel do not have any other interest in our Company.

### Other confirmations

Except as otherwise stated above in “*Interest of our Directors*” and “*Interest of Senior Management*”, none of our Directors or Senior Management Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations, in the last ten years by any bank or financial institution or consortium thereof.

Neither our Company, nor our Directors or Promoters is debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Directors or Promoters is declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

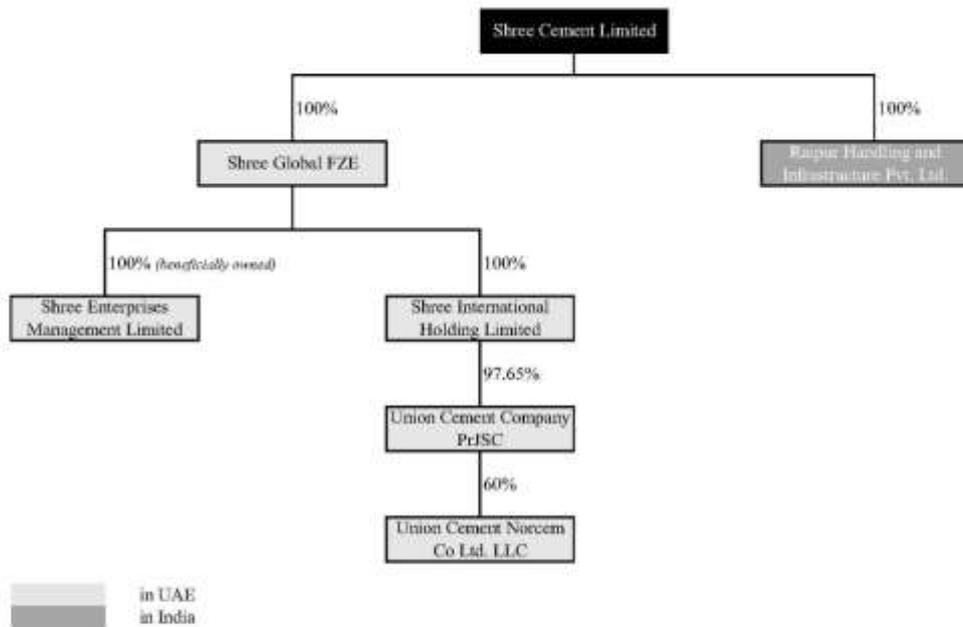
### Policy on disclosures and internal procedure for prevention of insider trading

The Insider Trading Regulations apply to our Company and our employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the Insider Trading Regulations, as per which, the Company Secretary and Compliance Officer of our Company is the compliance officer for the purposes of this code.

## ORGANIZATIONAL STRUCTURE

Our Company was incorporated as a public company with limited liability, on October 25, 1979, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. Our Company's registered office is located at Bangur Nagar, Beawar 305 901, Ajmer, Rajasthan, India. The Corporate Office of our Company is situated at 21, Strand Road, Kolkata 700 001, West Bengal, India. The CIN of our Company is L26943RJ1979PLC001935. The website of our Company is [www.shreecement.com](http://www.shreecement.com).

The organization structure of our Company is provided hereunder.



## SHAREHOLDING PATTERN OF OUR COMPANY

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2019:

**Table I - Summary Statement holding of specified securities:**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. equity shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class X	Class Y	Total								
(A)	Promoter & Promoter Group	19	22569797			22569797	64.79	22569797		22569797	64.79						22569797	
(B)	Public	34149	12267428			12267428	35.21	12267428		12267428	35.21						8620428	
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs																	
(C2)	Shares held by Employee Trusts																	
	<b>Total</b>	<b>34168</b>	<b>34837225</b>			<b>34837225</b>	<b>100.00</b>	<b>34837225</b>		<b>34837225</b>	<b>100.00</b>						<b>31190225</b>	

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group:**

(1)	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. of equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class X	Class Y	Total								
<b>(1)</b>	<b>Indian</b>																	
<b>A</b>	<b>Individual/Hindu Undivided Family</b>	7	1074484			1074484	3.08	1074484		1074484	3.08						1074484	
	<b>Name</b>																	
	Benu Gopal Bangur	1	10221			10221	0.03	10221		10221	0.03						10221	
	Hari Mohan Bangur	1	482063			482063	1.38	482063		482063	1.38						482063	
	Rajkamal Devi Bangur	1	126100			126100	0.36	126100		126100	0.36						126100	
	Prashant Bangur	1	389750			389750	1.12	389750		389750	1.12						389750	
	Ranu Bangur	1	63700			63700	0.18	63700		63700	0.18						63700	
	Riya puja Jain	1	2050			2050	0.01	2050		2050	0.01						2050	
	Padma Devi Maheshwari	1	600			600	0.00	600		600	0.00						600	
<b>B</b>	<b>Central Government/ State Governments</b>																	
	<b>Name</b>																	
<b>C</b>	<b>Financial Institutions / Banks</b>																	
	<b>Name</b>																	
<b>D</b>	<b>Any other (Specify)</b>	12	21495313			21495313	61.70	21495313		21495313	61.70						21495313	
	<b>Name</b>																	
	Shree Capital Services Limited	1	8984155	0	0	8984155	25.79	8984155	0	8984155	25.79	0	0.00	0	0.00		8984155	

	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. of equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	Digvijay Finlease Limited	1	4234780	0	0	4234780	12.16	4234780	0	4234780	12.16	0	12.16	0	0.00	0	0.00	4234780
	Mannakrishna Investments Private Limited	1	2042824	0	0	2042824	5.86	2042824	0	2042824	5.86	0	5.86	0	0.00	0	0.00	2042824
	Newa Investments Private Limited	1	1376270	0	0	1376270	3.95	1376270	0	1376270	3.95	0	3.95	0	0.00	0	0.00	1376270
	Ragini Finance Limited	1	1268882	0	0	1268882	3.64	1268882	0	1268882	3.64	0	3.64	0	0.00	0	0.00	1268882
	Didu Investments Private Limited	1	1170909	0	0	1170909	3.36	1170909	0	1170909	3.36	0	3.36	0	0.00	0	0.00	1170909
	N B I Industrial Finance Co Limited	1	849450	0	0	849450	2.44	849450	0	849450	2.44	0	2.44	0	0.00	0	0.00	849450
	The Venkatesh Co Limited	1	460030	0	0	460030	1.32	460030	0	460030	1.32	0	1.32	0	0.00	0	0.00	460030
	Rajesh Vanijya P Limited	1	369226	0	0	369226	1.06	369226	0	369226	1.06	0	1.06	0	0.00	0	0.00	369226
	The Didwana Investment Co Limited	1	327400	0	0	327400	0.94	327400	0	327400	0.94	0	0.94	0	0.00	0	0.00	327400
	Asish Creations Private Limited	1	210737	0	0	210737	0.60	210737	0	210737	0.60	0	0.60	0	0.00	0	0.00	210737
	Western India Commercial Co Limited	1	200650	0	0	200650	0.58	200650	0	200650	0.58	0	0.58	0	0.00	0	0.00	200650
	Sub Total A(1)	<b>19</b>	<b>22569797</b>	<b>0</b>	<b>0</b>	<b>22569797</b>	<b>64.79</b>	<b>22569797</b>	<b>0</b>	<b>22569797</b>	<b>64.79</b>	<b>0</b>	<b>64.79</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>22569797</b>
<b>(2)</b>	<b>Foreign</b>																	
<b>A</b>	<b>Individual (Non-resident Individuals / Foreign individuals)</b>																	
	<b>Name</b>																	
<b>B</b>	<b>Government</b>																	
	<b>Name</b>																	

	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. of equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total									
<b>C</b>	<b>Institutions</b>																		
	Name																		
<b>D</b>	<b>Foreign Portfolio Investor</b>																		
	Name																		
<b>E</b>	<b>Any other (Specify)</b>																		
	Name																		
	<b>Sub Total A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	19	22569797	0	0	22569797	64.79	22569797	0	22569797	64.79	0	64.79	0	0.00	0	0.00	22569797	

Note 1: (i) Out of the 482063 shares held by Shri Hari Mohan Bangur, the beneficial Interest on 14100 shares is held by the following Trusts/Institution (Belonging to Promoters Group):

- Benugopal Bangur Family Trust (Private Trust): 4000 shares
- Sunder Devi Bangur Family Benefit Trust (Private Trust): 3000 shares
- Sri Rama Nidhi (Family Deity): 7100 shares

(ii) Out of the 389750 shares held by Shri Prashant Bangur, the beneficial Interest on 93800 shares is held by the Shree Venkatesh Ayurvedic Aushdhalaya, Charitable Institution (Belonging to Promoters Group)

**Table III - Statement showing shareholding pattern of the Public shareholder:**

(1)	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
								Class X	Class Y	Total								
(a)	Institutions																	
	Mutual Funds	26	2122218	0	0	2122218	6.09	2122218	0	2122218	6.09	0	6.09	0	0.00	NA	NA	2120968
	SBI Mutual Fund	1	486869	0	0	486869	1.40	486869	0	486869	1.40	0	1.40	0	0.00	NA	NA	486869
	Kotak Mahindra Mutual Fund	1	379078	0	0	379078	1.09	379078	0	379078	1.09	0	1.09	0	0.00	NA	NA	379078
	UTI Mutual Fund	1	370649	0	0	370649	1.06	370649	0	370649	1.06	0	1.06	0	0.00	NA	NA	370649
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds	1	6371	0	0	6371	0.02	6371	0	6371	0.02	0	0.02	0	0.00	NA	NA	6371
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors	466	4138909	0	0	4138909	11.88	4138909	0	4138909	11.88	0	11.88	0	0.00	NA	NA	4138809
(f)	Financial Institutions/Banks	16	16909	0	0	16909	0.05	16909	0	16909	0.05	0	0.05	0	0.00	NA	NA	7409
(g)	Insurance Companies	4	366702	0	0	366702	1.05	366702	0	366702	1.05	0	1.05	0	0.00	NA	NA	366702
	Life Insurance Corporation of India	1	351784	0	0	351784	1.01	351784	0	351784	1.01	0	1.01	0	0.00	NA	NA	351784

	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
								Class X	Class Y	Total								
(h)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																	
	Qualified Institutional Buyer	10	473489	0	0	473489	1.36	473489	0	473489	1.36	0	1.36	0	0.00	NA	NA	473489
	<b>Sub Total (B)(1)</b>	<b>523</b>	<b>7124598</b>	<b>0</b>	<b>0</b>	<b>7124598</b>	<b>20.45</b>	<b>7124598</b>	<b>0</b>	<b>7124598</b>	<b>20.45</b>	<b>0</b>	<b>20.45</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>7113748</b>
(2)	Central Government /State Government (s)/President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>
(3)	Non-Institutions																	
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	30953	966211	0	0	966211	2.77	966211	0	966211	2.77	0	2.77		0.00	NA	NA	861361
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	2	114005	0	0	114005	0.33	114005	0	114005	0.33	0	0.33		0.00	NA	NA	114005

	Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
								Class X	Class Y	Total								
(b)	NBFCs Registered with RBI	4	1457	0	0	1457	0.00	1457	0	1457	0.00	0	0.00	0	0.00	NA	NA	1457
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																	
(i)	Trusts	8	43786	0	0	43786	0.13	43786	0	43786	0.13	0	0.00	0	0.00	NA	NA	43786
(ii)	Non Resident Indians - Repatriable	1182	84555	0	0	84555	0.24	84555	0	84555	0.24	0	0.00	0	0.00	NA	NA	58055
(iii)	Non Resident Indian Non Repatriable	566	27034			27034	0.08	27034	0	27034	0.08	0	0.00	0	0.00	NA	NA	27034
(iv)	Clearing Members	59	6865	0	0	6865	0.02	6865	0	6865	0.02	0	0.00	0	0.00	NA	NA	6865
(v)	Bodies Corporates	850	3841357	0	0	3841357	11.03	3841357	0	3841357	11.03	0	0.00	0	0.00	NA	NA	336557
	- FLT Limited	1	3600000	0	0	3600000	10.33	3600000	0	3600000	10.33	0	0.00	0	0.00	NA	NA	100000
(vi)	IEPF	1	57543	0	0	57543	0.17	57543	0	57543	0.17	0	0.00	0	0.00	NA	NA	57543
(vii)	Foreign Nationals	1	17	0	0	17	0.00	17	0	17	0.00	0	0.00	0	0.00	NA	NA	17
	<b>Sub Total (B)(3)</b>	<b>33626</b>	<b>5142830</b>	<b>0</b>	<b>0</b>	<b>5142830</b>	<b>14.76</b>	<b>5142830</b>	<b>0</b>	<b>5142830</b>	<b>14.76</b>	<b>0</b>	<b>14.76</b>	<b>0</b>	<b>0.00</b>			<b>1506680</b>
	<b>Total Public Shareholding (B) =</b>	<b>34149</b>	<b>12267428</b>	<b>0</b>	<b>0</b>	<b>12267428</b>	<b>35.21</b>	<b>12267428</b>	<b>0</b>	<b>12267428</b>	<b>35.21</b>	<b>0</b>	<b>35.21</b>	<b>0</b>	<b>0.00</b>			<b>8620428</b>

Category and Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. equity shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)		
							Class X	Class Y	Total									
(B)(1)+(B)(2)+(B)(3)																		

**Details of Shares which remain unclaimed for Public**

S. No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen
1	1	100	100

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. of equity shares held (VII) = (IV)+(V) + (VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
									Class X	Class Y	Total								
(1)	Custodian / DR Holder (c) (1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2)	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulation, 2014) (c) (2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Non-Promoter - Non Public Shareholding (C)= (C) (1) +(C) (2)</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see “Selling Restrictions” and “Transfer Restrictions” on pages 206 and 212, respectively.*

*Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the Insider Trading Regulations, and other applicable laws.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and all other applicable provisions of the Companies Act, 2013 through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution approving the Issue. Such special resolution approving the QIP must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall not make any subsequent qualified institutions placement until the expiry of six months from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Promoters and Directors are not fugitive economic offenders;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The “Relevant Date” referred to above means the date of the meeting in which the Board or the Qualified Institutions Placement Committee decides to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the Shareholders of our Company through postal ballot passed on November 18, 2019, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders’ resolution approving the Issue, being November 18, 2019 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see “– Pricing and Allocation – Designated Date and Allotment of Equity Shares” on page 202.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on October 19, 2019 and approved by our Shareholders by way of postal ballot on November 18, 2019. The minimum number of Allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and
- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “—*Bid Process—Application Form*” on page 197.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

Our Company has filed a copy of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals each dated November 19, 2019, from the NSE and the BSE, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 206 and 212, respectively.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Issue Procedure**

1. On Issue Opening Date, our Company, in consultation with the BRLMs, shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form is delivered will be determined by our Company in consultation with the BRLMs.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the BRLMs.
4. Bidders (Eligible QIBs) will be required to indicate the following in the Application Form:
  - Full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail ID, PAN, phone number and bank account details;

- number of Equity Shares Bid for;
  - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
  - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S;
  - details of the depository account to which the Equity Shares should be credited;
  - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a “qualified institutional buyer” as defined in Rule 144A, and it has agreed to certain other representations set forth in the “*Representations by Investors*” on page 6 and “*Transfer Restrictions*” on page 212 and certain other representations made in the Application Form; and
  - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.
5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “SHREE CEMENT LIMITED – QIP ESCROW ACCOUNT” with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– *Refunds*” on page 202.
6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLMs, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs will send the serially numbered CAN to the Successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLMs.**
9. Upon determination of the Issue Price before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send this serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares.
10. Upon dispatch of this serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
13. Our Company will then apply for the final trading approvals from the Stock Exchanges.
14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

#### **Eligible Qualified Institutional Buyers**

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- FVCIs registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;

- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 25 crore;
- provident funds with minimum corpus of ₹ 25 crore;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

**Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.**

**Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single Eligible FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) is not permitted to exceed 10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all Eligible FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed 24% of the post-Issue paid-up capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the company and the investor with applicable reporting requirements, and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. Further, in accordance with Regulation 22(4) of the SEBI FPI Regulations, such clubbing of the investment limits of the FPI's investor group shall not apply in the event (i) the FPIs forming part of such investor group are appropriately regulated public retail funds; or (ii) the FPIs forming part of such investor group are public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (iii) the FPIs forming part of such investor group are public retail funds and investment managers of such FPIs are appropriately regulated.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company. The existing foreign investment limit for FPIs in our Company is 24% of the paid up Equity Share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed CDSL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” beginning on page 206 and 212, respectively.

#### **Restriction on Allotment**

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders’ agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

**Our Company and the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations and ensure compliance with applicable laws.**

**A minimum of 10% of the Equity Shares offered in this Issue shall be available for Allocation to Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs.**

*Note: Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

#### ***Bid Process***

#### ***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 3, 6, 206 and 212, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;
4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI;
6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;
7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;
9. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as “proposed Allottees” and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;
11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

- a. QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and
  - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
12. The Eligible QIB confirms that:
  - a. It will make payment of its Bid Amount along with submission of the Application Form within the Bidding Period;
  - b. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and
  - c. If it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.
13. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;
14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
15. The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges;
16. The Bidder confirms that in the event it is an FPI, it is eligible to participate in the Issue in terms of the requirements provided under the SEBI FPI Regulations.

**ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through any BRLM) in favour of the Successful Bidder.

### ***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

<b>Name of Book Running Lead Manager</b>	<b>Address</b>	<b>Contact Person</b>	<b>Website and Email ID</b>	<b>Telephone and Facsimile</b>
JM Financial Limited	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Prachee Dhuri	<b>Website:</b> www.jmfl.com <b>Email ID:</b> scl.qip@jmfl.com	<b>Telephone:</b> +91 22 6630 3030 <b>Facsimile:</b> +91 22 6630 3330
ICICI Securities Limited	ICICI Centre H. T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India	Arjun A Mehrotra / Rishi Tiwari	<b>Website:</b> www.icicisecurities.com <b>Email ID:</b> scl.qip@icicisecurities.com	<b>Telephone:</b> +91 22 2288 2460 <b>Facsimile:</b> +91 22 2282 6580

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

### **Payment of Bid Amount**

Our Company has opened the Escrow Account in the name of “SHREE CEMENT LIMITED – QIP ESCROW ACCOUNT” with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand drafts or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in “SHREE CEMENT LIMITED – QIP ESCROW ACCOUNT” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “Issue Procedure – Refunds” on page 202.

## **Pricing and Allocation**

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on November 18, 2019.

The “Relevant Date” referred to above, for Allotment, will be the date of the meeting in which the Board decides to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

### ***Build-up of the Book***

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

### ***Price Discovery and Allocation***

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution dated November 18, 2019 passed by way of postal ballot.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as this Placement Document.

### ***Method of Allocation***

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.**

### ***CAN***

The Successful Bidders would be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful

Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The dispatch of the serially numbered CAN and this Placement Document to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

**QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "Notice to Investors" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for obtaining listing approvals. Post receipt of listing approvals and credit of Equity Shares into the beneficiary accounts of the Eligible QIBs, our Company will apply for the trading approvals from the Stock Exchanges.
5. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.
6. After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as this Placement Document which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

***Refunds***

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bid Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within 60 days from the date of

receipt of the Bid Amount or on cancellation of the Issue post Allocation or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Bid Amount within 15 days from expiry of 60 days or such other period as provided under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

The application monies to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

### **Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

### **Other Instructions**

#### ***Permanent Account Number or PAN***

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

#### ***Right to Reject Applications***

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details see "***Bid Process***" – "***Refund***".

#### ***Equity Shares in dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

## PLACEMENT

### Placement Agreement

The BRLMs have entered into a placement agreement dated November 19, 2019 with our Company (the “**Placement Agreement**”), pursuant to which the BRLMs have severally and not jointly agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the BRLMs, and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the BRLMs may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See “*Off-shore Derivative Instruments (P-Notes)*” on page 12.

### Lock-up

The Company will not, for a period commencing from the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of such transactions are to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depository in connection with a depository receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depository receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided that, the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the Issue; or (B) issue of Equity Shares or other securities pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets or other strategic corporate transaction, subject to providing prior intimation to each Book Running Lead Manager.

### Lock-up by Promoters and members of the Promoter Group

The Promoters and the members of the Promoter Group shall not, during the period commencing on the date hereof and ending 90 days from the date of this Placement Document (both dates inclusive) (“**Lock-up Period**”), directly or indirectly, (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive the Equity Shares to be locked-up (“**Lock-up Shares**”) or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise; (3) enter into any transaction (including a

transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above. Nothing would restrict the inter-se transfer of any Equity Shares between Promoters/ members of the Promoter Group.

In addition, the undersigned agree that, without the prior written consent of the Book Running Lead Managers, they shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

## SELLING RESTRICTIONS

*The distribution of the Preliminary Placement Document and this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document and this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.*

### General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under “*Transfer Restrictions*” on page 212.

### Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document have not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

### Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“**Australian Corporations Act**”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission (“**ASIC**”) and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

### Bahrain

This document has been prepared for private information purposes of intended investors only who will be accredited investors. For this purpose, an “accredited investor” means: (i) an individual holding financial assets (either singly or jointly with a spouse) of US\$1,000,000 or more; (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US\$1,000,000; or (iii)

a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund). This document is intended to be read by the addressee only.

No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Equity Shares to any potential investor in Bahrain. All marketing and offering is made and will be made outside of the Kingdom of Bahrain. None of the Central Bank of Bahrain, the Bahrain Stock Exchange or any other regulatory authority in Bahrain has reviewed, nor has it approved, this document or the marketing of Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this document, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein. This document is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain.

### **People's Republic of China**

This Placement Document may not be circulated or distributed in the People's Republic of China (the "PRC") and the Equity Shares may not be offered or sold directly or indirectly to any resident of the PRC, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. Neither this offering circular nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

### **European Economic Area**

In relation to each Member State of the EEA Area which has implemented the Directive 2003/71/EC (and any amendment thereto, including Directive 2010/73/EU 2010, to the extent implemented in each relevant EEA Member State) and any relevant implementing measure in each relevant EEA Member State (the "**Prospectus Directive**") (each a "**Relevant Member State**"), an offer to the public of any Equity Shares may not be made in that Relevant Member State, except if the Equity Shares are offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the publication by our Company or any of the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Equity Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Book Running Lead Managers and our Company that it is a "qualified investor" within the meaning of the law in that relevant EEA Member State which has implemented Article 2(1)(e) of the Prospectus Directive.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Offering have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale. Our Company, its directors, the Book Running Lead Managers and their affiliates, and others will rely

upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing may, with the consent of the Book Running Lead Managers, be permitted to subscribe for or purchase Equity Shares in the Issue.

### **Hong Kong**

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### **Japan**

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the “**Qualified Institutional Investor**”), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the “**QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

### **Republic of Korea**

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “**FSCMA**”). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

### **Malaysia**

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

### **Qatar (excluding the Qatar Financial Centre)**

This document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

### **Qatar Financial Centre**

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the “**QFC**”), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

## Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to “Sophisticated Investors” (as defined in Article 11 of the “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the “**KSA Regulations**”)) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a “public offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

## Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### **United Arab Emirates (excluding the Dubai International Financial Centre)**

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “**UAE**”) or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of such securities.

### **Dubai International Financial Centre**

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i). an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “**DFSA**”); and
- (ii). made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

### **United Kingdom**

Each Book Running Lead Manager, severally and not jointly, has represented and warranted that:

- (i). it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) in connection with the offer or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (ii). it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

Any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iv) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

### **United States**

The Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “*Transfer Restrictions*” on page 212.

## TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 206.

### U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Placement Agent as follows:

- You (A) are a “qualified institutional buyer” (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a “qualified institutional buyer”;
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a “qualified institutional buyer” in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;
- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;
- The Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;
- You will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Placement Document, as it may be supplemented; and

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Placement Agent or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.
- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.
- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request.
- You have been provided access to the Preliminary Placement Document and this Placement Document which you have read in its entirety.
- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

#### **Global Offer Purchaser Representations and Transfer Restrictions**

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Placement Agent and their respective affiliates shall have any responsibility in this regard;
- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a “qualified institutional buyer” in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;
- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any “directed selling efforts” as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Placement Document, as may be supplemented.
- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their affiliates or advisors.*

### **The Indian Securities Market**

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### **Indian Stock Exchanges**

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the “**SCRA**”) and the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”). On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the “**SEBI Act**”), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SCR (SECC) Rules**”), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### **Listing of Securities**

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognised stock exchange.

### **Minimum Level of Public Shareholding**

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company (except public sector undertakings) falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

### **Delisting**

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were

significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### **Disclosures under the SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

### **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

### **BSE**

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. The BSE was listed on the NSE with effect from February 3, 2017.

### **NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

### **Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

### **Trading Hours**

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

## **Trading Procedure**

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or “BOLT”) facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or “NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

## **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company’s shares / voting rights / control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

## **Insider Trading Regulations**

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an ‘insider’ from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“UPSI”).

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities, listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, members of the promoter group, key management personnel, directors as well as continual disclosures by every promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

## **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

### **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI

## DESCRIPTION OF THE EQUITY SHARES

*The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act, 2013. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### **Share capital**

The authorized share capital of our Company is ₹ 750,000,000 divided into 60,000,000 Equity Shares of ₹ 10 each and 1,500,000 cumulative preference shares of ₹ 100 each. For further details, please see "*Capital Structure*" on page 88.

### **Dividends**

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act, 2013 and remaining undistributed or out of both or out of money provided by the central government or a state government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of our Company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by our Company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of our Company's paid up share capital as per the most recent audited financial statement of our Company.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Equity Share is issued on terms providing that it shall rank for dividends as from a particular date, such Equity Share shall rank for dividend accordingly. Our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to our Company on account of calls or otherwise in relation to the Equity Shares of our Company. No member shall be entitled to receive payment of interest and dividend in respect of his Equity Shares while any money may be due or owing from him to our Company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer unless the registered holder of the Equity Shares authorises our Company to pay the dividend to the transferee.

According to the Articles of Association, dividends may be paid to the members according to their respective rights but the amount of dividends shall not exceed the amount recommended by our Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, our Board of the Directors may pay interim dividends as in the judgment of our Board of Directors, the position of our Company justifies, subject to the requirements of the Companies Act, 2013.

### **Capitalisation of Profits and issue of Bonus Shares**

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors of a company subject to approval of shareholders in a general

meeting to issue fully paid up bonus shares to its members out of (a) the free reserves of our Company (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) it is authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus(e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

The Articles of Association provide that our Company may by a resolution passed in a general meeting of the shareholders, upon a recommendation by the Board, resolve to capitalise whole or any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and distribute amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions and that all or any part of such capitalized fund shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and/or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a securities premium account and a capital redemption reserve fund may only be applied in the paying of any unissued shares to be issued to members of our Company as fully paid bonus shares.

#### ***Pre-Emptive Rights and Alteration of Share Capital***

Subject to the provisions of the Companies Act, 2013, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act, 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

The Articles of Association authorise us to increase our authorised capital by issuing new shares consisting of equity and/or preference shares, as our Company may determine in a general meeting.

The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act, 2013 and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may consolidate, divide or sub-divide its share capital. The Articles of Association also provide that our Company may issue shares with preferential or qualified or special rights, privileges or conditions, subject to the compliance with requirements under the Companies Act, 2013 and the rules thereto, or any other applicable law in force.

#### ***General Meetings of shareholders***

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM when necessary or at the request of a Shareholder or Shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of our Company and every director of our Company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act, 2013 have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

### ***Voting Rights***

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings. No proxy shall be entitled to vote on a show of hands unless such proxy is present on behalf of a company or corporation.

### ***Registration of Transfers and Register of Members***

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the SEBI Listing Regulations, of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

### ***Transfer of Shares***

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository

are exempt from stamp duty. We have entered into an agreement for such depository services with the NSDL and the CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered.

In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository.

### ***Liquidation Rights***

The Articles of Association of our Company provide that if our Company shall be wound up, whether voluntary or otherwise, the liquidator may with the sanction of a special resolution, divide among the contributories in any part, of the assets of our Company and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidator, with the like sanction, shall think fit.

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

### ***Buy Back***

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI regulations issued in connection therewith.

## STATEMENT OF POSSIBLE TAX BENEFITS

### STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors  
**Shree Cement Limited**  
Bangur Nagar, Beawar  
District Ajmer,  
Rajasthan 305 901, India

Dear Sirs,

**Sub: Qualified Institutions Placement (“QIP”) of equity shares of face value of ₹ 10 each (“Equity Shares”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (“SEBI ICDR Regulations”) and applicable provisions of the Companies Act, 2013, as amended and the rules framed thereunder (“Companies Act”) by Shree Cement Limited (the “Company”), (such QIP, the “Issue”)**

1. We hereby confirm that the enclosed annexure, accurately and adequately states the possible tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (“Act”) presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure are not exhaustive. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice.
3. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
4. We do not express any opinion or provide any assurance as to whether:
  1. the Company or its shareholders will continue to obtain these benefits in future; or
  2. the conditions prescribed for availing the benefits, where applicable have been/would be met.
5. The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue (the “Offering Documents”). This letter and the statement can be shared with and relied on, as necessary, by the respective advisors of the Company and JM Financial Limited and ICICI Securities Limited, intermediaries appointed in connection with the Issue. Further, this letter and the statement may be submitted to the stock exchanges or any other regulatory or statutory authority, as may be required.
6. We undertake to immediately inform the Company and the Book Running Lead Managers in writing of any changes or qualifications or any material developments in respect of the matters covered in this letter and the statement until the date when the Equity Shares issued pursuant to the Issue commence trading on the BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”). In the absence of any such written communication from us, the above information contained in the Offering Documents and included herein should be taken as accurate and updated until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges.
7. Any capitalised term that has not been defined shall have the meaning attributed to it in the Preliminary Placement Document/ Placement Document prepared/ to be prepared in connection with the Issue.

For **Gupta & Dua**

**Chartered Accountants**

Firms' Registration Number:003849N

Peer Review Number: 011594

Mukesh Dua

Partner

Membership Number:085323

UDIN: 19085323AAAADM3947

Place: Beawar, Rajasthan

Date: November 18, 2019

The information provided below sets out the possible tax benefits available to the company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which a shareholder may or may not choose to fulfill based on business imperatives he faces. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of investment in the shares, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961, (“IT ACT”) AS AMENDED BY THE FINANCE (NO. 2) ACT, 2019 (“FA 2019”), THE TAXATION LAWS (AMENDMENT) ORDINANCE, 2019 (“TLA ORDINANCE 2019”) AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SAME IS PREPARED IN ACCORDANCE WITH THE REQUIREMENT IN SCHEDULE VIII – CLAUSE (VII) (L) OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018, AS AMENDED (‘THE REGULATIONS’)**

1. This statement sets out below the possible tax benefits available to the company, our shareholders and consequences for the company under the current tax laws presently in force in India. Several of these benefits are dependent on such shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of our shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the shareholders may or may not choose to fulfil;
2. This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA) if any, between India and the country in which the non-resident has fiscal domicile subject to amendments that would come into effect through Multi-Lateral Instrument signed and subsequently ratified by India and production of qualifying documents as may be required in order to avail such DTAA benefits; and
4. The under-mentioned tax benefits will be available only to the sole/first-named holder in case the Equity Shares are held by joint shareholders

The law stated below is as per the Income-tax Act, 1961 as amended from time to time.

## **I. Levy of Income-tax**

Levy of income-tax and provisions under the Act are dependent on the residential status of the tax payer. The provisions relevant for determination of the residential status of a tax payer are summarized herein below:

### **1. Residential status**

Under the Act, “Non-Resident” means a person who is not a resident in India.

#### **1.1 Residential status of an individual**

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

- a) a period or periods aggregating to 182 days or more in that FY; or
- b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above shall be read as 182 days.

In the case of a citizen of India who leaves India for employment outside India or as a member of the crew of an Indian ship in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Further if an individual fulfills the conditions prescribed under Section 6(6) of the Act, he/she shall be regarded as 'Resident but not ordinarily resident'.

### **1.2 Residential status of a Company**

A Company is resident in India if it is formed and incorporated under the Companies Act, 1956/2013 or the place of effective management, in that year, is situated in India.

For this purpose, the place of effective management (POEM) means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. Circular 6/2017 issued by Central Board of Direct Taxes introduces a series of new sub-test to address unintended consequences of POEM, based on whether a company has active business outside India.

A company is considered to have active business outside India when (a) its passive income (understood as an aggregation of sale and purchase transactions between related parties, royalty, interest, dividend, capital gains) is less than 50% of its total income; and (b) the number of employees in India, value of assets in India and payroll expenses relating to Indian employees is less than fifty percent of the company's total employees, assets and payroll expenses, respectively. The determination of these factors is based on an average of the data pertaining to the relevant financial year and two previous years. A company having an active business outside India is presumed to be non-resident as long as majority of its board meetings are held abroad. For all other companies, the investigation of residence would involve identification of (a) persons who are responsible for management decisions and (b) place where decisions are actually made.

Companies having turnover or gross receipts less than INR 500 million will not come under the scrutiny of POEM.

### **1.3 Residential status of a Hindu undivided family ('HUF'), firm or AOP –**

A HUF, firm or other association of persons or every other artificial person is resident in India except where, during that year, the control and management of its affairs is situated wholly outside India.

## **2. Scope of taxation**

In general, a person who is Resident and Ordinary Resident "ROR" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India, is subject to tax in India.

Income earned from the equity shares of the Company would be considered to accrue or arise in India and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend received from Indian Companies up to Rs 1 million). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents/ investors.

## **II. Benefits available to the Company**

**a. Special Tax Benefits to the Company**

**1.0 Deduction under section 80-IA of the Act**

In accordance with and subject to the condition specified in Section 80-IA of the Act, the Company would be entitled for a deduction of an amount equal to hundred per cent of profits or gains derived from industrial undertaking engaged in generation and/or distribution or transmission of power / development of infrastructure facility for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking has started its operation.

However, no deduction under section 80-IA is available for any undertaking set up after March 31, 2017.

**2.0 General Tax Benefits to the Company**

Company is eligible to claim various other general tax benefit as per the provisions of Income Tax Act 1961 subject to satisfaction of condition prescribed therein.

**III. General Tax Benefits Available to the Shareholders**

**1. Resident Shareholders**

**1.1 Exemption and Taxability on Dividend Income received from Domestic Company**

Dividends earned from investment in shares of Indian Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Income tax Act, 1961 (hereinafter referred to as 'the Act'). As a consequence, the company is required to pay Dividend Distribution Tax (DDT) at the rate of 20.555 % (after levy of appropriate surcharge and cess) on the total amount distributed or declared or paid as dividend.

However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

However, as per Section 115BBDA of the IT Act, in the case of a specified assessee, if aggregate of dividend income during the year is in excess of ten lakh rupees, then such dividend shall be chargeable to tax at the rate of 10% (plus applicable surcharge and cess) in the hands of the shareholder.

Specified person means a person other than:

- i. a domestic company; or
- ii. fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C); or
- iii. a trust/institution registered under section 12AA.

**1.2 Disallowance of expenditures incurred on exempted Income:**

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend) is not a tax-deductible expenditure. However, disallowances can't exceed the exempt income.

**1.3 Business Income**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The

Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income in which case, the income on transfer of shares would be taxed as business income or loss in accordance with and subject to the provisions of the Act.

#### **1.4 Allowance of Securities Transaction Tax (STT) paid by a shareholder:**

Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”. However, no deduction will be allowed in computing the income chargeable to tax as capital gains for such amount paid on account of STT as per Section 48 of the Act.

#### **1.5 Set off and carry forward of losses.**

As per the provision of Section 71(3), if there is a loss under the head “Capital Gains”, it cannot be set-off with the income under any other head. Section 74 provides that the short-term capital loss can be set-off against both Short-term and Long-term capital gain. But Long-term capital loss cannot be set-off against short-term capital gain. The unabsorbed short-term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed Long-term capital loss can be carried forward for next eight assessment years and can be set off only against Long-term capital gains in subsequent years

Further, as per Explanation to section 73, in case of a company, if any part of the business consists in the purchase and sale of shares, the loss incurred in such business is deemed to be speculative business loss which can be set off only against speculative business income and can be carried forward for a period of 4 years only (as against period of 8 years for normal business loss). This rule does not apply to a company (a) whose gross total income consists mainly of income which is chargeable under heads of income other Business income; or (b) whose principal business is trading in shares or banking or granting of loans and advances.

#### **1.6 Tax on Long-term Capital Gain:**

- a. Long-term capital gains on listed equity shares arises where the equity shares in a company are held for a period of more than 12 months prior to the date of transfer of the shares in case of shares of a company listed on a Recognised Stock Exchange in India and the transaction is chargeable to Securities Transaction Tax.
- b. Section 10(38) of the IT Act which exempted, Long Term Capital Gains (“LTCG”), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.
- c. As per section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“STT”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

Such LTCG will be computed without considering the indexation benefit. The cost of acquisition will be computed in accordance with the provisions of section 55 read with section 112A of the IT Act.

Further, Section 55(2)(ac) inserted by Finance Act 2018 further provides that cost of acquisition of specified capital asset referred to in section 112A acquired prior to 1 February 2018 shall be higher of:

- Cost of acquisition of such asset and

- Lower of –
  - (A) The Fair Market Value of such asset
  - (B) Full value of consideration received or accruing as a result of transfer of capital asset
- d. In cases other than those covered u/s 112A, i.e. sale of equity shares on which STT is not paid either at the time of purchase or sale, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG will be taxable @ 10% (plus applicable surcharge and cess) without indexation and 20% with indexation (plus applicable surcharge and cess), whichever is lower.
- e. Cost of acquisition and cost of improvement for computing Capital Gains will be computed in accordance with section 48 of the IT Act in cases other than those covered u/s 112A.

Section 48 of the Act provides that in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

- i. Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index (only for Resident shareholder of unlisted company) notified by the Central Government; and
- ii. Expenditure incurred wholly and exclusively in connection with the transfer of shares.

### **1.7 Tax on Short-term Capital Gain:**

As per Section 111A of the IT Act, Short Term Capital Gains (“STCG”), i.e., gains from equity shares held for a period not exceeding twelve months, prior to the date of transfer would be taxable at a rate of 15% (plus applicable surcharge and cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. STCG arising from transfer of shares, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

### **1.8 Exemption from Capital Gains:**

Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 5 million are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Section 54F of the Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines.

### **1.9 Income from buy back of shares**

As per section 10(34A) of the Act, any income arising to the Company being a shareholder, on account of buy back of shares (listed or unlisted) by a company as referred to in section 115QA of the Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability. As per Section 115QA, any amount of distributed income by the company on buy-back of shares from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax at the rate of 23.296% (Inclusive of applicable surcharge and cess) on the distributed income.

However, in view of TLA Ordinance 2019, such a company would not be liable to pay any buyback tax on shared (listed), if public announcement as per SEBI regulations in respect of the same was made prior to July 5, 2019.

### **1.10 Tax on property received without consideration or for inadequate consideration:**

Under section 56(2)(x) of the Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or

for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

- a. where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50,000/-, the whole FMV;
- b. where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

The Finance (No.2) Act, 2019 has amended Section 2(24)( xviiia) to provide that income arising from any sum of money paid, or any property situate in India transferred, on or after 5th July, 2019 by a person resident in India to a person outside India shall be deemed to accrue or arise in India. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

## **2. Non-Residents (Other than FIIs)**

The tax benefits / implications referred to in paragraphs 1.1 to 1.10 (except para 1.6) under the heading "General Tax Benefits Available to the Shareholders" will equally apply to the non-resident shareholders.

### **2.1 Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per the provisions of Section 90, the Non-Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

Any person considering claiming benefits under any such DTAA will not be able to claim any benefits unless a tax resident certificate, containing such particulars as prescribed by the Central Board of Direct Taxes, is obtained by the non-resident from the Government of the country in which such person is a resident.

### **2.2 Tax on Long-term Capital Gain:**

- a. Long-term capital gains on listed equity shares arises where the equity shares in a company are held for a period of more than 12 months prior to the date of transfer of the shares in case of shares of a company listed on a Recognised Stock Exchange in India and the transaction is chargeable to Securities Transaction Tax.
- b. Section 10(38) of the IT Act which exempted, Long Term Capital Gains ("LTTCG" ), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.
- c. As per section 112A of the IT Act, LTTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax ("STT") has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTTCG subject to tax under section 112A of the IT Act.
- d. Such LTTCG will be computed without considering the indexation benefit. The cost of acquisition will be computed in accordance with the provisions of section 55 read with section 112A of the IT Act.

Further, Section 55(2)(ac) inserted by Finance Act 2018 further provides that cost of acquisition of specified capital asset referred to in section 112A acquired prior to 1 February 2018 shall be higher of

- Cost of acquisition of such asset and
  - Lower of –
    - (A) The Fair Market Value of such asset
    - (B) Full value of consideration received or accruing as a result of transfer of capital asset
- e. In cases other than those covered u/s 112A, i.e. sale of equity shares on which STT is not paid either at the time of purchase or sale, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG will be taxable @ 10% (plus applicable surcharge and cess).
- f. Cost of acquisition and cost of improvement for computing Capital Gains will be computed in accordance with section 48 of the IT Act in cases other than those covered u/s 112A.

In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company. Cost indexation benefits will not be available in such a case.

### **2.3 Taxability under MAT**

As per section 115JB of the Act, a company is liable to pay Minimum Alternate Tax (MAT) at the rate of 15% (plus applicable surcharge and cess) on its 'book profit' if the tax payable as per normal provisions is lower than MAT. The dividend income which is exempt under section 10(34) can be reduced from the 'book profit'. In case of foreign companies, LTCG under section 112A or section 112 or STCG under section 111A which are liable to tax at lower rate than MAT can be reduced from 'book profit'. Further MAT does not apply to a foreign company which does not have permanent establishment or place of business in India requiring registration under Indian corporate laws.

### **2.4 Non – Resident Indians**

A Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 which reads as under:

As per the provisions of section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the Act. The said Chapter inter alia entitles NRIs to the benefits stated there under in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

In accordance with the provisions of section 115H of the Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

#### **a. Filing of Return of Income in India:**

In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned

on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.

**b. Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

**c. Tax on Long-term Capital Gain:**

In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus cess). Income by way of long-term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus cess).

In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset and such specified assets is not converted or transferred into money within a period of three years from the date of acquisition.

**3. Foreign Institutional Investors (FIIs)**

**3.1 Exemption on Dividend Income received from Domestic Company:**

In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs). The dividend shall be chargeable to tax at the rate of 10%, if the aggregate amount of dividend received from a domestic company during the year exceeds Rs 1 million (Section 115BBDA).

However it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not allowable expenditure.

As per section 94(7) of the IT Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

Section 2(14) of IT Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations

**3.2 Tax on Long Term Capital Gains (“LTCG”):**

a. Section 10(38) of the IT Act which exempted, Long Term Capital Gains (“LTCG”) ), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.

b. In accordance with section 115AD of the IT Act, FIIs will be taxed on income by way of LTCG arising from the transfer of shares held in the company at the rate of 10% (plus applicable surcharge and cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs.

- c. The CBDT has, vide Notification No. 9/2014 dated January 22, 2014, notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.
- d. In case of LTCG arising on long term capital assets referred to in section 112A, the gain will be chargeable to tax at 10% on income exceeding one lakh rupees. The said rate will be increased by applicable surcharge and cess. Such LTCG will be computed without considering the indexation benefit

### **3.3 Tax on Short Term Capital Gains (“STCG”):**

Under Section 115AD of the IT Act, STCG arising to an FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT under section 111A of IT Act. The above rates are to be increased by applicable surcharge and cess.

### **3.4 Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of fiscal domicile of the nonresident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty, whichever is more beneficial. However, the non-resident investor will have to furnish a certificate of his being a resident in a country outside India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of IT Act.

### **3.5 No TDS on capital gain arising from the transfer of securities referred to in section 115AD:**

Under section 196D (2) of the Income-tax Act, 1961, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD. As per Section 115AD, the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

### **3.6 Income from buy back of shares**

As per section 10(34A) of the Act, any income arising to the Company being a shareholder, on account of buy back of shares (listed or unlisted) by a company as referred to in section 115QA of the Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability. As per Section 115QA, any amount of distributed income by the company on buy-back of shares from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax at the rate of 23.296% (Inclusive of applicable surcharge and cess) on the distributed income.

However, in view of TLA Ordinance 2019, such a company would not be liable to pay any buyback tax on shared (listed), if public announcement as per SEBI regulations in respect of the same was made prior to July 5, 2019.

### **3.7 Taxability under MAT**

The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

In case of foreign companies other than those excluded from the purview of section 115JB of the Act, income received by way of dividend (whether interim or final) which is exempt u/s. 10(34) of the IT Act, will be reduced while computing book profits.

### **3.8 Persons carrying on business or profession in shares and securities.**

Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession". A non-resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Act).

### **3.9 Tax on property received without consideration or for inadequate consideration:**

Under section 56(2)(x) of the Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

- a. where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50,000/-, the whole FMV;
- b. where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

The Finance (No.2) Act, 2019 has amended Section 2(24)( xviiia) to provide that income arising from any sum of money paid, or any property situate in India transferred, on or after 5th July, 2019 by a person resident in India to a person outside India shall be deemed to accrue or arise in India. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

## **4. Mutual Funds**

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

The Finance (No. 2) Act, 2019 has amended Section 115R, to provide that no additional income-tax shall be chargeable in respect of any amount of income distributed, on or after the 1st day of September, 2019, by a Mutual Fund of which all the unit holders are non-residents and which fulfills certain other specified conditions. This amendment will take effect, from September 1, 2019

## **5. Venture Capital Companies/Funds**

In terms of section 10(23FB) of the Act, income of:

- Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax,

Exemption available under the Act is subject to investment in domestic company whose shares are not listed, and which is engaged in certain 'specified' business/ industry.

As per section 115U of the IT Act, any income accruing or arising to or received by a person from his investment in venture capital funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had directly made the investments.

## **6. Investment Funds**

- 6.1** Under section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Venture Capital Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 would be exempt from income tax, subject to conditions specified therein
- 6.2** As per Section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in the Investment Fund would be taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.
- 6.3** Further, following amendments have been introduced vide FA 2019 w.e.f. 1 April 2020 with respect to carry forward of losses (other than loss under the head "Profit and gains of business or profession")
- a) Of the entire loss of investment fund, losses of current year arising to investment fund as a result of computation under the head 'Profits and gains of business or profession' shall be allowed to be carried forward and shall be set off by the investment fund in accordance with the provisions of Chapter VI and balance loss shall be ignored.
  - b) Losses of current year other than loss referred to clause (i) to sub-section 2 of section 115UB, which cannot or are not wholly set-off against income under any other head of income, if any, shall be ignored for the purpose of section 115UB(1), if such loss has arisen in respect of a unit which has not been held by the unit holder for a period of atleast 12 months;
  - c) Sub-section (2A) has been inserted to provide that loss, other than loss under the head 'Profits and gains from business or profession', if any, accumulated at the level of investment fund as on March 31, 2019, shall be deemed to be the loss of the unit holder in respect of the investment made by him and allowed to be carry forward and set off such loss in accordance with Chapter VI of the Act. Loss so allowed under sub-section (2A) in the hands of unit holder, shall not be available to the investment fund on or after 1st day of April 2019.
- 6.4** Under section 115UB (4), the total income of an Investment Fund would be charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.
- 6.5** Further, as per Section 115UB(6) of the IT Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
- 6.6** Investment Funds have withholding tax obligation under section 194LBB while making distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is nonresident.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

*The following is a general description of certain material United States federal income tax consequences to U.S. Holders and Non-U.S. Holders under present law of an investment in the Equity Shares. This summary applies only to investors that hold the Equity Shares as capital assets (generally, property held for investment). This discussion is based on the tax laws of the United States as in effect on the date of this Placement Document; U.S. Treasury regulations in effect as of the date of this Placement Document; judicial and administrative interpretations thereof available on or before such date; and the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "US India Treaty"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.*

The following discussion does not address alternative minimum tax considerations or state, local, non-United States or other tax laws, or the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- certain financial institutions;
- insurance companies;
- dealers in stocks, securities, currencies or notional principal contracts;
- U.S. expatriates and former long-term residents of the United States;
- regulated investment companies and real estate investment trusts;
- tax-exempt entities, including companies classified as foreign governments for U.S. federal income tax purposes;
- U.S. Holders that have a functional currency other than the U.S. dollar;
- persons holding an Equity Share as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company's voting stock;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding Equity Shares through partnerships or other pass-through entities.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Equity Shares that is for United States federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person.

A "Non-U.S. Holder" is a beneficial owner of Equity Shares that is not a U.S. Holder.

If you are a partner in a partnership, or other entity taxable as a partnership for United States federal income tax purposes, that holds Equity Shares, your tax treatment generally will depend on your status and the activities of the partnership. Prospective purchasers of Equity Shares that are partnerships should consult their tax advisors.

**PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE UNITED STATES FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.**

### *U.S. Holders*

#### *Taxation of Distributions on the Equity Shares*

Subject to the PFIC rules discussed below, the gross amount of distributions to you with respect to the Equity Shares generally will be included in your gross income in the year received as foreign source ordinary dividend income,

but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under United States federal income tax principles). To the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your Equity Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, the Company does not intend to calculate its earnings and profits under United States federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will generally be treated as a dividend. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

Subject to applicable limitations, with respect to non-corporate U.S. Holders (including individual U.S. Holders), dividends may constitute "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that (1) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, (2) such dividend is paid on Equity Shares that have been held by you for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, and (3) the Company is eligible for the benefits of the US India Treaty. The Company expects to be eligible for the benefits of the US India Treaty. Further, the Company does not believe it was a PFIC for the taxable year ending March 31, 2018 and does not expect to be a PFIC for the current year or any future years. *Non-corporate U.S. Holders are strongly urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Equity Shares.*

The amount of any distribution paid by the Company in a currency other than U.S. dollars (a "foreign currency") will be equal to the U.S. dollar value of such foreign currency on the date such distribution is received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the foreign currency so received is converted into U.S. dollars on the date of receipt, a U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Gain or loss, if any, realized on the subsequent sale or other disposition of such foreign currency will generally be U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

For foreign tax credit purposes, dividends distributed with respect to the Equity Shares will generally constitute "passive category income". A U.S. Holder will not be able to claim a U.S. foreign tax credit for Indian taxes for which the Company is liable and must pay with respect to distributions on the Equity Shares. *The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.*

#### *Taxation of a Disposition of Equity Shares*

Subject to the PFIC rules discussed below, you generally will recognize capital gain or loss on any sale or other taxable disposition of an Equity Share equal to the difference between the U.S. dollar value of the amount realized for the Equity Share and your tax basis (in U.S. dollars) in the Equity Share. If you are a non-corporate U.S. Holder (including an individual U.S. Holder) who has held the Equity Share for more than one year, capital gain on a disposition of an Equity Share generally will be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Because gains on a disposition of an Equity Share generally will be treated as U.S. source, the use of foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. U.S. Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an Equity Share and their ability to credit an Indian tax against their United States federal income tax liability.

A U.S. Holder that receives foreign currency from the sale or disposition of the Equity Shares generally will realize an amount equal to the U.S. dollar value of such foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Equity Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Equity Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognize foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the settlement date. Gain or loss, if any, realized on the subsequent conversion or other disposition of such foreign currency will generally be U.S. source ordinary income or loss.

### *Medicare Tax*

Certain U.S. Holders who are individuals, estates, or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income" or "undistributed net investment income" in the case of an estate or trust, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. The 3.8% Medicare surtax is determined in a different manner than the regular U.S. income tax. *Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.*

### *Information with Respect to Foreign Financial Assets*

Individuals and certain entities who are U.S. Holders that own "specified foreign financial assets", including stock of a non-U.S. corporation not held through a financial institution, with an aggregate value in excess of certain dollar thresholds may be required to file an information report with respect to such assets on IRS Form 8938 with their United States federal income tax returns. Penalties apply for failure to properly complete and file IRS Form 8938. *U.S. Holders are encouraged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Equity Shares.*

### ***Passive Foreign Investment Company***

Certain U.S. federal income tax rules generally apply to a U.S. person that owns or disposes of stock in a non-U.S. corporation that is treated as a PFIC. A non-U.S. corporation is considered to be a passive foreign investment company, or a PFIC, for any taxable year if either:

- at least 75% of its gross income is passive income, or
- at least 50% of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

Passive income for these purposes generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. The Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Although not free from doubt, the Company does not believe it was a PFIC for its taxable year ending March 31, 2018, and does not expect to be a PFIC for the current year or any future years. However, the determination of whether the Company is a PFIC is a factual determination made annually after the end of each taxable year, and there can be no assurance that the Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of the Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Furthermore, the Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably. *Prospective purchasers are urged to consult their tax advisors regarding the Company's possible status as a PFIC.*

If the Company is a PFIC for any taxable year during which you are a U.S. Holder of Equity Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Equity Shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Equity Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Equity Shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if you hold the Equity Shares as capital assets.

If the Company is a PFIC for any year during which you are a U.S. Holder of Equity Shares, the Company generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold Equity Shares, regardless of whether the Company in fact continues to meet the income or asset test described above.

In addition, if the Company is treated as a PFIC, to the extent any of its direct or indirect subsidiaries (if any) are also PFICs, you may be deemed to own shares in such subsidiaries (if any) and you may be subject to the adverse PFIC tax consequences with respect to the shares of such subsidiaries (if any) that you would be deemed to own.

#### *Qualified electing fund election*

To mitigate the application of the PFIC rules discussed above, a U.S. Holder may make an election to treat the Company as a qualified electing fund (“**QEF**”) for U.S. federal income tax purposes. To make a QEF election, the Company must provide U.S. Holders with information compiled according to U.S. federal income tax principles. The Company does not currently intend to prepare or provide the information that would enable you to make a QEF election.

#### *Mark-to-market election*

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election with respect to such stock to elect out of the tax treatment discussed above, although it is possible the mark-to-market election may not apply or be available with respect to the shares in the Company’s subsidiaries (if any) to the extent they are PFICs that you may be deemed to own if the Company is treated as a PFIC, as discussed above. If you make a valid mark-to-market election for the Equity Shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the Equity Shares as of the close of your taxable year over your adjusted basis in such Equity Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Equity Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Equity Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Equity Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Equity Shares, as well as to any loss realized on the actual sale or disposition of the Equity Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Equity Shares. Your basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. If you make such an election, the tax rules that apply to distributions by corporations that are not PFICs generally would apply to distributions by the Company, except that the lower applicable capital gains rate with respect to qualified dividend income (discussed above) would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. Under applicable U.S. Treasury regulations, a “qualified exchange” includes a foreign exchange that is regulated by a governmental authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. *U.S. Holders of Equity Shares should consult their own tax advisors as to whether the Equity Shares would qualify for the mark-to-market election.*

***PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO THEIR INVESTMENT IN EQUITY SHARES, AND THE AVAILABILITY AND ADVISABILITY OF ANY ELECTIONS.***

#### ***Non-U.S. Holders***

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the Equity Shares or gain from the sale, redemption or other disposition of the Equity Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realized on the sale or exchange of an Equity Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

#### ***Information Reporting and Backup Withholding***

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the Internal Revenue Service and possible U.S. backup withholding under certain circumstances.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certifications or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

U.S. Holders that hold Equity Shares in any year in which the Company is a PFIC, will be required to file Internal Revenue Service Form 8621 with respect to their ownership of the Equity Shares. This filing requirement is in addition to a U.S. Holder's obligation to file other Internal Revenue Service forms with respect to our common shares, including Form 8938. In addition, U.S. Holders may be required to file additional information with respect to their ownership of the Equity Shares.

## LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, amongst others, civil suits (including consumer complaints), title and land disputes, criminal proceedings, writ petitions, tax proceedings and labour disputes. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

Except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Shree Cement Policy on Determination of Materiality" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated November 14, 2015. Solely for the purpose of the Issue, the following outstanding legal proceedings have additionally been disclosed in this section of this Placement Document: (i) any outstanding criminal litigation involving our Company, its Subsidiaries or our Directors; (ii) all outstanding tax litigation involving our Company and / or its Subsidiaries, wherein an adverse order will result in our Company or its Subsidiaries having to pay an amount exceeding ₹ 50.75 crore (being 5% of the consolidated profit after tax of our Company for Fiscal 2019) ("**Materiality Threshold**") (iii) any outstanding action taken by any statutory / regulatory authorities against our Directors (iii) all other outstanding litigation involving our Company or its Subsidiaries where the amount involved exceeds the Materiality Threshold; (iv) any other outstanding litigation involving our Directors, that may affect their ability to be on the Board; and (v) any other litigation involving our Company and its Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, which may be considered material by our Company for the purposes of disclosure in this section of this Placement Document, including litigation relating to the (a) material violation of environmental laws by our Company and / or its Subsidiaries; and (b) proceedings relating to title disputes on material properties of our Company and / or its Subsidiaries, that would be deemed to have an adverse material impact on the functioning of our Company and / or its Subsidiaries from such premises.

Further, other than as disclosed in this section, (i) there are no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiaries nor are there any prosecutions filed (whether pending or not), fines imposed, or compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company and our Subsidiary; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against our Company in the last three years; (v) there has been no default in the annual filings of our Company under the Companies Act, 2013; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

It is clarified that for the purposes of the above, notices alleging or threatening legal action against our Company and our Subsidiaries shall, unless otherwise decided by our Board, not be considered as litigation until such time that our Company or our Subsidiaries, as the case may be, are impleaded as a defendant in litigation proceedings before any judicial forum.

### I. Litigation involving our Company

#### *Criminal proceedings*

1. A first information report dated August 2, 2018 ("**FIR**") was filed by the Senior Labour Inspector, Sedam, Kalaburagi at the Sedam Police Station against certain employees of Zamil Construction India Private Limited and K.E. Builders, contractors engaged by our Company along with certain employees of our Company ("**Accused**"). Through the FIR, and the final report / chargesheet filed in this matter, it was alleged that the Accused were officers in charge of a shed erection project in the factory premises of our Company in Kodla-Benakanalli and that they had not taken adequate measures for the safety of the workers they were responsible for, leading to an accident resulting in the fatality of six workers and grievous injury to one worker. It was reported in the accident investigation report dated August 3, 2018 issued by the Deputy

Director of Factories, Kalburgi that these construction workers were learnt to have been engaged by K.E. Builders for the purposes of the shed erection project. It was alleged that the Accused were culpable under the Indian Penal Code, 1860 for the offences of negligent conduct with respect to machinery, causing grievous hurt by acts endangering the life or personal safety of others, and causing death by negligence and that there was common intention on their part for carrying out such offences. The employees of our Company who are accused in the matter received bail through an order of the Additional Sessions Judge, Kalaburagi, Sedam dated August 14, 2018. The matter is currently pending at the court of the Judicial Magistrate (First Class), Sedam.

2. A criminal complaint dated August 29, 2017 was made by Shivprasad Regar, an employee of our Company, with the Special Judge, SC and ST, Ajmer, against certain officers of our Company alleging that the offences of criminal breach of trust, cheating by personation, cheating and dishonestly inducing delivery of property, forgery, criminal conspiracy, and criminal intimidation in terms of the Indian Penal Code, 1860, along with certain other offences under Sections 3(1)(x), 6, and 17 of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 had been committed. The matter was subsequently forwarded to the Deputy Superintendent of Police, Beawar, for enquiry investigation, who filed a report on July 20, 2018 stating that no cognizable offence had been found against the accused. The matter is currently pending at the court of the Special Judge, SC and ST, Ajmer.
3. A first information report dated March 27, 2008 was filed by our Company against Kapur Chand, one of the employees of our Company at the time, at the Sadar Beawar Police Station. It was alleged that Kapur Chand was responsible for the misappropriation of cement worth ₹ 0.20 crore and was, accordingly, alleged to have been liable to be punished for the offence of criminal breach of trust under the Indian Penal Code, 1860. A chargesheet dated November 3, 2008 has been filed in this matter. The matter is currently pending at the court of the Additional Chief Judicial Magistrate, Beawar.
4. A first information report dated November 19, 2017 (“**FIR**”) was filed by our Company against four employees, a worker engaged through a contractor, and a truck driver, for the alleged theft and sale of clinker at the Rajjiyasar Police Station. Through the FIR, and the subsequent chargesheet dated February 20, 2018 filed in the matter, it was alleged that the accused were liable for the offences of cheating and dishonestly inducing the delivery of property, criminal breach of trust, forgery, dishonestly receiving stolen property, mischief, criminal conspiracy under the Indian Penal Code, 1860 and computer related offences under the Information Technology Act, 2000. The matter is currently pending at the court of the Additional Chief Judicial Magistrate, Suratgarh.
5. Our Company, in the ordinary course of business, has initiated 33 proceedings involving an amount of ₹ 6.43 crore under section 138 of the Negotiable Instruments Act, 1881.

#### *Tax litigation*

##### *Indirect tax*

1. The Government of Rajasthan, through the Rajasthan Finance Act, 2008 (“**Finance Act**”) and the Rajasthan Environment and Health Cess Rules, 2008 (“**Rules**”), imposed an environmental and health cess on mineral rights (“**Cess**”), including on cement grade limestone. Our Company filed a writ petition on September 16, 2008 before the Rajasthan High Court (“**High Court**”) challenging, among others, the constitutional validity of the Finance Act and the Rules. The High Court, by an order dated November 11, 2016 dismissed the aforesaid writ petition and upheld the constitutional validity of the Rules and the Finance Act. Aggrieved by this order, our Company filed a special leave petition on December 13, 2016 before the Supreme Court of India seeking a special leave to appeal against the order of the High Court. The Supreme Court of India, by its order dated January 5, 2017, held that no coercive steps would be taken to recover any amounts, as and when any demand were to be raised. The Government of Rajasthan discontinued the levy of the Cess through its notification dated January 6, 2017. The matter is currently pending.
2. Our Company received various show cause notices from the tax authorities at Jaipur, Jodhpur, Panchkula, Sonapat, Alwar, Bhiwadi, and Gautam Budh Nagar in relation to the sale of 50 kg cement bags to industrial / institutional customers raising an aggregate demand of ₹ 605.76 crore, along with interest and penalty in terms of the Central Excise Act, 1944 and the Central Excise Rules, 2002. The show cause notices state that our Company was required to print the retail sale price of the cement on the packaging of the cement bags in compliance with the provisions of the erstwhile Standards of Weights and Measures (Packaged

Commodities) Rules, 1977 and the Legal Metrology (Packaged Commodities) Rules, 2011 for our Company to be eligible for the levy of excise duty at a concessional rate. It was alleged, therefore, that due to our Company's failure to do so, it was ineligible for the concessions and that excise duty had been inadequately paid. Additionally, our Company was called upon to show cause as to why certain duties (along with interest) should not be recovered from it and why no penalty should be imposed on it. These matters are currently pending.

3. The Commissioner of Customs (Preventive), Jamnagar, in an order dated June 2, 2014, held the following:
  - a. Certain coal imported by our Company at the Navlakhi port, declared by us as 'steam coal', would be reclassified as 'bituminous coal' in terms of the Customs Tariff Act, 1975.
  - b. Accordingly, due to such reclassification, the availment of certain exemptions in our payment of customs and additional duties under notification bearing no. 12/2012-Cus dated March 17, 2012 would be denied.
  - c. 5,38,524.98 MT of coal amounting to ₹ 318.25 crore would be confiscated. However, since the confiscated coal was released previously on the execution of bonds by our Company, a fine of ₹ 5 crore would be imposed, in lieu of confiscation.
  - d. A demand of differential customs duty of ₹ 33.76 crore was confirmed against our Company in terms of the Customs Act, 1962 and interest on this amount would be recovered from our Company. Differential customs duty of ₹ 28.85 crore paid previously by our Company would be appropriated against this demand.
  - e. The differential customs duty, interest, fine, and penalty would be recovered by enforcing the bond and bank guarantee furnished by our Company earlier.
  - f. A penalty of ₹ 5 crore would be imposed on our Company.

Separately, the Principal Commissioner of Customs, Mundra, in an order dated December 20, 2017, held the following:

- a. Certain coal imported by our Company at the Mundra and Kandla ports, declared by us as 'steam coal', would be reclassified as 'bituminous coal' in terms of the Customs Tariff Act, 1975.
- b. Accordingly, due to such reclassification, the availment of certain exemptions in our payment of customs and additional duties under notification bearing no. 12/2012-Cus dated March 17, 2012 would be denied.
- c. 4,00,648.13 MT of coal amounting to ₹ 214.84 crore would be liable for confiscation. However, the coal was unavailable for confiscation and no redemption fine was imposed in lieu of such confiscation.
- d. A demand of differential customs duty of ₹ 11.18 crore was confirmed against our Company in terms of the Customs Act, 1962 and interest on this amount would be recovered from our Company.
- e. A penalty of ₹ 1.10 crore would be imposed on our Company.

Our Company has filed appeals against both orders referred to above before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad. The matters are currently pending.

#### *Direct tax*

1. A demand was raised by the Assistant Commissioner of Income Tax, Ajmer ("ACIT") for the assessment year 2013 - 2014 pursuant to its demand notice and assessment order dated December 16, 2014 ("Assessment Order"), on the basis of, among others, the following grounds:
  - a. Transfer price adopted by our Company for captive power consumed for the purposes of claiming deductions under Section 80-IA does not represent the market value as contemplated in the explanation to Section 80-IA (8) of the Income Tax Act, 1961.
  - b. Education cess and higher education cess is in the nature of additional surcharge and therefore not allowable as deduction while computing business income.
  - c. No additions or deductions can be made in the computation of book profit under Section 115JB of the Income Tax Act, 1961, and accordingly, our Company could not exclude profit on sale of investments and profit on sale of fixed assets while computing such book profit.
  - d. Sales tax subsidy availed in the form of sales tax / VAT refund is a revenue receipt and not a capital receipt and is also to be included in book profit under Section 115JB of the Income Tax Act, 1961.
  - e. Electricity duty exemption is a revenue receipt and not a capital receipt and is also to be included in book profit under Section 115JB of the Income Tax Act, 1961.

Our Company filed an appeal against this order with the Commissioner of Income Tax (Appeals), Ajmer which was decided by an order dated December 9, 2015. Our Company and the ACIT filed cross appeals against this order with the Income Tax Appellate Tribunal, Jaipur, which were decided pursuant to an order dated December 28, 2017. Our Company and the Principal Commissioner of Income Tax, Ajmer filed cross appeals against this order with the Rajasthan High Court. The amount involved in this matter is ₹ 51.41 crore. The matter is currently pending.

2. A demand was raised by the Additional Commissioner of Income Tax, Ajmer (“**Addl. CIT**”) for the assessment year 2007 – 2008 pursuant to its demand notice and assessment order dated May 11, 2009, on the basis of, among others, the following grounds:
  - a. Sales tax subsidy availed in the form of sales tax exemption is a revenue receipt and not a capital receipt and is also required to be included in book profit under Section 15JB of the Income Tax Act, 1961.
  - b. Transfer price adopted by our Company for captive power consumed for the purposes of claiming deductions under Section 80-IA does not represent the market value as contemplated in the explanation to Section 80-IA (8) of the Income Tax Act, 1961.

Our Company filed an appeal against this order with the Commissioner of Income Tax (Appeals), Ajmer which was decided by an order dated March 29, 2012. Subsequently, our Company and the Addl. CIT filed cross appeals with the Income Tax Appellate Tribunal, Jaipur against this order which was decided by an order dated January 27, 2014. Further, the Commissioner of Income Tax, Ajmer filed an appeal with the Rajasthan High Court which was decided by an order dated August 22, 2017. The Commissioner of Income Tax, Ajmer has now filed an appeal against this order with the Supreme Court of India. The amount involved in this matter is ₹ 43.22 crore. The matter is currently pending.

3. A demand was raised by the Assistant Commissioner of Income Tax, Ajmer (“**ACIT**”) for the assessment year 2008 – 2009 pursuant to its demand notice and assessment order dated January 20, 2010, on the basis of, among others, the following grounds:
  - a. Sales tax subsidy availed in the form of sales tax exemption is a revenue receipt and not a capital receipt and is also required to be included in book profit under Section 15JB of the Income Tax Act, 1961.
  - b. Transfer price adopted by our Company for captive power consumed for the purposes of claiming deductions under Section 80-IA does not represent the market value as contemplated in the explanation to Section 80-IA (8) of the Income Tax Act, 1961.
  - c. Income generated from the sale of certified emission reductions amounts to capital gains and not a capital receipt and also amounts to business income in terms of Section 28 of the Income Tax Act, 1961.

Our Company filed an appeal against this order with the Commissioner of Income Tax (Appeals), Ajmer which was decided by an order dated March 30, 2012. Subsequently, our Company and the ACIT filed cross appeals with the Income Tax Appellate Tribunal, Jaipur against this order which was decided by an order dated January 27, 2014. Further, the Commissioner of Income Tax, Ajmer filed an appeal with the Rajasthan High Court which was decided by an order dated August 22, 2017. The Commissioner of Income Tax, Rajasthan has now filed a special leave petition against this order with the Supreme Court of India. The amount involved in this matter is ₹ 62.98 crore. The matter is currently pending.

4. A demand was raised by the Assistant Commissioner of Income Tax, Ajmer (“**ACIT**”) for the assessment year 2009 – 2010 pursuant to its demand notice and assessment order dated May 3, 2010, on the basis of, among others, the following grounds:
  - a. Sales tax subsidy availed in the form of sales tax exemption is a revenue receipt and not a capital receipt and is also required to be included in book profit under Section 15JB of the Income Tax Act, 1961.
  - b. Transfer price adopted by our Company for captive power consumed for the purposes of claiming deductions under Section 80-IA does not represent the market value as contemplated in the explanation to Section 80-IA (8) of the Income Tax Act, 1961.

- c. Income generated from the sale of certified emission reductions amounts to capital gains and not a capital receipt and also amounts to business income in terms of Section 28 of the Income Tax Act, 1961.

Our Company filed an appeal against this order with the Commissioner of Income Tax (Appeals), Ajmer which was decided by an order dated March 30, 2012. Subsequently, our Company and the ACIT filed cross appeals with the Income Tax Appellate Tribunal, Jaipur against this order which was decided by an order dated January 27, 2014. Further, the Commissioner of Income Tax, Ajmer filed an appeal with the Rajasthan High Court which was decided by an order dated August 22, 2017. The Commissioner of Income Tax, Ajmer has now filed an appeal against this order with the Supreme Court of India. The amount involved in this matter is ₹ 40.46 crore. The matter is currently pending.

#### *Other material litigation*

1. An inquiry was initiated by the erstwhile Monopolies and Restrictive Trade Practices Commission against our Company and 40 other cement manufacturers based on certain news reports that were published and a complaint made by the Builders' Association of India, alleging possible cartelisation in the cement industry in India. This resulted in the passing of an order by the Competition Commission of India ("CCI") dated August 31, 2016 where it concluded that 11 cement manufacturers, including our Company, were using the Cement Manufacturers' Association (a trade association of the various cement manufacturing companies in India) as a platform for sharing of information and entering into an anti-competitive agreement on the pricing, capacity utilization, production, and distribution of cement, which had resulted in the contravention of Sections 3(1), 3(3)(a), and 3(3)(b) of the Competition Act, 2002. Accordingly, the CCI, through this order, imposed a penalty of ₹ 397.51 crore on our Company and directed our Company to cease and desist from indulging in any activity relating to an agreement, understanding, or arrangement on prices, production, and supply of cement in the market. Our Company filed an appeal against this order on October 25, 2016 with the Competition Appellate Tribunal. The matter is currently pending.
2. A reference dated August 1, 2013 ("**Reference**") was filed by the Director, Supplies and Disposal, Haryana as an informant ("**Informant**") before the Competition Commission of India ("**CCI**"). By way of the Reference, the Informant informed the CCI that it had issued a notice inviting tenders for the procurement of cement on behalf of the Government of Haryana in August 2012, pursuant to which, seven cement manufacturing companies, including our Company ("**Impugned Bidders**"), had allegedly colluded with each other and attempted to rig the bid. The CCI, through its order dated January 19, 2017 concluded that the Impugned Bidders had colluded to engage in bid rigging in response to the tender. It further concluded that this was done by: a) each of the Impugned Bidders quoting unusually high prices which lacked any justifiable basis; b) quoting such quantities, respectively, that the aggregate quantity quoted by the impugned bidders almost equaled the total quantity sought to be procured by the Informant; c) bidding in a manner that would secure the lowest bidder status for each of the Impugned Bidders in independent geographies; and d) engaging in increased communication closer to the tender date. As a result, it was held that the Impugned Bidders entered into an anti-competitive agreement in violation of Section 3(1) read with Section 3(3)(d) of the Competition Act, 2002. Accordingly, the CCI, through this order, imposed penalties on each of the Impugned Bidders, including a penalty of ₹ 18.44 crore on our Company, and directed them to cease and desist from such anti-competitive behaviour. Our Company filed an appeal against this order with the Competition Appellate Tribunal. The matter is currently pending.
3. Our Company was issued a letter of intent ("**LoI**") for a lease for a limestone mine in Jaisalmer, Rajasthan on December 31, 2014 by the Government of Rajasthan. By a letter dated October 17, 2015 ("**Cancellation Letter**"), the Principal Secretary to the Mines (Group-2) Department, Government of Rajasthan directed the cancellation of the letters of intent issued on the grounds of transparency not being maintained in the issuance of the letters of intent. Further, the Joint Secretary, Mines (Group-2) Department, Government of Rajasthan by a separate order dated October 27, 2015 ("**Cancellation Order**") addressed to our Company, cancelled the LoI issued to our Company in furtherance of the Cancellation Letter. Our Company filed a writ petition with the Rajasthan High Court seeking, among other reliefs, the quashing of the Cancellation Letter and the Cancellation Order. The Rajasthan High Court, through an order dated September 18, 2017 quashed the Cancellation Order and the Cancellation Letter and, accordingly, directed the Government of Rajasthan to consider the grant of mining lease to our Company. The State of Rajasthan filed a special appeal writ against this order with a division bench of the Rajasthan High Court and the matter is currently pending.

4. An order dated March 31, 2009 (“**PS Order**”) was passed by the Principal Secretary, Finance, Finance Department, Government of Rajasthan (“**Principal Secretary**”), (a) quashing the issuance of entitlement certificates by the State Level Screening Committee (“**SLSC**”) to our Company, which were issued pursuant to the Rajasthan Investment Promotion Scheme, 2003 promulgated by the Government of Rajasthan, (b) directing the SLSC to consider the issuance of the entitlement certificates to our Company afresh, (c) directing the re-assessment of our Company’s tax liability, and (d) directing taking necessary steps to recover any additional tax that may need to be recovered upon the issuance of fresh entitlement certificates. The entitlement certificates allowed for the grant of certain subsidies to our Company under the notification dated December 2, 2005 issued by the Finance Department, Government of Rajasthan. Our Company filed a writ petition before the Rajasthan High Court (“**High Court**”) which, by its order dated October 11, 2011, set aside the PS Order and directed that the subsidies continue to be given to our Company (“**2011 Order**”). The Government of Rajasthan (through the Principal Secretary), and our Company, filed cross writ petitions against the 2011 Order. The High Court, through its order dated December 6, 2016, quashed the 2011 Order and restored the PS Order. Our Company filed a special appeal writ petition against this order before the Supreme Court of India and the matter is currently pending.
5. Our Company filed a writ petition before the Rajasthan High Court challenging, among others, the constitutional validity of the Rajasthan Tax on Entry of Goods into Local Areas Act, 1999 (“**Act**”) and seeking, among others, (a) that the Act be declared violative of the Constitution of India for being discriminative between manufacturers and traders, (b) a declaration that the entire state cannot be considered ‘local area’ for the purposes of entry 52 of the list II of the Constitution of India and that it should be construed in the manner defined under the Act, (c) restraining the Government of Rajasthan from initiating any proceedings under the Act or seeking to levy, collect, or recover any amount from our Company, and (d) directing the Government of Rajasthan to refund to our Company entry tax amounts deposited under protest. The Rajasthan High Court has granted a stay against the recovery of the demand. The matter is currently pending.
6. Our Company received a show cause notice dated July 20 / 22, 2016 from the Office of the Commissioner of Central Excise, Jaipur proposing to (a) disallow CENVAT credit availed on certain plant and machinery procured for our Company’s power plant at Beawar and (b) take action against certain employees of our Company. Writ petitions have been filed with the Rajasthan High Court challenging the issuance of the show cause notice and seeking (a) the quashing of the show cause notice, (b) the quashing of any unilateral adjudication or demand made in pursuance of the show cause notice, and (c) that the Government of India be restrained from taking any further action in relation to the show cause notice. The matter is currently pending.
7. Our Company filed a writ petition before the High Court of Delhi in response to the issuance of (a) an order dated September 16, 2015 (“**Order**”) by the Ministry of Mines, Government of India (“**MoM**”) directing state governments to establish district mineral foundations (“**DMF**”) in terms of the Mines and Minerals (Development and Regulation) Act, 1957 (“**Act**”), which would be deemed to have come into existence with effect from January 12, 2015; (b) Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 (“**Rules**”) by the MoM dated September 17, 2015 introducing a levy to be paid to the DMFs, retrospectively from, January 12, 2015; (c) notification dated December 22, 2015 by the Government of Chhattisgarh for the setting up DMFs in the state of Chhattisgarh, which would be deemed have come into force from January 12, 2015; and (d) demand for payment by the jurisdictional Collector (Mineral Division) through letters dated December 21, 2015 and December 31, 2015 (“**Demand Letter**”). It was contended that the imposition and demand for payment of the levy retrospectively was violative of Articles 14, 19(1)(a), 19(1)(g), and 265 of the Constitution of India. Our Company, through the writ petition, sought (i) the declaration that Section 9B of the Act, which provides for the creation of DMFs, suffers from excessive delegation to the extent that it purports to delegate the essential legislative function, (ii) the quashing of the Rules for being void ab initio, to the extent that they retrospectively take effect from January 12, 2015, (iii) the quashing of the Order, (iv) in the alternative, the reading down of the provisions of the Act, Rules, and the Order, (v) quashing of the Demand Letter; and (v) that no further action be taken under the Act, Rules, or the Order for recovering any other amount related to the period prior to December 22, 2015. The matter is currently pending.

## II. Litigation involving our Subsidiaries

As on the date of this Placement Document, there is no outstanding litigation involving our Subsidiaries.

**III. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and any direction issued by any such Ministry or Department or statutory authority upon conclusion of such litigation or legal action**

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of the issuance of this Placement Document.

**IV. Inquiries, inspections, or investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted against our Company or its Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of the issuance of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or its Subsidiaries.

**V. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by the Company**

There have been no frauds committed against our Company in the last three years preceding the date of this Placement Document.

**VI. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

There are no defaults in the payment of undisputed statutory dues (including provident fund, employees' state insurance, income-tax, custom duty and goods and service tax), repayment of debentures and interest thereon, repayment of deposit and interest thereon and repayment of loan from any bank or financial institution and interest thereon by our Company, as on date of this Placement Document.

**VII. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder**

As on the date of this Placement Document, our Company has not defaulted in any annual filing under the Companies Act, 2013, as amended, or the rules made thereunder.

**VIII. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations**

As on the date of this Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

**IX. Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark**

No reservations, qualifications or adverse remarks have been given by our auditors in the last five Fiscals immediately preceding the year of circulation of this Placement Document.

## **OUR STATUTORY AUDITORS**

Gupta & Dua, Chartered Accountants, our Statutory Auditors, as required by the Companies Act, 2013 have been appointed pursuant to our Shareholders' resolution passed at the annual general meeting held on July 31, 2017, for a period of five years. Gupta & Dua, Chartered Accountants have performed review of the Unaudited Interim Condensed Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India and have issued a review report dated November 18, 2019 on the Unaudited Interim Condensed Financial Statements which is included in this Placement Document in "*Financial Statements*" on page 250.

Gupta & Dua, Chartered Accountants have also audited the Audited Financial Statements for Fiscals 2019 and 2018, and their audit reports on those financial statements are included in this Placement Document in "*Financial Statements*" on page 250.

B R Maheswari & Co, LLP, Chartered Accountants, our previous statutory auditor, have audited the Audited Financial Statements for Fiscal 2017, and their audit report on those financial statements are included in this Placement Document in "*Financial Statements*" on page 250.

## GENERAL INFORMATION

1. Our Company was incorporated as a public company with limited liability, on October 25, 1979, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. Our Company's registered office is located at Bangur Nagar, Beawar 305 901, Ajmer, Rajasthan, India. The Corporate Office of our Company is situated at 21, Strand Road, Kolkata 700 001, West Bengal, India. The CIN of our Company is L26943RJ1979PLC001935. The website of our Company is [www.shreecement.com](http://www.shreecement.com).
2. The Equity Shares are listed on the BSE and the NSE. The Issue was authorised and approved by the Board on October 19, 2019. The Shareholders of our Company have authorized the Issue pursuant to a special resolution dated November 18, 2019, passed by way of postal ballot.
3. Our Company has received in-principle approvals each dated November 19, 2019, from the NSE and the BSE, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.
4. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Registered Office and Corporate Office.
5. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.
6. Except as disclosed in this Placement Document, there are no legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue or could have a material adverse effect on the position, business, operations, prospects or reputation of our Company. For further details, see "*Legal Proceedings*" on page 241.
7. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the SEBI Listing Regulations, SCRA and SCRR.
8. The Floor Price for the Equity Shares under the Issue is ₹ 19,806.46 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 2.56% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders of our Company accorded through their resolution passed by way of postal ballot on November 18, 2019.
9. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.
10. Details of the Compliance Officer:

**S. S. Khandelwal**  
**Company Secretary and Compliance Officer**  
**Shree Cement Limited**  
Bangur Nagar, Beawar 305 901  
Ajmer, Rajasthan, India  
**Telephone:** + 91 1462 228101-06  
**E-mail:** [complianceofficer@shreecement.com](mailto:complianceofficer@shreecement.com)

## FINANCIAL STATEMENTS

<b>Financial Statements</b>	<b>Page No.</b>
Unaudited Interim Condensed Financial Statements along with the review report issued	251 to 290
Fiscal 2019 Audited Financial Statements along with the audit report issued	291 to 404
Fiscal 2018 Audited Financial Statements along with the audit report issued	405 to 507
Fiscal 2017 Audited Financial Statements along with the audit report issued	508 to 620

**Independent Auditors' Report on Review of Unaudited Interim Condensed Standalone Financial Statements**

**To the Board of Directors**  
**Shree Cement Limited**

**Introduction**

We have reviewed the accompanying unaudited interim condensed standalone financial statements of Shree Cement Limited ("the Company") which comprise the interim condensed standalone balance sheet as at September 30, 2019, the interim condensed standalone statement of profit and loss, the interim condensed standalone statement of changes in equity and interim condensed standalone statement of cash flows for the six months ended September 30, 2019, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (collectively, referred to as the "Interim Condensed Standalone Financial Statements").

Management is responsible for the preparation and presentation of the Interim Condensed Standalone Financial Statements in accordance with the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India and these Interim Condensed Standalone Financial Statements have been approved by a committee constituted by the Board of Directors of the Company. Our responsibility is to express a conclusion on these Interim Condensed Standalone Financial Statements based on our review.

**Scope of Review**

We conducted our review of the Interim Condensed Standalone Financial Statements in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Standalone Financial Statements are not prepared and presented, in all material respects, in accordance with the Ind AS 34 - Interim Financial Reporting and relevant provisions of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Gupta & Dua**

Chartered Accountants  
Firms' Registration Number: 003849N

**Mukesh Dua**

Partner  
Membership No. 085323  
UDIN: 19085323AAAADK2985  
Beawar, November 18, 2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED STANDALONE BALANCE SHEET AS AT 30<sup>th</sup> SEPTEMBER, 2019**  
(Rs. in Crore)

	Notes	As at 30.09.2019	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	4,632.98	4,465.04
Capital Work-in-Progress		814.65	1,121.11
Intangible Assets		21.17	10.63
Financial Assets			
Investments		4,400.74	4,411.14
Loans		57.40	51.87
Other Financial Assets		34.71	22.72
Deferred Tax Assets (Net)		670.03	612.64
Non-Current Tax Assets (Net)		128.27	110.76
Other Non-Current Assets		402.91	395.65
		11,162.86	11,201.56
<b>Current Assets</b>			
Inventories		1,492.54	1,589.05
Financial Assets			
Investments		796.65	32.74
Trade Receivables		823.67	732.40
Cash and Cash Equivalents		26.38	35.00
Bank Balances other than Cash and Cash Equivalents		278.48	272.78
Loans		6.96	9.65
Other Financial Assets		138.11	101.45
Other Current Assets		1,148.80	1,218.62
		4,711.59	3,991.69
<b>Total Assets</b>		<b>15,874.45</b>	<b>15,193.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital		34.84	34.84
Other Equity		10,100.17	9,562.55
		10,135.01	9,597.39
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	6	1,688.11	2,309.04
Other Financial Liabilities		775.28	734.19
Provisions		6.90	8.24
Other Non-Current Liabilities		575.33	557.73
		3,045.62	3,609.20
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings		463.48	467.95
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises		1.89	2.11
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		403.38	448.68
Other Financial Liabilities		1,220.97	423.03
Other Current Liabilities		568.50	621.61
Provisions		13.35	1.03
Current Tax Liabilities (Net)		22.25	22.25
		2,693.82	1,986.66
<b>Total Equity and Liabilities</b>		<b>15,874.45</b>	<b>15,193.25</b>

The accompanying notes are an integral part of the Unaudited Interim Condensed Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R. L. Gaggar**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323  
**Place** : Beawar  
**Date** : 18.11.2019

**Subhash Jajoo**  
Chief Finance Officer  
  
**Place** : Kolkata  
**Date** : 18.11.2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30<sup>th</sup>**  
**SEPTEMBER, 2019**

	Note	For the period ended 30.09.2019	(Rs. in Crore) For the period ended 30.09.2018
Revenue from Operations	7	5,838.12	5,656.50
Other Income		108.89	145.00
<b>Total Income</b>		<b>5,947.01</b>	<b>5,801.50</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		382.96	446.71
Changes in Inventories of Finished Goods and Work-in-Progress		(46.62)	(37.55)
Employee Benefits Expense		376.34	340.78
Power and Fuel		1,246.59	1,322.64
Freight and Forwarding Expenses		1,247.94	1,438.19
Finance Costs	8	139.78	117.97
Depreciation and Amortisation Expense		830.99	635.01
Other Expenses		901.55	1,068.58
		5,079.53	5,332.33
Captive Consumption of Cement		(16.97)	(17.79)
<b>Total Expenses</b>		<b>5,062.56</b>	<b>5,314.54</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>884.45</b>	<b>486.96</b>
Exceptional Items		-	178.13
<b>PROFIT BEFORE TAX</b>		<b>884.45</b>	<b>308.83</b>
<b>Tax Expense</b>			
Current Tax		276.49	87.58
Tax Expense Relating to Earlier Years (Net)		-	(2.69)
Deferred Tax (Credit) / Charge		(64.12)	(104.87)
		212.37	(19.98)
<b>PROFIT FOR THE PERIOD</b>		<b>672.08</b>	<b>328.81</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans		-	-
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	-
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge		19.26	32.15
Income Tax relating to Items that will be Reclassified to Profit or Loss		(6.73)	(11.24)
		12.53	20.91
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>684.61</b>	<b>349.72</b>
<b>Earnings per Equity Share of Rs. 10 each (In Rs.) (Not Annualised)</b>	14		
Cash		413.05	297.69
Basic and Diluted		192.92	94.38

The accompanying notes are an integral part of the Unaudited Interim Condensed Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R. L. Gaggur**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323

**Subhash Jajoo**  
Chief Finance Officer

**Place :** Beawar  
**Date :** 18.11.2019

**Place :** Kolkata  
**Date :** 18.11.2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER, 2019**

(Rs. in Crore)

Particulars	For the Period ended 30.09.2019		For the Period ended 30.09.2018	
<b>A Cash Flow From Operating Activities</b>				
Profit Before Exceptional Items and Tax		884.45		486.96
Adjustments For :				
Depreciation and Amortisation Expense	830.99		635.01	
Foreign Exchange Rate Differences (Net)	(0.69)		159.91	
Balances Written Back	(1.30)		(1.11)	
Net Gain on Sale of Investments	(0.30)		(5.87)	
Gain on Fair Value of Financial Assets through Profit or Loss	(17.91)		(14.52)	
Interest Income	(77.20)		(87.19)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(8.66)		(34.97)	
Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	(0.13)		8.98	
Finance Costs	139.78	864.58	117.97	778.21
<b>Operating Profit Before Working Capital Changes</b>		<b>1,749.03</b>		<b>1,265.17</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	13.81		(208.61)	
(Increase) / Decrease in Inventories	96.51		(181.54)	
Increase / (Decrease) in Trade & Other Payables and Provisions	204.27	314.59	(185.93)	(576.08)
Cash Generated From Operations		<b>2,063.62</b>		<b>689.09</b>
Direct Taxes Paid (Net of Refunds)		(294.00)		(116.19)
<b>Net Cash Flow From Operating Activities</b>		<b>1,769.62</b>		<b>572.90</b>
<b>B Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipment (Including Capital Work-in-Progress and Advances)	(690.56)		(978.39)	
Proceeds from Sale of Property, Plant and Equipment	1.91		0.66	
Payments for Intangible Assets	(12.15)		(1.58)	
Payment for Acquisition of Controlling Stake in Raipur Handling and Infrastructure Private Limited	-		(59.00)	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	40.00		441.30	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(764.66)		2,279.12	
Investment made in Subsidiary Companies	(15.00)		(2,091.81)	
Investments in Bank Deposits	(170.92)		(98.14)	
Maturity of Bank Deposits	147.26		96.54	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.03)		0.01	
Dividend Received	12.12		45.03	
Interest Received (Including Interest on Zero Coupon Bonds)	43.18		65.06	
<b>Net Cash Used in Investing Activities</b>		<b>(1,408.85)</b>		<b>(301.20)</b>
<b>C Cash Flow From Financing Activities</b>				
Repayment of Long Term Borrowings	(67.50)		(3.78)	
Repayment of Finance Lease/ Lease Liabilities	(7.14)		(1.52)	
Proceeds from Short Term Borrowings	-		75.00	
Repayment of Short Term Borrowings	(75.00)		(479.60)	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	66.54		356.83	
Interest and Financial Charges Paid	(143.30)		(113.59)	
Dividend and Tax Paid there on (Final)	(146.96)		(126.00)	
<b>Net Cash Flows (Used in) / From Financing Activities</b>		<b>(373.36)</b>		<b>(292.66)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(12.59)</b>		<b>(20.96)</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>		<b>15.24</b>		<b>33.45</b>
<b>Cash and Cash Equivalents as at the end of the Period</b>		<b>2.65</b>		<b>12.49</b>

**Notes :**

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- 3 For the purpose of Interim Condensed Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(Rs. in Crore)

	As at 30.09.2019	As at 31.03.2019	As at 30.09.2018
Balances with Banks	25.65	34.20	37.49
Cash on Hand	0.73	0.80	0.59
	26.38	35.00	38.08
Less: Bank Overdraft	23.73	19.76	25.59
	<b>2.65</b>	<b>15.24</b>	<b>12.49</b>

The accompanying notes are an integral part of the Unaudited Interim Condensed Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R. L. Gaggur**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323

**Subhash Jajoo**  
Chief Finance Officer

**Place :** Beawar  
**Date :** 18.11.2019

**Place :** Kolkata  
**Date :** 18.11.2019

**SHREE CEMENT LIMITED**

**UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER, 2019**

**A. EQUITY SHARE CAPITAL**

Particulars	Numbers	Rs. in Crore
Equity shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at 30.09.2019	34837225	34.84
As at 31.03.2019	34837225	34.84
As at 30.09.2018	34837225	34.84

**B. OTHER EQUITY**

**For the period ended 30<sup>th</sup> September, 2019**

(Rs. in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2019</b>	<b>15.00</b>	<b>26.53</b>	<b>5,700.00</b>	<b>3,857.49</b>	<b>(36.47)</b>	<b>9,562.55</b>
Profit for the period ended 30.09.2019				672.08		672.08
Other Comprehensive Income for the Period						
Re-measurements of the Defined Benefit Plans (Net of Tax)				-		-
Net movement of Cash Flow Hedges (Net of Tax)					12.53	12.53
Final Dividend on Equity Shares (Note 1 below)				(121.93)		(121.93)
Tax on Final Dividend				(25.06)		(25.06)
<b>Closing Balance as at 30.09.2019</b>	<b>15.00</b>	<b>26.53</b>	<b>5,700.00</b>	<b>4,382.58</b>	<b>(23.94)</b>	<b>10,100.17</b>

**For the Year ended 31<sup>st</sup> March, 2019**

(Rs. in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,334.13</b>	<b>(13.67)</b>	<b>8,861.99</b>
Profit for the period ended 30.09.2018				328.81		328.81
Other Comprehensive Income for the Period						
Re-measurements of the Defined Benefit Plans (Net of Tax)				-		-
Net movement of Cash Flow Hedges (Net of Tax)					20.91	20.91
Final Dividend on Equity Shares (Note 2 below)				(104.51)		(104.51)
Tax on Final Dividend				(21.48)		(21.48)
<b>Closing Balance as at 30.09.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,536.95</b>	<b>7.24</b>	<b>9,085.72</b>
Profit for the six months ended 31.03.2019				622.24		622.24
Other Comprehensive Income for the Period						
Re-measurements of the Defined Benefit Plans (Net of Tax)				3.29		3.29
Net movement of Cash Flow Hedges (Net of Tax)					(43.71)	(43.71)
Transfer to /(from) Retained Earnings			200.00	(200.00)		-
Interim Dividend on Equity Shares (Note 3 below)				(87.09)		(87.09)
Tax on Interim Dividend				(17.90)		(17.90)
<b>Closing Balance as at 31.03.2019</b>	<b>15.00</b>	<b>26.53</b>	<b>5,700.00</b>	<b>3,857.49</b>	<b>(36.47)</b>	<b>9,562.55</b>

Note 1 : Final Dividend declared at the rate of Rs. 35 per share of Rs. 10 each for FY 2018-19.

Note 2 : Final Dividend declared at the rate of Rs. 30 per share of Rs. 10 each for FY 2017-18.

Note 3 : Interim Dividend declared at the rate of Rs. 25 per share of Rs. 10 each for FY 2018-19.

**SHREE CEMENT LIMITED**

**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER, 2019 (Contd.)**

**Nature of Reserves**

**Capital Redemption Reserve**

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

**Securities Premium**

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

**General Reserve**

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

**Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.

**Effective Portion of Cash Flow Hedges**

The Company has designated certain hedging instruments as cash flow hedges and any effective portion is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

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The accompanying notes are an integral part of the Unaudited Interim Condensed Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**H. M. Bangur**

Managing Director

DIN: 00244329

**R. L. Gaggar**

Director

DIN: 00066068

**Mukesh Dua**

Partner

Membership No. 085323

**Subhash Jajoo**

Chief Finance Officer

**Place** : Beawar

**Date** : 18.11.2019

**Place** : Kolkata

**Date** : 18.11.2019

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### 1. Corporate Information

Shree Cement Limited (“the Company”) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India. The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly company in the global cement industry.

These unaudited interim condensed standalone financial statements for the period ended 30<sup>th</sup> September, 2019 are approved and adopted by Qualified Institutional Placement Committee of the Board of Directors of the Company in their meeting held on 18.11.2019.

### 2. Statement of Compliance

The unaudited interim condensed standalone financial statements (hereinafter referred to as “financial statements”) of the Company have been prepared in accordance with Ind AS 34 – Interim Financial Reporting and the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

### 3. Significant Accounting Policies, Judgements, Estimates and Assumptions

The same accounting policies, significant Judgements and estimates and assumptions are followed in these unaudited interim condensed financial statements as compared with the Company’s annual financial statements for the year ended 31<sup>st</sup> March 2019, except new standards adopted during current period as explained in Note 4.

### 4. New Accounting Pronouncements

Effective 1<sup>st</sup> April, 2019 the Company has adopted Ind AS 116- “Leases”. The Company has used modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/accrual recognized in the balance sheet immediately before the initial application. Accordingly, comparatives for the year ended 31.03.2019 have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the results for the period ended 30.09.2019.

Ind AS 116 – Leases provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. Lessors continue to classify the leases as operating or finance, with Ind AS 116’s approach to lessor accounting which is substantially unchanged from its predecessor, Ind AS 17.

At inception, the right-of-use asset measured at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease; if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

The above approach has resulted in recognition of right of use asset of Rs. 321.42 crore as at 1<sup>st</sup> April, 2019 (including right of use asset amounting to Rs. 292.72 crore (net of amortization) recognized as finance lease asset under erstwhile lease standard as at 31.03.2019) and a lease liability of Rs. 35.72 crore (including finance lease obligation of Rs. 7.02 crore recognized under erstwhile lease standard as at 31.03.2019) as on 1<sup>st</sup> April, 2019.

The Right of use assets of Rs. 324.53 crore as on 30.09.2019 disclosed under Property, Plant and Equipment and lease liability of Rs. 37.09 crore as on 30.09.2019 disclosed under other financial liabilities.

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### 5. Property, Plant and Equipment

(Rs. in Crore)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					Net Block As at 30.09.19
	Opening as at 01.04.19	Transfer out to Right of use Assets	Addition during the Period	Deduction / Adjustments during the period	As at 30.09.19	Opening as at 01.04.19	Transfer out to Right of use Assets	Addition during the period	Deduction / Adjustments during the period	Up to 30.09.19	
Freehold land	1,009.30	-	87.63	-	<b>1,096.93</b>	5.75	-	1.27	-	7.02	<b>1,089.91</b>
Lease hold land	314.63	(314.63)	-	-	-	21.91	(21.91)	-	-	-	-
Right of Use Assets (refer note 4)	28.70	314.63	12.01	-	<b>355.34</b>	-	21.91	8.90	-	30.81	<b>324.53</b>
Buildings	889.61	-	45.84	-	<b>935.45</b>	358.98	-	76.77	-	435.75	<b>499.70</b>
Plant and Equipment	6,437.69	-	809.93	13.18	<b>7,234.44</b>	3,850.24	-	729.81	12.99	4,567.06	<b>2,667.38</b>
Railway Siding	37.59	-	-	-	<b>37.59</b>	15.56	-	2.54	-	18.10	<b>19.49</b>
Furniture and Fixtures	37.41	-	2.93	0.04	<b>40.30</b>	30.21	-	2.98	0.04	33.15	<b>7.15</b>
Office Equipment	51.24	-	7.71	0.32	<b>58.63</b>	42.33	-	5.52	0.31	47.54	<b>11.09</b>
Vehicles	35.69	-	6.38	4.57	<b>37.50</b>	23.14	-	5.15	4.52	23.77	<b>13.73</b>
<b>Total</b>	<b>8,841.86</b>	-	<b>972.43</b>	<b>18.11</b>	<b>9,796.18</b>	<b>4,348.12</b>	-	<b>832.94</b>	<b>17.86</b>	<b>5,163.20</b>	<b>4,632.98</b>

### 6. Borrowings

(Rs. in Crore)

Particulars	Non- Current Portion		Current Maturities	
	As at 30.09.2019	As at 31.03.2019	As at 30.09.2019	As at 31.03.2019
<b>Secured</b>				
External Commercial Borrowings	1688.11	2255.48	608.09	-
Indian Rupee Term Loans from Banks	-	48.00	-	19.50
Finance Lease Obligation	-	5.56	-	1.46
	<b>1688.11</b>	<b>2309.04</b>	<b>608.09</b>	<b>20.96</b>
Amount disclosed under the head "Other Current Financial Liabilities"	-	-	(608.09)	(20.96)
	<b>1688.11</b>	<b>2309.04</b>	-	-

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### 7. Revenue from operations

(Rs. in Crore)

Particulars	For period ended 30.09.2019	For period ended 30.09.2018
<b>Sale of Products</b>		
Cement	5274.73	4986.70
Clinker	142.49	132.10
Power Sales	327.17	380.00
	<b>5744.39</b>	<b>5498.80</b>
Other Operating Revenue	93.73	157.70
	<b>5838.12</b>	<b>5656.50</b>

### 8. Finance Costs

(Rs. in Crore)

Particulars	For period ended 30.09.2019	For period ended 30.09.2018
Interest Expenses	142.19	120.12
Interest expenses on lease liabilities	1.49	-
Bank and Finance Charges	0.57	0.31
Unwinding of Discount on Provision	0.27	0.25
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	47.81
	<b>144.52</b>	<b>168.49</b>
Less: Interest Capitalised	4.74	50.52
	<b>139.78</b>	<b>117.97</b>

### 9. Contingent Liabilities (Claims/Demands not Acknowledged as Debt)

- a. Custom duty (including interest) Rs. 65.72 crore (As at 31.03.2019 Rs. 64.52 crore)
- b. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of Rs. 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).  
  
(ii) In another matter, CCI vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of Rs. 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- c. The Divisional Bench of the Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/ Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of the Hon'ble Rajasthan High Court in the matter

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of the Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before the Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy ( i.e. difference of 75% and 50%) amounting to Rs. 73.08 crore received and Rs. 282.30 crore not received though accounted for.

### 10. Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 445.44 crore (As at 31.03.2019 Rs. 529.85 crore).
- Uncalled liability on partly paid up equity shares of Rs. 6.90 crore (As at 31.03.2019 Rs. 21.90 crore).

### 11. Segment Reporting

The Company has two reportable segments, namely Cement and Power.  
Revenue, Results and other information:

(Rs. in Crore)

Particulars	For the period ended 30.09.2019				For the period ended 30.09.2018			
	Cement*	Power	Inter-Segment Eliminations	Total	Cement*	Power	Inter-Segment Eliminations	Total
External Sales	5510.95	327.17	-	5838.12	5276.50	380.00	-	5656.50
Inter Segment Revenue	-	557.00	(557.00)	-	-	572.89	(572.89)	-
<b>Total Revenue</b>	<b>5510.95</b>	<b>884.17</b>	<b>(557.00)</b>	<b>5838.12</b>	<b>5276.50</b>	<b>952.89</b>	<b>(572.89)</b>	<b>5656.50</b>
<b>Results</b>								
Segment Results (Profit Before Exceptional Items, Finance Costs and Tax)	628.67	291.49	-	920.16	83.54	378.84	-	462.38
Add: Un-allocated Income				104.07				142.55
Less: Exceptional Items				-				178.13
Less: Finance Costs				139.78				117.97
<b>Profit Before Tax</b>				<b>884.45</b>				<b>308.83</b>
Less : Tax Expense				212.37				(19.98)
<b>Profit After Tax</b>				<b>672.08</b>				<b>328.81</b>

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

(Rs. In Crore)

Particulars	As at 30.09.2019				As at 31.03.2019			
	Cement*	Power	Inter-Segment Eliminations	Total	Cement*	Power	Inter-Segment Eliminations	Total
Segment Assets	8493.39	910.60	-	9403.99	8652.98	980.99	-	9633.97
Un-allocated Assets				6470.46				5559.28
<b>Total Assets</b>				<b>15874.45</b>				<b>15193.25</b>
Segment Liabilities	2009.99	143.44	-	2153.43	1882.49	146.61	-	2029.10
Un-allocated Liabilities and Provisions				3586.01				3566.76
<b>Total Liabilities</b>				<b>5739.44</b>				<b>5595.86</b>

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

### 12. Related Party Disclosure (As per Ind AS 24- Related Party Disclosures)

#### Relationships:

##### (a) Parties where control exists:

Sr. No.	Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power	
			As at 30.09.2019	As at 30.09.2018
(i)	Shree Global Pte. Ltd (Direct Subsidiary Company) – liquidated w.e.f. 11.03.2019	Singapore	-	100%
(ii)	Shree Global FZE (Direct Subsidiary Company) w.e.f 07.05.2018	UAE	100%	100%
(iii)	Shree International Holding Ltd. (Indirect Subsidiary Company) w.e.f. 28.06.2018	UAE	100%	100%
(iv)	Shree Enterprises Management Ltd. (Indirect Subsidiary Company) w.e.f. 19.06.2018	UAE	100% (Beneficially Owned)	100% (Beneficially Owned)
(v)	Union Cement Company PJSC (Indirect Subsidiary Company) w.e.f. 11.07.2018	UAE	97.65%	97.61%
(vi)	Union Cement Norcem Company Limited L.L.C. (Indirect Subsidiary Company) w.e.f 11.07.2018	UAE	60%	60%
(vii)	Raipur Handling and Infrastructure Private Limited (Direct Subsidiary Company) w.e.f 14.05.2018	India	100%	100%

##### (b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the period:

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Project Limited
- (iv) Alfa Buildhome Pvt. Ltd.
- (v) Rajasthan Forum
- (vi) The Bengal
- (vii) Sant Parmanand Hospital
- (viii) N.B.I. Industrial Finance Company Limited



## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

Entities controlled/ influenced by KMP	-	0.01
<b>Contributions towards social activities</b>		
Entities controlled/ influenced by KMP	0.83	0.32
<b>Reimbursement towards purchase of equity shares of a subsidiary</b>		
Entities controlled/ influenced by KMP	-	59.00
<b>Reimbursement of expenses</b>		
Entities controlled/ influenced by KMP	-	0.15

### (b) Details of balances with related parties

(Rs. in crore)

Particulars	As at 30.09.2019	As at 31.03.2019	As at 30.09.2018
<b>Security deposit receivable</b>			
Entities controlled/ influenced by KMP	0.63	0.63	0.63

### (c) Key Management Personnel:

(Rs. in crore)

Particulars	For the period ended 30.09.2019	For the period ended 30.09.2018
Short Term Benefits	37.99	32.73
Post - Employment Benefits*	2.06	1.58
<b>Total</b>	<b>40.05</b>	<b>34.31</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

### (d) Relatives to Key Management Personnel:

(Rs. in crore)

Particulars	For the period ended 30.09.2019	For the period ended 30.09.2018
Director Commission, Sitting Fee and Reimbursement of Expenses	0.24	0.22

### (e) Information on transactions with post-employment benefit plans

(Rs. in crore)

Particulars	For the period ended 30.09.2019	For the period ended 30.09.2018
Contribution (including related insurance premium) paid/ payable	24.41	24.15

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for receivables relating to related parties.

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### 13. Disclosure related to Fair Value of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Crore)

Particulars	As at 30.09.2019		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	1230.76	1230.76	487.90	487.90
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.11	0.11	0.01	0.01
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	55.42	55.42	22.72	22.72
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	1793.32	1884.82	1797.67	1829.33
Loans	64.36	64.36	61.52	61.52
Trade Receivables	823.67	823.67	732.40	732.40
Cash and Cash Equivalents and Other Bank Balances	304.86	304.86	307.78	307.78
Other Financial Assets	117.29	116.75	101.44	101.44
<b>Total Financial Assets</b>	<b>4389.79</b>	<b>4480.75</b>	<b>3511.44</b>	<b>3543.10</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.85	0.85	0.94	0.94
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	107.23	107.23	134.30	134.30
<b>Financial Liabilities Classified at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1211.44	1211.44	1754.90	1754.90
Non-Current Borrowings at Fixed Rate	476.67	468.27	554.14	543.66
Current Maturities of Long Term Debt	608.09	608.09	19.50	19.50
Current Maturities of Finance Lease Obligation	-	-	1.46	1.46
Short Term Borrowings	463.48	463.48	467.95	467.95
Trade Payables	405.27	405.27	450.79	450.79
Other Financial Liabilities	1280.08	1280.08	1001.02	1001.02
<b>Total Financial Liabilities</b>	<b>4553.11</b>	<b>4544.71</b>	<b>4385.00</b>	<b>4374.52</b>

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- a) Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- b) Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non- performance for the Company is considered to be insignificant in valuation.
- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.
- d) The fair values of mutual funds are at published Net Asset Value (NAV).

### Fair Value Hierarchy

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

### Assets and Liabilities Measured at Fair Value (Accounted)

(Rs. In Crore)

Particulars	As at 30.09.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	1038.04	-	-	1038.04
Preference Shares	-	192.72	-	192.72
Derivatives not Designated as Hedges	-	0.11	-	0.11
Derivatives Designated as Hedges	-	55.42	-	55.42
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.85	-	0.85
Derivatives Designated as Hedges	-	107.23	-	107.23

(Rs. in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	261.85	-	-	261.85
Preference Shares	-	226.05	-	226.05
Derivatives not Designated as Hedges	-	0.01	-	0.01
Derivatives Designated as Hedges	-	22.72	-	22.72
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.94	-	0.94
Derivatives Designated as Hedges	-	134.30	-	134.30

### Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(Rs. in Crore)

Particulars	As at 30.09.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1884.82	-	1884.82
Loans	-	64.36	-	64.36
Other Financial Assets	-	116.75	-	116.75
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	468.27	-	468.27
Other Financial Liabilities	-	1280.08	-	1280.08

**Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements**

(Rs. in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1829.33	-	1829.33
Loans	-	61.52	-	61.52
Other Financial Assets	-	101.44	-	101.44
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	543.66	-	543.66
Other Financial Liabilities	-	1001.02	-	1001.02

During the period ended 30.09.2019 and year ended 31.03.2019, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 30.09.2019 and 31.03.2019, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments -Designated as Hedging Instrument</b> Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments -not Designated as Hedging Instrument</b> Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b> Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments - not Designated as Hedging Instrument</b> Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

### Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)

Particulars	Fair Value Hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## 14. Earnings Per Share (EPS)

### A. Basic and Diluted EPS:

Particulars		For the period ended 30.09.2019	For the period ended 30.09.2018
Profit or Loss attributable to ordinary Equity shareholders	Rs. in crore	672.08	328.81
Equity Share Capital	Rs. in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of Rs.10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted (Not Annualised)	Rs.	192.92	94.38

## Notes Forming Part of Unaudited Interim Condensed Standalone Financial Statements

B. Cash EPS : (Profit for the period + Depreciation and Amortisation Expense +Deferred Tax+ Exceptional Items)/ Weighted average number of equity shares outstanding

15. Previous period figures have been regrouped and rearranged wherever necessary.

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Signature to Note 1 to 15

As per our report of even date

For and on behalf of the Board

**For Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R. L. Gaggar**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323

**Subhash Jajoo**  
Chief Finance Officer

**Place:** Beawar  
**Date:** 18.11.2019

**Place:** Kolkata  
**Date:** 18.11.2019

**Independent Auditors' Report on Review of Unaudited Interim Condensed Consolidated Financial Statements**

**To the Board of Directors**  
**Shree Cement Limited**

**Introduction**

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of Shree Cement Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) which comprise the interim condensed consolidated balance sheet as at September 30, 2019, the interim condensed consolidated statement of profit and loss, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months ended September 30, 2019, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (collectively, referred to as the “Interim Condensed Consolidated Financial Statements”).

The Parent’s management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with the Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India and these Interim Condensed Consolidated Financial Statements have been approved by a committee constituted by the Board of Directors of the Parent. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

**Scope of Review**

We conducted our review of the Interim Condensed Consolidated Financial Statements in accordance with Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Interim Condensed Consolidated Financial Statements includes financial information of following entities:

- Shree Cement Limited (Parent)
- Subsidiaries
  - i) Shree Global FZE
  - ii) Shree International Holding Ltd.
  - iii) Shree Enterprises Management Ltd.
  - iv) Union Cement Company (PJSC)
  - v) Union Cement Norcem Company Limited LLC
  - vi) Raipur Handling and Infrastructure Private Limited

We did not review the interim condensed consolidated financial information of five foreign subsidiaries viz. Shree Global FZE, Shree International Holding Ltd., Shree Enterprises Management Ltd., Union

Cement Company (PJSC) and Union Cement Norcem Company Limited LLC included in the Interim Condensed Consolidated Financial Statements, whose interim financial information reflect total assets of Rs.2530.09 Crore as at September 30, 2019 and total revenue of Rs.467.81 Crore, total net profit after tax of Rs.24.99 crore, total comprehensive income of Rs.74.02 crore, and cash flows of Rs.4.34 crore for the period ended on September 30, 2019 as considered in the Interim Condensed Consolidated Financial Statements. The interim condensed consolidated financial statements of such foreign subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Interim Condensed Consolidated Financial Statements is in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated above.

These five foreign subsidiaries are located outside India whose interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted these interim condensed consolidated financial statements of such subsidiaries outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management.

The Interim Condensed Consolidated Financial Statements include unaudited interim condensed financial statements and other unaudited financial information in respect of one subsidiary, Raipur Handling and Infrastructure Private Limited, which have not been reviewed by its auditors, whose interim financial statements reflect Group's share of total assets of Rs. 31.44 crore as at September 30, 2019 and total revenues of Rs. 1.95 crore, total net profit after tax of Rs. 0.49 crore and total comprehensive income of Rs. 0.49 crore and total cash flows of Rs. 1.32 crore for the six months ended on September 30, 2019. These unaudited interim condensed financial statements and other unaudited financial information have been approved and furnished to us by the Parent's Management and our conclusion on these Interim Condensed Consolidated Financial Statements, in so far as it relates to the affairs of this subsidiary, is based solely on such unaudited interim condensed financial statements and other unaudited financial information. According to the information and explanations given to us by the Parent's Management, these unaudited interim condensed financial statements are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

### **Conclusion**

Based on our review and necessary procedures performed by us, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared and presented, in all material respects, in accordance with the Ind AS 34- Interim Financial Reporting and relevant provisions of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Gupta & Dua**

Chartered Accountants

Firms' Registration Number: 003849N

**Mukesh Dua**

Partner

Membership No. 085323

UDIN: 19085323AAAADL7662

Beawar, November 18, 2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2019**

(Rs. in Crore)

	Notes	As at 30.09.2019	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	6,370.86	6,135.16
Capital Work-in-Progress		855.04	1,129.45
Intangible Assets		55.88	46.49
<b>Financial Assets</b>			
Investments		2,227.49	2,252.89
Loans		58.66	53.13
Other Financial Assets		39.95	27.85
Deferred Tax Assets (Net)		670.03	612.64
Non-Current Tax Assets (Net)		128.58	111.01
Other Non-Current Assets		433.81	405.21
		10,840.30	10,773.83
<b>Current Assets</b>			
Inventories		1,811.46	1,870.31
<b>Financial Assets</b>			
Investments		796.65	32.74
Trade Receivables		1,091.34	1,023.71
Cash and Cash Equivalents		141.76	142.20
Bank Balances other than Cash and Cash Equivalents		303.28	297.09
Loans		7.14	9.80
Other Financial Assets		144.41	106.75
Other Current Assets		1,176.09	1,236.62
		5,472.13	4,719.22
<b>Total Assets</b>		<b>16,312.43</b>	<b>15,493.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital		34.84	34.84
Other Equity		10,239.43	9,635.91
Total Equity Attributable to Owners of the Company		10,274.27	9,670.75
Non Controlling Interest		62.96	62.48
<b>Total Equity</b>		10,337.23	9,733.23
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	7	1,688.11	2,309.04
Other Financial Liabilities		842.83	734.20
Deferred Tax Liabilities (Net)		0.23	0.25
Provisions		32.44	32.02
Other Non-Current Liabilities		575.33	557.73
		3,138.94	3,633.24
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		470.72	472.67
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises		1.89	2.11
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		493.60	536.08
Other Financial Liabilities		1,257.36	462.52
Other Current Liabilities		571.51	624.98
Provisions		18.93	5.97
Current Tax Liabilities (Net)		22.25	22.25
		2,836.26	2,126.58
<b>Total Equity and Liabilities</b>		<b>16,312.43</b>	<b>15,493.05</b>

The accompanying notes are an integral part of the Unaudited Interim Condensed Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

For and on behalf of the Board

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R L Gaggar**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323

**Subhash Jajoo**  
Chief Finance Officer

**Place :** Beawar  
**Date :** 18.11.2019

**Place :** Kolkata  
**Date :** 18.11.2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30th SEPTEMBER, 2019**

(Rs. in Crore)

	Notes	For the Period ended 30.09.2019	For the Period ended 30.09.2018
Revenue from Operations	8	6,307.24	5,925.54
Other Income		110.59	145.28
<b>Total Income</b>		<b>6,417.83</b>	<b>6,070.82</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		459.92	494.47
Purchases of Stock in Trade		20.80	-
Changes in Inventories of Finished Goods and Work-in-Progress		(61.49)	(44.72)
Employee Benefits Expense		437.11	369.65
Power and Fuel		1,424.27	1,450.28
Freight and Forwarding Expenses		1,272.93	1,451.20
Finance Costs	9	142.13	118.11
Depreciation and Amortisation Expense		883.10	659.71
Other Expenses		947.89	1,088.58
		5,526.66	5,587.28
Captive Consumption of Cement		(16.97)	(17.78)
<b>Total Expenses</b>		<b>5,509.69</b>	<b>5,569.50</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>908.14</b>	<b>501.32</b>
Exceptional Items		-	178.13
<b>PROFIT BEFORE TAX</b>		<b>908.14</b>	<b>323.19</b>
<b>Tax Expense</b>			
Current Tax		276.70	87.64
Tax Expense Relating to Earlier Years (Net)		-	(2.69)
Deferred Tax (Credit) / Charge		(64.14)	(104.89)
		212.56	(19.94)
<b>PROFIT FOR THE PERIOD</b>		<b>695.58</b>	<b>343.13</b>
<b>Profit Attributable to:</b>			
Owners of the Company		690.29	339.78
Non Controlling Interest		5.29	3.35
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans		-	-
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	-
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge and Exchange Differences on Translation of Foreign Operation		68.29	147.54
Income Tax relating to Items that will be Reclassified to Profit or Loss		(6.73)	(11.24)
		61.56	136.30
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>757.14</b>	<b>479.43</b>
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the Company		60.17	132.70
Non Controlling Interest		1.39	3.60
		61.56	136.30
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the Company		750.46	472.48
Non Controlling Interest		6.68	6.95
		757.14	479.43
<b>Earnings per Equity Share of Rs. 10 each (In Rs.) (Not Annualised)</b>	<b>15</b>		
Cash		432.89	307.77
Basic and Diluted		198.14	97.53

The accompanying notes are an integral part of the Unaudited Interim Condensed Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

For and on behalf of the Board

**Mukesh Dua**  
Partner  
Membership No. 085323

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R L Gaggar**  
Director  
DIN: 00066068

Place :Beawar  
Date : 18.11.2019

**Subhash Jajoo**  
Chief Finance Officer

Place : Kolkata  
Date : 18.11.2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER, 2019**

(Rs. in Crore)

Particulars	For the period ended 30.09.2019		For the Period ended 30.09.2018	
<b>A Cash Flow From Operating Activities</b>				
Profit Before Exceptional Items and Tax		908.14		501.32
Adjustments For :				
Depreciation and Amortisation Expense	883.10		659.71	
Foreign Exchange Rate Differences (Net)	(0.69)		159.91	
Balances Written Back	(1.30)		(1.11)	
Net Gain on Sale of Investments	(0.30)		(5.87)	
Gain on Fair Value of Financial Assets through Profit or Loss	(17.91)		(14.54)	
Interest Income	(78.91)		(87.45)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(8.66)		(34.97)	
Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	(0.13)		8.98	
Finance Costs	142.13	917.33	118.11	802.77
<b>Operating Profit Before Working Capital Changes</b>		<b>1,825.47</b>		<b>1,304.09</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	33.72		(264.93)	
(Increase) / Decrease in Inventories	65.33		(254.66)	
Increase / (Decrease) in Trade & Other Payables and Provisions	202.01	301.06	(122.68)	(642.27)
Cash Generated From Operations		<b>2,126.53</b>		<b>661.82</b>
Direct Taxes Paid (Net of Refunds)		(294.26)		(116.19)
<b>Net Cash Flow From Operating Activities</b>		<b>1,832.27</b>		<b>545.63</b>
<b>B Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(759.81)		(993.08)	
Proceeds from Sale of Property, Plant and Equipment	1.91		0.66	
Payments for Intangible Assets	(12.17)		(1.58)	
Payment for Acquisition of Controlling Stake in Subsidiaries (net of cash and cash equivalents acquired)	-		(2,008.10)	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	40.00		441.30	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(764.66)		2,280.05	
Investments in Bank Deposits	(170.92)		(120.98)	
Maturity of Bank Deposits	147.26		96.54	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.03)		0.01	
Dividend Received	12.12		45.03	
Interest Received (Including Interest on Zero Coupon Bonds)	44.93		65.25	
<b>Net Cash Used in Investing Activities</b>		<b>(1,461.37)</b>		<b>(194.90)</b>
<b>C Cash Flow From Financing Activities</b>				
Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest	(0.84)		-	
Repayment of Long Term Borrowings	(67.50)		(3.78)	
Payment of Finance Lease / Lease Liabilities	(7.14)		(1.52)	
Proceeds from Short Term Borrowings	-		75.00	
Repayment of Short Term Borrowings	(75.00)		(479.60)	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	66.54		356.83	
Interest and Financial Charges Paid	(143.96)		(113.72)	
Dividend and Tax Paid there on (Interim and Final)	(152.27)		(126.00)	
<b>Net Cash (Used in) / From Financing Activities</b>		<b>(380.17)</b>		<b>(292.79)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(9.27)</b>		<b>57.94</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>		<b>117.72</b>		<b>33.52</b>
Add: Effect of exchange rate on consolidation of Foreign Subsidiaries		<b>2.34</b>		<b>6.30</b>
<b>Cash and Cash Equivalents as at the end of the Period</b>		<b>110.79</b>		<b>97.76</b>

**Notes :**

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- 3 For the purpose of Interim Condensed Consolidated Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(Rs. in Crore)

	As at 30.09.2019	As at 31.03.2019	As at 30.09.2018
Balances with Banks	31.26	41.65	41.06
Cash on Hand	0.84	0.91	0.82
Call Deposits with Banks	0.50	1.56	42.93
Fixed Deposits with Banks Having Original Maturity upto 3 Months	109.16	98.08	38.53
	141.76	142.20	123.34
Less: Bank Overdraft	30.97	24.48	25.58
	<b>110.79</b>	<b>117.72</b>	<b>97.76</b>

The accompanying notes are an integral part of the Unaudited Interim Condensed Consolidated Financial Statements.

As per our report of even date  
**For Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : Beawar  
Date : 18.11.2019

For and on behalf of the Board

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R L Gaggur**  
Director  
DIN: 00066068

**Subhash Jajoo**  
Chief Finance Officer

Place : Kolkata  
Date : 18.11.2019

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30th SEPTEMBER, 2019**

**A. EQUITY SHARE CAPITAL**

Particulars	Numbers	Rs. in Crore
Equity shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at 30.09.2019	34837225	34.84
As at 31.03.2019	34837225	34.84
As at 30.09.2018	34837225	34.84

**B. OTHER EQUITY**

For the period ended 30th September, 2019

Particulars	Attributable to Owners of the Company									Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
<b>Opening Balance as at 01.04.2019</b>	<b>15.00</b>	<b>10.84</b>	<b>26.53</b>	<b>5.20</b>	<b>5,700.00</b>	<b>3,907.93</b>	<b>6.88</b>	<b>(36.47)</b>	<b>9,635.91</b>	<b>62.48</b>	<b>9,698.39</b>
Profit for the period ended 30.09.2019						690.29			690.29	5.29	695.58
Other Comprehensive Income for the Period											
Re-measurements of the Defined Benefit Plans (Net of Tax)						-			-	-	-
Net movement of Cash Flow Hedges (Net of Tax)								12.53	12.53		12.53
Exchange Differences on Translation of Foreign Operation							47.64		47.64	1.39	49.03
Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest						0.05			0.05	(0.89)	(0.84)
Final Dividend on Equity Shares (Note 1 below)						(121.93)			(121.93)		(121.93)
Tax on Final Dividend						(25.06)			(25.06)		(25.06)
Interim Dividend on Equity Shares (Note 4 below)						-			-	(5.31)	(5.31)
<b>Closing Balance as at 30.09.2019</b>	<b>15.00</b>	<b>10.84</b>	<b>26.53</b>	<b>5.20</b>	<b>5,700.00</b>	<b>4,451.28</b>	<b>54.52</b>	<b>(23.94)</b>	<b>10,239.43</b>	<b>62.96</b>	<b>10,302.39</b>

For the Year ended 31<sup>st</sup> March, 2019

Particulars	Attributable to Owners of the Company									Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
<b>Opening Balance as at 01.04.2018</b>	<b>15.00</b>	<b>-</b>	<b>26.53</b>	<b>-</b>	<b>5,500.00</b>	<b>3,333.95</b>	<b>0.01</b>	<b>(13.67)</b>	<b>8,861.82</b>	<b>-</b>	<b>8,861.82</b>
Profit for the period ended 30.09.2018						339.78			339.78	3.35	343.13
Other Comprehensive Income for the period											
Re-measurements of the Defined Benefit Plans (Net of Tax)						-			-	-	-
Net movement of Cash Flow Hedges (Net of Tax)								20.91	20.91		20.91
Exchange Differences on Translation of Foreign Operation							111.79		111.79	3.60	115.39
On Account of Business Combination		10.84							10.84	63.60	74.44
Final Dividend on Equity Shares (Note 2 below)						(104.51)			(104.51)		(104.51)
Tax on Final Dividend						(21.48)			(21.48)		(21.48)
<b>Closing Balance as at 30.09.2018</b>	<b>15.00</b>	<b>10.84</b>	<b>26.53</b>	<b>-</b>	<b>5,500.00</b>	<b>3,547.74</b>	<b>111.80</b>	<b>7.24</b>	<b>9,219.15</b>	<b>70.55</b>	<b>9,289.70</b>
Profit for the six months ended 31.03.2019						666.61			666.61	5.31	671.92
Other Comprehensive Income for the period											
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.77			3.77	0.01	3.78
Net movement of Cash Flow Hedges (Net of Tax)								(43.71)	(43.71)		(43.71)
Exchange Differences on Translation of Foreign Operation							(104.92)		(104.92)	(3.52)	(108.44)
Transfer to/(from) Retained Earnings				5.20	200.00	(205.20)			-		-
Interim Dividend on Equity Shares (Note 3 and 4 below)						(87.09)			(87.09)	(9.87)	(96.96)
Tax on Interim Dividend						(17.90)			(17.90)		(17.90)
<b>Closing Balance as at 31.03.2019</b>	<b>15.00</b>	<b>10.84</b>	<b>26.53</b>	<b>5.20</b>	<b>5,700.00</b>	<b>3,907.93</b>	<b>6.88</b>	<b>(36.47)</b>	<b>9,635.91</b>	<b>62.48</b>	<b>9,698.39</b>

Note 1 : Final Dividend declared at the rate of Rs. 35 per share of Rs. 10 each for FY 2018-19.

Note 2 : Final Dividend declared at the rate of Rs. 30 per share of Rs. 10 each for FY 2017-18.

Note 3 : Interim Dividend declared at the rate of Rs. 25 per share of Rs. 10 each for FY 2018-19.

Note 4 : Dividend distributed to the non-controlling interest pertains to the dividend declared by a Subsidiary.

**SHREE CEMENT LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30th SEPTEMBER, 2019 (Contd.)**

**Nature of Reserves**

**Capital Redemption Reserve**

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

**Capital Reserve**

Company's Capital Reserve is on account of acquisition of controlling stake in Union Cement Company (PJSC) (UCC) and Raipur Handling and Infrastructure Private Limited(RHIPL).

**Securities Premium**

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

**Statutory Reserve**

According to the articles of association of Union Cement Company (PJSC) (Subsidiary Company) and the requirements of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for each year is transferred to the statutory reserve . The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

**General Reserve**

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

**Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.

**Foreign Currency Translation Reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in the foreign currency translation reserve.

**Effective Portion of Cash Flow Hedges**

The Company has designated certain hedging instruments as cash flow hedges and any effective portion is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised to the Statement of Profit and Loss.

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The accompanying notes are an integral part of the Unaudited Interim Condensed Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

For and on behalf of the Board

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**R L Gaggar**  
Director  
DIN: 00066068

**Mukesh Dua**  
Partner  
Membership No. 085323

**Subhash Jajoo**  
Chief Finance Officer

**Place :** Beawar  
**Date :** 18.11.2019

**Place :** Kolkata  
**Date :** 18.11.2019

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

### 1. Corporate Information

Shree Cement Limited (the Holding Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India.

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited (“the Holding Company”) and its subsidiaries together referred to as “the Company” or “the Group”.

The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

These unaudited interim condensed consolidated financial statements for the period ended 30<sup>th</sup> September, 2019 are approved and adopted by Qualified Institutional Placement Committee of the Board of Directors of the Company in their meeting held on 18.11.2019.

### 2. Statement of Compliance

These interim condensed consolidated financial statements (hereinafter referred to as “financial statements” in the interim condensed consolidated financial statements) of the Company have been prepared in accordance with Ind AS 34- Interim Financial Reporting and the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

### 3. Principles of Consolidation:

The subsidiaries considered in the preparation of these Condensed Consolidated Financial Statements are:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	% Shareholding and Voting Power	
			As at 30.09.2019	As at 31.03.2019
1	Shree Global Pte. Ltd. (liquidated w.e.f. 11.03.2019)	Singapore	-	-
2	Shree Global FZE (w.e.f. 07.05.2018)	UAE	100%	100%
3	Shree International Holding Ltd. (w.e.f. 28.06.2018)	UAE	100%	100%
4	Shree Enterprises Management Ltd. (w.e.f. 19.06.2018)	UAE	100% (Beneficially Owned)	100% (Beneficially Owned)
5	Union Cement Company (PJSC) w.e.f. (11.07.2018)	UAE	97.65%	97.61%
6	Union Cement Norcem Company Limited L.L.C. (w.e.f. 11.07.2018)	UAE	60%	60%
7	Raipur Handling and Infrastructure Private Limited (w.e.f. 14.05.2018)	India	100%	100%

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

### 4. Significant Accounting Policies, Judgements, Estimates and Assumptions

The same accounting policies, significant accounting judgments and estimates and assumptions are followed in these unaudited interim condensed consolidated financial statements as compared with the Company's annual financial statements for the year ended 31<sup>st</sup> March 2019, except for the new standards adopted during the current period as explained in Note 5

### 5. New Accounting Pronouncements

Effective 1<sup>st</sup> April, 2019 the Company has adopted Ind AS 116- "Leases". The Company has used modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/accrual recognized in the balance sheet immediately before the initial application. Accordingly, comparatives for the year ended 31.03.2019 have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the results for the six months ended 30.09.2019.

Ind AS 116 Leases provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with Ind AS 116's approach to lessor accounting which is substantially unchanged from its predecessor, Ind AS 17.

The right-of-use asset measured at inception at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

The above approach has resulted in recognition of right of use asset of Rs. 388.39 crore as at 1<sup>st</sup> April, 2019 (including right of use asset amounting to Rs. 292.72 crore (net of amortization) recognized as finance lease asset under erstwhile lease standard as at 31.03.2019) and a lease liability of Rs. 102.69 crore (including finance lease obligation of Rs. 7.02 crore recognized under erstwhile lease standard as at 31.03.2019) as on 1<sup>st</sup> April, 2019.

The Right of use assets of Rs. 392.62 crore as on 30.09.2019 disclosed under Property, Plant and Equipment and lease liability of Rs. 107.23 crore as on 30.09.19 disclosed under other financial liabilities.

**Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements**

**6. Property, Plant and Equipment**

(Rs. in crore)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTIZATION						Net Block As at 30.09.19
	Opening as at 01.04.19	Transfer out to Right of use Assets	Effect of Foreign Currency Translation	Addition during the period	Deduction / Adjustments during the period	As at 30.09.19	Opening as at 01.04.19	Transfer out to Right of use Assets	Effect of Foreign Currency Translation	For the period	Deduction / Adjustments during the period	Up to 30.09.19	
<b>Tangible Assets:</b>													
Freehold land	1011.26	-		87.63	-	1098.89	5.75	-		1.27	-	7.02	1091.87
Leasehold land	314.63	(314.63)	-	-	-	-	21.91	(21.91)	-	-	-	-	-
Right of Use Assets (Refer Note 5)	95.67	314.63	1.46	12.01	-	423.77	-	21.91	-	9.24	-	31.15	392.62
Buildings	952.75	-	1.37	45.84	-	999.96	360.30	-	0.03	77.36	-	437.69	562.27
Plant and Equipment	8088.05	-	36.24	823.10	13.18	8934.21	3920.91	-	2.03	777.18	12.99	4687.13	4247.08
Railway Siding	63.02	-	-	-	-	63.02	18.54	-	-	4.23	-	22.77	40.25
Furniture and Fixtures	38.57	-	0.02	2.93	0.04	41.48	30.31	-	-	3.10	0.04	33.37	8.11
Office Equipment	53.62	-	0.07	9.04	0.32	62.41	42.93	-	0.02	5.91	0.31	48.55	13.86
Vehicles	37.68	-	0.04	6.38	4.57	39.53	23.77	-	0.02	5.46	4.52	24.73	14.80
<b>Total</b>	<b>10655.25</b>	<b>-</b>	<b>39.20</b>	<b>986.93</b>	<b>18.11</b>	<b>11663.27</b>	<b>4424.42</b>	<b>-</b>	<b>2.10</b>	<b>883.75</b>	<b>17.86</b>	<b>5292.41</b>	<b>6370.86</b>

**7. Borrowings**

(Rs. in crore)

Particulars	Non- Current Portion		Current Maturities	
	As at 30.09.2019	As at 31.03.2019	As at 30.09.2019	As at 31.03.2019
<b>Secured</b>				
External Commercial Borrowings	1688.11	2255.48	608.09	-
Indian Rupee Term Loans from Banks	-	48.00	-	19.50
Finance Lease Obligation	-	5.56	-	1.46
	<b>1688.11</b>	<b>2309.04</b>	<b>608.09</b>	<b>20.96</b>
Amount disclosed under the head "Other Current Financial Liabilities"	-	-	(608.09)	(20.96)
	<b>1688.11</b>	<b>2309.04</b>	<b>-</b>	<b>-</b>

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

### 8. Revenue from Operations

(Rs. in crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
<b>Sale of Products and Services</b>		
Sale of Products	5884.13	5386.58
Power Sales	327.17	380.00
Services	1.31	0.64
	<b>6212.61</b>	<b>5767.22</b>
<b>Other Operating Revenue</b>	94.63	158.32
	<b>6307.24</b>	<b>5925.54</b>

### 9. Finance Costs

(Rs. in crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
Interest Expenses	142.30	120.13
Bank and Finance Charges	1.12	0.44
Interest expenses on Lease Liabilities	3.18	-
Unwinding of Discount on Provision	0.27	0.25
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	47.81
	<b>146.87</b>	<b>168.63</b>
Less: Interest Capitalised	4.74	50.52
	<b>142.13</b>	<b>118.11</b>

### 10. Contingent Liabilities (Claims/Demands not Acknowledged as Debt)

- a. Custom duty (including interest) Rs. 65.72 crore (As at 31.03.2019 Rs. 64.52 crore)
- b. Service Tax and Education Cess (including interest) Rs. 1.11 crore (as at 31.03.2019 Rs. 0.82 crore)
- c. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of Rs. 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).  
  
(ii) In another matter, CCI vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of Rs. 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department / Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy ( i.e. difference of 75% and 50%) amounting to Rs. 73.08 crore received and Rs. 282.30 crore not received though accounted for.

11. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 594.39 crore (As at 31.03.2019 Rs. 711.12 crore).

### 12. Segment Reporting

The Company has two reportable segments, namely Cement and Power. Revenue, Results and other information:

(Rs. in Crore)

Particulars	For the period ended 30.09.2019				For the period ended 30.09.2018			
	Cement*	Power	Inter-Segment Eliminations	Total	Cement*	Power	Inter-Segment Eliminations	Total
External Sales	5980.07	327.17	-	6307.24	5545.54	380.00	-	5925.54
Inter Segment Revenue	-	557.00	(557.00)	-	-	572.89	(572.89)	-
<b>Total Revenue</b>	<b>5980.07</b>	<b>884.17</b>	<b>(557.00)</b>	<b>6307.24</b>	<b>5545.54</b>	<b>952.89</b>	<b>(572.89)</b>	<b>5925.54</b>
<b>Results</b>								
Segment Results (Profit before Exceptional Items, Finance Costs and Tax)	653.01	291.49	-	944.50	97.75	378.84	-	476.59
Add: Un-allocated Income				105.77				142.84

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

Particulars	For the period ended 30.09.2019				For the period ended 30.09.2018			
	Cement*	Power	Inter-Segment Eliminations	Total	Cement*	Power	Inter-Segment Eliminations	Total
Less: Exceptional Items				-				178.13
Less: Finance Costs				142.13				118.11
Profit Before Tax				908.14				323.19
Less : Tax Expenses				212.56				(19.94)
<b>Profit After Tax</b>				<b>695.58</b>				<b>343.13</b>

(Rs. in crore)

Particulars	As at 30.09.2019				As at 31.03.2019			
	Cement*	Power	Inter-Segment Eliminations	Total	Cement*	Power	Inter-Segment Eliminations	Total
Segment Assets	10963.87	910.60	-	11874.47	10978.97	980.99	-	11959.96
Un-allocated Assets				4437.96				3533.09
<b>Total Assets</b>				<b>16312.43</b>				<b>15493.05</b>
Segment Liabilities	2143.80	143.44	-	2287.24	2019.48	146.61	-	2166.09
Un-allocated Liabilities and Provisions				3687.96				3593.73
<b>Total Liabilities</b>				<b>5975.20</b>				<b>5759.82</b>

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous period.

### 13. Related party Disclosure (As per Ind AS 24- Related Party Disclosures)

#### Relationships:

- (a) **Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the period:**
- (i) The Kamla Company Limited
  - (ii) Shree Capital Services Ltd.
  - (iii) Aqua Infra Project Limited
  - (iv) Alfa Buildhome Pvt. Ltd.
  - (v) Rajasthan Forum
  - (vi) The Bengal
  - (vii) Sant Parmanand Hospital
  - (viii) N.B.I. Industrial Finance Company Limited
  - (ix) Rajesh Vanijya Private Limited
  - (x) Didwana Investment Co. Ltd
  - (xi) Ragini Finance Limited
  - (xii) Western India Commercial Co. Ltd

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

- (xiii) Mannakrishna Investment Pvt. Ltd
- (xiv) Digvijay Finlease Limited
- (xv) Asish Creations Private Limited
- (xvi) Didu Investments Pvt. Ltd
- (xvii) The Venkatesh Company Limited
- (xviii) Newa Investments Private Limited
- (xix) Karmayog Properties Private Limited

**(b) Key Management Personnel:**

- (i) Shri H.M. Bangur Managing Director
- (ii) Shri Prashant Bangur Joint Managing Director
- (iii) Shri P.N. Chhangani Whole Time Director (w.e.f. 30.07.2018)

**(c) Relatives to Key Management Personnel:**

- (i) Shri B.G. Bangur Father of Shri H.M. Bangur

**(d) Post Employment Benefit Plan Trust:**

- (i) Shree Cement Staff Provident Fund
- (ii) Shree Cement Employees Group Gratuity Scheme
- (iii) Shree Cement Ltd., Superannuation Scheme

### Disclosure of Related Party Transactions:

**(a) Details of transactions with related parties**

(Rs. in Crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
<b>Sale of Goods/Material</b>		
- Entities controlled/ influenced by KMP	0.03	0.01
<b>Services Received</b>		
- Entities controlled/ influenced by KMP	0.46	0.83
<b>Payment of office rent</b>		
- Entities controlled/ influenced by KMP	1.48	1.38
<b>Purchase of spares</b>		
- Entities controlled/ influenced by KMP	-	0.01
<b>Contributions towards social activities</b>		
- Entities controlled/ influenced by KMP	0.83	0.32
<b>Reimbursement Towards Purchase of equity shares of a subsidiary</b>		
- Entities controlled/ influenced by KMP	-	59.00
<b>Reimbursement of Expenses</b>		

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
- Entities controlled/ influenced by KMP	-	0.15

### (b) Details of balances with related parties

(Rs. in crore)

Particulars	As at 30.09.2019	As at 31.03.2019	As at 30.09.2018
Security deposit receivable			
- Entities controlled/ influenced by KMP	0.63	0.63	0.63

### (c) Key Management Personnel:

(Rs. in crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
Short Term Benefits	37.99	32.73
Post - Employment Benefits*	2.06	1.58
<b>Total</b>	<b>40.05</b>	<b>34.31</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

### (d) Relatives to Key Management Personnel:

(Rs. in crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
Director Commission, Sitting Fee and Reimbursement of Expenses	0.24	0.22

### (e) Information on transactions with post-employment benefit plans

(Rs. in crore)

Particulars	For the period ended 30.09.19	For the period ended 30.09.18
Contribution (including related insurance premium) paid/payable	24.41	24.15

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for receivables relating to related parties.

Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

14. Disclosure Related to Fair Value of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Crore)

Particulars	As at 30.09.2019		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	1230.82	1230.82	487.96	487.96
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.11	0.11	0.01	0.01
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	55.42	55.42	22.72	22.72
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	1793.32	1884.82	1797.67	1829.33
Loans	65.80	65.80	62.93	62.93
Trade Receivables	1091.34	1091.34	1023.71	1023.71
Cash and Cash Equivalents and Other Bank Balances	445.04	445.04	439.29	439.29
Other Financial Assets	128.83	128.29	111.87	111.87
<b>Total Financial Assets</b>	<b>4810.68</b>	<b>4901.64</b>	<b>3946.16</b>	<b>3977.82</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.85	0.85	0.94	0.94
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	107.23	107.23	134.30	134.30
<b>Financial Liabilities Classified at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1211.44	1211.44	1754.90	1754.90
Non-Current Borrowings at Fixed Rate	476.67	468.27	554.14	543.66
Current Maturities of Long Term Debt	608.09	608.09	19.50	19.50
Current Maturities of Finance Lease Obligation	-	-	1.46	1.46
Short Term Borrowings	470.72	470.72	472.67	472.67
Trade Payables	495.49	495.49	538.19	538.19
Other Financial Liabilities	1384.02	1384.02	1040.52	1040.52
<b>Total Financial Liabilities</b>	<b>4754.51</b>	<b>4746.11</b>	<b>4516.62</b>	<b>4506.14</b>

### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- a) Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- b) Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.
- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.
- d) The fair values of mutual funds are at published Net Asset Value (NAV).

### Fair Value Hierarchy

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

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

### Assets and Liabilities Measured at Fair Value (Accounted)

(Rs. in Crore)

Particulars	As at 30.09.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	1038.10	-	-	1038.10
Preference Shares	-	192.72	-	192.72
Derivatives not Designated as Hedges	-	0.11	-	0.11
Derivatives Designated as Hedges	-	55.42	-	55.42
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.85	-	0.85
Derivatives Designated as Hedges	-	107.23	-	107.23

(Rs. in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	261.91	-	-	261.91
Preference Shares	-	226.05	-	226.05
Derivatives not Designated as Hedges	-	0.01	-	0.01
Derivatives Designated as Hedges	-	22.72	-	22.72
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.94	-	0.94
Derivatives Designated as Hedges	-	134.30	-	134.30

### Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(Rs. in Crore)

Particulars	As at 30.09.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1884.82	-	1884.82
Loans	-	65.80	-	65.80
Other Financial Assets	-	128.29	-	128.29
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	468.27	-	468.27
Other Financial Liabilities	-	1384.02	-	1384.02

Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

(Rs. in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1829.33	-	1829.33
Loans	-	62.93	-	62.93
Other Financial Assets	-	111.87	-	111.87
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	543.66	-	543.66
Other Financial Liabilities	-	1040.52	-	1040.52

During the period ended 30.09.2019 and year ended 31.03.2019, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 30.09.2019 and 31.03.2019, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments -not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market	Forward foreign currency	-

Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
		valuation techniques	exchange rates, interest rates to discount future cash flows	
<b>Financial Liabilities</b>				
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b> Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments -not Designated as Hedging Instrument</b> Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

**Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)**

Particulars	Fair Value Hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## Notes Forming Part of Unaudited Interim Condensed Consolidated Financial Statements

### 15. Earnings Per Share (EPS)

#### A. Basic and Diluted EPS:

Particulars		For the period ended 30.09.19	For the period ended 30.09.18
Profit or Loss attributable to the Owners of the Company	Rs. in crore	690.29	339.78
Equity Share Capital	Rs. in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of Rs.10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted (Not Annualised)	Rs.	198.14	97.53

B. Cash EPS : (Profit for the period attributable to the Owners of the Company + Depreciation and Amortisation Expense (Net of Rs. 1.18 crore (Rs. 0.55 crore for period ended 30.09.18) of Non-Controlling Interest)+Deferred Tax+ Exceptional Items)/ Weighted average number of equity shares outstanding.

16. The Company had acquired majority stake in Union Cement Company (UCC) Pr. JSC, a United Arab Emirates (UAE) based Company on 11th July, 2018 through its Wholly Owned subsidiaries. The Company had also acquired 100% equity stake in Raipur Handling and Infrastructure Pvt. Ltd. (RHIPL) on 14th May, 2018. Financial Results for Half year ended 30th September, 2018 includes results of RHIPL from 14th May, 2018 and UCC from 11th July, 2018 whereas results for Half year ended 30th September 2019, includes results of these Companies for entire Half Year. Hence, results for Half year ended 30th September, 2019 are not comparable with the results of Half year ended 30th September, 2018.

17. Previous period figures have been regrouped and rearranged wherever necessary.

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Signature to Note 1 to 17

For and on behalf of the Board

As per our report of even date

For **Gupta & Dua**

Chartered Accountants  
Firm's Registration No. 003849N

<b>H. M. Bangur</b>	<b>R L Gaggar</b>
Managing Director	Director
DIN: 00244329	DIN: 00066068

**Mukesh Dua**

Partner  
Membership No. 085323

**Subhash Jajoo**

Chief Finance Officer

**Place:** Beawar

**Date:** 18.11.2019

**Place :** Kolkata

**Date :** 18.11.2019

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHREE CEMENT LIMITED Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and its profit, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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 opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

## Information other than the Standalone Financial Statements and Auditors' Report thereon

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

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

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

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

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report)

Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate report in Annexure 'B'.

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

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

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including any 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.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: Kolkata  
Date: 18<sup>th</sup> May, 2019



## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

### 1) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company

### 2) In respect of its inventories:

- (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
  - 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.

- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Cess, Goods and Service Tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Goods and Service Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company are as follows:

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit on Inputs	0.59	2005-06 to 2007-08 & 2013-14	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs	0.08	1997-98	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
	Cenvat credit on capital goods	0.03	2009-10	Rajasthan High Court, Jaipur
Finance Act, 1994	Credit of Service Tax	0.18	2011-12	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (A)</b>		<b>0.88</b>		
<b>(B) Customs Duty</b>				
Customs Act, 1962	Custom Duty Valuation	15.75	2008-09 to 2009-10 & 2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>15.75</b>		
<b>(C) Sales Tax</b>				
Central Sales Tax Act, 1956	Partial Exemption Claim including interest	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
Central Sales Tax Act, 1956	Interest demand on CST	14.98	2007-08	Tax Board, Ajmer
Rajasthan VAT Act, 2003	Interest demand on VAT	7.36	2007-08	Tax Board, Ajmer
Bihar VAT Act, 2005	Input VAT Credit	0.12	2016-17	Joint Commissioner of Commercial Taxes (Appeals) Central Division, Patna
<b>Total (C)</b>		<b>24.70</b>		
<b>Grand Total (A+B+C)</b>		<b>41.33</b>		

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.



- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable Indian accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.

- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: Kolkata  
Date: 18<sup>th</sup> May, 2019



## Annexure 'B' to the Independent Auditors' Report

**(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)**

### **Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: Kolkata  
Date: 18<sup>th</sup> May, 2019

## STANDALONE BALANCE SHEET as at 31<sup>st</sup> March, 2019

(₹ in Crore)

	Notes	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	4,465.04	3,577.11
Capital Work-in-Progress	38	1,121.11	1,427.15
Intangible Assets	8	10.63	12.07
<b>Financial Assets</b>			
Investments	9	4,411.14	3,123.29
Loans	10	51.87	48.81
Other Financial Assets	11	22.72	200.00
Deferred Tax Assets (Net)	12	612.64	513.05
Non-Current Tax Assets (Net)		110.76	100.28
Other Non-Current Assets	13	395.65	439.91
		11,201.56	9,441.67
<b>Current Assets</b>			
Inventories	14	1,589.05	1,569.02
<b>Financial Assets</b>			
Investments	15	32.74	2,311.04
Trade Receivables	16	732.40	459.25
Cash and Cash Equivalents	17	35.00	51.70
Bank Balances other than Cash and Cash Equivalents	18	272.78	69.20
Loans	10	9.65	7.77
Other Financial Assets	11	101.45	92.99
Other Current Assets	13	1,218.62	1,139.19
		3,991.69	5,700.16
<b>Total Assets</b>		<b>15,193.25</b>	<b>15,141.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	19	34.84	34.84
Other Equity		9,562.55	8,861.99
		9,597.39	8,896.83
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	2,309.04	2,208.13
Other Financial Liabilities	21	734.19	525.55
Provisions	22	8.24	7.61
Other Non-Current Liabilities	23	557.73	536.57
		3,609.20	3,277.86
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	24	467.95	1,185.86
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	55	2.11	7.50
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		448.68	719.77
Other Financial Liabilities	21	423.03	411.67
Other Current Liabilities	23	621.61	619.15
Provisions	22	1.03	0.94
Current Tax Liabilities (Net)		22.25	22.25
		1,986.66	2,967.14
<b>Total Equity and Liabilities</b>		<b>15,193.25</b>	<b>15,141.83</b>
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**Mukesh Dua**

Partner

Membership No. 085323

Place : Kolkata

Date : 18<sup>th</sup> May, 2019

For and on behalf of the Board

**B. G. Bangur**

Chairman

DIN: 00244196

**S. S. Khandelwal**

Company Secretary

**Subhash Jajoo**

Chief Finance Officer

**H. M. Bangur**

Managing Director

DIN: 00244329

**O. P. Setia**

Independent Director & Chairman of Audit

and Risk Management Committee

DIN: 00244443

**Prashant Bangur**

Joint Managing Director

DIN: 00403621

## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

	Notes	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Revenue from Operations	25	11,722.00	10,159.53
Other Income	26	245.40	389.05
<b>Total Income</b>		<b>11,967.40</b>	<b>10,548.58</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	894.81	769.06
Changes in Inventories of Finished Goods and Work-in-Progress	28	(30.61)	1.29
Excise Duty on Sales		-	326.43
Employee Benefits Expense	29	677.82	588.05
Power and Fuel		2,745.04	1,979.65
Freight and Forwarding Expenses	30	2,864.10	2,524.89
Finance Costs	31	246.98	135.27
Depreciation and Amortisation Expense	7 & 8	1,391.68	899.40
Other Expenses	32	1,955.96	1,553.64
		10,745.78	8,777.68
Captive Consumption of Cement (Previous year Net of Excise Duty ₹ 1.86 crore)		(37.94)	(56.26)
<b>Total Expenses</b>		<b>10,707.84</b>	<b>8,721.42</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>			
		<b>1,259.56</b>	<b>1,827.16</b>
Exceptional Items	35	178.13	-
<b>PROFIT BEFORE TAX</b>		<b>1,081.43</b>	<b>1,827.16</b>
<b>Tax Expense</b>			
	44		
Current Tax		220.41	446.27
Tax Expense Relating to Earlier Years (Net)		(2.69)	0.30
Deferred Tax (Credit) / Charge		(87.34)	(3.59)
		130.38	442.98
<b>PROFIT FOR THE YEAR</b>		<b>951.05</b>	<b>1,384.18</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	40(b)	5.05	3.27
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.76)	(1.13)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge	49	(35.05)	(4.92)
Income Tax relating to Items that will be Reclassified to Profit or Loss		12.25	1.77
		<b>(19.51)</b>	<b>(1.01)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>931.54</b>	<b>1,383.17</b>
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>			
	51		
Cash		698.54	654.47
Basic and Diluted		273.00	397.33
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

**Subhash Jajoo**  
Chief Finance Officer

## STANDALONE CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

Particulars	For the Year ended 31.03.2019		For the Year ended 31.03.2018	
<b>A Cash Flow From Operating Activities</b>				
<b>Profit Before Exceptional Items and Tax</b>		<b>1,259.56</b>		<b>1,827.16</b>
Adjustments For :				
Depreciation and Amortisation Expense	1,391.68		899.40	
Foreign Exchange Rate Differences (Net)	142.12		21.03	
Balances Written Back	(2.14)		(12.76)	
Provision No Longer Required	(0.20)		(42.13)	
Allowance for Doubtful Trade Receivables (Net)	0.57		0.43	
Net Gain on Sale of Investments	(9.92)		(36.43)	
Loss on Liquidation of a Subsidiary Company Classified at Cost	0.21		-	
(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(14.84)		(2.68)	
Interest Income	(163.68)		(209.26)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(52.84)		(82.52)	
Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	22.35		1.10	
Finance Costs	246.98	1,560.29	135.27	671.45
<b>Operating Profit Before Working Capital Changes</b>		<b>2,819.85</b>		<b>2,498.61</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	(400.73)		(509.92)	
(Increase) / Decrease in Inventories	(20.03)		(254.52)	
Increase / (Decrease) in Trade & Other Payables and Provisions	(109.44)	(530.20)	651.37	(113.07)
<b>Cash Generated From Operations</b>		<b>2,289.65</b>		<b>2,385.54</b>
Direct Taxes Paid (Net of Refunds)		(229.96)		(506.79)
<b>Net Cash From Operating Activities</b>		<b>2,059.69</b>		<b>1,878.75</b>
<b>B Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipment (Including Capital Work-in-Progress and Advances)	(1,897.12)		(2,525.13)	
Proceeds from Sale of Property, Plant and Equipment	13.97		1.56	
Payments for Intangible Assets	(2.13)		(2.68)	
Purchases of Investments in Bonds, Debentures and Preference Shares	-		(815.11)	
Payment for Acquisition of Controlling Stake in Raipur Handling and Infrastructure Private Limited (Refer Note 37)	(59.00)		-	
Proceeds from Sale/Redemption of Bonds, Debentures & Preference Shares	705.75		913.91	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	2,279.47		(1,931.72)	
Investment made in Subsidiary Companies	(2,099.31)		-	
Proceeds from liquidation of a Subsidiary Company	0.04		-	
Investments in Bank Deposits	(210.74)		(65.08)	
Maturity of Bank Deposits	207.30		61.63	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.14)		(0.15)	
Dividend Received	59.43		95.70	
Interest Received (Including Interest on Zero Coupon Bonds)	189.85		672.34	
<b>Net Cash Used in Investing Activities</b>		<b>(812.63)</b>		<b>(3,594.73)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	-	1,684.82
Repayment of Long Term Borrowings	(7.53)	-
Payment of Finance Lease Liabilities	(1.52)	(3.98)
Proceeds from Short Term Borrowings	75.00	1,009.27
Repayment of Short Term Borrowings	(1,048.53)	(660.16)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	223.44	5.38
Interest and Financial Charges Paid	(275.29)	(124.78)
Dividend and Tax Paid there on (Interim and Final)	(230.84)	(184.33)
<b>Net Cash (Used in) / From Financing Activities</b>	<b>(1,265.27)</b>	<b>1,726.22</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(18.21)</b>	<b>10.24</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>33.45</b>	<b>23.21</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>15.24</b>	<b>33.45</b>

**Notes :**

- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- For the purpose of Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Balances with Banks	34.20	51.14
Cash on Hand	0.80	0.56
	35.00	51.70
Less: Bank Overdraft	19.76	18.25
	<b>15.24</b>	<b>33.45</b>

- Refer Note 45 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

**Subhash Jajoo**  
Chief Finance Officer

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2019

### A. EQUITY SHARE CAPITAL (Refer Note 19)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 31.03.2019	3,48,37,225	34.84
As at 31.03.2018	3,48,37,225	34.84

### B. OTHER EQUITY

For the Year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,334.13</b>	<b>(13.67)</b>	<b>8,861.99</b>
Profit for the Year				951.05		951.05
Other Comprehensive Income for the Year						
Re-measurements of the Defined Benefit Plans (Net of Tax)				3.29		3.29
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 49)					(22.80)	(22.80)
Transfer to /(from) Retained Earnings			200.00	(200.00)		-
Final Dividend on Equity Shares (Note 1 below)				(104.51)		(104.51)
Tax on Final Dividend				(21.48)		(21.48)
Interim Dividend on Equity Shares (Note 2 below)				(87.09)		(87.09)
Tax on Interim Dividend				(17.90)		(17.90)
<b>Closing Balance as at 31.03.2019</b>	<b>15.00</b>	<b>26.53</b>	<b>5,700.00</b>	<b>3,857.49</b>	<b>(36.47)</b>	<b>9,562.55</b>

For the Year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>5,000.00</b>	<b>2,632.29</b>	<b>(10.52)</b>	<b>7,663.30</b>
Profit for the Year				1,384.18		1,384.18
Other Comprehensive Income for the Year						
Re-measurements of the Defined Benefit Plans (Net of Tax)				2.14		2.14
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 49)					(3.15)	(3.15)
Transfer to /(from) Retained Earnings			500.00	(500.00)		-
Final Dividend on Equity Shares (Note 3 below)				(83.61)		(83.61)
Tax on Final Dividend				(17.02)		(17.02)
Interim Dividend on Equity Shares (Note 4 below)				(69.67)		(69.67)
Tax on Interim Dividend				(14.18)		(14.18)
<b>Closing Balance as at 31.03.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,334.13</b>	<b>(13.67)</b>	<b>8,861.99</b>

Note 1 : Final Dividend declared at the rate of ₹ 30 per share of ₹ 10 each for FY 2017-18.

Note 2 : Interim Dividend declared at the rate of ₹ 25 per share of ₹ 10 each for FY 2018-19.

Note 3 : Final Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2016-17.

Note 4 : Interim Dividend declared at the rate of ₹ 20 per share of ₹ 10 each for FY 2017-18.

## **Nature of Reserves**

### **Capital Redemption Reserve**

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

### **Securities Premium**

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

### **General Reserve**

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

### **Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.

### **Effective Portion of Cash Flow Hedges**

The Company has designated certain hedging instruments as cash flow hedges and any effective portion is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

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The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

**Subhash Jajoo**  
Chief Finance Officer

## Notes Forming Part of Standalone Financial Statements

### 1. CORPORATE INFORMATION

Shree Cement Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India.

The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly company in the global cement industry.

For Company's principal shareholders, Refer Note No. 19.1.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 18<sup>th</sup> May, 2019.

### 2. STATEMENT OF COMPLIANCE

The standalone financial statements (hereinafter referred to as "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, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

### 3. NEW ACCOUNTING PRONOUNCEMENTS - ADOPTION OF IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

Effective 1<sup>st</sup> April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' using the modified retrospective approach. The adoption of Ind AS 115 did not have any significant impact on overall financial statements of the Company.

### 4. APPLICATION OF NEW STANDARD/ AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

In March 2019, the Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying the following Ind AS/amendments which is effective from annual period beginning on or after 1<sup>st</sup> April 2019:

#### a) Ind AS 116 – Leases

This new Ind AS replaces the existing standard Ind AS 17 'Leases'. The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

#### b) Amendment to Ind AS 103 – Business Combinations

Amendment provides additional guidance for

accounting in case of a party to the joint operation achieved control over joint operation. Such transaction is required to be accounted like the business combination achieved in stages.

#### c) Amendment to Ind AS 109 – Financial Instruments

Amendment provides additional guidance in relation to prepayment features with reasonable compensation that changes the contractual cash flow. Amendment also provides the transitional provision in Ind AS 109 as a consequence of issuance of guidance on prepayment features with negative compensation.

#### d) Amendment to Ind AS 111 – Joint Arrangements

As per the amendment, a party participating in joint operation but does not have joint control shall not re-measure its previously held interest in a joint operation (which constitutes a business) while attaining joint control over joint operation on acquisition of additional interest or otherwise.

#### e) Amendment to Ind AS 12 – Income Taxes

As part of amendment, Appendix C 'Uncertainty over Income Tax Treatments' has been inserted in the standard which clarifies the recognition and measurement requirements of Ind AS 12 in case of uncertainty over income tax treatment and reflect the effect of such uncertainty in accounting treatment.

#### f) Amendment to Ind AS 19 – Employee Benefits

The standard is amended to provide the guidance for measurement of defined benefit obligation in case of plan amendment, curtailment or settlement.

#### g) Amendment to Ind AS 23 – Borrowing Cost

The amendment clarifies that borrowing cost applicable to borrowing made specifically for the purpose of obtaining a qualifying asset shall be excluded while determining general capitalization rate only till substantially all the activities necessary to prepare that specific asset for its intended use are completed.

#### h) Amendment to Ind AS 28 – Investments in Associates and Joint Ventures

The amendment clarifies that an entity first applies Ind AS 109 'Financial Instruments' to other financial Instruments (long-term interests in associates and joint ventures) before taking into account its share of profit or loss of an associate or joint venture under Ind AS 28. Consequently, in applying Ind AS 109, an entity does not take account of any adjustments to the carrying amount of long-term interests under Ind AS 28. The Company does not have any interest in associate or joint venture therefore the amendment will not have any effect on the Company's financial statements.

These Ind AS/amendments are applicable to the Company from 1<sup>st</sup> April, 2019. The Company is evaluating the effects of the new Ind AS/amendments on its financial statements.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation and Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments – note 5 (t))
- Employee’s defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees (“INR”) and all values are rounded to the nearest crore, except otherwise indicated.

### b) Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is 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.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or

2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an 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.

### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use, including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to statement of profit and loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work in progress is carried at cost and directly attributable expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under “other non-current assets”.

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of purchase. Leasehold land classified as finance lease is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of projects, from the date when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis upto the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed and/or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

#### **e) Borrowing Costs**

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other

borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **f) Impairment of Non-Financial Assets**

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

#### **g) Revenue Recognition**

Revenue is recognized to depict the transfer of promised goods or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of goods and power is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and either the customer has accepted the products in accordance with sales



arrangement. Revenue is disclosed net of Goods and Services Tax (GST)/Sales Tax/VAT, discounts, volume rebates & returns, as applicable. Revenue is inclusive of excise duty till 30<sup>th</sup> June, 2017.

**h)** Dividend income is recognized when the right to receive the payment is established. Interest is recognized using the Effective Interest Rate (EIR) method. Difference between the sale price and carrying value of investment is recognized as profit or loss on sale/redemption of investment on the date of transaction.

**i)** Insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt and are netted off from related expenses.

**j) Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in the statement of profit and loss on a systematic basis over the period to match them with the related costs.

Grants related to assets are included in non-current liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the statement of profit and loss.

**k) Employee Benefits**

**1) Defined Contribution Plan**

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (ESIC) are considered as defined contribution plan and the contributions are charged to the statement of profit and loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of

return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

**2) Defined Benefit Plan**

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**3) Other Long Term Benefits**

En-cashable leave in case of employees covered by Cement Wage Board and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the statement of profit and loss in the year in which they arises.

**4) Other Short term Benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### **l) Foreign Currency Transaction**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except the amount of such differences capitalized in accordance with policy on 'Borrowing costs'.

### **m) Taxation**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and

liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

### **n) Inventories**

#### **1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel**

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

#### **2) Work-in-progress and Finished goods**

These are valued at lower of cost and net



realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty till 30<sup>th</sup> June, 2017. Cost is determined on a weighted average basis.

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

## **o) Provisions and Contingencies**

### **1) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

#### **Mines Reclamation Expenditure**

The Company provides for the expenditure to reclaim the quarries used for mining in the statement of profit and loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. The unwinding of the discount on provision is shown as a finance cost in the statement of profit and loss.

### **2) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where

it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

## **p) Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### **1) Assets Taken on Finance Lease**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **2) Operating Lease**

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## **q) Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. Inter segment transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution

of each segment to the total common costs. Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

**r) Business Combination**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and assumed and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, intangible assets with definite useful life acquired in a Business Combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill and Intangible assets with indefinite useful life, if any, are tested for impairment at the end of each annual reporting period.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as gain on bargain purchase. In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for

classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognizes any additional assets or liabilities that are so identified, any gain thereafter is recognized in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

**s) Investment in Subsidiaries**

The Company's investment in its subsidiaries are carried at cost.

**t) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**1) Financial Assets**

**Initial Recognition and Measurement**

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans, other financial assets and investments.

**Classification and Subsequent Measurement**

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

**a) Financial Assets at Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect



contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets at Fair Value Through Other Comprehensive Income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets at Fair Value Through Profit or Loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

**Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

**Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**2) Financial Liabilities**

**Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

**Classification and Subsequent Measurement**

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

**a) Financial liabilities at Fair Value Through Profit or Loss**

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

**b) Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest rate method.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

**3) Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency

contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the statement of profit and loss. Amounts accumulated in equity are reclassified to the statement of profit and loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

#### **4) Financial Liabilities and Equity Instruments:**

##### **Classification as Debt or Equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument. The Company does not have any compound financial instruments.

##### **Equity Instruments**

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received.

##### **u) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

##### **v) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:



**a) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

**b) Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**c) Allowances for Uncollected Trade Receivables**

Trade receivables do not carry any interest and are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

**d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**e) Mines Reclamation Obligation**

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

**f) Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. Refer Note 40 for sensitivity analysis.

**g) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. 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.

**7. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2018	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2019	Opening as at 01.04.2018	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2019	As at 31.03.2019
<b>Tangible Assets :</b>									
Free Hold Land	804.13	205.82	0.65	1,009.30	3.38	2.37	-	5.75	1,003.55
Lease Hold Land	305.45	20.95	11.77	314.63	15.43	7.22	0.74	21.91	292.72
Buildings	638.74	273.56	22.69	889.61	223.45	135.53	-	358.98	530.63
Plant and Equipment	4,659.09	1,794.05 (a)	15.45	6,437.69	2,625.41	1,238.56	13.73	3,850.24	2,587.45
Railway Siding	23.42	14.17	-	37.59	11.07	4.49	-	15.56	22.03
Furniture and Fixtures	30.18	7.34	0.11	37.41	23.48	6.84	0.11	30.21	7.20
Office Equipment	39.26	12.59	0.61	51.24	31.49	11.33	0.49	42.33	8.91
Vehicles	26.31	13.38	4.00	35.69	15.76	11.28	3.90	23.14	12.55
<b>Total</b>	<b>6,526.58</b>	<b>2,341.86</b>	<b>55.28</b>	<b>8,813.16</b>	<b>2,949.47</b>	<b>1,417.62(b)</b>	<b>18.97</b>	<b>4,348.12</b>	<b>4,465.04</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Tangible Assets :</b>									
Free Hold Land	607.52	196.61	-	804.13	1.87	1.51	-	3.38	800.75
Lease Hold Land	284.59	20.86	-	305.45	8.33	7.10	-	15.43	290.02
Buildings	453.53	185.21	-	638.74	133.38	90.07	-	223.45	415.29
Plant and Equipment	3,173.53	1,494.59(a)	9.03	4,659.09	1,832.77	801.63	8.99	2,625.41	2,033.68
Railway Siding	23.42	-	-	23.42	7.41	3.66	-	11.07	12.35
Furniture and Fixtures	22.48	7.89	0.19	30.18	15.56	8.11	0.19	23.48	6.70
Office Equipment	31.85	10.33	2.92	39.26	20.21	14.18	2.90	31.49	7.77
Vehicles	19.97	10.56	4.22	26.31	11.02	8.77	4.03	15.76	10.55
<b>Total</b>	<b>4,616.89</b>	<b>1,926.05</b>	<b>16.36</b>	<b>6,526.58</b>	<b>2,030.55</b>	<b>935.03 (b)</b>	<b>16.11</b>	<b>2,949.47</b>	<b>3,577.11</b>

(a) Includes ₹ 12.31 crore (for Year ended 31.03.2018 ₹ 27.11 crore) for capital expenditure on research and development.

(b) Depreciation for the Year includes ₹ 29.51 crore (for the Year ended 31.03.2018 ₹ 39.02 crore) on assets during construction period.

(c) As on transition to Ind AS on 01.07.2015, the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

**8. INTANGIBLE ASSETS**

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2018	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2019	Opening as at 01.04.2018	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2019	As at 31.03.2019
<b>Intangible Assets :</b>									
Computer Software	11.10	2.13	-	13.23	8.76	3.24	-	12.00	1.23
Mining Rights	10.08	-	-	10.08	0.35	0.33	-	0.68	9.40
<b>Total</b>	<b>21.18</b>	<b>2.13</b>	<b>-</b>	<b>23.31</b>	<b>9.11</b>	<b>3.57</b>	<b>-</b>	<b>12.68</b>	<b>10.63</b>

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Intangible Assets :</b>									
Computer Software	8.42	2.68	-	11.10	5.58	3.18	-	8.76	2.34
Mining Rights	10.08	-	-	10.08	0.14	0.21	-	0.35	9.73
<b>Total</b>	<b>18.50</b>	<b>2.68</b>	<b>-</b>	<b>21.18</b>	<b>5.72</b>	<b>3.39</b>	<b>-</b>	<b>9.11</b>	<b>12.07</b>

(a) As on transition to Ind AS on 01.07.2015, the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

## 9. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds and Non Convertible Debentures (NCD)</b>					
<b>Indian Railway Finance Corporation Limited</b>					
8.00% IRFC Tax Free Bonds - 23FB22	1,000	20,000	2.09	20,000	2.12
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.05	150	15.06
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.03	100	10.04
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	81.84	8,00,000	82.25
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.14	250	25.16
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	259	26.44	259	26.51
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.93	505	52.80
8.10% IRFC Tax Free Bonds - 23FB27	1,000	1,60,502	18.04	1,60,502	18.24
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	100	10.80	100	10.87
7.34% IRFC Tax Free Bonds - 19FB28	1,000	2,37,000	25.32	10,57,000	113.52
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.78	66	7.83
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.89	5,50,000	55.96
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.34	5,11,350	52.41
<b>Power Finance Corporation</b>					
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.33	500	50.40
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.23	250	26.39
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	11.18	1,000	11.30
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.76	24,000	2.79
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.02	300	34.33
8.54% PFC Tax Free Bonds - 16NV28	1,000	68,167	7.96	68,167	8.04
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,38,951	145.54	15,01,271	152.38
8.27% NHAI Tax Free Bonds - 05FB24	1,000	1,00,000	10.87	2,50,000	27.55
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.06	250	25.07
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.61	380	38.78
8.30% NHAI Tax Free Bonds - 25JN27	1,000	-	-	54,086	6.20
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	28	3.26	278	32.69
8.50% NHAI Tax Free Bonds - 05FB29	1,000	-	-	3,35,300	39.54
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.82	365	39.66
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,46,022	16.03	8,76,022	96.67
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55
<b>Housing and Urban Development Corporation Limited</b>					
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,08,424	104.52	10,58,424	110.88
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.21	2,50,000	25.25
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	7.03	68	7.06
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	250	25.19	300	30.25
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	120	12.21	120	12.23
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.32	2,80,066	28.35
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.95	37,645	3.97
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	106.91	9,70,000	107.87
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	12.97	1,19,000	13.06
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	5.20	44	5.26
8.73% HUDCO Tax Free Bonds - 24MR29	1,000	20,000	2.40	20,000	2.43
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	1,80,279	18.03	2,80,279	31.61
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	11,00,439	115.96	16,55,439	171.36

**9. NON-CURRENT INVESTMENTS** (contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>India Infrastructure Finance Company Limited</b>					
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.18	150	15.22
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	8,50,000	86.02	8,50,000	86.26
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.12	50,000	5.15
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.20	50	5.24
8.01% IIFCL Tax Free Bonds - 12NV23	1,000	50,000	5.36	50,000	5.42
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	1,53,000	16.51	1,53,000	16.72
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	26.97	250	27.14
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.44	150	15.47
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	47.29	4,46,000	47.51
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.74	1,50,000	15.80
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	11.45	100	11.56
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	15.07	130	15.23
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.43	64	7.51
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.38	11,680	1.39
<b>Rural Electrification Corporation</b>					
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.17	250	25.21
7.22% REC Tax Free Bonds - 19DC22	1,000	50,000	5.17	50,000	5.21
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	5.10	45,564	5.16
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.80	1,00,000	10.87
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	20.90	181	21.11
8.46% REC Tax Free Bonds - 24SP28	1,000	3,00,000	34.66	3,00,000	35.01
<b>Indian Renewable Energy Development Agency Limited</b>					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.05	8,68,838	88.11
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.68	150	15.72
<b>National Bank for Agriculture and Rural Development</b>					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	-	-	4,00,796	40.08
<b>National Housing Bank</b>					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	-	-	350	40.84
<b>JK Lakshmi Cement Limited</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	-	-	150	15.14
8.90% JK Lakshmi Cement Limited NCD - 06JN22	10,00,000	200	20.24	200	20.31
<b>Birla Corporation Limited</b>					
9.25% Birla Corporation Limited NCD - 18AG26	10,00,000	400	41.77	400	41.97
<b>Total (A)</b>			<b>1,782.61</b>		<b>2,308.15</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited (Refer Note 35)</b>					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	-	28,000	37.07
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	-	52,000	68.82
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	-	13,500	20.65

## 9. NON-CURRENT INVESTMENTS (contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>IL&amp;FS Financial Services Ltd. (Refer Note 35)</b>					
16.99%/17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	-	33,400	51.59
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 3 equal annual instalments from 5 <sup>th</sup> March, 2020 to 5 <sup>th</sup> March, 2022	6 (8 as on 31.03.18)	9,62,83,625	35.36	20,95,61,622	116.96
<b>In Units of Mutual Funds</b>					
ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan G Direct Plan Cumulative	10	3,50,00,000	38.26	3,50,00,000	35.51
ICICI Prudential Fixed Maturity Plan Series 82-1215 Days Plan H Direct Plan Cumulative	10	7,50,00,000	81.96	7,50,00,000	76.09
Aditya Birla Sun Life Fixed Term Plan - Series PC (1169 Days) Direct Growth	10	10,00,00,000	108.96	10,00,00,000	101.49
Kotak FMP Series 216 Direct - Growth	10	3,00,00,000	32.67	3,00,00,000	30.39
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>Tata Capital Limited</b>					
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 8 <sup>th</sup> August, 2021	1,000	-	-	10,00,000	100.48
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.05	4,00,000	40.62
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> September 2023	1,000	6,00,000	59.35	6,00,000	60.35
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 27 <sup>th</sup> July, 2024	1,000	7,50,000	73.61	7,50,000	74.87
<b>Total (B)</b>			<b>470.22</b>		<b>814.89</b>
<b>Investments at Cost (C)</b>					
<b>UNQUOTED</b>					
<b>Subsidiary Companies</b>					
<b>Fully Paid Equity Shares</b>					
Shree Global Pte. Ltd. (Liquidated w.e.f. 11.03.2019)	1 USD	-	-	40,000	0.25
Shree Global FZE	1 AED	111,50,51,000	2,091.81	-	-
Raipur Handling & Infrastructure Private Limited	10	5,53,500	59.00	-	-
<b>Partly Paid Equity Shares</b>					
Raipur Handling and Infrastructure Private Limited (Paid up of ₹ 2.50)	10	20,00,000	7.50	-	-
<b>Total (C)</b>			<b>2,158.31</b>		<b>0.25</b>
<b>TOTAL (A+B+C)</b>			<b>4,411.14</b>		<b>3,123.29</b>

**9.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS :**

(₹ in Crore)

	As at 31.03.2019		As at 31.03.2018	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds, Debentures, Preference shares and Mutual Funds	2,079.82	2,111.61	2,846.72	2,918.24
<b>Total</b>	<b>2,079.82</b>	<b>2,111.61</b>	<b>2,846.72</b>	<b>2,918.24</b>

**9.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS**2,331.32276.57**10. FINANCIAL ASSETS - LOANS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Loans to Staff and Workers	6.43	6.09	5.23	4.63
Security Deposits (Refer Note 43)	45.44	42.72	4.42	3.14
	<b>51.87</b>	<b>48.81</b>	<b>9.65</b>	<b>7.77</b>

**11. FINANCIAL ASSETS - OTHERS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	2.47	2.59
Derivative Financial Instruments	22.72	-	0.01	3.80
Fixed Deposits with Banks (maturity more than 12 months)	-	200.00	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	58.02	74.27
Others	-	-	40.95	12.33
	<b>22.72</b>	<b>200.00</b>	<b>101.45</b>	<b>92.99</b>

11.1 Others include dividend receivable etc.

**12. DEFERRED TAX ASSETS (NET)**

(₹ in Crore)

	As at 31.03.2018	Recognised in P&L	Recognised in OCI	As at 31.03.2019
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	-	1.55	-	1.55
Expenses allowed for tax purpose when paid	177.35	9.36	-	186.71
Depreciation and Amortization	302.82	40.34	-	343.16
Cash Flow Hedges	7.34	-	12.25	19.59
MAT Credit Entitlement	32.94	(13.51)	-	19.43
Fair Value of Investments	-	45.53	-	45.53
Others	0.31	0.20	-	0.51
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	7.71	(3.87)	-	3.84
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>513.05</b>	<b>87.34</b>	<b>12.25</b>	<b>612.64</b>

## 12. DEFERRED TAX ASSETS (NET) (contd...)

(₹ in Crore)

	As at 31.03.2017	Recognised in P&L	Recognised in OCI	As at 31.03.2018
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	16.56	(16.56)	-	-
Expenses allowed for tax purpose when paid	203.01	(25.66)	-	177.35
Depreciation and Amortization	229.87	72.95	-	302.82
Cash Flow Hedges	5.57	-	1.77	7.34
MAT Credit Entitlement	73.08	(40.14)	-	32.94
Others	0.16	0.15	-	0.31
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	20.56	(12.85)	-	7.71
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>507.69</b>	<b>3.59</b>	<b>1.77</b>	<b>513.05</b>

## 13. OTHER ASSETS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Advances to Suppliers and Contractors	-	-	100.36	96.21
Capital Advances	351.38	403.18	-	-
Assets Held for Disposal	-	-	0.10	0.11
Prepaid Expenses	3.56	-	3.57	5.51
Other Receivables	40.71	36.73	1,114.59	1,037.36
	<b>395.65</b>	<b>439.91</b>	<b>1,218.62</b>	<b>1,139.19</b>

13.1 Other receivables includes GST/Sales tax, Government grants and other dues from Government etc.

## 14. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Raw Materials [Includes in transit ₹ 14.40 crore (As at 31.03.2018 ₹ 8.31 crore)]	52.61	47.76
Fuel [Includes in transit ₹ 306.60 crore (As at 31.03.2018 ₹ 484.03 crore)]	707.90	770.82
Stores and Spares	533.88	485.63
Packing Materials	28.21	28.97
Work-in-Progress [Includes in transit ₹ 14.67 crore (As at 31.03.2018 ₹ 17.27 crore)]	178.56	156.75
Finished Goods [Includes in transit ₹ 39.63 crore (As at 31.03.2018 ₹ 31.21 crore)]	87.89	79.09
	<b>1,589.05</b>	<b>1,569.02</b>

**15. CURRENT INVESTMENTS**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	-	-	180	0.36
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	-	-	460	0.91
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	-	-	65	0.12
<b>JK Lakshmi Cement Limited</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	150	15.06	-	-
<b>Total (A)</b>			<b>15.06</b>		<b>1.39</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 3 equal annual instalments from 5 <sup>th</sup> March, 2020 to 5 <sup>th</sup> March, 2022	6 (8 as on 31.03.18)	9,62,83,625	17.68	20,95,61,622	38.99
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
Kotak Equity Arbitrage Fund-Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.85
Aditya Birla Sun Life Enhanced Arbitrage Fund - Dividend-Direct Plan - Payout	10	-	-	3,61,83,362	39.95
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	19,52,95,413	212.07
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	-	-	8,39,73,278	90.59
ICICI Prudential Equity Arbitrage Fund-Direct Plan - Dividend	10	-	-	12,20,78,541	176.30
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	-	-	4,73,78,315	50.23
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	10	-	-	35,85,691	100.15
ICICI Prudential Money Market Fund - Direct Plan - Growth	10	-	-	1,24,93,711	300.44
DSP BlackRock Liquidity Fund - Direct Plan - Growth	10	-	-	8,05,852	200.28
HDFC Cash Management Fund - Savings Plan - Direct Plan-Growth Option	10	-	-	1,38,120	50.06
Kotak Liquid Direct Plan Growth	10	-	-	5,68,739	200.31
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	5,35,116	150.22
UTI-Money Market Fund-Institutional Plan-Direct Plan-Growth	10	-	-	7,70,333	150.20
Axis Enhanced Arbitrage Fund-Direct Dividend Payout (EA-D1)	10	-	-	13,76,04,179	150.41
DHFL Pramerica Arbitrage Fund Direct Plan-Monthly Dividend - Payout	10	-	-	2,34,04,952	25.02
Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	10	-	-	7,43,20,766	175.08
Edelweiss Aribtrage Fund Monthly Dividend Direct Plan - Payout	10	-	-	9,95,52,326	124.47
HSBC Cash Fund-Growth Direct Plan	10	-	-	2,89,206	50.03
<b>Total (B)</b>			<b>17.68</b>		<b>2,309.65</b>
<b>TOTAL (A+B)</b>			<b>32.74</b>		<b>2,311.04</b>

**15.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS :**

(₹ in Crore)

	As at 31.03.2019		As at 31.03.2018	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds and Preference Shares	32.74	32.61	40.38	40.38
<b>Total</b>	<b>32.74</b>	<b>32.61</b>	<b>40.38</b>	<b>40.38</b>

**15.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS**

-

**2,270.66****16. TRADE RECEIVABLES**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Secured, Considered Good	367.87	273.99
Unsecured		
Considered Good	364.53	185.26
Considered Doubtful	1.47	0.90
	<b>733.87</b>	<b>460.15</b>
Less: Allowance for Doubtful Trade Receivables	1.47	0.90
	<b>732.40</b>	<b>459.25</b>

16.1 Refer Note 48 for information about credit risk and market risk of trade receivables.

16.2 The average payment terms with customers is 3-20 days.

**17. CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Balances with Banks	34.20	51.14
Cash on Hand	0.80	0.56
	<b>35.00</b>	<b>51.70</b>

**18. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Earmarked Balance with Banks for Unpaid Dividend (Refer note 21.1)	3.88	3.74
Margin Money (Pledged with Banks)	0.96	1.96
Fixed Deposits With Banks (Refer note 18.1 to 18.2 below)	267.94	263.50
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 11)	-	(200.00)
	<b>272.78</b>	<b>69.20</b>

18.1 Includes deposits of ₹ 22.00 crore (As at 31.03.2018 ₹ 21.00 crore) are pledged with banks against overdraft facilities. (Refer Note 24.2)

18.2 Includes ₹ 45.20 crore (As at 31.03.2018 ₹ 41.97 crore) given as security to Government department and others.

**19. SHARE CAPITAL**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
<b>Authorised</b>		
6,00,00,000 (As at 31.03.2018 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (As at 31.03.2018 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (As at 31.03.2018 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

**19.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY:**

Name of Shareholders	Number of Shares Held as at 31.03.2019	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2018	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

19.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

19.3 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.

19.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

19.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2019	As at 31.03.2018
Nil	Nil

19.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

**20. BORROWINGS**

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>				
External Commercial Borrowings	2,255.48	2,134.18	-	-
Indian Rupee Term Loans from Banks	48.00	67.50	19.50	7.50
Vehicle Loan from Others	-	-	-	0.03
Finance Lease Obligation	5.56	6.45	1.46	1.46
	<b>2,309.04</b>	<b>2,208.13</b>	<b>20.96</b>	<b>8.99</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21)	-	-	(20.96)	(8.99)
	<b>2,309.04</b>	<b>2,208.13</b>	-	-

20.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN:

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2019	Loan Amount as at 31.03.2018	Terms of Repayment
<b>External Commercial Borrowings</b>					
1	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	276.69	260.18	Fully Repayable on 08.05.2020
			276.69	260.18	Fully Repayable on 24.09.2020
		<b>As at 31.03.2019</b> 3 Months USD LIBOR+0.70% (Fixed rate of 7.81% on INR including the effect of related cross currency & interest rate swaps)	859.01	806.02	Repayable in 9 half yearly equal instalments of USD 1.389 crore w.e.f. 28.03.2021
		<b>As at 31.03.2018</b> 3 Months USD LIBOR+0.70% (Fixed rate of 3.49% on USD as on 31.03.2018 including the effect of related interest rate swaps)			
		<b>As at 31.03.2019</b> 3 Months USD LIBOR+0.71% (Fixed rate of 7.82% on INR including the effect of related cross currency & interest rate swaps)	342.51	321.07	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalments of USD 0.25 crore each, next two instalments of USD 0.50 crore each and last two instalments of USD 1.5 crore each)
<b>As at 31.03.2018</b> 3 Months USD LIBOR+0.71% (Fixed rate of 3.49% on USD as on 31.03.2018 including the effect of related interest rate swaps)					
<b>As at 31.03.2019</b> 2.72% on SGD (Fixed rate of 7.96% on INR including the effect of related cross currency & interest rate swaps [USD to INR])	500.58	486.73	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalment of SGD 0.49 crore each (i.e. USD 0.375 crore each), next two instalments of SGD 0.981 crore each (i.e. USD 0.75 crore each) and last two instalments of SGD 2.943 crore each (i.e. USD 2.25 crore each))		
<b>As at 31.03.2018</b> 2.72% on SGD (Fixed rate of 3.69% on USD as on 31.03.2018 including the effect of related currency swaps [SGD to USD])					

**20.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN:** (contd...)

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2019	Loan Amount as at 31.03.2018	Terms of Repayment
2	<b>Indian Rupee Term Loan from Banks</b>				
	First pari passu Charge on entire moveable fixed assets of the Company. The charge shall rank pari passu with other term lenders. Second pari passu charge on entire current assets of the Company.	8.46% (7.15% as on 31.03.18)	67.50	75.00	Repayable in 4 half yearly installments w.e.f. 18.04.2019 (First two installments of ₹ 9.75 crore each & last two installments of ₹ 24 crore each)
3	<b>Vehicle Loan from Others</b>	10.09%	-	0.03	Repaid during the year 2018-2019
	Secured by Hypothecation of the vehicle				
4	<b>Finance Lease Obligation</b>	9.61%	7.02	7.91	Refer Note 56
	Secured against Leased Assets				
	<b>TOTAL</b>		<b>2,330.00</b>	<b>2,217.12</b>	
	<b>Less: Current Maturities of Long Term Debt</b>		<b>20.96</b>	<b>8.99</b>	
	<b>Total Non-Current Portion</b>		<b>2,309.04</b>	<b>2,208.13</b>	

There is no default in repayment of principal and interest thereon.

**21. FINANCIAL LIABILITIES - OTHERS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long-Term Debt	-	-	19.50	7.53
Current Maturities of Finance Lease Obligation	-	-	1.46	1.46
Interest Accrued but not Due on Borrowings	-	-	5.93	6.50
Derivative Financial Instruments	134.30	28.58	0.94	12.21
Unpaid Dividends (Refer Note 21.1)	-	-	3.88	3.74
Security Deposits from Customers, Vendors & Others	599.89	496.97	1.62	2.99
Payable for Capital Goods	-	-	115.14	137.26
Others (Refer Note 21.2)	-	-	274.56	239.98
	<b>734.19</b>	<b>525.55</b>	<b>423.03</b>	<b>411.67</b>

21.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2019 and 31.03.2018 (Refer note 18).

21.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

**22. PROVISIONS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Provision for Employee Benefits</b>				
Gratuity [Refer note 40(b)]	-	-	0.16	0.18
Other Staff Benefit Schemes	1.61	1.46	0.27	0.26
<b>Other Provisions</b>				
Mines Reclamation Expenses (Refer Note 41)	6.63	6.15	0.60	0.50
	<b>8.24</b>	<b>7.61</b>	<b>1.03</b>	<b>0.94</b>

## 23. OTHER LIABILITIES

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Customers Advances (Refer Note 23.1)	-	-	133.69	164.02
Withholding and Other Taxes Payable	-	-	213.78	183.37
Provident Fund and Superannuation Payable	-	-	12.79	11.11
Other Statutory Liabilities	557.73	536.57	261.35	260.65
	<b>557.73</b>	<b>536.57</b>	<b>621.61</b>	<b>619.15</b>

23.1 Revenue of ₹ 150.76 crores is recognised during current year from the Customer Advances as on 31.03.2018.

## 24. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 24.1)	448.19	149.75
Bank Overdraft (Refer Note 24.2)	19.76	18.25
<b>Unsecured</b>		
Buyers Credit from Banks	-	1,017.86
	<b>467.95</b>	<b>1,185.86</b>

24.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on first charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

24.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 18.1)

24.3 There is no default in repayment of principal and interest thereon.

## 25. REVENUE FROM OPERATIONS

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Sale of Products</b>		
Cement	10,295.62	9,252.90
Clinker	332.56	180.17
Power Sales	801.88	432.88
	<b>11,430.06</b>	<b>9,865.95</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	-	0.19
Less: Purchase of Traded Power	-	0.07
	-	<b>0.12</b>
<b>Other Operating Revenue</b>		
Incentives and Subsidies (under various incentive schemes of State and Central Government)	257.60	268.93
Scrap Sales	34.34	24.41
Others	-	0.12
	<b>291.94</b>	<b>293.46</b>
	<b>11,722.00</b>	<b>10,159.53</b>

25.1 Sales for the period from 01.07.2017 to 31.03.2018 and for the year ended 31.03.2019 are net of Goods and Services Tax (GST), however, sales from 01.04.2017 to 30.06.2017 are gross of excise duty.

25.2 Sale of Products is net of ₹ 573.30 crore (for year ended 31.03.2018 ₹ 443.51 crore) on account of cash discount, rebates and incentives given to customers.

**26. OTHER INCOME**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Income		
On Deposits Classified at Amortised cost	24.30	23.57
On Bonds and Debentures Classified at Amortised cost	138.52	184.24
On Tax Refund	0.59	0.11
Others	0.27	1.34
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	52.84	82.52
Net Gain / (Loss) on Sale of Investments		
Classified at Amortised cost	0.55	31.94
Classified at Fair Value through Profit or Loss	9.37	4.49
Loss on Liquidation of a Subsidiary Company Classified at Cost	(0.21)	-
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	14.84	2.68
Profit on Sale of Property, Plant and Equipment (Net)	0.34	1.26
Provision No Longer Required	0.20	42.13
Balances Written Back	2.14	12.76
Other Non Operating Income	1.65	2.01
	<b>245.40</b>	<b>389.05</b>

**27. COST OF MATERIALS CONSUMED**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Raw Materials Consumed</b>		
Gypsum	249.12	199.13
Fly Ash	322.06	282.00
Red Ochre and Slag	74.39	94.05
Sulphuric Acid	41.42	39.14
Others	207.82	154.74
	<b>894.81</b>	<b>769.06</b>

**28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Closing Stock</b>		
Work-in-Progress	178.56	156.75
Finished Goods	87.89	79.09
	<b>266.45</b>	<b>235.84</b>
<b>Opening Stock</b>		
Work-in-Progress	156.75	127.70
Finished Goods	79.09	109.43
	<b>235.84</b>	<b>237.13</b>
<b>(Increase) / Decrease</b>	<b>(30.61)</b>	<b>1.29</b>

**29. EMPLOYEE BENEFITS EXPENSE**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, Wages and Bonus	588.61	510.98
Contribution to Provident and other Funds (Refer note 40)	73.84	64.16
Staff Welfare Expenses	15.37	12.91
	<b>677.82</b>	<b>588.05</b>

### 30. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
On Finished Products	2,039.40	1,782.50
On Inter Unit Clinker Transfer	824.70	742.39
	<b>2,864.10</b>	<b>2,524.89</b>

### 31. FINANCE COSTS

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Expenses	275.25	125.51
Bank and Finance Charges	1.57	2.40
Unwinding of Discount on Provision	0.50	0.48
Exchange Differences Regarded as an Adjustment to Borrowing Cost	49.17	8.79
	<b>326.49</b>	<b>137.18</b>
Less: Interest Capitalised (Refer Note 31.1)	79.51	1.91
	<b>246.98</b>	<b>135.27</b>

31.1 Borrowing costs are capitalised using rates based on specific borrowings with interest rates ranging between 3.49% to 7.96% per annum.

### 32. OTHER EXPENSES

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Stores and Spares Consumed	305.21	280.84
Packing Materials Consumed	376.89	317.48
Royalty and Cess	278.89	233.34
Mines Reclamation Expenses	0.56	0.70
Excise Duty on Captive Consumption of Clinker	-	6.75
Repairs to Plant and Machinery	257.09	236.97
Repairs to Buildings	26.27	23.05
Rent	20.05	19.69
Insurance	4.31	4.15
Rates and Taxes	13.13	19.36
Travelling	39.96	34.34
Commission to Non-executive Directors	2.64	2.97
Directors' Sitting Fees and Expenses	0.77	0.75
Advertisement and Publicity	96.20	62.54
Sales Promotion and Other Selling Expenses	166.92	142.03
Excise duty variance on Closing/Opening Stock	-	(19.15)
Foreign Exchange Rate Differences (Net)	148.91	17.81
Corporate Social Responsibility Expenses	31.32	27.81
Assets Written Off	22.69	2.36
Allowance for Doubtful Trade Receivables (Net)	0.57	0.43
Contribution to Electrol Bonds	3.00	-
Miscellaneous (Refer Note 32.1)	160.58	139.42
	<b>1,955.96</b>	<b>1,553.64</b>

**32.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS:**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Statutory Auditors</b>		
Audit Fees	0.33	0.30
Certification / Other Services	0.09	0.13
Reimbursement of Expenses	0.10	0.11
<b>Cost Auditors</b>		
Audit Fees	0.05	0.04
Certification / Other Services (Previous year ₹ 15,000)	0.01	-
Reimbursement of Expenses [₹ 20,628 (Previous year ₹ 13,086)]	-	-

**33. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)**

- a. Custom duty (including interest) ₹ 64.52 crore (As at 31.03.2018 ₹ 62.10 crore)
- b. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).  
(ii) In another matter, CCI vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- c. The Divisional Bench of the Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of the Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of the Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before the Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

**34. COMMITMENTS**

- a. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 529.85 crore (As at 31.03.2018 ₹ 818.08 crore).
- b. Uncalled liability on partly paid up equity shares of ₹ 21.90 crore (As at 31.03.2018 ₹ Nil).

**35.** The Company has principal investments of ₹ 171.33 crore in the preference shares of Infrastructure Leasing and Financial Services Limited and IL&FS Financial Services Ltd (referred to as "IL&FS Group") which are accounted at fair value through profit or loss as per Ind AS 109- Financial Instruments. In August 2018, credit rating agencies downgraded IL&FS Group's credit rating to junk status. Accordingly, the Company has accounted fair value loss of ₹ 178.13 crore during the year ended 31.03.2019.

**36.** During the year, the Company has acquired voting equity stake of 97.61% in Union Cement Company PJSC (UCC), a company based in United Arab Emirates (U.A.E) on 11<sup>th</sup> July, 2018 at a transaction price of ₹ 2,086.80 crore through its step down subsidiary Shree International Holding Limited. UCC has clinker production capacity of 3.3 MTPA and cement production capacity of 4 MTPA. UCC is operating in U.A.E for more than 4 decades and has well established cement business. It has consistent track record of stable turnover and profits. The acquisition will help the Company to establish its first footprint outside India and will be value accretive for the stakeholders of the Company.

**37.** During the year, the Company has acquired Raipur Handling and Infrastructure Private Limited ("RHIPL") as a wholly owned subsidiary for an aggregate consideration of ₹ 59.00 crore. In order to have the perpetual benefits of various intangible assets and preferential usage of private freight terminal situated near to the cement plant of the Company in the state of Chhattisgarh. The entire investment made in RHIPL has been accounted as non-current investment in the books of accounts.

**38.** Capital work-in-progress includes directly attributable expenses of ₹ 88.38 crore (As at 31.03.2018 ₹ 115.05 crore) which includes depreciation of ₹ 7.01 crore (for Year ended 31.03.2018 ₹ 33.69 crore) on assets during construction period.

### 39. EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	2018-19				2017-18
	Beawar	Ras	Other units	Total	
Capital	-	4.13	8.18	12.31	27.11
Revenue	4.00	10.13	5.63	19.76	16.42
<b>Total</b>	<b>4.00</b>	<b>14.26</b>	<b>13.81</b>	<b>32.07</b>	<b>43.53</b>

### 40. EMPLOYEE BENEFITS (REFER NOTE 29)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Superannuation Fund	8.05	7.94
Provident Fund (Includes contribution to PF trust ₹ 4.36 crore (₹ 3.66 crore for the year ended 31.03.2018))	46.35	39.61
National Pension Scheme	2.27	1.73
ESIC	0.13	0.11
<b>Total</b>	<b>56.80</b>	<b>49.39</b>

(b) **Defined Benefit Plan**

**Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	210.62	183.20
Current service cost	22.47	21.29
Interest cost	16.32	14.20
Re-measurements (gains)/losses	(4.22)	(2.78)
Benefits paid	(6.22)	(5.29)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>238.97</b>	<b>210.62</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	210.44	183.03
Expected Return on Plan Assets	16.30	15.20
Re-measurements gains/(losses)	0.83	0.49
Contribution by employer	17.46	17.01
Benefits paid	(6.22)	(5.29)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>238.81</b>	<b>210.44</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current service cost	22.47	21.29
Interest cost	16.32	14.20
Expected return on plan assets	(16.30)	(15.20)
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>22.49</b>	<b>20.29</b>
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Return on plan assets, (excluding amount included in net Interest expense)	(0.83)	(0.49)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	(13.38)	6.26
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	9.16	(9.04)
<b>Total recognized in Other Comprehensive Income</b>	<b>(5.05)</b>	<b>(3.27)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>17.44</b>	<b>17.02</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	238.97	210.62
Fair Value of Plan Assets	238.81	210.44
Net Liability	0.16	0.18
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Discount rate	7.75% per annum	7.75% per annum
Salary Growth Rate	13.07% per annum	13.61% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.75% per annum	7.75% per annum
Withdrawal rate (Per Annum)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(26.06)	31.09	29.22	(25.14)	(8.70)	10.04

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(23.33)	28.10	26.26	(22.41)	(9.10)	10.55

The Company expects to contribute ₹ 19 Crore (Previous Year ₹ 18 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2019 is 14 years (as at 31.03.2018: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

Particulars	(₹ in Crore)
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	13.68
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	12.51
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	11.14
01 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	10.11
01 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024	11.17
01 <sup>st</sup> April 2024 Onwards	180.37

**(c) Provident fund managed by a trust set up by the Company:**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2019.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Plan assets at year end, at fair value	69.24	55.35
Present value of defined obligation at year end	69.24	55.35
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Discount Rate	6.50%	7.00%
Expected Guaranteed Interest Rate	8.65%	8.55%
Expected Rate of Return on Assets	8.65%	8.60%

(d) Amount recognized as an expense in respect of leave encashment and compensated absence are ₹ 17.13 crore (₹ 14.87 crore for year ended 31.03.2018).

#### 41. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2018-2019	2017-2018
<b>Opening Balance</b>	<b>6.65</b>	<b>6.38</b>
Add: Provision made during the year (Refer Note 32)	0.56	0.70
Add: Unwinding of Discount of Provision (Refer Note 31)	0.50	0.48
Less: Utilized during the year	0.48	0.91
<b>Closing Balance</b>	<b>7.23</b>	<b>6.65</b>

#### 42. SEGMENT REPORTING

A. The Company has two reportable segments, namely Cement and Power.  
Revenue, Results and other information:

(₹ in Crore)

Particulars	2018-19				2017-18			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	10,920.12	801.88	-	11,722.00	9,726.52	433.01	-	10,159.53
Inter Segment Revenue	-	1,182.25	(1,182.25)	-	-	1,017.06	(1,017.06)	-
<b>Total Revenue</b>	<b>10,920.12</b>	<b>1,984.13</b>	<b>(1,182.25)</b>	<b>11,722.00</b>	<b>9,726.52</b>	<b>1,450.07</b>	<b>(1,017.06)</b>	<b>10,159.53</b>
<b>Results</b>								
Segment Results (Profit Before Exceptional Items, Finance Costs and Tax)	466.38	799.09	-	1,265.47	959.00	672.54	-	1,631.54
Add: Un-allocated Income								
Interest Income				163.68				209.26
Dividend Income				52.84				82.52
Fair Value gain/(loss) on FVTPL Financial Assets				14.84				2.68
Loss on liquidation of a subsidiary company				(0.21)				
Net Gain on Sale of Investments				9.92				36.43
Less: Exceptional Items				178.13				-
Less: Finance Costs				246.98				135.27
<b>Profit Before Tax</b>				<b>1,081.43</b>				<b>1,827.16</b>
Less : Tax Expense				130.38				442.98
<b>Profit After Tax</b>				<b>951.05</b>				<b>1,384.18</b>
Segment Assets	8,652.98	980.99	-	9,633.97	7,899.83	785.31	-	8,685.14
Un-allocated Assets				5,559.28				6,456.69
<b>Total Assets</b>				<b>15,193.25</b>				<b>15,141.83</b>
Segment Liabilities	1,882.49	146.61	-	2,029.10	2,005.15	263.63	-	2,268.78
Un-allocated Liabilities and Provisions				3,566.76				3,976.22
<b>Total Liabilities</b>				<b>5,595.86</b>				<b>6,245.00</b>
Depreciation and Amortization	1,219.84	171.84	-	1,391.68	852.77	46.63	-	899.40
Capital Expenditure	1,581.97	404.17	-	1,986.14	2,456.04	199.55	-	2,655.59
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

**Reconciliation of Assets:**

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Segment Assets</b>	<b>9,633.97</b>	<b>8,685.14</b>
Investments (Current & Non-Current)	4,443.88	5,434.33
Cash and Cash Equivalents	35.00	51.70
Bank Balances other than Cash and Cash Equivalents	272.78	69.20
Derivative Financial Instruments	22.73	3.80
Fixed Deposits with Banks (maturity more than 12 months)	-	200.00
Interest Accrued on Bonds, Debentures and Deposits	58.02	74.27
Other Current Financial Assets – Others	3.47	10.06
Deferred Tax Assets (Net)	612.64	513.05
Non- Current Tax Assets (Net)	110.76	100.28
<b>Total Assets</b>	<b>15,193.25</b>	<b>15,141.83</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Segment Liabilities</b>	<b>2,029.10</b>	<b>2,268.78</b>
Borrowings (Current & Non-Current)	2,776.99	3,393.99
Current maturities of Long Term Debt & Lease Obligation	20.96	8.99
Interest Accrued but not Due on Borrowings	5.93	6.50
Security Deposits from Customers, Vendors & Others (Current & Non-Current)	601.51	499.96
Liabilities for Current Tax (Net)	22.25	22.25
Unpaid Dividends	3.88	3.74
Derivative Financial Instruments (Current & Non-Current)	135.24	40.79
<b>Total Liabilities</b>	<b>5,595.86</b>	<b>6,245.00</b>

## B. Geographical information are given below:

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Revenue from Operations</b>		
Within India	11,648.93	10,037.97
Outside India (Cement and Clinker Sales)	73.07	121.56
<b>Total</b>	<b>11,722.00</b>	<b>10,159.53</b>

All the assets of the Company are within India.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

### 43 RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

#### Relationships:

##### (a) Parties where control exists:

Sr. No.	Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power	
			As at 31.03.2019	As at 31.03.2018
(i)	Shree Global Pte. Ltd (Direct Subsidiary Company) - liquidated w.e.f. 11.03.2019	Singapore	-	100%
(ii)	Shree Global FZE (Direct Subsidiary Company) w.e.f 07.05.2018	U.A.E	100%	-
(iii)	Shree International Holding Ltd. (Indirect Subsidiary Company) w.e.f. 28.06.2018	U.A.E	100%	-
(iv)	Shree Enterprises Management Ltd. (Indirect Subsidiary Company) w.e.f. 19.06.2018	U.A.E	100% (Beneficially Owned)	-
(v)	Union Cement Company PJSC (Indirect Subsidiary Company) w.e.f. 11.07.2018	U.A.E	97.61%	-
(vi)	Union Cement Norcem Company Limited L.L.C. (Indirect Subsidiary Company) w.e.f 11.07.2018	U.A.E	60%	-
(vii)	Raipur Handling and Infrastructure Private Limited (Direct Subsidiary Company) w.e.f 14.05.2018	India	100%	-

##### (b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:

- |  |  |
|--|--|
| (i) The Kamla Company Limited                    | (x) Didwana Investment Co. Ltd           |
| (ii) Shree Capital Services Ltd.                 | (xi) Ragini Finance Limited              |
| (iii) Aqua Infra Project Limited                 | (xii) Western India Commercial Co. Ltd   |
| (iv) Alfa Buildhome Pvt. Ltd.                    | (xiii) Mannakrishna Investment Pvt. Ltd  |
| (v) Rajasthan Forum                              | (xiv) Digvijay Finlease Limited          |
| (vi) The Bengal                                  | (xv) Asish Creations Private Limited     |
| (vii) Sant Parmanand Hospital                    | (xvi) Didu Investments Pvt. Ltd          |
| (viii) N.B.I. Industrial Finance Company Limited | (xvii) The Venkatesh Company Limited     |
| (ix) Rajesh Vanijya Private Limited              | (xviii) Newa Investments Private Limited |

##### (c) Key Management Personnel:

- |                            |   |
|----------------------------|---|
| (i) Shri H. M. Bangur      | Managing Director                       |
| (ii) Shri Prashant Bangur  | Joint Managing Director                 |
| (iii) Shri P. N. Chhangani | Whole Time Director (w.e.f. 30.07.2018) |

##### (d) Relatives to Key Management Personnel:

- |                       |                             |
|-----------------------|-----------------------------|
| (i) Shri B. G. Bangur | Father of Shri H. M. Bangur |
|-----------------------|-----------------------------|

##### (e) Post-Employment Benefit Plan Trust:

- (i) Shree Cement Staff Provident Fund
- (ii) Shree Cement Employees Group Gratuity Scheme
- (iii) Shree Cement Ltd., Superannuation Scheme

**Disclosure of Related Party Transactions:****(a) Details of transactions with related parties:**

(₹ in Crore)

Particulars	2018-2019	2017-2018
<b>Equity contribution</b>		
Subsidiaries	2,099.31	-
<b>Proceeds on Liquidation</b>		
Subsidiaries	0.04	-
<b>Sale of Goods/Material</b>		
Subsidiaries	50.47	-
Entities controlled/ influenced by KMP	0.01	0.13
<b>Services Received</b>		
Subsidiaries	1.70	-
Entities controlled/ influenced by KMP	1.76	1.23
<b>Payment of office rent</b>		
Entities controlled/ influenced by KMP	2.77	2.60
<b>Purchase of spare</b>		
Entities controlled/ influenced by KMP	0.01	-
<b>Contributions towards social activities</b>		
Entities controlled/ influenced by KMP	0.69	0.85
<b>Reimbursement towards purchase of equity shares of a subsidiary</b>		
Entities controlled/ influenced by KMP	59.00	-
<b>Reimbursement of expenses</b>		
Subsidiaries	0.14	-
Entities controlled/ influenced by KMP	0.15	-
<b>Security deposit given</b>		
Entities controlled/ influenced by KMP	-	0.18

**(b) Details of balances with related parties**

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Security deposit receivable		
Entities controlled/influenced by KMP	0.63	0.63

**(c) Key Management Personnel:**

(₹ in Crore)

Particulars	2018-2019	2017-2018
Short Term Benefits	68.55	59.54
Post - Employment Benefits*	3.31	2.52
<b>Total</b>	<b>71.86</b>	<b>62.06</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(d) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2018-2019	2017-2018
Director Commission, Sitting Fee and Reimbursement of Expenses	0.46	0.38

**(e) Refer note 40 for information on transactions with post-employment benefit plans.**

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for receivables relating to related parties.

#### 44 EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit Before Tax	1,081.43	1,827.16
Applicable Statutory Enacted Income Tax Rate	34.944%	34.608%
Computed Tax Expense	377.89	632.34
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(4.67)	(14.23)
Items (Net) not Deductible for Tax/not Liable to Tax	(229.17)	(189.93)
Tax losses Unutilized / Items Taxed at Different Rate	(5.17)	(13.44)
Tax Expense Relating to Earlier Years (Net)	(2.69)	0.30
Others	(5.81)	27.94
<b>Income Tax Expense Reported</b>	<b>130.38</b>	<b>442.98</b>

45 Changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes as per Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Opening Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>3,384.73</b>	<b>1,270.34</b>
Changes from Financing cash flows (excluding interest and dividend payment)	(759.14)	2,035.33
The effect of changes in foreign exchange rates	149.76	67.17
Others (includes new finance lease, finance charge thereon and amortization of transaction cost on borrowings)	2.84	11.89
<b>Closing Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>2,778.19</b>	<b>3,384.73</b>

#### 46 CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2019 compare to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity (net of deferred tax assets) and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Share Capital	34.84	34.84
Other Equity (net of Deferred tax Assets)	8,949.91	8,348.94
Total Equity	8,984.75	8,383.78
Long Term Debt (Including Current Maturities)	2,330.00	2,217.12
<b>Debt to Equity Ratio</b>	<b>0.26</b>	<b>0.26</b>

**47 DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	487.90	487.90	3,124.54	3,124.54
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.01	0.01	3.80	3.80
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	22.72	22.72	-	-
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	1,797.67	1,829.33	2,309.54	2,381.06
Loans	61.52	61.52	56.58	56.58
Trade Receivables	732.40	732.40	459.25	459.25
Cash and Cash Equivalents and Other Bank Balances	307.78	307.78	120.90	120.90
Other Financial Assets	101.44	101.44	289.19	296.34
<b>Total Financial Assets</b>	<b>3,511.44</b>	<b>3,543.10</b>	<b>6,363.80</b>	<b>6,442.47</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.94	0.94	12.21	12.21
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	134.30	134.30	28.58	28.58
<b>Financial Liabilities Classified at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1,754.90	1,754.90	1,647.45	1,647.45
Non-Current Borrowings at Fixed Rate	554.14	543.66	560.68	561.66
Current Maturities of Long Term Debt	19.50	19.50	7.53	7.53
Current Maturities of Finance Lease Obligation	1.46	1.46	1.46	1.46
Short Term Borrowings	467.95	467.95	1,185.86	1,185.86
Trade Payables	450.79	450.79	727.27	727.27
Other Financial Liabilities	1,001.02	1,001.02	887.44	887.44
<b>Total Financial Liabilities</b>	<b>4,385.00</b>	<b>4,374.52</b>	<b>5,058.48</b>	<b>5,059.46</b>

**Fair Value Techniques:**

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.
- The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.
- The fair values of mutual funds are at published Net Asset Value (NAV).

### Fair Value Hierarchy

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

#### Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	261.85	-	-	261.85
Preference Shares	-	226.05	-	226.05
Derivatives not Designated as Hedges	-	0.01	-	0.01
Derivatives Designated as Hedges	-	22.72	-	22.72
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.94	-	0.94
Derivatives Designated as Hedges	-	134.30	-	134.30

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	2,514.14	-	-	2,514.14
Preference Shares	-	610.40	-	610.40
Derivatives not Designated as Hedges	-	3.80	-	3.80
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	12.21	-	12.21
Derivatives Designated as Hedges	-	28.58	-	28.58

#### Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1,829.33	-	1,829.33
Loans	-	61.52	-	61.52
Other Financial Assets	-	101.44	-	101.44
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	543.66	-	543.66
Other Financial Liabilities	-	1,001.02	-	1,001.02

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,381.06	-	2,381.06
Loans	-	56.58	-	56.58
Other Financial Assets	-	296.34	-	296.34
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	561.66	-	561.66
Other Financial Liabilities	-	887.44	-	887.44

During the year ended 31.03.2019 and 31.03.2018, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2019 and 31.03.2018, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments - not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments - not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

#### Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

#### 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

##### Market risk and sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2019 and 31.03.2018.

The sensitivity analyses excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The Company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates. The Company has taken External Commercial Borrowings of USD 25 crore on 28.03.2018 for which there was no forward cover taken against the exposure of currency risk as on 31.03.2018. The Company has taken currency swaps for External Commercial Borrowings of USD 25 crore during the current year and designated as cash flow hedges.

##### Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates. There is no buyer's credit outstanding as at 31.03.2019.

The Company's policy is to manage its floating interest rate foreign currency loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2019</b>		
US Dollar Borrowings	+50	-
	-50	-
<b>31.03.2018</b>		
US Dollar Borrowings	+50	(0.71)
	-50	0.71

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

#### Foreign currency risk and sensitivity

The Company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore exposed to foreign exchange risk. The Company uses cross currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrate the sensitivity in the USD, JPY, EURO, GBP and CHF to the Indian Rupee with all other variables held constant.

#### For the Year ended 31.03.2019

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(2.14)	0.70	0.30	(0.01)	0.05
-5%	2.14	(0.70)	(0.30)	0.01	(0.05)

#### For the Year ended 31.03.2018

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(98.13)	1.79	0.12	(0.01)	0.14
-5%	98.13	(1.79)	(0.12)	0.01	(0.14)

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. 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. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables are as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at 31.03.2019</b>					
Secured	298.82	64.06	4.08	0.91	367.87
Unsecured	243.25	96.32	18.71	7.72	366.00
<b>Gross Total</b>	<b>542.07</b>	<b>160.38</b>	<b>22.79</b>	<b>8.63</b>	<b>733.87</b>
Allowance for doubtful trade receivables	-	0.23	0.46	0.78	1.47
<b>Net Total</b>	<b>542.07</b>	<b>160.15</b>	<b>22.33</b>	<b>7.85</b>	<b>732.40</b>
<b>As at 31.03.2018</b>					
Secured	222.02	47.85	3.32	0.80	273.99
Unsecured	142.63	36.09	0.56	6.88	186.16
<b>Gross Total</b>	<b>364.65</b>	<b>83.94</b>	<b>3.88</b>	<b>7.68</b>	<b>460.15</b>
Allowance for doubtful trade receivables	-	0.04	0.32	0.54	0.90
<b>Net Total</b>	<b>364.65</b>	<b>83.90</b>	<b>3.56</b>	<b>7.14</b>	<b>459.25</b>

Movement in Allowance for Doubtful Trade Receivables are given below:

(₹ in Crore)

Particulars	2018-2019	2017-2018
<b>Opening Balance</b>	<b>0.90</b>	<b>0.47</b>
Add: Provision made during the year (Refer note 32)	0.57	0.43
Less: Utilized during the year	-	-
<b>Closing Balance</b>	<b>1.47</b>	<b>0.90</b>

#### Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 3,511.44 crore as at 31.03.2019 and ₹ 6,363.80 crore as at 31.03.2018, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

#### Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

As at 31.03.2019

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	487.45	2,120.31	192.14	2,799.90
Finance Lease Obligation	1.52	6.08	1.37	8.97
Trade Payables	450.79	-	-	450.79
Derivative Financial Instruments	0.94	119.23	15.07	135.24
Other Financial Liabilities	401.13	599.89	-	1,001.02
<b>Total</b>	<b>1,341.83</b>	<b>2,845.51</b>	<b>208.58</b>	<b>4,395.92</b>

As at 31.03.2018

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	1,193.39	1,364.78	849.19	3,407.36
Finance Lease Obligation	1.52	6.08	2.88	10.48
Trade Payables	727.27	-	-	727.27
Derivative Financial Instruments	12.21	14.09	14.49	40.79
Other Financial Liabilities	390.47	496.97	-	887.44
<b>Total</b>	<b>2,324.86</b>	<b>1,881.92</b>	<b>866.56</b>	<b>5,073.34</b>

#### 49. DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative financial instruments outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2019	As at 31.03.2018
Forward Contracts	Buyers Credit	USD	-	15.65
		USD	0.01	0.28
	Imports	JPY	22.08	56.84
		EURO	0.08	0.03
		CHF	0.01	0.04
Cross Currency & Interest Rate Swaps	ECB	USD	8.00	8.00
	ECB	SGD	9.81	9.81
Interest Rate Swaps	ECB	USD	17.50	17.50
Cross currency swaps	ECB	USD	25.00	-

##### Cross Currency & Interest Rate Swaps and Interest Rate Swaps

The objective of cross currency & interest rate swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company is following hedge accounting for cross currency & interest rate swaps and interest rate swaps based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

- An economic relationship between the hedged item and the hedging instrument
- The effect of credit risk
- Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and interest rate swaps to hedge its currency and interest risk and generally applies hedge ratio of 1:1. Refer Note 20 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above swaps are as under:

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Asset	Liability	Asset	Liability
Cross Currency and Interest Rate Swap	22.72	134.30	-	28.58

The movement of Effective Portion of Cash Flow Hedges are shown below:

(₹ in Crore)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>Opening Balance</b>	<b>(13.67)</b>	<b>(10.52)</b>
Gain/(loss) recognized on cash flow hedges	(164.59)	(35.37)
Income tax relating to gain/(loss) recognized on cash flow hedges	57.52	12.36
Reclassified to Statement of Profit and Loss #	129.54	30.45
Income tax relating to Reclassified to Statement of Profit and Loss	(45.27)	(10.64)
Effect of change in tax rate	-	0.05
<b>Closing Balance</b>	<b>(36.47)</b>	<b>(13.67)</b>

# ₹ 48.69 crore (Previous year ₹ (0.54) crore) to Foreign Exchange Rate Differences and ₹ 80.85 crore (Previous Year ₹ 30.99 crore) to Finance Cost.

#### Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases. There is no buyer's credit outstanding as at 31.03.2019.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

**The fair value of foreign currency forward contracts are as under:**

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	0.01	0.94	3.80	12.21

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the statement of profit and loss is ₹ 9.33 crore for the year ended 31.03.2019 (₹ 5.95 crore for the year ended 31.03.2018)

## 50. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged / hypothecated as collateral / security against the borrowings. Refer Note 20 and 24.

## 51. EARNINGS PER SHARE (EPS)

### A. Basic and Diluted EPS:

Particulars		2018-2019	2017-2018
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	951.05	1,384.18
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share - Basic and Diluted	₹	273.00	397.33

**B. Cash EPS :** (Profit for the year + Depreciation and Amortisation Expense + Deferred Tax + Exceptional Items)/Weighted average number of equity shares outstanding.

52. Previous year figures have been regrouped and rearranged wherever necessary.

53. Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

#### 54. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2019 (Note 1 below)	As at 31.03.2018 (Note 2 below)
Dividend Proposed for Equity Shareholders	121.93	104.51
Dividend Tax	25.06	21.48
<b>Total</b>	<b>146.99</b>	<b>125.99</b>

Note 1 : ₹ 35 per share for FY 2018-2019

Note 2 : ₹ 30 per share for FY 2017-2018

55. Information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(a)	(i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	2.11	7.50
	(ii) The interest due on above	-	-
	<b>The total of (i) &amp; (ii)</b>	<b>2.11</b>	<b>7.50</b>
(b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
(d)	The amounts of interest accrued and remaining unpaid at the end of accounting year	-	-
(e)	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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 56. LEASES

### (a) Finance Lease (Land) - Company as lessee

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Minimum Lease Payments	Present Value of Minimum Lease Payments	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within One year	1.52	1.46	1.52	1.46
After one year but not more than five years	6.08	4.72	6.08	4.86
More than five years	1.37	0.84	2.88	1.59
<b>Total minimum lease payments</b>	<b>8.97</b>	<b>7.02</b>	<b>10.48</b>	<b>7.91</b>
Less: Amounts representing finance charges	1.95		2.57	
<b>Present Value of Minimum Lease payments</b>	<b>7.02</b>		<b>7.91</b>	

### (b) Operating Leases - Company as lessee

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

Signature to Note 1 to 56

As per our report of even date

For and on behalf of the Board

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

**Subhash Jajoo**  
Chief Finance Officer

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHREE CEMENT LIMITED

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our

audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Information other than the Consolidated Financial Statements and Auditors' Report thereon

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

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

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

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

#### Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities;



the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditors' Responsibility for the audit of the Consolidated Financial Statements**

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

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

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

are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a) We did not audit the financial statements of six subsidiaries, whose financial reflect total assets of ₹ 2,406.40 crore as at 31<sup>st</sup> March, 2019, total revenues of ₹ 832.65 crore and net cash flows amounting to ₹ (30.51) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 58.62 crore for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ nil as at 31<sup>st</sup> March, 2019, total revenues of ₹ Nil and net cash flows amounting to ₹ (0.03) crore for the year ended on that date, Group's share of net loss of ₹ 0.03 crore as considered in the consolidated

financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

- c) 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 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 on the consolidated financial statements above, 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 report of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement 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, the



Consolidated Cash Flow Statement and the Consolidated Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2019, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statement discloses the impact of pending litigations on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including any 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 Holding Company.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: Kolkata  
Date: 18<sup>th</sup> May, 2019

## Annexure 'A' to the Independent Auditors' Report

**(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)**

### **Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2019, we have audited the internal financial controls over financial reporting of Shree Cement Limited hereinafter referred to as ("the 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 Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial



controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such

internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: Kolkata  
Date: 18<sup>th</sup> May, 2019

## CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2019

(₹ in Crore)

	Notes	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	6,135.16	3,577.11
Capital Work-in-Progress	37	1,129.45	1,427.15
Intangible Assets	8	46.49	12.07
Financial Assets			
Investments	9	2,252.89	3,123.04
Loans	10	53.13	48.81
Other Financial Assets	11	27.85	200.00
Deferred Tax Assets (Net)	12	612.64	513.05
Non-Current Tax Assets (Net)		111.01	100.28
Other Non-Current Assets	13	405.21	439.91
		10,773.83	9,441.42
<b>Current Assets</b>			
Inventories	14	1,870.31	1,569.02
Financial Assets			
Investments	15	32.74	2,311.04
Trade Receivables	16	1,023.71	459.25
Cash and Cash Equivalents	17	142.20	51.77
Bank Balances other than Cash and Cash Equivalents	18	297.09	69.20
Loans	10	9.80	7.79
Other Financial Assets	11	106.75	92.99
Other Current Assets	13	1,236.62	1,139.19
		4,719.22	5,700.25
<b>Total Assets</b>		<b>15,493.05</b>	<b>15,141.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	19	34.84	34.84
Other Equity		9,635.91	8,861.82
Total Equity Attributable to Owners of the Company		9,670.75	8,896.66
Non Controlling Interest		62.48	-
<b>Total Equity</b>		<b>9,733.23</b>	<b>8,896.66</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	2,309.04	2,208.13
Other Financial Liabilities	21	734.20	525.55
Deferred Tax Liabilities (Net)	22	0.25	-
Provisions	23	32.02	7.61
Other Non-Current Liabilities	24	557.73	536.57
		3,633.24	3,277.86
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	25	472.67	1,185.86
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	60	2.11	7.50
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		536.08	719.78
Other Financial Liabilities	21	462.52	411.67
Other Current Liabilities	24	624.98	619.15
Provisions	23	5.97	0.94
Current Tax Liabilities (Net)		22.25	22.25
		2,126.58	2,967.15
<b>Total Equity and Liabilities</b>		<b>15,493.05</b>	<b>15,141.67</b>
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**Mukesh Dua**

Partner

Membership No. 085323

Place : Kolkata

Date : 18<sup>th</sup> May, 2019

For and on behalf of the Board

**B. G. Bangur**

Chairman

DIN: 00244196

**S. S. Khandelwal**

Company Secretary

**Subhash Jajoo**

Chief Finance Officer

**H. M. Bangur**

Managing Director

DIN: 00244329

**O. P. Setia**

Independent Director & Chairman of Audit

and Risk Management Committee

DIN: 00244443

**Prashant Bangur**

Joint Managing Director

DIN: 00403621

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

	Notes	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Revenue from Operations	26	12,554.65	10,159.53
Other Income	27	249.76	389.05
<b>Total Income</b>		<b>12,804.41</b>	<b>10,548.58</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	1,029.74	769.06
Purchases of Stock in Trade		25.64	-
Changes in Inventories of Finished Goods and Work-in-Progress	29	(39.94)	1.29
Excise Duty on Sales		-	326.43
Employee Benefits Expense	30	767.18	588.05
Power and Fuel		3,092.63	1,979.65
Freight and Forwarding Expenses	31	2,903.37	2,524.89
Finance Costs	32	247.86	135.27
Depreciation and Amortisation Expense	7 & 8	1,471.81	899.40
Other Expenses	33	2,020.29	1,553.67
		11,518.58	8,777.71
Captive Consumption of Cement (Previous year Net of Excise Duty ₹1.86 crore)		(37.94)	(56.26)
<b>Total Expenses</b>		<b>11,480.64</b>	<b>8,721.45</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>1,323.77</b>	<b>1,827.13</b>
Exceptional Items	36	178.13	-
<b>PROFIT BEFORE TAX</b>		<b>1,145.64</b>	<b>1,827.13</b>
<b>Tax Expense</b>	47		
Current Tax		220.56	446.27
Tax Expense Relating to Earlier Years (Net)		(2.69)	0.30
Deferred Tax (Credit) / Charge		(87.28)	(3.59)
		130.59	442.98
<b>PROFIT FOR THE YEAR</b>		<b>1,015.05</b>	<b>1,384.15</b>
<b>Profit Attributable to:</b>			
Owners of the Company		1,006.39	1,384.15
Non Controlling Interest		8.66	-
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	43(b)	5.54	3.27
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.76)	(1.13)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge and Exchange Differences on Translation of Foreign Operation		(28.10)	(4.92)
Income Tax relating to Items that will be Reclassified to Profit or Loss		12.25	1.77
		<b>(12.07)</b>	<b>(1.01)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit &amp; Other Comprehensive Income for the Year)</b>		<b>1,002.98</b>	<b>1,383.14</b>
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the Company		(12.16)	(1.01)
Non Controlling Interest		0.09	-
		(12.07)	(1.01)
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the Company		994.23	1,383.14
Non Controlling Interest		8.75	-
		1,002.98	1,383.14
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	54		
Cash		736.92	654.46
Basic and Diluted		288.88	397.32
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196  
**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

Particulars	For the Year ended 31.03.2019		For the Year ended 31.03.2018	
<b>A Cash Flow From Operating Activities</b>				
<b>Profit Before Exceptional Items and Tax</b>		<b>1,323.77</b>		<b>1,827.13</b>
Adjustments For :				
Depreciation and Amortisation Expense	1,471.81		899.40	
Foreign Exchange Rate Differences (Net)	142.12		21.03	
Balances Written Back	(4.66)		(12.76)	
Provision No Longer Required	(0.21)		(42.13)	
Allowance for Doubtful Trade Receivables (Net)	0.57		0.43	
Net Gain on Sale of Investments	(9.94)		(36.43)	
Gain on Fair Value of Financial Assets through Profit or Loss	(14.84)		(2.68)	
Interest Income	(165.27)		(209.26)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(52.84)		(82.52)	
Profit on Sale of Property, Plant and Equipment (Net)/Assets Written Off	22.35		1.10	
Finance Costs	247.86	1,636.95	135.27	671.45
<b>Operating Profit Before Working Capital Changes</b>		<b>2,960.72</b>		<b>2,498.58</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	(356.11)		(509.92)	
(Increase) / Decrease in Inventories	(61.91)		(254.52)	
Increase / (Decrease) in Trade & Other Payables and Provisions	(232.46)	(650.48)	651.37	(113.07)
<b>Cash Generated From Operations</b>		<b>2,310.24</b>		<b>2,385.51</b>
Direct Taxes Paid (Net of Refunds)		(230.22)		(506.79)
<b>Net Cash From Operating Activities</b>		<b>2,080.02</b>		<b>1,878.72</b>
<b>B Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(1,934.27)		(2,525.13)	
Proceeds from Sale of Property, Plant and Equipment	13.97		1.56	
Payments for Intangible Assets	(2.15)		(2.68)	
Purchases of Investments in Bonds, Debentures and Preference Shares	-		(815.11)	
Payment for Acquisition of Controlling Stake in Subsidiaries (Refer Note 38 & 39) (net of cash and cash equivalents acquired)	(2,008.10)		-	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	705.75		913.91	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	2,281.18		(1,931.72)	
Investments in Bank Deposits	(235.63)		(65.08)	
Maturity of Bank Deposits	207.30		61.63	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.14)		(0.15)	
Dividend Received	59.43		95.70	
Interest Received (Including Interest on Zero Coupon Bonds)	191.14		672.34	
<b>Net Cash Used in Investing Activities</b>		<b>(721.52)</b>		<b>(3,594.73)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	-	1,684.82
Repayment of Long Term Borrowings	(7.53)	-
Payment of Finance Lease Liabilities	(1.52)	(3.98)
Proceeds from Short Term Borrowings	75.00	1,009.27
Repayment of Short Term Borrowings	(1,048.53)	(660.16)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	223.44	5.38
Interest and Financial Charges Paid	(276.14)	(124.78)
Dividend and Tax Paid there on (Interim and Final)	(240.71)	(184.33)
<b>Net Cash (Used in) / From Financing Activities</b>	<b>(1,275.99)</b>	<b>1,726.22</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>82.51</b>	<b>10.21</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>33.52</b>	<b>23.31</b>
Add: Effect of exchange rate on consolidation of Foreign Subsidiaries	1.69	-
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>117.72</b>	<b>33.52</b>

**Notes :**

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- 3 For the purpose of Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Balances with Banks	41.65	51.21
Cash on Hand	0.91	0.56
Call Deposits with Banks	1.56	-
Fixed Deposits with Banks Having Original Maturity upto 3 Months	98.08	-
	142.20	51.77
Less: Bank Overdraft	24.48	18.25
	<b>117.72</b>	<b>33.52</b>

- 4 Refer Note 48 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2019

### A. EQUITY SHARE CAPITAL (Refer Note 19)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 31.03.2019	3,48,37,225	34.84
As at 31.03.2018	3,48,37,225	34.84

### B. OTHER EQUITY

For the Year ended 31<sup>st</sup> March, 2019

(₹ in Crore)

Particulars	Attributable to Owners of the Company									Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
<b>Opening Balance as at 01.04.2018</b>	15.00	-	26.53	-	5,500.00	3,333.95	0.01	(13.67)	8,861.82	-	8,861.82
Profit for the Year						1,006.39			1,006.39	8.66	1,015.05
Other Comprehensive Income for the Year											-
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.77			3.77	0.01	3.78
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 52)								(22.80)	(22.80)		(22.80)
Exchange Differences on Translation of Foreign Operation							6.87		6.87	0.08	6.95
On Account of Business Combination (Refer Note 38 & 39)		10.84							10.84	63.60	74.44
Transfer to/(from) Retained Earnings				5.20	200.00	(205.20)				-	-
Final Dividend on Equity Shares (Note 1 below)						(104.51)			(104.51)		(104.51)
Tax on Final Dividend						(21.48)			(21.48)		(21.48)
Interim Dividend on Equity Shares (Note 2 and 5 below)						(87.09)			(87.09)	(9.87)	(96.96)
Tax on Interim Dividend						(17.90)			(17.90)		(17.90)
<b>Closing Balance as at 31.03.2019</b>	15.00	10.84	26.53	5.20	5,700.00	3,907.93	6.88	(36.47)	9,635.91	62.48	9,698.39

For the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	Attributable to Owners of the Company							Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus				Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
<b>Opening Balance as at 01.04.2017</b>	15.00	26.53	5,000.00	2,632.14	0.01	(10.52)	7,663.16	-	7,663.16
Profit for the Year				1,384.15			1,384.15		1,384.15
Other Comprehensive Income for the Year									-
Re-measurements of the Defined Benefit Plans (Net of Tax)				2.14			2.14		2.14

## B. OTHER EQUITY (contd...)

(₹ in Crore)

Particulars	Attributable to Owners of the Company						Attributable to Non Controlling Interest	Total Other Equity	
	Reserves and Surplus				Items of OCI				
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 52)						(3.15)	(3.15)	(3.15)	
Exchange Differences on Translation of Foreign Operation					-		-	-	
Transfer to/(from) Retained Earnings			500.00	(500.00)			-	-	
Final Dividend on Equity Shares (Note 3 below)				(83.61)			(83.61)	(83.61)	
Tax on Final Dividend				(17.02)			(17.02)	(17.02)	
Interim Dividend on Equity Shares (Note 4 below)				(69.67)			(69.67)	(69.67)	
Tax on Interim Dividend				(14.18)			(14.18)	(14.18)	
<b>Closing Balance as at 31.03.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,333.95</b>	<b>0.01</b>	<b>(13.67)</b>	<b>8,861.82</b>	<b>-</b>	<b>8,861.82</b>

Note 1 : Final Dividend declared at the rate of ₹ 30 per share of ₹ 10 each for FY 2017-18.

Note 2 : Interim Dividend declared at the rate of ₹ 25 per share of ₹ 10 each for FY 2018-19.

Note 3 : Final Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2016-17.

Note 4 : Interim Dividend declared at the rate of ₹ 20 per share of ₹ 10 each for FY 2017-18.

Note 5 : Dividend distributed to the non-controlling interest pertains to the dividend declared by a Subsidiary.

### Nature of Reserves

**Capital Redemption Reserve** - Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

**Capital Reserve** - Company's Capital Reserve is on account of acquisition of controlling stake in Union Cement Company (PJSC) (UCC) and Raipur Handling and Infrastructure Private Limited (RHPL).

**Securities Premium** - Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

**Statutory Reserve** - According to the articles of association of Union Cement Company (PJSC) (Subsidiary Company) and the requirements of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for each year is transferred to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

**General Reserve** - General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

**Retained Earnings** - Retained Earnings represents the undistributed profits of the Company.

**Foreign Currency Translation Reserve** - The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in the foreign currency translation reserve.

**Effective Portion of Cash Flow Hedges** - The Company has designated certain hedging instruments as cash flow hedges and any effective portion is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised to the Statement of Profit and Loss.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## Notes Forming Part of Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Shree Cement Limited (the Holding Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District-Ajmer-305901 (Rajasthan) India.

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries together referred to as "the Company" or "the Group".

The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 19.1.

These Consolidated Financial Statements are approved and adopted by the Board of Directors of the Company in their meeting held on 18<sup>th</sup> May, 2019.

### 2. STATEMENT OF COMPLIANCE

These consolidated financial statements (hereinafter referred to as "financial statements" in the consolidated 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, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

### 3. PRINCIPLES OF CONSOLIDATION:

The subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	% Shareholding and Voting Power	
			As at 31.03.2019	As at 31.03.2018
1	Shree Global Pte. Ltd. (liquidated w.e.f. 11.03.2019)	Singapore	-	100%
2	Shree Global FZE (w.e.f. 07.05.2018)	U.A.E	100%	-
3	Shree International Holding Ltd. (w.e.f. 28.06.2018)	U.A.E	100%	-
4	Shree Enterprises Management Ltd. (w.e.f. 19.06.2018)	U.A.E	100% (Beneficially Owned)	-
5	Union Cement Company (PJSC) w.e.f. (11.07.2018)	U.A.E	97.61%	-
6	Union Cement Norcem Company Limited L.L.C. (w.e.f. 11.07.2018)	U.A.E	60%	-
7	Raipur Handling and Infrastructure Private Limited (w.e.f. 14.05.2018)	India	100%	-

The Consolidated Financial Statements of the Group are prepared on following basis:

- The Consolidated Financial Statements are prepared in accordance with Ind AS 110- "Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014.
- The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the books values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions and any unrealized profits or losses arising from intra group transaction, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.
- Non-Controlling Interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar

circumstances and are presented in the same manner as the Company's Standalone Financial Statements.

- e) The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn up to the same reporting date i.e. 31<sup>st</sup> March, 2019.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the period. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income (OCI) except to the extent those exchange differences are allocated to non-controlling interest. On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized to the profit or loss.

#### **4. NEW ACCOUNTING PRONOUNCEMENTS**

##### **i. Adoption of Ind AS 115 'Revenue from Contracts with Customers'**

Effective 1<sup>st</sup> April, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' using the modified retrospective approach. The adoption of Ind AS 115 did not have any significant impact on overall financial statements of the Company.

##### **ii. Application of new standard/amendments issued but not yet effective**

In March 2019, the Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying the following Ind AS/amendments which is effective from annual period beginning on or after 1<sup>st</sup> April, 2019:

###### **a) Ind AS 116 – Leases**

This new Ind AS replaces the existing standard Ind AS 17 'Leases'. The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

###### **b) Amendment to Ind AS 103 – Business Combinations**

Amendment provides additional guidance for accounting in case of a party to the joint operation achieved control over joint operation. Such transaction is required to be accounted like the business combination achieved in stages.

###### **c) Amendment to Ind AS 109 - Financial Instruments**

Amendment provides additional guidance in relation to prepayment features with reasonable compensation that changes the contractual cash

flow. Amendment also provides the transitional provision in Ind AS 109 as a consequence of issuance of guidance on prepayment features with negative compensation.

###### **d) Amendment to Ind AS 111 - Joint Arrangements**

As per the amendment, a party participating in joint operation but does not have joint control shall not re-measure its previously held interest in a joint operation (which constitutes a business) while attaining joint control over joint operation on acquisition of additional interest or otherwise.

###### **e) Amendment to Ind AS 12 - Income Taxes**

As part of amendment, Appendix C 'Uncertainty over Income Tax Treatments' has been inserted in the standard which clarifies the recognition and measurement requirements of Ind AS 12 in case of uncertainty over income tax treatment and reflect the effect of such uncertainty in accounting treatment.

###### **f) Amendment to Ind AS 19 - Employee Benefits**

The standard is amended to provide the guidance for measurement of defined benefit obligation in case of plan amendment, curtailment or settlement.

###### **g) Amendment to Ind AS 23 - Borrowing Cost**

The amendment clarifies that borrowing cost applicable to borrowing made specifically for the purpose of obtaining a qualifying asset shall be excluded while determining general capitalization rate only till substantially all the activities necessary to prepare that specific asset for its intended use are completed.

###### **h) Amendment to Ind AS 28 - Investments in Associates and Joint Ventures**

The amendment clarifies that an entity first applies Ind AS 109 'Financial Instruments' to other financial Instruments (long-term interests in associates and joint ventures) before taking into account its share of profit or loss of an associate or joint venture under Ind AS 28. Consequently, in applying Ind AS 109, an entity does not take account of any adjustments to the carrying amount of long-term interests under Ind AS 28. The Company does not have any interest in associate or joint venture therefore the amendment will not have any effect on the Company's financial statements.

These Ind AS/Amendments are applicable to the Company from 1<sup>st</sup> April, 2019. The Company is evaluating the effects of the new Ind AS/amendments on its financial statements.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation and Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments – note 5 (s))
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

### b) Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is 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.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or

3. It is due to be settled within twelve months after the reporting period; or

4. The Company does not have an 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.

### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to Statement of Profit and Loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work in progress is carried at cost and directly attributable expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

Depreciation is provided on written down value method except in case of subsidiary companies on Straight Line Method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-30 Years
Building (including Roads)	10-35 Years
Railway Siding	15-20 Years
Vehicles	5-6 Years
Office Equipment	3-6 Years
Furniture & Fixtures	5-10 Years

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of purchase. Leasehold land classified as finance lease is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis upto the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed and / or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method except in case of subsidiary companies on Straight Line Method over estimated useful lives. Mining rights is amortized based on units-of-production method. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Computer Software	3-10 Years
Private Freight Terminal License	Over the period of license right

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

**e) Borrowing Costs**

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**f) Impairment of Non-Financial Assets**

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

**g) Revenue Recognition**

Revenue is recognized to depict the transfer of promised goods or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of goods and power is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and either the customer has accepted the products in accordance with sales arrangement. Revenue is disclosed net of Goods & Service Tax (GST)/Sales Tax/ VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty till 30<sup>th</sup> June, 2017.

**h)** Dividend income is recognized when the right to receive the payment is established. Interest is recognized using the Effective Interest Rate (EIR) method. Difference between the sale price and carrying value of investment is recognized as profit or loss on sale/ redemption of investment on date of transaction.

**i)** Insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable

certainty, are recognized only when collection is virtually certain which generally coincides with receipt and are netted off from related expenses.

**j) Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs.

Grants related to an assets are included in non-current liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the Statement of Profit and Loss.

**k) Employee Benefits**

**1) Defined Contribution Plan**

Superannuation, Provident Fund, National Pension Scheme, Employees State Insurance Corporation (ESIC) and Retirement Pension and Social Security Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

**2) Defined Benefit Plan**

Gratuity and End of Service Benefit is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components

of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**3) Other Long Term Benefits**

Encashable leave and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arises.

**4) Other Short term Benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**l) Foreign Currency Transaction**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Holding Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency of the entity in the Group, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise, except the amount of such differences capitalized in accordance with policy on 'Borrowing costs'.

#### **m) Taxation**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is

reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

#### **n) Inventories**

##### **1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel**

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

##### **2) Work-in-progress and Finished goods**

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty till 30<sup>th</sup> June, 2017. Cost is determined on a weighted average basis.

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

#### **o) Provisions and Contingencies**

##### **1) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

##### **Mines Reclamation Expenditure**

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

## 2) Contingencies

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

## p) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### 1) Assets Taken on Finance Lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 2) Operating Lease

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## q) Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. Inter

Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

## r) Business Combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and assumed and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Intangible Assets acquired in a Business Combination and recognized separately from Goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, intangible assets with definite useful life acquired in a Business Combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill and Intangible assets with indefinite useful life, if any, are tested for impairment at the end of each annual reporting period.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as gain on bargain purchase. In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognizes any



additional assets or liabilities that are so identified, any gain thereafter is recognized in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognized in Statement of Profit and Loss.

#### s) **Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

##### 1) **Financial Assets**

###### **Initial Recognition and Measurement**

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans, other financial assets and investments.

###### **Classification and Subsequent Measurement**

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

###### a) **Financial Assets at Amortized Cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) **Financial Assets at Fair Value Through Other Comprehensive Income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### c) **Financial Assets at Fair Value Through Profit or Loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

###### **Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

###### **Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

##### 2) **Financial Liabilities**

###### **Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

###### **Classification and Subsequent Measurement**

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

**a) Financial liabilities at Fair Value Through Profit or Loss**

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

**b) Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest rate method.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

**3) Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash

flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

**4) Financial Liabilities and Equity Instruments: Classification as Debt or Equity**

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument. The Company does not have any compound financial instruments.

**Equity Instruments**

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received.

**t) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**u) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the owners of the Company and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make



judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

**a) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

**b) Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**c) Allowances for Uncollected Trade Receivables**

Trade receivables do not carry any interest and are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

**d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**e) Mines Reclamation Obligation**

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

**f) Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. Refer Note 43 for sensitivity analysis.

**g) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. 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.

## 7. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK		
	Opening as at 01.04.2018	Acquisition through Business Combination (Refer Note 38 & 39)	Effect of Foreign Currency Translation	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2019	Opening as at 01.04.2018	For the Year	Effect of Foreign Currency Translation	Deductions/ Adjustments During the Year	Up to 31.03.2019	As at 31.03.2019
<b>Tangible Assets :</b>												
Free Hold Land	804.13	1.96	-	205.82	0.65	1,011.26	3.38	2.37	-	-	5.75	1,005.51
Lease Hold Land	305.45	-	-	20.95	11.77	314.63	15.43	7.22	-	0.74	21.91	292.72
Buildings	638.74	62.81	0.34	273.55	22.69	952.75	223.45	136.88	(0.03)	-	360.30	592.45
Plant and Equipment	4,659.09	1,621.29	8.37	1,814.75(a)	15.45	8,088.05	2,625.41	1,310.99	(1.76)	13.73	3,920.91	4,167.14
Railway Siding	23.42	25.43	-	14.17	-	63.02	11.07	7.47	-	-	18.54	44.48
Furniture and Fixtures	30.18	0.94	(0.01)	7.57	0.11	38.57	23.48	6.95	(0.01)	0.11	30.31	8.26
Office Equipment	39.26	1.50	(0.01)	13.48	0.61	53.62	31.49	11.94	(0.01)	0.49	42.93	10.69
Vehicles	26.31	1.96	0.01	13.40	4.00	37.68	15.76	11.93	(0.02)	3.90	23.77	13.91
<b>Total</b>	<b>6,526.58</b>	<b>1,715.89</b>	<b>8.70</b>	<b>2,363.69</b>	<b>55.28</b>	<b>10,559.58</b>	<b>2,949.47</b>	<b>1,495.75(b)</b>	<b>(1.83)</b>	<b>18.97</b>	<b>4,424.42</b>	<b>6,135.16</b>
Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK		
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018			
<b>Tangible Assets :</b>												
Free Hold Land	607.52	196.61	-	804.13	1.87	1.51	-	3.38	800.75			
Lease Hold Land	284.59	20.86	-	305.45	8.33	7.10	-	15.43	290.02			
Buildings	453.53	185.21	-	638.74	133.38	90.07	-	223.45	415.29			
Plant and Equipment	3,173.53	1,494.59 (a)	9.03	4,659.09	1,832.77	801.63	8.99	2,625.41	2,033.68			
Railway Siding	23.42	-	-	23.42	7.41	3.66	-	11.07	12.35			
Furniture and Fixtures	22.48	7.89	0.19	30.18	15.56	8.11	0.19	23.48	6.70			
Office Equipment	31.85	10.33	2.92	39.26	20.21	14.18	2.90	31.49	7.77			
Vehicles	19.97	10.56	4.22	26.31	11.02	8.77	4.03	15.76	10.55			
<b>Total</b>	<b>4,616.89</b>	<b>1,926.05</b>	<b>16.36</b>	<b>6,526.58</b>	<b>2,030.55</b>	<b>935.03(b)</b>	<b>16.11</b>	<b>2,949.47</b>	<b>3,577.11</b>			

(a) Includes ₹ 12.31 crore (for Year ended 31.03.2018 ₹ 27.11 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 29.51 crore (for the Year ended 31.03.2018 ₹ 39.02 crore) on assets during construction period.

(c) As on transition to Ind AS on 01.07.2015, the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

## 8. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	COST						AMORTIZATION					NET CARRYING AMOUNT
	Opening as at 01.04.2018	Acquisition through Business Combination (Refer Note 38 & 39)	Effect of Foreign Currency Translation	Additions During the Year	Deductions/ Adjust- ment During the Year	As at 31.03.2019	Opening as at 01.04.2018	For the Year	Effect of Foreign Currency Transla- tion	Deduc- tions/ Adjust- ments During the Year	Up to 31.03.2019	As at 31.03.2019
<b>Intangible Assets :</b>												
Computer Software	11.10	6.84	0.04	2.15	-	20.13	8.76	4.28	(0.03)	-	13.01	7.12
Private Freight Terminal License	-	30.93	-	-	-	30.93	-	0.96	-	-	0.96	29.97
Mining Rights	10.08	-	-	-	-	10.08	0.35	0.33	-	-	0.68	9.40
<b>Total</b>	<b>21.18</b>	<b>37.77</b>	<b>0.04</b>	<b>2.15</b>	<b>-</b>	<b>61.14</b>	<b>9.11</b>	<b>5.57</b>	<b>(0.03)</b>	<b>-</b>	<b>14.65</b>	<b>46.49</b>
<b>Particulars</b>	<b>COST</b>						<b>AMORTIZATION</b>					<b>NET CARRYING AMOUNT</b>
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018			
<b>Intangible Assets :</b>												
Computer Software	8.42	2.68	-	11.10	5.58	3.18	-	8.76	2.34			
Mining Rights	10.08	-	-	10.08	0.14	0.21	-	0.35	9.73			
<b>Total</b>	<b>18.50</b>	<b>2.68</b>	<b>-</b>	<b>21.18</b>	<b>5.72</b>	<b>3.39</b>	<b>-</b>	<b>9.11</b>	<b>12.07</b>			

(a) As on transition to Ind AS on 01.07.2015, the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

## 9. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds and Non Convertible Debentures (NCD)</b>					
<b>Indian Railway Finance Corporation Limited</b>					
8.00% IRFC Tax Free Bonds - 23FB22	1,000	20,000	2.09	20,000	2.12
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.05	150	15.06
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.03	100	10.04
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	81.84	8,00,000	82.25
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.14	250	25.16
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	259	26.44	259	26.51
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.93	505	52.80
8.10% IRFC Tax Free Bonds - 23FB27	1,000	1,60,502	18.04	1,60,502	18.24
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	100	10.80	100	10.87
7.34% IRFC Tax Free Bonds - 19FB28	1,000	2,37,000	25.32	10,57,000	113.52
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.78	66	7.83
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.89	5,50,000	55.96
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.34	5,11,350	52.41
<b>Power Finance Corporation</b>					
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.33	500	50.40
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.23	250	26.39
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	11.18	1,000	11.30
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.76	24,000	2.79
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.02	300	34.33
8.54% PFC Tax Free Bonds - 16NV28	1,000	68,167	7.96	68,167	8.04
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,38,951	145.54	15,01,271	152.38
8.27% NHAI Tax Free Bonds - 05FB24	1,000	1,00,000	10.87	2,50,000	27.55
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.06	250	25.07
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.61	380	38.78
8.30% NHAI Tax Free Bonds - 25JN27	1,000	-	-	54,086	6.20
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	28	3.26	278	32.69
8.50% NHAI Tax Free Bonds - 05FB29	1,000	-	-	3,35,300	39.54
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.82	365	39.66
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,46,022	16.03	8,76,022	96.67
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55
<b>Housing and Urban Development Corporation Limited</b>					
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,08,424	104.52	10,58,424	110.88
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.21	2,50,000	25.25
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	7.03	68	7.06
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	250	25.19	300	30.25
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	120	12.21	120	12.23
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.32	2,80,066	28.35
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.95	37,645	3.97
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	106.91	9,70,000	107.87
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	12.97	1,19,000	13.06
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	5.20	44	5.26
8.73% HUDCO Tax Free Bonds - 24MR29	1,000	20,000	2.40	20,000	2.43
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	1,80,279	18.03	2,80,279	31.61
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	11,00,439	115.96	16,55,439	171.36

## 9. NON-CURRENT INVESTMENTS (contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>India Infrastructure Finance Company Limited</b>					
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.18	150	15.22
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	8,50,000	86.02	8,50,000	86.26
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.12	50,000	5.15
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.20	50	5.24
8.01% IIFCL Tax Free Bonds - 12NV23	1,000	50,000	5.36	50,000	5.42
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	1,53,000	16.51	1,53,000	16.72
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	26.97	250	27.14
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.44	150	15.47
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	47.29	4,46,000	47.51
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.74	1,50,000	15.80
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	11.45	100	11.56
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	15.07	130	15.23
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.43	64	7.51
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.38	11,680	1.39
<b>Rural Electrification Corporation</b>					
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.17	250	25.21
7.22% REC Tax Free Bonds - 19DC22	1,000	50,000	5.17	50,000	5.21
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	5.10	45,564	5.16
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.80	1,00,000	10.87
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	20.90	181	21.11
8.46% REC Tax Free Bonds - 24SP28	1,000	3,00,000	34.66	3,00,000	35.01
<b>Indian Renewable Energy Development Agency Limited</b>					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.05	8,68,838	88.11
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.68	150	15.72
<b>National Bank for Agriculture and Rural Development</b>					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	-	-	4,00,796	40.08
<b>National Housing Bank</b>					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	-	-	350	40.84
<b>JK Lakshmi Cement Limited</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	-	-	150	15.14
8.90% JK Lakshmi Cement Limited NCD - 06JN22	10,00,000	200	20.24	200	20.31
<b>Birla Corporation Limited</b>					
9.25% Birla Corporation Limited NCD - 18AG26	10,00,000	400	41.77	400	41.97
<b>Total (A)</b>			<b>1,782.61</b>		<b>2,308.15</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited (Refer Note 36)</b>					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	-	28,000	37.07
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	-	52,000	68.82

**9. NON-CURRENT INVESTMENTS** (contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	-	13,500	20.65
<b>IL&amp;FS Financial Services Ltd. (Refer Note 36)</b>					
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	-	33,400	51.59
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 3 equal annual instalments from 5 <sup>th</sup> March, 2020 to 5 <sup>th</sup> March, 2022	6 (8 as on 31.03.18)	9,62,83,625	35.36	20,95,61,622	116.96
<b>In Units of Mutual Funds</b>					
ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan G Direct Plan Cumulative	10	3,50,00,000	38.26	3,50,00,000	35.51
ICICI Prudential Fixed Maturity Plan Series 82-1215 Days Plan H Direct Plan Cumulative	10	7,50,00,000	81.96	7,50,00,000	76.09
Aditya Birla Sun Life Fixed Term Plan - Series PC (1169 Days) Direct Growth	10	10,00,00,000	108.96	10,00,00,000	101.49
Kotak FMP Series 216 Direct - Growth	10	3,00,00,000	32.67	3,00,00,000	30.39
ICICI Prudential FMP Series 80-1138 D Plan R Cumulative	10	50,000	0.06	-	-
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>Tata Capital Limited</b>					
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 <sup>th</sup> August, 2021	1,000	-	-	10,00,000	100.48
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.05	4,00,000	40.62
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> , September 2023	1,000	6,00,000	59.35	6,00,000	60.35
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 27 <sup>th</sup> July, 2024	1,000	7,50,000	73.61	7,50,000	74.87
<b>Total (B)</b>			<b>470.28</b>		<b>814.89</b>
<b>TOTAL (A+B)</b>			<b>2,252.89</b>		<b>3,123.04</b>

**9.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS :**

(₹ in Crore)

	As at 31.03.2019		As at 31.03.2018	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds, Debentures, Preference shares and Mutual Funds	2,079.88	2,111.67	2,846.72	2,918.24
<b>Total</b>	<b>2,079.88</b>	<b>2,111.67</b>	<b>2,846.72</b>	<b>2,918.24</b>
<b>9.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>173.01</b>		<b>276.32</b>	

## 10. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Loans to Staff and Workers	6.43	6.09	5.23	4.63
Security Deposits (Refer Note 46)	46.70	42.72	4.57	3.16
	<b>53.13</b>	<b>48.81</b>	<b>9.80</b>	<b>7.79</b>

## 11. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	3.71	2.59
Derivative Financial Instruments	22.72	-	0.01	3.80
Fixed Deposits with Banks (maturity more than 12 months)	-	200.00	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	58.32	74.27
Others	5.13	-	44.71	12.33
	<b>27.85</b>	<b>200.00</b>	<b>106.75</b>	<b>92.99</b>

11.1 Others include dividend receivable etc.

## 12. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2018	Recognised in P&L	Recognised in OCI	As at 31.03.2019
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	-	1.55	-	1.55
Expenses allowed for tax purpose when paid	177.35	9.36	-	186.71
Depreciation and Amortization	302.82	40.34	-	343.16
Cash Flow Hedges	7.34	-	12.25	19.59
MAT Credit Entitlement	32.94	(13.51)	-	19.43
Fair Value of Investments	-	45.53	-	45.53
Others	0.31	0.20	-	0.51
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	7.71	(3.87)	-	3.84
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>513.05</b>	<b>87.34</b>	<b>12.25</b>	<b>612.64</b>
	As at 31.03.2017	Recognised in P&L	Recognised in OCI	As at 31.03.2018
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	16.56	(16.56)	-	-
Expenses allowed for tax purpose when paid	203.01	(25.66)	-	177.35
Depreciation and Amortization	229.87	72.95	-	302.82
Cash Flow Hedges	5.57	-	1.77	7.34
MAT Credit Entitlement	73.08	(40.14)	-	32.94
Others	0.16	0.15	-	0.31
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	20.56	(12.85)	-	7.71
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>507.69</b>	<b>3.59</b>	<b>1.77</b>	<b>513.05</b>

**13. OTHER ASSETS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good)				
Advances to Suppliers and Contractors	-	-	112.55	96.21
Capital Advances	360.94	403.18	-	-
Assets Held for Disposal	-	-	0.10	0.11
Prepaid Expenses	3.56	-	7.86	5.51
Other Receivables	40.71	36.73	1,116.11	1,037.36
	<b>405.21</b>	<b>439.91</b>	<b>1,236.62</b>	<b>1,139.19</b>

13.1 Other receivables includes GST/Sales tax, Government grants and other dues from Government etc.

**14. INVENTORIES** (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Raw Materials [Includes in transit ₹ 14.40 crore (As at 31.03.2018 ₹ 8.31 crore)]	60.27	47.76
Fuel [Includes in transit ₹ 306.60 crore (As at 31.03.2018 ₹ 484.03 crore)]	755.41	770.82
Stores and Spares	681.13	485.63
Packing Materials	36.39	28.97
Work-in-Progress [Includes in transit ₹ 14.67 crore (As at 31.03.2018 ₹ 17.27 crore)]	227.06	156.75
Finished Goods [Includes in transit ₹ 39.63 crore (As at 31.03.2018 ₹ 31.21 crore)]	110.05	79.09
	<b>1,870.31</b>	<b>1,569.02</b>

**15. CURRENT INVESTMENTS**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	-	-	180	0.36
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	-	-	460	0.91
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	-	-	65	0.12
<b>JK Lakshmi Cement Limited</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	150	15.06	-	-
<b>Total (A)</b>			<b>15.06</b>		<b>1.39</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 3 equal annual instalments from 5 <sup>th</sup> March, 2020 to 5 <sup>th</sup> March, 2022	6 (8 as on 31.03.18)	9,62,83,625	17.68	20,95,61,622	38.99
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.85
Aditya Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	-	-	3,61,83,362	39.95
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	19,52,95,413	212.07
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend-Direct Plan	10	-	-	8,39,73,278	90.59

## 15. CURRENT INVESTMENTS (contd..)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2019		As at 31.03.2018	
		No.	Amount	No.	Amount
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	-	-	12,20,78,541	176.30
Edelweiss Arbitrage Fund Direct Plan Dividend Option-Payout	10	-	-	4,73,78,315	50.23
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	10	-	-	35,85,691	100.15
ICICI Prudential Money Market Fund - Direct Plan - Growth	10	-	-	1,24,93,711	300.44
DSP BlackRock Liquidity Fund - Direct Plan - Growth	10	-	-	8,05,852	200.28
HDFC Cash Management Fund - Savings Plan - Direct Plan- Growth Option	10	-	-	1,38,120	50.06
Kotak Liquid Direct Plan Growth	10	-	-	5,68,739	200.31
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	5,35,116	150.22
UTI-Money Market Fund-Institutional Plan-Direct Plan-Growth	10	-	-	7,70,333	150.20
Axis Enhanced Arbitrage Fund-Direct Dividend Payout (EA-D1)	10	-	-	13,76,04,179	150.41
DHFL Pramerica Arbitrage Fund Direct Plan- Monthly Dividend-Payout	10	-	-	2,34,04,952	25.02
Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	10	-	-	7,43,20,766	175.08
Edelweiss Aribtrage Fund Monthly Dividend Direct Plan-Payout	10	-	-	9,95,52,326	124.47
HSBC Cash Fund-Growth Direct Plan	10	-	-	2,89,206	50.03
<b>Total (B)</b>			<b>17.68</b>		<b>2,309.65</b>
<b>TOTAL (A+B)</b>			<b>32.74</b>		<b>2,311.04</b>

### 15.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS :

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds and Preference Shares	32.74	32.61	40.38	40.38
<b>Total</b>	<b>32.74</b>	<b>32.61</b>	<b>40.38</b>	<b>40.38</b>

### 15.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS

- 2,270.66

## 16. TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Secured, Considered Good	444.15	273.99
Unsecured		
Considered Good (Refer Note 16.1)	579.56	185.26
Considered Doubtful	8.06	0.90
	<b>1,031.77</b>	<b>460.15</b>
Less: Allowance for Doubtful Trade Receivables	8.06	0.90
	<b>1,023.71</b>	<b>459.25</b>

16.1 Undated cheques of ₹ 158.99 crore are held against receivables considered good.

16.2 Refer Note 51 for information about credit and market risk of trade receivables.

16.3 The average payment terms with customers within India is 3-20 days and outside india is 120 days for cement and for clinker against site LC.

**17. CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Balances with Banks	41.65	51.21
Cash on Hand	0.91	0.56
Call Deposits with Banks	1.56	-
Fixed Deposits with Banks Having Original Maturity upto 3 Months	98.08	-
	<b>142.20</b>	<b>51.77</b>

**18. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
Earmarked Balance with Banks for Unpaid Dividend (Refer note 21.1)	3.88	3.74
Margin Money (Pledged with Banks)	0.96	1.96
Fixed Deposits With Banks (Refer note 18.1 to 18.2 below)	292.25	263.50
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 11)	-	(200.00)
	<b>297.09</b>	<b>69.20</b>

18.1 Includes deposits of ₹ 46.15 crore (As at 31.03.2018 ₹ 21.00 crore) are pledged with banks against overdraft facilities. (Refer Note 25.2)

18.2 Includes ₹ 45.20 crore (As at 31.03.2018 ₹ 41.97 crore), given as security to Government department and others.

**19. SHARE CAPITAL**

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
<b>Authorised</b>		
6,00,00,000 (As at 31.03.2018 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (As at 31.03.2018 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (As at 31.03.2018 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

**19.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY:**

Name of Shareholders	Number of Shares Held as at 31.03.2019	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2018	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

19.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

19.3 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.

19.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

19.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2019	As at 31.03.2018
NIL	NIL

19.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## 20. BORROWINGS

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>				
External Commercial Borrowings	2,255.48	2,134.18	-	-
Indian Rupee Term Loans from Banks	48.00	67.50	19.50	7.50
Vehicle Loan from Others	-	-	-	0.03
Finance Lease Obligation	5.56	6.45	1.46	1.46
	<b>2,309.04</b>	<b>2,208.13</b>	<b>20.96</b>	<b>8.99</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21)	-	-	(20.96)	(8.99)
	<b>2,309.04</b>	<b>2,208.13</b>	-	-

### 20.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN:

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2019	Loan Amount as at 31.03.2018	Terms of Repayment
	<b>External Commercial Borrowings</b>				
1	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	276.69	260.18	Fully Repayable on 08.05.2020
			276.69	260.18	Fully Repayable on 24.09.2020
		<b>As at 31.03.2019</b> 3 Months USD LIBOR+0.70% (Fixed rate of 7.81% on INR including the effect of related cross currency & interest rate swaps)	859.01	806.02	Repayable in 9 half yearly equal instalments of USD 1.389 crore w.e.f. 28.03.2021
		<b>As at 31.03.2018</b> 3 Months USD LIBOR+0.70% (Fixed rate of 3.49% on USD as on 31.03.2018 including the effect of related interest rate swaps)			
	<b>As at 31.03.2019</b> 3 Months USD LIBOR+0.71% (Fixed rate of 7.82% on INR including the effect of related cross currency & interest rate swaps)	342.51	321.07	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalments of USD 0.25 crore each, next two instalments of USD 0.50 crore each and last two instalments of USD 1.5 crore each)	
	<b>As at 31.03.2018</b> 3 Months USD LIBOR+0.71% (Fixed rate of 3.49% on USD as on 31.03.2018 including the effect of related interest rate swaps)				

**20.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN:** (contd...)

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2019	Loan Amount as at 31.03.2018	Terms of Repayment
		<b>As at 31.03.2019</b> 2.72% on SGD (Fixed rate of 7.96% on INR including the effect of related cross currency and interest rate swaps [USD to INR]) <b>As at 31.03.2018</b> 2.72% on SGD (Fixed rate of 3.69% on USD as on 31.03.2018 including the effect of related currency swaps [SGD to USD])	500.58	486.73	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalment of SGD 0.49 crore each (i.e USD 0.375 crore each), next two instalments of SGD 0.981 crore each (i.e. USD 0.75 crore each) and last two instalments of SGD 2.943 crore each (i.e. USD 2.25 crore each))
2	<b>Indian Rupee Term Loan from Banks</b> First pari passu Charge on entire moveable fixed assets of the Company. The charge shall rank pari passu with other term lenders. Second pari passu charge on entire current assets of the Company.	8.46% (7.15% as on 31.03.18)	67.50	75.00	Repayable in 4 half yearly installments w.e.f. 18.04.2019 (First two installments of ₹ 9.75 crore each and last two installments of ₹ 24 crore each)
3	<b>Vehicle Loan from Others</b> Secured by Hypothecation of the vehicle	10.09%	-	0.03	Repaid during the year 2018-2019
4	<b>Finance Lease Obligation</b> Secured against Leased Assets	9.61%	7.02	7.91	Refer Note 61
	<b>TOTAL</b>		<b>2,330.00</b>	<b>2,217.12</b>	
	<b>Less: Current Maturities of Long Term Debt</b>		<b>20.96</b>	<b>8.99</b>	
	<b>Total Non-Current Portion</b>		<b>2,309.04</b>	<b>2,208.13</b>	

There is no default in repayment of principal and interest thereon.

**21. FINANCIAL LIABILITIES - OTHERS**

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long-Term Debt	-	-	19.50	7.53
Current Maturities of Finance Lease Obligation	-	-	1.46	1.46
Interest Accrued but not Due on Borrowings	-	-	5.93	6.50
Derivative Financial Instruments	134.30	28.58	0.94	12.21
Unpaid Dividends (Refer Note 21.1)	-	-	14.88	3.74
Security Deposits from Customers, Vendors & Others	599.90	496.97	12.61	2.99
Payable for Capital Goods	-	-	117.45	137.26
Others (Refer Note 21.2)	-	-	289.75	239.98
	<b>734.20</b>	<b>525.55</b>	<b>462.52</b>	<b>411.67</b>

21.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2019 and 31.03.2018 (Refer note 18)

21.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

## 22. DEFERRED TAX LIABILITIES

(₹ in Crore)

	As at 31.03.2018	Acquired/ Assumed on Acquisition of RHIPL	Recognised in P&L	Recognised in OCI	As at 31.03.2019
<b>Deferred Tax Liabilities:</b>					
Arising on account of:					
Depreciation and Amortization	-	0.13	0.14	-	0.27
Fair Value of Investments	-	0.06	(0.06)	-	-
<b>Deferred Tax Assets:</b>					
Arising on account of:					
MAT Credit Entitlement	-	-	0.02	-	0.02
<b>Net Deferred Tax Liabilities /(Assets)</b>	<b>-</b>	<b>0.19</b>	<b>0.06</b>	<b>-</b>	<b>0.25</b>

## 23. PROVISIONS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Provision for Employee Benefits</b>				
Gratuity [Refer note 43(b)]	-	-	0.16	0.18
End of Service Benefits [Refer Note 43 (b)]	23.78	-	-	-
Other Staff Benefit Schemes	1.61	1.46	5.21	0.26
<b>Other Provisions</b>				
Mines Reclamation Expenses (Refer Note 44)	6.63	6.15	0.60	0.50
	<b>32.02</b>	<b>7.61</b>	<b>5.97</b>	<b>0.94</b>

## 24. OTHER LIABILITIES

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Customers Advances (Refer Note 24.1)	-	-	136.47	164.02
Withholding and Other Taxes Payable	-	-	214.37	183.37
Provident Fund and Superannuation Payable	-	-	12.79	11.11
Other Statutory Liabilities	557.73	536.57	261.35	260.65
	<b>557.73</b>	<b>536.57</b>	<b>624.98</b>	<b>619.15</b>

24.1 Revenue of ₹ 150.76 crore recognised during current year from the Customer Advances as on 31.03.2018.

## 25. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 25.1)	448.19	149.75
Bank Overdraft (Refer Note 25.2)	24.48	18.25
<b>Unsecured</b>		
Buyers Credit from Banks	-	1,017.86
	<b>472.67</b>	<b>1,185.86</b>

25.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on first charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

25.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 18.1)

25.3 There is no default in repayment of principal and interest thereon.

**26. REVENUE FROM OPERATIONS**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Sale of Products and Services</b>		
Sale of Products	11,456.83	9,433.07
Power Sales	801.88	432.88
Services	1.89	-
	<b>12,260.60</b>	<b>9,865.95</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	-	0.19
Less: Purchase of Traded Power	-	0.07
	<b>-</b>	<b>0.12</b>
<b>Other Operating Revenue</b>		
Incentives and Subsidies (under various incentive schemes of State and Central Government)	257.60	268.93
Scrap Sales	35.27	24.41
Others	1.18	0.12
	<b>294.05</b>	<b>293.46</b>
	<b>12,554.65</b>	<b>10,159.53</b>

26.1 Sales for the period from 01.07.2017 to 31.03.2018 and for the year ended 31.03.2019 are net of Goods and Services Tax (GST), however, sales from 01.04.2017 to 30.06.2017 are gross of excise duty.

26.2 Sale of Products is net of ₹ 573.76 crore (for year ended 31.03.2018 ₹ 443.51 crore) on account of cash discount, rebates and incentives given to customers.

**27. OTHER INCOME**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Interest Income</b>		
On Deposits Classified at Amortised cost	25.88	23.57
On Bonds and Debentures Classified at Amortised cost	138.52	184.24
On Tax Refund	0.60	0.11
Others	0.27	1.34
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	52.84	82.52
<b>Net Gain on Sale of Investments</b>		
Classified at Amortised cost	0.55	31.94
Classified at Fair Value through Profit or Loss	9.39	4.49
Net Gain on Fair Value of Financial Assets through Profit or Loss	14.84	2.68
Profit on Sale of Property, Plant and Equipment (Net)	0.34	1.26
Provision No Longer Required	0.21	42.13
Balances Written Back	4.66	12.76
Other Non Operating Income	1.66	2.01
	<b>249.76</b>	<b>389.05</b>

**28. COST OF MATERIALS CONSUMED**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Raw Materials Consumed</b>		
Gypsum	253.76	199.13
Fly Ash	322.06	282.00
Red Ochre and Slag	89.08	94.05
Sulphuric Acid	41.42	39.14
Others	323.42	154.74
	<b>1,029.74</b>	<b>769.06</b>

## 29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Closing Stock</b>		
Work-in-Progress	227.06	156.75
Finished Goods	110.05	79.09
Add/(Less): Exchange Rate Fluctuation on Account of Average Rate Transferred to Currency Translation Reserve	(1.22)	-
	<b>335.89</b>	<b>235.84</b>
<b>Opening Stock</b>		
Work-in-Progress	156.75	127.70
Finished Goods	79.09	109.43
Add / (Less): Exchange Rate Fluctuation on Account of Average Rate Transferred to Currency Translation Reserve	-	-
	<b>235.84</b>	<b>237.13</b>
<b>(Increase) / Decrease</b>	<b>(100.05)</b>	<b>1.29</b>
Add: Stock Transferred on Acquisition of Union Cement Company (PJSC)	60.11	-
	<b>(39.94)</b>	<b>1.29</b>

## 30. EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, Wages and Bonus	673.96	510.98
Contribution to Provident and other Funds (Refer note 43)	75.59	64.16
Staff Welfare Expenses	17.63	12.91
	<b>767.18</b>	<b>588.05</b>

## 31. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
On Finished Products	2,079.62	1,782.50
On Inter Unit Clinker Transfer	823.75	742.39
	<b>2,903.37</b>	<b>2,524.89</b>

## 32. FINANCE COSTS

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Expenses	275.30	125.51
Bank and Finance Charges	2.40	2.40
Unwinding of Discount on Provision	0.50	0.48
Exchange Differences Regarded as an Adjustment to Borrowing Cost	49.17	8.79
	<b>327.37</b>	<b>137.18</b>
Less: Interest Capitalised (Refer Note 32.1)	79.51	1.91
	<b>247.86</b>	<b>135.27</b>

32.1 Borrowing costs are capitalised using rates based on specific borrowings with interest rates ranging between 3.49 % to 7.96% per annum.

**33. OTHER EXPENSES**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Stores and Spares Consumed	320.91	280.84
Packing Materials Consumed	385.48	317.48
Royalty and Cess	278.89	233.34
Mines Reclamation Expenses	0.56	0.70
Excise Duty on Captive Consumption of Clinker	-	6.75
Repairs to Plant and Machinery	268.77	236.97
Repairs to Buildings	26.42	23.05
Rent	20.50	19.69
Insurance	8.05	4.15
Rates and Taxes	13.99	19.36
Travelling	41.45	34.34
Commission to Non-executive Directors	2.64	2.97
Directors' Sitting Fees and Expenses	2.04	0.75
Advertisement and Publicity	96.24	62.54
Sales Promotion and Other Selling Expenses	166.92	142.03
Excise duty variance on Closing/Opening Stock	-	(19.15)
Foreign Exchange Rate Differences (Net)	148.92	17.81
Corporate Social Responsibility Expenses	31.32	27.81
Assets Written Off	22.69	2.36
Allowance for Doubtful Trade Receivables (Net)	0.57	0.43
Contribution to Electrol Bond	3.00	-
Miscellaneous (Refer Note 33.1)	180.93	139.45
	<b>2,020.29</b>	<b>1,553.67</b>

**33.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS:**

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Statutory Auditors</b>		
Audit Fees	0.63	0.30
Tax Audit Fees (Current Year ₹ 12,500 for a Subsidiary Company)	-	-
Certification / Other Services	0.10	0.13
Reimbursement of Expenses	0.10	0.11
<b>Cost Auditors</b>		
Audit Fees	0.05	0.04
Certification / Other Services (Previous year ₹ 15,000)	0.01	-
Reimbursement of Expenses [₹ 20,628 (Previous year ₹ 13,086)]	-	-

**34. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)**

- a. Custom duty (including interest) ₹ 64.52 crore (As at 31.03.2018 ₹ 62.10 crore)
- b. Service Tax and Education Cess (including interest) ₹ 0.82 crore (as at 31.03.2018 ₹ Nil)
- c. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).
- (ii) In another matter, CCI vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

- 35.** Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 711.12 crore (As at 31.03.2018 ₹ 818.08 crore).
- 36.** The Company has principal investments of ₹ 171.33 crore in the Preference Shares of Infrastructure Leasing and Financial Services Limited and IL&FS Financial Services Ltd (referred to as "IL&FS Group") which are accounted at fair value through profit or loss as per Ind AS 109-Financial Instruments. In August 2018, credit rating agencies downgraded IL&FS Group's credit rating to junk status. Accordingly, the Company has accounted fair value loss of ₹ 178.13 crore during the year ended 31.03.2019.
- 37.** Capital work-in-progress includes directly attributable expenses of ₹ 88.55 crore (As at 31.03.2018 ₹ 115.05 crore) which includes depreciation of ₹ 7.01 crore (for Year ended 31.03.2018 ₹ 33.69 crore) on assets during construction period.

**38. ACQUISITION OF CONTROLLING EQUITY STAKE IN UNION CEMENT COMPANY PJSC (UCC)**

- A.** During the year, the Company has acquired voting equity stake of 97.61% in UCC, a company based in United Arab Emirates (U.A.E) on 11<sup>th</sup> July, 2018 through its step down subsidiary Shree International Holding Limited. UCC has clinker production capacity of 3.3 MTPA and cement production capacity of 4 MTPA. UCC is operating in U.A.E for more than 4 decades and has well established cement business. It has consistent track record of stable turnover and profits. The acquisition will help the Company establish its first footprint outside India and will be value accretive for the stakeholders of the Company.

**B. Fair Value of the consideration transferred**

The purchase consideration of ₹ 2,086.80 crore has been discharged by fund transfer into bank accounts of the sellers.

**C. Acquired Receivables**

As on the date of acquisition, gross contractual amount of the acquired trade receivables and other financial assets was ₹ 347.38 crore against which provision of ₹ 6.56 crore was considered. Fair value of the acquired receivables are equal to the net carrying value as on the date of acquisition.

**D. The fair value of identifiable assets and liabilities assumed as on the acquisition date:**

Particulars	₹ in Crore
Property, Plant and equipment	1,687.76
Intangible Assets	6.84
Other Non-Current Assets	0.50
Cash and Cash Equivalents	137.59
Inventories	239.13
Trade Receivables	331.23
Other Financial Assets	9.59
Other Current Assets	19.69
<b>Total Assets</b>	<b>2,432.33</b>
Trade payables	207.37
Other Financial Liabilities	29.01
Other Current Liabilities	6.26
Provisions	30.20
<b>Total Liabilities</b>	<b>272.84</b>
<b>Total Fair Value of Net Assets</b>	<b>2,159.49</b>

**E. Amount recognized as Capital Reserve**

(₹ in Crore)

Particulars	Amount
Fair Value of Net Assets Acquired	2,159.49
Less: Proportionate share of Non-Controlling interest	63.60
Less: Fair Value of the consideration transferred	2,086.80
<b>Capital Reserve</b>	<b>9.09</b>

**F. Non-Controlling Interest**

Amount of ₹ 63.60 crore recognized as non-controlling interest measured on the basis of proportionate share in the recognized amount of the acquiree's identifiable net assets at the acquisition date.

**G. Acquisition Related Costs**

Acquisition related costs of ₹ 22.69 crore (for the year ended 31.03.2018 ₹ 7.31 crore) have been recognized under other expenses in the Consolidated Statement of Profit and Loss.

**H. Revenue from operation of ₹ 813.80 crore and net profit of ₹ 63.59 crore from the acquired business since the acquisition date i.e. 11<sup>th</sup> July, 2018 included in the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019.****39. ACQUISITION OF 100% EQUITY STAKE IN RAIPUR HANDLING AND INFRASTRUCTURE PRIVATE LIMITED**

**A.** During the year, the Company has acquired 100% voting equity stake in the "Raipur Handling and Infrastructure Private Limited" (RH IPL), on 14<sup>th</sup> May, 2018 in order to have the perpetual benefits of various intangible assets and preferential usage of private freight terminal situated near to the cement plant of the Company in the state of Chhattisgarh.

**B. Fair Value of the consideration transferred**

The purchase consideration of ₹ 59.00 crore has been discharged by fund transfer into bank accounts of the sellers.

**C. Acquired Receivables**

As on the date of acquisition, gross contractual amount of the acquired Loans and Trade Receivables was ₹ 1.61 crore against which no provision was considered since fair value of the acquired receivables are equal to the net carrying value as on the date of acquisition.

**D. The fair value of identifiable assets and liabilities assumed as on the acquisition date:**

Particulars	₹ in Crore
Property, Plant and equipment	28.13
Intangible Assets	30.93
Investments	1.75
Loans	1.06
Non-Current Tax Assets (Net)	0.14
Cash and Cash Equivalents	0.11
Trade Receivables	0.55
Other Current Assets	0.22
<b>Total Assets</b>	<b>62.89</b>
Trade payables	1.17
Other Financial Liabilities	0.71
Other Current Liabilities	0.07
Deferred Tax Liability	0.19
<b>Total Liabilities</b>	<b>2.14</b>
<b>Total Fair Value of Net Assets</b>	<b>60.75</b>

**E. Amount recognized as Capital Reserve**

Particulars	₹ in Crore
Fair Value of Net Assets Acquired	60.75
Less: Fair Value of the consideration transferred	59.00
<b>Capital Reserve</b>	<b>1.75</b>

#### F. Acquisition Related Costs

Acquisition related costs of ₹ 0.15 crore have been recognized under other expenses in the Consolidated Statement of Profit and Loss.

G. Revenue from Operations of ₹ 1.89 crore and Net Profit of ₹ 1.08 crore from the acquired business since the acquisition date i.e. 14<sup>th</sup> May, 2018 included in the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019.

40. Consolidated Revenue from operation and Consolidated Profit for the year (excluding non-controlling interest share) as though the acquisition date for all business combination that occurred during the year had been as of the beginning of the reporting period i.e. 1<sup>st</sup> April, 2018:

Particulars	₹ in Crore
Consolidated revenue from operations	12,819.70
Consolidated profit for the year	987.41

41. The Consolidated Financial Results for the year ended 31<sup>st</sup> March, 2019 includes results of UCC and RHIPL. Hence, consolidated figures for the current year ended 31<sup>st</sup> March, 2019 are not comparable with the previous year consolidated figures.

#### 42. EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Capital	12.31	27.11
Revenue	19.76	16.42
<b>Total</b>	<b>32.07</b>	<b>43.53</b>

#### 43. EMPLOYEE BENEFITS (REFER NOTE 30)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Superannuation Fund	8.05	7.94
Provident Fund (Includes contribution to PF trust ₹ 4.36 crore (₹ 3.66 crore for the year ended 31.03.2018))	46.36	39.61
National Pension Scheme	2.27	1.73
Retirement Pension and Social Security Scheme	1.74	-
ESIC	0.14	0.11
<b>Total</b>	<b>58.56</b>	<b>49.39</b>

(b) Defined Benefit Plan

- (i) **Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.
- (ii) **End of Service Benefit**- End of service benefit is payable to Non U.A.E National employees (in subsidiary companies based in U.A.E) based on the employee' service and last drawn salary at the time of leaving the services of the Group and in accordance with the rule of the Group for payment of end of service benefit. The scheme is unfunded.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	Gratuity (Funded)		End of Service Benefit (Unfunded)
	For the Year ended 31.03.2019	For the Year ended 31.03.2018	For the Year ended 31.03.2019
<b>Changes in Defined Benefit Obligations:</b>			
Present value of defined benefit obligation at the beginning of the year	210.62	183.20	-
Liabilities assumed on business combination	-	-	24.34
Current service cost	22.47	21.29	1.84
Interest cost	16.32	14.20	0.50
Re-measurements (gains)/losses	(4.22)	(2.78)	(0.49)
Benefits paid	(6.22)	(5.29)	(2.55)
Foreign currency translation	-	-	0.14
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>238.97</b>	<b>210.62</b>	<b>23.78</b>
<b>Change in Plan Assets:</b>			
Fair value of plan assets at the beginning of the year	210.44	183.03	-
Expected Return on Plan Assets	16.30	15.20	-
Re-measurements gains/(losses)	0.83	0.49	-
Contribution by employer	17.46	17.01	2.55
Benefits paid	(6.22)	(5.29)	(2.55)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>238.81</b>	<b>210.44</b>	<b>-</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>			
Current service cost	22.47	21.29	1.84
Interest cost	16.32	14.20	0.50
Expected return on plan assets	(16.30)	(15.20)	-
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>22.49</b>	<b>20.29</b>	<b>2.34</b>
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>			
Return on plan assets, (excluding amount included in net Interest expense)	(0.83)	(0.49)	-
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	(13.38)	6.26	(1.82)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	9.16	(9.04)	1.33
<b>Total recognized in Other Comprehensive Income</b>	<b>(5.05)</b>	<b>(3.27)</b>	<b>(0.49)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>17.44</b>	<b>17.02</b>	<b>1.85</b>
<b>Amount recognized in the Balance Sheet consists of</b>			
Present Value of Defined Benefit Obligation	238.97	210.62	23.78
Fair Value of Plan Assets	238.81	210.44	-
Net Liability	0.16	0.18	23.78
<b>The Major Categories of Plan Assets as a % of Total Plan</b>			
Qualifying Insurance Policy	100%	100%	NA

**The Principal actuarial assumption used:**

Particulars	Gratuity (Funded)		End of Service Benefit (Unfunded)
	For the Year ended 31.03.2019	For the Year ended 31.03.2018	For the Year ended 31.03.2019
Discount rate	7.75% per annum	7.75% per annum	3.00% per annum
Salary Growth Rate	13.07% per annum	13.61% per annum	2.67% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.75% per annum	7.75% per annum	NA
Withdrawal rate (Per Annum)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)	2.00% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)	5.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)	3.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

The Gratuity scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:

**Gratuity (Funded)-**

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation- Funded (₹ in Crore)	(26.06)	31.09	29.22	(25.14)	(8.70)	10.04

**End of Service Benefit (Unfunded)-**

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation- Unfunded (₹ in Crore)	(2.03)	2.40	2.39	(2.05)	0.06	(0.06)

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:

**Gratuity (Funded)-**

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(23.33)	28.10	26.26	(22.41)	(9.10)	10.55

The Company expects to contribute ₹ 19 Crore (Previous Year ₹ 18 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation are as follows:

Gratuity - as at 31.03.2019 is 14 years (as at 31.03.2018: 14 years).

End of Service Benefit- as at 31.03.2019 is 16 Years.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

(₹ in Crore)

Particulars	Gratuity (Funded)	End of Service Benefit (Unfunded)
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	13.68	4.54
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	12.51	1.37
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	11.14	1.34
01 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	10.11	1.67
01 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024	11.17	1.18
01 <sup>st</sup> April 2024 Onwards	180.37	13.68

**(c) Provident fund managed by a trust set up by the Company:**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2019.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Plan assets at year end, at fair value	69.24	55.35
Present value of defined obligation at year end	69.24	55.35
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Discount Rate	6.50%	7.00%
Expected Guaranteed Interest Rate	8.65%	8.55%
Expected Rate of Return on Assets	8.65%	8.60%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 20.82 crore (₹ 14.87 crore for Year ended 31.03.2018).

**44. PROVISION FOR MINES RECLAMATION EXPENSES**

(₹ in Crore)

Particulars	2018-19	2017-18
<b>Opening Balance</b>	<b>6.65</b>	<b>6.38</b>
Add: Provision made during the year (Refer Note 33)	0.56	0.70
Add: Unwinding of Discount of Provision (Refer Note 32)	0.50	0.48
Less: Utilized during the year	0.48	0.91
<b>Closing Balance</b>	<b>7.23</b>	<b>6.65</b>

## 45. SEGMENT REPORTING

- A. The Company has two reportable segments, namely Cement and Power.  
Revenue, Results and other information:

(₹ in Crore)

Particulars	2018-19				2017-18			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	11,752.77	801.88	-	12,554.65	9,726.52	433.01	-	10,159.53
Inter Segment Revenue	-	1,182.25	(1,182.25)	-	-	1,017.06	(1,017.06)	-
<b>Total Revenue</b>	<b>11,752.77</b>	<b>1,984.13</b>	<b>(1,182.25)</b>	<b>12,554.65</b>	<b>9,726.52</b>	<b>1,450.07</b>	<b>(1,017.06)</b>	<b>10,159.53</b>
<b>Results</b>								
Segment Results (Profit before Exceptional Items, Finance Costs and Tax)	529.65	799.09	-	1,328.74	958.97	672.54	-	1,631.51
Add: Un-allocated Income								
Interest Income				165.27				209.26
Dividend Income				52.84				82.52
Fair Value gain/(loss) on FVTPL Financial Assets				14.84				2.68
Net Gain on Sale of Investments				9.94				36.43
Less: Exceptional Items				178.13				-
Less: Finance Costs				247.86				135.27
<b>Profit Before Tax</b>				<b>1,145.64</b>				<b>1,827.13</b>
Less : Tax Expenses				130.59				442.98
<b>Profit After Tax</b>				<b>1,015.05</b>				<b>1,384.15</b>
Segment Assets	10,978.97	980.99	-	11,959.96	7,899.85	785.31	-	8,685.16
Un-allocated Assets				3,533.09				6,456.51
<b>Total Assets</b>				<b>15,493.05</b>				<b>15,141.67</b>
Segment Liabilities	2,019.48	146.61	-	2,166.09	2,005.16	263.63	-	2,268.79
Un-allocated Liabilities and Provisions				3,593.73				3,976.22
<b>Total Liabilities</b>				<b>5,759.82</b>				<b>6,245.01</b>
Depreciation and Amortization	1,299.97	171.84	-	1,471.81	852.77	46.63	-	899.40
Capital expenditure	1,621.45	404.17	-	2,025.62	2,456.04	199.55	-	2,655.59
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

### Reconciliation of Assets:

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Segment Assets</b>	<b>11,959.96</b>	<b>8,685.16</b>
Investments (Current & Non Current)	2,285.63	5,434.08
Cash and Cash Equivalents	142.20	51.77
Bank Balances other than Cash and Cash Equivalents	297.09	69.20
Derivative Financial Instruments	22.73	3.80
Fixed Deposits with Banks (maturity more than 12 months)	-	200.00
Interest Accrued on Bonds, Debentures and Deposits	58.32	74.27
Other Current Financial Assets - Others	3.47	10.06
Deferred Tax Assets (Net)	612.64	513.05
Non- Current Tax Assets (Net)	111.01	100.28
<b>Total Assets</b>	<b>15,493.05</b>	<b>15,141.67</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Segment Liabilities</b>	<b>2,166.09</b>	<b>2,268.79</b>
Borrowings (Current & Non Current)	2,781.71	3,393.99
Deferred Tax Liabilities (Net)	0.25	-
Current maturities of Long Term Debt & Lease Obligation	20.96	8.99
Interest Accrued but not Due on Borrowings	5.93	6.50
Security Deposits from Customers, Vendors & Others (Current & Non Current)	612.51	499.96
Liabilities for Current Tax (Net)	22.25	22.25
Unpaid Dividends	14.88	3.74
Derivative Financial Instruments (Current & Non Current)	135.24	40.79
<b>Total Liabilities</b>	<b>5,759.82</b>	<b>6,245.01</b>

B. Geographical information are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>Revenue from Operations</b>		
Within India	11,650.82	10,037.97
Outside India	903.83	121.56
<b>Total</b>	<b>12,554.65</b>	<b>10,159.53</b>
<b>Non- Current Assets</b>		
Within India	6,056.25	5,456.24
Outside India	1,660.06	-
<b>Total</b>	<b>7,716.31</b>	<b>5,456.24</b>

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

**46. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)****Relationships:****(a) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:**

- |  |  |
|--|--|
| (i) The Kamla Company Limited                    | (x) Didwana Investment Co. Ltd           |
| (ii) Shree Capital Services Ltd.                 | (xi) Ragini Finance Limited              |
| (iii) Aqua Infra Project Limited                 | (xii) Western India Commercial Co. Ltd   |
| (iv) Alfa Buildhome Pvt. Ltd.                    | (xiii) Mannakrishna Investment Pvt. Ltd  |
| (v) Rajasthan Forum                              | (xiv) Digvijay Finlease Limited          |
| (vi) The Bengal                                  | (xv) Asish Creations Private Limited     |
| (vii) Sant Parmanand Hospital                    | (xvi) Didu Investments Pvt. Ltd          |
| (viii) N.B.I. Industrial Finance Company Limited | (xvii) The Venkatesh Company Limited     |
| (ix) Rajesh Vanijya Private Limited              | (xviii) Newa Investments Private Limited |

**(b) Key Management Personnel:**

- |                            |   |
|----------------------------|---|
| (i) Shri H. M. Bangur      | Managing Director                       |
| (ii) Shri Prashant Bangur  | Joint Managing Director                 |
| (iii) Shri P. N. Chhangani | Whole Time Director (w.e.f. 30.07.2018) |

**(c) Relatives to Key Management Personnel:**

- |                       |                            |
|-----------------------|----------------------------|
| (i) Shri B. G. Bangur | Father of Shri H.M. Bangur |
|-----------------------|----------------------------|

**(d) Post Employment Benefit Plan Trust:**

- |   |  |
|---|--|
| (i) Shree Cement Staff Provident Fund             | (iii) Shree Cement Ltd., Superannuation Scheme |
| (ii) Shree Cement Employees Group Gratuity Scheme |  |

**Disclosure of Related Party Transactions:****(a) Details of transactions with related parties:**

(₹ in Crore)

Particulars	2018-19	2017-18
<b>Sale of Goods/Material</b>		
- Entities controlled/ influenced by KMP	0.01	0.13
<b>Services Received</b>		
- Entities controlled/ influenced by KMP	1.76	1.23
<b>Payment of office rent</b>		
- Entities controlled/ influenced by KMP	2.77	2.60
<b>Purchase of spares</b>		
- Entities controlled/ influenced by KMP	0.01	-
<b>Contributions towards social activities</b>		
- Entities controlled/ influenced by KMP	0.69	0.85
<b>Reimbursement Towards Purchase of equity shares of a subsidiary</b>		
- Entities controlled/ influenced by KMP	59.00	-
<b>Reimbursement of Expenses</b>		
- Entities controlled/ influenced by KMP	0.15	-
<b>Security deposit given</b>		
- Entities controlled/ influenced by KMP	-	0.18

**(b) Details of balances with related parties**

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Security deposit receivable</b>		
- Entities controlled/ influenced by KMP	0.63	0.63

**(c) Key Management Personnel:**

(₹ in Crore)

Particulars	2018-19	2017-18
Short Term Benefits	68.55	59.54
Post - Employment Benefits*	3.31	2.52
<b>Total</b>	<b>71.86</b>	<b>62.06</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(d) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2018-19	2017-18
Director Commission, Sitting Fee and Reimbursement of Expenses	0.46	0.38

**(e) Refer note 43 for information on transactions with post-employment benefit plans.**

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for receivables relating to related parties.

**47. EFFECTIVE TAX RECONCILIATION**

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Profit Before Tax	1,145.64	1,827.13
Applicable Statutory Enacted Income Tax Rate	34.944%	34.608%
Computed Tax Expense	400.33	632.33
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(4.67)	(14.23)
Items (Net) not Deductible for Tax/not Liable to Tax	(252.30)	(189.93)
Tax losses Unutilized / Items Taxed at Different Rate	(5.39)	(13.44)
Tax Expense Relating to Earlier Years (Net)	(2.69)	0.30
Others	(4.69)	27.95
<b>Income Tax Expense Reported</b>	<b>130.59</b>	<b>442.98</b>

48. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes as per Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>Opening Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>3,384.73</b>	<b>1,270.34</b>
Changes from Financing cash flows (excluding interest and dividend payment)	(759.14)	2,035.33
The effect of changes in foreign exchange rates	149.76	67.17
Others (includes new finance lease, finance charge thereon and amortization of transaction cost on borrowings)	2.84	11.89
<b>Closing Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>2,778.19</b>	<b>3,384.73</b>

**49. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2019 compare to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity (net of deferred tax assets and deferred tax liabilities) and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Share Capital	34.84	34.84
Other Equity (net of Deferred tax Assets and Deferred Tax Liabilities)	9,023.52	8,348.77
Total Equity	9,058.36	8,383.61
Long Term Debt (Including Current Maturities)	2,330.00	2,217.12
<b>Debt to Equity Ratio</b>	<b>0.26</b>	<b>0.26</b>

## 50. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	487.96	487.96	3,124.54	3,124.54
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.01	0.01	3.80	3.80
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	22.72	22.72	-	-
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	1,797.67	1,829.33	2,309.54	2,381.06
Loans	62.93	62.93	56.60	56.60
Trade Receivables	1,023.71	1,023.71	459.25	459.25
Cash and Cash Equivalents and Other Bank Balances	439.29	439.29	120.97	120.97
Other Financial Assets	111.87	111.87	289.19	296.34
<b>Total Financial Assets</b>	<b>3,946.16</b>	<b>3,977.82</b>	<b>6,363.89</b>	<b>6,442.56</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	0.94	0.94	12.21	12.21
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	134.30	134.30	28.58	28.58
<b>Financial Liabilities Classified at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1,754.90	1,754.90	1,647.45	1,647.45
Non-Current Borrowings at Fixed Rate	554.14	543.66	560.68	561.66
Current Maturities of Long Term Debt	19.50	19.50	7.53	7.53
Current Maturities of Finance Lease Obligation	1.46	1.46	1.46	1.46
Short Term Borrowings	472.67	472.67	1,185.86	1,185.86
Trade Payables	538.19	538.19	727.28	727.28
Other Financial Liabilities	1,040.52	1,040.52	887.44	887.44
<b>Total Financial Liabilities</b>	<b>4,516.62</b>	<b>4,506.14</b>	<b>5,058.49</b>	<b>5,059.47</b>

### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.
- The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.
- The fair values of mutual funds are at published Net Asset Value (NAV).

**Fair Value Hierarchy**

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

**Assets and Liabilities Measured at Fair Value (Accounted)**

(₹ in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	261.91	-	-	261.91
Preference Shares	-	226.05	-	226.05
Derivatives not Designated as Hedges	-	0.01	-	0.01
Derivatives Designated as Hedges	-	22.72	-	22.72
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	0.94	-	0.94
Derivatives Designated as Hedges	-	134.30	-	134.30

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	2,514.14	-	-	2,514.14
Preference Shares	-	610.40	-	610.40
Derivatives not Designated as Hedges	-	3.80	-	3.80
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	12.21	-	12.21
Derivatives Designated as Hedges	-	28.58	-	28.58

**Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)**

(₹ in Crore)

Particulars	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1,829.33	-	1,829.33
Loans	-	62.93	-	62.93
Other Financial Assets	-	111.87	-	111.87
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	543.66	-	543.66
Other Financial Liabilities	-	1,040.52	-	1,040.52

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,381.06	-	2,381.06
Loans	-	56.60	-	56.60
Other Financial Assets	-	296.34	-	296.34
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	561.66	-	561.66
Other Financial Liabilities	-	887.44	-	887.44

During the year ended 31.03.2019 and 31.03.2018, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2019 and 31.03.2018, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivative Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

**Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

**51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

**Market risk and sensitivity**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2019 and 31.03.2018.

The sensitivity analysis excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The Company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates. The Company has taken External Commercial Borrowings of USD 25 crore on 28.03.2018 for which there was no forward cover taken against the exposure of currency risk as on 31.03.2018. The Company has taken currency swaps for External Commercial Borrowings of USD 25 crore during the current year and designated as cash flow hedges.

**Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates. There is no buyer's credit outstanding as at 31.03.2019.

The Company's policy is to manage its floating interest rate on foreign currency loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2019</b>		
US Dollar Borrowings	+50	-
	-50	-
<b>31.03.2018</b>		
US Dollar Borrowings	+50	(0.71)
	-50	0.71

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

#### Foreign currency risk and sensitivity

The Company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses cross currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrates the sensitivity in the USD, JPY, EURO, GBP and CHF to the Indian Rupee with all other variable held constant.

#### For the Year ended 31.03.2019

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(2.14)	0.70	0.03	(0.01)	0.05
-5%	2.14	(0.70)	(0.03)	0.01	(0.05)

#### For the Year ended 31.03.2018

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(98.13)	1.79	0.12	(0.01)	0.14
-5%	98.13	(1.79)	(0.12)	0.01	(0.14)

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances, security deposits, bank guarantee, letter of credits and security cheques from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables are as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at 31.03.2019</b>					
Secured	366.03	73.13	4.08	0.91	444.15
Unsecured	368.40	164.49	47.01	7.72	587.62
<b>Gross Total</b>	<b>734.43</b>	<b>237.62</b>	<b>51.09</b>	<b>8.63</b>	<b>1,031.77</b>
Allowance for doubtful trade receivables					8.06
<b>Net Total</b>	<b>734.43</b>	<b>237.62</b>	<b>51.09</b>	<b>8.63</b>	<b>1,023.71</b>
<b>As at 31.03.2018</b>					
Secured	222.02	47.85	3.32	0.80	273.99
Unsecured	142.63	36.09	0.56	6.88	186.16
<b>Gross Total</b>	<b>364.65</b>	<b>83.94</b>	<b>3.88</b>	<b>7.68</b>	<b>460.15</b>
Allowance for doubtful trade receivables					0.90
<b>Net Total</b>	<b>364.65</b>	<b>83.94</b>	<b>3.88</b>	<b>7.68</b>	<b>459.25</b>

**Movement in Allowance for Doubtful Trade Receivables are given below:**

(₹ in Crore)

Particulars	2018-19	2017-18
<b>Opening Balance</b>	<b>0.90</b>	<b>0.47</b>
Add: On Account of Business Combination	6.56	-
Add: Effect of exchange rate on consolidation of Foreign Subsidiaries	0.03	-
Add: Provision made during the year (Refer note 33)	0.57	0.43
Less: Utilized during the year	-	-
<b>Closing Balance</b>	<b>8.06</b>	<b>0.90</b>

#### Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 3,946.16 crore as at 31.03.2019 and ₹ 6,363.89 crore as at 31.03.2018, which is the carrying amounts of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

#### Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

As at 31.03.2019

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	492.17	2,120.31	192.14	2,804.62
Finance Lease Obligation	1.52	6.08	1.37	8.97
Trade Payables	538.19	-	-	538.19
Derivative Financial Instruments	0.94	119.23	15.07	135.24
Other Financial Liabilities	440.62	599.90	-	1,040.52
<b>Total</b>	<b>1,473.44</b>	<b>2,845.52</b>	<b>208.58</b>	<b>4,527.54</b>

As at 31.03.2018

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	1,193.39	1,364.78	849.19	3,407.36
Finance Lease Obligation	1.52	6.08	2.88	10.48
Trade Payables	727.28	-	-	727.28
Derivative Financial Instruments	12.21	14.09	14.49	40.79
Other Financial Liabilities	390.47	496.97	-	887.44
<b>Total</b>	<b>2,324.87</b>	<b>1,881.92</b>	<b>866.56</b>	<b>5,073.35</b>

## 52. DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative financial instrument outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2019	As at 31.03.2018
Forward Contracts	Buyers Credit	USD	-	15.65
		USD	0.01	0.28
	Imports	JPY	22.08	56.84
		EURO	0.08	0.03
		CHF	0.01	0.04
Cross Currency & Interest Rate Swaps	ECB	USD	8.00	8.00
	ECB	SGD	9.81	9.81
Interest Rate Swaps	ECB	USD	17.50	17.50
Cross currency swaps	ECB	USD	25.00	-

### Cross Currency & Interest Rate Swaps and Interest Rate Swaps

The objective of cross currency & interest rate swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

- An economic relationship between the hedged item and the hedging instrument
- The effect of credit risk
- Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and interest rate swaps to hedge its currency and interest risk and generally applies hedge ratio of 1:1. Refer Note 20 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above swaps are as under:

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Asset	Liability	Asset	Liability
Cross Currency and Interest Rate Swap	22.72	134.30	-	28.58

The movement of Effective Portion of Cash Flow Hedges are shown below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>Opening Balance</b>	<b>(13.67)</b>	<b>(10.52)</b>
Gain/(loss) recognized on cash flow hedges	(164.59)	(35.37)
Income tax relating to gain/(loss) recognized on cash flow hedges	57.52	12.36
Reclassified to Statement of Profit and Loss#	129.54	30.45
Income tax relating to Reclassified to Statement of Profit and Loss	(45.27)	(10.64)
Effect of change in tax rate	-	0.05
<b>Closing Balance</b>	<b>(36.47)</b>	<b>(13.67)</b>

# ₹48.69 crore (Previous year ₹ (0.54) crore) to Foreign Exchange Rate Differences and ₹ 80.85 crore (Previous Year ₹ 30.99 crore) to Finance Cost.

#### Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases. There is no buyer's credit outstanding as at 31.03.2019.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

The fair value of foreign currency forward contracts are as under:

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	0.01	0.94	3.80	12.21

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 9.33 crore for the Year ended 31.03.2019 (₹ 5.95 crore for the Year ended 31.03.2018).

### 53. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged / hypothecated as collateral/security against the borrowings. Refer Note 20 and 25.

### 54. EARNINGS PER SHARE (EPS)

#### A. Basic and Diluted EPS:

Particulars		2018-2019	2017-2018
Profit or Loss attributable to the Owners of the Company	₹ in crore	1,006.39	1,384.15
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share - Basic and Diluted	₹	288.88	397.32

**B. Cash EPS :** (Profit for the year attributable to the Owners of the Company+ Depreciation and Amortisation Expense (Net of ₹ 1.82 crore of Non-Controlling Interest)+Deferred Tax+ Exceptional Items)/ Weighted average number of equity shares outstanding.

**55.** Previous year figures have been regrouped and rearranged wherever necessary.

**56.** Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

**57.** Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures (Form AOC-1-Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part -A Subsidiaries**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of share holding
1	Shree Global Pte. Ltd.*	USD	-	-	-	-	-	-	(0.03)	-	(0.03)	-	-
2	Shree Global FZE	AED	2,100.19	3.38	2,103.61	0.04	2,098.93	53.11	3.52	-	3.52	-	100.00%
3	Shree Enterprises Management Ltd.	AED	17.98	(0.05)	18.05	0.12	17.98	-	(0.05)	-	(0.05)	-	100.00%
4	Shree International Holding Ltd	AED	34.59	2,063.50	2,098.44	0.35	2,098.23	-	(0.85)	-	(0.85)	-	100.00%
5	Union Cement Company PJSC^	AED	1,260.88	575.05	1,991.03	155.10	2.83	781.03	58.53	-	58.53	-	97.61%
6	Union Cement Norcem Company Limited L.L.C.^	AED	4.71	19.21	34.34	10.42	-	84.68	18.30	-	18.30	-	60%
7	Raipur Handling and Infrastructure Private Limited@	INR	1.05	13.13	17.59	3.41	0.06	3.59	1.30	0.22	1.08	-	100.00%

\*Liquidated w.e.f. 11.03.19.

^Profit and Loss Items pertains to the period from 11<sup>th</sup> July, 2018 to 31<sup>st</sup> March, 2019.

@ Profit and Loss Items pertains to the period from 14<sup>th</sup> May, 2018 to 31<sup>st</sup> March, 2019.

Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used.

Currency	Balance Sheet (Closing rate)
Arab Emirates Dirham (AED)- Indian Rupee	18.835

**Part B** of the Form AOC-I is not applicable as there are no associate companies/ Joint Ventures of the Company as on 31.03.2019.

**58.** Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/ Associates/Joint Ventures

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ in Crore	As % of Consolidated Profit or (Loss)	₹ in Crore	As % of Consolidated Other Compre- nsive Income	₹ in Crore	As % of Consolidated Total Comprehensive Income	₹ in Crore
<b>Parent</b>								
Shree Cement Limited	98.60%	9,597.39	93.69%	951.05	161.70%	(19.51)	92.88%	931.54
<b>Subsidiaries - Indian</b>								
Raipur Handling and Infrastructure Private Limited	0.15%	14.18	0.11%	1.08	-	-	0.11%	1.08
<b>Subsidiaries - Foreign</b>								
Shree Global Pte. Limited*	-	-	-	(0.03)	-	-	-	(0.03)
Shree Global FZE	21.61%	2,103.57	0.35%	3.52	-	-	0.35%	3.52
Shree Enterprises Management Ltd.	0.18%	17.93	(0.01)%	(0.05)	-	-	(0.01)%	(0.05)
Shree International Holding Ltd.	21.56%	2,098.09	(0.08)%	(0.85)	-	-	(0.08)%	(0.85)
Union Cement Company PJSC	18.86%	1,835.93	5.77%	58.53	(4.06)%	0.49	5.88%	59.02
Union Cement Norcem Company Limited L.L.C.	0.25%	23.92	1.80%	18.30	-	-	1.82%	18.30
Non- Controlling Interests in all Subsidiaries	0.64%	62.48	0.85%	8.66	(0.78)%	0.09	0.87%	8.75
Adjustment due to consolidation	(61.85)%	(6,020.25)	(2.48)%	(25.16)	(56.86)%	6.86	(1.82)%	(18.30)
<b>TOTAL</b>	<b>100.00%</b>	<b>9,733.23</b>	<b>100.00%</b>	<b>1,015.05</b>	<b>100.00%</b>	<b>(12.07)</b>	<b>100.00%</b>	<b>1,002.98</b>

\*Liquidated w.e.f. 11.03.2019.

**59. EVENT OCCURRING AFTER THE BALANCE SHEET DATE**

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2019 (Note 1)	As at 31.03.2018 (Note 2)
Dividend Proposed for Equity Shareholders	121.93	104.51
Dividend Tax	25.06	21.48
<b>Total</b>	<b>146.99</b>	<b>125.99</b>

Note 1 : ₹ 35 per share for FY 2018-2019

Note 2 : ₹ 30 per share for FY 2017-2018

**60.** Information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: (₹ in Crore)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(a)	(i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	2.11	7.50
	(ii) The interest due on above	-	-
	The total of (i) & (ii)	2.11	7.50
(b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
(d)	The amounts of interest accrued and remaining unpaid at the end of accounting year	-	-
(e)	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 Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**61. LEASES**

**(a) Finance Lease (Land) - Company as lessee**

(₹ in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Minimum Lease Payments	Present Value of Minimum Lease Payment	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within One year	1.52	1.46	1.52	1.46
After one year but not more than five years	6.08	4.72	6.08	4.86
More than five years	1.37	0.84	2.88	1.59
<b>Total minimum lease payments</b>	<b>8.97</b>	<b>7.02</b>	<b>10.48</b>	<b>7.91</b>
Less: Amounts representing finance charges	1.95		2.57	
<b>Present Value of Minimum Lease payments</b>	<b>7.02</b>		<b>7.91</b>	

**(b) Operating Leases - Company as lessee**

(a) Future minimum rental payables under non- cancellable operating lease- Land

(₹ in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Within One year	3.77	-
After one year but not more than five years	15.07	-
More than five years	167.73	-

(b) General Description of Leasing Agreements:

- (i) Leased Assets- Land, residential premises, office premises and warehouses
- (ii) Future Lease rentals are determined on the basis of agreed terms
- (iii) Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N  
**Mukesh Dua**  
Partner  
Membership No. 085323

Place : Kolkata  
Date : 18<sup>th</sup> May, 2019

Signature to Note 1 to 61

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

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# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHREE CEMENT LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing

specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matters

The comparative standalone Ind AS financial statements of the Company for financial year ended on 31<sup>st</sup> March, 2017 included in these standalone financial statements have been audited by predecessor auditors whose report for the year ended on 31<sup>st</sup> March, 2017 dated May 16<sup>th</sup>, 2017 expressed an unmodified opinion on those financial statements.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long term contracts including any 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.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: New Delhi  
Date : 28<sup>th</sup> April, 2018

## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- 2) In respect of its inventories:
  - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company are as follows:

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit on Inputs	1.71	2005-06 to 2007-08 & 2012-13 to 2016-17	Commissioner (Appeals) of Central Excise
	Cenvat credit on capital goods	0.03	2009-10	Rajasthan High Court, Jaipur
Finance Act, 1994	Credit of Service Tax	0.22	2011-12	Commissioner (Appeals) of Central Excise
	Credit of Service Tax	0.56	2011-12 to 2015-16	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (A)</b>		<b>2.52</b>		

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(B) Customs Duty</b>				
Customs Act, 1962	Custom Duty Valuation	15.75	2008-09 to 2009-10 & 2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>15.75</b>		
<b>(C) Sales Tax</b>				
Central Sales Tax Act, 1956	Partial Exemption Claim including interest	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
Central Sales Tax Act, 1956	Interest demand on CST	14.98	2007-08	DC (Appeal), Ajmer
Rajasthan VAT Act, 2003	Interest demand on VAT	7.36	2007-08	DC (Appeal), Ajmer
<b>Total (C)</b>		<b>24.58</b>		
<b>Grand Total (A+B+C)</b>		<b>42.85</b>		

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: New Delhi  
Date : 28<sup>th</sup> April, 2018

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## Annexure 'B' to the Independent Auditors' Report

**(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)**

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31<sup>st</sup> March, 2018 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

Place: New Delhi  
Date : 28<sup>th</sup> April, 2018

**Mukesh Dua**  
Partner  
Membership No. 085323

# BALANCE SHEET as at 31<sup>st</sup> March, 2018

(₹ in Crore)

	Note	As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	3,577.11	2,586.34
Capital Work-in-Progress	35	1,427.15	710.44
Intangible Assets	7	12.07	12.78
<b>Financial Assets</b>			
Investments	8	3,123.29	3,388.48
Loans	9	48.81	43.59
Other Financial Assets	10	200.00	200.00
Deferred Tax Assets (Net)	11	513.05	507.69
Non-Current Tax Assets (Net)		100.28	20.28
Other Non-Current Assets	12	439.91	414.44
		9,441.67	7,884.04
<b>Current Assets</b>			
Inventories	13	1,569.02	1,314.50
<b>Financial Assets</b>			
Investments	14	2,311.04	654.12
Trade Receivables	15	459.25	335.12
Cash and Cash Equivalents	16	51.70	45.40
Other Bank Balances other than Cash and Cash Equivalents	17	69.20	65.60
Loans	9	7.77	5.48
Other Financial Assets	10	92.99	87.22
Other Current Assets	12	1,139.19	774.63
		5,700.16	3,282.07
<b>Total Assets</b>		<b>15,141.83</b>	<b>11,166.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	34.84	34.84
Other Equity		8,861.99	7,663.30
		8,896.83	7,698.14
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	2,208.13	518.74
Other Financial Liabilities	20	525.55	365.58
Provisions	21	7.61	7.28
Other Non-Current Liabilities	22	536.57	587.36
		3,277.86	1,478.96
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	1,185.86	773.74
Trade Payables	24	727.27	351.68
Other Financial Liabilities	20	411.67	386.11
Other Current Liabilities	22	619.15	475.29
Provisions	21	0.94	0.85
Current Tax Liabilities (Net)		22.25	1.34
		2,967.14	1,989.01
<b>Total Equity and Liabilities</b>		<b>15,141.83</b>	<b>11,166.11</b>
Significant Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

**Subhash Jajoo**  
Chief Finance Officer

## STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

	Note	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Revenue from Operations	25	10,159.53	9,661.66
Other Income	26	389.05	361.77
		<b>10,548.58</b>	<b>10,023.43</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	769.06	680.66
Changes in Inventories of Finished Goods and Work-in-Progress	28	1.29	(53.48)
Excise Duty on Sales		326.43	1,067.36
Employee Benefits Expense	29	588.05	537.18
Power and Fuel		1,979.65	1,444.27
Freight and Forwarding Expenses	30	2,524.89	1,874.00
Finance Costs	31	135.27	129.42
Depreciation and Amortisation Expense	6 & 7	899.40	1,214.71
Other Expenses	32	1,553.64	1,623.45
		8,777.68	8,517.57
Captive Consumption of Cement [Net of Excise Duty ₹ 1.86 crore (Previous year ₹ 3.51 crore)]		(56.26)	(24.95)
		8,721.42	8,492.62
		<b>1,827.16</b>	<b>1,530.81</b>
<b>PROFIT BEFORE TAX</b>			
<b>Tax Expense</b>	42		
Current Tax		446.27	324.13
Tax Expense Relating to Earlier Years (Net)		0.30	2.13
Deferred Tax (Credit) / Charge		(3.59)	(134.56)
		442.98	191.70
		<b>1,384.18</b>	<b>1,339.11</b>
<b>PROFIT FOR THE YEAR</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss	38(b)	3.27	3.70
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.13)	(1.28)
Items that will be Reclassified to Profit or Loss	47	(4.92)	(3.88)
Income Tax relating to Items that will be Reclassified to Profit or Loss		1.77	1.34
		(1.01)	(0.12)
		<b>1,383.17</b>	<b>1,338.99</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)</b>			
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	49		
Cash		654.47	694.45
Basic and Diluted		397.33	384.39
Significant Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	For the Year ended 31.03.2018		For the Year ended 31.03.2017	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit Before Tax</b>		<b>1,827.16</b>		<b>1,530.81</b>
Adjustments For :				
Depreciation and Amortisation Expense	899.40		1,214.71	
Foreign Exchange Rate Differences (Net)	21.03		22.38	
Balances Written Back	(12.76)		(5.48)	
Provision No Longer Required	(42.13)		(9.53)	
Allowance for Doubtful Receivables (Net)	0.43		0.02	
Net Gain on Sale of Investments	(36.43)		(11.41)	
(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(2.68)		(24.67)	
Interest Income	(209.26)		(250.43)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(82.52)		(58.23)	
Profit on Sale of Property, Plant and Equipments (Net)/Assets Written Off	1.10		4.05	
Finance Costs	135.27	671.45	129.42	1,010.83
<b>Operating Profit Before Working Capital Changes</b>		<b>2,498.61</b>		<b>2,541.64</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	(509.92)		16.53	
(Increase) / Decrease in Inventories	(254.52)		(499.31)	
Increase / (Decrease) in Trade & Other Payables and Provisions	651.37	(113.07)	431.86	(50.92)
Cash Generated From Operations		<b>2,385.54</b>		<b>2,490.72</b>
Direct Taxes Paid (Net of Refunds)		(506.79)		(289.07)
<b>Net Cash From Operating Activities</b>		<b>1,878.75</b>		<b>2,201.65</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(2,525.13)		(1,280.90)	
Proceeds from Sale of Property, Plant and Equipments	1.56		1.60	
Payments for Intangible Assets	(2.68)		(15.35)	
Purchases of Investments in Bonds, Debentures and Preference Shares	(815.11)		(1,272.62)	
Proceeds from Sale/ Redemption of Bonds, Debentures & Preference Shares	913.91		369.50	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(1,931.72)		(221.58)	
Investments in a Subsidiary Company	-		(0.13)	
Investments in Bank Deposits	(65.08)		(61.85)	
Maturity of Bank Deposits	61.63		30.83	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.15)		(1.77)	
Dividend Received	95.70		37.70	
Interest Received (Including Interest on Zero Coupon Bonds)	672.34		366.67	
<b>Net Cash Used in Investing Activities</b>		<b>(3,594.73)</b>		<b>(2,047.90)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1,684.82	-
Repayment of Long Term Borrowings	-	(146.33)
Payment of Finance Lease Liabilities	(3.98)	-
Proceeds from Short Term Borrowings	1,009.27	629.60
Repayment of Short Term Borrowings	(660.16)	(45.82)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	5.38	8.02
Interest and Financial Charges Paid	(124.78)	(127.77)
Dividend and Tax Paid thereon (Interim, Special and Final)	(184.33)	(484.61)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>1,726.22</b>	<b>(166.91)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>10.24</b>	<b>(13.16)</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>23.21</b>	<b>36.37</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>33.45</b>	<b>23.21</b>

**Notes :**

- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Balances with Banks	51.14	44.66
Cash on Hand	0.56	0.74
	51.70	45.40
Less: Bank Overdra ft	18.25	22.19
	<b>33.45</b>	<b>23.21</b>

- Refer Note 43 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per amendment to Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## STATEMENT OF CHANGES IN EQUITY for the year ended 31<sup>st</sup> March, 2018

### A. EQUITY SHARE CAPITAL (Refer Note 18)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 31.03.2018	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

### B. OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	Reserves and Surplus				Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Opening Balance as at 01.04.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>5,000.00</b>	<b>2,632.29</b>	<b>(10.52)</b>	<b>7,663.30</b>
Profit for the Year				1,384.18		1,384.18
Other Comprehensive Income for the Year						
Re-measurements of the Defined Benefit Plans (Net of Tax)				2.14		2.14
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)					(3.15)	(3.15)
Transfer to /(from) Retained Earnings			500.00	(500.00)		-
Final Dividend on Equity Shares (Note 1 below)				(83.61)		(83.61)
Tax on Final Dividend				(17.02)		(17.02)
Interim Dividend on Equity Shares (Note 2 below)				(69.67)		(69.67)
Tax on Interim Dividend				(14.18)		(14.18)
<b>Closing Balance as at 31.03.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,334.13</b>	<b>(13.67)</b>	<b>8,861.99</b>

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

(₹ in Crore)

Particulars	Reserves and Surplus					Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings		
<b>Opening Balance as at 01.04.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.14</b>	<b>(7.98)</b>	<b>6,810.69</b>
Profit for the Year					1,339.11		1,339.11
Other Comprehensive Income for the Year							
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42		2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)						(2.54)	(2.54)
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-		-
Transfer to/(from) Retained Earnings				1,000.00	(1,000.00)		-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)		(55.74)
Tax on Interim Dividend					(11.34)		(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)		(348.37)
Tax on Special Dividend					(70.93)		(70.93)
<b>Closing Balance as at 31.03.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>5,000.00</b>	<b>2,632.29</b>	<b>(10.52)</b>	<b>7,663.30</b>

Note 1 : Final Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2016-17.

Note 2 : Interim Dividend declared at the rate of ₹ 20 per share of ₹ 10 each for FY 2017-18.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

## Nature of Reserves

### Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

### General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

### Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## Notes Forming Part of Financial Statements

### 1. Corporate Information

Shree Cement Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District-Ajmer-305901 (Rajasthan) India.

The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 18.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 28<sup>th</sup> April, 2018.

### 2. Statement of Compliance

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, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

### 3. Significant Accounting Policies

#### a) Basis of Preparation and Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments - note 3 (r)]
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

#### b) Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is 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.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an 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.

#### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing

mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition / bringing the asset to its working condition for its intended use.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to Statement of Profit and Loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as Capital advances under "other non-current assets".

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of purchase. Leasehold land classified as finance lease is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis upto the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the

asset and are recognized in the Statement of Profit and Loss when the asset is disposed and/or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

**e) Borrowing Costs**

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowings cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

**f) Impairment of Non-Financial Assets**

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

#### g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue is measured at fair value of consideration received or receivable.

- Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of Goods and Service Tax (GST)/sales tax/VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty till 30<sup>th</sup> June, 2017.
- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest Rate (EIR) method.

h) Insurance, Railway and other Claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt and are netted off from related expenses.

#### i) Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received. Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs. Grants related to an assets are

included in non-current liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

#### j) Employee Benefits

##### 1) Defined Contribution Plan

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (ESIC) are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

##### 2) Defined Benefit Plan

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### 3) Other Long Term Benefits

Encashable leave in case of employees covered by Cement Wage Board and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arises.

#### k) Foreign Currency Transaction

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

#### l) Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

#### m) Inventories

##### 1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the

finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

## 2) Work-in-progress and Finished goods

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty till 30<sup>th</sup> June, 2017. Cost is determined on a weighted average basis.

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

## n) Provisions and Contingencies

### 1) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

### Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

### 2) Contingencies

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the

existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

## o) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### 1) Assets Taken on Finance Lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 2) Operating Lease

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## p) Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

**q) Investments in Subsidiaries**

The Company has accounted for its investment in subsidiary at cost.

**r) Financial Instruments**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**1) Financial Assets**

**Initial Recognition and Measurement**

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, other financial assets and investments.

**Classification and Subsequent Measurement**

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

**a) Financial Assets at Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets at Fair Value Through Other Comprehensive Income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting

contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets at Fair Value Through Profit or Loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

**Impairment of Financial Assets**

Financial assets, other than those at Fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**2) Financial Liabilities**

**Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

**Classification and Subsequent Measurement**

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

**a) Financial liabilities at Fair Value Through Profit or Loss**

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

**b) Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest method.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

**3) Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation

in foreign currency exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

**s) Cash and Cash Equivalents**

Cash and Cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**t) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**4. Recent Accounting Pronouncements**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying following Ind AS:

- Ind AS 115-Revenue from Contracts with Customers

- Amendments to Ind AS 21-The Effects of Changes in Foreign Exchange Rates

These Ind AS are applicable to the Company from 1<sup>st</sup> April, 2018. The Company is evaluating the effects of the new Ind AS/amendments on its Financial Statements.

## 5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

### a) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

### b) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### c) Allowances for Uncollected Trade Receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade

receivables are written off when management deems them not to be collectible.

### d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

### e) Mines Reclamation Obligation

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

### f) Defined Benefit Plan

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. For sensitivity analysis refer note 38.

### g) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. 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.

**6. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Tangible Assets :</b>									
Free Hold Land	607.52	196.61	-	804.13	1.87	1.51	-	3.38	800.75
Lease Hold Land	284.59	20.86	-	305.45	8.33	7.10	-	15.43	290.02
Buildings	453.53	185.21	-	638.74	133.38	90.07	-	223.45	415.29
Plant and Equipment	3,173.53	1,494.59(a)	9.03	4,659.09	1,832.77	801.63	8.99	2,625.41	2,033.68
Railway Siding	23.42	-	-	23.42	7.41	3.66	-	11.07	12.35
Furniture and Fixtures	22.48	7.89	0.19	30.18	15.56	8.11	0.19	23.48	6.70
Office Equipment	31.85	10.33	2.92	39.26	20.21	14.18	2.90	31.49	7.77
Vehicles	19.97	10.56	4.22	26.31	11.02	8.77	4.03	15.76	10.55
<b>Total</b>	<b>4,616.89</b>	<b>1,926.05</b>	<b>16.36</b>	<b>6,526.58</b>	<b>2,030.55</b>	<b>935.03 (b)</b>	<b>16.11</b>	<b>2,949.47</b>	<b>3,577.11</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	For the Year	Deductions/ Adjustments During the Period	Up to 31.03.2017	As at 31.03.2017
<b>Tangible Assets :</b>									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84(a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipment	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
<b>Total</b>	<b>3,868.86</b>	<b>762.71</b>	<b>14.68</b>	<b>4,616.89</b>	<b>818.69</b>	<b>1,220.60(b)</b>	<b>8.74</b>	<b>2,030.55</b>	<b>2,586.34</b>

(a) Includes ₹ 27.11 crore (for Year ended 31.03.2017 ₹ 1.48 crore) for capital expenditure on research and development.

(b) Depreciation for the Year includes ₹ 39.02 crore (for the Year ended 31.03.2017 ₹ 8.46 crore) on assets during construction period.

(c) As on transition to Ind AS on 01.07.2015 the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

**7. INTANGIBLE ASSETS**

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Intangible Assets :</b>									
Computer Software	8.42	2.68	-	11.10	5.58	3.18	-	8.76	2.34
Mining Rights	10.08	-	-	10.08	0.14	0.21	-	0.35	9.73
<b>Total</b>	<b>18.50</b>	<b>2.68</b>	<b>-</b>	<b>21.18</b>	<b>5.72</b>	<b>3.39</b>	<b>-</b>	<b>9.11</b>	<b>12.07</b>

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Intangible Assets :</b>									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
<b>Total</b>	<b>3.15</b>	<b>15.35</b>	<b>-</b>	<b>18.50</b>	<b>3.15</b>	<b>2.57</b>	<b>-</b>	<b>5.72</b>	<b>12.78</b>

(a) As on transition to Ind AS on 01.07.2015 the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

## 8. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds and Non Convertible Debentures (NCD)</b>					
<b>National Bank for Agriculture and Rural Development (Refer Note 8.3)</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	-	-	180	0.33
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	-	-	180	0.33
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	-	-	460	0.83
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	-	-	65	0.11
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	-	-	2,54,660	441.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	-	-	11,800	20.35
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	-	-	16,160	27.54
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	-	-	1,26,845	215.02
<b>National Housing Bank (Refer Note 8.3)</b>					
Zero Coupon NHB Bonds - 24DC18	10,000	-	-	3,27,711	285.09
Zero Coupon NHB Bonds - 31MR19	10,000	-	-	83,760	71.27
<b>Indian Railway Finance Corporation Limited</b>					
8.00% IRFC Tax Free Bonds - 23FB22	1,000	20,000	2.12	-	-
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.06	150	15.07
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.04	100	10.05
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.25	8,00,000	82.63
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.16	250	25.19
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	259	26.51	159	15.94
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	505	52.80	105	10.67
8.10% IRFC Tax Free Bonds - 23FB27	1,000	1,60,502	18.24	-	-
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	100	10.87	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	10,57,000	113.52	3,60,000	38.04
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.83	50	5.94
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.96	5,50,000	56.02
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.41	5,11,350	52.47
<b>Power Finance Corporation</b>					
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.40	500	50.48
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.39	250	26.53
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	11.30	-	-
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.79	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.33	300	34.62
8.54% PFC Tax Free Bonds - 16NV28	1,000	68,167	8.04	-	-
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	15,01,271	152.38	14,66,095	149.04
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.55	2,50,000	27.90
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.07	250	25.08
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	380	38.78	330	33.57
8.30% NHAI Tax Free Bonds - 25JN27	1,000	54,086	6.20	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	278	32.69	250	29.69
8.50% NHAI Tax Free Bonds - 05FB29	1,000	3,35,300	39.54	2,50,000	29.57
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	365	39.66	100	10.45
7.35% NHAI Tax Free Bonds - 11JN31	1,000	8,76,022	96.67	1,42,849	14.28
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55
<b>Housing and Urban Development Corporation Limited</b>					
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,58,424	110.88	10,16,424	107.43
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.25	2,50,000	25.30
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	7.06	50	5.13

**8. NON-CURRENT INVESTMENTS** (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
7.07% HUDCO Tax Free NCD - 010T25	10,00,000	300	30.25	300	30.28
7.00% HUDCO Tax Free NCD - 090T25	10,00,000	120	12.23	100	10.12
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.35	2,80,066	28.38
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.97	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	107.87	4,30,000	46.81
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	13.06	-	-
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	5.26	-	-
8.73% HUDCO Tax Free Bonds - 24MR29	1,000	20,000	2.43	-	-
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.61	2,80,279	31.79
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	16,55,439	171.36	13,75,439	139.80
<b>India Infrastructure Finance Company Limited</b>					
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.22	150	15.26
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	8,50,000	86.26	6,50,000	65.51
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.15	50,000	5.17
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.24	50	5.28
8.01% IIFCL Tax Free Bonds - 12NV23	1,000	50,000	5.42	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	1,53,000	16.72	50,000	5.37
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	27.14	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.47	150	15.51
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	47.51	2,00,000	20.67
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.80	1,00,000	10.53
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	11.56	-	-
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	15.23	-	-
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.51	-	-
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.39	-	-
<b>Rural Electrification Corporation</b>					
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.21	250	25.25
7.22% REC Tax Free Bonds - 19DC22	1,000	50,000	5.21	-	-
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	5.16	-	-
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.87	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	21.11	150	17.56
8.46% REC Tax Free Bonds - 24SP28	1,000	3,00,000	35.01	1,50,000	17.56
<b>Indian Renewable Energy Development Agency Limited</b>					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.11	8,68,838	88.17
7.17% IREDA Tax Free Bonds - 010T25	10,00,000	150	15.72	150	15.76
<b>National Bank for Agriculture and Rural Development</b>					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08
<b>National Housing Bank</b>					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	350	40.84	150	17.58
<b>Canfin Homes Limited</b>					
8.41% Canfin Homes NCD - 30JN19	10,00,000	-	-	141	14.08
<b>Housing Development Finance Corporation Limited</b>					
8.75% HDFC NCD - 04MR21	1,00,00,000	-	-	50	50.42
<b>LIC Housing Finance Limited</b>					
8.75% LIC Housing NCD - 12FB21	10,00,000	-	-	630	63.52
9.30% LIC Housing NCD - 14SP22	10,00,000	-	-	150	15.49
<b>IL&amp;FS Financial Services Limited</b>					
8.75% ILFS NCD - 14JU21	1,000	-	-	1,45,000	14.50
<b>IDFC Bank Limited</b>					
8.70% IDFC NCD - 23JU25	10,00,000	-	-	500	50.59
<b>JK Lakshmi Cement</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	150	15.14	-	-
8.90% JK Lakshmi Cement Limited NCD - 06JN22	10,00,000	200	20.31	-	-

## 8. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Birla Corporation</b>					
9.25% Birla Corporation Limited NCD - 18AG26	10,00,000	400	41.97	-	-
<b>Total (A)</b>			<b>2,308.15</b>		<b>2,858.46</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited</b>					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	37.07	28,000	37.69
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	68.82	52,000	69.92
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	20.65	13,500	20.59
<b>IL&amp;FS Financial Services Ltd.</b>					
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	51.59	33,400	52.03
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 4 equal annual instalments from 5 <sup>th</sup> March, 2019 to 5 <sup>th</sup> March, 2022	8 (10 as on 31.03.17)	20,95,61,622	116.96	19,98,61,622	147.13
<b>In Units of Mutual Funds</b>					
ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan G Direct Plan Cumulative	10	3,50,00,000	35.51	-	-
ICICI Prudential Fixed Maturity Plan Series 82-1215 Days Plan H Direct Plan Cumulative	10	7,50,00,000	76.09	-	-
Aditya Birla Sun Life Fixed Term Plan-Series PC (1169 Days) Direct Growth	10	10,00,00,000	101.49	-	-
Kotak FMP Series 216 Direct - Growth	10	3,00,00,000	30.39	-	-
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>Tata Capital Limited</b>					
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 <sup>th</sup> August, 2021	1,000	10,00,000	100.48	10,00,000	101.29
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.62	4,00,000	40.88
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> September, 2023	1000	6,00,000	60.35	6,00,000	60.24
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 28 <sup>th</sup> July, 2024	1,000	7,50,000	74.87	-	-
<b>Total (B)</b>			<b>814.89</b>		<b>529.77</b>
<b>Investments at Cost (C)</b>					
<b>UNQUOTED</b>					
<b>Subsidiary Company</b>					
<b>Fully Paid Equity Shares</b>					
Shree Global Pte. Ltd.	1 USD	40,000	0.25	40,000	0.25
<b>Total (C)</b>			<b>0.25</b>		<b>0.25</b>
<b>TOTAL (A+B+C)</b>			<b>3,123.29</b>		<b>3,388.48</b>

**8.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds, Debentures, Preference shares and Mutual Funds	2,846.72	2,918.24	3,185.82	3,245.99
<b>Total</b>	<b>2,846.72</b>	<b>2,918.24</b>	<b>3,185.82</b>	<b>3,245.99</b>
<b>8.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>276.57</b>		<b>202.66</b>	
8.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.				

**9. FINANCIAL ASSETS - LOANS**

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Loans to Staff and Workers	6.09	4.77	4.63	3.39
Security Deposits (Refer Note 41)	42.72	38.82	3.14	2.09
	<b>48.81</b>	<b>43.59</b>	<b>7.77</b>	<b>5.48</b>

**10. FINANCIAL ASSETS - OTHERS**

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	2.59	2.55
Derivative Financial Instruments	-	-	3.80	-
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	74.27	57.07
Others	-	-	12.33	27.60
	<b>200.00</b>	<b>200.00</b>	<b>92.99</b>	<b>87.22</b>

10.1 Others include dividend receivable etc.

## 11. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at 31.03.2017	Recognised in P&L	Recognised in OCI	As at 31.03.2018
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	16.56	(16.56)	-	-
Expenses allowed for tax purpose when paid	203.01	(25.66)	-	177.35
Depreciation and Amortization	229.87	72.95	-	302.82
Cash Flow Hedges	5.57	-	1.77	7.34
MAT Credit Entitlement	73.08	(40.14)	-	32.94
Others	0.16	0.15	-	0.31
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	20.56	(12.85)	-	7.71
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>507.69</b>	<b>3.59</b>	<b>1.77</b>	<b>513.05</b>

## 12. OTHER ASSETS

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Advances to Suppliers and Contractors	-	-	96.21	50.47
Capital Advances	403.18	393.03	-	-
Assets Held for Disposal	-	-	0.11	0.13
Prepaid Expenses	-	-	5.51	3.86
Other Receivables	36.73	21.41	1,037.36	720.17
	<b>439.91</b>	<b>414.44</b>	<b>1,139.19</b>	<b>774.63</b>

12.1 Other receivables includes GST/Sales tax, Cenvat credit, Government grants and other dues from Government etc.

## 13. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Materials [Includes in transit ₹ 8.31 crore (As at 31.03.2017 ₹ 3.55 crore)]	47.76	31.23
Fuel [Includes in transit ₹ 484.03 crore (As at 31.03.2017 ₹ 397.39 crore)]	770.82	632.34
Stores and Spares	485.63	396.91
Packing Materials	28.97	16.89
Work-in-Progress [Includes in transit ₹ 17.27 crore (As at 31.03.2017 ₹ 18.71 crore)]	156.75	127.70
Finished Goods [Includes in transit ₹ 31.21 crore (As at 31.03.2017 ₹ 48.86 crore)]	79.09	109.43
	<b>1,569.02</b>	<b>1,314.50</b>

**14. CURRENT INVESTMENTS**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.36	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.91	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.12	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	16,640	31.31
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	9.35
<b>Total (A)</b>			<b>1.39</b>		<b>40.66</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 4 equal annual instalments from 5 <sup>th</sup> March, 2019 to 5 <sup>th</sup> March, 2022	8 (10 as on 31.03.17)	2,09,561,622	38.99	19,98,61,622	36.78
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	23.18
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	7.69
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.85	2,32,43,489	24.98
Aditya Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	3,61,83,362	39.95	2,26,44,722	25.00
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	19,52,95,413	212.07	15,01,34,434	162.04
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	8,39,73,278	90.59	9,36,81,622	100.66
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	12,20,78,541	176.30	13,90,30,598	202.80
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	4,73,78,315	50.23	2,85,91,034	30.33
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	10	35,85,691	100.15	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	10	1,24,93,711	300.44	-	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	10	8,05,852	200.28	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	10	1,38,120	50.06	-	-
Kotak Liquid Direct Plan Growth	10	5,68,739	200.31	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	5,35,116	150.22	-	-
UTI - Money Market Fund - Institutional Plan - Direct Plan - Growth	10	7,70,333	150.20	-	-
Axis Enhanced Arbitrage Fund - Direct Dividend Payout (EA-D1)	10	13,76,04,179	150.41	-	-

#### 14. CURRENT INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
DHFL Pramerica Arbitrage Fund Direct Plan - Monthly Dividend - Payout	10	2,34,04,952	25.02	-	-
Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	10	7,43,20,766	175.08	-	-
Edelwiess Arbitrage Fund Monthly Dividend Direct Plan - Payout	10	9,95,52,326	124.47	-	-
HSBC Cash Fund-Growth Direct Plan	10	2,89,206	50.03	-	-
<b>Total (B)</b>			<b>2,309.65</b>		<b>613.46</b>
<b>TOTAL (A+B)</b>			<b>2,311.04</b>		<b>654.12</b>

#### 14.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds and Preference Shares	40.38	40.38	77.44	77.91
<b>Total</b>	<b>40.38</b>	<b>40.38</b>	<b>77.44</b>	<b>77.91</b>
<b>14.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>2,270.66</b>		<b>576.68</b>	

#### 15. TRADE RECEIVABLES

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Secured, Considered Good	273.99	198.52
Unsecured		
Considered Good	185.26	136.60
Considered Doubtful	0.90	0.47
	460.15	335.59
Less: Allowance for Doubtful Trade Receivables	0.90	0.47
	<b>459.25</b>	<b>335.12</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

#### 16. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks	51.14	44.66
Cash on Hand	0.56	0.74
	<b>51.70</b>	<b>45.40</b>

**17. OTHER BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Earmarked Balance with Banks for Unpaid Dividend (Refer note 20.1)	3.74	3.59
Margin Money (Pledged with Banks)	1.96	1.88
Fixed Deposits With Banks (Refer note 17.1 to 17.2 below)		
Maturity more than 3 months	263.50	260.13
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 10)	(200.00)	(200.00)
	<b>69.20</b>	<b>65.60</b>

17.1 Includes deposits of ₹ 21.00 crore (As at 31.03.2017 ₹ 20.00 crore) are pledged with banks against overdraft facilities. (Refer Note 23.2)

17.2 Includes ₹ 41.97 crore (As at 31.03.2017 ₹ 39.75 crore), given as security to Government department and others.

**18. SHARE CAPITAL**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Authorised</b>		
6,00,00,000 (As at 31.03.2017 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (As at 31.03.2017 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (As at 31.03.2017 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

**18.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Name of Shareholders	Number of Shares Held as at 31.03.2018	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

- 18.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 18.3 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.
- 18.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 18.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Nil	Nil

- 18.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## 19. BORROWINGS

(₹ in Crore)

Particulars	Non-Current Portion		Current Maturities	
	As 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Secured</b>				
External Commercial Borrowings	2,134.18	518.70	-	-
Indian Rupee Term Loans from Banks	67.50	-	7.50	-
Vehicle Loan from Others	-	0.04	0.03	0.05
Finance Lease Obligation	6.45	-	1.46	-
	<b>2,208.13</b>	<b>518.74</b>	<b>8.99</b>	<b>0.05</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 20)	-	-	(8.99)	(0.05)
	<b>2,208.13</b>	<b>518.74</b>	-	-

**19. BORROWINGS (Contd...)****19.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

(₹ in Crore)

Sl. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2018	Loan Amount as at 31.03.2017	Terms of Repayment
<b>External Commercial Borrowings</b>					
1	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with other term lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	260.18	259.35	Fully Repayable on 08.05.2020
			260.18	259.35	Fully Repayable on 24.09.2020
2	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	3 Months USD LIBOR+0.70% (Fixed rate of 3.49% including the effect of related interest rate swaps)	806.02	-	Repayable in 9 half yearly instalments of 1.389 crore USD w.e.f. 28.03.2021
			321.07	-	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalments of 0.25 crore USD each, next two instalments of 0.50 crore USD each and last two instalments of 1.5 crore USD each)
			486.73	-	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalment of 0.49 crore SGD each (i.e. 0.375 crore USD each), next two instalments of 0.981 crore SGD each (i.e. 0.75 crore USD each) and last two instalments of 2.943 crore SGD each (i.e. 2.25 crore USD each))
<b>Indian Rupee Term Loan from Banks</b>					
3	First pari passu Charge on entire moveable fixed assets of the Company. Second pari passu charge on entire current assets of the Company. The charge shall rank pari passu with other term lenders.	7.15%	75.00	-	Repayable in 6 half yearly installments w.e.f. 18.04.2018 (first two installments of ₹ 3.75 crore each, next two installments of ₹ 9.75 crore each and last two installments of ₹ 24 crore each)
<b>Vehicle Loan from Others</b>					
4	Secured by Hypothecation of the vehicle	10.09%	0.03	0.09	Repayable in 7 equated monthly installments w.e.f. 03.04.2018
<b>Finance Lease Obligation</b>					
5	Secured against Leased Assets	9.61%	7.91	-	Refer Note 53
<b>TOTAL</b>			<b>2,217.12</b>	<b>518.79</b>	
<b>Less: Current Maturities of Long Term Debt</b>			<b>8.99</b>	<b>0.05</b>	
<b>Total Non-Current Portion</b>			<b>2,208.13</b>	<b>518.74</b>	

There is no default in repayment of principal and interest thereon.

## 20. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

Particulars	Non-Current		Current	
	As 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long-Term Debt	-	-	7.53	0.05
Current Maturities of Finance Lease Obligation	-	-	1.46	-
Interest Accrued but not Due on Borrowings	-	-	6.50	9.86
Derivative Financial Instruments	28.58	18.22	12.21	44.92
Unpaid Dividends (Refer Note 20.1)	-	-	3.74	3.59
Security Deposits from Customers, Vendors & Others	496.97	347.36	2.99	2.44
Payable for Capital goods	-	-	137.26	59.44
Others (Refer Note 20.2)	-	-	239.98	265.81
	<b>525.55</b>	<b>365.58</b>	<b>411.67</b>	<b>386.11</b>

20.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2018 and 31.03.2017 (Refer note 17)

20.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

## 21. PROVISIONS

(₹ in Crore)

Particulars	Non-Current		Current	
	As 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Provision for Employee Benefits</b>				
Gratuity [Refer note 38(b)]	-	-	0.18	0.17
Other Staff Benefit Schemes	1.46	1.30	0.26	0.28
<b>Other Provisions</b>				
Mines Reclamation Expenses (Refer Note 39)	6.15	5.98	0.50	0.40
	<b>7.61</b>	<b>7.28</b>	<b>0.94</b>	<b>0.85</b>

## 22. OTHER LIABILITIES

(₹ in Crore)

Particulars	Non-Current		Current	
	As 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Customers Advances	-	-	164.02	149.32
Withholding and Other Taxes Payable	-	-	183.37	55.27
Provident Fund and Superannuation Payable	-	-	11.11	10.66
Other Statutory Liabilities	536.57	587.36	260.65	260.04
	<b>536.57</b>	<b>587.36</b>	<b>619.15</b>	<b>475.29</b>

## 23. CURRENT BORROWINGS

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 23.1)	149.75	144.37
Bank Overdraft (Refer Note 23.2)	18.25	22.19
<b>Unsecured</b>		
Buyers Credit from Banks	1,017.86	607.18
	<b>1,185.86</b>	<b>773.74</b>

23.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

23.2 Bank Overdrafts are secured against pledge of Fixed Deposits and payable on demand. (Refer Note 17.1)

23.3 There is no default in repayment of principal and interest thereon.

**24. TRADE PAYABLES**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Due to Micro and Small Enterprises	7.50	8.01
Others	719.77	343.67
	<b>727.27</b>	<b>351.68</b>

24.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.

**25. REVENUE FROM OPERATIONS**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Sale of Products</b>		
Cement	9,252.90	8,775.12
Clinker	180.17	148.99
Power Sales	432.88	571.44
	<b>9,865.95</b>	<b>9,495.55</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	0.19	33.72
Less: Purchase of Traded Power	0.07	32.84
	<b>0.12</b>	<b>0.88</b>
<b>Other Operating Revenue</b>		
Sales Tax/ GST Subsidies	268.93	145.94
Scrap Sales	24.41	19.20
Others	0.12	0.09
	<b>293.46</b>	<b>165.23</b>
	<b>10,159.53</b>	<b>9,661.66</b>

25.1 Sales for the period from 01.07.2017 to 31.03.2018 is net of Goods and Service Tax (GST), however, sales for the year ended 31.03.2017 and from 01.04.2017 to 30.06.2017 are gross of excise duty.

**26. OTHER INCOME**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Interest Income		
On Deposits Classified at Amortised cost	23.57	22.30
On Bonds and Debentures Classified at Amortised cost	184.24	226.98
On Tax Refund	0.11	0.45
Others	1.34	0.70
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	82.52	58.23
Net Gain on Sale of Investments		
Classified at Amortised cost	31.94	8.12
Classified at Fair Value through Profit or Loss	4.49	3.29
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	2.68	24.67
Profit on Sale of Property, Plant and Equipments (Net)	1.26	1.02
Provision No Longer Required	42.13	9.53
Balances Written Back	12.76	5.48
Other Non Operating Income	2.01	1.00
	<b>389.05</b>	<b>361.77</b>

## 27. COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Raw Materials Consumed</b>		
Gypsum	199.13	176.19
Fly Ash	282.00	246.43
Red Ochre and Slag	94.05	93.51
Sulphuric Acid	39.14	39.49
Others	154.74	125.04
	<b>769.06</b>	<b>680.66</b>

## 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017	(Increase) / Decrease
<b>Closing Stock</b>			
Work-in-Progress	156.75	127.70	(29.05)
Finished Goods	79.09	109.43	30.34
	<b>235.84</b>	<b>237.13</b>	<b>1.29</b>
<b>Opening Stock</b>			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	<b>237.13</b>	<b>183.65</b>	<b>(53.48)</b>
<b>(Increase) / Decrease</b>	<b>1.29</b>	<b>(53.48)</b>	

## 29. EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Salaries, Wages and Bonus	510.98	465.69
Contribution to Provident and other Funds (Refer note 38)	64.16	58.63
Staff Welfare Expenses	12.91	12.86
	<b>588.05</b>	<b>537.18</b>

## 30. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
On Finished Products	1,782.50	1,309.97
On Inter Unit Clinker Transfer	742.39	564.03
	<b>2,524.89</b>	<b>1,874.00</b>

**31. FINANCE COSTS**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Interest Expenses	125.51	127.09
Bank and Finance Charges	2.40	1.85
Unwinding of Discount on Provision	0.48	0.48
Exchange Differences Regarded as an Adjustment to Borrowing Cost	8.79	-
	<b>137.18</b>	<b>129.42</b>
Less: Interest Capitalised	1.91	-
	<b>135.27</b>	<b>129.42</b>

Borrowing costs are capitalised using rates based on specific borrowings with interest rates ranging between 3.49 % to 7.15% per annum.

**32. OTHER EXPENSES**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Stores and Spares Consumed	280.84	304.64
Packing Materials Consumed	317.48	292.31
Royalty and Cess	233.34	239.38
Mines Reclamation Expenses	0.70	0.18
Excise Duty on Captive Consumption of Clinker	6.75	23.91
Repairs to Plant and Machinery	236.97	199.84
Repairs to Buildings	23.05	18.94
Rent	19.69	19.43
Insurance	4.15	3.45
Rates and Taxes	19.36	26.71
Travelling	34.34	34.03
Commission to Non-executive Directors	2.97	2.70
Directors' Sitting Fees and Expenses	0.75	0.75
Advertisement and Publicity	62.54	81.50
Sales Promotion and Other Selling Expenses	142.03	141.15
Excise duty variance on Closing/Opening Stock	(19.15)	6.56
Foreign Exchange Rate Differences (Net)	17.81	21.36
Corporate Social Responsibility Expenses	27.81	19.29
Assets Written Off	2.36	5.07
Allowance for Doubtful Receivables (Net)	0.43	0.02
Miscellaneous (Refer Note 32.1)	139.42	182.23
	<b>1,553.64</b>	<b>1,623.45</b>

### 32.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Statutory Auditors</b>		
Audit Fees	0.30	0.30
Tax Audit Fees	-	0.06
Certification / Other Services	0.13	0.11
Reimbursement of Expenses	0.11	0.13
<b>Cost Auditors</b>		
Audit Fees	0.04	0.03
Certification / Other Services (₹ 15,000 for Current Year)	-	0.01
Reimbursement of Expenses [₹ 13,086 (Previous year ₹ 15,820)]	-	-

### 33. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹ 62.10 crore (As at 31.03.2017 ₹ 80.66 crore)
- b. Income tax matters ₹ Nil (As at 31.03.2017 ₹ 0.28 crore)
- c. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).

(ii) In another matter, CCI vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on Company's own assessment and advice given by its legal counsels, Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed special leave petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

34. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 818.08 crore (As at 31.03.2017 ₹ 1,127.07 crore).
35. Capital work-in-progress includes directly attributable expenses of ₹ 115.05 crore (As at 31.03.2017 ₹ 49.02 crore) which includes depreciation of ₹ 33.69 crore (for Year ended 31.03.2017 ₹ 8.46 crore) on assets during construction period.
36. The Board of Directors of the Company has approved acquisition of majority equity stake (minimum 92.83%) in Union Cement Company PSC (UCC), a company based in United Arab Emirate (UAE) for an enterprise value of USD 305.24 million excluding cash and cash equivalents and marketable securities (for 100% equity stake) subject to closing adjustments. The Company has also executed Definitive Agreements in this regard with the Sellers. UCC, having its operations in Emirate of Ras-Al-Khaimah of UAE, has clinker production capacity of 3.3 MTPA and cement production capacity of 4.0 MTPA. The transaction is expected to be completed by September 2018.

**37. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

(₹ in Crore)

Particulars	2017-2018												2016-17
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla	Total	
Capital	0.01	25.88	0.05	0.52	0.05	0.03	-	0.09	-	-	0.48	27.11	7.85
Revenue	4.00	7.08	0.61	0.56	0.45	0.39	0.74	0.36	1.53	0.70	-	16.42	14.70
<b>Total</b>	<b>4.01</b>	<b>32.96</b>	<b>0.66</b>	<b>1.08</b>	<b>0.50</b>	<b>0.42</b>	<b>0.74</b>	<b>0.45</b>	<b>1.53</b>	<b>0.70</b>	<b>0.48</b>	<b>43.53</b>	<b>22.55</b>

**38. EMPLOYEE BENEFITS (REFER NOTE 29)****(a) Contribution to defined contribution plans recognized as expenses are as under:**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For Year ended 31.03.2017
Superannuation Fund	7.94	7.64
Provident Fund	39.61	33.73
National Pension Scheme	1.73	1.37
ESIC	0.11	0.04
<b>Total</b>	<b>49.39</b>	<b>42.78</b>

**(b) Defined Benefit Plan**

**Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	183.20	158.23
Current Service Cost	21.29	18.36
Interest Cost	14.20	11.87
Re-measurements (gains)/losses	(2.78)	(1.27)
Benefits paid	(5.29)	(3.99)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>210.62</b>	<b>183.20</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	183.03	158.14
Expected Return on Plan Assets	15.20	11.86
Re-measurements gains/(losses)	0.49	2.43
Contribution by employer	17.01	14.59
Benefits paid	(5.29)	(3.99)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>210.44</b>	<b>183.03</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	21.29	18.36
Interest cost	14.20	11.87
Expected Return on Plan Assets	(15.20)	(11.86)
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>20.29</b>	<b>18.37</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Return on plan assets (excluding amount included in net Interest expense)	(0.49)	(2.43)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	6.26	5.08
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(9.04)	(6.35)
<b>Total recognized in Other Comprehensive Income</b>	<b>(3.27)</b>	<b>(3.70)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>17.02</b>	<b>14.67</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	210.62	183.20
Fair Value of Plan Assets	210.44	183.03
Net Liability	0.18	0.17
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

#### The Principal actuarial assumption used:

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Discount rate	7.75% per annum	7.50% per annum
Salary Growth Rate	13.61% per annum	13.02% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.75% per annum	7.50% per annum
Withdrawal rate (Per Annum)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(23.33)	28.10	26.26	(22.41)	(9.10)	10.55

Sensitivity Analysis for significant assumptions as on 31.03.2017 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

The Company expects to contribute ₹ 18 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2018 is 14 years (as at 31.03.2017: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

Particulars	(₹ in Crore)
01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	22.80
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	11.02
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	11.58
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	10.26
01 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	9.12
01 <sup>st</sup> April 2023 Onwards	145.84

**(c) Provident fund managed by a trust set up by the Company:**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2018.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Plan assets at year end, at fair value	55.35	55.03
Present value of defined obligation at year end	55.35	55.03
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Discount Rate	7.00%	7.50%
Expected Guaranteed Interest Rate	8.55%	8.65%
Expected Rate of Return on Assets	8.60%	8.71%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 14.87crore ( ₹ 13.16 crore for Year ended 31.03.2017).

**39. PROVISION FOR MINES RECLAMATION EXPENSES**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Opening Balance</b>	<b>6.38</b>	<b>6.40</b>
Add: Provision made during the year (Refer Note 32)	0.70	0.18
Add: Unwinding of Discount of Provision (Refer Note 31)	0.48	0.48
Less: Utilized during the year	0.91	0.68
<b>Closing Balance</b>	<b>6.65</b>	<b>6.38</b>

#### 40. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2017-18				2016-17			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	9,726.52	433.01	-	10,159.53	9,089.25	572.41	-	9,661.66
Inter Segment Revenue	-	1,017.06	(1,017.06)	-	-	883.48	(883.48)	-
<b>Total Revenue</b>	<b>9,726.52</b>	<b>1,450.07</b>	<b>(1,017.06)</b>	<b>10,159.53</b>	<b>9,089.25</b>	<b>1,455.89</b>	<b>(883.48)</b>	<b>9,661.66</b>
<b>Results</b>								
Segment Results (Profit before Finance Costs & Tax)	959.00	672.54	-	1,631.54	574.58	740.91	-	1,315.49
Add: Un-allocated Income								
Interest Income				209.26				250.43
Dividend Income				82.52				58.23
Fair Value gain/ (loss) on FVTPL Financial Assets				2.68				24.67
Net Gain on Sale of Investments				36.43				11.41
Less: Finance Costs				135.27				129.42
Profit before Tax				1,827.16				1,530.81
Less : Tax Expenses				442.98				191.70
<b>Profit after Tax</b>				<b>1,384.18</b>				<b>1,339.11</b>
Segment Assets	7,899.83	785.31	-	8,685.14	5,657.41	546.82	-	6,204.23
Un-allocated Assets				6,456.69				4,961.88
<b>Total Assets</b>				<b>15,141.83</b>				<b>11,166.11</b>
Segment Liabilities	2,005.15	263.63	-	2,268.78	1,590.27	157.44	-	1,747.71
Un-allocated Liabilities and Provisions				3,976.22				1,720.26
<b>Total Liabilities</b>				<b>6,245.00</b>				<b>3,467.97</b>
Depreciation and Amortization	852.77	46.63	-	899.40	1,125.76	88.95	-	1,214.71
Capital expenditure	2,456.04	199.55	-	2,655.59	1,190.27	77.24	-	1,267.51
Significant Non-Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

#### Reconciliation of Assets:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Segment Assets</b>	<b>8,685.14</b>	<b>6,204.23</b>
Investments (Current & Non Current)	5,434.33	4,042.60
Cash and Cash Equivalents	51.70	45.40
Other Bank Balances other than Cash and Cash Equivalents	69.20	65.60
Derivative Financial Instruments	3.80	-
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00
Interest Accrued on Bonds, Debentures and Deposits	74.27	57.07
Other Current Financial Assets - Others	10.06	23.24
Deferred Tax Assets (Net)	513.05	507.69
Non- Current Tax Assets (Net)	100.28	20.28
<b>Total Assets</b>	<b>15,141.83</b>	<b>11,166.11</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Segment Liabilities</b>	<b>2,268.78</b>	<b>1,747.71</b>
Borrowings (Current & Non Current)	3,393.99	1,292.48
Current maturities of Long Term Debt & Lease Obligation	8.99	0.05
Interest Accrued but not Due on Borrowings	6.50	9.86
Security Deposits from Customers & Vendors (Current & Non Current)	499.96	349.80
Liabilities for Current Tax (Net)	22.25	1.34
Unpaid Dividends	3.74	3.59
Derivative Financial Instruments (Current & Non Current)	40.79	63.14
<b>Total Liabilities</b>	<b>6,245.00</b>	<b>3,467.97</b>

B. Geographical information are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Revenue from Operations</b>		
Within India	10,037.97	9,580.04
Outside India (Cement and Clinker Sales)	121.56	81.62
<b>Total</b>	<b>10,159.53</b>	<b>9,661.66</b>

All the assets of the Company are within India.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

**41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)****Relationships:****(a) Parties where control exists:**

Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power	
		As at 31.03.2018	As at 31.03.2017
Shree Global Pte. Ltd (Subsidiary Company)	Singapore	100%	100%

**(b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:**

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Project Limited
- (iv) Alfa Buildhome Pvt. Ltd.
- (v) Rajasthan Forum
- (vi) The Bengal
- (vii) Sant Parmanand Hospital

**(c) Key Management Personnel:**

- (i) Shri H. M. Bangur                      Managing Director
- (ii) Shri Prashant Bangur                Joint Managing Director

**(d) Relatives to Key Management Personnel:**

- (i) Shri B. G. Bangur                      Father of Shri H. M. Bangur

**(e) Post Employment Benefit Plan Trust:**

- (i) Shree Cement Staff Provident Fund  
(ii) Shree Cement Employees Group Gratuity Scheme  
(iii) Shree Cement Ltd., Superannuation Scheme

**Disclosure of Related Party Transactions:**

**(a) Parties where control exists:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Equity contribution</b>		
- Shree Global Pte. Ltd.	-	0.13

**(b) Enterprises over which KMPs are able to exercise control/significant influence:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.71	0.58
- Aqua Infra Project Limited	0.14	0.11
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	2.36	2.16
- Shree Capital Service Ltd.	0.24	0.24
<b>Sale of Goods</b>		
- Sant Parmanand Hospital	0.13	0.06
<b>Contribution towards social activities</b>		
- Rajasthan Forum	0.38	0.25
- The Bengal	0.82	0.74
- Sant Parmanand Hospital	0.03	0.06
<b>Security deposits given</b>		
- Alfa Buildhome Pvt. Ltd.	0.18	-

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2018	As at 31.03.2017
Alfa Buildhome Pvt. Ltd.	0.63	0.45

**(c) Key Management Personnel:**

(₹ in Crore)

Particulars	2017-18	2016-17
Short Term Benefits	59.54	51.52
Post - Employment Benefits*	2.52	2.02
<b>Total</b>	<b>62.06</b>	<b>53.54</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(d) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Director Commission, Sitting Fee and Reimbursement of Expenses</b>		
- Shri B.G. Bangur	0.38	0.35

**(e)** Refer note 38 for information on transactions with post-employment benefit plans.

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

**42. EFFECTIVE TAX RECONCILIATION**

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Profit Before Tax	1,827.16	1,530.81
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	632.34	529.78
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(14.23)	(26.87)
Items (Net) not Deductible for Tax/not Liable to Tax	(189.93)	(291.79)
Tax losses Unutilized / Items Taxed at Different Rate	(13.44)	(38.95)
Tax Expense Relating to Earlier Years (Net)	0.30	2.13
Others	27.94	17.40
<b>Income Tax Expense Reported</b>	<b>442.98</b>	<b>191.70</b>

**43.** Changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes as per amendment to Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018
<b>Opening Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>1,270.34</b>
Changes from Financing cash flows	2,035.33
The effect of changes in foreign exchange rates	67.17
New Finance lease Liability during the year (including Interest accrued)	11.89
<b>Closing Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>3,384.73</b>

**44. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2018 compare to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity (net of deferred tax assets) and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Equity Share Capital	34.84	34.84
Other Equity (net of Deferred tax Assets)	8,348.94	7,155.61
Total Equity	8,383.78	7,190.45
Long Term Debt (Including Current Maturities)	2,217.12	518.79
<b>Debt to Equity Ratio</b>	<b>0.26</b>	<b>0.07</b>

#### 45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	3,124.54	3,124.54	1,143.23	1,143.23
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	3.80	3.80	-	-
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	-	-	-	-
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	2,309.54	2,381.06	2,899.12	2,959.76
Loans	56.58	56.58	49.07	49.07
Trade Receivables	459.25	459.25	335.12	335.12
Cash and Cash Equivalents and Other Bank Balances	120.90	120.90	111.00	111.00
Other Financial Assets	289.19	296.34	287.22	299.16
<b>Total Financial Assets</b>	<b>6,363.80</b>	<b>6,442.47</b>	<b>4,824.76</b>	<b>4,897.34</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	12.21	12.21	44.92	44.92
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	28.58	28.58	18.22	18.22
<b>Financial Liabilities Designated at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1,647.45	1,647.45	518.70	518.70
Non-Current Borrowings at Fixed Rate	560.68	561.66	0.04	0.04
Current Maturities of Long Term Debt	7.53	7.53	0.05	0.05
Current Maturities of Finance Lease Obligation	1.46	1.46	-	-
Short Term Borrowings	1,185.86	1,185.86	773.74	773.74
Trade Payables	727.27	727.27	351.68	351.68
Other Financial Liabilities	887.44	887.44	688.50	688.50
<b>Total Financial Liabilities</b>	<b>5,058.48</b>	<b>5,059.46</b>	<b>2,395.85</b>	<b>2,395.85</b>

#### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.
- d) The fair values of mutual funds are at published Net Asset Value (NAV).

#### Fair Value Hierarchy

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

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

#### Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	2,514.14	-	-	2,514.14
Preference Shares	-	610.40	-	610.40
Derivatives not Designated as Hedges	-	3.80	-	3.80
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	12.21	-	12.21
Derivatives Designated as Hedges	-	28.58	-	28.58

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

#### Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,381.06	-	2,381.06
Loans	-	56.58	-	56.58
Other Financial Assets	-	296.34	-	296.34
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	561.66	-	561.66
Other Financial Liabilities	-	887.44	-	887.44

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	49.07	-	49.07
Other Financial Assets	-	299.16	-	299.16
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

During the year ended 31.03.2018 and 31.03.2017, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2018 and 31.03.2017, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments - not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivative Financial Instruments - Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments - not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

**Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

**46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below :

**Market risk and sensitivity**

Market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2018 and 31.03.2017.

The sensitivity analyses excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates. The Company has taken External Commercial Borrowings of USD 25 crore on 28.03.2018 for which there is no forward cover taken against the exposure of currency risk as on 31.03.2018.

**Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2018</b>		
US Dollar Borrowings	+50	(0.71)
	-50	0.71
<b>31.03.2017</b>		
US Dollar Borrowings	+50	(0.41)
	-50	0.41

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

#### Foreign currency risk and sensitivity

The company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses Cross Currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrates the sensitivity in the USD, JPY, EURO, GBP and CHF to the Indian Rupee with all other variable held constant.

#### For the Year ended 31.03.2018

Particulars	Effect on Profit Before Tax (₹ in Crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(98.13)	1.79	0.12	(0.01)	0.14
-5%	98.13	(1.79)	(0.12)	0.01	(0.14)

#### For the Year ended 31.03.2017

Particulars	Effect on Profit Before Tax (₹ in Crore)			
	USD	JPY	EURO	GBP
<b>Change in Currency Exchange Rate</b>				
+5%	(3.54)	0.42	4.98	(0.01)
-5%	3.54	(0.42)	(4.98)	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and financial institutions and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

**The ageing of trade receivables are as below:**

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at 31.03.2018</b>					
Secured	222.02	47.85	3.32	0.80	273.99
Unsecured	142.63	36.09	0.56	6.88	186.16
<b>Gross Total</b>	<b>364.65</b>	<b>83.94</b>	<b>3.88</b>	<b>7.68</b>	<b>460.15</b>
Allowance for doubtful trade receivables	-	0.04	0.32	0.54	0.90
<b>Net Total</b>	<b>364.65</b>	<b>83.90</b>	<b>3.56</b>	<b>7.14</b>	<b>459.25</b>
<b>As at 31.03.2017</b>					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
<b>Gross Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.90</b>	<b>335.59</b>
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
<b>Net Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.43</b>	<b>335.12</b>

**Movement in Allowance for Doubtful Trade Receivables are given below:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Opening Balance</b>	<b>0.47</b>	<b>0.45</b>
Add: Provision made during the year (Refer note 32)	0.43	0.02
Less: Utilized during the year	-	-
<b>Closing Balance</b>	<b>0.90</b>	<b>0.47</b>

**Financial Instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counter parties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 6,363.80 crore as at 31.03.2018 and ₹ 4,824.76 crore as at 31.03.2017, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

**Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

**As at 31.03.2018**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	1,193.39	1,364.78	849.19	3,407.36
Finance Lease Obligation	1.52	7.59	1.37	10.48
Trade Payables	727.27	-	-	727.27
Derivative Financial Instruments	12.21	14.09	14.49	40.79
Other Financial Liabilities	390.47	496.97	-	887.44
<b>Total</b>	<b>2,324.86</b>	<b>1,883.43</b>	<b>865.05</b>	<b>5,073.34</b>

As at 31.03.2017

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.68	-	-	351.68
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
<b>Total</b>	<b>1,511.53</b>	<b>884.32</b>	<b>-</b>	<b>2,395.85</b>

#### 47. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2018	As at 31.03.2017
Forward Contracts	Buyers Credit	USD	15.65	9.36
		Imports		
	USD	0.28	0.02	
	JPY	56.84	13.50	
	EURO	0.03	1.40	
Cross Currency & Interest Rate Swaps	ECB	USD	8.00	8.00
		SGD	9.81	-
		CHF	0.04	-
Interest Rate Swaps	ECB	USD	17.50	-

#### Cross Currency & Interest Rate Swaps and Interest Rate Swaps

The objective of cross currency and interest rate swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and of hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

- An economic relationship between the hedged item and the hedging instrument
- The effect of credit risk
- Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and Interest rate swaps to hedge its currency and interest risk and generally applies hedge ratio 1:1. Refer Note 19 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above swaps are as under:

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	28.58	-	18.22

The movement of Effective Portion of Cash Flow Hedges are shown below:

(₹ in Crore)

Particulars	For the Year ended	For the Year ended
	31.03.2018	31.03.2017
<b>Opening Balance</b>	<b>(10.52)</b>	<b>(7.98)</b>
Gain/(loss) recognized on cash flow hedges	(35.37)	(48.56)
Income tax relating to gain/(loss) recognized on cash flow hedges	12.36	16.80
Reclassified to Statement of Profit and Loss #	30.45	44.68
Income tax relating to Reclassified to Statement of Profit and Loss	(10.64)	(15.46)
Effect of change in tax rate	0.05	-
<b>Closing Balance</b>	<b>(13.67)</b>	<b>(10.52)</b>

# ₹ (0.54) crore (Previous year ₹ 11.91 crore) to Foreign Exchange Rate Differences and ₹ 30.99 crore (Previous Year ₹ 32.78 crore) to Finance Cost.

#### Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

The fair value of foreign currency forward contracts are as under:

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	3.80	12.21	-	44.92

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 5.95 crore [ ₹ (44.92) for the Year ended 31.03.2017] for the Year ended 31.03.2018.

## 48. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged/hypothecated as collateral/security against the borrowings. Refer Note 19 and 23.

## 49. EARNINGS PER SHARE (EPS)

### A. Basic and Diluted EPS:

Particulars		2017-18	2016-17
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,384.18	1,339.11
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	397.33	384.39

**B. Cash EPS :** (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

50. Previous year figures have been regrouped and rearranged wherever necessary.

51. Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

## 52. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2018 (Note 1)	As at 31.03.2017 (Note 2)
Dividend Proposed for Equity Shareholders	104.51	83.61
Dividend Tax	21.48	17.02
<b>Total</b>	<b>125.99</b>	<b>100.63</b>

Note 1 : ₹ 30 per share for FY 2017-2018

Note 2 : ₹ 24 per share for FY 2016-2017

## 53. LEASES

### (a) Finance Lease (Land) – Company as lessee

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payment	Present value of minimum lease payment
Within One year	1.52	1.46	-	-
After one year but not more than five years	7.59	5.73	-	-
More than five years	1.37	0.72	-	-
<b>Total minimum lease payments</b>	<b>10.48</b>	<b>7.91</b>	-	-
Less: Amounts representing finance charges	2.57	-	-	-
<b>Present Value of Minimum Lease payments</b>	<b>7.91</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (b) Operating Leases - Company as lessee

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

Signature to Note 1 to 53  
For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**S. S. Khandelwal**  
Company Secretary

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Subhash Jajoo**  
Chief Finance Officer

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHREE CEMENT LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (financial performance), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on this consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the

Rules made thereunder. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31<sup>st</sup> March, 2018 and its consolidated profit (financial performance including other comprehensive income) its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Other Matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.09 crore as at 31<sup>st</sup> March, 2018, total revenues of ₹ Nil and net cash flows amounting to ₹ (0.03) crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the

amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

The comparative consolidated Ind AS financial statements of the Company for financial year ended on 31st March, 2017 included in these consolidated financial statements have been audited by predecessor auditors whose report for the year ended on 31<sup>st</sup> March, 2017 dated May 16<sup>th</sup>, 2017 expressed an unmodified opinion on those financial statements.

Our opinion on the consolidated Ind AS financial statements above, 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 report of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, to the extent applicable, 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 purpose 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 consolidated Ind AS financial statement have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statement discloses the impact of pending litigations on the consolidated financial position of the Group. Refer Note 34 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including any 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 Holding Company.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: New Delhi  
Date: 28<sup>th</sup> April, 2018

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## Annexure 'A' to the Independent Auditors' Report

**(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)**

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Holding Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place: New Delhi  
Date : 28<sup>th</sup> April, 2018

# CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2018

(₹ in Crore)

	Note	As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	3,577.11	2,586.34
Capital Work-in-Progress	36	1,427.15	710.44
Intangible Assets	8	12.07	12.78
Financial Assets			
Investments	9	3,123.04	3,388.23
Loans	10	48.81	43.59
Other Financial Assets	11	200.00	200.00
Deferred Tax Assets (Net)	12	513.05	507.69
Non-Current Tax Assets (Net)		100.28	20.28
Other Non-Current Assets	13	439.91	414.44
		9,441.42	7,883.79
<b>Current Assets</b>			
Inventories	14	1,569.02	1,314.50
Financial Assets			
Investments	15	2,311.04	654.12
Trade Receivables	16	459.25	335.12
Cash and Cash Equivalents	17	51.77	45.50
Other Bank Balances other than Cash and Cash Equivalents	18	69.20	65.60
Loans	10	7.79	5.50
Other Financial Assets	11	92.99	87.22
Other Current Assets	13	1,139.19	774.63
		5,700.25	3,282.19
<b>Total Assets</b>		<b>15,141.67</b>	<b>11,165.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	19	34.84	34.84
Other Equity		8,861.82	7,663.16
		8,896.66	7,698.00
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	2,208.13	518.74
Other Financial Liabilities	21	525.55	365.58
Provisions	22	7.61	7.28
Other Non-Current Liabilities	23	536.57	587.36
		3,277.86	1,478.96
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	24	1,185.86	773.74
Trade Payables	25	727.28	351.69
Other Financial Liabilities	21	411.67	386.11
Other Current Liabilities	23	619.15	475.29
Provisions	22	0.94	0.85
Current Tax Liabilities (Net)		22.25	1.34
		2,967.15	1,989.02
<b>Total Equity and Liabilities</b>		<b>15,141.67</b>	<b>11,165.98</b>
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**Mukesh Dua**  
Partner  
Membership No. 085323

**S. S. Khandelwal**  
Company Secretary

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

**Subhash Jajoo**  
Chief Finance Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

	Note	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Revenue from Operations	26	10,159.53	9,661.66
Other Income	27	389.05	361.77
		<b>10,548.58</b>	<b>10,023.43</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	769.06	680.66
Changes in Inventories of Finished Goods and Work-in-Progress	29	1.29	(53.48)
Excise Duty on Sales		326.43	1,067.36
Employee Benefits Expense	30	588.05	537.18
Power and Fuel		1,979.65	1,444.27
Freight and Forwarding Expenses	31	2,524.89	1,874.00
Finance Costs	32	135.27	129.42
Depreciation and Amortisation Expense	7 & 8	899.40	1,214.71
Other Expenses	33	1,553.67	1,623.48
		8,777.71	8,517.60
Captive Consumption of Cement [Net of Excise Duty ₹ 1.86 crore (Previous year ₹ 3.51 crore)]		(56.26)	(24.95)
		8,721.45	8,492.65
		<b>1,827.13</b>	<b>1,530.78</b>
<b>PROFIT BEFORE TAX</b>			
<b>Tax Expense</b>	43		
Current Tax		446.27	324.13
Tax Expense Relating to Earlier Years (Net)		0.30	2.13
Deferred Tax (Credit) / Charge		(3.59)	(134.56)
		442.98	191.70
		<b>1,384.15</b>	<b>1,339.08</b>
<b>PROFIT FOR THE YEAR</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss	39(b)	3.27	3.70
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.13)	(1.28)
Items that will be Reclassified to Profit or Loss	48	(4.92)	(3.88)
Income Tax relating to Items that will be Reclassified to Profit or Loss		1.77	1.34
		(1.01)	(0.12)
		<b>1,383.14</b>	<b>1,338.96</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)</b>			
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	50		
Cash		654.46	694.44
Basic and Diluted		397.32	384.38
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**

Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	For the Year ended 31.03.2018		For the Year ended 31.03.2017	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit Before Tax</b>		<b>1,827.13</b>		<b>1,530.78</b>
Adjustments For :				
Depreciation and Amortisation Expense	899.40		1,214.71	
Foreign Exchange Rate Differences (Net)	21.03		22.38	
Balances Written Back	(12.76)		(5.48)	
Provision No Longer Required	(42.13)		(9.53)	
Allowance for Doubtful Receivables (Net)	0.43		0.02	
Net Gain on Sale of Investments	(36.43)		(11.41)	
(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(2.68)		(24.67)	
Interest Income	(209.26)		(250.43)	
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	(82.52)		(58.23)	
Profit on Sale of Property, Plant and Equipments (Net)/Assets Written off	1.10		4.05	
Finance Costs	135.27	671.45	129.42	1,010.83
<b>Operating Profit Before Working Capital Changes</b>		<b>2,498.58</b>		<b>2,541.61</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	(509.92)		16.53	
(Increase) / Decrease in Inventories	(254.52)		(499.31)	
Increase / (Decrease) in Trade & Other Payables and Provisions	651.37	(113.07)	431.85	(50.93)
Cash Generated From Operations		<b>2,385.51</b>		<b>2,490.68</b>
Direct Taxes Paid (Net of Refunds)		(506.79)		(289.07)
<b>Net Cash From Operating Activities</b>		<b>1,878.72</b>		<b>2,201.61</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(2,525.13)		(1,280.90)	
Proceeds from Sale of Property, Plant and Equipments	1.56		1.60	
Payments for Intangible Assets	(2.68)		(15.35)	
Purchases of Investments in Bonds, Debentures and Preference Shares	(815.11)		(1,272.62)	
Proceeds from Sale/ Redemption of Bonds, Debentures & Preference Shares	913.91		369.50	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(1,931.72)		(221.58)	
Investments in Bank Deposits	(65.08)		(61.85)	
Maturity of Bank Deposits	61.63		30.83	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.15)		(1.77)	
Dividend Received	95.70		37.70	
Interest Received (Including Interest on Zero Coupon Bonds)	672.34		366.67	
<b>Net Cash Used in Investing Activities</b>		<b>(3,594.73)</b>		<b>(2,047.77)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1,684.82	-
Repayment of Long Term Borrowings	-	(146.33)
Payment of Finance Lease Liabilities	(3.98)	-
Proceeds from Short Term Borrowings	1,009.27	629.60
Repayment of Short Term Borrowings	(660.16)	(45.82)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	5.38	8.02
Interest and Financial Charges Paid	(124.78)	(127.77)
Dividend and Tax Paid there on (Interim, Special and Final)	(184.33)	(484.61)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>1,726.22</b>	<b>(166.91)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>10.21</b>	<b>(13.07)</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>23.31</b>	<b>36.38</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>33.52</b>	<b>23.31</b>

**Notes :**

- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Balances with Banks	51.21	44.76
Cash on Hand	0.56	0.74
	51.77	45.50
Less: Bank Overdraft	18.25	22.19
	<b>33.52</b>	<b>23.31</b>

- Refer Note 44 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per amendment to Ind AS 7-Statement of Cash flows.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2018

### A. EQUITY SHARE CAPITAL (Refer Note 19)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 31.03.2018	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

### B. OTHER EQUITY

For the Year ended 31<sup>st</sup> March, 2018

(₹ in Crore)

Particulars	Reserves and Surplus				Item of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>5,000.00</b>	<b>2,632.14</b>	<b>0.01</b>	<b>(10.52)</b>	<b>7,663.16</b>
Profit for the Year				1,384.15			1,384.15
Other Comprehensive Income for the Year							
Re-measurements of the Defined Benefit Plans (Net of Tax)				2.14			2.14
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 48)						(3.15)	(3.15)
Exchange Differences on Translation of Foreign Operation					-		-
Transfer to /(from) Retained Earnings			500.00	(500.00)			-
Final Dividend on Equity Shares (Note 1 below)				(83.61)			(83.61)
Tax on Final Dividend				(17.02)			(17.02)
Interim Dividend on Equity Shares (Note 2 below)				(69.67)			(69.67)
Tax on Interim Dividend				(14.18)			(14.18)
<b>Closing Balance as at 31.03.2018</b>	<b>15.00</b>	<b>26.53</b>	<b>5,500.00</b>	<b>3,333.95</b>	<b>0.01</b>	<b>(13.67)</b>	<b>8,861.82</b>

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

(₹ in Crore)

Particulars	Reserves and Surplus					Items of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.02</b>	<b>0.01</b>	<b>(7.98)</b>	<b>6,810.58</b>
Profit for the Year					1,339.08			1,339.08
Other Comprehensive Income for the Year								
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42			2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 48)							(2.54)	(2.54)
Exchange Differences on Translation of Foreign Operation						-		-
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-			-
Transfer to /(from) Retained Earnings				1,000.00	(1,000.00)			-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)			(55.74)
Tax on Interim Dividend					(11.34)			(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)			(348.37)
Tax on Special Dividend					(70.93)			(70.93)
<b>Closing Balance as at 31.03.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>5,000.00</b>	<b>2,632.14</b>	<b>0.01</b>	<b>(10.52)</b>	<b>7,663.16</b>

Note 1 : Final Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2016-17.

Note 2 : Interim Dividend declared at the rate of ₹ 20 per share of ₹ 10 each for FY 2017-18.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

## Nature of Reserves

### Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

### General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

### Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

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Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

# Notes Forming Part of Consolidated Financial Statements

## 1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited ("the Company") and its subsidiary company (which along with Shree Cement Limited, the parent, constitute the Group).

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India.

The Company is engaged in the manufacturing and selling of cement, cement related products and power generation and sales. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 19.

These Consolidated Financial Statements are approved and adopted by the Board of Directors of the Company in their meeting held on 28th April, 2018.

## 2. Statement of Compliance

The consolidated 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, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

## 3. Principles of Consolidation

The Subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Sl. No.	Name of the Subsidiary Company	Country of Incorporation	%age Shareholding	
			As at 31.03.2018	As at 31.03.2017
1	Shree Global Pte. Ltd.	Singapore	100%	100%

The Consolidated Financial Statements of the Group are prepared on following basis:

- The Consolidated Financial Statements are prepared in accordance with Ind AS 110-"Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014.
- The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.
- The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn up to the same reporting date i.e. 31<sup>st</sup> March, 2018.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the year. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income (OCI). On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized to the profit or loss.

## 4. Significant Accounting Policies

### a) Basis of Preparation and Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments - note 4 (q))
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

#### b) Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is 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.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or

4. The Company does not have an 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.

#### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to Statement of Profit and Loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as Capital advances under "other non-current assets".

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Assets individually costing less than or equal to ₹5,000 are fully depreciated in the year of purchase. Leasehold land classified as finance lease is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis upto the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed and / or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

#### **e) Borrowing Costs**

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowings cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

#### **f) Impairment of Non-Financial Assets**

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its

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

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

#### **g) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue is measured at fair value of consideration received or receivable.

- Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of Goods and Service Tax (GST)/ sales tax / VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty till 30th June, 2017.
- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest Rate (EIR) method.

**h) Insurance, Railway and other Claims** where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt and are netted off from related expenses.

#### **i) Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received. Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs. Grants related

to an assets are included in non-current liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

## j) Employee Benefits

### 1) Defined Contribution Plan

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (ESIC) are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

### 2) Defined Benefit Plan

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### 3) Other Long Term Benefits

Encashable leave in case of employees covered by Cement Wage Board and non

encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arises.

## k) Foreign Currency Transaction

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

## l) Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and

liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

#### **m) Inventories**

##### **1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel**

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

##### **2) Work-in-progress and Finished goods**

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods

includes excise duty till 30th June, 2017. Cost is determined on a weighted average basis.

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

#### **n) Provisions and Contingencies**

##### **1) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

##### **Mines Reclamation Expenditure**

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

##### **2) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

#### **o) Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### 1) Assets Taken on Finance Lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 2) Operating Lease

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### p) Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

### q) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

#### 1) Financial Assets

##### Initial Recognition and Measurement

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, other financial assets and investments.

#### Classification and Subsequent Measurement

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

##### a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### c) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### Impairment of Financial Assets

Financial assets, other than those at Fair value through profit or loss, are assessed for

indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

## 2) Financial Liabilities

### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

### Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### a) Financial liabilities at Fair Value Through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

#### b) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest method.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

## 3) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

#### r) Cash and Cash Equivalents

Cash and Cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 5. Recent Accounting Pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying following Ind AS:

- Ind AS 115-Revenue from Contracts with Customers
- Amendments to Ind AS 21-The Effects of Changes in Foreign Exchange Rates

These Ind AS are applicable to the Company from 1<sup>st</sup> April, 2018. The Company is evaluating the effects of the new Ind AS/amendments on its Financial Statements.

### 6. Significant Accounting Judgements, Estimates and Assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

#### a) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

#### b) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and

amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### c) Allowances for Uncollected Trade Receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

#### d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

#### e) Mines Reclamation Obligation

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

#### f) Defined Benefit Plan

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. For sensitivity analysis Refer Note 39.

#### g) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. 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.

**7. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Tangible Assets :</b>									
Free Hold Land	607.52	196.61	-	804.13	1.87	1.51	-	3.38	800.75
Lease Hold Land	284.59	20.86	-	305.45	8.33	7.10	-	15.43	290.02
Buildings	453.53	185.21	-	638.74	133.38	90.07	-	223.45	415.29
Plant and Equipment	3,173.53	1,494.59 (a)	9.03	4,659.09	1,832.77	801.63	8.99	2,625.41	2,033.68
Railway Siding	23.42	-	-	23.42	7.41	3.66	-	11.07	12.35
Furniture and Fixtures	22.48	7.89	0.19	30.18	15.56	8.11	0.19	23.48	6.70
Office Equipment	31.85	10.33	2.92	39.26	20.21	14.18	2.90	31.49	7.77
Vehicles	19.97	10.56	4.22	26.31	11.02	8.77	4.03	15.76	10.55
<b>Total</b>	<b>4,616.89</b>	<b>1,926.05</b>	<b>16.36</b>	<b>6,526.58</b>	<b>2,030.55</b>	<b>935.03 (b)</b>	<b>16.11</b>	<b>2,949.47</b>	<b>3,577.11</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	For the Year	Deductions/ Adjustments During the Period	Up to 31.03.2017	As at 31.03.2017
<b>Tangible Assets :</b>									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84 (a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipment	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
<b>Total</b>	<b>3,868.86</b>	<b>762.71</b>	<b>14.68</b>	<b>4,616.89</b>	<b>818.69</b>	<b>1,220.60 (b)</b>	<b>8.74</b>	<b>2,030.55</b>	<b>2,586.34</b>

(a) Includes ₹ 27.11 crore (for Year ended 31.03.2017 ₹ 1.48 crore) for capital expenditure on research and development.

(b) Depreciation for the Year includes ₹ 39.02 crore (for the Year ended 31.03.2017 ₹ 8.46 crore) on assets during construction period.

(c) As on transition to Ind AS on 01.07.2015 the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

**8. INTANGIBLE ASSETS**

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2017	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2018	Opening as at 01.04.2017	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2018	As at 31.03.2018
<b>Intangible Assets :</b>									
Computer Software	8.42	2.68	-	11.10	5.58	3.18	-	8.76	2.34
Mining Rights	10.08	-	-	10.08	0.14	0.21	-	0.35	9.73
<b>Total</b>	<b>18.50</b>	<b>2.68</b>	<b>-</b>	<b>21.18</b>	<b>5.72</b>	<b>3.39</b>	<b>-</b>	<b>9.11</b>	<b>12.07</b>

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Intangible Assets :</b>									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
<b>Total</b>	<b>3.15</b>	<b>15.35</b>	<b>-</b>	<b>18.50</b>	<b>3.15</b>	<b>2.57</b>	<b>-</b>	<b>5.72</b>	<b>12.78</b>

(a) As on transition to Ind AS on 01.07.2015 the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

## 9. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds and Non Convertible Debentures (NCD)</b>					
<b>National Bank for Agriculture and Rural Development (Refer Note 9.3)</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	-	-	180	0.33
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	-	-	180	0.33
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	-	-	460	0.83
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	-	-	65	0.11
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	-	-	2,54,660	441.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	-	-	11,800	20.35
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	-	-	16,160	27.54
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	-	-	1,26,845	215.02
<b>National Housing Bank (Refer Note 9.3)</b>					
Zero Coupon NHB Bonds - 24DC18	10,000	-	-	3,27,711	285.09
Zero Coupon NHB Bonds - 31MR19	10,000	-	-	83,760	71.27
<b>Indian Railway Finance Corporation Limited</b>					
8.00% IRFC Tax Free Bonds - 23FB22	1,000	20,000	2.12	-	-
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.06	150	15.07
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.04	100	10.05
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.25	8,00,000	82.63
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.16	250	25.19
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	259	26.51	159	15.94
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	505	52.80	105	10.67
8.10% IRFC Tax Free Bonds - 23FB27	1,000	1,60,502	18.24	-	-
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	100	10.87	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	10,57,000	113.52	3,60,000	38.04
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.83	50	5.94
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.96	5,50,000	56.02
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.41	5,11,350	52.47
<b>Power Finance Corporation</b>					
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.40	500	50.48
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.39	250	26.53
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	11.30	-	-
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.79	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.33	300	34.62
8.54% PFC Tax Free Bonds - 16NV28	1,000	68,167	8.04	-	-
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	15,01,271	152.38	14,66,095	149.04
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.55	2,50,000	27.90
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.07	250	25.08
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	380	38.78	330	33.57
8.30% NHAI Tax Free Bonds - 25JN27	1,000	54,086	6.20	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	278	32.69	250	29.69
8.50% NHAI Tax Free Bonds - 05FB29	1,000	3,35,300	39.54	2,50,000	29.57
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	365	39.66	100	10.45
7.35% NHAI Tax Free Bonds - 11JN31	1,000	8,76,022	96.67	1,42,849	14.28
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55
<b>Housing and Urban Development Corporation Limited</b>					
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,58,424	110.88	10,16,424	107.43
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.25	2,50,000	25.30
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	7.06	50	5.13

**9. NON-CURRENT INVESTMENTS (contd....)**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
7.07% HUDCO Tax Free NCD - 010T25	10,00,000	300	30.25	300	30.28
7.00% HUDCO Tax Free NCD - 090T25	10,00,000	120	12.23	100	10.12
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.35	2,80,066	28.38
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.97	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	107.87	4,30,000	46.81
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	13.06	-	-
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	5.26	-	-
8.73% HUDCO Tax Free Bonds - 24MR29	1,000	20,000	2.43	-	-
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.61	2,80,279	31.79
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	16,55,439	171.36	13,75,439	139.80
<b>India Infrastructure Finance Company Limited</b>					
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.22	150	15.26
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	8,50,000	86.26	6,50,000	65.51
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.15	50,000	5.17
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.24	50	5.28
8.01% IIFCL Tax Free Bonds - 12NV23	1,000	50,000	5.42	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	1,53,000	16.72	50,000	5.37
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	27.14	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.47	150	15.51
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	47.51	2,00,000	20.67
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.80	1,00,000	10.53
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	11.56	-	-
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	15.23	-	-
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.51	-	-
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.39	-	-
<b>Rural Electrification Corporation</b>					
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.21	250	25.25
7.22% REC Tax Free Bonds - 19DC22	1,000	50,000	5.21	-	-
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	5.16	-	-
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.87	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	21.11	150	17.56
8.46% REC Tax Free Bonds - 24SP28	1,000	3,00,000	35.01	1,50,000	17.56
<b>Indian Renewable Energy Development Agency Limited</b>					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.11	8,68,838	88.17
7.17% IREDA Tax Free Bonds - 010T25	10,00,000	150	15.72	150	15.76
<b>National Bank for Agriculture and Rural Development</b>					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08
<b>National Housing Bank</b>					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	350	40.84	150	17.58
<b>Canfin Homes Limited</b>					
8.41% Canfin Homes NCD - 30JN19	10,00,000	-	-	141	14.08
<b>Housing Development Finance Corporation Limited</b>					
8.75% HDFC NCD - 04MR21	1,00,00,000	-	-	50	50.42
<b>LIC Housing Finance Limited</b>					
8.75% LIC Housing NCD - 12FB21	10,00,000	-	-	630	63.52
9.30% LIC Housing NCD - 14SP22	10,00,000	-	-	150	15.49
<b>IL&amp;FS Financial Services Limited</b>					
8.75% ILFS NCD - 14JU21	1,000	-	-	1,45,000	14.50
<b>IDFC Bank Limited</b>					
8.70% IDFC NCD - 23JU25	10,00,000	-	-	500	50.59
<b>JK Lakshmi Cement</b>					
8.70% JK Lakshmi Cement Limited NCD - 06JN20	10,00,000	150	15.14	-	-
8.90% JK Lakshmi Cement Limited NCD - 06JN22	10,00,000	200	20.31	-	-

## 9. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Birla Corporation</b>					
9.25% Birla Corporation Limited NCD - 18AG26	10,00,000	400	41.97	-	-
<b>Total (A)</b>			<b>2,308.15</b>		<b>2,858.46</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited</b>					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	37.07	28,000	37.69
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	68.82	52,000	69.92
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	20.65	13,500	20.59
<b>IL&amp;FS Financial Services Ltd.</b>					
16.99%/17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	51.59	33,400	52.03
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 4 equal annual instalments from 5 <sup>th</sup> March, 2019 to 5 <sup>th</sup> March, 2022	8 (10 as on 31.03.17)	20,95,61,622	116.96	19,98,61,622	147.13
<b>In Units of Mutual Funds</b>					
ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan G Direct Plan Cumulative	10	3,50,00,000	35.51	-	-
ICICI Prudential Fixed Maturity Plan Series 82-1215 Days Plan H Direct Plan Cumulative	10	7,50,00,000	76.09	-	-
Aditya Birla Sun Life Fixed Term Plan - Series PC (1169 Days) Direct Growth	10	10,00,00,000	101.49	-	-
Kotak FMP Series 216 Direct - Growth	10	3,00,00,000	30.39	-	-
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>Tata Capital Limited</b>					
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 <sup>th</sup> August, 2021	1,000	10,00,000	100.48	10,00,000	101.29
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.62	4,00,000	40.88
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> September, 2023	1,000	6,00,000	60.35	6,00,000	60.24
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 28 <sup>th</sup> July, 2024	1,000	7,50,000	74.87	-	-
<b>Total (B)</b>			<b>814.89</b>		<b>529.77</b>
<b>TOTAL (A+B)</b>			<b>3,123.04</b>		<b>3,388.23</b>

**9.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds, Debentures, Preference shares and Mutual Funds	2,846.72	2,918.24	3,185.82	3,245.99
<b>Total</b>	<b>2,846.72</b>	<b>2,918.24</b>	<b>3,185.82</b>	<b>3,245.99</b>
<b>9.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>276.32</b>		<b>202.41</b>	
9.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2 (48) of the Income Tax Act, 1961.				

**10. FINANCIAL ASSETS - LOANS**

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Loans to Staff and Workers	6.09	4.77	4.63	3.39
Security Deposits (Refer Note 42)	42.72	38.82	3.16	2.11
	<b>48.81</b>	<b>43.59</b>	<b>7.79</b>	<b>5.50</b>

**11. FINANCIAL ASSETS - OTHERS**

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	2.59	2.55
Derivative Financial Instruments	-	-	3.80	-
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	74.27	57.07
Others	-	-	12.33	27.60
	<b>200.00</b>	<b>200.00</b>	<b>92.99</b>	<b>87.22</b>

11.1 Others include dividend receivable etc.

## 12. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at 31.03.2017	Recognised in P&L	Recognised in OCI	As at 31.03.2018
<b>Deferred Tax Assets:</b>				
Arising on account of:				
Long-term and Short-term Capital Losses	16.56	(16.56)	-	-
Expenses allowed for tax purpose when paid	203.01	(25.66)	-	177.35
Depreciation and Amortization	229.87	72.95	-	302.82
Cash Flow Hedges	5.57	-	1.77	7.34
MAT Credit Entitlement	73.08	(40.14)	-	32.94
Others	0.16	0.15	-	0.31
<b>Deferred Tax Liabilities:</b>				
Arising on account of:				
Others	20.56	(12.85)	-	7.71
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>507.69</b>	<b>3.59</b>	<b>1.77</b>	<b>513.05</b>

## 13. OTHER ASSETS

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered Good)				
Advances to Suppliers and Contractors	-	-	96.21	50.47
Capital Advances	403.18	393.03	-	-
Assets Held for Disposal	-	-	0.11	0.13
Prepaid Expenses	-	-	5.51	3.86
Other Receivables	36.73	21.41	1,037.36	720.17
	<b>439.91</b>	<b>414.44</b>	<b>1,139.19</b>	<b>774.63</b>

13.1 Other receivables includes GST/Sales tax, Cenvat credit, Government grants and other dues from Government etc.

## 14. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Materials [Includes in transit ₹ 8.31 crore (As at 31.03.2017 ₹ 3.55 crore)]	47.76	31.23
Fuel [Includes in transit ₹ 484.03 crore (As at 31.03.2017 ₹ 397.39 crore)]	770.82	632.34
Stores and Spares	485.63	396.91
Packing Materials	28.97	16.89
Work-in-Progress [Includes in transit ₹ 17.27 crore (As at 31.03.2017 ₹ 18.71 crore)]	156.75	127.70
Finished Goods [Includes in transit ₹ 31.21 crore (As at 31.03.2017 ₹ 48.86 crore)]	79.09	109.43
	<b>1,569.02</b>	<b>1,314.50</b>

## 15. CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.36	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.91	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.12	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	16,640	31.31
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	9.35
<b>Total (A)</b>			<b>1.39</b>		<b>40.66</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>					
<b>QUOTED</b>					
<b>Preference Shares</b>					
<b>Zee Entertainment Enterprises Limited</b>					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 4 equal annual instalments from 5 <sup>th</sup> March, 2019 to 5 <sup>th</sup> March, 2022	8 (10 as on 31.03.17)	20,95,61,622	38.99	19,98,61,622	36.78
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	23.18
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	7.69
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.85	2,32,43,489	24.98
Aditya Birla Sun Life Enhanced Arbitrage Fund-Dividend-Direct Plan - Payout	10	3,61,83,362	39.95	2,26,44,722	25.00
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	19,52,95,413	212.07	15,01,34,434	162.04
HDFC Arbitrage Fund-Wholesale Plan-Normal Dividend-Direct Plan	10	8,39,73,278	90.59	9,36,81,622	100.66
ICICI Prudential Equity Arbitrage Fund - Direct Plan-Dividend	10	12,20,78,541	176.30	13,90,30,598	202.80
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	4,73,78,315	50.23	2,85,91,034	30.33
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	10	35,85,691	100.15	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	10	1,24,93,711	300.44	-	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	10	8,05,852	200.28	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	10	1,38,120	50.06	-	-
Kotak Liquid Direct Plan Growth	10	5,68,739	200.31	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	5,35,116	150.22	-	-
UTI - Money Market Fund - Institutional Plan - Direct Plan - Growth	10	7,70,333	150.20	-	-
Axis Enhanced Arbitrage Fund - Direct Dividend Payout (EA-D1)	10	13,76,04,179	150.41	-	-

## 15. CURRENT INVESTMENTS (contd...)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2018		As at 31.03.2017	
		No.	Amount	No.	Amount
DHFL Pramerica Arbitrage Fund Direct Plan - Monthly Dividend - Payout	10	2,34,04,952	25.02	-	-
Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	10	7,43,20,766	175.08	-	-
Edelwiess Arbitrage Fund Monthly Dividend Direct Plan - Payout	10	9,95,52,326	124.47	-	-
HSBC Cash Fund-Growth Direct Plan	10	2,89,206	50.03	-	-
<b>Total (B)</b>			<b>2,309.65</b>		<b>613.46</b>
<b>TOTAL (A+B)</b>			<b>2,311.04</b>		<b>654.12</b>

### 15.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
- In Bonds and Preference Shares	40.38	40.38	77.44	77.91
<b>Total</b>	<b>40.38</b>	<b>40.38</b>	<b>77.44</b>	<b>77.91</b>
<b>15.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>2,270.66</b>		<b>576.68</b>	

## 16. TRADE RECEIVABLES

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Secured, Considered Good	273.99	198.52
Unsecured		
Considered Good	185.26	136.60
Considered Doubtful	0.90	0.47
	460.15	335.59
Less: Allowance for Doubtful Trade Receivables	0.90	0.47
	<b>459.25</b>	<b>335.12</b>

Refer Note 47 for information about credit risk and market risk of trade receivables.

## 17. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks	51.21	44.76
Cash on Hand	0.56	0.74
	<b>51.77</b>	<b>45.50</b>

**18. OTHER BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Earmarked Balance with Banks for Unpaid Dividend (Refer note 21.1)	3.74	3.59
Margin Money (Pledged with Banks)	1.96	1.88
Fixed Deposits With Banks (Refer note 18.1 to 18.2 below)		
Maturity more than 3 months	263.50	260.13
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 11)	(200.00)	(200.00)
	<b>69.20</b>	<b>65.60</b>

- 18.1 Includes deposits of ₹ 21.00 crore (As at 31.03.2017 ₹ 20.00 crore) are pledged with banks against overdraft facilities. (Refer Note 24.2)
- 18.2 Includes ₹ 41.97 crore (As at 31.03.2017 ₹ 39.75 crore), given as security to Government department and others.

**19. SHARE CAPITAL**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Authorised</b>		
6,00,00,000 (As at 31.03.2017 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (As at 31.03.2017 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (As at 31.03.2017 - 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

**19.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Name of Shareholders	Number of Shares Held as at 31.03.2018	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

- 19.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 19.3 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.
- 19.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 19.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Nil	Nil

- 19.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## 20. BORROWINGS

(₹ in Crore)

Particulars	Non-Current Portion		Current Maturities	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Secured</b>				
External Commercial Borrowings	2,134.18	518.70	-	-
Indian Rupee Term Loans from Banks	67.50	-	7.50	-
Vehicle Loan from Others	-	0.04	0.03	0.05
Finance Lease Obligation	6.45	-	1.46	-
	<b>2,208.13</b>	<b>518.74</b>	<b>8.99</b>	<b>0.05</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21)	-	-	(8.99)	(0.05)
	<b>2,208.13</b>	<b>518.74</b>	-	-

**20. BORROWINGS** (Contd...)**20.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

(₹ in Crore)

Sl. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2018	Loan Amount as at 31.03.2017	Terms of Repayment
<b>External Commercial Borrowings</b>					
1	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with other term lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	260.18	259.35	Fully Repayable on 08.05.2020
			260.18	259.35	Fully Repayable on 24.09.2020
2	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	3 Months USD LIBOR + 0.70% (Fixed rate of 3.49% including the effect of related interest rate swaps)	806.02	-	Repayable in 9 half yearly instalments of 1.389 crore USD w.e.f. 28.03.2021
			321.07	-	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalments of 0.25 crore USD each, next two instalments of 0.50 crore USD each and last two instalments of 1.5 crore USD each)
			486.73	-	Repayable in 8 half yearly instalments w.e.f. 27.09.2020 (First four instalment of 0.49 crore SGD each (i.e 0.375 crore USD each), next two instalments of 0.981 crore SGD each (i.e. 0.75 crore USD each) and last two instalments of 2.943 crore SGD each (i.e. 2.25 crore USD each))
<b>Indian Rupee Term Loan from Banks</b>					
3	First pari passu Charge on entire moveable fixed assets of the Company. Second pari passu charge on entire current assets of the Company. The charge shall rank pari passu with other term lenders.	7.15%	75.00	-	Repayable in 6 half yearly installments w.e.f. 18.04.2018 (first two installments of ₹ 3.75 crore each, next two installments of ₹ 9.75 crore each and last two installments of ₹ 24 crore each)
<b>Vehicle Loan from Others</b>					
4	Secured by Hypothecation of the vehicle	10.09%	0.03	0.09	Repayable in 7 equated monthly installments w.e.f. 03.04.2018
<b>Finance Lease Obligation</b>					
5	Secured against Leased Assets	9.61%	7.91	-	Refer Note 56
<b>TOTAL</b>			<b>2,217.12</b>	<b>518.79</b>	
<b>Less: Current Maturities of Long Term Debt</b>			<b>8.99</b>	<b>0.05</b>	
<b>Total Non-Current Portion</b>			<b>2,208.13</b>	<b>518.74</b>	

There is no default in repayment of principal and interest thereon.

## 21. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long-Term Debt	-	-	7.53	0.05
Current Maturities of Finance Lease Obligation	-	-	1.46	-
Interest Accrued but not Due on Borrowings	-	-	6.50	9.86
Derivative Financial Instruments	28.58	18.22	12.21	44.92
Unpaid Dividends (Refer Note 21.1)	-	-	3.74	3.59
Security Deposits from Customers, Vendors & Others	496.97	347.36	2.99	2.44
Payable for Capital goods	-	-	137.26	59.44
Others (Refer Note 21.2)	-	-	239.98	265.81
	<b>525.55</b>	<b>365.58</b>	<b>411.67</b>	<b>386.11</b>

21.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2018 and 31.03.2017 (Refer note 18)

21.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

## 22. PROVISIONS

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Provision for Employee Benefits</b>				
Gratuity [Refer note 39(b)]	-	-	0.18	0.17
Other Staff Benefit Schemes	1.46	1.30	0.26	0.28
<b>Other Provisions</b>				
Mines Reclamation Expenses (Refer Note 40)	6.15	5.98	0.50	0.40
	<b>7.61</b>	<b>7.28</b>	<b>0.94</b>	<b>0.85</b>

## 23. OTHER LIABILITIES

(₹ in Crore)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Customers Advances	-	-	164.02	149.32
Withholding and Other Taxes Payable	-	-	183.37	55.27
Provident Fund and Superannuation Payable	-	-	11.11	10.66
Other Statutory Liabilities	536.57	587.36	260.65	260.04
	<b>536.57</b>	<b>587.36</b>	<b>619.15</b>	<b>475.29</b>

## 24. CURRENT BORROWINGS

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 24.1)	149.75	144.37
Bank Overdraft (Refer Note 24.2)	18.25	22.19
<b>Unsecured</b>		
Buyers Credit from Banks	1,017.86	607.18
	<b>1,185.86</b>	<b>773.74</b>

24.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

24.2 Bank Overdrafts are secured against pledge of Fixed Deposits and payable on demand. (Refer Note 18.1)

24.3 There is no default in repayment of principal and interest thereon.

**25. TRADE PAYABLES**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Due to Micro and Small Enterprises	7.50	8.01
Others	719.78	343.68
	<b>727.28</b>	<b>351.69</b>

25.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.

**26. REVENUE FROM OPERATIONS**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Sale of Products</b>		
Cement	9,252.90	8,775.12
Clinker	180.17	148.99
Power Sales	432.88	571.44
	<b>9,865.95</b>	<b>9,495.55</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	0.19	33.72
Less: Purchase of Traded Power	0.07	32.84
	<b>0.12</b>	<b>0.88</b>
<b>Other Operating Revenue</b>		
Sales Tax/ GST Subsidies	268.93	145.94
Scrap Sales	24.41	19.20
Others	0.12	0.09
	<b>293.46</b>	<b>165.23</b>
	<b>10,159.53</b>	<b>9,661.66</b>

26.1 Sales for the period from 01.07.2017 to 31.03.2018 is net of Goods and Service Tax (GST), however, sales for the year ended 31.03.2017 and from 01.04.2017 to 30.06.2017 are gross of excise duty.

**27. OTHER INCOME**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Interest Income		
On Deposits Classified at Amortised cost	23.57	22.30
On Bonds and Debentures Classified at Amortised cost	184.24	226.98
On Tax Refund	0.11	0.45
Others	1.34	0.70
Dividend Income on Financial Assets Classified at Fair Value through Profit or Loss	82.52	58.23
Net Gain on Sale of Investments		
Classified at Amortised cost	31.94	8.12
Classified at Fair Value through Profit or Loss	4.49	3.29
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	2.68	24.67
Profit on Sale of Property, Plant and Equipments (Net)	1.26	1.02
Provision No Longer Required	42.13	9.53
Balances Written Back	12.76	5.48
Other Non Operating Income	2.01	1.00
	<b>389.05</b>	<b>361.77</b>

## 28. COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Raw Materials Consumed</b>		
Gypsum	199.13	176.19
Fly Ash	282.00	246.43
Red Ochre and Slag	94.05	93.51
Sulphuric Acid	39.14	39.49
Others	154.74	125.04
	<b>769.06</b>	<b>680.66</b>

## 29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017	(Increase) / Decrease
<b>Closing Stock</b>			
Work-in-Progress	156.75	127.70	(29.05)
Finished Goods	79.09	109.43	30.34
	<b>235.84</b>	<b>237.13</b>	<b>1.29</b>
<b>Opening Stock</b>			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	<b>237.13</b>	<b>183.65</b>	<b>(53.48)</b>
<b>(Increase) / Decrease</b>	<b>1.29</b>	<b>(53.48)</b>	

## 30. EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Salaries, Wages and Bonus	510.98	465.69
Contribution to Provident and other Funds (Refer note 39)	64.16	58.63
Staff Welfare Expenses	12.91	12.86
	<b>588.05</b>	<b>537.18</b>

## 31. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
On Finished Products	1,782.50	1,309.97
On Inter Unit Clinker Transfer	742.39	564.03
	<b>2,524.89</b>	<b>1,874.00</b>

**32. FINANCE COSTS**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Interest Expenses	125.51	127.09
Bank and Finance Charges	2.40	1.85
Unwinding of Discount on Provision	0.48	0.48
Exchange Differences Regarded as an Adjustment to Borrowing Cost	8.79	-
	<b>137.18</b>	<b>129.42</b>
Less: Interest Capitalised	1.91	-
	<b>135.27</b>	<b>129.42</b>

Borrowing costs are capitalised using rates based on specific borrowings with interest rates ranging between 3.49 % to 7.15% per annum.

**33. OTHER EXPENSES**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Stores and Spares Consumed	280.84	304.64
Packing Materials Consumed	317.48	292.31
Royalty and Cess	233.34	239.38
Mines Reclamation Expenses	0.70	0.18
Excise Duty on Captive Consumption of Clinker	6.75	23.91
Repairs to Plant and Machinery	236.97	199.84
Repairs to Buildings	23.05	18.94
Rent	19.69	19.43
Insurance	4.15	3.45
Rates and Taxes	19.36	26.71
Travelling	34.34	34.03
Commission to Non-executive Directors	2.97	2.70
Directors' Sitting Fees and Expenses	0.75	0.75
Advertisement and Publicity	62.54	81.50
Sales Promotion and Other Selling Expenses	142.03	141.15
Excise duty variance on Closing/Opening Stock	(19.15)	6.56
Foreign Exchange Rate Differences (Net)	17.81	21.36
Corporate Social Responsibility Expenses	27.81	19.29
Assets Written Off	2.36	5.07
Allowance for Doubtful Receivables (Net)	0.43	0.02
Miscellaneous (Refer Note 33.1)	139.45	182.26
	<b>1,553.67</b>	<b>1,623.48</b>

### 33.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Statutory Auditors</b>		
Audit Fees	0.30	0.30
Tax Audit Fees	-	0.06
Certification / Other Services	0.13	0.11
Reimbursement of Expenses	0.11	0.13
<b>Cost Auditors</b>		
Audit Fees	0.04	0.03
Certification / Other Services (₹ 15,000 for Current Year)	-	0.01
Reimbursement of Expenses [₹ 13,086 (Previous year ₹ 15,820)]	-	-

### 34. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹ 62.10 crore (As at 31.03.2017 ₹ 80.66 crore)
- b. Income tax matters ₹ Nil (As at 31.03.2017 ₹ 0.28 crore)
- c. (i) Competition Commission of India (CCI), vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7<sup>th</sup> November, 2016, granted stay on CCI order subject to deposition of 10% of penalty amount and levy of interest of 12% p.a. on balance amount if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).
- (ii) In another matter, CCI vide its order dated 19th January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on Company's own assessment and advice given by its legal counsels, Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

- d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed special leave petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy ( i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

35. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 818.08 crore (As at 31.03.2017 ₹ 1,127.07 crore).
36. Capital work-in-progress includes directly attributable expenses of ₹ 115.05 crore (As at 31.03.2017 ₹ 49.02 crore) which includes depreciation of ₹ 33.69 crore (for Year ended 31.03.2017 ₹ 8.46 crore) on assets during construction period.
37. The Board of Directors of the Company has approved acquisition of majority equity stake (minimum 92.83%) in Union Cement Company PSC (UCC), a company based in United Arab Emirate (UAE) for an enterprise value of USD 305.24 million excluding cash and cash equivalents and marketable securities (for 100% equity stake) subject to closing adjustments. The Company has also executed Definitive Agreements in this regard with the Sellers. UCC, having its operations in Emirate of Ras-Al-Khaimah of UAE, has clinker production capacity of 3.3 MTPA and cement production capacity of 4.0 MTPA. The transaction is expected to be completed by September 2018.

**38. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

(₹ in Crore)

Particulars	2017-2018											2016-17	
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla		Total
Capital	0.01	25.88	0.05	0.52	0.05	0.03	-	0.09	-	-	0.48	27.11	7.85
Revenue	4.00	7.08	0.61	0.56	0.45	0.39	0.74	0.36	1.53	0.70	-	16.42	14.70
<b>Total</b>	<b>4.01</b>	<b>32.96</b>	<b>0.66</b>	<b>1.08</b>	<b>0.50</b>	<b>0.42</b>	<b>0.74</b>	<b>0.45</b>	<b>1.53</b>	<b>0.70</b>	<b>0.48</b>	<b>43.53</b>	<b>22.55</b>

**39. EMPLOYEE BENEFITS (REFER NOTE 30)****(a) Contribution to defined contribution plans recognized as expenses are as under:**

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Superannuation Fund	7.94	7.64
Provident Fund	39.61	33.73
National Pension Scheme	1.73	1.37
ESIC	0.11	0.04
<b>Total</b>	<b>49.39</b>	<b>42.78</b>

**(b) Defined Benefit Plan**

**Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	183.20	158.23
Current Service Cost	21.29	18.36
Interest Cost	14.20	11.87
Re-measurements (gains)/losses	(2.78)	(1.27)
Benefits paid	(5.29)	(3.99)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>210.62</b>	<b>183.20</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	183.03	158.14
Expected Return on Plan Assets	15.20	11.86
Re-measurements gains/(losses)	0.49	2.43
Contribution by employer	17.01	14.59
Benefits paid	(5.29)	(3.99)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>210.44</b>	<b>183.03</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	21.29	18.36
Interest cost	14.20	11.87
Expected Return on Plan Assets	(15.20)	(11.86)
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>20.29</b>	<b>18.37</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Return on plan assets (excluding amount included in net Interest expense)	(0.49)	(2.43)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	6.26	5.08
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(9.04)	(6.35)
<b>Total recognized in Other Comprehensive Income</b>	<b>(3.27)</b>	<b>(3.70)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>17.02</b>	<b>14.67</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	210.62	183.20
Fair Value of Plan Assets	210.44	183.03
Net Liability	0.18	0.17
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

#### The Principal actuarial assumption used:

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Discount rate	7.75% per annum	7.50% per annum
Salary Growth Rate	13.61% per annum	13.02% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.75% per annum	7.50% per annum
Withdrawal rate (Per Annum)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(23.33)	28.10	26.26	(22.41)	(9.10)	10.55

Sensitivity Analysis for significant assumptions as on 31.03.2017 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

The Company expects to contribute ₹ 18 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2018 is 14 years (as at 31.03.2017: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

Particulars	(₹ in Crore)
01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	22.80
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	11.02
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	11.58
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	10.26
01 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	9.12
01 <sup>st</sup> April 2023 Onwards	145.84

**(c) Provident fund managed by a trust set up by the Company:**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2018.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Plan assets at year end, at fair value	55.35	55.03
Present value of defined obligation at year end	55.35	55.03
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Discount Rate	7.00%	7.50%
Expected Guaranteed Interest Rate	8.55%	8.65%
Expected Rate of Return on Assets	8.60%	8.71%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 14.87 crore ( ₹ 13.16 crore for Year ended 31.03.2017).

**40. PROVISION FOR MINES RECLAMATION EXPENSES**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Opening Balance</b>	<b>6.38</b>	<b>6.40</b>
Add: Provision made during the year (Refer Note 33)	0.70	0.18
Add: Unwinding of Discount of Provision (Refer Note 32)	0.48	0.48
Less: Utilized during the year	0.91	0.68
<b>Closing Balance</b>	<b>6.65</b>	<b>6.38</b>

#### 41. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2017-18				2016-17			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	9,726.52	433.01	-	10,159.53	9,089.25	572.41	-	9,661.66
Inter Segment Revenue	-	1,017.06	(1,017.06)	-	-	883.48	(883.48)	-
<b>Total Revenue</b>	<b>9,726.52</b>	<b>1,450.07</b>	<b>(1,017.06)</b>	<b>10,159.53</b>	<b>9,089.25</b>	<b>1,455.89</b>	<b>(883.48)</b>	<b>9,661.66</b>
<b>Results</b>								
Segment Results (Profit before Finance Costs & Tax)	958.97	672.54	-	1,631.51	574.55	740.91	-	1,315.46
Add: Un-allocated Income								
Interest Income				209.26				250.43
Dividend Income				82.52				58.23
Fair Value gain/ (loss) on FVTPL Financial Assets				2.68				24.67
Net Gain on Sale of Investments				36.43				11.41
Less: Finance Costs				135.27				129.42
Profit before Tax				1,827.13				1,530.78
Less : Tax Expenses				442.98				191.70
<b>Profit after Tax</b>				<b>1,384.15</b>				<b>1,339.08</b>
Segment Assets	7,899.85	785.31	-	8,685.16	5,657.43	546.82	-	6,204.25
Un-allocated Assets				6,456.51				4,961.73
<b>Total Assets</b>				<b>15,141.67</b>				<b>11,165.98</b>
Segment Liabilities	2,005.16	263.63	-	2,268.79	1,590.28	157.44	-	1,747.72
Un-allocated Liabilities and Provisions				3,976.22				1,720.26
<b>Total Liabilities</b>				<b>6,245.01</b>				<b>3,467.98</b>
Depreciation and Amortization	852.77	46.63	-	899.40	1,125.76	88.95	-	1,214.71
Capital expenditure	2,456.04	199.55	-	2,655.59	1,190.27	77.24	-	1,267.51
Significant Non-Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

#### Reconciliation of Assets:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Segment Assets</b>	<b>8,685.16</b>	<b>6,204.25</b>
Investments (Current & Non Current)	5,434.08	4,042.35
Cash and Cash Equivalents	51.77	45.50
Other Bank Balances other than Cash and Cash Equivalents	69.20	65.60
Derivative Financial Instruments	3.80	-
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00
Interest Accrued on Bonds, Debentures and Deposits	74.27	57.07
Other Current Financial Assets - Others	10.06	23.24
Deferred Tax Assets (Net)	513.05	507.69
Non-Current Tax Assets (Net)	100.28	20.28
<b>Total Assets</b>	<b>15,141.67</b>	<b>11,165.98</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Segment Liabilities</b>	<b>2,268.79</b>	<b>1,747.72</b>
Borrowings (Current & Non Current)	3,393.99	1,292.48
Current maturities of Long Term Debt & Lease Obligation	8.99	0.05
Interest Accrued but not Due on Borrowings	6.50	9.86
Security Deposits from Customers & Vendors (Current & Non Current)	499.96	349.80
Liabilities for Current Tax (Net)	22.25	1.34
Unpaid Dividends	3.74	3.59
Derivative Financial Instruments (Current & Non Current)	40.79	63.14
<b>Total Liabilities</b>	<b>6,245.01</b>	<b>3,467.98</b>

B. Geographical information are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Revenue from Operations		
Within India	10,037.97	9,580.04
Outside India (Cement and Clinker Sales)	121.56	81.62
<b>Total</b>	<b>10,159.53</b>	<b>9,661.66</b>

All the assets of the Company are within India.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

**42. RELATED PARTY DISCLOSURE (AS PER IND AS 24 - RELATED PARTY DISCLOSURES)****Relationships:****(a) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:**

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Project Limited
- (iv) Alfa Buildhome Pvt. Ltd.
- (v) Rajasthan Forum
- (vi) The Bengal
- (vii) Sant Parmanand Hospital

**(b) Key Management Personnel:**

- (i) Shri H. M. Bangur                      Managing Director
- (ii) Shri Prashant Bangur                Joint Managing Director

**(c) Relatives to Key Management Personnel:**

- (i) Shri B. G. Bangur                      Father of Shri H. M. Bangur

**(d) Post Employment Benefit Plan Trust:**

- (i) Shree Cement Staff Provident Fund
- (ii) Shree Cement Employees Group Gratuity Scheme
- (iii) Shree Cement Ltd., Superannuation Scheme

**Disclosure of Related Party Transactions:**

**(a) Enterprises over which KMPs are able to exercise control/significant influence:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.71	0.58
- Aqua Infra Project Limited	0.14	0.11
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	2.36	2.16
- Shree Capital Service Ltd.	0.24	0.24
<b>Sale of Goods</b>		
- Sant Parmanand Hospital	0.13	0.06
<b>Contribution towards social activities</b>		
- Rajasthan Forum	0.38	0.25
- The Bengal	0.82	0.74
- Sant Parmanand Hospital	0.03	0.06
<b>Security deposits given</b>		
- Alfa Buildhome Pvt. Ltd.	0.18	-

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2018	As at 31.03.2017
Alfa Buildhome Pvt. Ltd.	0.63	0.45

**(b) Key Management Personnel:**

(₹ in Crore)

Particulars	2017-18	2016-17
Short Term Benefits	59.54	51.52
Post - Employment Benefits*	2.52	2.02
<b>Total</b>	<b>62.06</b>	<b>53.54</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(c) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Director Commission, Sitting Fee and Reimbursement of Expenses</b>		
- Shri B.G. Bangur	0.38	0.35

(d) Refer note 39 for information on transactions with post-employment benefit plans.

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

#### 43. EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Profit Before Tax	1,827.13	1,530.78
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	632.33	529.77
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(14.23)	(26.87)
Items (Net) not Deductible for Tax/not Liable to Tax	(189.93)	(291.79)
Tax losses Unutilized / Items Taxed at Different Rate	(13.44)	(38.95)
Tax Expense Relating to Earlier Years (Net)	0.30	2.13
Others	27.95	17.41
<b>Income Tax Expense Reported</b>	<b>442.98</b>	<b>191.70</b>

44. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes as per amendment to Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2018
<b>Opening Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>1,270.34</b>
Changes from Financing cash flows	2,035.33
The effect of changes in foreign exchange rates	67.17
New Finance lease Liability during the year (including Interest accrued)	11.89
<b>Closing Balance of Borrowings (Long term including current maturities and Short Term) excluding Bank Overdraft</b>	<b>3,384.73</b>

#### 45. CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2018 compare to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity (net of deferred tax assets) and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Equity Share Capital	34.84	34.84
Other Equity (net of Deferred tax Assets)	8,348.77	7,155.47
Total Equity	8,386.61	7,190.31
Long Term Debt (Including Current Maturities)	2,217.12	518.79
<b>Debt to Equity Ratio</b>	<b>0.26</b>	<b>0.07</b>

#### 46. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Classified at Fair Value Through Profit or Loss</b>				
Investments in Mutual Funds and Preference Shares	3,124.54	3,124.54	1,143.23	1,143.23
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	3.80	3.80	-	-
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	-	-	-	-
<b>Financial Assets Classified at Amortized Cost</b>				
Investments in Bonds and Debentures	2,309.54	2,381.06	2,899.12	2,959.76
Loans	56.60	56.60	49.09	49.09
Trade Receivables	459.25	459.25	335.12	335.12
Cash and Cash Equivalents and Other Bank Balances	120.97	120.97	111.10	111.10
Other Financial Assets	289.19	296.34	287.22	299.16
<b>Total Financial Assets</b>	<b>6,363.89</b>	<b>6,442.56</b>	<b>4,824.88</b>	<b>4,897.46</b>
<b>Financial Liabilities Classified at Fair Value Through Profit or Loss</b>				
<b>Derivatives not Designated as Hedges</b>				
Forward Contracts	12.21	12.21	44.92	44.92
<b>Derivatives Designated as Hedges</b>				
Cross Currency and Interest Rate Swaps	28.58	28.58	18.22	18.22
<b>Financial Liabilities Designated at Amortized Cost</b>				
Non-Current Borrowings at Floating Rate	1,647.45	1,647.45	518.70	518.70
Non-Current Borrowings at Fixed Rate	560.68	561.66	0.04	0.04
Current Maturities of Long Term Debt	7.53	7.53	0.05	0.05
Current Maturities of Finance Lease Obligation	1.46	1.46	-	-
Short Term Borrowings	1,185.86	1,185.86	773.74	773.74
Trade Payables	727.28	727.28	351.69	351.69
Other Financial Liabilities	887.44	887.44	688.50	688.50
<b>Total Financial Liabilities</b>	<b>5,058.49</b>	<b>5,059.47</b>	<b>2,395.86</b>	<b>2,395.86</b>

#### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counter parties and believe them to be insignificant and not warranting a credit adjustment.
- d) The fair values of mutual funds are at published Net Asset Value (NAV).

#### Fair Value Hierarchy

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

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

#### Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	2,514.14	-	-	2,514.14
Preference Shares	-	610.40	-	610.40
Derivatives not Designated as Hedges	-	3.80	-	3.80
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	12.21	-	12.21
Derivatives Designated as Hedges	-	28.58	-	28.58

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

#### Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,381.06	-	2,381.06
Loans	-	56.60	-	56.60
Other Financial Assets	-	296.34	-	296.34
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	561.66	-	561.66
Other Financial Liabilities	-	887.44	-	887.44

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	49.09	-	49.09
Other Financial Assets	-	299.16	-	299.16
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

During the year ended 31.03.2018 and 31.03.2017, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2018 and 31.03.2017, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivative Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivative Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivative Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

**Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

**47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below :

**Market risk and sensitivity**

Market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2018 and 31.03.2017.

The sensitivity analyses excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates. The Company has taken External Commercial Borrowings of USD 25 crore on 28.03.2018 for which there is no forward cover taken against the exposure of currency risk as on 31.03.2018.

**Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2018</b>		
US Dollar Borrowings	+50	(0.71)
	-50	0.71
<b>31.03.2017</b>		
US Dollar Borrowings	+50	(0.41)
	-50	0.41

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

#### Foreign currency risk and sensitivity

The company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses Cross Currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrates the sensitivity in the USD, JPY, EURO, GBP and CHF to the Indian Rupee with all other variable held constant.

#### For the Year ended 31.03.2018

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
<b>Change in Currency Exchange Rate</b>					
+5%	(98.13)	1.79	0.12	(0.01)	0.14
-5%	98.13	(1.79)	(0.12)	0.01	(0.14)

#### For the Year ended 31.03.2017

Particulars	Effect on Profit Before Tax (₹ in crore)			
	USD	JPY	EURO	GBP
<b>Change in Currency Exchange Rate</b>				
+5%	(3.54)	0.42	4.98	(0.01)
-5%	3.54	(0.42)	(4.98)	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and financial institutions and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

**The ageing of trade receivables are as below:**

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
As at 31.03.2018					
Secured	222.02	47.85	3.32	0.80	273.99
Unsecured	142.63	36.09	0.56	6.88	186.16
<b>Gross Total</b>	<b>364.65</b>	<b>83.94</b>	<b>3.88</b>	<b>7.68</b>	<b>460.15</b>
Allowance for doubtful trade receivables	-	0.04	0.32	0.54	0.90
<b>Net Total</b>	<b>364.65</b>	<b>83.90</b>	<b>3.56</b>	<b>7.14</b>	<b>459.25</b>
<b>As at 31.03.2017</b>					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
<b>Gross Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.90</b>	<b>335.59</b>
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
<b>Net Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.43</b>	<b>335.12</b>

**Movement in Allowance for Doubtful Trade Receivables are given below:**

(₹ in Crore)

Particulars	2017-18	2016-17
<b>Opening Balance</b>	<b>0.47</b>	<b>0.45</b>
Add: Provision made during the year (Refer note 33)	0.43	0.02
Less: Utilized during the year	-	-
<b>Closing Balance</b>	<b>0.90</b>	<b>0.47</b>

**Financial Instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counter parties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 6,363.89 crore as at 31.03.2018 and ₹ 4,824.88 crore as at 31.03.2017, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

**Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

**As at 31.03.2018**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	1,193.39	1,364.78	849.19	3,407.36
Finance Lease Obligation	1.52	7.59	1.37	10.48
Trade Payables	727.28	-	-	727.28
Derivative Financial Instruments	12.21	14.09	14.49	40.79
Other Financial Liabilities	390.47	496.97	-	887.44
<b>Total</b>	<b>2,324.87</b>	<b>1,883.43</b>	<b>865.05</b>	<b>5,073.35</b>

As at 31.03.2017

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.69	-	-	351.69
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
<b>Total</b>	<b>1,511.54</b>	<b>884.32</b>	<b>-</b>	<b>2,395.86</b>

#### 48. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2018	As at 31.03.2017
Forward Contracts	Buyers Credit	USD	15.65	9.36
		Imports	USD	0.28
		JPY	56.84	13.50
		EURO	0.03	1.40
		CHF	0.04	-
Cross Currency & Interest Rate Swaps	ECB	USD	8.00	8.00
	ECB	SGD	9.81	-
Interest Rate Swaps	ECB	USD	17.50	-

#### Cross Currency & Interest Rate Swaps and Interest Rate Swaps

The objective of cross currency and interest rate swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and of hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

- An economic relationship between the hedged item and the hedging instrument
- The effect of credit risk
- Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and Interest rate swaps to hedge its currency and interest risk and generally applies hedge ratio 1:1. Refer Note 20 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above swaps are as under:

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	28.58	-	18.22

**The movement of Effective Portion of Cash Flow Hedges are shown below:**

(₹ in Crore)

Particulars	For the Year ended	For the Year ended
	31.03.2018	31.03.2017
<b>Opening Balance</b>	<b>(10.52)</b>	<b>(7.98)</b>
Gain/(loss) recognized on cash flow hedges	(35.37)	(48.56)
Income tax relating to gain/(loss) recognized on cash flow hedges	12.36	16.80
Reclassified to Statement of Profit and Loss #	30.45	44.68
Income tax relating to Reclassified to Statement of Profit and Loss	(10.64)	(15.46)
Effect of change in tax rate	0.05	-
<b>Closing Balance</b>	<b>(13.67)</b>	<b>(10.52)</b>

# ₹ (0.54) crore (Previous year ₹ 11.91 crore) to Foreign Exchange Rate Differences and ₹ 30.99 crore (Previous Year ₹ 32.78 crore) to Finance Cost.

**Foreign Currency Forward Contracts**

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

**The fair value of foreign currency forward contracts are as under:**

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	3.80	12.21	-	44.92

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 5.95 crore [ ₹ (44.92) for the Year ended 31.03.2017] for the Year ended 31.03.2018.

**49. COLLATERALS**

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged / hypothecated as collateral/ security against the borrowings. Refer Note 20 and 24.

**50. EARNINGS PER SHARE (EPS)****A. Basic and Diluted EPS:**

Particulars		2017-18	2016-17
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,384.15	1,339.08
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	397.32	384.38

B. **Cash EPS** : (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

51. Previous year figures have been regrouped and rearranged wherever necessary.
52. Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.
53. Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures (Form AOC-1- Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part - A Subsidiaries

Particulars	Shree Global Pte. Ltd.	
	Amount In USD	Amount In INR
Share Capital	40,000	24,91,050
Reserves & Surplus	(29,926.02)	(18,35,797)
Total Assets	13,232.39	8,60,689
Total Liabilities	3,158.41	2,05,436
Investments	-	-
Turnover	-	-
Profit / (Loss) before taxation	(5,230.91)	(3,37,201)
Provision for Taxation	-	-
Profit / (Loss) after taxation	(5,230.91)	(3,37,201)
Proposed Dividend	-	-
% of shareholding	100	100

Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used.

Currency	Balance Sheet (Closing rate)	Statement of Profit and Loss (Average rate)
United States Dollars (USD) - Indian Rupee	65.04	64.46

Name of subsidiary company which are yet to commence operations-

Sl. No.	Name of Subsidiary Companies
1.	Shree Global Pte. Ltd.

Part B of the Form AOC-I is not applicable as there are no associate companies/Joint Ventures of the Company as on 31.03.2018.

54. Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/ Associates/Joint Ventures

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ in Crore	As % of Consolidated Profit or (Loss)	₹ in Crore	As % of Consolidated Other Compre- nsive Income	₹ in Crore	As % of Consolidated Total Comprehensive Income	₹ in Crore
<b>Parent</b>								
Shree Cement Limited	100.00	8,896.83	100.00	1,384.18	100.00	(1.01)	100.00	1,383.17
<b>Subsidiaries - Indian</b>								
No Indian Subsidiary	-	-	-	-	-	-	-	-
<b>Subsidiaries - Foreign</b>								
Shree Global Pte. Limited	-	0.07	-	(0.03)	-	-*	-	(0.03)
Adjustment due to consolidation	-	(0.24)	-	-	-	-	-	-
<b>TOTAL</b>	<b>100.00</b>	<b>8,896.66</b>	<b>100.00</b>	<b>1,384.15</b>	<b>100.00</b>	<b>(1.01)</b>	<b>100.00</b>	<b>1,383.14</b>

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**55. EVENT OCCURRING AFTER THE BALANCE SHEET DATE**

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2018 (Note 1)	As at 31.03.2017 (Note 2)
Dividend Proposed for Equity Shareholders	104.51	83.61
Dividend Tax	21.48	17.02
<b>Total</b>	<b>125.99</b>	<b>100.63</b>

Note 1 : ₹ 30 per share for FY 2017-2018

Note 2 : ₹ 24 per share for FY 2016-2017

**56. LEASES****(a) Finance Lease (Land) - Company as lessee**

(₹ in Crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payment	Present value of minimum lease payment
Within One year	1.52	1.46	-	-
After one year but not more than five years	7.59	5.73	-	-
More than five years	1.37	0.72	-	-
<b>Total minimum lease payments</b>	<b>10.48</b>	<b>7.91</b>	-	-
Less: Amounts representing finance charges	2.57			
<b>Present Value of Minimum Lease payments</b>	<b>7.91</b>			

**(b) Operating Leases - Company as lessee**

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

As per our report of even date  
For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**Mukesh Dua**  
Partner  
Membership No. 085323

Place : New Delhi  
Date : 28<sup>th</sup> April, 2018

Signature to Note 1 to 56  
For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

**S. S. Khandelwal**  
Company Secretary

**O.P. Setia**  
Independent Director & Chairman of Audit  
and Risk Management Committee  
DIN: 00244443

**Subhash Jajoo**  
Chief Finance Officer

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

## SHREE CEMENT LIMITED

### Report on the Standalone Ind AS Financial Statements

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long term contracts including any 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. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 42 to the Standalone Ind AS Financial Statements.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place: Kolkata  
Date: 16<sup>th</sup> May, 2017

## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- 2) In respect of its inventories:
  - (a) The Management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company are as follows :

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit on Inputs and capital goods (including interest and penalty)	2.09	2004-05 to 2007-08 & 2009-10 to 2015-16	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods (including interest and penalty)	10.57	2004-05 to 2010-11 & 2013-14 to 2015-16	Customs Excise & Service Tax Appellate Tribunal (CESTAT)

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Credit of Service Tax (including interest and penalty)	0.66	2009-10 and 2011-12	Commissioner (Appeals) of Central Excise
	Credit of Service Tax (including interest and penalty)	20.89	2009-10 to 2010-11, 2012-13 & 2014-15	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (A)</b>		<b>34.21</b>		
<b>(B) Customs Duty</b>				
Customs Act, 1962	Custom Duty Valuation (including interest)	10.00	2008-09 to 2009-10 & 2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>10.00</b>		
<b>(C) Sales Tax</b>				
Central Sales Tax Act, 1956	Partial Exemption Claim	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
<b>Total (C)</b>		<b>2.24</b>		
<b>Grand Total (A+B+C)</b>		<b>46.45</b>		

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore, reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place: Kolkata  
Date: 16<sup>th</sup> May, 2017

## Annexure 'B' to the Independent Auditors' Report

**(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)**

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31<sup>st</sup> March, 2017 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

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

For **B R Maheswari & Co LLP**

Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**

Partner  
Membership No. 081075

Place: Kolkata  
Date: 16<sup>th</sup> May, 2017

# BALANCE SHEET as at 31<sup>st</sup> March, 2017

(₹ in Crore)

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	5	2,586.34	3,050.17	2,921.19
Capital Work-in-Progress	35	710.44	264.50	511.10
Intangible Assets	6	12.78	-	-
<b>Financial Assets</b>				
Investments	7	3,388.48	2,950.39	2,069.13
Loans	8	43.59	33.90	34.37
Other Financial Assets	9	200.00	201.18	228.31
Deferred Tax Assets (Net)	24	507.69	371.79	325.06
Non-Current Tax Assets (Net)		20.28	14.09	-
Other Non-Current Assets	10	414.44	768.60	425.82
		7,884.04	7,654.62	6,514.98
<b>Current Assets</b>				
Inventories	11	1,314.50	815.19	918.86
<b>Financial Assets</b>				
Investments	12	654.12	80.08	162.93
Trade Receivables	13	335.12	328.62	476.39
Cash and Cash Equivalents	14	45.40	50.23	30.98
Other Bank Balances	15	65.60	32.81	67.52
Loans	8	8.03	11.02	11.07
Other Financial Assets	9	84.67	134.10	80.76
Current Tax Assets (Net)		-	44.66	-
Other Current Assets	10	774.63	311.95	291.16
		3,282.07	1,808.66	2,039.67
<b>Total Assets</b>		<b>11,166.11</b>	<b>9,463.28</b>	<b>8,554.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	16	34.84	34.84	34.84
Other Equity	17	7,663.30	6,810.69	5,827.88
		7,698.14	6,845.53	5,862.72
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	18	518.74	530.74	408.01
Other Financial Liabilities	19	365.58	302.69	285.29
Provisions	20	7.28	6.70	6.74
Other Non-Current Liabilities	21	587.36	615.92	570.97
		1,478.96	1,456.05	1,271.01
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	22	773.74	195.75	196.30
Trade Payables	23	351.68	257.24	310.71
Other Financial Liabilities	19	386.11	476.51	660.66
Other Current Liabilities	21	475.29	229.81	243.04
Provisions	20	0.85	1.05	4.09
Current Tax Liabilities (Net)		1.34	1.34	6.12
		1,989.01	1,161.70	1,420.92
<b>Total Equity and Liabilities</b>		<b>11,166.11</b>	<b>9,463.28</b>	<b>8,554.65</b>
Significant Accounting Policies	3			

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**

Partner

Membership No. 081075

Place : Kolkata

Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**

Chairman  
DIN: 00244196

**S. S. Khandelwal**

Company Secretary

**Subhash Jajoo**

Chief Finance Officer

**H. M. Bangur**

Managing Director  
DIN: 00244329

**O. P. Setia**

Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**

Joint Managing Director  
DIN: 00403621

## STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017

(₹ in Crore)

	Note	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Revenue from Operations	25	9,496.52	6,189.96
Other Income	26	507.71	672.68
		<b>10,004.23</b>	<b>6,862.64</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	680.66	449.30
Changes in Inventories of Finished Goods and Work-in-Progress	28	(53.48)	3.28
Employee Benefits Expense	29	537.18	369.86
Power and Fuel		1,444.27	1,122.95
Freight and Forwarding Expenses	30	1,874.00	1,141.62
Excise Duty on Sales		1,067.36	676.32
Finance Costs	31	129.42	75.77
Other Expenses	32	1,604.25	1,032.64
		7,283.66	4,871.74
Captive Consumption of Cement [Net of Excise Duty ₹ 3.51 crore (Previous year ₹ 1.75 crore)]		(24.95)	(12.92)
		7,258.71	4,858.82
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>		<b>2,745.52</b>	<b>2,003.82</b>
Depreciation and Amortisation Expense	5, 6 & 36	1,214.71	827.57
<b>PROFIT BEFORE TAX</b>		<b>1,530.81</b>	<b>1,176.25</b>
<b>Tax Expense</b>	44		
Current Tax		324.13	122.14
Tax Expense relating to earlier years (Net)		2.13	(55.34)
Deferred Tax (Credit) / Charge		(134.56)	(33.68)
		191.70	33.12
<b>PROFIT FOR THE PERIOD</b>		<b>1,339.11</b>	<b>1,143.13</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss	39(b)	3.70	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.28)	(1.84)
Items that will be Reclassified to Profit or Loss	38	(3.88)	(6.84)
Income Tax relating to Items that will be Reclassified to Profit or Loss		1.34	2.37
		(0.12)	(0.99)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>1,338.99</b>	<b>1,142.14</b>
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	50		
Cash		694.45	556.02
Basic and Diluted		384.39	328.13
Significant Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196  
**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

(₹ in Crore)

Particulars	For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit Before Tax</b>		<b>1,530.81</b>		<b>1,176.25</b>
Adjustments For :				
Depreciation and Amortisation Expense	1,214.71		827.57	
Unrealised Foreign Exchange Rate Differences (Net)	22.38		(0.95)	
Balances Written Back (Net)	(5.48)		(9.00)	
Provision No Longer Required	(9.53)		(0.38)	
Provision for Doubtful Receivables (Net)	0.02		0.03	
Net Gain on Sale of Investments	(11.41)		(5.34)	
(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(24.67)		0.92	
Interest Income	(250.43)		(151.20)	
Dividend Income on Financial Assets Designated at Fair Value through Profit or Loss	(58.23)		(38.40)	
Profit on Sale of Property, Plant & Equipments (Net) / Assets Written Off	4.05		8.76	
Finance Costs	129.42	1,010.83	75.77	707.78
<b>Operating Profit Before Working Capital Changes</b>		<b>2,541.64</b>		<b>1,884.03</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	16.53		(281.21)	
(Increase) / Decrease in Inventories	(499.31)		103.67	
Increase / (Decrease) in Trade & Other Payables and Provisions	431.86	(50.92)	2.77	(174.77)
Cash Generated From Operations		<b>2,490.72</b>		<b>1,709.26</b>
Direct Taxes Paid (Net of Refunds)		(289.07)		(143.11)
<b>Net Cash From Operating Activities</b>		<b>2,201.65</b>		<b>1,566.15</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(1,280.90)		(735.58)	
Proceeds from Sale of Property, Plant and Equipments	1.60		1.66	
Payments for Intangible Assets	(15.35)		(3.15)	
Purchases of Investments in Bonds, Debentures and Preference Shares	(1,272.62)		(655.15)	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	369.50		267.47	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(221.58)		(271.23)	
Investments in a Subsidiary Company	(0.13)		-	
Investments in Bank Deposits	(61.85)		(45.91)	
Maturity of Bank Deposits	30.83		89.71	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(1.77)		(0.09)	
Dividend Received	37.70		40.83	
Interest Received (Including Interest on Zero Coupon Bonds)	366.67		46.88	
<b>Net Cash Used in Investing Activities</b>		<b>(2,047.90)</b>		<b>(1,264.56)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	-		265.84	
Repayment of Long Term Borrowings	(146.33)		(300.28)	
Proceeds from Short Term Borrowings	629.60		46.60	
Repayment of Short Term Borrowings	(45.82)		-	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	8.02		(34.51)	
Interest and Financial Charges Paid	(127.77)		(89.17)	
Dividend and Tax Paid thereon (Interim, Special and Final)	(484.61)		(159.24)	
<b>Net Cash From / (Used in) Financing Activities</b>		<b>(166.91)</b>		<b>(270.76)</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents</b>		<b>(13.16)</b>		<b>30.83</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>		<b>36.37</b>		<b>5.54</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>		<b>23.21</b>		<b>36.37</b>

The accompanying notes are an integral part of the Financial Statements.

**Notes :**

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
- 3 For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.66	49.74	30.59
Cash on Hand	0.74	0.49	0.39
	45.40	50.23	30.98
Less: Bank Overdraft	22.19	13.86	25.44
	<b>23.21</b>	<b>36.37</b>	<b>5.54</b>

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## STATEMENT OF CHANGES IN EQUITY for the year ended 31<sup>st</sup> March, 2017

### A. EQUITY SHARE CAPITAL (Refer Note 16)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 01.07.2015	3,48,37,225	34.84
As at 31.03.2016	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

### B. OTHER EQUITY (Refer Note 17)

For the Nine Months ended 31<sup>st</sup> March, 2016

(₹ in Crore)

Particulars	Reserves and Surplus						Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained Earnings		
<b>Opening Balance as at 01.07.2015</b>	<b>15.00</b>	<b>26.53</b>	<b>200.00</b>	<b>500.00</b>	<b>3,000.00</b>	<b>2,089.86</b>	<b>(3.51)</b>	<b>5,827.88</b>
Profit for the Period						1,143.13		1,143.13
Other Comprehensive Income for the Period								
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.48		3.48
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 38)							(4.47)	(4.47)
Transfer from Debenture Redemption Reserve to General Reserve			(200.00)		200.00	-		-
Transfer to/(from) Retained Earnings					300.00	(300.00)		-
Interim Dividends on Equity Shares (Note 1 below)						(83.61)		(83.61)
Tax on Interim Dividends						(17.02)		(17.02)
Final Dividend on Equity Shares (Note 2 below)						(48.77)		(48.77)
Tax on Final Dividend						(9.93)		(9.93)
<b>Closing Balance as at 31.03.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.14</b>	<b>(7.98)</b>	<b>6,810.69</b>

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

(₹ in Crore)

Particulars	Reserves and Surplus					Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings		
<b>Opening Balance as at 01.04.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.14</b>	<b>(7.98)</b>	<b>6,810.69</b>
Profit for the Year					1,339.11		1,339.11
Other Comprehensive Income for the year							
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42		2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 38)						(2.54)	(2.54)
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-		-
Transfer to /(from) Retained Earnings				1,000.00	(1,000.00)		-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)		(55.74)
Tax on Interim Dividend					(11.34)		(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)		(348.37)
Tax on Special Dividend					(70.93)		(70.93)
<b>Closing Balance as at 31.03.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>5,000.00</b>	<b>2,632.29</b>	<b>(10.52)</b>	<b>7,663.30</b>

Note 1 : Interim Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2015-16.

Note 2 : Final Dividend declared at the rate of ₹ 14 per share of ₹ 10 each for FY 2014-15.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## Notes Forming Part of Financial Statements

### 1. Corporate Information

Shree Cement Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer - 305901 (Rajasthan) India.

The Company is engaged in manufacturing and supply of cement and power generation. Currently its manufacturing operations are spread over North and Eastern India. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No.16.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 16<sup>th</sup> May, 2017.

### 2. Basis of Preparation and Statement of Compliance

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 by the Companies (Indian Accounting Standards) (Amendment), Rules, 2016. For all periods up to and including the period ended 31<sup>st</sup> March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31<sup>st</sup> March, 2017 are the first Ind AS financial statements. Refer Note 55 for information on how the Company adopted Ind AS.

The Company had adopted change in its accounting year in terms of section 2(41) of the Companies Act, 2013 from Financial Year 2015-2016. Accordingly the said financial year of the Company was of a nine months period from 1<sup>st</sup> July, 2015 to 31<sup>st</sup> March, 2016. Hence, the figures for the current financial year are not comparable to those of the previous year.

### 3. Significant Accounting Policies

#### a) Basis of Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivatives financial instruments
- Certain Financial assets measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

#### b) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition (Refer Note 55). Subsequently, Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/ bringing the asset to its working condition for its intended use (net of credit availed, if any).

When significant parts of the plant and equipment are required to be replaced at intervals the Company depreciates them separately based on their specific useful lives.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Leasehold land is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **c) Intangible Assets**

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Intangible Assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible Assets on the date of transition (Refer Note 55). Subsequently, Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

Amortization is provided on a Written down Value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

#### **d) Impairment of Non-Financial Assets**

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### **e) Revenue Recognition**

Revenue is measured at fair value of consideration received or receivable. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

- Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of sales tax / VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty.
- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest rate (EIR) method.
- Insurance, Railway and other Claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

#### **f) Provisions and Contingencies**

##### **1) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

**Mines Reclamation Expenditure**

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on present value of 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. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

**2) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

**g) Foreign Currency Transaction**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each Balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

**h) Inventories****1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel**

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

**2) Work-in-progress and Finished goods**

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

**3) Energy Saving Certificates**

These are valued at lower of cost and net realizable value.

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

**i) Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

**1) Assets Taken on Finance Lease**

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**2) Operating Lease**

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**j) Taxation**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive

income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date.

## **k) Employee Benefits**

### **1) Defined Contribution Plan**

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (ESIC) are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

## **2) Defined Benefit Plan**

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

### **Re-measurement gains and losses**

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

## **3) Other Long Term Benefits**

Encashable leave in case of employees covered by Cement Wage Board and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arises.

## **l) Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received. Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs. Grants related to an assets are recognized as income on a systematic basis over the useful life of the related assets.

## **m) Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

**n) Financial Instruments**

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

**1) Financial Assets****Initial recognition and measurement**

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, other financial assets and investments.

**Subsequent measurement**

Financial assets are subsequently measured at amortised cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

**Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

**Investments in Subsidiaries**

The Company has accounted for its investment in subsidiary at cost.

**Impairment of Financial Assets**

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. If credit risks 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 reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

**2) Financial Liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial

recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

**Subsequent measurement**

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

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

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

**Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

**3) Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such Derivatives financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges.

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency

exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

**o) Cash and Cash equivalents**

Cash and Cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**4. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have

significant effect on the amounts recognized in the financial statements:

**a) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

**b) Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**c) Allowances for Uncollected Trade Receivables**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

**d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

**e) Mines Reclamation Obligation**

The measurement of mine reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

**f) Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. For sensitivity analysis Refer Note 39.

**5. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Tangible Assets :</b>									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84 (a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipments	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
<b>Total</b>	<b>3,868.86</b>	<b>762.71</b>	<b>14.68</b>	<b>4,616.89</b>	<b>818.69</b>	<b>1,220.60(b)</b>	<b>8.74</b>	<b>2,030.55</b>	<b>2,586.34</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
<b>Tangible Assets :</b>									
Free Hold Land	504.20	32.80	-	537.00	-	0.80	-	0.80	536.20
Lease Hold Land	196.67	5.77	-	202.44	-	2.45	-	2.45	199.99
Buildings	266.94	97.98	9.32	355.60	-	31.66	-	31.66	323.94
Plant and Equipment	1,894.66	815.10 (a)	5.70	2,704.06	-	773.05	3.31	769.74	1,934.32
Railway Siding	16.82	3.33	-	20.15	-	2.94	-	2.94	17.21
Furniture and Fixtures	14.31	2.48	0.20	16.59	-	3.43	0.19	3.24	13.35
Office Equipments	13.16	7.37	1.42	19.11	-	7.52	1.21	6.31	12.80
Vehicles	14.43	2.34	2.86	13.91	-	3.57	2.02	1.55	12.36
<b>Total</b>	<b>2,921.19</b>	<b>967.17</b>	<b>19.50</b>	<b>3,868.86</b>	<b>-</b>	<b>825.42(b)</b>	<b>6.73</b>	<b>818.69</b>	<b>3,050.17</b>

(a) Includes ₹ 1.48 crore (for Nine Months Period ended 31.03.2016 ₹ 3.41 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 8.46 crore (for Nine Months Period ended 31.03.2016 ₹ 1.00 crore) on assets during construction period.

(c) The Company has elected to measure all of its Property, Plant and Equipment at their previous GAAP carrying value on the date of transition to Ind AS. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

**6. INTANGIBLE ASSETS**

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Intangible Assets :</b>									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
<b>Total</b>	<b>3.15</b>	<b>15.35</b>	<b>-</b>	<b>18.50</b>	<b>3.15</b>	<b>2.57</b>	<b>-</b>	<b>5.72</b>	<b>12.78</b>

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
<b>Intangible Assets :</b>									
Computer Software	-	3.15	-	3.15	-	3.15	-	3.15	-
<b>Total</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>

(a) The Company has elected to measure the intangible assets at their previous GAAP carrying value on the date of transition to Ind AS.

## 7. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>							
<b>QUOTED</b>							
<b>Bonds and Non Convertible Debentures (NCD)</b>							
<b>National Bank for Agriculture and Rural Development (Refer Note 7.3)</b>							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	-	-	2,09,340	376.06	2,09,340	353.88
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	86,640	150.35	86,640	141.43
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	8.63	5,000	8.13
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.33	180	0.30	180	0.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.33	180	0.30	180	0.28
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.83	460	0.77	460	0.72
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.11	65	0.10	65	0.10
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	2,54,660	441.81	3,14,660	503.48	3,14,660	473.69
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	20.35	11,800	18.78	11,800	17.67
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	27.54	16,160	25.34	16,160	23.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	215.02	1,26,845	197.96	1,26,845	186.17
<b>National Housing Bank (Refer Note 7.3)</b>							
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	285.09	3,27,711	263.15	3,27,711	247.66
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	71.27	83,760	65.76	83,760	61.88
<b>Indian Railway Finance Corporation Limited</b>							
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.07	150	15.07	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.05	100	10.06	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.63	2,50,000	25.10	-	-
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.19	250	25.20	-	-
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	159	15.94	159	15.94	-	-
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.67	-	-	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	3,60,000	38.04	-	-	-	-
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	50	5.94	-	-	-	-
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	56.02	5,00,000	50.00	5,00,000	50.00
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10	-	-
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.47	1,76,350	17.64	-	-
<b>Power Finance Corporation</b>							
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	-	-	880	87.99
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.48	200	20.21	-	-
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.53	-	-	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.62	-	-	-	-
<b>Power Grid Corporation</b>							
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	-	-	120	14.97

**7. NON-CURRENT INVESTMENTS** (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>National Highways Authority of India</b>							
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,66,095	149.04	11,88,951	119.30	11,88,951	119.32
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.90	-	-	-	-
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.08	250	25.09	-	-
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.57	-	-	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	250	29.69	-	-	-	-
8.75% NHAI Tax Free Bonds - 05FB29	1,000	2,50,000	29.57	-	-	-	-
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.45	-	-	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55	-	-
<b>Housing and Urban Development Corporation Limited</b>							
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,16,424	107.43	-	-	-	-
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.30	2,50,000	25.35	-	-
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	50	5.13	-	-	-	-
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	300	30.28	100	9.97	-	-
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	100	10.12	-	-	-	-
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.38	-	-	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	4,30,000	46.81	1,00,000	9.70	1,00,000	9.82
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.79	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	13,75,439	139.80	4,51,746	45.17	-	-
<b>India Infrastructure Finance Company Limited</b>							
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.26	-	-	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	6,50,000	65.51	5,50,000	55.38	-	-
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.17	-	-	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.28	50	5.31	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.37	50,000	5.41	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.51	-	-	-	-
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	2,00,000	20.67	-	-	-	-
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,00,000	10.53	-	-	-	-
<b>Rural Electrification Corporation</b>							
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.25	-	-	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	150	17.56	-	-	-	-
8.46% REC Tax Free Bonds - 24SP28	1,000	1,50,000	17.56	-	-	-	-
<b>Indian Renewable Energy Development Agency Limited</b>							
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.17	7,60,903	76.32	-	-
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.76	-	-	-	-
<b>National Bank for Agriculture and Rural Development</b>							
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08	-	-
<b>National Housing Bank</b>							
8.46% NHB Tax Free NCD - 30AG28	10,00,000	150	17.58	-	-	-	-
<b>Canfin Homes Limited</b>							
8.41% Canfin Homes NCD - 30JN19	10,00,000	141	14.08	141	14.07	-	-
<b>Housing Development Finance Corporation Limited</b>							
8.75% HDFC NCD - 04MR21	1,00,00,000	50	50.42	-	-	-	-

## 7. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>LIC Housing Finance Limited</b>							
8.75% LIC Housing NCD - 12FB21	10,00,000	630	63.52	-	-	-	-
9.30% LIC Housing NCD - 14SP22	10,00,000	150	15.49	150	15.56	-	-
<b>IL&amp;FS Financial Services Limited</b>							
8.75% ILFS NCD - 14JU21	1,000	1,45,000	14.50	-	-	-	-
<b>IDFC Bank Limited</b>							
8.70% IDFC NCD - 23JU25	10,00,000	500	50.59	-	-	-	-
<b>Total (A)</b>			<b>2,858.46</b>		<b>2,332.87</b>		<b>1,797.81</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>							
<b>QUOTED</b>							
<b>Preference Shares</b>							
<b>Infrastructure Leasing and Financial Services Limited</b>							
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	37.69	28,000	36.84	28,000	36.57
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	69.92	52,000	68.20	52,000	68.15
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	20.59	13,500	19.92	-	-
<b>IL&amp;FS Financial Services Ltd.</b>							
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	52.03	33,400	50.58	-	-
<b>Zee Entertainment Enterprises Limited</b>							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5 <sup>th</sup> March, 2018 to 5 <sup>th</sup> March, 2022	10	19,98,61,622	147.13	4,50,00,000	39.23	-	-
<b>UNQUOTED</b>							
<b>Preference Shares</b>							
<b>Tata Capital Limited</b>							
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 <sup>th</sup> August, 2021	1,000	10,00,000	101.29	10,00,000	100.26	10,00,000	99.78
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.88	4,00,000	40.18	4,00,000	39.90

**7. NON-CURRENT INVESTMENTS** (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> September 2023	1,000	6,00,000	60.24	-	-	-	-
<b>In Units of Mutual Funds</b>							
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	21.53	1,47,78,590	20.30
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	6.93	50,25,686	6.50
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.99	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	-	-	2,26,44,722	24.89	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	5,67,06,597	60.21	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	-	-	2,36,78,727	25.13	-	-
IDFC Arbitrage Fund-Dividend-(Direct Plan)	10	-	-	1,94,20,493	25.14	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	-	-	3,05,85,160	43.48	-	-
JM Arbitrage Advantage Fund - (Direct) - Dividend Option	10	-	-	2,78,46,362	29.89	-	-
<b>Total (B)</b>			<b>529.77</b>		<b>617.40</b>		<b>271.20</b>
<b>Investments at Cost (C)</b>							
<b>UNQUOTED</b>							
<b>Subsidiary Company</b>							
<b>Fully Paid Equity Shares</b>							
Shree Global Pte. Ltd.	1 USD	40,000	0.25	20,000	0.12	20,000	0.12
<b>Total (C)</b>			<b>0.25</b>		<b>0.12</b>		<b>0.12</b>
<b>TOTAL (A+B+C)</b>			<b>3,388.48</b>		<b>2,950.39</b>		<b>2,069.13</b>

**7.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>						
- In Bonds, Debentures and Preference shares	3,185.82	3,245.99	2,547.64	2,593.73	1,902.53	1,914.91
<b>Total</b>	<b>3,185.82</b>	<b>3,245.99</b>	<b>2,547.64</b>	<b>2,593.73</b>	<b>1,902.53</b>	<b>1,914.91</b>
<b>7.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>202.66</b>		<b>402.75</b>		<b>166.60</b>	

7.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.

## 8. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Loans and Advances to Staff and Workers	4.77	2.31	1.88	5.94	5.62	3.82
Security Deposits (Refer Note 41)	38.82	31.59	32.49	2.09	5.40	7.25
	<b>43.59</b>	<b>33.90</b>	<b>34.37</b>	<b>8.03</b>	<b>11.02</b>	<b>11.07</b>

## 9. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Derivative Financial Instruments	-	1.18	19.31	-	7.79	17.18
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00	-	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	-	57.07	24.53	15.27
Others	-	-	-	27.60	101.78	48.31
	<b>200.00</b>	<b>201.18</b>	<b>228.31</b>	<b>84.67</b>	<b>134.10</b>	<b>80.76</b>

9.1 Others include amount receivable on sale of investments and dividend receivable etc.

## 10. OTHER ASSETS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Advances to Suppliers and Contractors	-	-	-	50.47	41.00	67.36
Capital Advances	393.03	349.52	319.57	-	-	-
Assets Held for Disposal	-	-	-	0.13	0.09	-
Prepaid Expenses	-	-	-	3.86	3.18	4.61
Other receivables	21.41	419.08	106.25	720.17	267.68	219.19
	<b>414.44</b>	<b>768.60</b>	<b>425.82</b>	<b>774.63</b>	<b>311.95</b>	<b>291.16</b>

10.1 Other receivables includes Sales tax, Cenvat credit, Government grants and other dues from Government etc.

## 11. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Raw Materials [Includes in transit ₹ 3.55 crore (As at 31.03.2016 ₹ 2.81 crore, as at 01.07.2015 ₹ 2.39 crore)]	31.23	43.94	27.26
Fuel [Includes in transit ₹ 397.39 crore (As at 31.03.2016 ₹ 65.19 crore, as at 01.07.2015 ₹ 239.31 crore)]	632.34	208.63	334.87
Stores and Spares	396.91	367.25	359.84
Packing Materials	16.89	11.72	9.96
Work-in-Progress [Includes in transit ₹ 18.71 crore (As at 31.03.2016 ₹ 7.64 crore, as at 01.07.2015 ₹ 11.11 crore)]	127.70	114.67	97.28
Finished Goods [Includes in transit ₹ 48.86 crore (As at 31.03.2016 ₹ 17.92 crore, as at 01.07.2015 ₹ 28.71 crore)]	109.43	68.98	89.65
Energy Saving Certificates	-	-	-
	<b>1,314.50</b>	<b>815.19</b>	<b>918.86</b>

Total 1,58,257 Nos. Energy Saving Certificates held as on 31.03.2017 (as on 31.03.2016 Nil, as on 01.07.2015 Nil)

**12. CURRENT INVESTMENTS**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>							
<b>QUOTED</b>							
<b>Bonds</b>							
<b>National Bank for Agriculture and Rural Development</b>							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	16,640	31.31	-	-	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	9.35	-	-	-	-
<b>Indian Railway Finance Corporation</b>							
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	-	-	650	64.87
<b>Rural Electrification Corporation</b>							
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	-	-	200	19.97
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	-	-	50	4.99
<b>Total (A)</b>			<b>40.66</b>		<b>-</b>		<b>89.83</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>							
<b>QUOTED</b>							
<b>Preference Shares</b>							
<b>Zee Entertainment Enterprises Limited</b>							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5 <sup>th</sup> March, 2018 to 5 <sup>th</sup> March, 2022	10	1,99,861,622	36.78	-	-	-	-
<b>UNQUOTED</b>							
<b>Preference Shares</b>							
<b>L&amp;T Finance Holding Limited</b>							
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 <sup>th</sup> March, 2016	100	-	-	-	-	6,155,000	61.67
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 <sup>st</sup> March, 2016	100	-	-	-	-	1,141,136	11.43
<b>In Units of Mutual Funds</b>							
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	23.18	-	-	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	7.69	-	-	-	-
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.98	-	-	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	15,01,34,434	162.04	-	-	-	-
HDFC Arbitrage Fund-Wholesale Plan-Normal Dividend - Direct Plan	10	9,36,81,622	100.66	-	-	-	-

## 12. CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
ICICI Prudential Equity Arbitrage Fund-Direct Plan-Dividend	10	13,90,30,598	202.80	-	-	-	-
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	2,85,91,034	30.33	-	-	-	-
Kotak Floater Short Term-Direct Plan-Growth	10	-	-	40,257	10.01	-	-
UTI - Money Market Fund - Institutional Plan - Direct - Growth	10	-	-	58,923	10.01	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	10	-	-	31,628	10.01	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	40,948	10.01	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	10	-	-	59,591	10.01	-	-
IDFC Cash Fund - Growth (Direct Plan)	10	-	-	54,358	10.01	-	-
ICICI Prudential Liquid-Direct Plan-Growth	10	-	-	4,46,245	10.01	-	-
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	10	-	-	4,95,910	10.01	-	-
<b>Total (B)</b>			<b>613.46</b>		<b>80.08</b>		<b>73.10</b>
<b>TOTAL (A+B)</b>			<b>654.12</b>		<b>80.08</b>		<b>162.93</b>

### 12.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>						
- In Bonds and Preference Shares	77.44	77.91	-	-	89.83	90.22
<b>Total</b>	<b>77.44</b>	<b>77.91</b>	<b>-</b>	<b>-</b>	<b>89.83</b>	<b>90.22</b>
<b>12.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>576.68</b>		<b>80.08</b>		<b>73.10</b>	

## 13. TRADE RECEIVABLES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured, Considered Good	-	-	-	198.52	152.05	116.66
Unsecured						
Considered Good	-	-	-	136.60	176.57	359.73
Considered Doubtful	0.47	0.45	0.42	-	-	-
	0.47	0.45	0.42	335.12	328.62	476.39
Less: Allowance for Doubtful Trade Receivables	0.47	0.45	0.42	-	-	-
	-	-	-	<b>335.12</b>	<b>328.62</b>	<b>476.39</b>

Refer Note 48 for information about credit risk and market risk of Trade Receivables.

**14. CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.66	49.74	30.59
Cash on Hand	0.74	0.49	0.39
	<b>45.40</b>	<b>50.23</b>	<b>30.98</b>

**15. OTHER BANK BALANCES**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Earmarked Balance with Banks for Unpaid Dividend (Refer note 19.1)	3.59	1.82	1.73
Margin Money (Pledged with Banks)	1.88	1.83	2.50
Fixed Deposits With Banks (Refer note 15.1 to 15.3 below)			
Maturity more than 3 months and upto 12 months	60.13	29.16	63.29
Maturity more than 12 months	200.00	200.00	209.00
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 9)	(200.00)	(200.00)	(209.00)
	<b>65.60</b>	<b>32.81</b>	<b>67.52</b>

- 15.1 Includes deposits of ₹ 20.00 crore (As at 31.03.2016 ₹ 19.00 crore, as at 01.07.2015 ₹ 19.00 crore) are pledged with banks against overdraft facilities. (Refer Note 22.2)
- 15.2 Includes ₹ 39.75 crore (As at 31.03.2016 ₹ 10.00 crore, as at 01.07.2015 ₹ 53.19 crore), given as security to Government department and others.
- 15.3 Includes ₹ Nil (As at 31.03.2016 ₹ Nil, as at 01.07.2015 ₹ 30.00 crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

**16. SHARE CAPITAL**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Authorised</b>			
6,00,00,000 (As at 31.03.2016 6,00,00,000, As at 01.07.2015 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00	60.00
15,00,000 (As at 31.03.2016 15,00,000, As at 01.07.2015 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00	15.00
	<b>75.00</b>	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>			
3,48,37,225 (As at 31.03.2016 3,48,37,225, As at 01.07.2015 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84	34.84
	<b>34.84</b>	<b>34.84</b>	<b>34.84</b>

**16.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Name of Shareholders	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 01.07.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86	20,42,824	5.86

- 16.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 16.3 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.
- 16.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 16.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Nil	Nil	Nil

- 16.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## 17. OTHER EQUITY

### Nature of Reserves

#### Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

#### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

#### General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

#### Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

## 18. BORROWINGS

(₹ in Crore)

	Non-Current Portion			Current Maturities		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Secured</b>						
Redeemable Non Convertible Debentures (NCDs)						
Nil (As at 31.03.2016 Nil, As at 01.07.2015 2,000 ) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	-	-	200.00
External Commercial Borrowings	518.70	530.66	282.89	-	28.97	131.25
Term Loans from Banks	-	-	125.00	-	125.00	-
Vehicle Loan from Others	0.04	0.08	0.12	0.05	0.05	0.04
	<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	<b>0.05</b>	<b>154.02</b>	<b>331.29</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 19)	-	-	-	(0.05)	(154.02)	(331.29)
	<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 18.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN

(₹ in Crore)

Sl. No.	Nature of Securities	Effective Interest Rate (EIR)	Loan Amount as at 31.03.2017	Loan Amount as at 31.03.2016	Loan Amount as at 01.07.2015	Terms of Repayment
<b>Non Convertible Debentures</b>						
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	-	200.00	Redeemed during the year 2015-16
<b>External Commercial Borrowings</b>						
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	6 Months USD LIBOR+2.5% (Fixed rate of 9.42% including the effect of related cross currency and interest rate swaps)	-	28.97	83.44	Paid during the year 2016-17
		6 Months USD LIBOR+2.5% (Fixed rate of 9.65% including the effect of related cross currency and interest rate swaps)	-	-	75.68	Paid during the year 2015-16
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	259.35	265.33	255.02	Fully Repayable on 08.05.2020
			259.35	265.33	-	Fully Repayable on 24.09.2020
<b>Term Loan from Banks</b>						
4	These Term loan from Bank are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.50%	-	125.00	125.00	Paid during the year 2016-17
<b>Vehicle Loan from Others</b>						
5	Secured by Hypothecation of the vehicle	10.09%	0.09	0.13	0.16	Repayable in 19 equated monthly installments w.e.f. 03.04.2017
<b>TOTAL</b>			<b>518.79</b>	<b>684.76</b>	<b>739.30</b>	
<b>Less: Current Maturities of Long Term Debt</b>			<b>0.05</b>	<b>154.02</b>	<b>331.29</b>	
<b>Total Non-Current Portion</b>			<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	

There is no default in repayment of principal and interest thereon.

## 19. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Current Maturities of Long-Term Debt	-	-	-	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	-	-	-	9.86	8.74	11.15
Derivative Financial Instruments	18.22	3.61	3.94	44.92	-	-
Unpaid Dividends (Refer Note 19.1)	-	-	-	3.59	1.82	1.73
Security Deposits from Customers, Vendors & Others	347.36	299.08	281.35	2.44	2.89	6.82
Payable for Capital goods	-	-	-	59.44	96.89	96.85
Others (Refer Note 19.2)	-	-	-	265.81	212.15	212.82
	<b>365.58</b>	<b>302.69</b>	<b>285.29</b>	<b>386.11</b>	<b>476.51</b>	<b>660.66</b>

19.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2017, 31.03.2016 and 01.07.2015. (Refer note 15)

19.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

## 20. PROVISIONS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Provision for Employee Benefits</b>						
Gratuity [Refer note 39(b)]	-	-	-	0.17	0.09	0.10
Other Staff Benefit Schemes	1.30	1.06	0.94	0.28	0.20	3.13
<b>Other Provisions</b>						
Wealth Tax	-	-	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 51)	5.98	5.64	5.80	0.40	0.76	0.60
	<b>7.28</b>	<b>6.70</b>	<b>6.74</b>	<b>0.85</b>	<b>1.05</b>	<b>4.09</b>

## 21. OTHER LIABILITIES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Customers Advances	-	-	-	149.32	92.85	93.04
Withholding and Other Taxes Payable	-	-	-	55.27	47.81	74.62
Provident Fund and Superannuation Payable	-	-	-	10.66	8.96	6.99
Other Statutory Liabilities	587.36	615.92	570.97	260.04	80.19	68.39
	<b>587.36</b>	<b>615.92</b>	<b>570.97</b>	<b>475.29</b>	<b>229.81</b>	<b>243.04</b>

## 22. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Secured</b>			
Loans Repayable on Demand from Banks (Refer Note 22.1)	144.37	136.35	170.86
Bank Overdraft (Refer Note 22.2)	22.19	13.86	25.44
<b>Unsecured</b>			
Buyers Credit from Banks	607.18	45.54	-
	<b>773.74</b>	<b>195.75</b>	<b>196.30</b>

22.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

22.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 15.1)

22.3 There is no default in repayment of principal and interest thereon.

**23. TRADE PAYABLES**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Due to Micro and Small Enterprises	8.01	5.49	4.57
Others	343.67	251.75	306.14
	<b>351.68</b>	<b>257.24</b>	<b>310.71</b>

23.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.

**24. DEFERRED TAX ASSETS (NET)**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Deferred Tax Assets:</b>			
Arising on account of:			
Long-term and Short-term Capital Losses	16.56	15.79	14.24
Expenses allowed for tax purpose when paid	203.01	187.67	172.28
Depreciation and Amortization	229.87	59.76	49.20
Cash Flow Hedges	5.57	4.23	1.86
MAT Credit Entitlement	73.08	107.40	95.87
Others	0.16	1.18	7.90
<b>Deferred Tax Liabilities:</b>			
Arising on account of:			
Others	20.56	4.24	16.29
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>507.69</b>	<b>371.79</b>	<b>325.06</b>

**25. REVENUE FROM OPERATIONS**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine months ended 31.03.2016
<b>Sale of Products</b>		
Cement	8,775.12	5,591.20
Clinker	148.99	13.29
Power	571.44	581.03
	<b>9,495.55</b>	<b>6,185.52</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	33.72	167.81
Less: Purchase of Traded Power	32.84	163.39
	<b>0.88</b>	<b>4.42</b>
<b>Other Operating Revenue</b>	<b>0.09</b>	<b>0.02</b>
	<b>9,496.52</b>	<b>6,189.96</b>

## 26. OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Income		
On Deposits	22.30	18.62
On Bonds and Debentures	226.98	115.57
On Income Tax and Sales Tax Refund	0.45	11.18
Others	0.70	5.83
Dividend Income on Financial Assets designated at Fair Value through Profit or Loss	58.23	38.40
Net Gain on Sale of Investments		
Designated at Amortised cost	8.12	1.72
Designated at Fair Value through Profit or Loss	3.29	3.62
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	24.67	(0.92)
Profit on Sale of Property, Plant and Equipments (Net)	1.02	0.60
Sales Tax Subsidies	145.94	457.76
Provision No Longer Required	9.53	0.38
Balances Written Back (Net)	5.48	9.00
Other Non Operating Income	1.00	10.92
	<b>507.71</b>	<b>672.68</b>

## 27. COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Raw Materials Consumed</b>		
Gypsum	176.19	133.52
Fly Ash	246.43	166.13
Red Ochre and Slag	93.51	46.16
Sulphuric Acid	39.49	25.23
Others	125.04	78.26
	<b>680.66</b>	<b>449.30</b>

## 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016	(Increase) / Decrease
<b>Closing Stock</b>			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	<b>237.13</b>	<b>183.65</b>	<b>(53.48)</b>
<b>Opening Stock</b>			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	<b>183.65</b>	<b>186.93</b>	<b>3.28</b>
<b>(Increase) / Decrease</b>	<b>(53.48)</b>	<b>3.28</b>	

**29. EMPLOYEE BENEFITS EXPENSE**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Salaries, Wages and Bonus	465.69	324.54
Contribution to Provident and other Funds (Refer note 39)	58.63	36.56
Staff Welfare Expenses	12.86	8.76
	<b>537.18</b>	<b>369.86</b>

**30. FREIGHT AND FORWARDING EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
On Finished Products	1,309.97	808.92
On Inter Unit Clinker Transfer	564.03	332.70
	<b>1,874.00</b>	<b>1,141.62</b>

**31. FINANCE COSTS**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Expenses	127.09	85.53
Bank and Finance Charges	1.85	0.80
Unwinding of Discount on Provision	0.48	0.36
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	0.72
	<b>129.42</b>	<b>87.41</b>
Less: Interest Capitalised	-	11.64
	<b>129.42</b>	<b>75.77</b>

**32. OTHER EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Stores and Spares Consumed	285.44	210.75
Packing Materials Consumed	292.31	188.55
Royalty and Cess	239.38	183.55
Mines Reclamation Expenses	0.18	0.11
Excise Duty on Captive Consumption of Clinker	23.91	17.92
Repairs to Plant and Machinery	199.84	123.90
Repairs to Buildings	18.94	12.40
Rent	19.43	13.59
Insurance	3.45	2.12
Rates and Taxes	26.71	14.87
Travelling	34.03	23.91
Commission to Non-executive Directors	2.70	1.58
Directors' Sitting Fees and Expenses	0.75	0.45
Advertisement and Publicity	81.50	53.69
Sales Promotion and Other Selling Expenses	141.15	76.06
Excise duty variance on Closing/Opening Stock	6.56	(1.96)
Foreign Exchange Rate Differences (Net)	21.36	2.62
Corporate Social Responsibility Expenses	19.29	14.75
Assets Written Off	5.07	9.36
Provision for Doubtful Receivables (Net)	0.02	0.03
Miscellaneous (Refer Note 32.1)	182.23	84.39
	<b>1,604.25</b>	<b>1,032.64</b>

### 32.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine months ended 31.03.2016
<b>Statutory Auditors</b>		
Audit Fees	0.30	0.27
Tax Audit Fees	0.06	0.06
Certification / Other Services	0.11	0.11
Reimbursement of Expenses	0.13	0.10
<b>Cost Auditors</b>		
Audit Fees	0.03	0.03
Certification / Other Services	0.01	0.02
Reimbursement of Expenses [₹ 15,820 (Previous year ₹ 13,431)]	-	-

### 33. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹ 80.66 crore (As at 31.03.2016 ₹ 56.56 crore, As at 01.07.2015 ₹ 56.56 crore).
  - b. Income tax matters ₹ 0.28 crore (As at 31.03.2016 ₹ 3.26 crore, As at 01.07.2015 ₹ Nil).
  - c. (i) The Competition Commission of India (CCI) had, vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The CCI passed the above order pursuant to the directions of the Competition Appellate Tribunal (COMPAT) issued vide its order dated 11<sup>th</sup> December, 2015 whereby CCI order dated 30<sup>th</sup> July, 2012 was set aside and matter was remitted back to CCI for fresh adjudication. The Company has filed an appeal against the said order with the COMPAT. On Company's appeal, COMPAT, vide its order dated 7<sup>th</sup> November, 2016, has granted stay on CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 crore. The Company has deposited the said amount in compliance of the order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the matter has been disclosed as contingent liability. Total contingent liability amounting to ₹ 422.57 crore (including interest of ₹ 25.06 crore up to 31.03.2017).
  - (ii) In another matter, CCI has vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with a reference filed by the Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal before the COMPAT against the above order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the same has been disclosed as contingent liability.
  - d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.  
Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax / VAT". The Company has filed special leave petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.
34. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,127.07 crore (As at 31.03.2016 ₹ 201.21 crore, As at 01.07.2015 ₹ 249.60 crore).
  35. Capital work-in-progress includes directly attributable expenses of ₹ 49.02 crore (As at 31.03.2016 ₹ 10.60 crore) which includes depreciation of ₹ 8.46 crore (for Nine Months ended 31.03.2016 ₹ Nil) on assets during construction period.
  36. The Company has reviewed the useful lives and residual values of the Property, Plant and Equipment and Intangible assets in accordance with requirement of Ind AS and revised the useful lives of Property, Plant and Equipment and Intangible assets. Accordingly, depreciation for the current year is higher by ₹ 527.24 crore (Including charge of ₹ 23.27 crore, being the carrying amount of certain items of Property, Plant and Equipment with no remaining useful life [as revised]) and profit after tax is lower by ₹ 344.77 crore.

**37. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

(₹ in Crore)

Particulars	2016-2017												2015-16
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla	Total	
Capital	0.03	6.53	0.46	0.15	0.15	0.13	-	0.14	-	0.09	0.17	7.85	3.41
Revenue	5.91	5.13	0.31	0.35	0.46	0.43	0.45	0.14	0.79	0.73	-	14.70	13.01
<b>Total</b>	<b>5.94</b>	<b>11.66</b>	<b>0.77</b>	<b>0.50</b>	<b>0.61</b>	<b>0.56</b>	<b>0.45</b>	<b>0.28</b>	<b>0.79</b>	<b>0.82</b>	<b>0.17</b>	<b>22.55</b>	<b>16.42</b>

**38. THE MOVEMENT OF EFFECTIVE PORTION OF CASH FLOW HEDGES ARE SHOWN BELOW**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Opening Balance</b>	<b>(7.98)</b>	<b>(3.51)</b>
Gain/(loss) recognized on cash flow hedges	(15.78)	10.88
Income tax relating to gain/(loss) recognized on cash flow hedges	5.46	(3.76)
Reclassified to Statement of Profit and Loss in Foreign exchange rate differences	11.90	(17.72)
Income tax relating to Reclassified to Statement of Profit and Loss	(4.12)	6.13
<b>Closing Balance</b>	<b>(10.52)</b>	<b>(7.98)</b>

**39. EMPLOYEE BENEFITS (REFER NOTE 29)****(a) Contribution to defined contribution plans recognized as expenses are as under:**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Superannuation Fund	7.64	4.79
Provident Fund	33.73	24.07
National Pension Scheme	1.37	0.90
ESIC	0.04	0.01
<b>Total</b>	<b>42.78</b>	<b>29.77</b>

**(b) Defined Benefit Plan**

**Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	158.23	147.92
Current Service Cost	18.36	12.13
Interest Cost	11.87	8.88
Remeasurements (gains)/losses	(1.27)	(4.98)
Benefits paid	(3.99)	(5.72)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>183.20</b>	<b>158.23</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	158.14	147.82
Expected Return on Plan Assets	11.86	12.24
Remeasurements gains/(losses)	2.43	0.34
Contribution by employer	14.59	3.46
Benefits paid	(3.99)	(5.72)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>183.03</b>	<b>158.14</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	18.36	12.13
Interest cost	11.87	8.88
Expected Return on Plan Assets	(11.86)	(12.24)
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>18.37</b>	<b>8.77</b>
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Return on plan assets (excluding amount included in net Interest expense)	(2.43)	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	5.08	4.51
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(6.35)	(9.49)
<b>Total recognized in Other Comprehensive Income</b>	<b>(3.70)</b>	<b>(5.32)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>14.67</b>	<b>3.45</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	183.20	158.23
Fair Value of Plan Assets	183.03	158.14
Net Liability	0.17	0.09
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

#### The Principal actuarial assumption used:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount rate	7.50% per annum	8.00% per annum
Salary Growth Rate	13.02% per annum	13.30% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.50% per annum	8.00% per annum
Withdrawal rate (Per Annum)	3.00% p.a.(18 to 30 Years)	3.00% p.a.(18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Same assumptions were considered for comparative period i.e. 2015-2016 as considered in previous GAAP on transition to Ind AS.

The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2017 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

Sensitivity Analysis for significant assumptions as on 31.03.2016 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(16.54)	19.90	18.70	(15.96)	(6.05)	7.01

The Company expects to contribute ₹ 15 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2017 is 14 years (as at 31.03.2016: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Crore)
01 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018	17.84
01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	6.96
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	7.23
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	7.47
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	6.61
01 <sup>st</sup> April 2022 Onwards	60.31

**(c) Provident fund managed by a trust set up by the Company**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2017.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016
Plan assets at year end, at fair value	55.03	45.00
Present value of defined obligation at year end	55.03	45.00
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount Rate	7.50%	7.75%
Expected Guaranteed Interest Rate	8.65%	8.80%
Expected Rate of Return on Assets	8.71%	8.80%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 13.16 crore (₹ 8.79 crore for Nine Months ended 31.03.2016).

#### 40. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2016-17				2015-16			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	8,924.11	572.41	-	9,496.52	5,604.49	585.47	-	6,189.96
Inter Segment Revenue	-	883.48	(883.48)	-	-	581.11	(581.11)	-
<b>Total Revenue</b>	<b>8,924.11</b>	<b>1,455.89</b>	<b>(883.48)</b>	<b>9,496.52</b>	<b>5,604.49</b>	<b>1,166.58</b>	<b>(581.11)</b>	<b>6,189.96</b>
<b>Results</b>								
Segment Results (Profit before Finance Costs & Tax)	574.58	740.91	-	1,315.49	580.55	477.45	-	1,058.00
Add: Un-allocated Income								
Interest Income				250.43				151.20
Dividend Income				58.23				38.40
Fair Value gain/(loss) on FVTPL Financial Assets				24.67				(0.92)
Net Gain on Sale of Investments				11.41				5.34
Less: Finance Costs				129.42				75.77
Profit before Tax				1,530.81				1,176.25
Less : Tax Expenses				191.70				33.12
<b>Profit after Tax</b>				<b>1,339.11</b>				<b>1,143.13</b>
Segment Assets	5,657.41	546.82	-	6,204.23	5,256.69	417.80	-	5,674.49
Un-allocated Assets				4,961.88				3,788.79
<b>Total Assets</b>				<b>11,166.11</b>				<b>9,463.28</b>
Segment Liabilities	1,590.27	157.44	-	1,747.71	1,296.18	123.58	-	1,419.76
Un-allocated Liabilities and Provisions				1,720.26				1,197.99
<b>Total Liabilities</b>				<b>3,467.97</b>				<b>2,617.75</b>
Depreciation and Amortization	1,125.76	88.95	-	1,214.71	661.68	165.89	-	827.57
Capital expenditure	1,190.27	77.24	-	1,267.51	725.10	28.57	-	753.67
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

#### Segment Assets and Liabilities as at 01.07.2015:

(₹ in Crore)

Particulars	Cement	Power	Inter-Segment Eliminations	Total
Segment Assets	4,876.38	716.75	-	5,593.13
Un-allocated Assets				2,961.52
<b>Total Assets</b>				<b>8,554.65</b>
Segment Liabilities	1,255.43	189.53	-	1,444.96
Un-allocated Liabilities and Provisions				1,246.97
<b>Total Liabilities</b>				<b>2,691.93</b>

**Reconciliation of Assets:**

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Segment Assets</b>	<b>6,204.23</b>	<b>5,674.49</b>	<b>5,593.13</b>
Investments (Current & Non Current)	4,042.60	3,030.47	2,232.06
Cash and Cash Equivalents	45.40	50.23	30.98
Other Bank Balances	65.60	32.81	67.52
Derivative Financial Instruments	-	8.97	36.49
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00
Interest Accrued on Bonds, Debentures and Deposits	57.07	24.53	15.27
Other Current Financial Assets - Others	23.24	2.70	45.14
Other Current Assets	-	8.54	-
Deferred Tax Assets (Net)	507.69	371.79	325.06
Non- Current Tax Assets (Net)	20.28	14.09	-
Current Tax Assets (Net)	-	44.66	-
<b>Total Assets</b>	<b>11,166.11</b>	<b>9,463.28</b>	<b>8,554.65</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Segment Liabilities</b>	<b>1,747.71</b>	<b>1,419.76</b>	<b>1,444.96</b>
Borrowings (Current & Non Current)	1,292.48	726.49	604.31
Current maturities of Long Term Debt	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	9.86	8.74	11.15
Security Deposits from Customers & Vendors (Current & Non Current)	349.80	301.97	288.17
Liabilities for Current Tax (Net)	1.34	1.34	6.12
Unpaid Dividends	3.59	1.82	1.73
Derivative Financial Instruments (Current & Non Current)	63.14	3.61	3.94
Provision for Wealth Tax	-	-	0.26
<b>Total Liabilities</b>	<b>3,467.97</b>	<b>2,617.75</b>	<b>2,691.93</b>

B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Segment Revenue from Operations		
Within India	9,414.90	6,184.48
Outside India	81.62	5.48
<b>Total</b>	<b>9,496.52</b>	<b>6,189.96</b>

All the assets of the Company are within India.

**41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)****Relationships:****(a) Parties where control exists:**

- (i) Shree Global Pte. Ltd. Subsidiary Company

**(b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:**

- (i) The Kamla Company Limited  
(ii) Shree Capital Services Ltd.  
(iii) Aqua Infra Project Limited  
(iv) Alfa Buildhome Pvt. Ltd.  
(v) Rajasthan Forum  
(vi) The Bengal  
(vii) Sant Parmanand Hospital

**(c) Key Management Personnel:**

- (i) Shri H. M. Bangur Managing Director  
(ii) Shri Prashant Bangur Joint Managing Director

**(d) Relatives to Key Management Personnel:**

- (i) Shri B. G. Bangur Father of Shri H. M. Bangur

**Disclosure of Related Party Transactions:****(a) Parties where control exists:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Equity contribution</b>		
- Shree Global Pte. Ltd.	0.13	-

**(b) Enterprises over which KMPs are able to exercise control/significant influence:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.58	0.42
- Aqua Infra Project Limited	0.11	0.08
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	2.16	1.57
- Shree Capital Service Ltd.	0.24	0.18
<b>Sale of Goods</b>		
- Sant Parmanand Hospital	0.06	0.08
<b>Contribution towards Social Activities</b>		
- Rajasthan Forum	0.25	0.51
- The Bengal	0.74	0.41
- Sant Parmanand Hospital	0.06	0.04

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
- Alfa Buildhome Pvt. Ltd.	0.45	0.45	0.45

**(c) Key Management Personnel:**

(₹ in Crore)

Particulars	2016-17	2015-16
Short Term benefits	51.52	34.32
Post - Employment benefits*	2.02	1.26
<b>Total</b>	<b>53.54</b>	<b>35.58</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(d) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Director commission, Sitting fee and reimbursement of expenses</b>		
- Shri B.G. Bangur	0.35	0.22

Refer note 39 for information on transactions with post-employment benefit plans.

42. As per Notification G.S.R. 308(E) dated 30.03.2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016:

(₹ in Crore)

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing Cash in hand as on 08.11.2016</b>	<b>0.38</b>	<b>0.14</b>	<b>0.52</b>
(+) Permitted Receipts	-	0.53	0.53
(-) Permitted Payments	-	0.05	0.05
(-) Amount deposited in Banks	0.38	0.02	0.40
<b>Closing Cash in hand as on 30.12.2016</b>	<b>-</b>	<b>0.60</b>	<b>0.60</b>

### 43. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

Type of Contract	Purpose
Cross Currency & Interest Rate Swaps	Hedge the external commercial borrowings
Forward Contracts	Hedge the buyers' credit and expected purchases

#### Cross Currency and Interest Rate Swaps

The objective of cross currency and interest rate swap is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. Outstanding notional amount for swap contract is USD 8 crore, USD 8.44 crore and USD 6.50 crore as on 31.03.2017, 31.03.2016 and 01.07.2015 respectively.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and of hedge effectiveness test. All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the cross currency and interest rate swap agreements are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	18.22	8.97	3.61	36.49	3.94

#### Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

The fair value of foreign currency forward contracts are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	44.92	-	-	-	-

Outstanding notional amount for forward contracts is USD 9.38 crore, EURO 1.40 crore and JPY 13.50 crore as on 31.03.2017 (Nil as on 31.03.2016 and 01.07.2015).

The loss due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 44.92 crore (₹ Nil for the Nine Months ended 31.03.2016) for the Year ended 31.03.2017.

#### 44. INCOME TAX EXPENSE

(₹ in Crore)

PARTICULARS	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Current Tax	324.13	122.14
Deferred Tax		
- Relating to origination and reversal of temporary differences	(168.88)	(22.15)
- MAT Credit Utilization / (Entitlement)	34.32	(11.53)
<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>189.57</b>	<b>88.46</b>
<b>Adjustments in respect of Income Tax of Earlier Years</b>		
- Current Tax	2.13	(44.66)
- MAT Credit Entitlement	-	(10.68)
	<b>2.13</b>	<b>(55.34)</b>
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>191.70</b>	<b>33.12</b>
Deferred Tax related to Items recognized in Other Comprehensive Income during the Year/Period		
- Net (gain)/Loss on revaluation of cash flow hedges	1.34	2.37
<b>Current Tax related to Items recognized in Other Comprehensive Income during the Year/Period</b>		
- Net (gain)/Loss on remeasurement of defined benefit plan	(1.28)	(1.84)
<b>Income Tax charged to Other Comprehensive Income</b>	<b>0.06</b>	<b>0.53</b>

#### 45. EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Profit Before Tax	1,530.81	1,176.25
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	529.78	407.08
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(26.87)	(49.38)
Items (Net) not Deductible for Tax/not Liable to Tax	(291.79)	(238.37)
Tax losses Unutilized / Items Taxed at Different Rate	(38.95)	(27.60)
Tax Expense Relating to Earlier Years (Net)	2.13	(55.34)
Others	17.40	(3.27)
<b>Income Tax Expense Reported</b>	<b>191.70</b>	<b>33.12</b>

#### 46. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure availability of funds at competitive cost for its operational and development needs and maintain a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2017 and 31.03.2016. There have been no breaches of the financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and reserves and surplus and effective portion of cash flow hedge and Debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Equity Share Capital	34.84	34.84	34.84
Reserves and Surplus (including effective portion of cash flow hedge)	7,663.30	6,810.69	5,827.88
Total Equity	7,698.14	6,845.53	5,862.72
Long Term Debt	518.79	684.76	739.30
<b>Debt to Equity Ratio</b>	<b>0.07</b>	<b>0.10</b>	<b>0.13</b>

#### 47. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Designated at Fair Value Through Profit or Loss</b>						
Investments in Mutual Funds and Preference Shares	1,143.23	1,143.23	697.48	697.48	344.30	344.30
Derivatives not Designated as Hedges						
Forward Contracts	-	-	-	-	-	-
<b>Derivatives Designated as Hedges</b>						
Cross Currency and Interest Rate Swaps	-	-	8.97	8.97	36.49	36.49
<b>Financial Assets Designated at Amortized Cost</b>						
Investments in Bonds and Debentures	2,899.12	2,959.76	2,332.87	2,378.96	1,887.64	1,900.41
Loans	51.62	51.62	44.92	44.92	45.44	45.44
Trade Receivables	335.12	335.12	328.62	328.62	476.39	476.39
Cash and Cash Equivalents and Other Bank Balances	111.00	111.00	83.04	83.04	98.50	98.50
Other Financial Assets	284.67	296.61	326.31	334.51	272.58	276.09
<b>Total Financial Assets</b>	<b>4,824.76</b>	<b>4,897.34</b>	<b>3,822.21</b>	<b>3,876.50</b>	<b>3,161.34</b>	<b>3,177.62</b>
<b>Financial Liabilities Designated at Fair Value Through Profit or Loss</b>						
<b>Derivatives not Designated as Hedges</b>						
Forward Contracts	44.92	44.92	-	-	-	-
<b>Derivatives Designated as Hedges</b>						
Cross Currency and Interest Rate Swaps	18.22	18.22	3.61	3.61	3.94	3.94
<b>Financial Liabilities Designated at Amortized Cost</b>						
Non-Current Borrowings at Floating Rate	518.70	518.70	530.66	530.66	282.89	282.89
Non-Current Borrowings at Fixed Rate	0.04	0.04	0.08	0.08	125.12	125.12
Current Maturities of Long Term Debt	0.05	0.05	154.02	154.02	331.29	331.29
Short Term Borrowings	773.74	773.74	195.75	195.75	196.30	196.30
Trade Payables	351.68	351.68	257.24	257.24	310.71	310.71
Other Financial Liabilities	688.50	688.50	621.57	621.57	610.72	610.72
<b>Total Financial Liabilities</b>	<b>2,395.85</b>	<b>2,395.85</b>	<b>1,762.93</b>	<b>1,762.93</b>	<b>1,860.97</b>	<b>1,860.97</b>

#### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.

#### Fair Value Hierarchy

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

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e. unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

#### Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	342.27	-	-	342.27
Preference Shares	-	355.21	-	355.21
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	8.97	-	8.97
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.61	-	3.61

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	26.80	-	-	26.80
Preference Shares	-	317.50	-	317.50
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	36.49	-	36.49
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.94	-	3.94

**Assets and Liabilities for which Fair Value is disclosed (only disclosed)**

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	51.62	-	51.62
Other Financial Assets	-	296.61	-	296.61
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,378.96	-	2,378.96
Loans	-	44.92	-	44.92
Other Financial Assets	-	334.51	-	334.51
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.08	-	0.08
Other Financial Liabilities	-	621.57	-	621.57

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1,900.41	-	1,900.41
Loans	-	45.44	-	45.44
Other Financial Assets	-	276.09	-	276.09
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	125.12	-	125.12
Other Financial Liabilities	-	610.72	-	610.72

During the year ended 31.03.2017 and 31.03.2016, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2017, 31.03.2016 and 01.07.2015, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivatives Financial Instruments-Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivatives Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivatives Financial Instruments-Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivatives Financial Instruments-not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

#### Assets and Liabilities for which Fair Value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets - Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

#### Market risk and sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivatives financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2017 and 31.03.2016.

The sensitivity analyses excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates.

#### Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2017</b>		
US Dollar Borrowings	+50	(0.41)
	-50	0.41
<b>31.03.2016</b>		
US Dollar Borrowings	+50	(0.04)
	-50	0.04

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

#### Foreign currency risk and sensitivity

The company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses Cross Currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non- designated foreign currency derivatives.

The following tables demonstrates the sensitivity in the USD, JPY, EURO and GBP to the Indian Rupee with all other variable held constant.

(₹ in Crore)

Particulars	Change in Currency Exchange Rate	Effect on Profit Before Tax
<b>For the Year ended 31.03.2017</b>		
USD	+5%	(3.54)
	-5%	3.54
JPY	+5%	0.42
	-5%	(0.42)
EURO	+5%	4.98
	-5%	(4.98)
GBP	+5%	(0.01)
	-5%	0.01
<b>For the Nine Months ended 31.03.2016</b>		
USD	+5%	(3.82)
	-5%	3.82
EURO	+5%	(0.13)
	-5%	0.13
GBP	+5%	(0.01)
	-5%	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and financial institutions and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables are as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at 31.03.2017</b>					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
<b>Gross Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.90</b>	<b>335.59</b>
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
<b>Net Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.43</b>	<b>335.12</b>
<b>As at 31.03.2016</b>					
Secured	125.72	26.04	0.08	0.21	152.05
Unsecured	151.92	18.78	0.05	6.27	177.02
<b>Gross Total</b>	<b>277.64</b>	<b>44.82</b>	<b>0.13</b>	<b>6.48</b>	<b>329.07</b>
Allowance for doubtful trade receivables	-	-	-	0.45	0.45
<b>Net Total</b>	<b>277.64</b>	<b>44.82</b>	<b>0.13</b>	<b>6.03</b>	<b>328.62</b>
<b>As at 01.07.2015</b>					
Secured	99.67	16.77	-	0.22	116.66
Unsecured	178.89	175.06	0.07	6.13	360.15
<b>Gross Total</b>	<b>278.56</b>	<b>191.83</b>	<b>0.07</b>	<b>6.35</b>	<b>476.81</b>
Allowance for doubtful trade receivables	-	-	-	0.42	0.42
<b>Net Total</b>	<b>278.56</b>	<b>191.83</b>	<b>0.07</b>	<b>5.93</b>	<b>476.39</b>

**Movement in Allowance for Doubtful Trade Receivables are given below:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Opening Balance</b>	<b>0.45</b>	<b>0.42</b>
Add: Provision made during the year/period (Refer note 32)	0.02	0.03
Less: Utilized during the year/period	-	-
<b>Closing Balance</b>	<b>0.47</b>	<b>0.45</b>

**Financial Instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 4,824.76 crore as at 31.03.2017 and ₹ 3,822.21 crore as at 31.03.2016, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

**Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

**As at 31.03.2017**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.68	-	-	351.68
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
<b>Total</b>	<b>1,511.53</b>	<b>884.32</b>	<b>-</b>	<b>2,395.85</b>

**As at 31.03.2016**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	349.77	530.74	-	880.51
Trade Payables	257.24	-	-	257.24
Derivative Financial Instruments	-	3.61	-	3.61
Other Financial Liabilities	322.49	299.08	-	621.57
<b>Total</b>	<b>929.50</b>	<b>833.43</b>	<b>-</b>	<b>1,762.93</b>

**As at 01.07.2015**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	527.59	408.01	-	935.60
Trade Payables	310.71	-	-	310.71
Derivative Financial Instruments	-	3.94	-	3.94
Other Financial Liabilities	329.37	281.35	-	610.72
<b>Total</b>	<b>1,167.67</b>	<b>693.30</b>	<b>-</b>	<b>1,860.97</b>

## 49. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged/hypothecated as collateral/security against the borrowings. Refer Note 18 and 22.

## 50. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2016-17	2015-16
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,339.11	1,143.13
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	384.39	328.13

B. Cash EPS : (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

## 51. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Opening Balance</b>	<b>6.40</b>	<b>6.40</b>
Add: Provision made during the year (Refer Note 32)	0.18	0.11
Add: Unwinding of Discount of Provision (Refer Note 31)	0.48	0.36
Less: Utilized during the year	0.68	0.47
<b>Closing Balance</b>	<b>6.38</b>	<b>6.40</b>

## 52. OPERATING LEASES

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

## 53. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2017 (Note 1)	As at 31.03.2016	As at 01.07.2015 (Note 2)
Dividend Proposed for Equity Shareholders	83.61	-	48.77
Dividend Tax	17.02	-	9.93
<b>Total</b>	<b>100.63</b>	<b>-</b>	<b>58.70</b>

Note 1 : ₹ 24 per share for FY 2016-2017

Note 2 : ₹ 14 per share for FY 2014-2015

54. Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

## 55. FIRST TIME ADOPTION OF IND AS

### 1. Basis of Preparation

These financial statements, for the year ended 31.03.2017, are the Company's first Ind-AS Financial Statements. For periods up to and including the year ended 31.03.2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on 31.03.2017, together with the restated comparative period data as at and for the year ended 31.03.2016, as described in the significant accounting policies and basis of preparation. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01.07.2015 (i.e. transition date opening balance as at 01.07.2015), the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statement, including the balance sheet as at 01.07.2015 and the financial statements as at and for the period ended 31.03.2016.

## 2. Exemptions applied

Ind AS 101- First Time Adoption of Indian Accounting Standards allows first time adopters certain optional exemptions from the retrospective application of requirements under Ind AS. The Company has availed the benefit of and applied the following exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisition of cement grinding unit, which are considered business under Ind AS that occurred before 01.07.2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with respective Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognize or exclude any previously recognized amounts as a result of Ind AS recognition requirement except goodwill which was adjusted as per Ind AS 101.
- Carrying value of all Property, Plant and equipment and Intangible Assets as recognized in previous Indian GAAP financial is recognized as deemed cost at the transition date under Ind AS.
- The Company uses derivative financial instruments, such as cross currency and interest rate swaps, to hedge its foreign currency and interest rate risk. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP also qualify for hedge accounting in accordance with Ind AS 109 on the transition date. Accordingly, the Company has applied the hedge accounting in accordance with Ind AS 109 and gain/loss are recorded in Other Comprehensive Income.

## 3. Estimates

The estimates at 01.07.2015 and 31.03.2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

## 4. Reconciliation of Balance Sheet as at 01.07.2015

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		2,921.19	-	2,921.19
Capital Work-in-Progress		511.10	-	511.10
Goodwill	(2)(a)	83.14	(83.14)	-
<b>Financial Assets</b>				
Investments	(9)(a)&(b)	1,498.98	570.15	2,069.13
Loans		34.37	-	34.37
Other Financial Assets	Note 1 below	-	228.31	228.31
Deferred Tax Assets (Net)	(9)(f)	195.19	129.87	325.06
Non-Current Tax Assets (Net)	(9)(f)	95.87	(95.87)	-
Other Non-Current Assets		425.82	-	425.82
		<b>5,765.66</b>	<b>749.32</b>	<b>6,514.98</b>
<b>Current Assets</b>				
Inventories		918.86	-	918.86
<b>Financial Assets</b>				
Investments	(9)(a)&(b)	163.63	(0.70)	162.93
Trade Receivables		476.39	-	476.39
Cash and Cash Equivalents		30.98	-	30.98
Other Bank Balances	Note 1 below	276.52	(209.00)	67.52
Loans		11.07	-	11.07
Other Financial Assets	Note 1 below	15.27	65.49	80.76
Current Tax Assets (Net)		-	-	-
Other Current Assets	Note 1 below	339.47	(48.31)	291.16
		<b>2,232.19</b>	<b>(192.52)</b>	<b>2,039.67</b>
<b>Total Assets</b>		<b>7,997.85</b>	<b>556.80</b>	<b>8,554.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		34.84	-	34.84
Other Equity	7	5,241.56	586.32	5,827.88
		<b>5,276.40</b>	<b>586.32</b>	<b>5,862.72</b>

#### 4. Reconciliation of Balance Sheet as at 01.07.2015 (Contd..)

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	(9)(c)&(j)	401.41	6.60	408.01
Other Financial Liabilities	Note 1 below	281.35	3.94	285.29
Provisions	(9)(e)	19.11	(12.37)	6.74
Other Non-Current Liabilities		570.97	-	570.97
		<b>1,272.84</b>	<b>(1.83)</b>	<b>1,271.01</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	Note 1 below	214.95	(18.65)	196.30
Trade Payables	Note 1 below	292.37	18.34	310.71
Other Financial Liabilities	Note 1 below	629.34	31.32	660.66
Other Current Liabilities		243.04	-	243.04
Provisions	(9)(l)	62.79	(58.70)	4.09
Current Tax Liabilities (Net)		6.12	-	6.12
		<b>1,448.61</b>	<b>(27.69)</b>	<b>1,420.92</b>
<b>Total Equity and Liabilities</b>		<b>7,997.85</b>	<b>556.80</b>	<b>8,554.65</b>

Note 1: Reclassification adjustments under Ind AS.

#### 5. Reconciliation of Balance Sheet as at 31.03.2016

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment				
		3,050.17	-	3,050.17
Capital Work-in-Progress				
		264.50	-	264.50
Intangible Assets				
		-	-	-
Financial Assets				
Investments	(9)(a)&(b)	2,286.20	664.19	2,950.39
Loans		33.90	-	33.90
Other Financial Assets	Note 1 below	-	201.18	201.18
Deferred Tax Assets (Net)	(9)(f)	263.37	108.42	371.79
Non-Current Tax Assets (Net)	(9)(f)	121.49	(107.40)	14.09
Other Non-Current Assets		768.60	-	768.60
		<b>6,788.23</b>	<b>866.39</b>	<b>7,654.62</b>
<b>Current Assets</b>				
Inventories				
		815.19	-	815.19
Financial Assets				
Investments	(9)(b)	80.00	0.08	80.08
Trade Receivables		328.62	-	328.62
Cash and Cash Equivalents		50.23	-	50.23
Other Bank Balances	Note 1 below	232.81	(200.00)	32.81
Loans		11.02	-	11.02
Other Financial Assets	Note 1 below	24.54	109.56	134.10
Current Tax Assets (Net)	Note 1 below	-	44.66	44.66
Other Current Assets		458.38	(146.43)	311.95
		<b>2,000.79</b>	<b>(192.13)</b>	<b>1,808.66</b>
<b>Total Assets</b>		<b>8,789.02</b>	<b>674.26</b>	<b>9,463.28</b>

**5. Reconciliation of Balance Sheet as at 31.03.2016 (Contd...)**

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		34.84	-	34.84
Other Equity	7	6,145.38	665.31	6,810.69
		<b>6,180.22</b>	<b>665.31</b>	<b>6,845.53</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	(9)(c)&(j)	520.92	9.82	530.74
Other Financial Liabilities	Note 1 below	299.08	3.61	302.69
Provisions	(9)(e)	18.88	(12.18)	6.70
Other Non-Current Liabilities		615.92	-	615.92
		<b>1,454.80</b>	<b>1.25</b>	<b>1,456.05</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings		195.75	-	195.75
Trade Payables	Note 1 below	258.38	(1.14)	257.24
Other Financial Liabilities	Note 1 below	468.81	7.70	476.51
Other Current Liabilities	Note 1 below	228.67	1.14	229.81
Provisions		1.05	-	1.05
Current Tax Liabilities (Net)		1.34	-	1.34
		<b>1,154.00</b>	<b>7.70</b>	<b>1,161.70</b>
<b>Total Equity and Liabilities</b>		<b>8,789.02</b>	<b>674.26</b>	<b>9,463.28</b>

Note 1: Reclassification adjustments under Ind AS.

**6. Reconciliation of Statement of Profit and Loss for the period ended 31.03.2016**

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Revenue from Operations	(9)(g)&(h)	5,567.75	622.21	6,189.96
Other Income	(9)(a),(b) &(g)	120.11	552.57	672.68
		<b>5,687.86</b>	<b>1,174.78</b>	<b>6,862.64</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	(9)(h)	470.50	(21.20)	449.30
Changes in Inventories of Finished Goods and Work-in-Progress		3.28	-	3.28
Employee Benefits Expense	(9)(k)	364.54	5.32	369.86
Power and Fuel	(9)(g)	1,130.90	(7.95)	1,122.95
Freight and Forwarding Expenses		1,141.62	-	1,141.62
Excise Duty on Sales	(9)(h)	-	676.32	676.32
Finance Costs	(9)(e)&(j)	75.12	0.65	75.77
Other Expenses	(9)(h)	1,149.57	(116.93)	1,032.64
		<b>4,335.53</b>	<b>536.21</b>	<b>4,871.74</b>
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 crore]		(12.92)	-	(12.92)
		<b>4,322.61</b>	<b>536.21</b>	<b>4,858.82</b>
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>				
Depreciation and Amortisation Expense		908.41	(80.84)	827.57
Exceptional Items				
Assets Constructed at Others' Premises Written Off		2.30	(2.30)	-
<b>PROFIT BEFORE TAX</b>		<b>454.54</b>	<b>721.71</b>	<b>1,176.25</b>

6. Reconciliation of Statement of Profit and Loss for the period ended 31.03.2016 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
<b>Tax Expense</b>	(9)(f)			
Current Tax		123.98	(1.84)	122.14
Tax Expense relating to earlier years (Net)		(55.34)	-	(55.34)
Deferred Tax (Credit) / Charge		(69.03)	35.35	(33.68)
		(0.39)	33.51	33.12
<b>PROFIT FOR THE PERIOD</b>		<b>454.93</b>	<b>688.20</b>	<b>1,143.13</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be Reclassified to Profit or Loss	(9)(k)	-	5.32	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	(1.84)	(1.84)
Items that will be Reclassified to Profit or Loss	(9)(c)	-	(6.84)	(6.84)
Income Tax relating to Items that will be Reclassified to Profit or Loss		-	2.37	2.37
		-	(0.99)	(0.99)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit &amp; Other Comprehensive Income for the Period)</b>		<b>454.93</b>	<b>687.21</b>	<b>1,142.14</b>

7. Reconciliation of Equity:

(₹ in Crore)

Particulars	Note	As at 31.03.2016	As at 01.07.2015
<b>Equity as per Indian GAAP (A)</b>		<b>6,180.22</b>	<b>5,276.40</b>
Adjustments on account of:			
Measuring investments at amortized cost	(9)(a)	639.44	544.54
Measuring investments at Fair Value through Profit or Loss	(9)(b)	24.83	24.91
Adjustment to Goodwill as per Ind AS 101	(2)(a)	-	(83.14)
Cash flow hedges	(9)(c)	(12.21)	(5.36)
Discounting of provision for mines reclamation expenses	(9)(e)	12.18	12.37
De-recognition of Proposed dividend and tax on dividend	(9)(l)	-	58.70
Amortization of upfront fees on borrowings based on EIR	(9)(j)	0.05	0.30
Deferred Tax adjustments on above items (Net)	(9)(f)	1.02	34.00
<b>Total Ind AS Adjustments (B)</b>		<b>665.31</b>	<b>586.32</b>
<b>Equity as per Ind AS (A+B)</b>		<b>6,845.53</b>	<b>5,862.72</b>

**8. Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the Nine Months ended 31.03.2016:** (₹ in Crore)

Particulars	Note	For the Nine Months ended 31.03.2016
<b>Net Profit as per Indian GAAP (A)</b>		<b>454.93</b>
Adjustments on account of:		
Measuring investments at amortized cost	(9)(a)	94.90
Measuring investments at Fair Value through Profit or Loss	(9)(b)	(0.12)
Government grants accounted through Profit and Loss	(9)(g)	549.52
Reversal of amortization of Goodwill	(2)(a)	83.14
Remeasurement gain on defined benefit plan	(9)(k)	(5.32)
Amortization of upfront fees on borrowings based on EIR	(9)(j)	(0.25)
Unwinding of discount on provision for mines reclamation expenses	(9)(e)	(0.36)
Others		0.20
Tax adjustments on above items (Net)	(9)(f)	(33.51)
<b>Total Ind AS Adjustments (B)</b>		<b>688.20</b>
<b>Net Profit as per Ind AS (A+B)</b>		<b>1,143.13</b>
Other Comprehensive Income (Net of tax)	(9)(c),(k)	(0.99)
<b>Total Comprehensive Income as per Ind AS</b>		<b>1,142.14</b>

**9. Footnotes to the reconciliation of equity as at 01.07.2015 and 31.03.2016 and Profit or loss for the nine months period ended 31.03.2016:**

**a) Financial Assets at Amortized Cost**

Under Indian GAAP, the Company accounted for long term investments in bonds and debentures as investments measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated these investments as financial assets measured at amortized cost. At the date of transition to Ind AS, difference between amortized cost and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, interest income has been recognized based on EIR method.

**b) Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Under Indian GAAP, the Company accounted for long term investments in preference shares and mutual funds as investments measured at cost less provision for other than temporary diminution in the value of investments and current investments at lower of cost or market value. Under Ind AS, the Company has designated these investments as financial assets measured at fair value through profit or loss. Ind AS requires that investment designated at FVTPL, are measured at fair value. At the date of transition to Ind AS, difference between fair value and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, fair value gain or loss has been recognized to Statement of Profit and Loss.

**c) Derivative Financial Instruments**

The fair value of cross currency and interest rate swaps is recognized under Ind AS. Under Indian GAAP, there is no mandatory standard that deals with accounting of swaps, hence the same was not recognized. The swaps, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instruments in a cash flow hedge. The corresponding adjustments have been recognized as a separate component of equity, under the effective portion of cash flow hedge reserve.

**d) Defined Benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by ₹ 5.32 crore and remeasurement gain on defined benefit plan has been recognized in the other comprehensive income, net of tax.

**e) Provisions**

Under Indian GAAP, the Company has accounted for provisions, including long term provisions, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risk for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost. This led to a decrease in the provision for mines reclamation expenses on the date of transition by ₹ 12.37 crore and which was adjusted to retained earnings.

**f) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

MAT Credit entitlement is in the nature of deferred tax under Ind AS. Hence on transition to Ind AS MAT credit entitlement of ₹ 95.87 crore as on 01.07.2015 and ₹ 107.40 crore as on 31.03.2016 has been grouped under deferred tax assets from current tax assets.

**g) Government Grants**

Under Indian GAAP, Government grants in the nature of promoter's contribution are recognized to capital reserve. Under Ind AS, all Government grants has to be recognized to the Statement of Profit and Loss. Accordingly, Government grants recognized to the Statement of Profit and Loss. Further, the government grants credited to capital reserve under erstwhile Indian GAAP have also been reclassified to retained earnings as per Ind AS 101 - First Time Adoption of Indian Accounting Standards.

**h) Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss accordingly, sale of goods under Ind AS for the Nine Months ended 31.03.2016 has increased by ₹ 676.32 crore.

Under Ind AS cash discount and other sale incentives are required to be netted off from sale of products which was accounted as expenses under Indian GAAP. Hence sale of products is decreased by ₹ 116.72 crore for the period ended 31.03.2016.

Under Ind AS when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. Thus sale of products and cost of material consumed has been decreased by ₹ 21.20 crore for the period ended 31.03.2016.

**i) Statement of Cash Flows**

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in balance Sheet, Statement of Profit and Loss and differences in the definition of cash and cash equivalents in Ind AS and Indian GAAP.

**j) Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

**k) Other Comprehensive Income**

Under Indian GAAP, the company has not presented Other Comprehensive Income (OCI) separately. Hence it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**l) Proposed Dividend and Tax on Proposed Dividend**

Under Indian GAAP, proposed dividends including tax on proposed dividend are recognized as liability in the period to which they relate, irrespective of the approval by shareholders. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the Company (when approved by shareholders in a general meeting) or paid. Therefore, the proposed dividend and tax on proposed dividend of ₹ 58.70 crore as on 01.07.2015 has been derecognized and recognized in 2015-16 on approval by shareholders and payment.

**56.** Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

Signature to Note 1 to 56  
For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196  
**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
**SHREE CEMENT LIMITED**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (financial performance), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and 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 financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in

the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

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

## **Other Matters**

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.12 crore as at 31<sup>st</sup> March, 2017, total revenues of ₹ Nil and net cash flows amounting to ₹ 0.09 crore for the year ended on that date, as considered in the consolidated Ind AS financial

statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion 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 financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, to the extent applicable, 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 purpose 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 consolidated Ind AS financial statement have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding

Company as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long term contracts including any 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 Holding Company;
  - iv. The Holding Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company. Refer Note 43 to the Consolidated Ind AS Financial Statements.

For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**Place:** Kolkata  
**Date:** 16<sup>th</sup> May, 2017

## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Holding Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**

Partner

Membership No.081075

**Place:** Kolkata

**Date:** 16<sup>th</sup> May, 2017

# CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2017

(₹ in Crore)

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6	2,586.34	3,050.17	2,921.19
Capital Work-in-Progress	36	710.44	264.50	511.10
Intangible Assets	7	12.78	-	-
Financial Assets				
Investments	8	3,388.23	2,950.27	2,069.01
Loans	9	43.59	33.90	34.37
Other Financial Assets	10	200.00	201.18	228.31
Deferred Tax Assets (Net)	25	507.69	371.79	325.06
Non-Current Tax Assets (Net)		20.28	14.09	-
Other Non-Current Assets	11	414.44	768.60	425.82
		7,883.79	7,654.50	6,514.86
<b>Current Assets</b>				
Inventories	12	1,314.50	815.19	918.86
Financial Assets				
Investments	13	654.12	80.08	162.93
Trade Receivables	14	335.12	328.62	476.39
Cash and Cash Equivalents	15	45.50	50.24	31.02
Other Bank Balances	16	65.60	32.81	67.52
Loans	9	8.05	11.04	11.09
Other Financial Assets	10	84.67	134.10	80.76
Current Tax Assets (Net)		-	44.66	-
Other Current Assets	11	774.63	311.95	291.16
		3,282.19	1,808.69	2,039.73
<b>Total Assets</b>		<b>11,165.98</b>	<b>9,463.19</b>	<b>8,554.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	17	34.84	34.84	34.84
Other Equity	18	7,663.16	6,810.58	5,827.79
		7,698.00	6,845.42	5,862.63
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	19	518.74	530.74	408.01
Other Financial Liabilities	20	365.58	302.69	285.29
Provisions	21	7.28	6.70	6.74
Other Non-Current Liabilities	22	587.36	615.92	570.97
		1,478.96	1,456.05	1,271.01
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	23	773.74	195.75	196.30
Trade Payables	24	351.69	257.26	310.74
Other Financial Liabilities	20	386.11	476.51	660.66
Other Current Liabilities	22	475.29	229.81	243.04
Provisions	21	0.85	1.05	4.09
Current Tax Liabilities (Net)		1.34	1.34	6.12
		1,989.02	1,161.72	1,420.95
<b>Total Equity and Liabilities</b>		<b>11,165.98</b>	<b>9,463.19</b>	<b>8,554.59</b>
Significant Accounting Policies	4			

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

**B. G. Bangur**

Chairman  
DIN: 00244196

**H. M. Bangur**

Managing Director  
DIN: 00244329

**Prashant Bangur**

Joint Managing Director  
DIN: 00403621

**Sudhir Maheshwari**

Partner  
Membership No. 081075

**S. S. Khandelwal**

Company Secretary

**O. P. Setia**

Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

Place : Kolkata

Date : 16<sup>th</sup> May, 2017

**Subhash Jajoo**

Chief Finance Officer

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

(₹ in Crore)

	Note	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Revenue from Operations	26	9,496.52	6,189.96
Other Income	27	507.71	672.68
		<b>10,004.23</b>	<b>6,862.64</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	680.66	449.30
Changes in Inventories of Finished Goods and Work-in-Progress	29	(53.48)	3.28
Employee Benefits Expense	30	537.18	369.86
Power and Fuel		1,444.27	1,122.95
Freight and Forwarding Expenses	31	1,874.00	1,141.62
Excise Duty on Sales		1,067.36	676.32
Finance Costs	32	129.42	75.77
Other Expenses	33	1,604.28	1,032.67
		7,283.69	4,871.77
Captive Consumption of Cement [Net of Excise Duty ₹ 3.51 crore (Previous year ₹ 1.75 crore)]		(24.95)	(12.92)
		7,258.74	4,858.85
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>			
Depreciation and Amortisation Expense	6, 7 & 37	1,214.71	827.57
<b>PROFIT BEFORE TAX</b>			
		<b>1,530.78</b>	<b>1,176.22</b>
<b>Tax Expense</b>			
Current Tax	45	324.13	122.14
Tax Expense relating to earlier years (Net)		2.13	(55.34)
Deferred Tax (Credit) / Charge		(134.56)	(33.68)
		191.70	33.12
<b>PROFIT FOR THE PERIOD</b>			
		<b>1,339.08</b>	<b>1,143.10</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss	40(b)	3.70	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.28)	(1.84)
Items that will be Reclassified to Profit or Loss		(3.88)	(6.83)
Income Tax relating to Items that will be Reclassified to Profit or Loss	39	1.34	2.37
		(0.12)	(0.98)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)</b>			
		<b>1,338.96</b>	<b>1,142.12</b>
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>			
Cash	51	694.44	556.01
Basic and Diluted		384.38	328.13
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheswari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

(₹ in Crore)

Particulars	For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit Before Tax</b>		<b>1,530.78</b>		<b>1,176.22</b>
Adjustments For :				
Depreciation and Amortisation Expense	1,214.71		827.57	
Unrealised Foreign Exchange Rate Differences (Net)	22.38		(0.95)	
Balances Written Back (Net)	(5.48)		(9.00)	
Provision No Longer Required	(9.53)		(0.38)	
Provision for Doubtful Receivables (Net)	0.02		0.03	
Net Gain on Sale of Investments	(11.41)		(5.34)	
(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(24.67)		0.92	
Interest Income	(250.43)		(151.20)	
Dividend Income on Financial Assets Designated at Fair Value through Profit or Loss	(58.23)		(38.40)	
Profit on Sale of Property, Plant and Equipments (Net) / Assets Written Off	4.05		8.76	
Finance Costs	129.42	1,010.83	75.77	707.78
<b>Operating Profit Before Working Capital Changes</b>		<b>2,541.61</b>		<b>1,884.00</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	16.53		(281.21)	
(Increase) / Decrease in Inventories	(499.31)		103.67	
Increase / (Decrease) in Trade & Other Payables and Provisions	431.85	(50.93)	2.77	(174.77)
Cash Generated From Operations		2,490.68		1,709.23
Direct Taxes Paid (Net of Refunds)		(289.07)		(143.11)
<b>Net Cash From Operating Activities</b>		<b>2,201.61</b>		<b>1,566.12</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(1,280.90)		(735.58)	
Proceeds from Sale of Property, Plant and Equipments	1.60		1.66	
Payments for Intangible Assets	(15.35)		(3.15)	
Purchases of Investments in Bonds, Debentures and Preference Shares	(1,272.62)		(655.15)	
Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	369.50		267.47	
(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(221.58)		(271.23)	
Investments in Bank Deposits	(61.85)		(45.91)	
Maturity of Bank Deposits	30.83		89.71	
Change in Earmarked Balances with Banks (Unpaid Dividend)	(1.77)		(0.09)	
Dividend Received	37.70		40.83	
Interest Received (Including Interest on Zero Coupon Bonds)	366.67		46.88	
<b>Net Cash Used in Investing Activities</b>		<b>(2,047.77)</b>		<b>(1,264.56)</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	265.84
Repayment of Long Term Borrowings	(146.33)	(300.28)
Proceeds from Short Term Borrowings	629.60	46.60
Repayment of Short Term Borrowings	(45.82)	-
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	8.02	(34.51)
Interest and Financial Charges Paid	(127.77)	(89.17)
Dividend and Tax Paid thereon (Interim, Special and Final)	(484.61)	(159.24)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>(166.91)</b>	<b>(270.76)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(13.07)</b>	<b>30.80</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>36.38</b>	<b>5.58</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>23.31</b>	<b>36.38</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

**Notes :**

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
- 3 For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.76	49.75	30.63
Cash on Hand	0.74	0.49	0.39
	45.50	50.24	31.02
Less: Bank Overdraft	22.19	13.86	25.44
	<b>23.31</b>	<b>36.38</b>	<b>5.58</b>

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196  
**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

### A. EQUITY SHARE CAPITAL (Refer Note 17)

Particulars	Numbers	₹ in Crore
Equity shares of ₹10 each, issued, subscribed and fully paid-up		
As at 01.07.2015	3,48,37,225	34.84
As at 31.03.2016	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

### B. OTHER EQUITY (Refer Note 18)

For the Nine Months ended 31<sup>st</sup> March, 2016

(₹ in Crore)

Particulars	Reserves and Surplus						Items of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.07.2015</b>	<b>15.00</b>	<b>26.53</b>	<b>200.00</b>	<b>500.00</b>	<b>3,000.00</b>	<b>2,089.77</b>	-	<b>(3.51)</b>	<b>5,827.79</b>
Profit for the Period						1,143.10			1,143.10
Other Comprehensive Income for the Period									
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.48			3.48
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 39)								(4.47)	(4.47)
Exchange Differences on Translation of Foreign Operation							0.01		0.01
Transfer from Debenture Redemption Reserve to General Reserve			(200.00)		200.00	-			-
Transfer to /(from) Retained Earnings					300.00	(300.00)			-
Interim Dividends on Equity Shares (Note 1 below)						(83.61)			(83.61)
Tax on Interim Dividends						(17.02)			(17.02)
Final Dividend on Equity Shares (Note 2 below)						(48.77)			(48.77)
Tax on Final Dividend						(9.93)			(9.93)
<b>Closing Balance as at 31.03.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.02</b>	<b>0.01</b>	<b>(7.98)</b>	<b>6,810.58</b>

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

(₹ in Crore)

Particulars	Reserves and Surplus					Items of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01.04.2016</b>	<b>15.00</b>	<b>26.53</b>	<b>500.00</b>	<b>3,500.00</b>	<b>2,777.02</b>	<b>0.01</b>	<b>(7.98)</b>	<b>6,810.58</b>
Profit for the Year					1,339.08			1,339.08
Other Comprehensive Income for the Year								
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42			2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 39)							(2.54)	(2.54)
Exchange Differences on Translation of Foreign Operation						-		-
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-			-
Transfer to /(from) Retained Earnings				1,000.00	(1,000.00)			-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)			(55.74)
Tax on Interim Dividend					(11.34)			(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)			(348.37)
Tax on Special Dividend					(70.93)			(70.93)
<b>Closing Balance as at 31.03.2017</b>	<b>15.00</b>	<b>26.53</b>	<b>-</b>	<b>5,000.00</b>	<b>2,632.14</b>	<b>0.01</b>	<b>(10.52)</b>	<b>7,663.16</b>

Note 1 : Interim Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2015-16.

Note 2 : Final Dividend declared at the rate of ₹ 14 per share of ₹ 10 each for FY 2014-15.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196  
**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

# Notes Forming Part of Consolidated Financial Statements

## 1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited (“the Company”) and its subsidiary company (which alongwith Shree Cement Limited, the parent, constitute the Group).

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India.

The Company is engaged in manufacturing and supply of cement and power generation. Currently its manufacturing operations are spread over North and Eastern India. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company’s principal shareholders, Refer Note No. 17.

These consolidated financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 16<sup>th</sup> May, 2017.

## 2. Basis of Preparation and Statement of Compliance

The consolidated 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 by the Companies (Indian Accounting Standards) (Amendment), Rules, 2016. For all periods up to and including the period ended 31<sup>st</sup> March, 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 are the first Ind AS consolidated financial statements. Refer Note 58 for information on how the Company adopted Ind AS.

The Company had adopted change in its accounting year in terms of section 2(41) of the Companies Act, 2013 from Financial Year 2015-2016. Accordingly the said financial year of the Company was of a nine months period from 1<sup>st</sup> July, 2015 to 31<sup>st</sup> March, 2016. Hence, the figures for the current financial year are not comparable to those of the previous year.

## 3. Principles of Consolidation

The Subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Sl. No.	Name of the Subsidiary Company	Country of Incorporation	%age Shareholding	
			As at 31.03.2017	As at 31.03.2016
1	Shree Global Pte. Ltd.	Singapore	100%	100%

The Consolidated Financial Statements of the Group are prepared on following basis:

- The Consolidated Financial Statements are prepared in accordance with Ind AS 110- “Consolidated Financial Statements” notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014.
- The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s Standalone Financial Statements.
- The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn up to the same reporting date i.e. 31<sup>st</sup> March, 2017.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the year. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income (OCI). On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized to the profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS, i.e. 01.07.2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

#### 4. Significant Accounting Policies

##### a) Basis of Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivatives financial instruments
- Certain Financial assets measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

##### b) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition (Refer Note 58). Subsequently, Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

When significant parts of the plant and equipment are required to be replaced at intervals the Company depreciates them separately based on their specific useful lives.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Leasehold land is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### c) Intangible Assets

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Intangible Assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible Assets on the date of transition (Refer Note 58). Subsequently, Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of

acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

Amortization is provided on a Written down Value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

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

#### d) Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### e) Revenue Recognition

Revenue is measured at fair value of consideration received or receivable. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

- Revenue from sale of goods and power is

recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of sales tax / VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty.

- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest rate (EIR) method.
- Insurance, Railway and other Claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

#### f) Provisions and Contingencies

##### 1) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

##### Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining in the Statement of Profit and Loss based on present value of 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. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

##### 2) Contingencies

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be

required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

#### **g) Foreign Currency Transaction**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each Balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

#### **h) Inventories**

##### **1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel**

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

##### **2) Work-in-progress and Finished goods**

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

##### **3) Energy Saving Certificates**

These are valued at lower of cost and net realizable value.

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

#### **i) Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

##### **1) Assets Taken on Finance Lease**

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **2) Operating Lease**

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

#### **j) Taxation**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the

balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of minimum Alternate tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date.

#### **k) Employee Benefits**

##### **1) Defined Contribution Plan**

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (ESIC) are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

##### **2) Defined Benefit Plan**

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

#### **Re-measurement gains and losses**

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### **3) Other Long Term Benefits**

Encashable leave in case of employees covered by Cement Wage Board and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arises.

#### **l) Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received. Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs. Grants related to an assets are recognized as income on a systematic basis over the useful life of the related assets.

#### **m) Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

## n) Financial Instruments

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

### 1) Financial Assets

#### Initial recognition and measurement

All financial assets are recognized 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 assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, other financial assets and investments.

#### Subsequent measurement

Financial assets are subsequently measured at amortised cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. If credit risks 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 reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

## 2) Financial Liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

### Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

#### Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

### 3) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such Derivatives financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are

subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges.

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

#### **o) Cash and Cash equivalents**

Cash and Cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the

weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **5. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

#### **a) Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

#### **b) Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **c) Allowances for uncollected trade receivables**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

#### **d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/ litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

**e) Mines Reclamation Obligation**

The measurement of mine reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government bonds of similar tenure.

**f) Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation 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 rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. For sensitivity analysis Refer Note 40.

**6. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Tangible Assets :</b>									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84 (a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipments	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
<b>Total</b>	<b>3,868.86</b>	<b>762.71</b>	<b>14.68</b>	<b>4,616.89</b>	<b>818.69</b>	<b>1,220.60 (b)</b>	<b>8.74</b>	<b>2,030.55</b>	<b>2,586.34</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.07.2015	Additions During the period	Deductions/ Adjustments During the period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the period	Deductions/ Adjustments During the period	Up to 31.03.2016	As at 31.03.2016
<b>Tangible Assets :</b>									
Free Hold Land	504.20	32.80	-	537.00	-	0.80	-	0.80	536.20
Lease Hold Land	196.67	5.77	-	202.44	-	2.45	-	2.45	199.99
Buildings	266.94	97.98	9.32	355.60	-	31.66	-	31.66	323.94
Plant and Equipment	1,894.66	815.10 (a)	5.70	2,704.06	-	773.05	3.31	769.74	1,934.32
Railway Siding	16.82	3.33	-	20.15	-	2.94	-	2.94	17.21
Furniture and Fixtures	14.31	2.48	0.20	16.59	-	3.43	0.19	3.24	13.35
Office Equipments	13.16	7.37	1.42	19.11	-	7.52	1.21	6.31	12.80
Vehicles	14.43	2.34	2.86	13.91	-	3.57	2.02	1.55	12.36
<b>Total</b>	<b>2,921.19</b>	<b>967.17</b>	<b>19.50</b>	<b>3,868.86</b>	<b>-</b>	<b>825.42 (b)</b>	<b>6.73</b>	<b>818.69</b>	<b>3,050.17</b>

(a) Includes ₹1.48 crore (for Nine Months Period ended 31.03.2016 ₹3.41 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹8.46 crore (for Nine Months Period ended 31.03.2016 ₹1.00 crore) on assets during construction period.

(c) The Company has elected to measure all of its Property, Plant and Equipment at their previous GAAP carrying value on the date of transition to Ind AS. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹8,508.98 crore and ₹5,587.79 crore, respectively.

**7. INTANGIBLE ASSETS**

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
<b>Intangible Assets :</b>									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
<b>Total</b>	<b>3.15</b>	<b>15.35</b>	<b>-</b>	<b>18.50</b>	<b>3.15</b>	<b>2.57</b>	<b>-</b>	<b>5.72</b>	<b>12.78</b>

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
<b>Intangible Assets :</b>									
Computer Software	-	3.15	-	3.15	-	3.15	-	3.15	-
<b>Total</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>3.15</b>	<b>-</b>

(a) The Company has elected to measure the intangible assets at their previous GAAP carrying value on the date of transition to Ind AS.

## 8. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>							
<b>QUOTED</b>							
<b>Bonds and Non Convertible Debentures (NCD)</b>							
<b>National Bank for Agriculture and Rural Development (Refer Note 8.3)</b>							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	-	-	2,09,340	376.06	2,09,340	353.88
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	86,640	150.35	86,640	141.43
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	8.63	5,000	8.13
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.33	180	0.30	180	0.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.33	180	0.30	180	0.28
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.83	460	0.77	460	0.72
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.11	65	0.10	65	0.10
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	2,54,660	441.81	3,14,660	503.48	3,14,660	473.69
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	20.35	11,800	18.78	11,800	17.67
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	27.54	16,160	25.34	16,160	23.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	215.02	1,26,845	197.96	1,26,845	186.17
<b>National Housing Bank (Refer Note 8.3)</b>							
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	285.09	3,27,711	263.15	3,27,711	247.66
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	71.27	83,760	65.76	83,760	61.88
<b>Indian Railway Finance Corporation Limited</b>							
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.07	150	15.07	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.05	100	10.06	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.63	2,50,000	25.10	-	-
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.19	250	25.20	-	-
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	159	15.94	159	15.94	-	-
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.67	-	-	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	3,60,000	38.04	-	-	-	-
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	50	5.94	-	-	-	-
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	56.02	5,00,000	50.00	5,00,000	50.00
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	151,000	15.10	-	-
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.47	176,350	17.64	-	-
<b>Power Finance Corporation</b>							
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	-	-	880	87.99
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.48	200	20.21	-	-
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.53	-	-	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.62	-	-	-	-
<b>Power Grid Corporation</b>							
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	-	-	120	14.97

**8. NON-CURRENT INVESTMENTS** (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>National Highways Authority of India</b>							
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,66,095	149.04	11,88,951	119.30	11,88,951	119.32
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.90	-	-	-	-
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.08	250	25.09	-	-
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.57	-	-	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	250	29.69	-	-	-	-
8.75% NHAI Tax Free Bonds - 05FB29	1,000	2,50,000	29.57	-	-	-	-
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.45	-	-	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55	-	-
<b>Housing and Urban Development Corporation Limited</b>							
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,16,424	107.43	-	-	-	-
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.30	2,50,000	25.35	-	-
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	50	5.13	-	-	-	-
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	300	30.28	100	9.97	-	-
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	100	10.12	-	-	-	-
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.38	-	-	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	4,30,000	46.81	1,00,000	9.70	1,00,000	9.82
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.79	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	13,75,439	139.80	4,51,746	45.17	-	-
<b>India Infrastructure Finance Company Limited</b>							
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.26	-	-	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	6,50,000	65.51	5,50,000	55.38	-	-
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.17	-	-	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.28	50	5.31	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.37	50,000	5.41	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.51	-	-	-	-
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	2,00,000	20.67	-	-	-	-
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,00,000	10.53	-	-	-	-
<b>Rural Electrification Corporation</b>							
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.25	-	-	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	150	17.56	-	-	-	-
8.46% REC Tax Free Bonds - 24SP28	1,000	1,50,000	17.56	-	-	-	-
<b>Indian Renewable Energy Development Agency Limited</b>							
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.17	7,60,903	76.32	-	-
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.76	-	-	-	-
<b>National Bank for Agriculture and Rural Development</b>							
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08	-	-
<b>National Housing Bank</b>							
8.46% NHB Tax Free NCD - 30AG28	10,00,000	150	17.58	-	-	-	-
<b>Canfin Homes Limited</b>							
8.41% Canfin Homes NCD - 30JN19	10,00,000	141	14.08	141	14.07	-	-

## 8. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>Housing Development Finance Corporation Limited</b>							
8.75% HDFC NCD - 04MR21	1,00,00,000	50	50.42	-	-	-	-
<b>LIC Housing Finance Limited</b>							
8.75% LIC Housing NCD - 12FB21	10,00,000	630	63.52	-	-	-	-
9.30% LIC Housing NCD - 14SP22	10,00,000	150	15.49	150	15.56	-	-
<b>IL&amp;FS Financial Services Limited</b>							
8.75% ILFS NCD - 14JU21	1,000	1,45,000	14.50	-	-	-	-
<b>IDFC Bank Limited</b>							
8.70% IDFC NCD - 23JU25	10,00,000	500	50.59	-	-	-	-
<b>Total (A)</b>			<b>2,858.46</b>		<b>2,332.87</b>		<b>1,797.81</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>							
<b>QUOTED</b>							
<b>Preference Shares</b>							
<b>Infrastructure Leasing and Financial Services Limited</b>							
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000	37.69	28,000	36.84	28,000	36.57
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000	69.92	52,000	68.20	52,000	68.15
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 <sup>th</sup> October, 2022	7,500	13,500	20.59	13,500	19.92	-	-
<b>IL&amp;FS Financial Services Ltd.</b>							
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 <sup>th</sup> March, 2021	7,500	33,400	52.03	33,400	50.58	-	-
<b>Zee Entertainment Enterprises Limited</b>							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5 <sup>th</sup> March, 2018 to 5 <sup>th</sup> March, 2022	10	19,98,61,622	147.13	4,50,00,000	39.23	-	-
<b>UNQUOTED</b>							
<b>Preference Shares</b>							
<b>Tata Capital Limited</b>							
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 <sup>th</sup> August, 2021	1,000	10,00,000	101.29	10,00,000	100.26	10,00,000	99.78

**8. NON-CURRENT INVESTMENTS** (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 <sup>st</sup> April, 2022	1,000	4,00,000	40.88	4,00,000	40.18	4,00,000	39.90
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15 <sup>th</sup> , September 2023	1,000	6,00,000	60.24	-	-	-	-
<b>In Units of Mutual Funds</b>							
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	21.53	1,47,78,590	20.30
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	6.93	50,25,686	6.50
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.99	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	-	-	2,26,44,722	24.89	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	5,67,06,597	60.21	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	-	-	2,36,78,727	25.13	-	-
IDFC Arbitrage Fund - Dividend- (Direct Plan)	10	-	-	1,94,20,493	25.14	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	-	-	3,05,85,160	43.48	-	-
JM Arbitrage Advantage Fund - (Direct) - Dividend Option	10	-	-	2,78,46,362	29.89	-	-
<b>Total (B)</b>			<b>529.77</b>		<b>617.40</b>		<b>271.20</b>
<b>TOTAL (A+B)</b>			<b>3,388.23</b>		<b>2,950.27</b>		<b>2,069.01</b>

**8.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>						
- In Bonds, Debentures and Preference shares	3,185.82	3,245.99	2,547.64	2,593.73	1,902.53	1,914.91
<b>Total</b>	<b>3,185.82</b>	<b>3,245.99</b>	<b>2,547.64</b>	<b>2,593.73</b>	<b>1,902.53</b>	<b>1,914.91</b>
<b>8.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>		<b>202.41</b>		<b>402.63</b>		<b>166.48</b>

8.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.

## 9. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Loans and Advances to Staff and Workers	4.77	2.31	1.88	5.94	5.62	3.82
Security Deposits (Refer Note 42)	38.82	31.59	32.49	2.11	5.42	7.27
	<b>43.59</b>	<b>33.90</b>	<b>34.37</b>	<b>8.05</b>	<b>11.04</b>	<b>11.09</b>

## 10. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Derivative Financial Instruments	-	1.18	19.31	-	7.79	17.18
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00	-	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	-	57.07	24.53	15.27
Others	-	-	-	27.60	101.78	48.31
	<b>200.00</b>	<b>201.18</b>	<b>228.31</b>	<b>84.67</b>	<b>134.10</b>	<b>80.76</b>

10.1 Others include amount receivable on sale of investments and dividend receivable etc.

## 11. OTHER ASSETS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Advances to Suppliers and Contractors	-	-	-	50.47	41.00	67.36
Capital Advances	393.03	349.52	319.57	-	-	-
Assets Held for Disposal	-	-	-	0.13	0.09	-
Prepaid Expenses	-	-	-	3.86	3.18	4.61
Other receivables	21.41	419.08	106.25	720.17	267.68	219.19
	<b>414.44</b>	<b>768.60</b>	<b>425.82</b>	<b>774.63</b>	<b>311.95</b>	<b>291.16</b>

11.1 Other receivables includes Sales tax, Cenvat credit, Government grants and other dues from Government etc.

## 12. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Raw Materials [Includes in transit ₹ 3.55 crore (As at 31.03.2016 ₹ 2.81 crore, as at 01.07.2015 ₹ 2.39 crore)]	31.23	43.94	27.26
Fuel [Includes in transit ₹ 397.39 crore (As at 31.03.2016 ₹ 65.19 crore, as at 01.07.2015 ₹ 239.31 crore )]	632.34	208.63	334.87
Stores and Spares	396.91	367.25	359.84
Packing Materials	16.89	11.72	9.96
Work-in-Progress [Includes in transit ₹ 18.71 crore (As at 31.03.2016 ₹ 7.64 crore, as at 01.07.2015 ₹ 11.11 crore)]	127.70	114.67	97.28
Finished Goods [Includes in transit ₹ 48.86 crore (As at 31.03.2016 ₹ 17.92 crore, as at 01.07.2015 ₹ 28.71 crore)]	109.43	68.98	89.65
Energy Saving Certificates	-	-	-
	<b>1,314.50</b>	<b>815.19</b>	<b>918.86</b>

Total 1,58,257 Nos. Energy Saving Certificates held as on 31.03.2017 (as on 31.03.2016 Nil, as on 01.07.2015 Nil)

**13. CURRENT INVESTMENTS**

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
<b>Investments at Amortised Cost (A)</b>							
<b>QUOTED</b>							
<b>Bonds</b>							
<b>National Bank for Agriculture and Rural Development</b>							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	16,640	31.31	-	-	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	9.35	-	-	-	-
<b>Indian Railway Finance Corporation</b>							
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	-	-	650	64.87
<b>Rural Electrification Corporation</b>							
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	-	-	200	19.97
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	-	-	50	4.99
<b>Total (A)</b>			<b>40.66</b>		<b>-</b>		<b>89.83</b>
<b>Investments at Fair Value through Profit or Loss (B)</b>							
<b>QUOTED</b>							
<b>Preference Shares</b>							
<b>Zee Entertainment Enterprises Limited</b>							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5 <sup>th</sup> March, 2018 to 5 <sup>th</sup> March, 2022	10	1,99,861,622	36.78	-	-	-	-
<b>UNQUOTED</b>							
<b>Preference Shares</b>							
<b>L&amp;T Finance Holding Limited</b>							
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 <sup>th</sup> March, 2016	100	-	-	-	-	6,155,000	61.67
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 <sup>st</sup> March, 2016	100	-	-	-	-	1,141,136	11.43
<b>In Units of Mutual Funds</b>							
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	23.18	-	-	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	7.69	-	-	-	-
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.98	-	-	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	15,01,34,434	162.04	-	-	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	9,36,81,622	100.66	-	-	-	-

### 13. CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
		ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	13,90,30,598	202.80	-	-
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	2,85,91,034	30.33	-	-	-	-
Kotak Floater Short Term - Direct Plan - Growth	10	-	-	40,257	10.01	-	-
UTI - Money Market Fund - Institutional Plan - Direct - Growth	10	-	-	58,923	10.01	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	10	-	-	31,628	10.01	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	40,948	10.01	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	10	-	-	59,591	10.01	-	-
IDFC Cash Fund - Growth (Direct Plan)	10	-	-	54,358	10.01	-	-
ICICI Prudential Liquid - Direct Plan-Growth	10	-	-	4,46,245	10.01	-	-
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	10	-	-	4,95,910	10.01	-	-
<b>Total (B)</b>			<b>613.46</b>		<b>80.08</b>		<b>73.10</b>
<b>TOTAL (A+B)</b>			<b>654.12</b>		<b>80.08</b>		<b>162.93</b>

#### 13.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
	<b>Quoted Investments:</b>					
- In Bonds and Preference Shares	77.44	77.91	-	-	89.83	90.22
<b>Total</b>	<b>77.44</b>	<b>77.91</b>	<b>-</b>	<b>-</b>	<b>89.83</b>	<b>90.22</b>
<b>13.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS</b>	<b>576.68</b>		<b>80.08</b>		<b>73.10</b>	

### 14. TRADE RECEIVABLES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
	Secured, Considered Good	-	-	-	198.52	152.05
Unsecured						
Considered Good	-	-	-	136.60	176.57	359.73
Considered Doubtful	0.47	0.45	0.42	-	-	-
	0.47	0.45	0.42	335.12	328.62	476.39
Less: Allowance for Doubtful Trade Receivables	0.47	0.45	0.42	-	-	-
	-	-	-	<b>335.12</b>	<b>328.62</b>	<b>476.39</b>

Refer Note 49 for information about credit risk and market risk of Trade Receivables.

**15. CASH AND CASH EQUIVALENTS**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.76	49.75	30.63
Cash on Hand	0.74	0.49	0.39
	<b>45.50</b>	<b>50.24</b>	<b>31.02</b>

**16. OTHER BANK BALANCES**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Earmarked Balance with Banks for Unpaid Dividend (Refer note 20.1)	3.59	1.82	1.73
Margin Money (Pledged with Banks)	1.88	1.83	2.50
Fixed Deposits With Banks (Refer note 16.1 to 16.3 below)			
Maturity more than 3 months and upto 12 months	60.13	29.16	63.29
Maturity more than 12 months	200.00	200.00	209.00
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 10)	(200.00)	(200.00)	(209.00)
	<b>65.60</b>	<b>32.81</b>	<b>67.52</b>

- 16.1 Includes deposits of ₹ 20.00 crore (As at 31.03.2016 ₹ 19.00 crore, as at 01.07.2015 ₹ 19.00 crore) are pledged with banks against overdraft facilities. (Refer Note 23.2)
- 16.2 Includes ₹ 39.75 crore (As at 31.03.2016 ₹ 10.00 crore, as at 01.07.2015 ₹ 53.19 crore), given as security to Government department and others.
- 16.3 Includes ₹ Nil (As at 31.03.2016 ₹ Nil, as at 01.07.2015 ₹ 30.00 crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

**17. SHARE CAPITAL**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Authorised</b>			
6,00,00,000 (As at 31.03.2016 6,00,00,000, As at 01.07.2015 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00	60.00
15,00,000 (As at 31.03.2016 15,00,000, As at 01.07.2015 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00	15.00
	<b>75.00</b>	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>			
3,48,37,225 (As at 31.03.2016 3,48,37,225, As at 01.07.2015 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84	34.84
	<b>34.84</b>	<b>34.84</b>	<b>34.84</b>

**17.1 - DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Name of Shareholders	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 01.07.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86	20,42,824	5.86

- 17.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 17.3 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.
- 17.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 17.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Nil	Nil	Nil

- 17.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## 18. OTHER EQUITY

### Nature of Reserves

#### Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

#### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

#### General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

#### Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

## 19. BORROWINGS

(₹ in Crore)

	Non-Current Portion			Current Maturities		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Secured</b>						
Redeemable Non Convertible Debentures (NCDs)						
Nil (As at 31.03.2016 Nil, As at 01.07.2015 2,000) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	-	-	200.00
External Commercial Borrowings	518.70	530.66	282.89	-	28.97	131.25
Term Loans from Banks	-	-	125.00	-	125.00	-
Vehicle Loan from Others	0.04	0.08	0.12	0.05	0.05	0.04
	<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	<b>0.05</b>	<b>154.02</b>	<b>331.29</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 20)	-	-	-	(0.05)	(154.02)	(331.29)
	<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	-	-	-

## 19.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN

(₹ in Crore)

Sl. No.	Nature of Securities	Effective Interest Rate (EIR)	Loan Amount as at 31.03.2017	Loan Amount as at 31.03.2016	Loan Amount as at 01.07.2015	Terms of Repayment
<b>Non Convertible Debentures</b>						
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	-	200.00	Redeemed during the year 2015-16
<b>External Commercial Borrowings</b>						
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	6 Months USD LIBOR+2.5% (Fixed rate of 9.42% including the effect of related cross currency and interest rate swaps)	-	28.97	83.44	Paid during the year 2016-17
		6 Months USD LIBOR+2.5% (Fixed rate of 9.65% including the effect of related cross currency and interest rate swaps)	-	-	75.68	Paid during the year 2015-16
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	259.35	265.33	255.02	Fully Repayable on 08.05.2020
			259.35	265.33	-	Fully Repayable on 24.09.2020
<b>Term Loan from Banks</b>						
4	These Term loan from Bank are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.50%	-	125.00	125.00	Paid during the year 2016-17
<b>Vehicle Loan from Others</b>						
5	Secured by Hypothecation of the vehicle	10.09%	0.09	0.13	0.16	Repayable in 19 equated monthly installments w.e.f. 03.04.2017
<b>TOTAL</b>			<b>518.79</b>	<b>684.76</b>	<b>739.30</b>	
<b>Less: Current Maturities of Long Term Debt</b>			<b>0.05</b>	<b>154.02</b>	<b>331.29</b>	
<b>Total Non-Current Portion</b>			<b>518.74</b>	<b>530.74</b>	<b>408.01</b>	

There is no default in repayment of principal and interest thereon.

## 20. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Current Maturities of Long-Term Debt	-	-	-	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	-	-	-	9.86	8.74	11.15
Derivative Financial Instruments	18.22	3.61	3.94	44.92	-	-
Unpaid Dividends (Refer Note 20.1)	-	-	-	3.59	1.82	1.73
Security Deposits from Customers, Vendors & Others	347.36	299.08	281.35	2.44	2.89	6.82
Payable for Capital goods	-	-	-	59.44	96.89	96.85
Others (Refer Note 20.2)	-	-	-	265.81	212.15	212.82
	<b>365.58</b>	<b>302.69</b>	<b>285.29</b>	<b>386.11</b>	<b>476.51</b>	<b>660.66</b>

20.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2017, 31.03.2016 and 01.07.2015. (Refer note 16)

20.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

## 21. PROVISIONS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Provision for Employee Benefits</b>						
Gratuity [Refer note 39(b)]	-	-	-	0.17	0.09	0.10
Other Staff Benefit Schemes	1.30	1.06	0.94	0.28	0.20	3.13
<b>Other Provisions</b>						
Wealth Tax	-	-	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 52)	5.98	5.64	5.80	0.40	0.76	0.60
	<b>7.28</b>	<b>6.70</b>	<b>6.74</b>	<b>0.85</b>	<b>1.05</b>	<b>4.09</b>

## 22. OTHER LIABILITIES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Customers Advances	-	-	-	149.32	92.85	93.04
Withholding and Other Taxes Payable	-	-	-	55.27	47.81	74.62
Provident Fund and Superannuation Payable	-	-	-	10.66	8.96	6.99
Other Statutory Liabilities	587.36	615.92	570.97	260.04	80.19	68.39
	<b>587.36</b>	<b>615.92</b>	<b>570.97</b>	<b>475.29</b>	<b>229.81</b>	<b>243.04</b>

## 23. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Secured</b>			
Loans Repayable on Demand from Banks (Refer Note 23.1)	144.37	136.35	170.86
Bank Overdraft (Refer Note 23.2)	22.19	13.86	25.44
<b>Unsecured</b>			
Buyers Credit from Banks	607.18	45.54	-
	<b>773.74</b>	<b>195.75</b>	<b>196.30</b>

23.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

23.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16.1)

23.3 There is no default in repayment of principal and interest thereon.

**24. TRADE PAYABLES**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Due to Micro and Small Enterprises	8.01	5.49	4.57
Others	343.68	251.77	306.17
	<b>351.69</b>	<b>257.26</b>	<b>310.74</b>

24.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small, and Medium Enterprises as required to be disclosed under the said Act.

**25. DEFERRED TAX ASSETS (NET)**

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Deferred Tax Assets:</b>			
Arising on account of:			
Long-term and Short-term Capital Losses	16.56	15.79	14.24
Expenses allowed for tax purpose when paid	203.01	187.67	172.28
Depreciation and Amortization	229.87	59.76	49.20
Cash Flow Hedges	5.57	4.23	1.86
MAT Credit Entitlement	73.08	107.40	95.87
Others	0.16	1.18	7.90
<b>Deferred Tax Liabilities:</b>			
Arising on account of:			
Others	20.56	4.24	16.29
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>507.69</b>	<b>371.79</b>	<b>325.06</b>

**26. REVENUE FROM OPERATIONS**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Sale of Products</b>		
Cement	8,775.12	5,591.20
Clinker	148.99	13.29
Power	571.44	581.03
	<b>9,495.55</b>	<b>6,185.52</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	33.72	167.81
Less: Purchase of Traded Power	32.84	163.39
	<b>0.88</b>	<b>4.42</b>
<b>Other Operating Revenue</b>	<b>0.09</b>	<b>0.02</b>
	<b>9,496.52</b>	<b>6,189.96</b>

## 27. OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Income		
On Deposits	22.30	18.62
On Bonds and Debentures	226.98	115.57
On Income Tax and Sales Tax Refund	0.45	11.18
Others	0.70	5.83
Dividend Income on Financial Assets designated at Fair Value through Profit or Loss	58.23	38.40
Net Gain on Sale of Investments		
Designated at Amortised cost	8.12	1.72
Designated at Fair Value through Profit or Loss	3.29	3.62
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	24.67	(0.92)
Profit on Sale of Property, Plant and Equipments (Net)	1.02	0.60
Sales Tax Subsidies	145.94	457.76
Provision No Longer Required	9.53	0.38
Balances Written Back (Net)	5.48	9.00
Other Non Operating Income	1.00	10.92
	<b>507.71</b>	<b>672.68</b>

## 28. COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Raw Materials Consumed</b>		
Gypsum	176.19	133.52
Fly Ash	246.43	166.13
Red Ochre and Slag	93.51	46.16
Sulphuric Acid	39.49	25.23
Others	125.04	78.26
	<b>680.66</b>	<b>449.30</b>

## 29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the year ended 31.03.2017	For the Nine Months Ended 31.03.2016	(Increase) / Decrease
<b>Closing Stock</b>			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	<b>237.13</b>	<b>183.65</b>	<b>(53.48)</b>
<b>Opening Stock</b>			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	<b>183.65</b>	<b>186.93</b>	<b>3.28</b>
<b>(Increase) / Decrease</b>	<b>(53.48)</b>	<b>3.28</b>	

**30. EMPLOYEE BENEFITS EXPENSE**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Salaries, Wages and Bonus	465.69	324.54
Contribution to Provident and other Funds (Refer note 40)	58.63	36.56
Staff Welfare Expenses	12.86	8.76
	<b>537.18</b>	<b>369.86</b>

**31. FREIGHT AND FORWARDING EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
On Finished Products	1,309.97	808.92
On Inter Unit Clinker Transfer	564.03	332.70
	<b>1,874.00</b>	<b>1,141.62</b>

**32. FINANCE COSTS**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Expenses	127.09	85.53
Bank and Finance Charges	1.85	0.80
Unwinding of Discount on Provision	0.48	0.36
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	0.72
	129.42	87.41
Less: Interest Capitalised	-	11.64
	<b>129.42</b>	<b>75.77</b>

**33. OTHER EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Stores and Spares Consumed	285.44	210.75
Packing Materials Consumed	292.31	188.55
Royalty and Cess	239.38	183.55
Mines Reclamation Expenses	0.18	0.11
Excise Duty on Captive Consumption of Clinker	23.91	17.92
Repairs to Plant and Machinery	199.84	123.90
Repairs to Buildings	18.94	12.40
Rent	19.43	13.59
Insurance	3.45	2.12
Rates and Taxes	26.71	14.87
Travelling	34.03	23.91
Commission to Non-executive Directors	2.70	1.58
Directors' Sitting Fees and Expenses	0.75	0.45
Advertisement and Publicity	81.50	53.69
Sales Promotion and Other Selling Expenses	141.15	76.06
Excise duty variance on Closing/Opening Stock	6.56	(1.96)
Foreign Exchange Rate Differences (Net)	21.36	2.62
Corporate Social Responsibility Expenses	19.29	14.75
Assets Written Off	5.07	9.36
Provision for Doubtful Receivables (Net)	0.02	0.03
Miscellaneous (Refer Note 33.1)	182.26	84.42
	<b>1,604.28</b>	<b>1,032.67</b>

### 33.1 - MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Statutory Auditors</b>		
Audit Fees	0.30	0.27
Tax Audit Fees	0.06	0.06
Certification / Other Services	0.11	0.11
Reimbursement of Expenses	0.13	0.10
<b>Cost Auditors</b>		
Audit Fees	0.03	0.03
Certification / Other Services	0.01	0.02
Reimbursement of Expenses [₹ 15,820 (Previous year ₹ 13,431)]	-	-

### 34. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹80.66 crore (As at 31.03.2016 ₹56.56 crore, As at 01.07.2015 ₹56.56 crore).
  - b. Income tax matters ₹0.28 crore (As at 31.03.2016 ₹3.26 crore, As at 01.07.2015 ₹ Nil).
  - c. (i) The Competition Commission of India (CCI) had, vide its order dated 31<sup>st</sup> August, 2016 imposed a penalty of ₹397.51 crore on the Company for alleged violation of Competition Act. The CCI passed the above order pursuant to the directions of the Competition Appellate Tribunal (COMPAT) issued vide its order dated 11<sup>th</sup> December, 2015 whereby CCI order dated 30<sup>th</sup> July, 2012 was set aside and matter was remitted back to CCI for fresh adjudication. The Company has filed an appeal against the said order with the COMPAT. On Company's appeal, COMPAT, vide its order dated 7<sup>th</sup> November, 2016, has granted stay on CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹39.75 crore. The Company has deposited the said amount in compliance of the order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the matter has been disclosed as contingent liability. Total contingent liability amounting to ₹422.57 crore (including interest of ₹25.06 crore up to 31.03.2017).
  - (ii) In another matter, CCI has vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹18.44 crore on the Company in connection with a reference filed by the Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal before the COMPAT against the above order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the same has been disclosed as contingent liability.
  - d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6<sup>th</sup> December, 2016 has allowed the appeal filed by Commercial Taxes Department/Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.  
Vide the above Judgement of Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed special leave petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹73.08 crore received and ₹282.30 crore not received though accounted for.
35. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹1,127.07 crore (As at 31.03.2016 ₹201.21 crore, As at 01.07.2015 ₹249.60 crore).
  36. Capital work-in-progress includes directly attributable expenses of ₹49.02 crore (As at 31.03.2016 ₹10.60 crore) which includes depreciation of ₹8.46 crore (for Nine Months ended 31.03.2016 ₹ Nil) on assets during construction period.
  37. The Company has reviewed the useful lives and residual values of the Property, Plant and Equipment and Intangible assets in accordance with requirement of Ind AS and revised the useful lives of Property, Plant and Equipment and Intangible assets. Accordingly, depreciation for the current year is higher by ₹527.24 crore (Including charge of ₹23.27 crore, being the carrying amount of certain items of Property, Plant and Equipment with no remaining useful life [as revised]) and profit after tax is lower by ₹344.77 crore.

**38. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

(₹ in Crore)

Particulars	2016-2017											2015-16	
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla		Total
Capital	0.03	6.53	0.46	0.15	0.15	0.13	-	0.14	-	0.09	0.17	7.85	3.41
Revenue	5.91	5.13	0.31	0.35	0.46	0.43	0.45	0.14	0.79	0.73	-	14.70	13.01
<b>Total</b>	<b>5.94</b>	<b>11.66</b>	<b>0.77</b>	<b>0.50</b>	<b>0.61</b>	<b>0.56</b>	<b>0.45</b>	<b>0.28</b>	<b>0.79</b>	<b>0.82</b>	<b>0.17</b>	<b>22.55</b>	<b>16.42</b>

**39. THE MOVEMENT OF EFFECTIVE PORTION OF CASH FLOW HEDGES AND FOREIGN CURRENCY TRANSLATION RESERVE ARE SHOWN BELOW**

Effective Portion of Cash Flow Hedges:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Opening Balance</b>	<b>(7.98)</b>	<b>(3.51)</b>
Gain/(loss) recognized on cash flow hedges	(15.78)	10.88
Income tax relating to gain/(loss) recognized on cash flow hedges	5.46	(3.76)
Reclassified to Statement of Profit and Loss in Foreign exchange rate differences	11.90	(17.72)
Income tax relating to Reclassified to Statement of Profit and Loss	(4.12)	6.13
<b>Closing Balance</b>	<b>(10.52)</b>	<b>(7.98)</b>

Foreign Currency Translation Reserve:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Opening Balance</b>	<b>0.01</b>	<b>-</b>
Exchange Differences on Translation of Foreign Operation [₹ (28,983) for current year]	-	0.01
<b>Closing Balance</b>	<b>0.01</b>	<b>0.01</b>

**40. EMPLOYEE BENEFITS (REFER NOTE 30)**

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Superannuation Fund	7.64	4.79
Provident Fund	33.73	24.07
National Pension Scheme	1.37	0.90
ESIC	0.04	0.01
<b>Total</b>	<b>42.78</b>	<b>29.77</b>

(b) Defined Benefit Plan

**Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	158.23	147.92
Current Service Cost	18.36	12.13
Interest Cost	11.87	8.88
Remeasurements (gains)/losses	(1.27)	(4.98)
Benefits paid	(3.99)	(5.72)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>183.20</b>	<b>158.23</b>

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	158.14	147.82
Expected Return on Plan Assets	11.86	12.24
Re-measurements gains/(losses)	2.43	0.34
Contribution by employer	14.59	3.46
Benefits paid	(3.99)	(5.72)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>183.03</b>	<b>158.14</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	18.36	12.13
Interest cost	11.87	8.88
Expected Return on Plan Assets	(11.86)	(12.24)
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>18.37</b>	<b>8.77</b>
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>		
Return on plan assets (excluding amount included in net Interest expense)	(2.43)	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	5.08	4.51
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(6.35)	(9.49)
<b>Total recognized in Other Comprehensive Income</b>	<b>(3.70)</b>	<b>(5.32)</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>14.67</b>	<b>3.45</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	183.20	158.23
Fair Value of Plan Assets	183.03	158.14
Net Liability	0.17	0.09
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount rate	7.50% per annum	8.00% per annum
Salary Growth Rate	13.02% per annum	13.30% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.50% per annum	8.00% per annum
Withdrawal rate (Per Annum)	3.00% p.a.(18 to 30 Years)	3.00% p.a.(18 to 30 Years)
Withdrawal rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Same assumptions were considered for comparative period i.e. 2015-2016 as considered in previous GAAP on transition to Ind AS.

The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31.03.2017 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

Sensitivity Analysis for significant assumptions as on 31.03.2016 are as follows:

Assumptions Sensitivity Level	Discount rate		Future Salary		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Crore)	(16.54)	19.90	18.70	(15.96)	(6.05)	7.01

The Company expects to contribute ₹15 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2017 is 14 years (as at 31.03.2016: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Crore)
01 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018	17.84
01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	6.96
01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	7.23
01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	7.47
01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	6.61
01 <sup>st</sup> April 2022 Onwards	60.31

**(c) Provident fund managed by a trust set up by the Company:**

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2017.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016
Plan assets at year end, at fair value	55.03	45.00
Present value of defined obligation at year end	55.03	45.00
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount Rate	7.50%	7.75%
Expected Guaranteed Interest Rate	8.65%	8.80%
Expected Rate of Return on Assets	8.71%	8.80%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹13.16 crore (₹ 8.79 crore for Nine Months ended 31.03.2016).

## 41. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2016-17				2015-16			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	8,924.11	572.41	-	9,496.52	5,604.49	585.47	-	6,189.96
Inter Segment Revenue	-	883.48	(883.48)	-	-	581.11	(581.11)	-
<b>Total Revenue</b>	<b>8,924.11</b>	<b>1,455.89</b>	<b>(883.48)</b>	<b>9,496.52</b>	<b>5,604.49</b>	<b>1,166.58</b>	<b>(581.11)</b>	<b>6,189.96</b>
<b>Results</b>								
Segment Results (Profit before Finance Costs and Tax)	574.55	740.91	-	1,315.46	580.52	477.45	-	1,057.97
Add: Un-allocated Income								
Interest Income				250.43				151.20
Dividend Income				58.23				38.40
Fair Value gain/(loss) on FVTPL Financial Assets				24.67				(0.92)
Net Gain on Sale of Investments				11.41				5.34
Less: Finance Costs				129.42				75.77
Profit before Tax				1,530.78				1,176.22
Less : Tax Expenses				191.70				33.12
<b>Profit after Tax</b>				<b>1,339.08</b>				<b>1,143.10</b>
Segment Assets	5,657.43	546.82	-	6,204.25	5,256.71	417.80	-	5,674.51
Un-allocated Assets				4,961.73				3,788.68
<b>Total Assets</b>				<b>11,165.98</b>				<b>9,463.19</b>
Segment Liabilities	1,590.28	157.44	-	1,747.72	1,296.20	123.58	-	1,419.78
Un-allocated Liabilities and Provisions				1,720.26				1,197.99
<b>Total Liabilities</b>				<b>3,467.98</b>				<b>2,617.77</b>
Depreciation and Amortization	1,125.76	88.95	-	1,214.71	661.68	165.89	-	827.57
Capital expenditure	1,190.27	77.24	-	1,267.51	725.10	28.57	-	753.67
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

\*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

### Segment Assets and Liabilities as at 01.07.2015:

(₹ in Crore)

Particulars	Cement	Power	Inter-Segment Eliminations	Total
Segment Assets	4,876.40	716.75	-	5,593.15
Un-allocated Assets				2,961.44
<b>Total Assets</b>				<b>8,554.59</b>
Segment Liabilities	1,255.46	189.53	-	1,444.99
Un-allocated Liabilities and Provisions				1,246.97
<b>Total Liabilities</b>				<b>2,691.96</b>

**Reconciliation of Assets:**

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Segment Assets</b>	<b>6,204.25</b>	<b>5,674.51</b>	<b>5,593.15</b>
Investments (Current & Non Current)	4,042.35	3,030.35	2,231.94
Cash and Cash Equivalents	45.50	50.24	31.02
Other Bank Balances	65.60	32.81	67.52
Derivative Financial Instruments	-	8.97	36.49
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00
Interest Accrued on Bonds, Debentures and Deposits	57.07	24.53	15.27
Other Current Financial Assets - Others	23.24	2.70	45.14
Other Current Assets	-	8.54	-
Deferred Tax Assets (Net)	507.69	371.79	325.06
Non- Current Tax Assets (Net)	20.28	14.09	-
Current Tax Assets (Net)	-	44.66	-
<b>Total Assets</b>	<b>11,165.98</b>	<b>9,463.19</b>	<b>8,554.59</b>

**Reconciliation of Liabilities:**

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
<b>Segment Liabilities</b>	<b>1,747.72</b>	<b>1,419.78</b>	<b>1,444.99</b>
Borrowings (Current & Non Current)	1,292.48	726.49	604.31
Current maturities of Long Term Debt	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	9.86	8.74	11.15
Security Deposits from Customers & Vendors (Current & Non Current)	349.80	301.97	288.17
Liabilities for Current Tax (Net)	1.34	1.34	6.12
Unpaid Dividends	3.59	1.82	1.73
Derivative Financial Instruments (Current & Non Current)	63.14	3.61	3.94
Provision for Wealth Tax	-	-	0.26
<b>Total Liabilities</b>	<b>3,467.98</b>	<b>2,617.77</b>	<b>2,691.96</b>

B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Segment Revenue from Operations		
Within India	9,414.90	6,184.48
Outside India	81.62	5.48
<b>Total</b>	<b>9,496.52</b>	<b>6,189.96</b>

All the assets of the Company are within India.

**42. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)****Relationships:****(a) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:**

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Project Limited
- (iv) Alfa Buildhome Pvt. Ltd.
- (v) Rajasthan Forum
- (vi) The Bengal
- (vii) Sant Parmanand Hospital

**(b) Key Management Personnel:**

- (i) Shri H.M. Bangur Managing Director  
(ii) Shri Prashant Bangur Joint Managing Director

**(c) Relatives to Key Management Personnel:**

- (i) Shri B.G. Bangur Father of Shri H.M. Bangur

**Disclosure of Related Party Transactions:****(a) Enterprises over which KMPs are able to exercise control/significant influence:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.58	0.42
- Aqua Infra Project Limited	0.11	0.08
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	2.16	1.57
- Shree Capital Service Ltd.	0.24	0.18
<b>Sale of Goods</b>		
- Sant Parmanand Hospital	0.06	0.08
<b>Contribution towards Social Activities</b>		
- Rajasthan Forum	0.25	0.51
- The Bengal	0.74	0.41
- Sant Parmanand Hospital	0.06	0.04

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
- Alfa Buildhome Pvt. Ltd.	0.45	0.45	0.45

**(b) Key Management Personnel:**

(₹ in Crore)

Particulars	2016-17	2015-16
Short Term benefits	51.52	34.32
Post - Employment benefits*	2.02	1.26
<b>Total</b>	<b>53.54</b>	<b>35.58</b>

\*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

**(c) Relatives to Key Management Personnel:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Director commission, Sitting fee and reimbursement of expenses</b>		
- Shri B.G. Bangur	0.35	0.22

Refer note 40 for information on transactions with post-employment benefit plans.

43. As per Notification G.S.R. 308(E) dated 30.03.2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016:

(₹ in Crore)

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing Cash in hand as on 08.11.2016</b>	<b>0.38</b>	<b>0.14</b>	<b>0.52</b>
(+) Permitted Receipts	-	0.53	0.53
(-) Permitted Payments	-	0.05	0.05
(-) Amount deposited in Banks	0.38	0.02	0.40
<b>Closing Cash in hand as on 30.12.2016</b>	<b>-</b>	<b>0.60</b>	<b>0.60</b>

#### 44. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

Type of Contract	Purpose
Cross Currency & Interest Rate Swaps	Hedge the external commercial borrowings
Forward Contracts	Hedge the buyers' credit and expected purchases

##### Cross Currency and Interest Rate Swaps

The objective of cross currency and interest rate swap is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. Outstanding notional amount for swap contract is USD 8 crore, USD 8.44 crore and USD 6.50 crore as on 31.03.2017, 31.03.2016 and 01.07.2015 respectively.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and of hedge effectiveness test. All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the cross currency and interest rate swap agreements are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	18.22	8.97	3.61	36.49	3.94

##### Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

The fair value of foreign currency forward contracts are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	44.92	-	-	-	-

Outstanding notional amount for forward contracts is USD 9.38 crore, EURO 1.40 crore and JPY 13.50 crore as on 31.03.2017 (Nil as on 31.03.2016 and 01.07.2015).

The loss due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 44.92 crore (₹ Nil for the Nine Months ended 31.03.2016) for the Year ended 31.03.2017.

## 45. INCOME TAX EXPENSE

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Current Tax	324.13	122.14
Deferred Tax		
- Relating to origination and reversal of temporary differences	(168.88)	(22.15)
- MAT Credit Utilization / (Entitlement)	34.32	(11.53)
<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>189.57</b>	<b>88.46</b>
<b>Adjustments in respect of Income Tax of Earlier Years</b>		
- Current Tax	2.13	(44.66)
- MAT Credit Entitlement	-	(10.68)
	<b>2.13</b>	<b>(55.34)</b>
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>191.70</b>	<b>33.12</b>
<b>Deferred Tax related to Items recognized in Other Comprehensive Income during the Year/Period</b>		
- Net (gain)/Loss on revaluation of cash flow hedges	1.34	2.37
<b>Current Tax related to Items recognized in Other Comprehensive Income during the Year/Period</b>		
- Net (gain)/Loss on remeasurement of defined benefit plan	(1.28)	(1.84)
<b>Income Tax charged to Other Comprehensive Income</b>	<b>0.06</b>	<b>0.53</b>

## 46. EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Profit Before Tax	1,530.78	1,176.22
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	529.77	407.07
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(26.87)	(49.38)
Items (Net) not Deductible for Tax/not Liable to Tax	(291.79)	(238.37)
Tax losses Unutilized / Items Taxed at Different Rate	(38.95)	(27.60)
Tax Expense Relating to Earlier Years (Net)	2.13	(55.34)
Others	17.41	(3.26)
<b>Income Tax Expense Reported</b>	<b>191.70</b>	<b>33.12</b>

## 47. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure availability of funds at competitive cost for its operational and development needs and maintain a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31.03.2017 and 31.03.2016. There have been no breaches of the financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and reserves and surplus and effective portion of cash flow hedge & foreign currency translation reserve and Debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Equity Share Capital	34.84	34.84	34.84
Reserves and Surplus (including effective portion of cash flow hedge & foreign currency translation reserve)	7,663.16	6,810.58	5,827.79
Total Equity	7,698.00	6,845.42	5,862.63
Long Term Debt	518.79	684.76	739.30
<b>Debt to Equity Ratio</b>	<b>0.07</b>	<b>0.10</b>	<b>0.13</b>

#### 48. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets Designated at Fair Value Through Profit or Loss</b>						
Investments in Mutual Funds and Preference Shares	1,143.23	1,143.23	697.48	697.48	344.30	344.30
Derivatives not Designated as Hedges						
Forward Contracts	-	-	-	-	-	-
<b>Derivatives Designated as Hedges</b>						
Cross Currency and Interest Rate Swaps	-	-	8.97	8.97	36.49	36.49
<b>Financial Assets Designated at Amortized Cost</b>						
Investments in Bonds and Debentures	2,899.12	2,959.76	2,332.87	2,378.96	1,887.64	1,900.41
Loans	51.64	51.64	44.94	44.94	45.46	45.46
Trade Receivables	335.12	335.12	328.62	328.62	476.39	476.39
Cash and Cash Equivalents and Other Bank Balances	111.10	111.10	83.05	83.05	98.54	98.54
Other Financial Assets	284.67	296.61	326.31	334.51	272.58	276.09
<b>Total Financial Assets</b>	<b>4,824.88</b>	<b>4,897.46</b>	<b>3,822.24</b>	<b>3,876.53</b>	<b>3,161.40</b>	<b>3,177.68</b>
<b>Financial Liabilities Designated at Fair Value Through Profit or Loss</b>						
<b>Derivatives not Designated as Hedges</b>						
Forward Contracts	44.92	44.92	-	-	-	-
<b>Derivatives Designated as Hedges</b>						
Cross Currency and Interest Rate Swaps	18.22	18.22	3.61	3.61	3.94	3.94
<b>Financial Liabilities Designated at Amortized Cost</b>						
Non-Current Borrowings at Floating Rate	518.70	518.70	530.66	530.66	282.89	282.89
Non-Current Borrowings at Fixed Rate	0.04	0.04	0.08	0.08	125.12	125.12
Current Maturities of Long Term Debt	0.05	0.05	154.02	154.02	331.29	331.29
Short Term Borrowings	773.74	773.74	195.75	195.75	196.30	196.30
Trade Payables	351.69	351.69	257.26	257.26	310.74	310.74
Other Financial Liabilities	688.50	688.50	621.57	621.57	610.72	610.72
<b>Total Financial Liabilities</b>	<b>2,395.86</b>	<b>2,395.86</b>	<b>1,762.95</b>	<b>1,762.95</b>	<b>1,861.00</b>	<b>1,861.00</b>

##### Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.
- Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

- c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.

**Fair Value Hierarchy:**

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

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e. unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

**Assets and Liabilities Measured at Fair Value (Accounted)**

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	342.27	-	-	342.27
Preference Shares	-	355.21	-	355.21
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	8.97	-	8.97
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.61	-	3.61

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Fair Value</b>				
Investments				
Mutual funds	26.80	-	-	26.80
Preference Shares	-	317.50	-	317.50
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	36.49	-	36.49
<b>Financial Liabilities Measured at Fair Value</b>				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.94	-	3.94

**Assets and Liabilities for which Fair Value is disclosed (only disclosed)**

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	51.64	-	51.64
Other Financial Assets	-	296.61	-	296.61
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	2,378.96	-	2,378.96
Loans	-	44.94	-	44.94
Other Financial Assets	-	334.51	-	334.51
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	0.08	-	0.08
Other Financial Liabilities	-	621.57	-	621.57

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Bonds and Debentures	-	1,900.41	-	1,900.41
Loans	-	45.46	-	45.46
Other Financial Assets	-	276.09	-	276.09
<b>Financial Liabilities</b>				
Non-Current Borrowings at Fixed Rate	-	125.12	-	125.12
Other Financial Liabilities	-	610.72	-	610.72

During the year ended 31.03.2017 and 31.03.2016, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31.03.2017, 31.03.2016 and 01.07.2015, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
<b>Financial Assets</b>				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
<b>Derivatives Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivatives Financial Instruments - not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
<b>Financial Liabilities</b>				
<b>Derivatives Financial Instruments- Designated as Hedging Instrument</b>				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
<b>Derivatives Financial Instruments- not Designated as Hedging Instrument</b>				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

#### Assets and Liabilities for which Fair Value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial Assets</b>			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Loans and Other Financial Assets – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial Liabilities</b>			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

#### Market risk and sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivatives financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31.03.2017 and 31.03.2016.

The sensitivity analyses excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The company's activities exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates.

#### Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
<b>31.03.2017</b>		
US Dollar Borrowings	+50	(0.41)
	-50	0.41
<b>31.03.2016</b>		
US Dollar Borrowings	+50	(0.04)
	-50	0.04

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

#### Foreign currency risk and sensitivity

The company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses Cross Currency swaps and forward currency contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrates the sensitivity in the USD, JPY, EURO and GBP to the Indian Rupee with all other variable held constant.

(₹ in Crore)

Particulars	Change in Currency Exchange Rate	Effect on Profit Before Tax
<b>For the Year ended 31.03.2017</b>		
USD	+5%	(3.54)
	-5%	3.54
JPY	+5%	0.42
	-5%	(0.42)
EURO	+5%	4.98
	-5%	(4.98)
GBP	+5%	(0.01)
	-5%	0.01
<b>For the Nine Months ended 31.03.2016</b>		
USD	+5%	(3.82)
	-5%	3.82
EURO	+5%	(0.13)
	-5%	0.13
GBP	+5%	(0.01)
	-5%	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and financial institutions and other financial instruments.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables are as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at 31.03.2017</b>					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
<b>Gross Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.90</b>	<b>335.59</b>
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
<b>Net Total</b>	<b>277.86</b>	<b>49.87</b>	<b>0.96</b>	<b>6.43</b>	<b>335.12</b>
<b>As at 31.03.2016</b>					
Secured	125.72	26.04	0.08	0.21	152.05
Unsecured	151.92	18.78	0.05	6.27	177.02
<b>Gross Total</b>	<b>277.64</b>	<b>44.82</b>	<b>0.13</b>	<b>6.48</b>	<b>329.07</b>
Allowance for doubtful trade receivables	-	-	-	0.45	0.45
<b>Net Total</b>	<b>277.64</b>	<b>44.82</b>	<b>0.13</b>	<b>6.03</b>	<b>328.62</b>
<b>As at 01.07.2015</b>					
Secured	99.67	16.77	-	0.22	116.66
Unsecured	178.89	175.06	0.07	6.13	360.15
<b>Gross Total</b>	<b>278.56</b>	<b>191.83</b>	<b>0.07</b>	<b>6.35</b>	<b>476.81</b>
Allowance for doubtful trade receivables	-	-	-	0.42	0.42
<b>Net Total</b>	<b>278.56</b>	<b>191.83</b>	<b>0.07</b>	<b>5.93</b>	<b>476.39</b>

**Movement in Allowance for Doubtful Trade Receivables are given below:**

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Opening Balance</b>	<b>0.45</b>	<b>0.42</b>
Add: Provision made during the year/period (Refer note 33)	0.02	0.03
Less: Utilized during the year/period	-	-
<b>Closing Balance</b>	<b>0.47</b>	<b>0.45</b>

**Financial Instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 4,824.88 crore as at 31.03.2017 and ₹ 3,822.24 crore as at 31.03.2016, which is the carrying amounts of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

**Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

**As at 31.03.2017**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.69	-	-	351.69
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
<b>Total</b>	<b>1,511.54</b>	<b>884.32</b>	<b>-</b>	<b>2,395.86</b>

**As at 31.03.2016**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	349.77	530.74	-	880.51
Trade Payables	257.26	-	-	257.26
Derivative Financial Instruments	-	3.61	-	3.61
Other Financial Liabilities	322.49	299.08	-	621.57
<b>Total</b>	<b>929.52</b>	<b>833.43</b>	<b>-</b>	<b>1,762.95</b>

**As at 01.07.2015**

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	527.59	408.01	-	935.60
Trade Payables	310.74	-	-	310.74
Derivative Financial Instruments	-	3.94	-	3.94
Other Financial Liabilities	329.37	281.35	-	610.72
<b>Total</b>	<b>1,167.70</b>	<b>693.30</b>	<b>-</b>	<b>1,861.00</b>

## 50. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged/hypothecated as collateral/security against the borrowings. Refer Note 19 and 23.

## 51. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2016-17	2015-16
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,339.08	1,143.10
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	384.38	328.13

B. Cash EPS : (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

## 52. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2016-17	2015-16
<b>Opening Balance</b>	<b>6.40</b>	<b>6.40</b>
Add: Provision made during the year (Refer Note 33)	0.18	0.11
Add: Unwinding of Discount of Provision (Refer Note 32)	0.48	0.36
Less: Utilized during the year	0.68	0.47
<b>Closing Balance</b>	<b>6.38</b>	<b>6.40</b>

## 53. OPERATING LEASES

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

## 54. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2017 (Note 1)	As at 31.03.2016	As at 01.07.2015 (Note 2)
Dividend Proposed for Equity Shareholders	83.61	-	48.77
Dividend Tax	17.02	-	9.93
<b>Total</b>	<b>100.63</b>	<b>-</b>	<b>58.70</b>

Note 1 : ₹ 24 per share for FY 2016-2017.

Note 2 : ₹ 14 per share for FY 2014-2015.

55. Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

56. Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures (Form AOC-1- Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

**Part –A Subsidiaries**

Particulars	Shree Global Pte. Ltd.	
	Amount In USD	Amount In INR
Share Capital	40,000	24,91,050
Reserves & Surplus	(24,695.11)	(14,98,703)
Total Assets	18,279.49	11,85,216
Total Liabilities	2,974.60	1,92,869
Investments	-	-
Turnover	-	-
Profit / (Loss) before taxation	(4,659.17)	(3,12,036)
Provision for Taxation	-	-
Profit / (Loss) after taxation	(4,659.17)	(3,12,036)
Proposed Dividend	-	-
% of shareholding	100	100

Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used:

Currency	Balance Sheet (Closing rate)	Statement of Profit and Loss (Average rate)
United States Dollars (USD) - Indian Rupee	64.84	66.97

Name of subsidiary company which are yet to commence operations-

Sr. No.	Name of Subsidiary Companies
1.	Shree Global Pte. Ltd.

Part B of the Form AOC-I is not applicable as there are no associate companies/Joint Ventures of the Company as on 31<sup>st</sup> March, 2017.

**57.** Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/ Associates /Joint Ventures:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ in Crore	As % of Consolidated Profit or (Loss)	₹ in Crore	As % of Consolidated Other Compre- nsive Income	₹ in Crore	As % of Consolidated Total Comprehensive Income	₹ in Crore
<b>Parent</b>								
Shree Cement Limited	100.00	7,698.14	100.00	1,339.11	100.00	(0.12)	100.00	1,338.99
<b>Subsidiaries - Indian</b>								
No Indian Subsidiary	-	-	-	-	-	-	-	-
<b>Subsidiaries - Foreign</b>								
Shree Global Pte. Limited	-	0.10	-	(0.03)	-	-*	-	(0.03)
Adjustment due to consolidation	-	(0.24)	-	-	-	-	-	-
<b>TOTAL</b>	<b>100.00</b>	<b>7,698.00</b>	<b>100.00</b>	<b>1,339.08</b>	<b>100.00</b>	<b>(0.12)</b>	<b>100.00</b>	<b>1,338.96</b>

\* ₹ 28,983

**58. FIRST TIME ADOPTION OF IND AS**

**1. Basis of Preparation**

These consolidated financial statements, for the year ended 31.03.2017, are the Company's first Ind-AS Financial Statements. For periods up to and including the year ended 31.03.2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with Ind-AS applicable for periods ending on 31.03.2017, together with the restated comparative period data as at and for the year ended 31.03.2016, as described in the significant accounting policies and basis of preparation. In preparing these consolidated financial statements, the Company's opening

balance sheet was prepared as at 01.07.2015 (i.e. transition date opening balance as at 01.07.2015), the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP consolidated financial statement, including the consolidated balance sheet as at 01.07.2015 and the consolidated financial statements as at and for the period ended 31.03.2016.

## 2. Exemptions applied

Ind AS 101- First Time Adoption of Indian Accounting Standards allows first time adopters certain optional exemptions from the retrospective application of requirements under Ind AS. The Company has availed the benefit of and applied the following exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisition of cement grinding unit, which are considered business under Ind AS that occurred before 01.07.2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with respective Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognize or exclude any previously recognized amounts as a result of Ind AS recognition requirement except goodwill which was adjusted as per Ind AS 101.
- Carrying value of all Property, Plant and equipment and Intangible Assets as recognized in previous Indian GAAP financial is recognized as deemed cost at the transition date under Ind AS.
- The Company uses derivative financial instruments, such as cross currency and interest rate swaps, to hedge its foreign currency and interest rate risk. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP also qualify for hedge accounting in accordance with Ind AS 109 on the transition date. Accordingly, the Company has applied the hedge accounting in accordance with Ind AS 109 and gain/loss are recorded in Other Comprehensive Income.

## 3. Estimates

The estimates at 01.07.2015 and 31.03.2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

## 4. Reconciliation of Consolidated Balance Sheet as at 01.07.2015

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		2,921.19	-	2,921.19
Capital Work-in-Progress		511.10	-	511.10
Goodwill	(2)(a)	83.14	(83.14)	-
<b>Financial Assets</b>				
Investments	(9)(a)&(b)	1,498.86	570.15	2,069.01
Loans		34.37	-	34.37
Other Financial Assets	Note 1 below	-	228.31	228.31
Deferred Tax Assets (Net)	(9)(f)	195.19	129.87	325.06
Non-Current Tax Assets (Net)	(9)(f)	95.87	(95.87)	-
Other Non-Current Assets		425.82	-	425.82
		<b>5,765.54</b>	<b>749.32</b>	<b>6,514.86</b>
<b>Current Assets</b>				
Inventories		918.86	-	918.86
<b>Financial Assets</b>				
Investments	(9)(a)&(b)	163.63	(0.70)	162.93
Trade Receivables		476.39	-	476.39
Cash and Cash Equivalents		31.02	-	31.02
Other Bank Balances	Note 1 below	276.52	(209.00)	67.52
Loans		11.09	-	11.09
Other Financial Assets	Note 1 below	15.27	65.49	80.76
Current Tax Assets (Net)		-	-	-
Other Current Assets	Note 1 below	339.47	(48.31)	291.16
		<b>2,232.25</b>	<b>(192.52)</b>	<b>2,039.73</b>
<b>Total Assets</b>		<b>7,997.79</b>	<b>556.80</b>	<b>8,554.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		34.84	-	34.84
Other Equity	7	5,241.47	586.32	5,827.79
		<b>5,276.31</b>	<b>586.32</b>	<b>5,862.63</b>

**4. Reconciliation of Consolidated Balance Sheet as at 01.07.2015(Contd...)**

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	(9)(c)&(j)	401.41	6.60	408.01
Other Financial Liabilities	Note 1 below	281.35	3.94	285.29
Provisions	(9)(e)	19.11	(12.37)	6.74
Other Non-Current Liabilities		570.97	-	570.97
		<b>1,272.84</b>	<b>(1.83)</b>	<b>1,271.01</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	Note 1 below	214.95	(18.65)	196.30
Trade Payables	Note 1 below	292.40	18.34	310.74
Other Financial Liabilities	Note 1 below	629.34	31.32	660.66
Other Current Liabilities		243.04	-	243.04
Provisions	(9)(l)	62.79	(58.70)	4.09
Current Tax Liabilities (Net)		6.12	-	6.12
		<b>1,448.64</b>	<b>(27.69)</b>	<b>1,420.95</b>
<b>Total Equity and Liabilities</b>		<b>7,997.79</b>	<b>556.80</b>	<b>8,554.59</b>

Note 1: Reclassification adjustments under Ind AS.

**5. Reconciliation of Consolidated Balance Sheet as at 31.03.2016**

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment				
Capital Work-in-Progress		3,050.17	-	3,050.17
Intangible Assets		264.50	-	264.50
Financial Assets		-	-	-
Investments	(9)(a)&(b)	2,286.08	664.19	2,950.27
Loans		33.90	-	33.90
Other Financial Assets	Note 1 below	-	201.18	201.18
Deferred Tax Assets (Net)	(9)(f)	263.37	108.42	371.79
Non-Current Tax Assets (Net)	(9)(f)	121.49	(107.40)	14.09
Other Non-Current Assets		768.60	-	768.60
		<b>6,788.11</b>	<b>866.39</b>	<b>7,654.50</b>
<b>Current Assets</b>				
Inventories				
Financial Assets		815.19	-	815.19
Investments	(9)(b)	80.00	0.08	80.08
Trade Receivables		328.62	-	328.62
Cash and Cash Equivalents		50.24	-	50.24
Other Bank Balances	Note 1 below	232.81	(200.00)	32.81
Loans		11.04	-	11.04
Other Financial Assets	Note 1 below	24.54	109.56	134.10
Current Tax Assets (Net)	Note 1 below	-	44.66	44.66
Other Current Assets		458.38	(146.43)	311.95
		<b>2,000.82</b>	<b>(192.13)</b>	<b>1,808.69</b>
<b>Total Assets</b>		<b>8,788.93</b>	<b>674.26</b>	<b>9,463.19</b>

**5. Reconciliation of Balance Sheet as at 31.03.2016 (Contd...)**

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		34.84	-	34.84
Other Equity	7	6,145.27	665.31	6,810.58
		<b>6,180.11</b>	<b>665.31</b>	<b>6,845.42</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	(9)(c)&(j)	520.92	9.82	530.74
Other Financial Liabilities	Note 1 below	299.08	3.61	302.69
Provisions	(9)(e)	18.88	(12.18)	6.70
Other Non-Current Liabilities		615.92	-	615.92
		<b>1,454.80</b>	<b>1.25</b>	<b>1,456.05</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings		195.75	-	195.75
Trade Payables	Note 1 below	258.40	(1.14)	257.26
Other Financial Liabilities	Note 1 below	468.81	7.70	476.51
Other Current Liabilities	Note 1 below	228.67	1.14	229.81
Provisions		1.05	-	1.05
Current Tax Liabilities (Net)		1.34	-	1.34
		<b>1,154.02</b>	<b>7.70</b>	<b>1,161.72</b>
<b>Total Equity and Liabilities</b>		<b>8,788.93</b>	<b>674.26</b>	<b>9,463.19</b>

Note 1: Reclassification adjustments under Ind AS.

**6. Reconciliation of Consolidated Statement of Profit and Loss for the period ended 31.03.2016**

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Revenue from Operations	(9)(g)&(h)	5,567.75	622.21	6,189.96
Other Income	(9)(a),(b)&(g)	120.11	552.57	672.68
		<b>5,687.86</b>	<b>1,174.78</b>	<b>6,862.64</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	(9)(h)	470.50	(21.20)	449.30
Changes in Inventories of Finished Goods and Work-in-Progress		3.28	-	3.28
Employee Benefits Expense	(9)(k)	364.54	5.32	369.86
Power and Fuel	(9)(g)	1,130.90	(7.95)	1,122.95
Freight and Forwarding Expenses		1,141.62	-	1,141.62
Excise Duty on Sales	(9)(h)	-	676.32	676.32
Finance Costs	(9)(e)&(j)	75.12	0.65	75.77
Other Expenses	(9)(h)	1,149.60	(116.93)	1,032.67
		4,335.56	536.21	4,871.77
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 crore]		(12.92)	-	(12.92)
		<b>4,322.64</b>	<b>536.21</b>	<b>4,858.85</b>
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>		<b>1,365.22</b>	<b>638.57</b>	<b>2,003.79</b>
Depreciation and Amortisation Expense		908.41	(80.84)	827.57
Exceptional Items				
Assets Constructed at Others' Premises Written Off		2.30	(2.30)	-
<b>PROFIT BEFORE TAX</b>		<b>454.51</b>	<b>721.71</b>	<b>1,176.22</b>

**6. Reconciliation of Consolidated Statement of Profit and Loss for the period ended 31.03.2016 (Contd...)**

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
<b>Tax Expense</b>	(9)(f)			
Current Tax		123.98	(1.84)	122.14
Tax Expense relating to earlier years (Net)		(55.34)	-	(55.34)
Deferred Tax (Credit) / Charge		(69.03)	35.35	(33.68)
		(0.39)	33.51	33.12
<b>PROFIT FOR THE PERIOD</b>		<b>454.90</b>	<b>688.20</b>	<b>1,143.10</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be Reclassified to Profit or Loss	(9)(k)	-	5.32	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	(1.84)	(1.84)
Items that will be Reclassified to Profit or Loss	(9)(c)	-	(6.83)	(6.83)
Income Tax relating to Items that will be Reclassified to Profit or Loss		-	2.37	2.37
		-	(0.98)	(0.98)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit &amp; Other Comprehensive Income for the Period)</b>		<b>454.90</b>	<b>687.22</b>	<b>1,142.12</b>

**7. Reconciliation of Equity:**

(₹ in Crore)

Particulars	Note	As at 31.03.2016	As at 01.07.2015
<b>Equity as per Indian GAAP (A)</b>		<b>6,180.11</b>	<b>5,276.31</b>
Adjustments on account of:			
Measuring investments at amortized cost	(9)(a)	639.44	544.54
Measuring investments at Fair Value through Profit or Loss	(9)(b)	24.83	24.91
Adjustment to Goodwill as per Ind AS 101	(2)(a)	-	(83.14)
Cash flow hedges	(9)(c)	(12.21)	(5.36)
Discounting of provision for mines reclamation expenses	(9)(e)	12.18	12.37
De-recognition of Proposed dividend and tax on dividend	(9)(l)	-	58.70
Amortization of upfront fees on borrowings based on EIR	(9)(j)	0.05	0.30
Deferred Tax adjustments on above items (Net)	(9)(f)	1.02	34.00
<b>Total Ind AS Adjustments (B)</b>		<b>665.31</b>	<b>586.32</b>
<b>Equity as per Ind AS (A+B)</b>		<b>6,845.42</b>	<b>5,862.63</b>

**8. Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the Nine Months ended 31.03.2016:** (₹ in Crore)

Particulars	Note	For the Nine Months ended 31.03.2016
<b>Net Profit as per Indian GAAP (A)</b>		<b>454.90</b>
Adjustments on account of:		
Measuring investments at amortized cost	(9)(a)	94.90
Measuring investments at Fair Value through Profit or Loss	(9)(b)	(0.12)
Government grants accounted through Profit and Loss	(9)(g)	549.52
Reversal of amortization of Goodwill	(2)(a)	83.14
Remeasurement gain on defined benefit plan	(9)(k)	(5.32)
Amortization of upfront fees on borrowings based on EIR	(9)(j)	(0.25)
Unwinding of discount on provision for mines reclamation expenses	(9)(e)	(0.36)
Others		0.20
Tax adjustments on above items (Net)	(9)(f)	(33.51)
<b>Total Ind AS Adjustments (B)</b>		<b>688.20</b>
<b>Net Profit as per Ind AS (A+B)</b>		<b>1,143.10</b>
Other Comprehensive Income (Net of tax)	(9)(c),(k)	(0.98)
<b>Total Comprehensive Income as per Ind AS</b>		<b>1,142.12</b>

**9. Footnotes to the reconciliation of equity as at 01.07.2015 and 31.03.2016 and Profit or loss for the nine months period ended 31.03.2016:**

**a) Financial Assets at Amortized Cost**

Under Indian GAAP, the Company accounted for long term investments in bonds and debentures as investments measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated these investments as financial assets measured at amortized cost. At the date of transition to Ind AS, difference between amortized cost and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, interest income has been recognized based on EIR method.

**b) Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Under Indian GAAP, the Company accounted for long term investments in preference shares and mutual funds as investments measured at cost less provision for other than temporary diminution in the value of investments and current investments at lower of cost or market value. Under Ind AS, the Company has designated these investments as financial assets measured at fair value through profit or loss. Ind AS requires that investment designated at FVTPL, are measured at fair value. At the date of transition to Ind AS, difference between fair value and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, fair value gain or loss has been recognized to Statement of Profit and Loss.

**c) Derivative Financial Instruments**

The fair value of cross currency and interest rate swaps is recognized under Ind AS. Under Indian GAAP, there is no mandatory standard that deals with accounting of swaps, hence the same was not recognized. The swaps, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instruments in a cash flow hedge. The corresponding adjustments have been recognized as a separate component of equity, under the effective portion of cash flow hedge reserve.

**d) Defined Benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by ₹ 5.32 crore and remeasurement gain on defined benefit plan has been recognized in the other comprehensive income, net of tax.

**e) Provisions**

Under Indian GAAP, the Company has accounted for provisions, including long term provisions, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risk for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost. This led to a decrease in the provision for mines reclamation expenses on the date of transition by ₹ 12.37crore and which was adjusted to retained earnings.

**f) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

MAT Credit entitlement is in the nature of deferred tax under Ind AS. Hence on transition to Ind AS MAT credit entitlement of ₹ 95.87 crore as on 01.07.2015 and ₹ 107.40 crore as on 31.03.2016 has been grouped under deferred tax assets from current tax assets.

**g) Government Grants**

Under Indian GAAP, Government grants in the nature of promoter's contribution are recognized to capital reserve. Under Ind AS, all Government grants has to be recognized to the Statement of Profit and Loss. Accordingly, Government grants recognized to the Statement of Profit and Loss. Further, the government grants credited to capital reserve under erstwhile Indian GAAP have also been reclassified to retained earnings as per Ind AS 101 - First Time Adoption of Indian Accounting Standards.

**h) Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss accordingly, sale of goods under Ind AS for the Nine Months ended 31.03.2016 has increased by ₹ 676.32 crore.

Under Ind AS cash discount and other sale incentives are required to be netted off from sale of products which was accounted as expenses under Indian GAAP. Hence sale of products is decreased by ₹ 116.72 crore for the period ended 31.03.2016.

Under Ind AS when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. Thus sale of products and cost of material consumed has been decreased by ₹ 21.20 crore for the period ended 31.03.2016.

**i) Statement of Cash Flows**

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in balance Sheet, Statement of Profit and Loss and differences in the definition of cash and cash equivalents in Ind AS and Indian GAAP.

**j) Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

**k) Other Comprehensive Income**

Under Indian GAAP, the company has not presented Other Comprehensive Income (OCI) separately. Hence it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**l) Proposed Dividend and Tax on Proposed Dividend**

Under Indian GAAP, proposed dividends including tax on proposed dividend are recognized as liability in the period to which they relate, irrespective of the approval by shareholders. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the Company (when approved by shareholders in a general meeting) or paid. Therefore, the proposed dividend and tax on proposed dividend of ₹ 58.70 crore as on 01.07.2015 has been derecognized and recognized in 2015-16 on approval by shareholders and payment.

**59.** Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date  
For **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : Kolkata  
Date : 16<sup>th</sup> May, 2017

Signature to Note 1 to 59  
For and on behalf of the Board

**B. G. Bangur**  
Chairman  
DIN: 00244196

**S. S. Khandelwal**  
Company Secretary

**Subhash Jajoo**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**O. P. Setia**  
Independent Director & Chairman of  
Audit and Risk Management Committee  
DIN: 00244443

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621

## PROPOSED ALLOTTEES

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue and the percentage of post-Issue paid-up Equity Share capital that may be held by them in our Company is set forth below:

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*#
1.	ADITYA BIRLA SUN LIFE MUTUAL FUND. A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID 95 FUND	0.10%
2.	ADITYA BIRLA SUN LIFE MUTUAL FUND. A/C ADITYA BIRLA SUN LIFE FOCUSED EQUITY FUND	0.13%
3.	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD. A/C ADITYA BIRLA SUN LIFE LIFE TAX RELIEF 96	0.36%
4.	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD A/C - ADITYA BIRLA SUN LIFE TAX PLAN	0.02%
5.	ADITYA BIRLA SUN LIFE MUTUAL FUND ADITYA BIRLA SUN LIFE BAL BHAVISHYA YOJNA - WEALTH PLAN	0.01%
6.	ADITYA BIRLA SUN LIFE MUTUAL FUND A/C ADITYA BIRLA SUN LIFE RETIREMENT FUND THE 30S PLAN	0.00%
7.	ADITYA BIRLA SUN LIFE MUTUAL FUND A/C ADITYA BIRLA SUN LIFE RETIREMENT FUND THE 40S PLAN	0.00%
8.	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD. A/C - ADITYA BIRLA MIDCAP FUND	0.05%
9.	ADITYA BIRLA SUN LIFE BALANCED ADVANTAGE FUND	0.04%
10.	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD. A/C ADITYA BIRLA INFRASTRUCTURE FUND	0.01%
11.	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE INTERNATIONAL EQUITY FUND - PLAN B	0.00%
12.	FIDELITY RUTLAND SQUARE TRUST II: STRATEGIC ADVISERS FIDELITY EMERGING MARKETS FUND AS MANAGED BY FIAM LLC	0.02%
13.	FIDELITY RUTLAND SQUARE TRUST II: STRATEGIC ADVISERS EMERGING MARKETS FUND AS MANAGED BY FIAM LLC	0.04%
14.	FIDELITY CENTRAL INVESTMENTS PORTFOLIO LLC- FIDELITY EMERGING MARKETS EQUITY CENTRAL FUND	0.07%
15.	VARIABLE INSURANCE PRODUCTS FUND II:EMERGING MARKETS PORTFOLIO	0.08%
16.	FIDELITY INVESTMENT TRUST FIDELITY TOTAL EMERGING MARKETS FUND	0.02%
17.	FIDELITY INVESTMENT TRUST FIDELITY TOTAL INTERNATIONAL EQUITY FUND	0.00%
18.	FIDELITY INVESTMENT TRUST FIDELITY FLEX INTERNATIONAL FUND	0.00%
19.	FIDELITY ADVISOR SERIES VIII - FIDELITY ADVISOR EMERGING MKTS FUND	0.10%
20.	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS FUND - F25257-F25706-F25254-F25253-F25258-F25249-F25250	0.76%
21.	FIDELITY INVESTMENT TRUST : FIDELITY EMERGING ASIA FUND	0.08%
22.	FIDELITY ADVISOR SERIES VIII: FIDELITY ADVISOR EMERGING ASIA FUND	0.03%
23.	L&T MUTUAL FUND TRUSTEE LTD - L&T EQUITY FUND	0.03%
24.	L&T MUTUAL FUND TRUSTEE LTD - L&T INFRASTRUCTURE FUND	0.02%

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*#
25.	L&T MUTUAL FUND TRUSTEE LTD - L&T TAX ADVANTAGE FUND	0.04%
26.	L&T MUTUAL FUND TRUSTEE LTD - L&T HYBRID EQUITY FUND	0.04%
27.	L&T MUTUAL FUND TRUSTEE LTD - L&T INDIA VALUE FUND	0.12%
28.	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED	0.04%
29.	KUWAIT INVESTMENT AUTH FD 225	0.12%
30.	UTI - MASTERSHARE UNIT SCHEME	0.19%
31.	UTI-EQUITY FUND	0.39%
32.	UTI - VALUE OPPORTUNITIES FUND	0.13%
33.	HDFC LIFE INSURANCE COMPANY LTD	0.39%
34.	HSBC INDIAN EQUITY MOTHER FUND	0.02%
35.	THE MASTER TRUST BANK OF JAPAN LTD. AS TRUSTEE OF HSBC INDIA INFRASTRUCTURE EQUITY MOTHER FUND	0.01%
36.	HSBC CHINA AND INDIA EQUITY FREESTYLE FUND	0.01%
37.	HSBC INDIAN EQUITY FUND	0.00%
38.	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	0.05%
39.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY DIVERSIFIED FUND	0.02%
40.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY HYBRID FUND (OLD NAME EQUITY DEBT ALLOCATION FUND AND BALANCE FUND)	0.03%
41.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO BLUE CHIP EQUITY FUND	0.01%
42.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO INFRASTRUCTURE	0.00%
43.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO CAPITAL PROTECTION ORIENTED FUND SR.9	0.00%
44.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO CAPITAL PROTECTION ORIENTED FUND SR 10	0.00%
45.	APM KOTAK INDIA MASTER FUND LP	0.01%
46.	KOTAK FUNDS-INDIA GROWTH FUND	0.01%
47.	KOTAK INFINITY FUND - CLASS AC	0.01%
48.	ALPS/KOTAK INDIA GROWTH FUND	0.00%
49.	KB INDIA EQUITY FUND	0.00%
50.	KOTAK INDIA ADVANTAGE FUND - III: CLASS B	0.01%
51.	KOTAK FUND INDIA MIDCAP FUND	0.01%
52.	KUWAIT INVESTMENT AUTHORITY FUND 223	0.06%
53.	ABSL UMBRELLA UCITS FUND PLC - INDIA FRONTLINE EQUITY FUND	0.03%
54.	KOTAK LIFE ASSURANCE	0.21%
55.	ADITYA BIRLA SUNLIFE INSURANCE CO LTD	0.04%
56.	AVENDUS ABSOLUTE RETURN FUND	0.03%
57.	AVENDUS ENHANCED RETURN FUND	0.01%
58.	AVENDUS ENHANCED RETURN FUND SERIES II	0.00%
59.	AVENDUS INDIA ALTERNATE STRATEGIES ICAV - AVENDUS LONG SHORT INDIA EQUITY FUND	0.00%

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*#
60.	TATA TRUSTEE CO. PVT. LTD. A/C TATA MULTICAP FUND	0.04%
61.	EMPLOYEES PROVIDENT FUND BOARD MANAGED BY NOMURA ISLAMIC ASSET MANAGEMENT SDN BHD	0.03%
62.	KUWAIT INVESTMENT AUTHORITY FUND 227	0.04%
63.	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE CO LTD.	0.10%
64.	NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED FUND SCHEME E TIER I	0.04%
65.	NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED FUND SCHEME E TIER II	0.00%
66.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	0.50%
67.	SBI LIFE INSURANCE COMPANY LIMITED	0.23%
68.	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	0.38%
69.	THE INDIA FUND INC	0.12%
70.	DANSKE INVEST SICAV - INDIA	0.01%
71.	ABERDEEN NEW INDIA INVESTMENT TRUST PLC	0.06%
72.	ABERDEEN STANDARD ISLAMIC ASIA PACIFIC EX JAPAN EQUITY FUND	0.00%
73.	EMPLOYEES PROVIDENT FUND BOARD MANAGED BY ABERDEEN ISLAMIC ASSET MANAGEMENT SDN BHD	0.05%
74.	REKSA DANA SYARIAH ABERDEEN STANDARD SYARIAH ASIA PACIFIC EQUITY USD FUND	0.00%
75.	ASHOKA PTE LTD	0.05%
76.	ARJUNA FUND PTE. LTD.	0.10%
77.	INDUS INDIA FUND (SV) LIMITED	0.02%
78.	MOTILAL OSWAL FOCUSED 25 FUND	0.04%
79.	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.03%
80.	TATA AIA LIFE INSURANCE CO LTD A/C LARGE CAP EQUITY FUND ULIF 017 07/01/08 TLC 110	0.01%
81.	TATA AIA LIFE INSURANCE CO LTD A/C SUPER SELECT EQUITY PENSION FUND ULIF 037 04/01/10 FSS 110	0.00%
82.	TATA AIA LIFE INSURANCE CO LTD A/C SELECT EQUITY FUND ULIF 024 06/10/08 TSE 110	0.00%
83.	TATA AIA LIFE INSURANCE CO LTD A/C SUPER SELECT EQUITY FUND ULIF 035 16/10/09 TSS 110	0.01%
84.	TATA AIA LIFE INSURANCE CO LTD A/C PENSION EQUITY FUND ULGF 001/02/03/04 E1 110	0.00%
85.	TATA AIA LIFE INSURANCE CO LTD A/C FUTURE SELECT EQUITY FUND ULIF 023 06/10/08 FSE 110	0.00%
86.	TATA AIA LIFE INSURANCE CO LTD A/C PENSION BALANCED FUND ULGF 006/17/08/07 BL110	0.00%
87.	SBI BLUE CHIP FUND	0.83%
88.	SBI EQUITY HYBRID FUND	0.82%
89.	SBI MAGNUM TAXGAIN SCHEME	0.06%
90.	SBI MAGNUM EQUITY ESG FUND	0.05%
91.	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC-EDELWEISS BALANCED ADVANTAGE FUND.	0.01%
92.	CAPITAL GROUP NEW WORLD FUND (LUX)	0.01%
93.	NEW WORLD FUND INC	0.59%

<b>S. No.</b>	<b>Name of the proposed Allottee</b>	<b>Percentage of post-Issue paid-up Equity Share capital**</b>
94.	AMERICAN FUNDS INSURANCE SERIES NEW WORLD FUND	0.12%
95.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.17%
96.	AXIS MULTICAP FUND	0.06%
97.	AXIS DYNAMIC EQUITY FUND	0.02%
98.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS CAPITAL BUILDER FUND-SERIES 4 (1582 DAYS)	0.01%
99.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS EQUITY SAVER FUND	0.01%
100.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS EQUITY HYBRID FUND	0.02%
101.	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC-LARGE CAP FUND	0.00%

\* Based on beneficiary position as on November 15, 2019

# The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective DP ID and Client ID.

Note: Subject to receipt of funds and allotment in the Issue.

## DECLARATION

Our Company certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

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**Hari Mohan Bangur**  
Managing Director

Place: Kolkata

Date: November 22, 2019

## DECLARATION

We, the Directors of the Company certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

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**Hari Mohan Bangur**  
Managing Director

I am severally authorized by the Qualified Institutions Placement Committee of the Company, vide resolution dated November 22, 2019 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

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**Hari Mohan Bangur**  
Managing Director

Place: Kolkata  
Date: November 22, 2019

**ISSUER**

**SHREE CEMENT LIMITED**

**Registered Office**  
Bangur Nagar, Beawar 305 901  
Ajmer, Rajasthan, India

**Corporate Office**  
21, Strand Road, Kolkata 700 001  
West Bengal, India

**Website:** www.shreecement.com  
**CIN:** L26943RJ1979PLC001935

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**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**S. S. Khandelwal**  
Bangur Nagar, Beawar 305 901  
Ajmer, Rajasthan, India  
**Telephone:** + 91 1462 228101-06  
**E-mail:** complianceofficer@shreecement.com

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**BOOK RUNNING LEAD MANAGERS**

**JM Financial Limited**  
7<sup>th</sup> Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**ICICI Securities Limited**  
ICICI Centre  
H. T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Maharashtra, India

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**INDIAN LEGAL COUNSEL TO THE ISSUER**

**Khaitan & Co**  
Ashoka Estate, 12<sup>th</sup> Floor  
24, Barakhamba Road  
New Delhi 110 001  
India

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**INDIAN LEGAL COUNSEL TO THE BRLMs**

**Shardul Amarchand Mangaldas & Co**  
Amarchand Towers  
216, Okhla Industrial Phase III  
New Delhi 110 020  
India

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**INTERNATIONAL LEGAL COUNSEL TO THE BRLMs**

**Squire Patton Boggs (MEA) LLP**  
Dubai International Financial Centre (DIFC)  
Burj Daman Office Tower, Level 10  
P.O. BOX 111713, Dubai  
United Arab Emirates  
Tel: +971 4447 8700

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**STATUTORY AUDITORS TO OUR COMPANY**

**Gupta & Dua, Chartered Accountants**  
4594-A/9, Darya Ganj  
New Delhi 110 002  
India

## APPLICATION FORM

### Indicative format of the Application Form

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Managers, had identified Eligible QIBs and circulated serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue has been made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

 <p><b>SHREE CEMENT LIMITED</b></p> <p>Shree Cement Limited (the “Company” or the “Issuer”) was incorporated as a public company with limited liability, on October 25, 1979, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, Rajasthan at Jaipur.</p> <p><b>Registered Office:</b> Bangur Nagar, Beawar 305 901, Ajmer, Rajasthan, India  <b>Corporate Office:</b> 21, Strand Road, Kolkata 700 001, West Bengal, India  <b>Website:</b> <a href="http://www.shreecement.com">www.shreecement.com</a>   <b>CIN:</b> L26943RJ1979PLC001935  <b>Telephone:</b> +91 1462 228101-06   <b>Facsimile:</b> +91 1462 228117/119  <b>Email:</b> <a href="mailto:complianceofficer@shreecement.com">complianceofficer@shreecement.com</a></p>	<b>APPLICATION FORM</b>
<p>Name of the Bidder: _____</p> <p>Form No. _____</p> <p>Date: _____</p>	

QUALIFIED INSTITUTIONS PLACEMENT OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING PREMIUM OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) AGGREGATING TO ₹ [●] CRORE UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED (THE “COMPANIES ACT, 2013”) BY SHREE CEMENT LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”).

Only “Qualified Institutional Buyers” (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and who (i) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (ii) hold a valid and existing registration under the applicable laws in India (as applicable), (iii) are not restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and other applicable laws, and (iv) are eligible to invest in this Issue; and can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only (a) in the United States only to persons who are (i) “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) (“U.S. QIB”) pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the preliminary placement document (as defined below) as “QIBs” and (b) to persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. For a description of selling restrictions in certain other jurisdictions, see “Selling Restrictions” on page 206 of the preliminary placement document (“PPD”). The Equity Shares are transferable only in accordance with the restrictions described in “Transfer Restrictions” on page 212 of the PPD.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 (“FEMA RULES”) IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. FVCIS ARE ALSO PERMITTED TO PARTICIPATE IN THE ISSUE UNDER THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES.

To,  
**The Board of Directors**  
**Shree Cement Limited**  
 Bangur Nagar,  
 Beawar 305 901,  
 Ajmer, Rajasthan,  
 India

Dear Sirs,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD, applicable laws and regulations and in this section of Application Form, we hereby submit our Bid for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are a QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and (i) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (ii) are not restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and other applicable laws, and (iii) are eligible to invest in this Issue. We are not a promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoter, directly or indirectly. Further, we confirm that we do not have any right under a shareholders’ agreement

STATUS (Please ✓)			
<b>FI</b>	Scheduled Commercial Banks and Financial Institutions	<b>AIF</b>	Alternative Investment Funds
<b>MF</b>	Mutual Funds	<b>FVCI</b>	Foreign Venture Capital Investors
<b>FPI</b>	Eligible Foreign Portfolio Investors*	<b>NIF</b>	National Investment Fund
<b>VCF</b>	Venture Capital Funds	<b>SI-NBFC</b>	Systemically Important NBFC
<b>IC</b>	Insurance Companies	<b>IF</b>	Insurance Funds
<b>OTH</b>	Others (Please Specify)		

\*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.

or voting agreement entered into with the Promoter or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations and other applicable laws.

We confirm that the Bid size/aggregate number of Equity Shares applied for by us and which may be Allotted to us does not exceed the relevant regulatory or approved limits applicable to us. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“**Takeover Regulations**”). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, if applicable, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that each foreign portfolio investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (such foreign portfolio investor, an “**FPI**”) (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, “**Eligible FPIs**”), has submitted a separate Application Form, and asset management companies of mutual funds would have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each fund. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holders of the Equity Shares which may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the relevant approvals. We authorize you to place our name in the register of members of the Company as holders of the Equity Shares that may be Allotted to us. We note that the Company in consultation with the Book Running Lead Managers namely, JM Financial Limited and ICICI Securities Limited, is entitled, in its absolute discretion to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allotted to us pursuant to the Confirmation of Allocation Note (“**CAN**”) and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and Bid Amount towards the Equity Shares that may be allocated to us.

We agree and consent that: (i) our names, address, PAN, contact details, bank details, email-id, and the number of Equity Shares Allotted along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the Companies (Prospectus and Allotment of Securities Rules, 2014, as amended (“**PAS Rules**”), (ii) in the event that any Equity Shares are Allotted to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our name will be included in the Placement Document as proposed allottees, if applicable, along with the percentage of our post issue shareholding in the Company and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Rajasthan at Jaipur as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, for which we shall submit necessary information to the Company and BRLMs, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the Stock Exchanges, and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including restriction on transferability and lock-in. In this regard, we authorise the Company to issue instructions to the depositories for such restriction on transferability, as may be applicable to us. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India (“**RBI**”), and other applicable laws.

We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allotted to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in “*Notice to Investors*”, “*Representations by Investors*”, “*Issue Procedure*”, “*Transfer Restrictions*” and “*Selling Restrictions*” of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations, warranties, acknowledgements and agreements are given by us for the benefit of the Company and the BRLMs for the Issue, each of whom are entitled to rely and are relying on these representations, acknowledgements and agreements in consummating the Issue, (ii) that we have been provided a serially numbered copy of the PPD, and have read it in its entirety including in particular, the “*Risk Factors*” therein, and have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs, or any other source, including publicly available information, (iii) to abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein, (iv) that if we are participating in the Issue as an Eligible QIB, we are not an individual, corporate body, or family office, (v) Equity Shares shall be Allotted and Allotted at the discretion of the Company, in consultation with BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (vi) that we shall not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges, (vii) that we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment, (viii) that we shall not have the right to withdraw or revise our Bid after the Bid Closing Date, (ix) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of the post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (x) that we, together with other persons that belong to our same group or are under common control, have not applied for more than 50% of the Issue and that the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation: the expression: QIBs belonging to the “same group” shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations and mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and ‘Control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

We hereby agree to accept the Equity Shares applied for, or such lesser number as may be Allotted to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, this Application Form and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below. The Bid Amount payable by us for the Equity Shares to be allotted in the Issue has been/will be remitted to the designated bank account prior to Bid Closing Date, only through electronic mode pursuant to duly completed Application Form and to the bank account mentioned in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash or cheque.

We also agree that the amount payable for the Equity Shares in the Issue is being (shall be) made from the bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form, and the Bid Amount may be refunded to the same bank account (i) if the Company is unable to issue and Allot the Equity Shares offered in the Issue; or (ii) if there is a cancellation of the Issue; or (iii) in case of rejection of Bids or non-allocation of Equity Shares; or (iv) In the event, the Bid Amount per Equity Share exceeds the Issue Price per Equity Share. By making this application, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares, and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) qualified institutional buyers (as defined in Rule 144A) purchasing the Equity Shares pursuant to Section 4(a)(2) under the U.S. Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction in reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The payment for subscription to the Equity Shares in the Issue have been/ are being made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

<b>APPLICANT DETAILS (in Block Letters)</b>	
<b>NAME OF APPLICANT*</b>	

<b>NATIONALITY</b>			
<b>REGISTERED ADDRESS</b>			
<b>COUNTRY, CITY AND CODE</b>			
<b>PHONE NO.</b>		<b>FAX NO.</b>	
<b>EMAIL ID</b>			
<b>FOR FPIs**</b>	Registration Number:	<b>For AIFs*** / MFs / VCFs*** / SI-NBFCs / Insurance Companies / FVCIs****</b>	Registration Number:

\*Name should exactly match with the name in which the beneficiary account is held. Any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form.

\*\*In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.

\*\*\*Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

\*\*\*\*FVCIs are permitted to participate in the Issue under the FEMA RULES.

<b>BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER</b>	
<b>REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER By 3:30 p.m. (IST), [●], [●]</b>	
Name of the Account	SHREE CEMENT LIMITED - QIP ESCROW ACCOUNT
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	Axis Bank Limited, Kolkata Main Branch, 7 Shakespeare Sarani, Kolkata 700 071
Account Type	Escrow account
Account Number	919020086160295
IFSC	UTIB0000005
Phone Number	033 2282 9832 / 33 / 34 / 35 / 36
Email	calcutta.operationshead@axisbank.com; calcutta.cms@axisbank.com

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under the Form PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

Kindly make your payment only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bidding Period i.e. within the Bid Closing Date. All payments must be made in favour of “**SHREE CEMENT LIMITED - QIP ESCROW ACCOUNT**”. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

<b>DEPOSITORY ACCOUNT DETAILS</b>															
Depository Name(Please ✓)		National Security Depository Limited								Central Depository Services (India) Limited					
Depository Participant Name															
DP – ID	I	N													
Beneficiary Account Number												(16 digit beneficiary account. No. to be mentioned above)			
The demographic details like address, bank account details etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.															
You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.															

<b>RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)</b>			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
<b>NO. OF EQUITY SHARES BID</b>		<b>BID PRICE PER EQUITY SHARE (RUPEES)</b>	
(In figures)	(In words)	(In figures)	(In words)
<b>BID AMOUNT (RUPEES)</b>			

(In figures)	(In words)

DETAILS OF CONTACT PERSON			
<b>NAME</b>			
<b>ADDRESS</b>			
<b>TEL. NO.</b>		<b>FAX NO.</b>	
<b>EMAIL</b>			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
<input type="checkbox"/> Copy of PAN Card or PAN allotment letter
<input type="checkbox"/> Copy of FPI Registration Certificate /MF Registration certificate /SEBI certificate of registration for AIFs/VCF
<input type="checkbox"/> Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
<input type="checkbox"/> FIRC
<input type="checkbox"/> Copy of notification as a public financial institution
<input type="checkbox"/> Copy of IRDAI registration certificate
<input type="checkbox"/> Certified true copy of Power of Attorney
<input type="checkbox"/> Other, please specify: _____

*\*It is to be specifically noted that the applicant should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground*

*Note: The application form is liable to be rejected if any information provided is incomplete or inadequate. Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.*

*The Application form, PPD and the Placement Document to be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.*