Ref. : ASK/UD/Annual Report 2019 July 5, 2019

| | |
|---|---|
| The National Stock Exchange (India) Ltd.,<br>Exchange Plaza, Bandra-Kurla Complex,<br>Bandra (East), Mumbai – 400 051. | BSE Limited,<br>Corporate Relationship Department,<br>P. J. Towers, Dalal Street, Fort,<br>Mumbai – 400 023. |
| Code : PRSMJOHNSN | Code : 500338 |

Dear Sir,

Sub.: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the financial year 2018-19

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company for the financial year 2018-19, along with the Notice of 27th Annual General Meeting.

The Notice of 27th AGM and Annual Report for financial year 2018-19 is available on the Company's website www.prismjohnson.in.

The Company has commenced the despatch of the Notice of 27th AGM and the Annual Report for the financial year 2018-19 to the Members by permitted mode(s) from Friday, July 5, 2019.

Kindly take on record.

Thanking you,

Yours faithfully,

for **PRISM JOHNSON LIMITED**

A S Kulkarni

**ANEETA S. KULKARNI**
**COMPANY SECRETARY**

# PRISM JOHNSON LIMITED

(FORMERLY PRISM CEMENT LIMITED)

## CEMENTING MILESTONES
## COMMITTED TO DELIVER

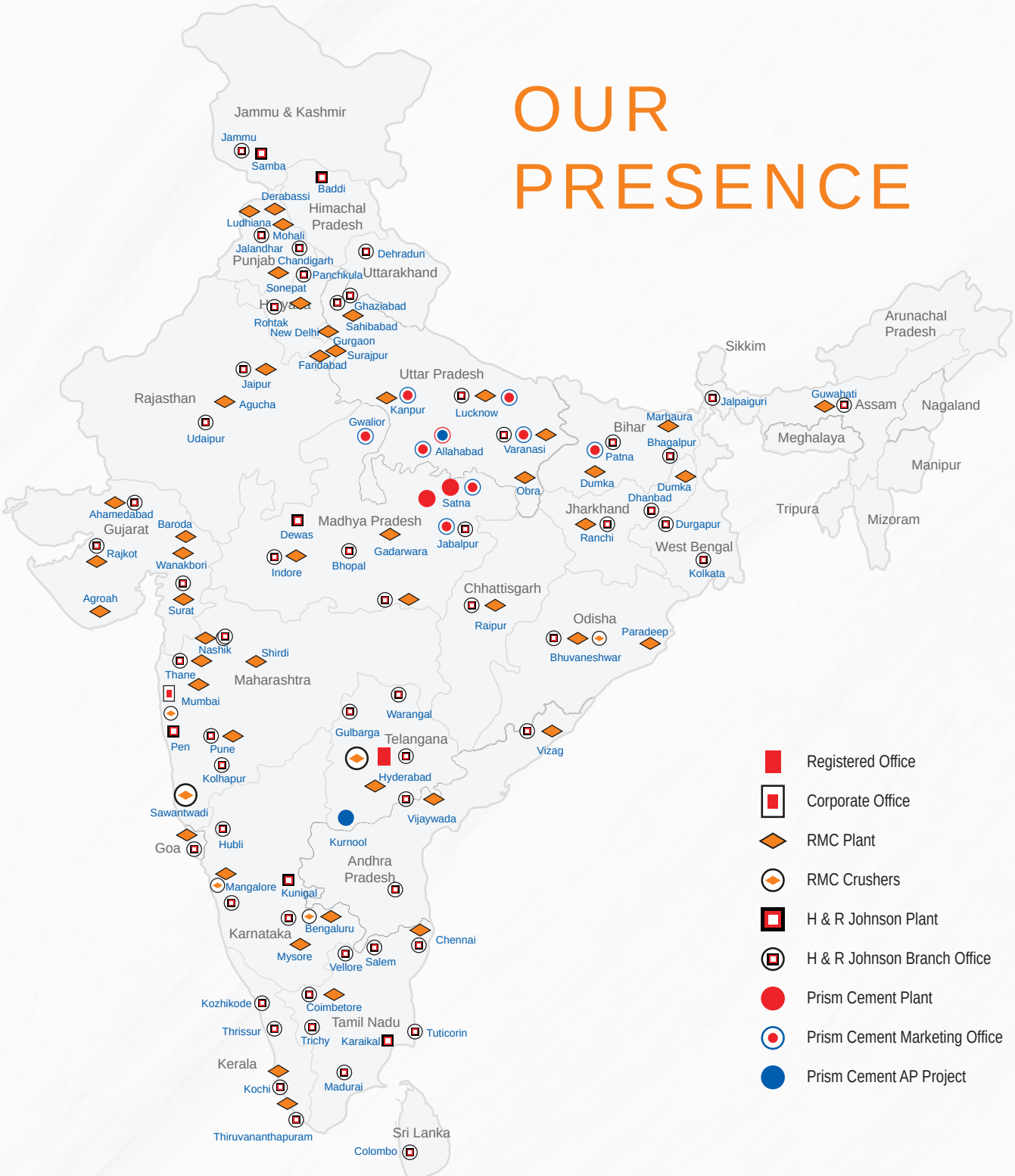
PRISM CEMENT दूर की सोच

JOHNSON Not just tiles, Lifestyles.

PRISM RMC Complete Concrete Solutions

# ANNUAL REPORT 2018-19

# OUR PRESENCE



# TABLE OF CONTENTS

## COMPANY OVERVIEW


Cementing Milestones ..... 02

Committed to Deliver ..... 04

Letter from the Managing Director ..... 06

The World of Prism Johnson Limited ..... 08

Financial Highlights ..... 12

Corporate Information & BOD ..... 15

Management Discussion & Analysis ..... 16

Corporate Social Responsibility ..... 31


## REPORTS


Report on Corporate Governance ..... 33

Director's Report ..... 50


## FINANCIAL STATEMENTS

### Standalone


Independent Auditor's Report ..... 84

Balance Sheet ..... 92

Statement of Profit and Loss ..... 93

Cash Flow Statement ..... 95

Notes to Accounts ..... 97


### Consolidated


Independent Auditor's Report ..... 149

Balance Sheet ..... 156

Statement of Profit and Loss ..... 157

Cash Flow Statement ..... 160

Notes to Accounts ..... 162

Form AOC – 1 ..... 232


### Shareholder's Information


Notice ..... 234

Proxy

# CEMENTING MILESTONES

Prism Johnson delivered another year of profitable growth with overall EBITDA increasing by ~36%, with Cement Division leading the growth. This performance has to be seen in the light of the challenging macro situation and cost environment. The year 2018-19 was filled with extreme external vulnerabilities arising out of rising commodity prices, volatile currencies, trade war between major global trading partners and normalisation of monetary policies in the larger advanced economies. In this backdrop, the Indian economy continue to be one of the fastest growing economies in the world, supported by the continued investment in infrastructure and steady consumption amid a more expansionary stance of monetary policy.

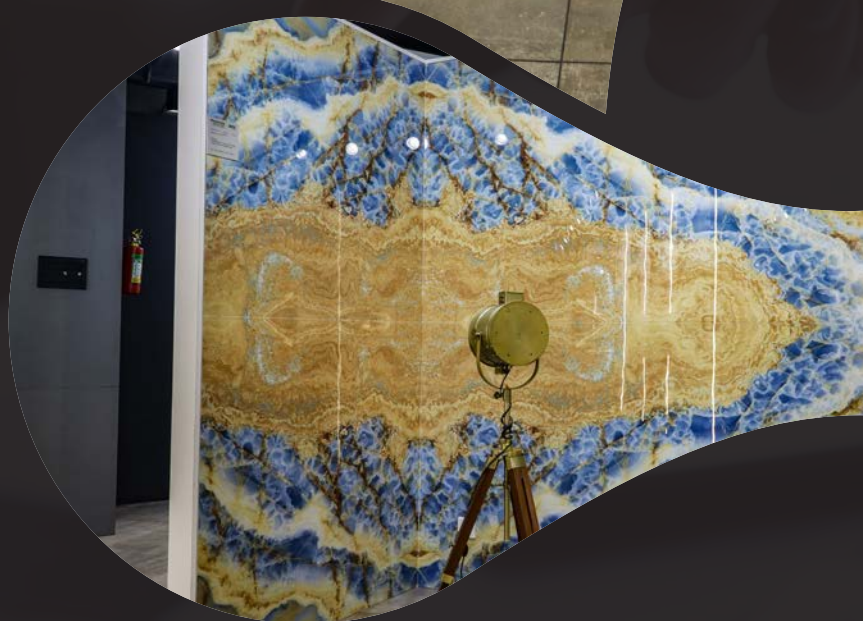
The Cement Division continued its good run with record volumes and better utilization levels leading to increased EBITDA performance. Despite several external challenges, the Division reported a fifth consecutive year of increase in EBITDA per ton. It reflects the efforts put over last few years such as: pet-coke usage, lowering power consumption, reducing logistic costs, successful launches of premium products amongst others. The "Satna Cluster" where the Division operates has also witnessed robust demand growth over last few quarters leading to better utilization levels and better realizations.

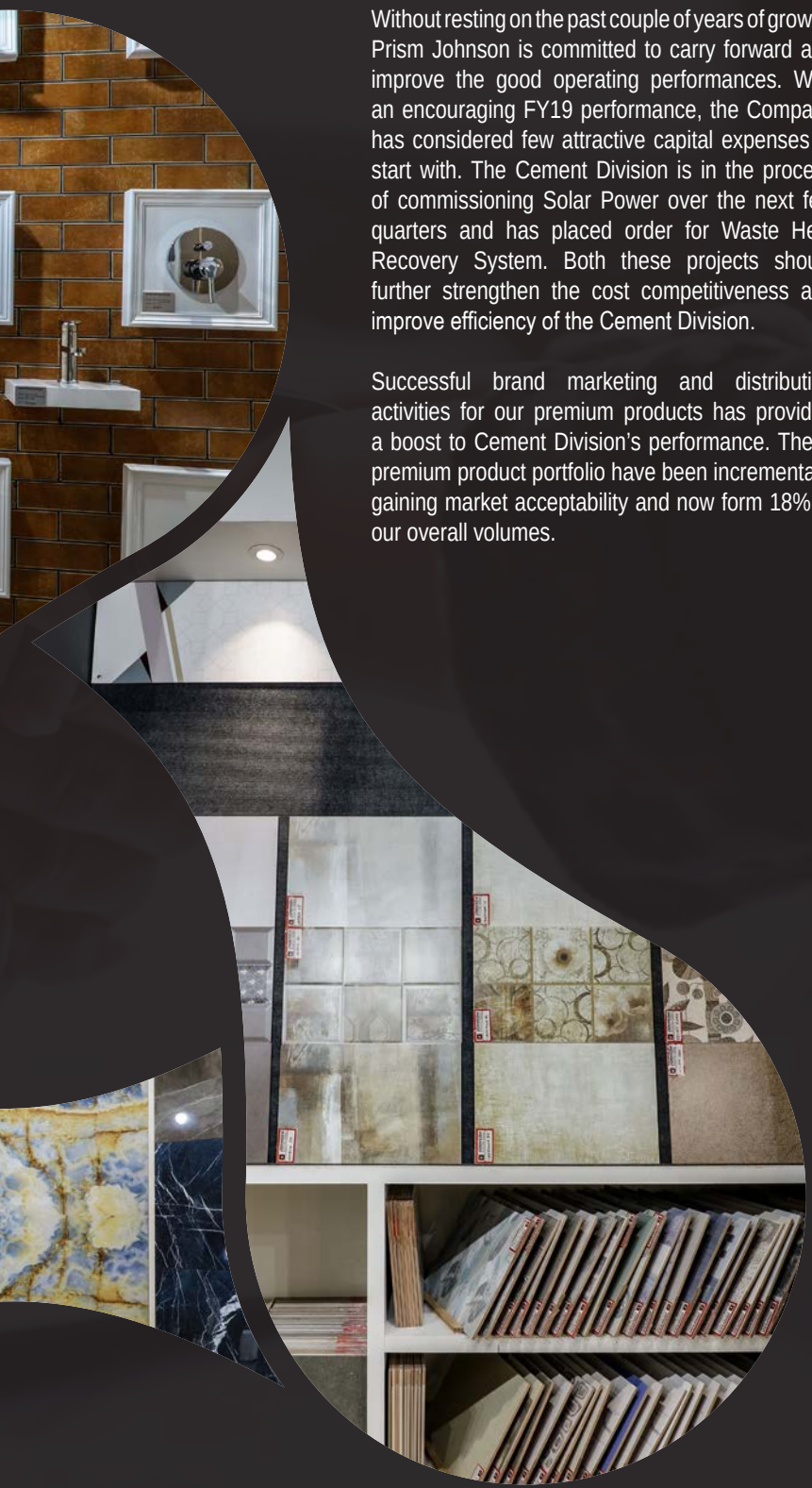
At the same time the efforts and focussed initiatives undertaken by H & R Johnson (India) (HRJ) and RMC (India) (RMC) Divisions have also led to gradual improvement. HRJ Division reported close to mid-single volume growth and higher single digit consolidated value growth, the best in last three years and RMC Division reported double digit volume growth after nearly five years of flattish trend.

On the back of improved performance, the Company is back on the list of dividend paying companies, the company declared an interim dividend during the year, the last dividend was paid in FY12. The Company has reduced its standalone debt, this being the fourth successive year of debt reduction thereby improving gearing.

While financial performance and ratios gain utmost importance for most stakeholders, the success of a Corporate is also measured on several other parameters such as fulfilling its corporate social responsibility, developing its human capital and investing in Safety, Health and Environment. In this regard, Cement Division continued to take CSR projects related to upliftment of communities in the region it operates, RMC Division continued its unparalleled focus on health & safety issues of plants, people and environment and HRJ Division resorting to use of waste products of other industries. Overall Prism Johnson takes utmost care to fulfil its responsibilities towards the environment and the communities around its manufacturing units.

# COMMITTED TO DELIVER





Without resting on the past couple of years of growth, Prism Johnson is committed to carry forward and improve the good operating performances. With an encouraging FY19 performance, the Company has considered few attractive capital expenses to start with. The Cement Division is in the process of commissioning Solar Power over the next few quarters and has placed order for Waste Heat Recovery System. Both these projects should further strengthen the cost competitiveness and improve efficiency of the Cement Division.

Successful brand marketing and distribution activities for our premium products has provided a boost to Cement Division's performance. These premium product portfolio have been incrementally gaining market acceptability and now form 18% of our overall volumes.

The HRJ Division continues its focus on expanding its product portfolio and investing in marketing and distribution initiatives. Continuing its demand generation activities, the Division has successfully opened six additional large formats display centres during the year across different regions, taking the total to eleven. The enhanced focus is now on improving utilization levels and sustaining working capital management.

RMC division has reported a double digit volume growth. The spike in volumes is on the back of pick up in few pockets of real estate and infrastructure, especially road construction. This Division is expanding in Prism catchment areas and enjoys a strong order book in the Mega vertical. These initiatives should increase the utilization levels going forward. Evolution in construction technology should further aid in the growth momentum.

While we continue to invest in growth avenues, we are not turning our back to current challenges such as liquidity crisis, industrial and consumption showing signs of slowdown and execution delays in real estate and infrastructure projects amongst others. Hence alongside our energies on sustainable growth, Prism Johnson is committed to financial discipline – continue to deleverage balance sheet, control on working capital, investing in critical capex projects and dividend payout. Overall we focus on creating long term investor value through efficient and successful implementation of our long term growth plans.

# LETTER FROM THE MANAGING DIRECTOR:

Reduction in debt levels continues, further the Company is back on dividend paying list

**Dear Shareholders,**

It is an honour and immense pleasure to have completed another year of profitable growth. At Prism Johnson, our determination remained steady in a challenging year, and the result was a stable performance in all the three segments. Your Company reported consolidated net sales of ~₹ 6,124 Crores, Earnings before interest, tax, depreciation and amortization of ~₹ 601 Crores and Profit after tax of ~₹ 110 Crores, increase of ~12%, ~36% and ~99% respectively. Your Company continues to invest in demand generation activities, highlighted below, which would help in continuing its future growth. Our corporate name Prism Johnson, resembles our capability and dedication for creating value by delivering quality products to our customers across domains.

Your Company has prepared a well-defined strategy of being closer to customers, to strengthen business model with a diversified portfolio and strong manufacturing capabilities. This strategy should help us to optimally utilize our assets in all the three businesses – Cement, Tiles and Ready Mixed Concrete. Going forward, the Company is also cautiously optimistic about various operational parameters of all the three Divisions.

During FY19, your Company has achieved revenue growth in all the three Divisions despite a challenging economic environment with Cement Division reporting revenue growth of 17%, HRJ growth of 8% on consolidated basis and RMC growth of 9%. We are continuously striving to enhance value for investors and this year your Company has paid an interim dividend of ₹ 0.50 per equity share (5% of FV).

Let me now take you through some key highlights of our performance across all the three Divisions. Cement Division clocked volume of 6.3mn tons, an 11% volume growth, aided by Individual Home Building and ongoing spend in infrastructure especially road construction. We continued to achieve record volumes for the second year in row. Cement EBITDA per ton was at ₹ 834, a swing of ₹ 215 over FY18 despite challenging cost environment especially on account of power & fuel and freight expenses. In absolute terms, Cement EBITDA grew by nearly 50% to ₹ 523 Crores. Better net realizations and higher utilization levels helped mitigate cost inflation. Few other highlights are as under:

- Cement Division utilization levels at 89% up from 81% in FY18.
- Premium products, 'Duratech' and 'Champion Plus' continue to perform well. They together contribute 18% of overall volumes as compared to 15% in FY18.
- We are in the process of commissioning 15MW Solar Power. Further addition of 15MW planned during the current year.
- The Division has placed orders for 22.5MW Waste Heat Recovery System at a capital cost of less than ₹ 200 Crores. The WHRS is likely to get commissioned by June 2020.
- The thermal power sourcing from third party has also started from current year at a cost less than current grid cost.

The above initiatives would help the Division to reduce power cost thereby increasing its cost competiveness.

The H & R Johnson (India) Division's tile revenue grew by 8% on consolidated basis reflecting the efforts and focussed initiatives undertaken during past couple of years. The tile volume growth could have been better but for Kerala floods and transport strike affecting tile JV sales and operations. Key highlights of the Division are given below:

- The Division continues to invest in marketing and distribution activities. As a result consolidated EBITDA was at ₹ 60 Crores similar to last year levels.
- Demand generation activities continue. The Division has added six large format display centres taking the total to 11 display centres in operation across India.
- The Division continued its efforts towards covering more white spaces and cost management program.
- Focused approach such as influencer engagement and re-organization of sales department into four product verticals.
- H & R Johnson ( India) Smart Tiles is selected as a Consumer Superbrands in 2019. Johnson Endura selected as a Business Superbrands in 2019. Johnson Marble & Quartz selected as Consumer Superbrands 2019.
- "H & R Johnson (India)" has been recognised as one of 'The Economic Times Best Brands 2019'.
- Johnson Tiles receives the Reader's Digest Trusted Brand Award for 2018 - GOLD.

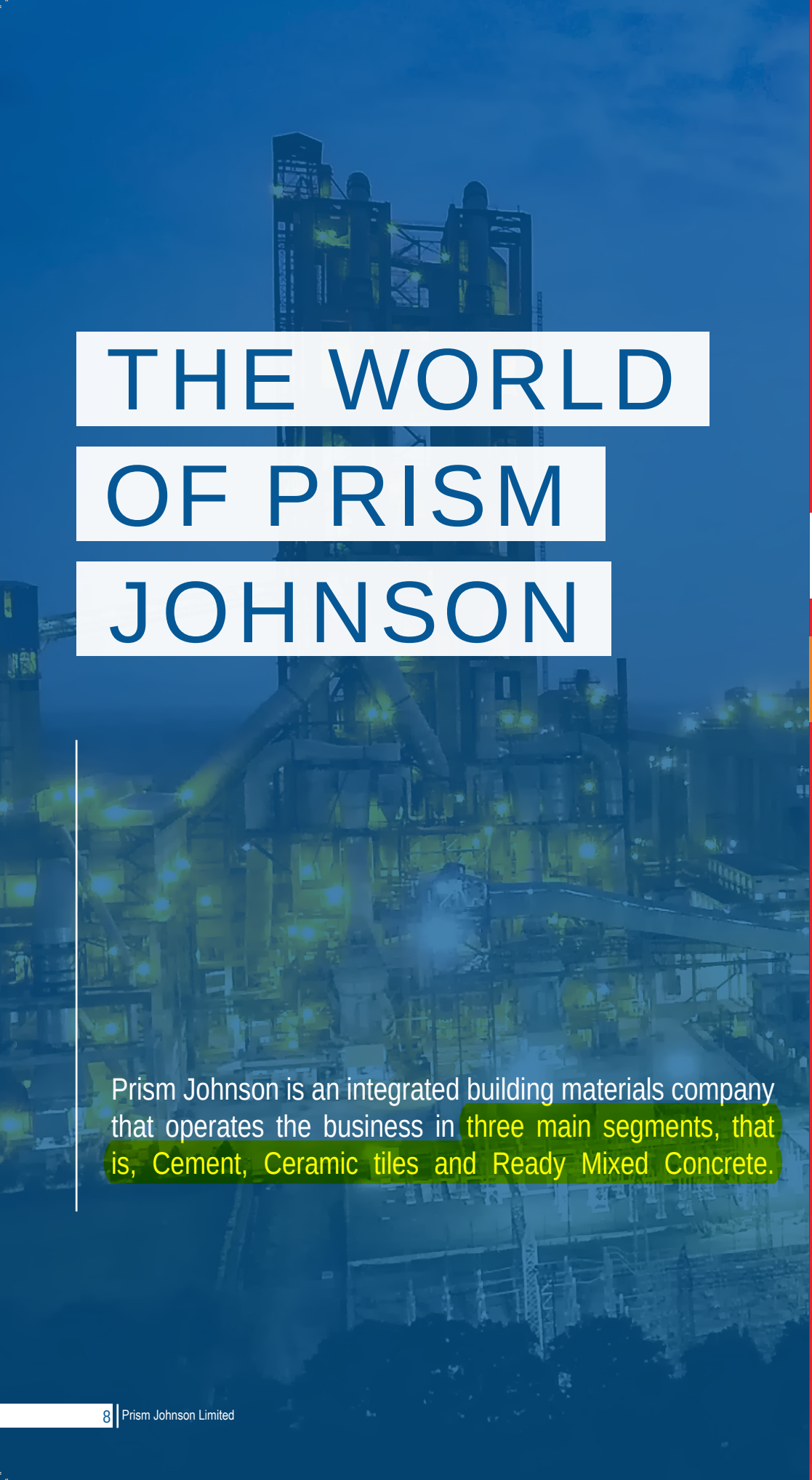
The RMC (India) division has witnessed a satisfactory growth this year. The Division reported 14% volume growth as there was pick up in few pockets of real estate, while infrastructure segment continues to do well. The Division's EBITDA grew by about 37% to ₹ 39 Crores. During the year the Division witnessed increase in fuel prices and intense competition. The industry has seen a shift from unorganized players to organized players.

On the balance sheet front, net standalone debt reduced by ~₹ 70 Crores to ~₹ 1,410 Crores, fourth consecutive year of debt reduction. There has also been improvement in financial ratios with standalone net debt to EBITDA improving to 2.5x from 6.3x in FY15. The working capital of the Company remains under control. As a result, FY19 is also significant as it gives us confidence to take some capital expenditures with attractive pay back.

To encapsulate your Company's performance, I am happy to mention that our overall performance in FY19 was satisfactory considering the challenging environment.

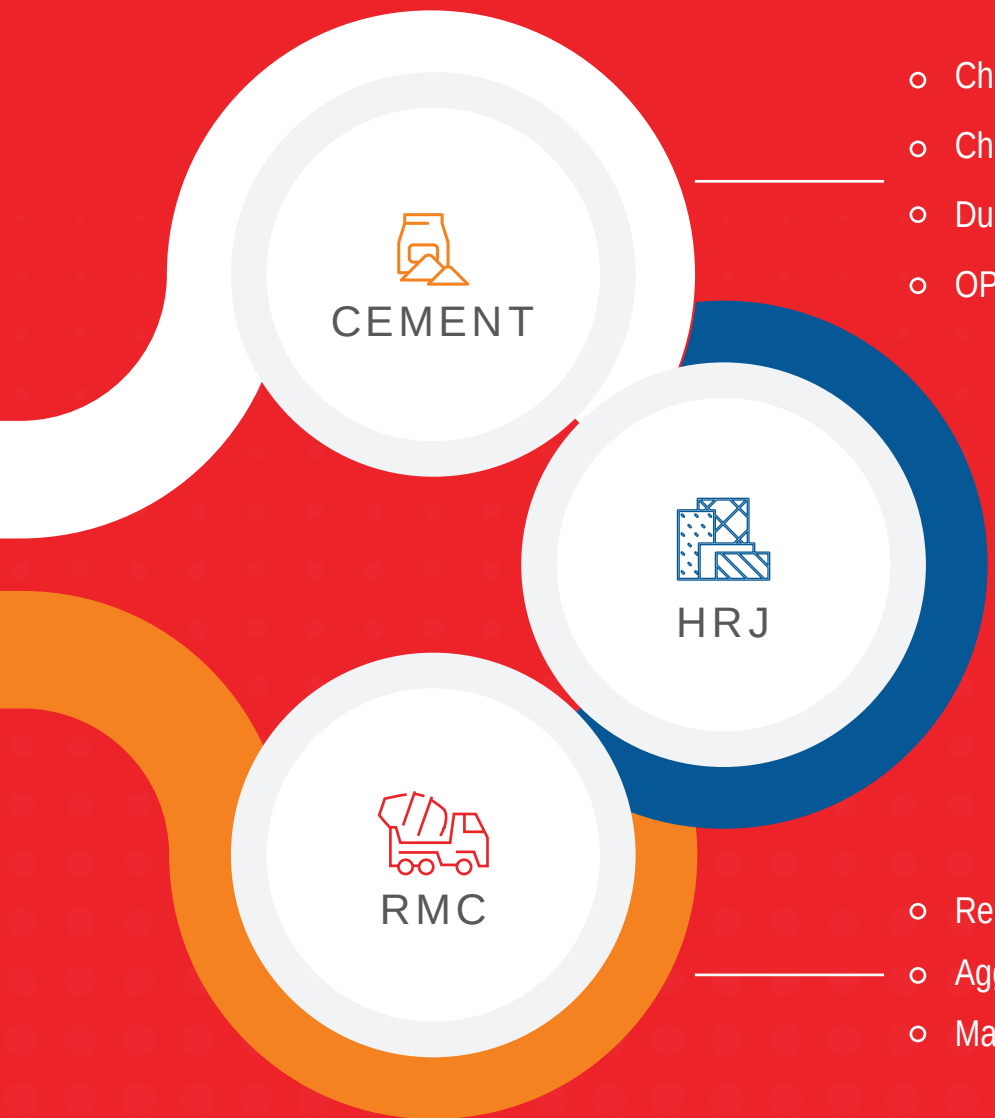
Looking forward, at Prism Johnson, we continue to believe that our market opportunities are brighter. We believe the growth momentum to continue given efforts to increase utilization levels and cost reduction measures. I take this opportunity to extend our gratitude to our valued customers, joint-venture partners, suppliers, employees, dealers and sub-dealers, shareholders, bankers as well as the State and Central Governments for their support, encouragement and motivation throughout our journey.

*Best Regards,*
**Vijay Aggarwal**



# THE WORLD OF PRISM JOHNSON

Prism Johnson is an integrated building materials company that operates the business in three main segments, that is, Cement, Ceramic tiles and Ready Mixed Concrete.




- Champion
- Champion Plus
- DuraTech
- OPC

- Tiles
- Engineered Marble
- Quartz
- IPNR
- Sanitaryware
- Faucets

- Ready Mixed Concretes
- Aggregates
- Manufactured Sand

*List of Institutional Shareholding holding more than 1%* (as on 31st March, 2019)

| Shareholder | % |
|---|---|
| National Westminster Bank Plc as Trustee of the Jupiter India Fund | 2.4 |
| HDFC Trustee Company Ltd | 1.7 |
| L&T Mutual Fund Trustee Co Ltd - Emerging Business Fund | 1.5 |
| Government Pension Fund Global | 1.1 |

# THE WORLD OF PRISM JOHNSON

RAHEJA QBE

## Raheja QBE General Insurance Company Limited

Prism Johnson Limited holds 51% stake in the Raheja QBE General Insurance Company Ltd, which is a Joint Venture between the QBE Insurance Group based out of Australia, holding a 49% stake. QBE is a largest internationally recognised General Insurance and Reinsurance groups in Australia, operating across 50 countries. The General Insurance industry in India has grown at a CAGR of 17% during the last 2 decades and will continue its upwards trajectory. India is currently the 4th largest non-life insurance market in Asia. It caters to markets that require speciality products such as liability insurance, marine liability and trade credit.

As of now Raheja QBE has a liability led specialist insurance focus. Raheja QBE plans to develop its capabilities in the personal line space as well by increasing its product bouquet from the end customer in motor and health insurance. The company wants to build the strongest bond with its customers through best-in-class customer service.

Going forward, Raheja QBE would enhance its footprint, recruit and empower employees to build an agile team, provide technology enabled services, become a customer focused organisation with superior claims servicing capabilities.

The gross written premium for the company grew to ₹ 129.6 Crores a growth of 40% in the financial year 2018. Raheja QBE focusses to strengthen its capabilities, processes and technology to build the foundation for long term profitable and sustainable growth.

(₹ Crores)

| | |
|---|---|
| Cement Dealers | 3,700+ |
| HRJ Dealers | 1,000+ |
| House of Johnson Outlets | 19 |
| Display Centers | 11 |
| RMC Plants | 97 |
| Market Capitalisation | ₹ 4,825 |

*(As at 31st March, 2019, BSE)*

# FY2019

(Consolidated)

**₹ 6,194**
Total Revenue
10%

**₹ 110**
PAT
99%

**₹ 601**
EBITDA
36%

**₹ 1,126**
Networth
8%

# FINANCIAL HIGHLIGHTS

CONSOLIDATED FINANCIAL (₹ Crores)

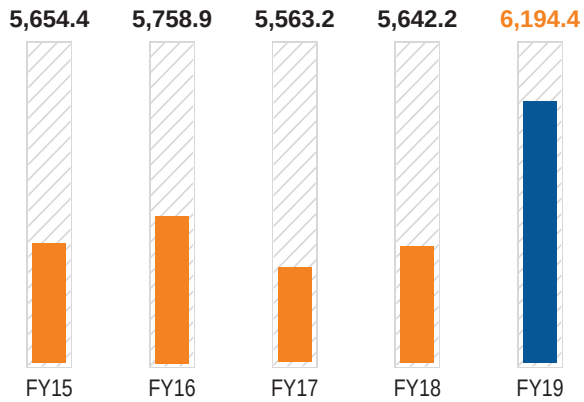
| Particulars | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|---|---|
| Total Income from Operations (net) | 6,194.4 | 5,642.2 | 5,563.2 | 5,758.9 | 5,654.4 |
| EBITDA | 601.1 | 443.1 | 356.7 | 340.9 | 353.5 |
| EBITDA Margin (%) | 9.7 | 7.9 | 6.4 | 5.9 | 6.3 |
| EBIT | 427.6 | 324.5 | 256.8 | 309.1 | 188.7 |
| EBIT Margin (%) | 6.9 | 5.8 | 4.6 | 5.4 | 3.3 |
| PAT (Adjusted for Minority Interest) | 116.4 | 42.5 | (1.8) | 2.9 | 2.6 |
| Net Profit Margin (%) | 1.9 | 0.8 | 0.0 | 0.1 | 0.0 |
| Equity | 1,126.1 | 1,037.9 | 994.9 | 998.2 | 1,054.3 |
| Gross Block | 3,386.1 | 3,213.3 | 2,862.9 | 2,724.2 | 3,998.8 |
| Current Investments | 109.8 | 33.2 | 52.9 | 116.9 | 86.1 |
| Cash & Cash Equivalents | 73.8 | 77.4 | 82.7 | 131.1 | 129.6 |
| RoCE (%) | 14.0 | 10.6 | 8.6 | 9.6 | 5.7 |
| Book Value per Share (₹) | 22.4 | 20.6 | 19.8 | 19.8 | 20.9 |

Notes:

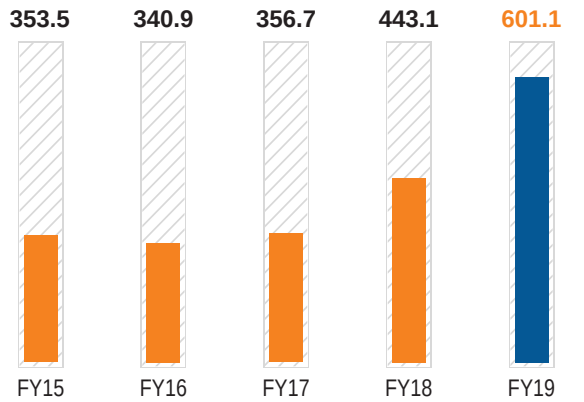
- FY16 to FY19 are as per IND-AS.
- FY15 is as per IGAAP.
- Previous year's numbers are re-grouped wherever necessary.

(₹ Crores)

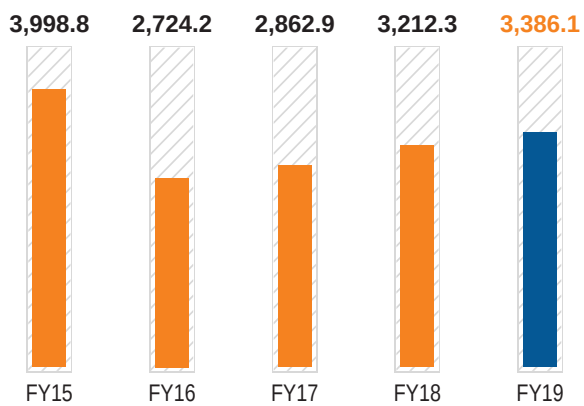
## REVENUE FROM OPERATIONS (Net)



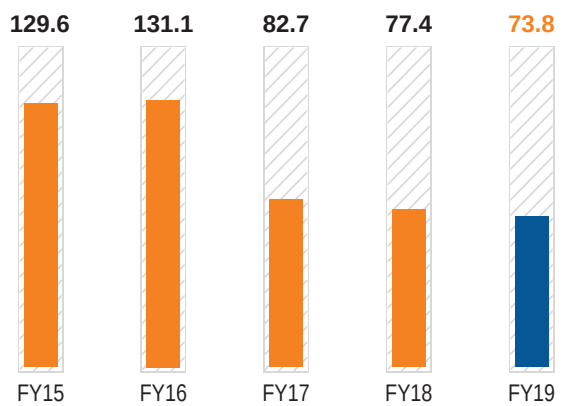

## EBITDA



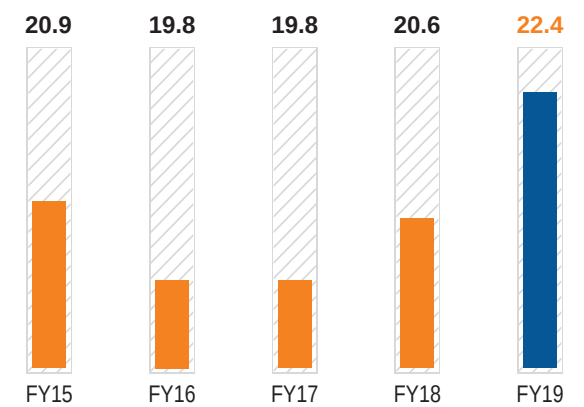

## GROSS BLOCK



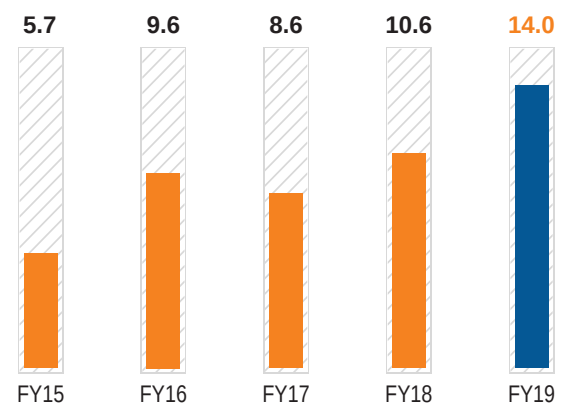

## CASH & CASH EQUIVALENTS




## BOOK VALUE PER SHARE (₹)




## ROCE (%)



# CORPORATE INFORMATION

## Board of Directors

**Mr. Shobhan M. Thakore**
Chairman

**Mr. Rajan B. Raheja**
Director

**Mr. Vijay Aggarwal**
Managing Director

**Mr. Vivek K. Agnihotri**
Executive Director & CEO (Cement)

**Mr. Sarat Chandak**
Executive Director & CEO (HRJ)
*w.e.f March 3, 2019*

**Mr. Atul R. Desai**
Executive Director & CEO (RMC)

**Ms. Ameeta A. Parpia**
Director

**Dr. Raveendra Chittoor**
Director

**Mr. Joydeep Mukherjee**
Executive Director & CEO (HRJ)
*Upto March 2, 2019*

## Chief Financial Officer

**Mr. Manish Bhatia**

## Company Secretary

**Ms. Aneeta S. Kulkarni**

## Investor Relations

**Mr. Munzal Shah**
General Manager
Tel:+91 22 6675 4142-46
Email: investorrelations@prismjohnson.in

## Corporate Office

'Rahejas', Main Avenue, 2nd Floor, V. P. Road,
Santacruz (West), Mumbai-400 054.

## Registered Office

305, Laxmi Niwas Apartments, Ameerpet,
Hyderabad-500 016.

## Registrar & Transfer Agent

Karvy Fintech Private Limited
Unit : Prism Johnson Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500 032.

## Bankers

Axis Bank Limited

ICICI Bank Limited

Indian Overseas Bank

IndusInd Bank Limited

Kotak Mahindra Bank Limited

Bank of Baroda

Yes Bank Limited

Standard Chartered Bank

HDFC Bank Limited

## Auditors

G. M. Kapadia & Co., Mumbai

# MANAGEMENT DISCUSSION & ANALYSIS

## Industry Analysis:

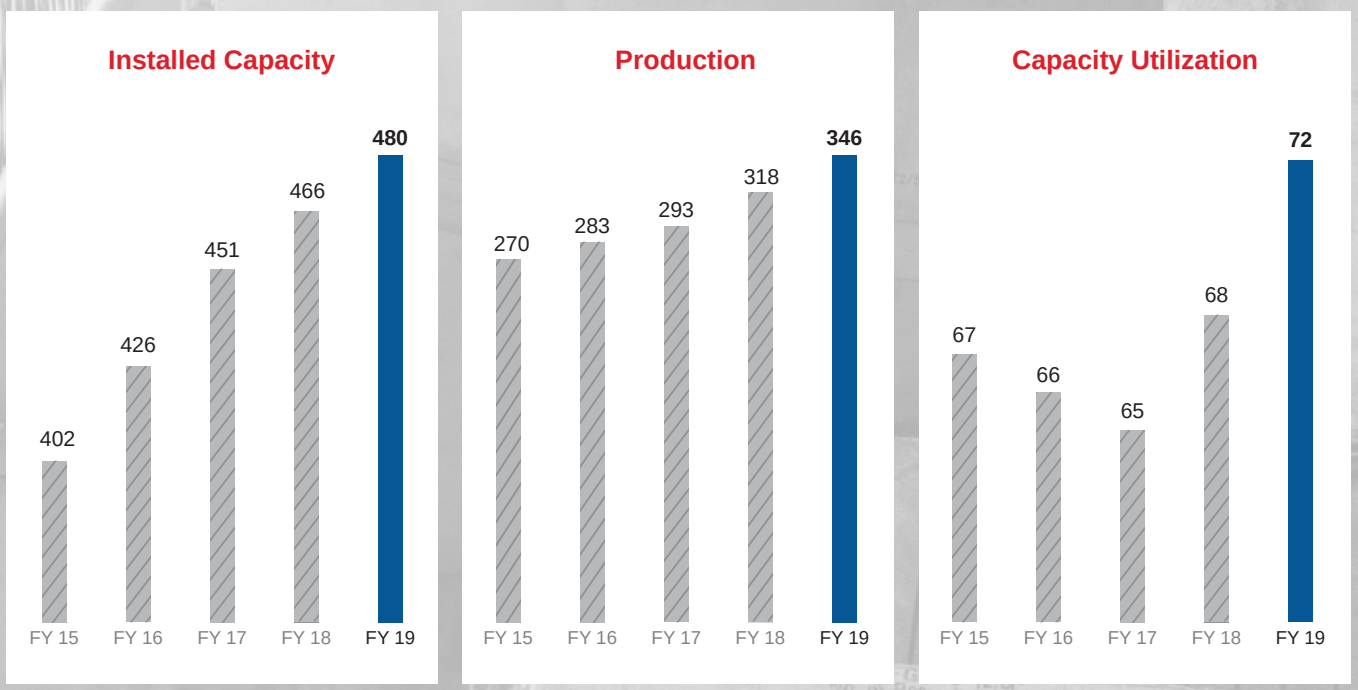
### Cement Industry:

FY19 was a favourable year for Cement Industry. The year saw double digit volume growth after witnessing low single digit growth in last few years. The growth was supported by rural housing, commercial real estate and infrastructure. Urban housing has yet to see a meaningful recovery. The Cement industry is a vital part of the Indian economy outspreading various employment opportunities. India is the second largest producer and consumer of cement in the world after China, with all India installed capacity estimated to be at 480 mn tons per annum. The industry reported utilization level of more than 70% for the year.

The demand for cement is expected to grow between mid-single to high single digit over the next few years, primarily led by increased consumption from housing and infrastructure segments. Urban housing is expected to pick momentum over the medium term, though some regions saw volume growth in FY19. The housing and real estate sector accounts for about 65% of the total consumption in India. The other major consumers of cement include public infrastructure at 20% and commercial & industrial development at 15%.

The key demand driver for the cement industry is the increased allocation of infrastructure projects; mainly construction of roads, the initiative to build 100 smart cities, focus on developing infrastructure in rural India and on further boosting the affordable housing projects.

**India:** Supply, demand (in MT) and capacity utilization (%)




*Source: Industry data*

## Government Initiatives

The Interim Budget 2019-20 has allocated ₹ 13,900 Crores (US$ 1.93 Billion) for Urban Rejuvenation Mission viz. AMRUT and Smart Cities Mission. Government has identified 100 smart cities for development with initial outlay of $ 7.5 Billion over next five years for first 20 cities.

## Pradhan Mantri Awas Yojana (PMAY) and Housing for All by 2022

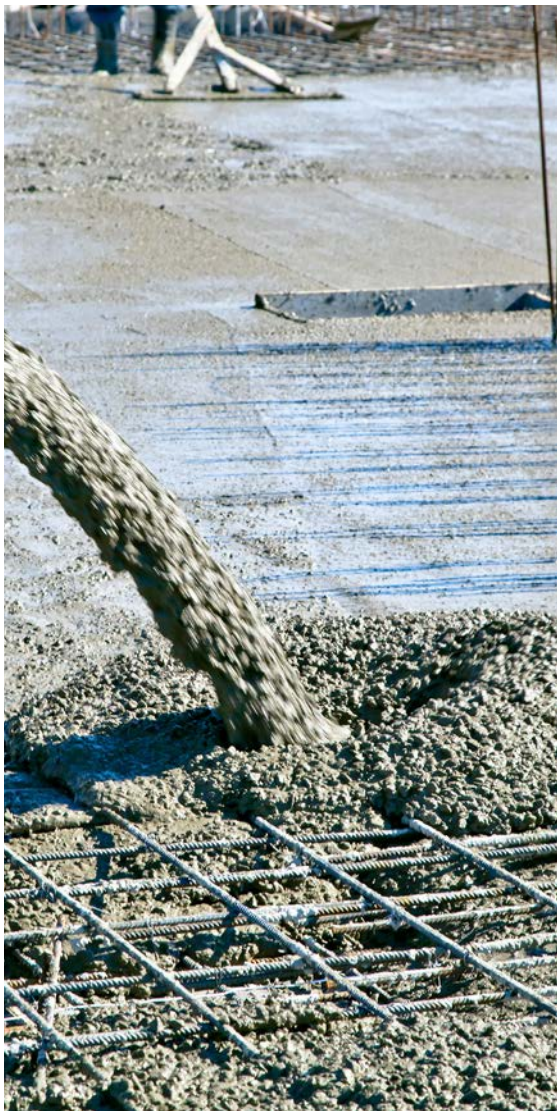
The government has shown a strong focus in rural and low-cost housing segment resulting in the sanctioning of ~10 mn houses under the PMAY Scheme. The central and eastern regions have been leading in terms of the number of houses getting sanctioned, majorly driven by states like Madhya Pradesh, Uttar Pradesh and West Bengal. According to Government data, the execution rate has also seen uptrend under this scheme.

## Rural Housing

Rural and Individual Housing segment has witnessed strong demand over the last few quarters. The trend is likely to continue given the Government's impetus on improving agriculture production and better pricing for farmers.

## Public Infrastructure

Government's has a clear focus on infrastructure development. Various infra projects like Freight Corridors, Metro rail projects, Sagarmala Project, Bharatmala Project, Airports & ports development, National Highways should aid cement demand going forward.



## The Ready Mixed Concrete (RMC) Industry:

The RMC industry has witnessed a remarkable growth in the global market. Globally the RMC market is expected to reach ~US$ 625 Billion by 2025 growing at a CAGR of ~6%. The demand for commercial buildings such as offices, schools, colleges, hospitals and shopping malls are increasing owing to rapid economic development and modernisation while also fuelling this market demand over the upcoming years.

On the other hand, the total production of RMC in India stands at 10-12% of total cement consumption volume which is much lesser as compared to many developed countries where it contributes 55-70% of total cement consumption volume. The RMC industry is quite fragmented as the unorganised players hold ~53% of the market share. Despite moving at a steady pace, the ready-mixed concrete business in India offers substantial growth and value creation potential.

With broader acceptability in the metropolitan and Tier I cities, the RMC industry is gradually gaining importance in Tier II and III cities. There is a rise in demand for RMC due to ease of operation as compared to site mixing as well as high thrust on quality as being demanded by the consumers. With the increasing number of high rise towers and infrastructure projects, the RMC industry has to keep on innovating and developing newer technology. The time constraints placed upon infrastructure development projects in the urbanised economies is creating a high demand for RMC.

The industry is expected to expand being backed by a growing number of infrastructure projects, including bridges, roads, dams, and airport expansion projects. The Indian government's large-scale infrastructure and housing projects such as Bharatmala Pariyojana, Sagarmala, Smart Cities Mission and Pradhan Mantri Awas Yojana (PMAY) are likely to boost the demand for RMC.

## Tiles Industry:

The global ceramic tile industry is envisaged to grow at a CAGR of 3-5% over the next few years on account of increasing residential segment across Asian markets. Ceramic Tiles today have become an integral part of home improvement with increased demand across categories such as roofing, ceiling, wall and floor tiles. With industrialisation, rising urbanisation rates and inflating per capita income, the market for the ceramic tiles industry has increased significantly. Residential, commercial and industrial sectors are further escalating the demand for flooring products like ceramic tiles. China is one of the largest producers, consumers and exporters of ceramic tiles. The Indian ceramic tile industry on the other hand has recorded phenomenal growth in terms of capacity, technology advancement, product portfolio and its structure during the last decade. The installed capacity has increased substantially on account of inherent advantages like the abundance of raw materials from indigenous sources, advanced infrastructure and low labour cost. India overtook Brazil to become the second largest country in terms of production and consumption of ceramic tiles and have seen continued growth coming in 2019.

According to market estimates, the domestic tiles industry market saw a relatively subdued growth during FY19 and reached a market size of ~₹ 300 Billion. The ceramic tiles market in India is expected to reach ~₹ 502 Billion by the end of 2023. The overall growth in consumption of ceramic tiles in India is due to the growing middle-class population, rising per capita income and urbanisation.

The market in India has a very large unorganised sector for tiles. Morbi in Gujarat accounts for 65-70% of total production in India and houses over 600 production units. The National Green Tribunal recently passed an order directing ceramic units in Morbi and Wankaner to shut down coal gasifiers. This is a positive step for organized and branded players as compliance and competitive intensity increases for players using coal gasifiers in the past.

The growth of the organised segment is also driven by the increasing regulations in the ceramic tile industry, a structural shift in customer preference towards branded products, and increasing focus on value-added products.

## Sanitary Ware and Bath Fittings:

The bathroom products segment could be broadly classified into Sanitaryware and Faucets. With technological advancements, the bathroom fixtures have witnessed a significant evolution in the last few years. Moreover, this industry has seen an inclination in terms of strong demand from the real-estate industry in both residential and commercial space. The Indian sanitary ware and faucets industry stands at ₹ 11,000 Crores and is growing at a CAGR of 12-15%.

The domestic sanitaryware market has witnessed the entry of numerous foreign players with a wide array of premium range products. These high-end products, are now considered as lifestyle products, and consumers attach significant importance to their choice of brand and model.

The demand for bath fittings and accessories in India is primarily driven by growing personal disposable income, urbanisation, improving consumer awareness and even a higher consumer involvement in the selection of these luxury products. Further, the replacement demand continues to grow at a steady pace driven by innovations and bathroom upgradation aligning to the emerging trends of the market. The sanitaryware industry is skewed mainly towards organised players and is estimated to pose a favourable growth backed by proactive government policies for higher sanitation levels, demographic and economic trends and development of urban infrastructure.

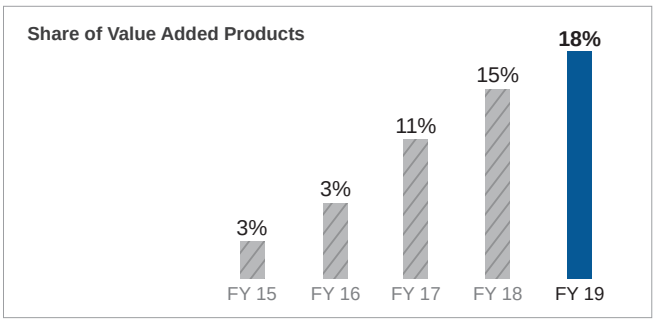
# SEGMENT REVIEW

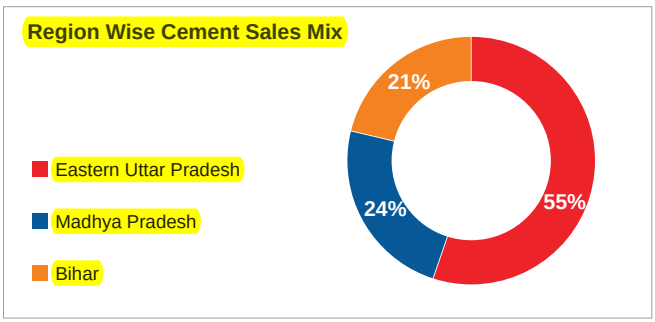
## Prism Cement

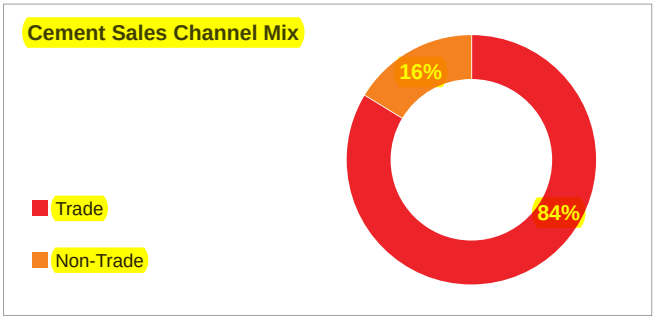
As mentioned earlier, last year saw double digit volume growth for cement industry. The cement industry in India is moving at a steady pace, and more so in the "Satna Cluster" in Central India. We at Prism Cement, are well placed to reap the benefits from the growing demand and higher utilization levels in the Cluster. The company has its units at Satna in Madhya Pradesh (Central India) with an annual manufacturing capacity of 7 MT. The Company manufactures Portland Pozzolana Cement under three different brand names - 'Champion', 'Champion Plus', and 'DURATECH'. We sell our products in Eastern Uttar Pradesh, Madhya Pradesh and Bihar with an average lead distance of 391 km for cement from our plant, in Satna, Madhya Pradesh.

During the year, our cement and clinker segment volumes have increased by 11%. This boost in volumes leads to higher capacity utilisation levels. We maintain and operate an extensive marketing network of more than 3,700 dealers serviced from about 200 stock points.

Over the last few years, the Company has made strategic initiatives to fully optimize its logistics cost and improve the local availability of its products to its markets. The Company has plans for Greenfield expansion in Kurnool District, Andhra Pradesh for which the Company has ~3,000 acres of land in possession and limestone reserves are secured.



## Operational Review:

- During the year, the Company sold 62.7 Lakh Tonnes of cement and clinker as compared to 56.4 Lakh Tonnes in the FY18, an increase by 11%.
- Despite facing several cost pressures, the Division has seen an improvement in its operating performance with EBIDTA per Tonne of ₹ 834 in FY19 as compared to ₹ 619 in FY18.
- Our premium products 'Duratech' and 'Champion Plus' contributed 18% in FY19 of overall volumes as compared to 15% in FY18.
- Commissioning 15MW of Solar Power by end of Q1FY20, Further addition of 15MW planned during FY20.
- Order for 22.5MW WHRS was placed, capex of less than ₹ 200 Crores, commissioning by June 2020.

## Financial Review:

| Particulars | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|---|---|
| Sales volume (Cement & Clinker) - Lakh tons | 62.7 | 56.4 | 54.1 | 52.9 | 56.2 |
| Revenues (₹ Crores) | 2,773 | 2,372 | 2,009 | 1,886 | 2,201 |
| EBITDA (₹ Crores) | 523 | 349 | 306 | 197 | 230 |
| Margin (%) | 18.9 | 14.7 | 15.3 | 10.4 | 10.4 |
| EBITDA per Ton (₹) | 834 | 619 | 567 | 372 | 410 |

Notes:

- FY16 to FY19 are as per IND-AS.
- FY15 is as per IGAAP.
- All numbers mentioned herein exclude clinker sales for third-party processing, if any.
- Previous year's numbers are re-grouped wherever necessary.

# CEMENTING RELATIONSHIP

## Ready Mixed Concrete (India)

Prism RMC was set up in 1996 and is one of the leading RMC manufacturers in India. The division currently operates in 97 ready mixed concrete manufacturing plants across 44 cities / towns in India. RMC (India) has successfully penetrated in its existing markets and continues to explore newer markets in the infrastructure segment. RMC has a backward integration in aggregates business and operates quarries and crushers. The Division has 5 quarries across the country.

The Commercial Concrete Vertical is Prism RMC's core business which not only caters to the needs of metro cities and semi-urban areas, but also serves as a steadfast contributor to the prolific development of urban India. RMC (India) as always has been leading the way and setting higher standards for plant and machinery, production and quality systems in the ready mixed concrete industry. We have always prioritized in providing a high level of quality assurance to our customers. To adhere to strict quality checks, our RMC division has got its technical laboratories accredited by NABL.

### RMC Specials Value-added Concrete:

- Dyecrete® comprises an eye-catching array of concrete that are suitable for a wide variety of architectural and decorative applications.
- Perviouscrete® is 'Rainwater harvesting' concrete.
- FRCcrete® is fibre reinforced concrete. Fibres include steel, glass or synthetic fibres. Used in terrace slabs, warehouses, container yards, railway platforms, airports etc.
- Repaircrete™ ready to use wet Micro Concrete (M40 & M60) for structural strengthening & retrofitting. It eases concreting in areas with limited accessibility.
- Elitecrete® is light-weight concrete with densities varying from 800 to 1800 kg/m3.

### Operational Review:

- Volume growth of 14% on the back of pick-up in few pockets of real estate and infrastructure, especially road construction.
- EBITDA growth of ~36%.
- Strong order book in Mega vertical, catering to infrastructure sector.
- First Ready Mixed Concrete manufacturer in India to receive Quality Management System certification from Bureau of Indian Standard (BIS) for design, production and supply of Ready Mixed Concrete including special concrete at Ghatkopar Plant.
- Focusses on O&M segment and an effective cost management program in place.
- Promotion of sales of its value-added products and increasing sales in Individual House Building segment.
- Accreditation provided by NABL Labs.

### Financial Review:

| Particulars | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|---|---|
| Revenues (₹ Crores) | 1,481 | 1,364 | 1,229 | 1,288 | 1,204 |
| EBITDA (₹ Crores) | 38.5 | 28 | 38 | 52 | 30 |
| Margin (%) | 2.6 | 2.0 | 3.1 | 4.0 | 2.5 |

Notes:

- FY16 to FY19 are as per IND-AS.
- FY15 is as per IGAAP.
- Previous year's numbers are re-grouped wherever necessary.

# DEMAND FORERUNNER

**Elitecrete®**

**Dyecrete®**

**Repaircrete™**

**FRCcrete®**

**Perviouscrete®**

## H & R Johnson (India)

H & R Johnson (HRJ) is the pioneer of ceramic tiles in India.In its existence of over six decades, this division aims to provide complete solutions to its customers across various product categories. HRJ is known for providing end-to-end lifestyle solutions covering Tiles, Sanitaryware & Bath Fittings, Engineered Marble, and Quartz. The Divison's tiles and bathroom products are principally sold under four strong brands of Johnson, Johnson Marbonite, Johnson Porselano and Johnson Endura. Today, we are a brand name that's closely associated with high-quality design-led products.

HRJ has a capacity of over 68 mn sq. mtr per annum spanning across 13 manufacturing plants across the country which is one of the largest manufacturing capacity in India. During the year, we have opened 6 more large format display centres, taking the total to 11 display centres. This division continues to invest on marketing and distribution networks to scale up the demand of its premium products and increase its utilization levels and efficiencies.

### Operational review:

- Volume growth of 4% despite floods in Kerala and transportation strike affecting JV sales and operations.
- 11 display centres in operation across India.
- Covering White Spaces and Cost management program.
- H & R Johnson (India) Smart Tiles is selected as a Consumer Superbrands in 2019.
- Johnson Endura selected as a Business Superbrands in 2019.
- Johnson Marble & Quartz selected as Consumer Superbrands 2019.

### Financial Review (Consolidated):

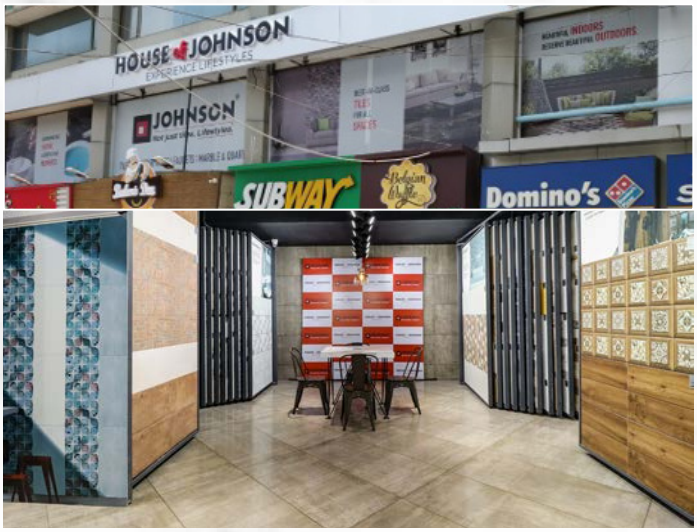
| Particulars | FY19 | FY18 | FY17 | FY16 | FY15 |
|---|---|---|---|---|---|
| Revenues (₹ Crores) | 1,827 | 1,685 | 1,715 | 2,228 | 2,227 |
| EBITDA (₹ Crores) | 59.9 | 63 | 8 | 77 | 78 |
| Margin (%) | 3.3 | 3.7 | 0.5 | 3.4 | 3.5 |

Notes:

- FY16 to FY19 are as per IND-AS. FY17 to FY19 revenue figures are net of Excise / GST.
- FY15 is as per IGAAP.
- Previous year's numbers are re-grouped wherever necessary.

# CUSTOMER ENGAGEMENT

Calicut




Ahmedabad

Thane

Ernakulam

Raipur

Lucknow

BEST IN CLASS TILES FOR ALL SPACES.
JOHNSON
Not just tiles, Lifestyles.
BEDROOM FLOOR TILES
LIVING ROOM WALL & FLOOR TILES
GERM-FREE WALL & FLOOR TILES (BATHROOM & KITCHEN)
KITCHEN DADO & FLOOR TILES
BATHROOM ANTI-SKID FLOOR TILES
SWIMMING POOL TILES & FITTINGS
BEDROOM WALL TILES
CLADDING TILES (EXTERNAL & INTERNAL)
SPLITS & SLABS
DESIGNER TILES (INDOOR & OUTDOOR)
STEP TILES & RISERS
GARDEN & PATHWAY TILES
PARKING & PAVER TILES
COOLROOF TILES
With endless textures, finishes, colours and sizes, Johnson brings to you the widest range of tiling solutions. From living rooms, kitchens to bathrooms, from outdoors, car parks, swimming pools to commercial and industrial floors, Johnson has a tiling solution for every space.
JOHNSONTILES
JOHNSON MARBONITE
JOHNSON ENDURA
JOHNSON PORSELANO

Let nature come knocking!
Presenting the widest range of splits with a touch of nature.
In finishes that range from wood to marble to stone, Porselano Splits look as natural as nature itself. More durable than hardwood flooring and much easier to maintain too. Porselano Splits are germ-free and come in a unique size of 120cm x 20cm. Now go ahead and give your home a touch of wilderness.
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India's Only Germ Free Large Format Tiles.
The latest from Johnson Porselano has a lot to brag about. And it's not just the mammoth slab sizes up to 8 x 4 feet or mesmerizing designs. The Royal Care Slabs collection comes with Johnson's unique Anti-Microbial and Stain-Free properties. With 5 size options and 4 distinct surface finishes, Johnson Porselano gives you walls and floors, that are designed to be more than just beautiful.
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Sometimes, you just can't stare blankly at a wall.
Impressive 'Wild Rock' theme by the New Spanish Collection.
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Intricate designs. Elegant finishes. Refreshing identities. 5 international themes. And so many exclusive combinations. The New Spanish Collection gives your home signature walls that will have everyone staring. Only because they are spellbound.
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# CONSOLIDATED FINANCIAL REVIEW:

During the year, net revenue from operations stood at ₹ 6,194 Crores as against ₹ 5,642 Crores in FY18, increase of ~10%, led by Cement Division, whose net revenues grew by 17% to ₹ 2,773 Crores. The HRJ Division revenues grew by ~8% to ₹ 1,827 Crores while the RMC Division revenues increased by 9% to ₹ 1,481 Crores. Overall EBIDTA grew by ~36% to ₹ 601 Crores in FY19 as compared to ₹ 443 Crores in FY18. EBIDTA margins were at 9.7% in FY19 as compared to 8% in FY18. Profit before Tax and Profit after Tax nearly doubled to ~₹ 201 Crores and ~₹ 110 Crores respectively. The three core Divisions Cement, HRJ and RMC (India) reported Return on Capital Employed of 25.7%, 0.4% and 10% respectively.

Significant changes (i.e. change of 25% or more as compared to last year) in key financial ratios and explanations:

| Sr. No. | Particulars | FY18-19 | FY17-18 | % change |
|---|---|---|---|---|
| 1 | Debtors Turnover Ratio (days) | 43.18 | 43.78 | -1% |
| 2 | Interest Coverage Ratio (%) | 30.85 | 42.05 | -27% |
| 3 | Current Ratio (x) | 0.78 | 0.69 | 13% |
| 4 | Debt Equity Ratio (x) | 1.24 | 1.45 | -14% |
| 5 | Operating Profit Margin (%) | 9.44 | 7.97 | 18% |
| 6 | Net Profit Margin (%) | 2.44 | 1.26 | 94% |
| 7 | Return on Net Worth | 12.78 | 6.86 | 86% |

Explanations:

During the FY19, the Company has reported improvement in operational and financial performance. This has led to better margins and improvement in gearing and return ratios as indicated above.

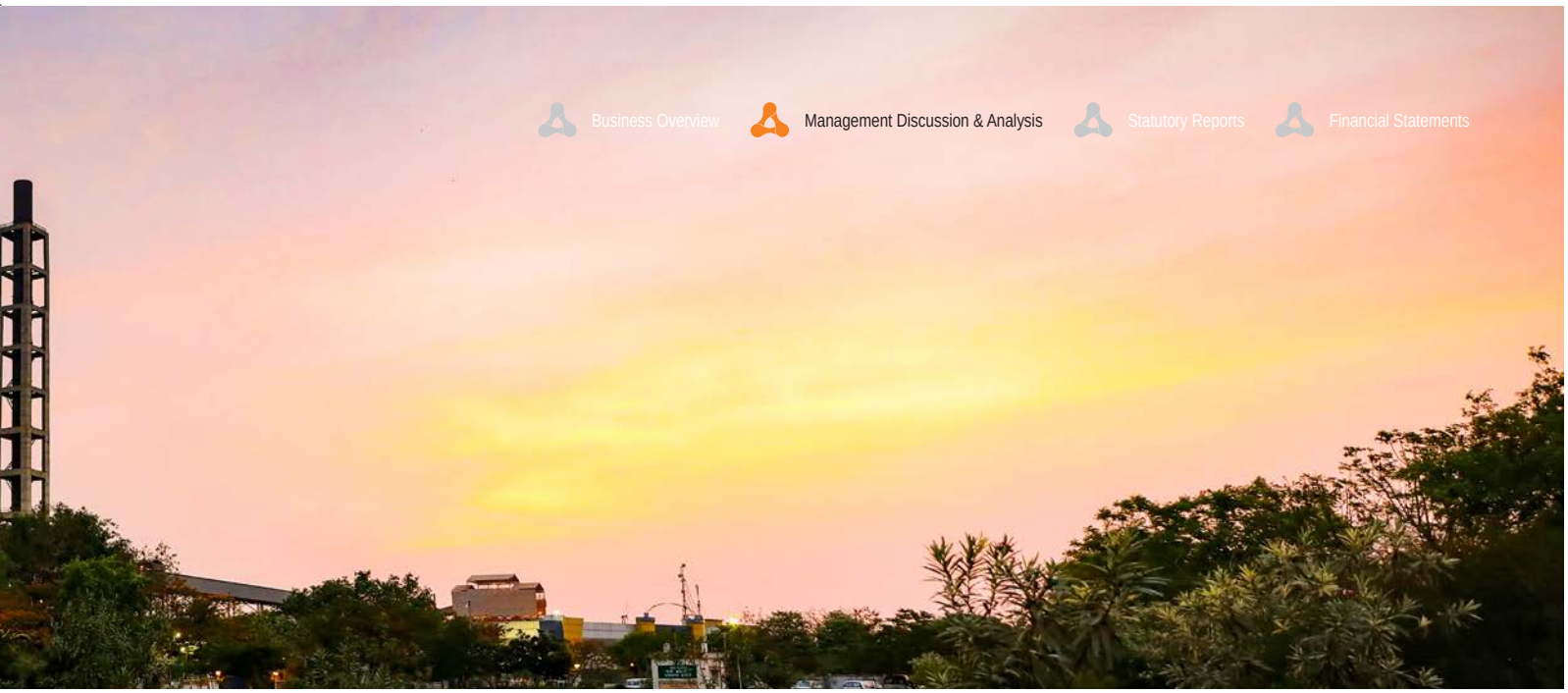
## Outlook:

Barring short term challenges in view of liquidity tightness and general slowdown due to election, the broader view on India growth outlook remains robust. Over medium to long term, the Government focus is clear on infrastructure development, overall improvement in rural economy, greater focus on policy implementation and employment generation by pushing growth in real estate and construction segment amongst others.

The Government's focus on infrastructure development is relentless. Expenditure outlays for roads & highway construction, ports and airport development, railways and irrigation have been ever increasing. As highlighted the "Housing For All by 2022" and PMAY schemes have gained momentum in terms of sanctions and execution. Various other infra projects like Freight Corridors, Smart Cities, Metro rail projects, Sagarmala Project, Bharatmala Project, etc should further aid demand for cement, tiles and ready mix concrete.

The commercial, rural & individual housing segment has been doing well. While few pockets of urban housing has seen pick-up in volumes, we are yet to see broad based recovery in urban housing. The prediction of above average monsoons favours the demand growth for all the three divisions.

With increase in capacity utilization levels, Cement Division is poised to do well going forward. The three States – Uttar Pradesh, Madhya Pradesh and Bihar, where the Division sells cement continues to invest in infrastructure



development. The Government's continued emphasis on improving the agricultural productivity, farm income and rural infrastructure strengthens the cement demand in the Central and Eastern regions in the medium to long term. Initiatives such as the Waste Heat Recovery System and commissioning of solar power plants will help in reducing the overall production cost. The Cement Division's capital employed is at a level of ~$ 32 per tonne. This would lead to higher return on capital employed as utilization levels go up.

The HRJ division continues to invest in expanding its distribution networks, creating a strong brand image in the minds of its customers, increasing the premium product mix in its tiles and bathroom segment. The Division continues its demand generation activities such as influencer engagement and opening six more large format display centres in different parts of the country. The recent NGT ban on using coal gasifiers in Morbi should aid organized and branded players.

The Ready Mixed Concrete industry has a positive outlook due to above mentioned construction and infrastructure segment. The need for affordable housing is also expected to boost demand in Tier II and Tier III cities. Mega Project Vertical continues to enjoy strong order book. The Division has taken measures, which going forward should help improve operational efficiency and productivity. Significant increase in cement prices though may put pressure on margins in the short term.

PRISM JOHNSON as a Company at its core will strengthen its focus on value added products which leads to a better product mix, maximize its utilization levels in all the three divisions, tap unrepresented markets across different regions, focus on cost optimization, thereby maximising value for our shareholders and customers.

## Risks and Concerns

### Economic Risk:

A rise in an economic slowdown would adversely affect the real estate and infrastructure sector and that would highly impact the Company's performance.

### Measures:

The Company has strategies to gauge the economic environment and tries to minimize the risks.

### Political Risk:

The growth of the Company will be greatly affected if there would be delays in the Government approvals for giving clearances to the project, land approvals and others.

### Measures:

Prism Johnson has a diversified business segment and also caters to varied customer base. The Company is in a position to gain from Governments' initiatives to develop real estate sector, home construction and infrastructure development, especially road construction. The above measures are expected to provide ample growth opportunities for the Company.

### Credit Risk:

Payments from the existing clients can be delayed, and it could hamper the cash flows for the Company.

### Measures:

The Company has diversified customer base spread across institutional and retail clients which eliminate the risk of delay in cash flows. Prism Johnson continues to focus on working towards its capital management.

### Cost Risk:

The increase in the cost of input materials like fuel costs and competitive pricing can be a threat.

### Measures:

The Company had bought a stake in a Power Generation Company, as well as it is planning to set up Solar power plant and WHRS, hence it is expected to address the impact of the cost. The Company also has an exceptional team in place which continues to monitor the pricing of various fuels.

## Human Resource

The Human Resource division of the company has become its most essential asset as it plays a key role in hiring, training, managing and retaining employees to build a group of talented workforce, working diligently towards the growth of the organization. With professionals at helm, your company is playing a significant role in recognising Human Capital and is well-aligned with its goals and objectives. The company went through a transformation in the HR department and started the "Employer of Choice" initiative by creating employee value through continuous learning, opportunities for career progression and efforts to develop leadership qualities.

### Capability Building and Skill Development

The company has launched multiple programs through training modules and workshops for skill development of its employees which help them to gear up with the latest techniques at the place of business. During the year the company recruited 114 management and graduate sales trainees along with 248 fresh employees to expand sales across business verticals. Multi-Skill Development programme called 'Indradhanush' was launched to help all the employees perform tasks other than their assigned role. Specific, Measurable, Achievable, Results Time Bound (SMART) based Goal/KRA setting activity was carried out for each and every employee to ensure their performance is assessed transparently.

### Sustainability and growth

Technology plays a vital role in the growth of the organisation. At Prism Johnson, we have introduced a state-of-the-art ERP system like Success Factors( SAP) that ensures speed and accuracy and provides superior employee experience. This initiative has been branded as 'SAKSHAM' and is being launched across all the three Divisions. This will leapfrog Prism Johnson into the league of organisations of Contemporary HR Practises.To enhance employee engagement, a Mobile App "UMANG" was launched for Employee Communication, Connect and Collaborative Learning.

### Employee engagement

The company strives to provide a motivating environment which makes workforce happy and highly engaged. We have taken several initiatives like Leadership Meets, Skip Level Meetings, and Top Management connect sessions at all managerial and supervisory levels. The morale of our employees has increased with the introduction of Reward & Recognition programs, Incentive schemes and Long service awards.

### Prism's Values:

During the year we launched or Values of the Organisation of 1TASC across all the three Divisions. The 1TASC values are the lifeblood of the Company by which we shall adide by and shall govern our Actions and Thoughts. During the year, there were eighteen programmes and workshops organised at plants and regional marketing offices to inculcate the culture of Prism's Value-1TASC as a 'Way of Life'. Several employees have participated in these programmes and recognised the culture of ethics and values in the organisation to make it a better workplace in all aspects.

## Internal control systems

Prism Johnson has an adequate system for internal controls to ensure effectiveness and efficiency of the operations, timely preparation and delivery of accounting records in adherence to the Company's policies. It plays a significant role in the process of risk identification and its mitigation. During the year, such controls were tested, and no reportable material weaknesses in the design or operation were noticed. The Company has taken various safety and quality control measures at all its premises.

In addition to the in-house Internal Audit team, the company has appointed external auditors to monitor the internal control system efficiently. The findings of the internal audit report are then provided to the senior management for their appropriate corrective action in case of any deficiency. A risk based program of internal audits provides assurance to the Audit Committee regarding the adequacy and effectiveness of internal controls. The company has laid down properly documented policies, guidelines and procedures for this purpose.

# CORPORATE SOCIAL RESPONSIBILITY

Prism Johnson Limited remains committed to carry the responsibility of sustainable growth by transforming the challenges it faces into value creation opportunities. The principles of sustainable growth extend to our CSR initiatives, which focus on holistic development of the local community and create social, ecological and economic value to the society.

The company has a full-fledged Medical Centre, covering Digital X-Ray, Pathology Lab, Occupational Health diagnostic equipments as well as Dentistry. It also organizes Special Mega Medical Camps, Mobile Health Van Services, 24 hours free ambulance and Child health check-up in villages free of cost.

*Company also provides sanitation blocks in nearby government schools.*

- Free treatment and medicines distributed by Mobile Health Van benefiting several patients in the region.
- 24 hours ambulance facility being provided to villagers, free of cost.
- Sponsored cataract surgery of patients from nearby villages.

We believe infrastructure development has a lasting impact and drives society towards growth. In a step towards this direction, building WBM roads & PCC roads, construction of cremation sheds and other rural infrastructure developments works are carried out. We have constructed cremation sheds at Tapa village and construction at Chulhi village for cremation sheds is in progess.

The company is aware about its environment sustainability and responsibility. For conservation of environment the company works towards planting of saplings in villages and mine areas. It also provides saplings to villagers and students, grouting tree guards and conducts awareness programs on environment sustainability.

- Caring of 11,000 plants at road side from Hinauti turning to Hinauti village is adopted as continual activity.

The company has been distributing clean water supply to the community by distributing bore well water through mobile tankers and operates water booths at strategic points in villages in the peak of summer season. Installation of hand pumps, cleaning of rivers, deepening of pond and construction of water harvesting structures are the focus area of the company.

- During the year the company supplied water tanks and installed pump house at Baghai village.
- Installation of submersible pump with sinking of bore well with construction of pump house at Baghai village.

The company recognizes women empowerment as a priority segment. Hence, the company arranges different vocational trainings like beautician course, papad and pickle making. For the unemployed youth, the company arranges drivers training, basic computer training and farmers training for agriculture development.

- Permanent driving license to incumbents from nearby villages has issued. Practical driving training on simulator and vehicle is also provided.
- Imparted training to farmers, for new researches and techniques applied in the field of agriculture, in association with Farm Science Centre, Majhgawan, Satna (M.P).

The company is creating social awareness on health, education, gender equality, environment, water conservation and drug abuse by slogan writing. Moreover, supporting schools by developing infrastructures, distribution of uniforms as well as by providing furniture to government schools in nearby villages.

- It has contributed bookshelves and reading materials at Government Degree College Rampur Baghelan.

Promoting a healthy life style amongst youths of adjoining villages, the company plays a significant role to enhance sports activities by sponsoring different tournaments like cricket, football, badminton, volleyball etc. Development of playgrounds and sport facilities in rural areas is also carried out.

- Provided financial assistance to organize All India Independence Football Tournament at Nagod, Satma (M.P.).

The company is supporting charitable trusts, NGO's and other such other institutions engaged in social welfare and development activities. The company is also providing their support to overcome natural calamities and disasters by rescuing marooned villagers, providing logistics, food & shelters as well as medical aid.

# REPORT ON CORPORATE GOVERNANCE

## Company's Philosophy on Corporate Governance

The Company is committed to good corporate governance by maintaining a simple and transparent corporate structure, which promotes the long-term interests of stakeholders, strengthens Board and management accountability and helps build public trust in the Company. The Company and its Board of Directors firmly believe that strong governance is integral to creating value on a sustainable basis while considering the interests of other entities impacted by the Company – employees, the environment and even communities.

The Board of Directors has established processes which provide a framework for the effective governance of the Company. The practices mandated by the regulations are adopted and the Company has established its procedures and systems in order to remain always compliant.

## 1. Board of Directors

### Composition and Attendance

i. The Board has a good mix of Executive and Non-executive Directors including Independent Directors. It consists of Directors with the appropriate balance of skills, experience, independence and knowledge of the Company which enable it to discharge its responsibilities and provide effective leadership to the business. The Non-executive Directors and Independent Directors on the Board are experienced, competent and renowned persons from the fields of manufacturing, finance, economics, law, etc.

ii. As on March 31, 2019, the total strength of the Board is eight Directors comprising four Executive Directors and four Non-executive Directors, of which three are independent. The Chairman of the Board is a Non-executive Independent Director.

iii. During the year ended March 31, 2019, eleven Board Meetings were held on April 7, 2018, May 29, 2018, July 5, 2018, July 27, 2018, August 17, 2018, August 27, 2018, September 27, 2018, October 31, 2018, November 12, 2018, February 6, 2019 and March 15, 2019.

iv. None of the Directors on the Board is a member on more than ten Audit Committees/Stakeholders Relationship Committees of public listed companies and Chairman of more than such five Committees across all the public listed companies in which he/she is a Director.

v. None of the Directors serves as a director in more than eight listed entities. None of the Directors serves as an Independent Director in more than seven listed companies. None of the Executive Directors serves as an Independent Director in more than three listed companies.

vi. None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

vii. None of the Directors have any *inter se* relation among themselves and/or with any employee of the Company.

viii. The following table gives details for the financial year 2018-19 of Directorship, Category, attendance at Board Meetings and at the last Annual General Meeting and number of memberships of Board/Committees of other public companies :

| Name & Designation | Category of Directorship | DIN | Particulars of Attendance | | * Number of Directorship(s) held in Indian public limited companies (excl. Prism Johnson Limited) | ** Committee(s) position (excl. Prism Johnson Limited) | |
|---|---|---|---|---|---|---|---|
| | | | Board Meeting | Last AGM | | Member | Chairman |
| Mr. Shobhan M. Thakore *Chairman* | Non-executive Independent | 00031788 | 9 | Yes | 8 | 7 | 2 |
| Mr. Rajan B. Raheja | Non-executive Non-independent | 00037480 | 9 | No | 4 | 1 | – |
| Mr. Vijay Aggarwal *Managing Director* | Executive Non-independent | 00515412 | 9 | Yes | 5 | 2 | 3 |
| Mr. Vivek K. Agnihotri *Executive Director & CEO (Cement)* | Executive Non-independent | 02986266 | 7 | Yes | – | – | – |

| Name & Designation | Category of Directorship | DIN | Particulars of Attendance | | * Number of Directorship(s) held in Indian public limited companies (excl. Prism Johnson Limited) | ** Committee(s) position (excl. Prism Johnson Limited) | |
|---|---|---|---|---|---|---|---|
| | | | Board Meeting | Last AGM | | Member | Chairman |
| Mr. Atul R. Desai<br>*Executive Director & CEO (RMC)* | Executive Non-independent | 01918187 | 8 | Yes | – | – | – |
| Mr. Sarat Chandak $<br>*Executive Director & CEO ( HRJ)* | Executive Non-independent | 06406126 | 1 | N. A. | – | – | – |
| Ms. Ameeta A. Parpia | Non-executive Independent | 02654277 | 11 | Yes | 3 | 3 | 2 |
| Dr. Raveendra Chittoor | Non-executive Independent | 02115056 | 3 | Yes | – | – | – |
| Mr. Joydeep Mukherjee #<br>*Executive Director & CEO ( HRJ)* | Executive Non-independent | 06648469 | 8 | Yes | – | – | – |

* *Excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.*

** *Only Audit Committee and Stakeholders Relationship Committee positions considered.*

$ *Appointed w.e.f. March 3, 2019.*

\# *Resigned on March 2, 2019.*

ix. Names of the listed entities in which directorship is held :

| Name of the Director | Name of the Company | | Category |
|---|---|---|---|
| Mr. Shobhan M. Thakore | 1. | Alkyl Amines Chemicals Limited | Non-executive Independent |
| | 2. | Bharat Forge Limited | |
| | 3. | Morarjee Textiles Limited | |
| | 4. | Sharda Cropchem Limited | |
| Mr. Rajan B. Raheja | 1. | Exide Industries Limited | Non-executive Non-independent |
| | 2. | Supreme Petrochem Limited | Non-executive Promoter |
| Mr. Vijay Aggarwal | 1. | Aptech Limited | Non-executive Independent |
| | 2. | Exide Industries Limited | |
| Ms. Ameeta A. Parpia | 1. | Supreme Petrochem Limited | Non-executive Independent |
| | 2. | Hathway Cable & Datacom Limited | |

**Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) for it to function effectively and those actually available with the Board**

The Board is responsible for ensuring that it has represented on it the skills, knowledge and experience needed to effectively steer the Company forward. Building the right Board requires an understanding of Director competencies, which involves consideration of the Directors' experience, skills, attributes and capabilities. It is important to acknowledge that not all Directors will possess each necessary skill, but the Board as a whole must possess them.

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), the core skills/ expertise/competencies identified by the Board of Directors as required in the context of the Company's businesses for it to function effectively and those available with the Board are broadly categorised as follows :

| | |
|---|---|
| **Governance & Expertise** | Ability to think strategically; analyse key financial statements; safeguard the interest of the Company and guide on complex legal issues; knowledge and practical experience in best practices pertaining to transparency, accountability, corporate governance keeping in view the best interest of all stakeholders and a broad range of commercial/business experience. |
| **Technical/Industry Skills** | Knowledge of and experience in the building material industry/cement/ ready mixed concrete/tile and bath industry/infrastructure industry, experience in marketing products and services. |
| **Behavioural competencies** | Integrity, leadership skills, high ethical standards, communication and interpersonal skills, adaptability, decision making abilities, etc. |

**Board Meetings**

The Board meets at regular intervals to review, *inter alia*, the financial performance of the Company and on other matters requiring its decisions and directions. The tentative yearly calendar of the meetings is finalised before the beginning of the year. Additional meetings are held as and when necessary. The Chairperson of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meetings.

The agenda for the Board and its Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision and in exceptional cases, additional items of agenda are tabled at the meeting. However, in case of special and urgent business needs, the Board/Committee approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board/Committee meeting.

The Company has developed an in-house application for transmitting Board/Committee agenda and supporting documents. The Directors of the Company receive the agenda and supporting documents in electronic form through this application. The application meets requisite standards of security and integrity that is required for storage and transmission of Board/Committee agenda and supporting documents in electronic form.

The Independent Directors take active part at the Board and Committee meetings by providing valuable guidance to the Management on various aspects of the business, policy matters, governance, compliance, etc. and strategic issues which aid in the decision making process of the Board.

The Board periodically reviews matters such as strategy and business plans, annual operating and capital expenditure budgets, adoption of quarterly/half-yearly/annual financial results, investors' grievances, borrowings and investments, issue of securities, compliance certificates, minutes of meetings of the Committees of Directors of the Board and the subsidiary companies including agenda suggested in Schedule II to the SEBI LODR and to the extent applicable. A detailed operations report is also presented at quarterly Board Meetings.

The Company Secretary and the Chief Financial Officer are invited to attend all the Board Meetings.

**Independent Directors**

- **Familiarisation**

  The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Upon appointment, Directors receive a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

  Presentations are regularly made to the Board Members covering, *inter alia*, business environmental scan, the business strategies, operations review, quarterly/ half-yearly/annual financial results, budgets, review of internal audit reports, statutory compliances, risk management, operations of subsidiaries and joint ventures, etc. In addition, the Independent Directors are also taken through various business and functional sessions in the Board meetings to discuss strategy.

  The details of familiarisation programme for Independent Directors have been disclosed on the website of the Company www.prismjohnson.in/ investors/disclosures-under-SEBI-LODR-regulations/ policies.

- **Meeting**

  During the year under review, a meeting of the Independent Directors of the Company was held on February 5, 2019, *inter alia*, to discuss the evaluation of the performance of Non-independent Directors and the Board as a whole, evaluation of the performance of the Chairman of the Company, taking into account the views of Executive and Non-executive Directors and evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Directors expressed their satisfaction with the evaluation process and the performance was found to be satisfactory.

  The meeting was attended by Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore.

- **Confirmation of Independence**

  Based on the declarations received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI LODR and the Companies Act, 2013 ('the Act') and are independent of the management.

**Governance Codes**

**a. Code of Conduct**

The Board of Directors of the Company has laid down two separate Codes of Conduct – one for Directors and the other for Senior Management & Employees. These Codes are hosted on the Company's website www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director is annexed to this report.

**b. Insider Trading Code**

In compliance with the SEBI Regulations on prohibition of insider trading, as amended from time to time, the Company has adopted the following Codes :

i. Code of Conduct for Prohibition of Insider Trading in Securities of Prism Johnson Limited to regulate, monitor and report trading by Insiders, Designated Persons and their immediate relatives and such other persons to whom this Code is applicable.

ii. Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code is uploaded on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

iii. Policy and Procedures for Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information.

The Codes, *inter alia*, prohibit trading in the securities of the Company by Designated persons and their immediate relatives/insiders while in possession of unpublished price sensitive information in relation to the Company.

## 2. Board Committees

The Board has constituted Committees to deal with specific areas and functions which concern the Company and require closer review. The constitution of the Committees, fixing of terms of reference, appointment of members, etc., are determined by the Board. Recommendations of these Committees are submitted to the Board for approval. These Committees meet from time to time and the minutes of their meetings are periodically placed for the review of the Board.

Apart from the Board members, the Chief Financial Officer is invited to attend the the Committee Meetings. Other senior management executives and advisors/ consultants are called as and when necessary, to provide additional inputs for the items being discussed by the Committee(s).

The Company Secretary acts as the Secretary to all the Committees.

The Board currently has the following Committees :

### A. Audit Committee

The Audit Committee of the Company is constituted pursuant to the provisions of the Act and the SEBI LODR. As on March 31, 2019, the Audit Committee comprised of three Non-executive Independent Directors viz. Ms. Ameeta A. Parpia - Chairperson, Mr. Shobhan Thakore and Dr. Raveendra Chittoor. All the members have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee has met seven times during the year ended March 31, 2019 on May 28, 2018, May 29, 2018, July 27, 2018, October 30, 2018, October 31, 2018, February 5, 2019 and February 6, 2019. The details of attendance of the Committee Members are as follows :

| Name of Member | Category | No. of Meetings |
|---|---|---|
| Ms. Ameeta A. Parpia | Non-executive Independent | 7 |
| Mr. Shobhan M. Thakore | Non-executive Independent | 7 |
| Dr. Raveendra Chittoor | Non-executive Independent | 5 |

The terms of reference of the Audit Committee cover the matters specified in Section 177 of the Companies Act, 2013 to, *inter alia*, include :

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statements and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.

- Evaluation of internal financial controls and risk management systems.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.

The terms of reference and powers of the Committee are also in accordance with the requirements of the SEBI LODR and, *inter alia,* include :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to auditors for any other services rendered by them.
- Review of the internal control systems with the management, internal auditors and auditors.
- Review with the management the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, disclosure of related party transactions, qualifications in the draft audit report, if any, compliance and other legal requirements concerning financial statements.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review the functioning of the Whistle Blower mechanism.
- Review and discuss with the Management the internal financial controls and risk management systems.
- Review transactions with related parties and grant omnibus approval for transactions which are in the normal course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board, wherever necessary.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- Review financial statements and investment of unlisted subsidiary companies.
- Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments.
- Any other terms of reference as may be included from time to time.

The Committee has, during the year ended March 31, 2019, reviewed each area as laid down in the terms of reference stipulated by the Board and the applicable regulations.

The representative of the Auditors is invited to all the Audit Committee Meetings which have been attended by them. The representatives of the Internal Auditors and the Cost Auditors are invited for the Audit Committee Meetings at which their respective reports are placed. All the Audit Committee Meetings are generally attended by Senior Management Executives of the Company.

### B. Nomination & Remuneration Committee

As on March 31, 2019, the Nomination & Remuneration Committee ('NRC') comprises of three Non-executive members of the Board viz. Ms. Ameeta A. Parpia - Chairperson, Mr. Rajan B. Raheja and Dr. Raveendra Chittoor.

The terms of reference are as per the Act and the SEBI LODR and, *inter alia*, include the following :

a. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

b. Formulate and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c. Formulate the criteria for evaluating the performance of the Independent Directors and the Board of Directors.

d. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

e. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

During the year ended March 31, 2019, two meetings of the NRC were held on May 29, 2018 and February 6, 2019. The details of attendance of the Committee Members are as follows :

| Name of Member | Category | No. of Meetings |
|---|---|---|
| Ms. Ameeta A. Parpia | Non-executive Independent | 2 |
| Mr. Rajan B. Raheja | Non-executive Non-independent | 2 |
| Dr. Raveendra Chittoor | Non-executive Independent | 1 |

**Evaluation**

In accordance with the provisions of the Act, the SEBI LODR and the Policy framed by the Board for Performance Evaluation, the Board has carried out the annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Independent Directors was carried out by the entire Board with regard to performance and fulfilment of the independence criteria as specified in the regulations and their independence from the management. The performance evaluation of the Chairman, the Non-independent Directors and the Board as a whole was carried out by the Independent Directors.

The structured questionnaires as formulated by the NRC and prepared in line with the SEBI Guidance Note on Board Evaluation covering various aspects such as structure, attendance at the meetings, participation and contribution, functions, knowledge and competency, initiative, commitment, team work, discussions at the Board/Committee Meetings, understanding of the business of the Company, strategy and quality of decision making, etc. were used for the said purpose. The Directors expressed their satisfaction with the performance and the evaluation process.

**Remuneration Policy**

The objective of the Remuneration Policy of the Company for members of the Board of Directors, Key Managerial Personnel, Senior Management and other Employees is to focus on enhancing the value, to retain and motivate Employees and Directors for achieving the objectives of the Company and to place the Company in a leadership position.

The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act and criteria pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

**a. Criteria of making payments to Non-executive Directors**

The Non-executive Directors ('NEDs') shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee/General Body meetings and commission as under :

(i) The NEDs are paid sitting fees for attending the Board and Audit Committee meetings as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. NEDs are currently paid sitting fees of ₹ 50,000/- for attending every meeting of the Board and ₹ 40,000/- for attending every meeting of the Audit Committee.

(ii) Apart from this, NEDs are entitled to be paid commission not exceeding 1% of the net profits of the Company. The distribution of commission amongst the NEDs shall be approved by the NRC/ Board.

(iii) The details of sitting fees paid and payment of commission provided for NEDs for the year ended March 31, 2019 is as under :

**₹ Crores**

| Name of Director | Sitting Fees | Commission | Total |
|---|---|---|---|
| Mr. Rajan B. Raheja | 0.05 | – | 0.05 |
| Ms. Ameeta A. Parpia | 0.08 | 0.15 | 0.23 |
| Mr. Shobhan M. Thakore | 0.07 | 0.20 | 0.27 |
| Dr. Raveendra Chittoor | 0.04 | 0.10 | 0.14 |

Notes :

1. *Sitting fees paid for Board and Audit Committee Meetings.*

2. *The Commission for the financial year ended March 31, 2019 will be paid to Independent Directors, subject to deduction of tax, after adoption of financial statements by the Members at the AGM to be held on July 31, 2019.*

**b. Executive Directors**

- The term of office and remuneration of Managing Director and Executive Director & CEOs are subject to the approval of the NRC/Board of Directors and shareholders, as may be required and the limits laid down under the Act and Schedule V thereto, from time to time.
- The remuneration for the Managing Director and Executive Director & CEOs is designed to remunerate them fairly and responsibly. The remuneration comprises of salary, perquisites and performance based incentive, wherever applicable, apart from retirement benefits such as provident fund, annuity funds, gratuity, leave encashment, etc., as per rules of the Company and as may be mutually agreed to by the Managing Director/ Executive Director & CEO(s) and the NRC/Board.
- While considering the appointment and remuneration of the Managing Director and Executive Director & CEOs, the NRC considers the industry benchmarks, merit and seniority of the person. The NRC also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.
- The tenure of the Managing Director and Executive Director & CEOs is for three years and can be terminated by either party by giving six months' notice in writing.
- The Company does not pay any sitting fees, severance fee and no stock option is granted to the Managing Director/Executive Director & CEOs.

**Details of the remuneration paid for the year ended March 31, 2019 are as under :**

**₹ Crores**

| Name | Designation | Remuneration | Date of Appointment |
|---|---|---|---|
| Mr. Vijay Aggarwal | Managing Director | 9.69 | March 3, 2019 |
| Mr. Vivek K. Agnihotri | Executive Director & CEO (Cement) | 3.09 | August 17, 2018 |
| Mr. Atul R. Desai | Executive Director & CEO (RMC) | 2.87 | August 29, 2016 |
| Mr. Sarat Chandak * | Executive Director & CEO (HRJ) | 0.21 | March 3, 2019 |
| Mr. Joydeep Mukherjee # | Executive Director & CEO (HRJ) | 3.02 | – |

*Remuneration includes salary, allowances, perquisites, contribution to provident and annuity funds, gratuity and leave encashment on actual payment, etc. : ₹ 17.48 Crores and performance incentive : ₹ 1.40 Crores.*

* *Appointed w.e.f. March 3, 2019*

\# *Resigned on March 2, 2019*

**c. Senior Management Employees**

The Company while deciding the remuneration of the Senior Management employees takes into consideration, *inter alia*, the merit and seniority of the person, employment scenario and industry benchmarks.

The remuneration of the Senior Management employees is based on :

1. A fixed base salary – set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites – in the form of house rent allowance/ accommodation, reimbursement of medical expenses, insurance, conveyance, telephone, leave travel, etc., as may be mutually agreed and applicable as per Company rules.
3. Retirement benefits – contribution to provident fund, superannuation, annuity funds, gratuity, etc., as may be applicable as per Company rules.
4. Motivation/Reward – A performance appraisal is carried out annually and promotions/increments/ rewards are decided based on the appraisal and recommendation of the Managing Director/ concerned Executive Director & CEO, wherever applicable, as per Company rules.

**d. Details of shares of the Company held by the Directors as on March 31, 2019 are as under :**

| Name | No. of shares |
|---|---|
| Mr. Rajan B. Raheja | 5,14,06,327 |
| Ms. Ameeta A. Parpia | 76,000 |

None of the other Directors hold any shares in the Company. None of the Directors hold any convertible instruments in the Company.

## C. Stakeholders Relationship Committee

As on March 31, 2019, the Stakeholders Relationship Committee comprises of Ms. Ameeta A. Parpia, Independent Director as the Chairperson, Mr. Vijay Aggarwal, Managing Director and Dr. Raveendra Chittoor, Independent Director, as members of the Committee. The terms of reference, inter alia, include :

a. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee has met four times during the year ended March 31, 2019 on May 29, 2018, July 27, 2018, October 31, 2018 and February 6, 2019. The details of attendance of the Committee Members are as follows :

| Name of Member | Category | No. of Meetings |
|---|---|---|
| Ms. Ameeta A. Parpia | Non-executive Independent | 4 |
| Mr. Vijay Aggarwal | Executive Non-independent | 4 |
| Dr. Raveendra Chittoor * | Non-executive Independent | – |

** Appointed w.e.f. April 1, 2019*

The Board has designated Ms. Aneeta S. Kulkarni, Company Secretary, as Compliance Officer. During the year ended March 31, 2019, seven complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2019, there were no pending investor complaints.

## D. Securities Allotment & Transfer Committee

The Company's securities are traded in the dematerialised form on the Stock Exchanges. The Committee is responsible, *inter alia*, for issue and allotment of securities, issue of duplicate/ split/consolidated certificates, share transfer and related applications received from investors. As on March 31, 2019, the Committee comprises of Mr. Vijay Aggarwal - Chairman, Mr. Vivek K. Agnihotri - Member, Mr. Atul R. Desai - Member and Mr. Sarat Chandak - Member.

The Committee has met four times during the year ended March 31, 2019 on May 29, 2018, July 27, 2018, October 31, 2018 and February 6, 2019. The details of attendance of the Committee Members are as follows :

| Name of Member | No. of Meetings |
|---|---|
| Mr. Vijay Aggarwal | 4 |
| Mr. Vivek K. Agnihotri | 4 |
| Mr. Atul R. Desai | 4 |
| Mr. Sarat Chandak * | – |
| Mr. Joydeep Mukherjee # | 4 |

* *Appointed w.e.f. March 3, 2019*

\# *Resigned on March 2, 2019*

To expedite the process of share transfers in physical segment, officers of the Company have been authorised to approve share transfers and transmissions and review all other matters connected with the Company's securities.

## E. Corporate Social Responsibility Committee

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee with the following objectives :

(i) To formulate and recommend a CSR policy to the Board and the amount of expenditure to be incurred on CSR activities;

(ii) To monitor the implementation of the CSR policy of the Company from time to time;

(iii) To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

During the year ended March 31, 2019, two meetings of the CSR Committee were held on July 27, 2018 and February 5, 2019. As on March 31, 2019, the composition of the CSR Committee and the details of attendance at the meetings are as under :

| Name of Member | Designation | No. of meetings |
|---|---|---|
| Mr. Vijay Aggarwal | Chairman | 2 |
| Ms. Ameeta A. Parpia | Member & Independent Director | 2 |
| Mr. Vivek K. Agnihotri | Member | 2 |
| Mr. Atul R. Desai | Member | 2 |
| Mr. Sarat Chandak * | Member | – |
| Mr. Joydeep Mukherjee # | Member | 1 |

* *Appointed w.e.f. March 3, 2019*
\# *Resigned on March 2, 2019*

## F. Risk Management Committee

Risk management is integral to the Company and is controlled through awareness, training, discipline, commitment and prudent risk management strategies. The risk management framework is designed to assess, measure and control risks, including procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups.

The Board of Directors has constituted a Risk Management Committee with the following broad objectives :

- Assess and provide oversight to the management relating to the identification and evaluation of major strategic, operational, regulatory, cyber security, information and external risks inherent in the business of the Company and the control processes with respect to such risks.
- Overseeing the risk management, compliance and control activities of the Company, including without limitation, the development and execution by management of strategies to mitigate risks.
- Overseeing the integrity of the Company's systems of operational controls regarding legal and regulatory compliance.
- Overseeing compliance with legal and regulatory requirements, including, without limitation, with respect to the conduct of the Company's business.
- Obtaining assurance from the Management that all known and expected risks are identified and mitigation steps are taken.

During the year ended March 31, 2019, three meetings of the Risk Management Committee were held on May 28, 2018, October 30, 2018 and February 5, 2019. The composition of the Risk Management Committee as at March 31, 2019 and the details of attendance at the meetings of the Committee is as under :

| Name of Member | Designation | No. of Meetings |
|---|---|---|
| Mr. Vijay Aggarwal | Chairman | 3 |
| Ms. Ameeta A. Parpia | Member | 3 |
| Mr. Vivek K. Agnihotri | Member | 3 |
| Mr. Atul R. Desai | Member | 3 |
| Mr. Sarat Chandak * | Member | 1 |
| Mr. Manish Bhatia | Member | 3 |
| Ms. Aneeta S. Kulkarni | Member | 3 |
| Mr. Joydeep Mukherjee # | Member | 2 |

* *Appointed w.e.f. November 12, 2018*
\# *Resigned on March 2, 2019*

## 3. Whistle Blower Policy

The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Accordingly, the Board has established a vigil mechanism by adopting a 'Whistle Blower Policy' for stakeholders including Employees and Directors and their representatives to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy provides a mechanism for stakeholders including Employees and Directors and their representatives to approach the Corporate Governance Cell/Chairman of the Company/Chairperson of the Audit Committee of the Company. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Policy is hosted on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

## 4. Prevention of Sexual Harassment

The Company has framed a policy on Prevention of Sexual Harassment of Women at workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended March 31, 2019 are as under :

| | | |
|---|---|---|
| a. | Number of complaints pending at the beginning of the financial year | 1 |
| b. | Number of complaints filed during the financial year | Nil |
| c. | Number of complaints disposed of during the financial year | 1 |
| d. | Number of complaints pending as on end of the financial year | Nil |

## 5. Subsidiary Company

All subsidiary companies are Board managed with their Boards exercising the duties and powers to manage such companies in the best interest of their stakeholders. The Company has formulated a policy for determining 'material' subsidiaries and the same is disclosed on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies. As on March 31, 2019, Raheja QBE General Insurance Company Limited ('RQBE'), is an unlisted material subsidiary in terms of the SEBI LODR.

Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore, Independent Directors of the Company, are appointed as Independent Directors on the Board of RQBE.

The operations and performance of the subsidiary companies are reviewed on a quarterly basis as under :

(i) The minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the unlisted subsidiary companies.

(ii) The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the subsidiary companies.

## 6. Related Party Transactions

The Board has approved a policy on materiality of related party transactions and dealing with related party transactions which has been uploaded on the Company's website www.prismjohnson.in/investors/disclosures-under- SEBI-LODR-regulations/policies.

The Company's major related party transactions are generally with its subsidiaries, joint ventures and associates to further the Company's business interest.

All transactions entered into with related parties as defined under the Act and the SEBI LODR during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the year ended March 31, 2019 which were in conflict with the interests of the Company. Details of such related party transactions are given in Note 4.08 of the Standalone Financial Statements forming part of this Annual Report.

## 7. Disclosures

1) There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.

2) The Board of Directors has established a vigil mechanism by adopting a Whistle Blower Policy for the Company which is available on the Company's website. No personnel had been denied access to the Audit Committee.

3) The Company has complied with the disclosures of corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI LODR.

4) (i) **Mandatory Requirements**

The Company has complied with all the mandatory requirements of the SEBI LODR.

(ii) **Discretionary Requirements**

a. Non-executive Chairman's Office : The Chairman's office is maintained by himself.

b. As the quarterly and half-yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website and the websites of BSE and NSE, the same are not being sent separately to the shareholders.

c. The annual financial statements of the Company are unmodified.

d. The Internal Auditors have access to the Audit Committee.

5) The Company has followed all relevant Accounting Standards prescribed under the Act and Rules thereunder and the guidelines issued by Securities Exchange Board of India while preparing Financial Statements.

## 8. CEO/CFO Certification

Pursuant to provisions of Regulation 17(8) of the SEBI LODR, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls for the year ended March 31, 2019.

## 9. General Body Meetings

(i) Location and time where last three Annual General Meetings were held :

| Date of Meeting | Time of Meeting | Venue |
|---|---|---|
| August 8, 2018 | 10.00 a.m. | National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2nd Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana. |
| August 9, 2017 | 11.00 a.m. | |
| August 23, 2016 | 9.30 a.m. | Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad - 500 001 |

(ii) Seven special resolutions were passed at the Annual General Meeting held on August 23, 2016, two special resolutions were passed at the Annual General Meeting held on August 9, 2017 and four special resolutions were passed at the Annual General Meeting held on August 8, 2018.

(iii) Six special resolutions are proposed to be passed at the ensuing Annual General Meeting with regard to re-appointments of Mr. Vijay Aggarwal as Managing Director, Mr. Atul Desai as Executive Director & CEO (RMC), appointment of Mr. Sarat Chandak as Executive Director & CEO (HRJ), re-appointments of Mr. Shobhan Thakore and Ms. Ameeta Parpia as Independent Directors and issue of Non-convertible Debentures on private placement basis.

(iv) No special resolutions were passed through postal ballot last year and no special resolutions have been proposed to be passed through postal ballot at the AGM to be held on July 31, 2019.

## 10. Means of Communication

- The quarterly/half-yearly/annual financial results of the Company are filed with BSE and NSE where the Company's securities are listed.
- The results are thereafter given by way of a press release to various news agencies/ analysts and published in the Economic Times (English) and Nava Telangana (Telegu) and are displayed on the Company's website www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/financials.
- The Company also informs by way of intimation to BSE and NSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the investors.
- The quarterly/half-yearly/annual financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE and NSE are filed electronically on BSE's on-line portal and NSE's NEAPS portal.
- A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends, financial results, annual reports, quarterly compliance reports, communications with the Stock Exchanges, investor presentations and updates and other relevant information of interest to the investors/public and as mandated by the SEBI LODR and the Act.
- The official press releases and presentations made to institutional investors/analysts, if any, are also available on the Company's website and are submitted to BSE and NSE.

**11. Management Discussion and Analysis** is a part of the Annual Report and is annexed separately.

## 12. General Shareholder Information

### A. Annual General Meeting

**Date and Time :** July 31, 2019 at 10.00 a.m.

**Venue :** National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2nd Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana.

### B. Financial Calendar

– **Reporting for the Quarter ending** : –

| | | |
|---|---|---|
| June 30, 2019 | – | Within 45 days from the close of the quarter. |
| September 30, 2019 | – | |
| December 31, 2019 | – | |
| March 31, 2020 | – | Within 60 days from the close of the financial year. |
| **Annual General Meeting for the year 2020** | – | Within six months from the close of the financial year. |

**C. Book Closure :** Thursday, July 25, 2019 to Wednesday, July 31, 2019 (both days inclusive).

## D. Listing on Stock Exchanges

(i) The Company's equity shares are listed on the following Stock Exchanges :

| Name & Address of Stock Exchange | Stock Code/ Symbol |
|---|---|
| BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. | 500338 |
| National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. | PRSMJOHNSN |

(ii) The listing fees for the year 2019-20 has been paid to the aforesaid Stock Exchanges.

(iii) The Non-convertible Debentures issued on private placement basis by the Company are listed on BSE Limited.

(iv) The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

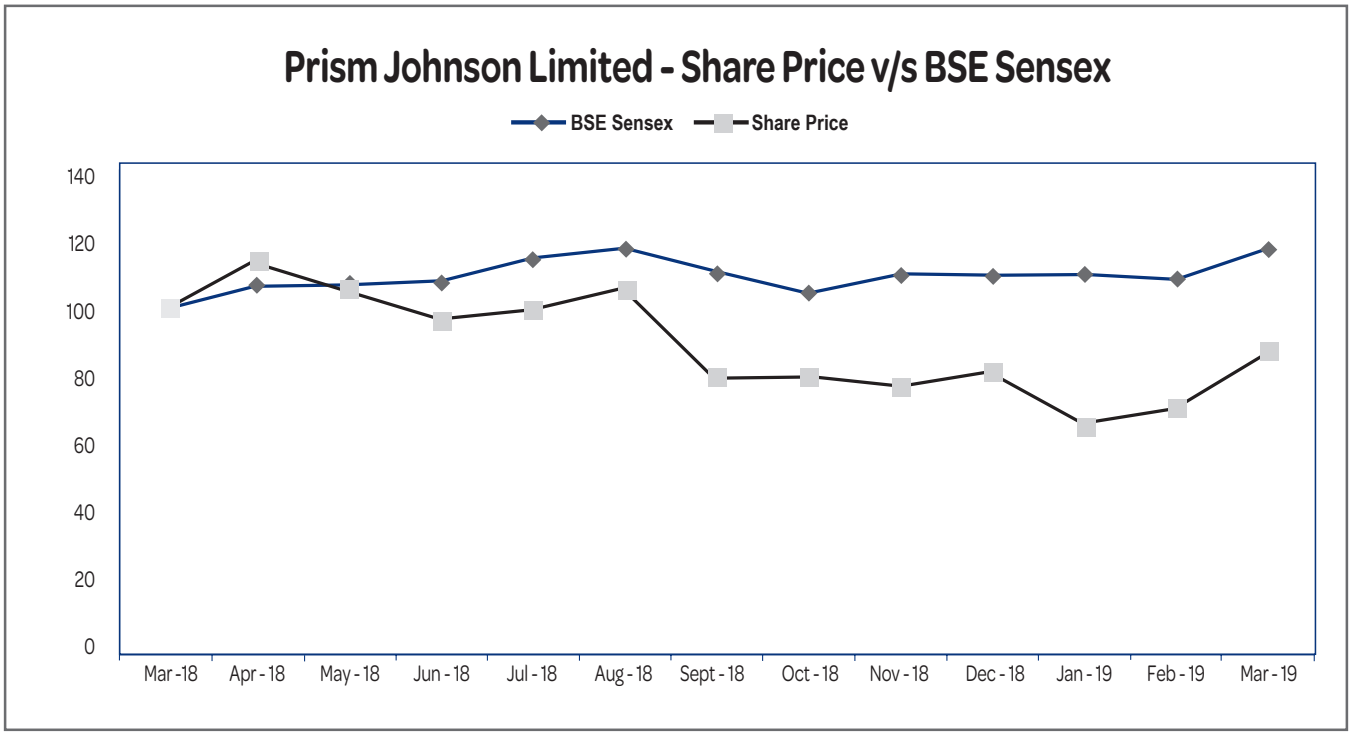
## E. Market price data for the year ended March 31, 2019

| MONTH | BSE PRICES | | NSE PRICES | |
|---|---|---|---|---|
| | High ₹ | Low ₹ | High ₹ | Low ₹ |
| April 2018 | 123.75 | 113.10 | 124.15 | 112.70 |
| May 2018 | 120.55 | 102.00 | 120.50 | 101.80 |
| June 2018 | 112.35 | 95.35 | 111.70 | 95.20 |
| July 2018 | 116.90 | 92.30 | 117.45 | 92.20 |
| August 2018 | 115.65 | 100.95 | 115.70 | 101.35 |
| September 2018 | 111.85 | 87.00 | 111.45 | 87.60 |
| October 2018 | 96.15 | 76.20 | 96.10 | 75.20 |
| November 2018 | 89.15 | 84.10 | 89.00 | 84.15 |
| December 2018 | 91.55 | 78.45 | 91.25 | 78.45 |
| January 2019 | 90.40 | 69.90 | 90.35 | 69.50 |
| February 2019 | 78.55 | 64.80 | 78.35 | 64.95 |
| March 2019 | 99.25 | 80.20 | 98.95 | 80.35 |

**Performance in comparison to BSE Sensex :**

Closing value of Company's share price v/s BSE Sensex on the last trading day of the month.

Base is considered to be 100 as on March 31, 2018.




[Source : www.bseindia.com]

**F. Registrar & Transfer Agent**

Karvy Fintech Private Limited,
Unit : Prism Johnson Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032.
e-mail : einward.ris@karvy.com;
website : www.karvyfintech.com;
Tel. No. : +91-40-6716 1500/1562 ;
Fax No. : +91-40-2300 1153 ;
Toll Free No. : 1800-345-4001

**G. Share Transfer System**

Share transfers in physical form are processed and returned to the shareholders in the normal course and requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

In terms of requirements to amendments to Regulation 40 of the SEBI LODR w.e.f. April 1, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a depository.

Half-yearly Share Transfer Audit in terms of the SEBI LODR is regularly carried out by an independent practicing Company Secretary.

***Dealing with securities which have remained unclaimed***

Pursuant to Regulation 39 of the SEBI LODR, unclaimed and postal returned equity shares have been transferred to the Unclaimed Suspense Account of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company's Registrar & Transfer Agent. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of the account are as under :

| Particulars | | No. of shareholders | No. of shares |
|---|---|---|---|
| (i) | Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year. | 40 | 10,500 |
| (ii) | Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year. | Nil | Nil |
| (iii) | Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year. | Nil | Nil |
| (iv) | Number of shares transferred to IEPF Authority. | – | – |
| (v) | Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year. | 40 | 10,500 |

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

➢ ***Transfer of unclaimed equity shares into Investor Education and Protection Fund (IEPF) Account***

Pursuant to the provisions of Section 125 of the Act read with Investor Education & Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ('the Rules') the Company shall transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government on the specified date.

In accordance with the Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. In terms of the Rules, 24,71,599 shares were transferred during the financial year 2017-18 to the Investor Education and Protection Fund.

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

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the IEPF.

The Company has transferred all such unpaid/ unclaimed dividend to the IEPF. No claim lies against the Company in respect thereof.

Further the Company shall transfer unpaid/ unclaimed final dividend for the year ended March 31, 2012 to the IEPF by July 2019. In accordance with the Rules and its amendments, the Company had sent notices to all the Shareholders whose dividend and shares were due to be transferred to the IEPF Authority to claim the same on or before June 27, 2019.

The Company has uploaded full details of shares as well as unclaimed dividends transferred to IEPF on the website of the Company www.prismjohnson.in/investors/IEPF. The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company.

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

**I. Distribution of shareholding and shareholding pattern as of March 31, 2019 :**

**Distribution of Shareholding**

| Category (shares) | No. of shareholders | No. of shares | % of Shareholding |
|---|---|---|---|
| 1 - 100 | 41,071 | 31,44,654 | 0.62 |
| 101 - 200 | 14,705 | 27,85,991 | 0.55 |
| 201 - 300 | 5,628 | 16,05,601 | 0.32 |
| 301 - 400 | 2,478 | 9,55,509 | 0.19 |
| 401 - 500 | 4,930 | 24,42,251 | 0.49 |
| 501 - 1000 | 5,286 | 44,97,921 | 0.89 |
| 1001 - 5000 | 4,118 | 91,37,855 | 1.82 |
| 5001 - 10000 | 481 | 36,10,636 | 0.72 |
| 10001 -50000 | 387 | 80,58,773 | 1.60 |
| 50001 and above | 166 | 46,71,17,389 | 92.80 |
| **Total** | **79,250** | **50,33,56,580** | **100.00** |

**Shareholding Pattern**

| Category | No. of Shares | % Shareholding |
|---|---|---|
| Promoters | 37,68,81,169 | 74.87 |
| FPIs/NRIs | 3,59,38,215 | 7.13 |
| Bodies Corporate | 1,05,45,660 | 2.10 |
| Financial Institutions/ Banks/Mutual Funds | 2,24,86,535 | 4.47 |
| Indian Public | 5,50,33,602 | 10.94 |
| IEPF | 24,71,399 | 0.49 |
| **Total** | **50,33,56,580** | **100.00** |

## J. Dematerialisation of Shares

Trading of the Company's shares is compulsorily in dematerialised form for all investors. As of March 31, 2019, equity shares representing 99.29% have been dematerialised with the following depositories :

| Description | ISIN | Depositories |
|---|---|---|
| Equity shares | INE010A01011 | NSDL & CDSL |

## K. Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity price risk. During the year 2018-19, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 4.07 to the Annual Accounts.

## L. Addresses

***Plant Location***

The Company's cement manufacturing facilities are located at Satna, Madhya Pradesh. The tile manufacturing facilities are located at Pen, Maharashtra; Dewas, Madhya Pradesh; Kunigal, Karnataka and Karaikal, Puducherry. RMC (India) Division currently operates 97 Ready Mixed Concrete plants and 5 aggregate crushers spread across 44 locations in the country.

***Correspondence***

Shareholders' correspondence may be addressed to the Registrar & Transfer Agent at Hyderabad and also at einward.ris@karvy.com. Investors can also mail their queries to the Company at investor@prismjohnson.in for redressal.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

## M. Details of Debenture Trustee

Axis Trustee Services Limited,
Ground Floor, Axis House, Wadia International Centre,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai - 400 025
e-mail : debenturetrustee@axistrustee.com
website : www.axistrustee.com
Tel. No. : +91-22-6226 0054
Fax No. : +91-22-4325 3000

## N. Details of Credit Ratings

The Company has obtained rating from ICRA Ltd. and India Ratings and Research Pvt. Ltd. for debt instrument/ facilities/term deposits during the year ended March 31, 2019. There has been no change in the credit ratings given by them. The details of Credit Rating is available on the website at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/credit ratings.

| Rating Agency | Instrument | Rating | Outlook |
|---|---|---|---|
| ICRA Ltd. / India Ratings and Research Pvt. Ltd. | Debt Instruments | ICRA A - / IND A- | Stable |
| India Ratings and Research Pvt. Ltd. | Term Loans/ Fund based Working Capital | IND A - | Stable |
| India Ratings and Research Pvt. Ltd. | Term Deposit Programme | IND tA (A) | Stable |
| India Ratings and Research Pvt. Ltd. | Non-fund Based Limits - Working Capital/ Unsecured Short Term Loans | IND A1 | – |

## O. Audit Fees

The total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the Statutory Auditors for the year ended March 31, 2019 is ₹ 1.42 crores.

# DECLARATION

As provided under Schedule V(D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2019.

For **PRISM JOHNSON LIMITED**

Place : Mumbai
Date : May 10, 2019

**VIJAY AGGARWAL**
*Managing Director*

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
**Prism Johnson Limited**
(formerly Prism Cement Limited)

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with our terms of engagement with Prism Johnson Limited ('the Company').

2. We have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended on March 31 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D & E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance on internal control and procedures to ensure the compliance with conditions of Corporate Governance stipulated in Listing Regulations.

## AUDITOR'S RESPONSIBILITY

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

5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out the examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

## OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Chapter IV of the Listing Regulations during the year ended March 31, 2019.

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

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

# SECRETARIAL AUDITORS' CERTIFICATE

**Certificate of Non-disqualification of Directors**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Prism Johnson Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Prism Johnson Limited** bearing CIN : L26942TG1992PLC014033 and having its registered office at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500016 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN |
|---|---|---|
| 1 | Shobhan M. Thakore | 00031788 |
| 2 | Rajan B. Raheja | 00037480 |
| 3 | Vijay Aggarwal | 00515412 |
| 4 | Atul R. Desai | 01918187 |
| 5 | Raveendra Chittoor | 02115056 |
| 6 | Ameeta A. Parpia | 02654277 |
| 7 | Vivek K. Agnihotri | 02986266 |
| 8 | Sarat Chandak | 06406126 |

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

*for* **Savita Jyoti Associates**

**Company Secretaries**
**CS Savita Jyoti**
FCS No. : 3738; CP No. : 1796

Place : Hyderabad
Date : May 10, 2019

# DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twenty-seventh Annual Report together with the audited Statement of Accounts of the Company for the year ended March 31, 2019.

## FINANCIAL RESULTS (Standalone)

₹ Crores

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Revenue from operations | 5,955.57 | 5,408.43 |
| Other income | 20.73 | 66.22 |
| Total income | 5,976.30 | 5,474.65 |
| Expenses | 5,746.25 | 5,369.59 |
| Profit before tax | 230.05 | 105.06 |
| Tax expenses | 84.07 | 34.65 |
| Profit for the year | 145.98 | 70.41 |
| Surplus - opening balance | 246.82 | 164.44 |
| Amount available for appropriation | 392.80 | 234.85 |
| Dividend & Dividend Distribution Tax | 30.34 | – |
| Transfer from Debenture Redemption Reserve | 12.98 | 12.20 |
| Other Comprehensive Income (net of tax) | 0.64 | (0.23) |
| Surplus - closing balance | 376.08 | 246.82 |

## RESERVES

The Company has transferred an amount of ₹ 12.98 Crores from the Debenture Redemption Reserve to the Retained Earnings pursuant to the redemption of some of the debentures, during the year under review. An amount of ₹ 376.08 Crores is proposed to be retained in the Statement of Profit and Loss.

## DIVIDEND

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), the Board of Directors of the Company has approved a Dividend Distribution Policy. The objective of the policy is to lay down the criteria to be considered by the Board before recommending dividend to its shareholders for a financial year and to provide clarity to stakeholders on the profit distribution of the Company. The Board shall consider distribution of profits in accordance with the business strategies, provisions of the applicable regulations and seek to balance the benefit to shareholders of the Company with the comparative advantages of retaining profits in the Company which would lead to greater value creation for all stakeholders.

The Policy is uploaded on the Company's website at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

During the year, the Company has paid an interim dividend of ₹ 0.50 (@ 5%) per equity share of ₹ 10/- each. The total outflow for the year ended March 31, 2019 towards Dividend is ₹ 25.17 Crores and Dividend Distribution Tax is ₹ 5.17 Crores.

## OPERATIONS

During the year ended March 31, 2019, revenue from operations increased to ₹ 5,956 Crores from ₹ 5,408 Crores in the previous year. With increased volumes and better realisations, the Company earned a profit before tax of ₹ 230.05 Crores and profit after tax of ₹ 145.98 Crores during the year ended March 31, 2019 as against profit before tax of ₹ 105.06 Crores and profit after tax of ₹ 70.41 Crores during the year ended March 31, 2018.

The consolidated profit after tax for the year ended March 31, 2019 of the Company and its subsidiary/joint venture companies amounted to ₹ 109.60 Crores as against ₹ 55 Crores for the previous year ended March 31, 2018.

## SHARE CAPITAL

The paid-up equity share capital was ₹ 503.36 Crores as on March 31, 2019. During the year under review, the Company has not issued shares with differential voting rights neither granted any stock options nor sweat equity.

## FIXED DEPOSITS

The Company has discontinued acceptance of any fixed deposits and also the renewal of its fixed deposits on maturity. Out of the total 1,140 deposits of ₹ 6.41 Crores from the public and the shareholders as at March 31, 2019, 459 deposits amounting to ₹ 1.93 Crores had matured and had not been claimed as on that date. Since then, 113 of these deposits aggregating ₹ 0.66 Crores have been claimed.

There has been no default in the repayment of the deposits or payment of interest thereon during the year under review. All deposits accepted by the Company are in compliance with the requirement of the Companies Act, 2013 and the Rules thereunder.

## FINANCE

The Company has repaid/prepaid loans of ₹ 535.29 Crores and tied-up fresh loans of ₹ 435.72 Crores during the year under review to finance, *inter alia*, its repayment of debts, ongoing long term working capital and capital expenditure. The loans were used for the purpose they were sanctioned by the respective banks/financial institutions.

During the year ended March 31, 2019, the Company raised ₹ 325 Crores by way of privately placed Secured/Unsecured Redeemable Non-convertible Debentures ('NCDs'), to

finance, *inter alia*, its refinancing of debt, long term working capital and general corporate purpose detailed as under :

| Coupon Rate | Date of Allotment | No. of NCDs | Total Amount ₹ Crores | Tenor | Maturity Date |
|---|---|---|---|---|---|
| 9.25% Unsecured Redeemable NCDs Tranche X | April 11, 2018 | 750 | 75 | 3 years | April 9, 2021 |
| Zero Coupon (XIRR of 10.40% p.a.) Secured Redeemable NCDs Tranche XI | August 3, 2018 | 1200 | 120 | 2 years 10 months & 20 days | June 22, 2021 |
| Zero Coupon (XIRR of 10.40% p.a.) Secured Redeemable NCDs Tranche XII | August 31, 2018 | 800 | 80 | 3 years & 27 days | September 27, 2021 |
| Unsecured Redeemable NCDs Tranche XIII (floating rate of interest linked to the Reference Rate) | September 17, 2018 | 500 | 50 | 3 years | September 17, 2021 |

The aforesaid debentures are listed on BSE Limited. The proceeds of the NCDs issue have been fully utilised for the purpose of the issue.

During the year under review, NCDs aggregating ₹ 300 Crores were redeemed in accordance with the terms of the issue.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of ₹ 0.19 Crores to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed/unpaid dividend, unclaimed fixed deposits and unclaimed interest on the fixed deposits.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary, joint venture and associate companies in Form AOC-1 is attached to the Accounts.

The Company has 5 subsidiaries, 3 step-down subsidiaries, 6 joint ventures and 2 associate companies as on March 31, 2019. The subsidiaries and joint ventures have performed satisfactorily during the year under review. The details of subsidiaries, joint ventures and associates of the Company are given in Form MGT-9, extract of the Annual Return, annexed herewith as Annexure 'F'.

During the year under review, the Company has acquired 2,70,001 equity shares of ₹ 10/- each aggregating to ₹ 27,00,010 constituting 27% of the total paid-up equity share capital of CSE Solar Parks Satna Private Limited ('CSE Solar') due to which it has become an associate of the Company. CSE Solar is engaged in the business of providing solar power solutions comprising of consulting, design, engineering, fabrication, installation, commissioning and monitoring of distributed rooftop solar power plants primarily for captive consumption of commercial and industrial customers in India. CSE Solar was incorporated on July 19, 2017. CSE Solar will supply power to the Company's cement manufacturing facility at Satna, Madhya Pradesh resulting in reduction of power costs thereby increasing the cost competitiveness.

There has been no material change in the nature of the business of the subsidiaries and joint ventures during the year under review.

## CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company, prepared in accordance with the Companies Act, 2013 and the applicable Indian Accounting Standards, alongwith all relevant documents and the Auditors Report form part of this Annual Report.

The financial statements of the subsidiary companies are not attached alongwith the financial statements of the Company. Separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. The Company shall also provide a copy of the Annual Report and other related information of its subsidiary companies as required under Section 136 of the Companies Act, 2013 to the shareholders of the Company and the subsidiaries upon their written request. The separate audited financial statements in respect of each subsidiary company is also available on the website of the Company at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/financials.

## DIRECTORS

Mr. Joydeep Mukherjee resigned as Executive Director & CEO (HRJ) on March 2, 2019. The Board wishes to place on record its appreciation of the valuable contributions made by Mr. Mukherjee during his tenure with the Company.

The Board has, subject to the requisite approvals and based on the performance evaluation and recommendations of the Nomination and Remuneration Committee, made the

following appointments/re-appointments for a period of three years upon terms and conditions mentioned in the Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto :

| Name | Designation | Date of Board Meeting | Effective Date |
|---|---|---|---|
| Mr. Vijay Aggarwal | Managing Director | 06.02.2019 | 03.03.2019 |
| Mr. Sarat Chandak | Additional Director and Executive Director & CEO (HRJ) | 06.02.2019 | 03.03.2019 |
| Mr. Atul R. Desai | Executive Director & CEO (RMC) | 10.05.2019 | 29.08.2019 |

Pursuant to Section 152 of the Companies Act, 2013, Mr. Atul R. Desai retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The terms of office of Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore, as Independent Directors, will expire on July 31, 2019. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore, as Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office. Mr. Shobhan Thakore shall attain age of 75 years during the proposed second term. The resolution proposing his re-appointment also proposes his continuation of term on attaining age of 75 years during the second term and forms part of the Notice of the Annual General Meeting.

The Board recommends the aforesaid appointments.

In accordance with the requirements of the Companies Act, 2013, the shareholders on August 9, 2017, have appointed the Dr. Raveendra Chittoor as an Independent Director for a term of five consecutive years from July 3, 2017.

The Company has received declarations from Ms. Parpia, Mr. Thakore and Dr. Chittoor, Independent Directors of the Company, confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI LODR. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

The details of familiarisation programme for Independent Directors have been disclosed in the Report on Corporate Governance and on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

As required, the requisite details of Directors seeking appointment/re-appointment are included in this Annual Report.

### Meetings

The Board of Directors met 11 times during the year ended March 31, 2019. Additionally, several Committee Meetings were held including the Audit Committee, which met seven times during the year. Details of the meetings are included in the Report on Corporate Governance.

### Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR, the Board has carried out an annual performance evaluation during the year under review. Details of the same is given in the Report on Corporate Governance.

### Remuneration Policy

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for Key Managerial Personnel, Senior Management and other employees forms part of the Report on Corporate Governance and is also available on the website of the Company at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

## KEY MANAGERIAL PERSONNEL

During the year under review, the following changes have taken place in the Key Managerial Personnel of the Company :

| Sr. No. | Name of the person | Designation |
|---|---|---|
| 1. | Mr. Sarat Chandak | Appointed as Chief Executive Officer (HRJ) - Designate w.e.f. November 12, 2018 to March 2, 2019 |
| | | Appointed as Executive Director & CEO (HRJ) w.e.f. March 3, 2019 |
| 2. | Mr. Joydeep Mukherjee | Resigned as Executive Director & CEO (HRJ) on March 2, 2019 |

## COMPOSITION OF AUDIT COMMITTEE

The Board has constituted an Audit Committee, details of the same is stated in the Report on Corporate Governance.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism by adopting a Whistle Blower Policy to report concerns about illegal or unethical practices, if any. The details of the Policy is explained in the Report on Corporate Governance and is also available on the website of the Company at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

## PREVENTION OF SEXUAL HARASSMENT

The Company offers equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company has also framed a policy on Prevention of Sexual Harassment of Women at

workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action.

During the financial year 2018-19, no complaint was received on sexual harassment and one complaint pending of the previous year was disposed.

## RISK MANAGEMENT

The Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Report on Corporate Governance.

The Company works across a wide range of products i.e. Cement, Tiles, Bath and Ready Mixed Concrete. Several of the product lines have their own unique business and operating models. These businesses operate in an evolving and challenging business environment.

The Risk Management Policy framed by the Company details the objectives and principles of risk management along with an overview of the risk management process, procedures and related roles and responsibilities. The risk management process includes identifying types of risks and its assessment, risk handling and monitoring, reporting and controlling/mitigation.

The Committee on timely basis informed members of the Audit Committee and the Board of Directors about risk assessment and minimisation procedures and in their opinion there was no risk that may threaten the existence of the Company.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has adopted a CSR Policy based on which its future CSR initiatives shall be developed and implemented. The Company policy is focussed on CSR initiatives in areas such as water, health and sanitation, energy conservation, pollution-free atmosphere, clean technologies and primary health care for the villagers in the vicinity of the plants. The Policy is available on the Company's website at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

During the financial year 2018-19, the Company has spent ₹ 0.73 Crores (around 2.28% of the average net profits of the last three financial years) towards CSR activities.

Requisite disclosure including composition of the CSR Committee has been made in the prescribed form annexed herewith as Annexure 'A'.

## BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility Reporting forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI LODR annexed herewith as Annexure 'B'.

## LOANS, GUARANTEES AND INVESTMENTS

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

## RELATED PARTY TRANSACTIONS

All related party transactions are placed before the Audit Committee as also the Board, wherever required, for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval is placed before the Audit Committee for their review on a quarterly basis. The statement is supported by a Certificate from the Managing Director, Executive Director & CEOs and the Chief Financial Officer.

The Policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors is available on the website of the Company at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies.

There was no material related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Attention of the members is drawn to the disclosure of related party transactions set out in Note 4.08 of the Standalone Financial Statements forming part of this Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, to the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors confirm :

a. That in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. They have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

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

d. That the annual financial statements have been prepared on a going concern basis;

e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## EMPLOYEE REMUNERATION

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as Annexure 'C'.

The information required under Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the statement may write to the Company's Registered Office at Hyderabad or to its Corporate Office at Mumbai.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is given in Annexure 'D' forming part of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under the SEBI LODR, is presented in a separate section forming part of this Annual Report.

## CORPORATE GOVERNANCE

As per the SEBI LODR, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance forms part of this Annual Report.

## INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has established set of standards, processes and structure which enable it to implement adequate internal financial controls and ensure that the same are operating effectively. The internal financial control systems of the Company are commensurate with its size and the nature of its operations. The Company has well defined delegation of authority limits for approving revenue as well as expenditures. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work done by the Internal, Statutory, Cost and Secretarial Auditors and the reviews of the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

## AUDITORS

### Statutory Auditors

The shareholders at the 26th Annual General Meeting appointed M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai as the Company's Auditors upto conclusion of the 31st Annual General Meeting of the Company. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder. As required under the SEBI LODR, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the financial statements of the Company are part of this Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### Secretarial Auditors

The Company has appointed Ms. Savita Jyoti, M/s. Savita Jyoti Associates, Practising Company Secretary, Hyderabad to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There was no qualification, reservation or adverse remarks given by Secretarial Auditor of the Company. The Report of the Secretarial Auditor in Form MR - 3 is annexed herewith as Annexure 'E'.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Rules thereunder, as amended, the Company needs to maintain the cost records and such accounts and records are maintained for its businesses. The Board of Directors of the Company has, on the recommendation of the Audit Committee, at its meeting held on May 10, 2019, appointed M/s. D. C. Dave & Co., Cost Accountants as the Cost Auditors for the year ending March 31, 2020 and has recommended their remuneration to the shareholders for their ratification.

## ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company and can be accessed at www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/annual-return. The extract of the Annual Return in Form MGT - 9 is furnished in Annexure 'F' attached to this Report.

## GENERAL

1. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

2. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.
3. No fraud has been reported during the audit conducted by the Statutory Auditors, Internal Auditors, Secretarial Auditor and Cost Auditors of the Company.
4. The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

**ACKNOWLEDGEMENTS**

The Directors thank the shareholders, various Central and State Government departments/agencies, banks and other business associates for their valuable services and continued support during the year under review. The Board also takes this opportunity to express its sincere appreciation of the contribution and dedicated work of all the employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 10, 2019

**SHOBHAN M. THAKORE**
*Chairman*

# ANNEXURE 'A' TO THE DIRECTORS' REPORT

## Annual Report on Corporate Social Responsibility Activities

**[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]**

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

The Company remains committed to carry the responsibility of sustainable growth by transforming the challenges it faces into value creation opportunities. The principles of sustainable growth extend to our CSR initiatives, which focus on holistic development of the local community and create social, ecological and economic value to the society.

In its commitment to CSR initiatives, the Company has been making available medical and education assistance to economically disadvantaged and socially weaker sections of the society. In addition, the Company independently carries out a variety of social initiatives in the areas of education, healthcare and environment where it actively involves its employees.

The Company is aware about its environment sustainability responsibility and conducts its manufacturing operations in a highly efficient manner without compromising with the ecological sustenance. For conservation of environment, the Company works towards planting of saplings in villages and mines areas around its plants. The Company provides saplings to villagers and students, grouting tree guards and conducts awareness programs on environment sustainability.

As part of the Company's focus on healthcare, vaccination camps, blood donation drives, general health and eye check-up camps are regularly conducted for construction workers and their families and disadvantaged communities around its operational sites. Similarly, at certain locations close to the Company's operations, school book distributions are carried out for the children of local residents. Apart from these, awareness programmes on health, safety and hygiene are also carried out from time-to-time for labourers.

The Company believes that infrastructure development has a lasting impact and drives society towards growth. In a step towards this direction, building WBM roads and PCC roads, construction of cremation sheds and other rural infrastructure developments works are carried out in the nearby villages. Construction of toilets in nearby government schools is also undertaken.

The Company recognises women empowerment as a priority segment. Hence, the Company arranges different vocational trainings like beautician course, papad and pickle making, etc. for the women residing in nearby villages. For unemployed youth, the Company arranges drivers training, basic computer training and farmers training for agriculture development.

The Company has been distributing clean water to the community by distributing bore well water through mobile tankers and operates water booths at strategic points in villages in the peak of summer season. Installation of hand pumps, cleaning of rivers, deepening of pond and construction of water harvesting structures are the focus area of the Company.

The Company is creating social awareness on health, education, gender equality, environment, water conservation and drug abuse by slogan writing. Moreover, supporting schools by developing infrastructure, distribution of uniforms as well as by providing furniture to government schools in nearby villages are some of the initiatives taken in this direction.

Promoting a healthy life style amongst youths of adjoining villages, the Company plays a significant role to enhance sports activities by sponsoring different tournaments like cricket, football, badminton, volleyball, etc. Development of playgrounds and sport facilities in rural areas is also carried out.

The Company is supporting charitable trusts, NGO's and such other institutions engaged in social welfare and development activities. The Company is also providing their support to overcome natural calamities and disasters by rescuing villagers marooned in floods, providing logistics, food & shelters as well as medical aid.

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

The composition of the CSR Committee as on March 31, 2019 is as under :

- Mr. Vijay Aggarwal, Chairman
- Ms. Ameeta A. Parpia, Member & Independent Director
- Mr. Vivek K. Agnihotri, Member
- Mr. Atul R. Desai, Member
- Mr. Sarat Chandak, Member

**3. Average net profits/(loss) of the Company for last three financial years.**

₹ 31.80 Crores.

**4. Prescribed CSR expenditure (two per cent of the amount as in item No. 3 above)**

₹ 0.64 Crores.

**5. Details of CSR spent during the financial year :**

(a) Total amount to be spent for the financial year 2018-19 : ₹ 0.64 Crores.

(b) The actual amount spent by the Company for the financial year 2018-19 : ₹ 0.73 Crores

(c) Amount unspent, if any : Nil.

(d) Manner in which the amount spent during the financial year 2018-19 is detailed below :

**₹ Lakhs**

| Sr. No. | CSR project or activity Identified | Sector in which the project is covered | Projects or programs Location | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative expenditure up to the reporting period | Amount spent: Direct / Through implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Construction and repairing of WBM road and bus shelters | Rural Infrastructure Development | Dist. Satna, Madhya Pradesh | 7.40 | 7.40 | 7.40 | Direct |
| 2 | Organization of mega medical camp, eye camp for cataract patients and construction, repairing & maintenance of ODF Toilets | Health & Hygiene | Dist. Satna, Madhya Pradesh | 10.37 | (i) 8.71<br>(ii) 1.66 | 10.37 | (i) Direct<br>(ii) Shri Sadguru Seva Sangh Trust Chitrakoot, Satna (M.P.) |
| 3 | Health & hygiene awareness programmes, Repairing and maintenance of school buidings/grounds, providing of table, chairs, mats, uniforms, creating public library to schools/ college | Promoting Education | Dist. Satna, Madhya Pradesh | 22.37 | 22.37 | 22.37 | Direct |
| 4 | Installation of tree guards with plants, distribution of fruit plant saplings and plantation, construction of water harvesting structures, tree plantations | Environment Conservation | Dist. Satna, Madhya Pradesh | 8.75 | 8.75 | 8.75 | Direct |

₹ Lakhs

| Sr. No. | CSR project or activity Identified | Sector in which the project is covered | Projects or programs Location | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative expenditure up to the reporting period | Amount spent: Direct / Through implementing agency |
|---|---|---|---|---|---|---|---|
| 5 | Installation of submersible pump with bore well drilling, construction of pump house and providing tankers with drinking water | Safe Drinking Water | Dist. Satna, Madhya Pradesh | 4.13 | 4.13 | 4.13 | Direct |
| 6 | Training program for females, farmers and students | Vocational Skill Development | Dist. Satna, Madhya Pradesh | 4.50 | 4.50 | 4.50 | (i) Imagination<br>(ii) Krishi Vigyan Kendra<br>(iii) Bhavan's Prism School |
| 7 | Construction of Boundary wall at Playground | Promotion of Sports | Dist. Satna, Madhya Pradesh | 5.83 | 5.83 | 5.83 | Direct |
| 8 | Contribution for Armed forces flag day, animal welfare and old age home | Social Welfare | Dist. Satna, Madhya Pradesh | 10.01 | (i) 0.51<br>(ii) 5.00<br>(iii) 4.50 | 10.01 | (i) Amalgamated Special Fund<br>(ii) Govansh Vanya Vihar Sanchalan Samiti<br>(iii) Dr. Lalta Prasad Khare Public Charitable Trust |
| **Total** | | | | **73.36** | **73.36** | **73.36** | |

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Not Applicable

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company shall be in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

**VIJAY AGGARWAL**
Managing Director &
Chairman of the CSR Committee

Place : Mumbai
Date : May 10, 2019

# ANNEXURE 'B' TO THE DIRECTORS' REPORT

## BUSINESS RESPONSIBILITY REPORT

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Company** | L26942TG1992PLC014033 |
| 2. | **Name of the Company** | PRISM JOHNSON LIMITED |
| 3. | **Registered address** | 305, Laxmi Niwas Apartments,<br>Ameerpet, Hyderabad - 500 001 |
| 4. | **Website** | www.prismjohnson.in |
| 5. | **E-mail id** | investor@prismjohnson.in |
| 6. | **Financial Year reported** | 2018-19 |
| 7. | **Sector(s) that the Company is engaged in (industrial activity code-wise)** | 23942 - Portland Cement<br>23939 - Tiles<br>23952 - Ready Mixed Concrete<br>23941 - Clinkers |
| 8. | **List three key products that the Company manufactures (as in balance sheet)** | • Portland Cement<br>• Tiles<br>• Ready Mixed Concrete |
| 9. | **Total number of locations where business activity is undertaken by the Company** | |
| (a) | **Number of International Locations (Provide details of major 5)** | One office at Sri Lanka |
| (b) | **Number of National Locations** | One Cement Plant (2 Units), 4 Tile Plants, 97 Ready Mixed Concrete Plants, 5 Aggregate Crusher Plants and 44 Offices including Registered Office, Corporate Office, Division Head Offices and Regional Marketing/Sales Offices. |
| 10. | **Markets served by the Company – Local/State/ National/International** | Local/State/National/International |

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1. | **Paid up Capital (INR)** | ₹ 503.36 Crores |
| 2. | **Total Turnover (INR)** | ₹ 5,956 Crores |
| 3. | **Total profit after taxes (INR)** | ₹ 230.05 Crores |
| 4. | **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** | The Company's total spending on CSR is 2.28% (₹ 0.73 Crores) of the average profit after taxes in the previous three financial years. |
| 5. | **List of activities in which expenditure in 4 above has been incurred :** | Details given in Annexure 'A' to the Directors' Report. |

### SECTION C : OTHER DETAILS

| | | |
|---|---|---|
| 1. | **Does the Company have any Subsidiary Company/ Companies?** | Yes, the Company has five subsidiaries and three step-down subsidiaries. Details given in the Directors' Report. |
| 2. | **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)** | The subsidiaries of the Company have their own Board of Directors having rights and obligations to manage such companies in the best interest of the Company.<br>The Company encourages its subsidiaries to formulate and practise their own BR initiatives based on their individual priorities. These initiatives and policies are mainly applicable to the subsidiaries which are engaged in manufacturing activities. |

| | | |
|---|---|---|
| 3. | **Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30 - 60%, More than 60%]** | We do not mandate that our suppliers, distributors, etc., participate in the Company's BR. However, they are encouraged to do so. |

## SECTION D : BR INFORMATION

| | | |
|---|---|---|
| 1. | **Details of Director/Directors responsible for BR** | |
| (a) | **Details of the Director/Director responsible for implementation of the BR policy/policies** | |
| | 1. **DIN Number** | 00515412 |
| | 2. **Name** | Mr. Vijay Aggarwal |
| | 3. **Designation** | Managing Director |
| (b) | **Details of the BR head :** | |
| | 1. **DIN Number (if applicable)** | The Executive Committee comprising, *inter alia*, of the Executive Director & CEO of each Division of the Company oversee the implementation of the BR policy. |
| | 2. **Name** | |
| | 3. **Designation** | |
| | 4. **Telephone number** | + 91-22-66754142 |
| | 5. **e-mail id** | brr.info@prismjohnson.in |

**2. Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N)**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies for.... | Y | Y<br>The policy is embedded in the Company's quality and environment policies which *inter alia*, relate to safe and sustainable products | Y | Y | Y<br>The policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices | Y | N | Y<br>The policy is embedded in the Company's CSR policy and various other social initiatives undertaken | N |

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | – | Y | Y | Y | Y | – | Y | – |
| 3. | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Y | Y<br>Bureau of Indian Standard/ Generally accepted standards | Y | Y | Y | Y<br>Conforms to guidelines, norms and directives of different State and Central Government | – | Y<br>Conforms to guidelines of the Companies Act, 2013 | – |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | – | – | N | – | Y | – | Y | – |
| 5. | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y<br>At Executive Committee Meetings | Y | Y | Y | Y | – | Y | – |
| 6. | Indicate the link for the policy to be viewed online? | * | * | – | – | – | * | – | * | – |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Communicated to key stakeholders of the Company. The communication is an on-going process to cover all internal and external stakeholders. | | | | | | | | |
| 8. | Does the company have in - house structure to implement the policy/policies. | Y | Y | Y | Y | – | Y | – | Y | – |

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | – | Y | – | Y | – |
| 10. | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | N | N | Y | N | Y | – |

** Company's website: www.prismjohnson.in*

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | The company has not understood the Principles | – | – | – | – | – | – | – | – | – |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | – | – | – | – | – | – | – | – | – |
| 3. | The company does not have financial or manpower resources available for the task | – | – | – | – | – | – | – | – | – |
| 4. | It is planned to be done within next 6 months | – | – | – | – | – | – | – | – | – |
| 5. | It is planned to be done within the next 1 year | – | – | – | – | – | – | – | – | – |
| 6. | Any other reason (please specify) | – | – | – | – | – | – | The need for a written policy has not been felt. Suitable decision will be taken at the appropriate time. | – | The Company has a redressal mechanism for all customer complaints. |

**3. Governance related to BR :**

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

3-6 months

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

The Company publishes a Business Responsibility Report which forms part

of the Annual Report and is available on the website of the Company www.prismjohnson.in/investors/disclosures-under-SEBI-LODR regulations/financials.

## SECTION E : PRINCIPLE-WISE PERFORMANCE

***Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.***

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?**

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees.

The Company has a Code of Conduct and Whistle Blower Policy which pertain to ethics, bribery and corruption. These are applicable to all Board members and employees of the Company. The Code of Conduct governs the manner in which the Company carries out its activities and interacts with its stakeholders and an annual confirmation is obtained from all in compliance of the Code. The Whistle Blower Policy encompasses various stakeholders of the Company like employees, suppliers, contractors and their employees.

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

During the year, 7 complaints were received from shareholders and investors. All complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the end of the year.

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

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Blended Cement viz. Pozzalana Portland Cement, Ready Mixed Concrete viz. Enviroprotectcrete®, Perviouscrete®, Highdensecrete®, Elitecrete® and Tiles, viz. Thin Tiles using lesser resources. The Company uses alternate materials such as industrial by-products, soya husk and biomass as Alternative Fuel and Raw Materials, solar/ small hydro/biomass green power to replace portions of conventional power and ensures water conservation measures such as rain harvesting, etc. The Company is installing the solar power plants for its captive use.

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

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

Energy consumption is constantly monitored and analysed for process optimisation at the mines, plants and townships with the help of EnMS software to achieve overall reduction.

*Cement*

| Consumption per unit of production | 2018-19 | 2017-18 |
|---|---|---|
| Specific Heat Consumption (Kcal/ Kg of Clinker) | 725.8 | 727.5 |
| Water Consumption (Ltr/Ton of Clinker) | 205.7 | 190.5 |

2.45% of total power consumption for cement production has been sourced from green renewable resources such as biomass/bagasse/small hydro/ solar.

Used water is reclaimed and re-used in order to conserve water. Water is treated via treatment plants before discharging. Treated effluent water is partially recycled for horticultural purposes.

*Tiles*

Reduction of around 5-10% of raw material through production of thin tiles.

*RMC*

There is reduction in usage of cement by using cement replacement products like Flyash & Granulated Ground Blast Furnace Slag ('GGBS') which protects the environment. Use of recycled water while manufacturing concrete. Close monitoring of power factor to optimise power consumption.

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

The Company's products are used for variety of purposes and by diverse consumers. It is therefore not feasible to measure the usage (energy, water) by consumers.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced**

**sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has in place procedures for supplier sustainability and has an established process for vendor selection. All inputs are sourced sustainably. The Company uses Alternative Fuel and Raw Materials in its manufacturing processes which helps in conservation of natural resources.

The Company's cement plants are located near limestone reserves, which helps in minimising transportation. The Company also adopts sustainable mining practices. Normally bulk materials are received by rail transport. Flyash used in manufacture of Pozzalana Portland cement is a waste product of power plants.

As a practice, ethical performance is one of the criteria for selection of vendors. For transportation contracts, compliance of safety and environmental norms is one of the parameters and also efficient usage of fuel is another criteria used in the selection of vendors. Raw materials such as Flyash and GGBS, which are waste products of power and steel plants respectively, are used as cement replacements in the manufacture of Ready Mixed Concrete. The RMC (India) Division of the Company has started using Bio-Diesel in Transit Mixers Trucks for concrete transport by blending with Diesel as per its environment friendly and cost optimisation initiatives.

The Company has long-term contracts with its vendors, both goods and transportation included. Apart from this, frequent meetings are arranged with the vendors, thus maintaining a cordial customer-vendor relationship and ensuring sustainability.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company procures products and services from local producers/small scale vendors and communities surrounding its operations. The contractors who are engaged in operations, packaging, transportation, maintenance, horticulture and housekeeping mostly employ workmen from the nearby villages.

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

   - In FY 2018-19, around 85% of cement manufactured by the Company were blended cements, produced by using Flyash, which is waste material of power industries. Waste water generated from the cement plants and colony is recycled and used in gardening, horticulture, sprinkling for dust suppression, etc. Also 2.33% of total power consumption was sourced from renewable sources.
   - Less than 5% recycle products and waste are used in the manufacture of tiles. Fired Pitcher is grinded and used in tile body up to 3%. Dust/tile particles recovered from Effluent Treatment Plant Waste in the form of slurry is re-used in wall tiles body up to 3%.
   - In view of the simple manufacturing process for Ready Mixed Concretes, there are no by- products. However, Flyash and GGBS are used as replacement of cement in concrete which are by products of power and steel industry. During FY 2018-19, the Company used 17.59% of Flyash and 7.94% of GGBS of the total Cementitious content.

***Principle 3 - Businesses should promote the wellbeing of all employees***

1. **Total number of employees**

   5,456

2. **Total number of employees hired on temporary/ contractual/casual basis**

   5,371

3. **Number of permanent women employees**

   252

4. **Number of permanent employees with disabilities**

   Five

5. **Do you have an employee association that is recognised by management**

   Yes, there are recognised trade unions affiliated to various central/state union bodies depending on their presence at respective locations.

6. **What percentage of your permanent employees is members of this recognised employee association?**

   Around 59%. Most of the workmen are members of the different registered Trade Unions operating in the plants/ units.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary**

**labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---|---|---|---|
| (a) | Child labour/forced labour/ involuntary labour | Nil | Nil |
| (b) | Sexual harassment | Nil | Nil |
| (c) | Discriminatory employment | Nil | Nil |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

| Sr. No. | Category | Safety | Skilled |
|---|---|---|---|
| (a) | Permanent employees | 47% | 58% |
| (b) | Permanent women employees | 35% | 22% |
| (c) | Casual/Temporary/ Contractual employees | 75% | 19% |
| (d) | Employees with disabilities | 40% | 40% |

Based on identified needs of employees, training and development, at all levels, is given due priority by the Company for holistic growth of the individual as well as Company effectiveness. The Company selectively nominates its employees for specialised training programmes/workshops/seminars/conferences organised by reputed professional organisations and Institutes.

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

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

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.**

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing units, its worker/contractual labour and truck drivers. The needs of the vulnerable and marginalised stakeholders of the community are considered while designing community development initiatives. This is carried out through continuous interaction and engagement with the stakeholders during the course of implementation of various social programmes.

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

The Company takes various initiatives to engage with disadvantaged or marginalised stakeholders. The Company arranges healthcare medical camps for medical treatment, eye checking, blood donation, etc., in the communities around its manufacturing units. The Company has also joined the initiatives arranged by local administration for the health of the communities around its plants.

By abiding with all the statutory and Environment, Health & Safety guidelines, the Company ensures that its workforce operates under a safe working environment.

***Principle 5 - Businesses should respect and promote human rights***

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

The Company does not have a separate Human Rights Policy. However, its policies support, respect and protect the human rights of its direct as well as indirect employees. The Company addresses human rights in compliance with applicable laws (like Factories Act, Mines Act and other labour legislations) and through HR practices, which embody human rights principles such as prevention of child labour, forced labour, prohibition of sexual harassment of women at workplace, etc.

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

No stakeholder complaints, relating to human rights, have been received in the past financial year.

***Principle 6 - Business should respect, protect and make efforts to restore the environment***

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

The Corporate Environment Policy is applicable to the Company only.

**2. Does the company have strategies/initiatives to address global environmental issues such as**

**climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company realises that climate change is a real threat faced not just by the Company but the entire global community, of which it is a part. The Company also recognises that it can play a meaningful role in trying to mitigate the problem by adopting certain strategies and initiatives in its day-to-day operations. In this direction, some of the initiatives taken by the Company are as under :

- For green initiative & power independency – installation of captive solar power plants are under progress.
- Installation of Waste Heat Recovery System in progress which is expected to reduce carbon footprint by reducing thermal power consumption.
- To reduce the SOx emission & to meet the environment compliances, systematic non catalytic converter (SNCR) & low NOx burner orders have been placed.
- Several measures taken to reduce dust pollution which includes the use of automatic water fog canon at dusty areas & truck mounted sweeping machine for road sweeping instead of brooms.
- Replacement of low efficiency critical motors with high efficiency IE3/IE4 motors has been started on trial basis. Raw mill fan & Cooler fan motor replaced IE3/IE4 motor.
- Replacement of conventional lights/luminaires with LED lights already started in phases and 25% conventional lights already replaced with LEDs in first phase.
- Retrofitted sepax fan impeller with higher efficiency has been installed in Unit-I, Satna. Further to be installed in Raw mill & bag house fans also.
- Utilisation of alternative fuel and raw materials.
- Sourcing of 2.45% of total power consumption through renewable sources, reducing carbon footprint and consumption of conventional thermal power.
- Uses of industrial waste products in its concrete manufacturing.
- $CO^2$ reduction by producing > 90% of our product as blended cement.
- Rain harvesting and water conservation.
- Energy Management system in place to reduce energy consumption and hence emission.
- Several measures taken to reduce dust pollution.

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

   Yes. The Company follows a structured risk management approach emphasising to identify potential risks, assessment of impact of the same, mitigation plan to mitigate the identified risks, continuous monitoring and timely action.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   - Installation of Gas Turbines and use of Soya Husk for Spray Dryer production at some of its tile manufacturing plants.
   - Use of supplementary Cementitious Materials like Flyash and GGBS in concrete manufacturing process which are by-products of the power and steel industries.
   - Systematic mining activities are carried out as per the environment norms.
   - Installation of captive solar power plants in progress.

   Environmental compliance reports are filed as mandated by applicable regulations.

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

   - RMC (India) Division of the Company has started using bio-diesel in Transit Mixers/Trucks for concrete transport by blending it with diesel as per its environment friendly and cost optimisation initiatives.
   - Use of Auto Capacitor Bank to assist in maintaining desired power factor which helps in controlling power consumption.
   - Use of non-ancillary machines/process during non-peak demand hours.
   - Sourcing of 2.45% of total power consumption through renewable sources, reducing carbon footprint and consumption of conventional thermal power.
   - Installation of solar power plants in progress.
   - Improved Energy Management System software for optimisation of monitoring.
   - Installation of Waste Heat Recovery System in progress which is expected to reduce carbon footprint by reducing thermal power consumption.

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

   The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

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

   One case pending as on end of FY 2018-19.

***Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner***

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :**

   The Company is a member of several industry associations through which it interacts with its peers and discusses key issues in the products which it manufactures. The major associations where the Company is a member are :

   (a) Bombay Chambers of Commerce.

   (b) Cement Manufacturers Association.

   (c) Indian Council of Ceramic Tiles and Sanitaryware.

   (d) Indian Ceramic Society

   (e) All India Pottery Manufacturers association

   (f) Ready Mixed Concrete Manufacturers Association.

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

   - The Company through CMA has advocated energy conservation, sustainable mining practices and better waste management in cement manufacturing.
   - Through the association, representation has been made by the Tile industry with regards to cheaper dumping from China which had adversely affected the industry.
   - The Company through RMCMA advocates use of Ready Mixed Concrete which has positive impact on business as well environment, as use of Ready Mixed Concrete gives assured quality of product with faster delivery and helps in reducing dust pollution created at sites by replacing site mix concrete.

***Principle 8 - Businesses should support inclusive growth and equitable development***

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

   The Company is committed to social, economic and environmental development of communities at all its operations. The Company has specified programmes/ initiatives to support inclusive growth and equitable development. These involve series of initiatives in the creation of green ecology, people empowerment, educational development, health improvement, hygiene awareness and nurturing people centric practices for better development of rural society.

   Prime focus areas of the Company are :

   (a) Infrastructure development.

   (b) Health and hygiene.

   (c) Educational activities.

   (d) Environment conservation.

   (e) Water conservation and drinking water.

   (f) Empowerment and skill development.

   (g) Promotion of sport activities

   (h) Social welfare.

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

   All programmes and projects are undertaken through in-house teams and external Government structures.

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

   Impact assessment survey was carried out for the initiatives carried out around the Company's Cement plant.

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

   The Company has spent ₹ 3.43 Crores on various initiatives involving infrastructure development, health and hygiene, educational activities, environment conservation, water conservation and drinking water, empowerment & skill development, promotion of sport activities and social welfare.

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

   - The Company takes up participatory approach to plan projects for community development

in concurrence with local stakeholders and community representatives. A regular field visit is made by our team to identify the needs of the community and to supervise the programs which are being implemented and whether they are benefitting the local community or not. The Company is always eager to promote new initiatives for community development.

- The Company focuses on holistic development of the local community and creates social, ecological and economic values to their stakeholders through conducting mega medical camps, 24 hours' free ambulance, school children health checkup and sponsoring cataract surgery along with a full-fledged Medical Centre support to the local community at some of its plants. Building WBM and PCC roads, construction of cremation sheds, providing toilet blocks in nearby government schools and furniture, fans and uniform, plays a key role in fostering community development.
- Environment sustainability is taken care in the local community by planting saplings in villages and adjoining roads with fixing tree guards and providing the villagers with fruit bearing plants. Water harvesting structures, check dams and deepening of ponds are among other initiatives to augment the ground water level. Distribution of potable water from bore well by mobile tankers and operation of water booths ensure sustenance to the under privileged during scorching summer.
- The Company is imparting vocational training for effective livelihood through motor driver training, beautician courses, stitching & embroidery training, computer literacy courses and agriculture development programs for farmers. The Company has its own simulator and dedicated vehicle facility with trainer for motor driving training. The Company collaborates with training institutions or NGO's also for imparting knowledge.
- The Company promotes a healthy lifestyle through sponsoring sports and games in the nearby are as viz. cricket, football, badminton, volleyball and kabaddi tournaments as well as developing playgrounds in nearby villages.
- The Company is creating social awareness on health, education, gender equality, environment, water conservation and drug abuse by slogan writing, supporting charitable trusts, NGO's and other such other institutions engaged in social welfare and development activities and providing support to overcome natural calamities and disasters by rescuing marooned villagers, providing logistics, food & shelters as well as medical aid.
- Construction of toilets in nearby villages under "Swachh Bharat Abhiyan" – The Cement Division of the Company has taken on the responsibility to build ODF toilets in adjoining villages of its plant and mining leasehold areas. In the 1st phase, the Company set a target to construct 138 toilets nearby villages. The Company has also targeted to construct toilets blocks in government schools of nearby villages with separate girls and boy's toilet blocks with facility of water by bore well by installing submersible motors. This activity motivates students to use toilets and practice good health and hygiene in daily life.

***Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner***

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

As on March 31, 2019, 105 cases of customer complaints were pending and 53 consumer cases were pending before different Forums/Commissions/Courts.

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

No. The Company has displayed all mandatory information on the product labels/packaging as per applicable laws. Wherever applicable, specific certification requirements of regulatory authorities and some marks like ISI, BIS etc., are provided on the product label/packages.

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

There are no such cases during the last five years and pending as on end of Financial Year 2018-19.

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

Yes. Customer Satisfaction Surveys are carried out by the Company half-yearly/annually.

For and on behalf of the Board

Place : Mumbai
Date : May 10, 2019

**SHOBHAN M. THAKORE**
*Chairman*

# ANNEXURE 'C' TO THE DIRECTORS' REPORT

**The details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :**

1. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2018-19 :

| Name | Designation | Ratio |
|---|---|---|
| Mr. Vijay Aggarwal | Managing Director | 162 |
| Mr. Vivek K. Agnihotri | Executive Director & CEO (Cement) | 71 @ |
| Mr. Atul R. Desai | Executive Director & CEO (RMC) | 66 @ |
| Mr. Sarat Chandak # | Executive Director & CEO (HRJ) | 5 @ |
| Mr. Shobhan M. Thakore | Non-executive Independent Director | 5 |
| Ms. Ameeta A. Parpia | Non-executive Independent Director | 3 |
| Dr. Raveendra Chittoor | Non-executive Independent Director | 2 |
| Mr. Joydeep Mukherjee * | Executive Director & CEO (HRJ) | 59 @ |

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19 :

| Name | Designation | % increase |
|---|---|---|
| Mr. Vijay Aggarwal | Managing Director | 10 |
| Mr. Vivek K. Agnihotri | Executive Director & CEO (Cement) | 14 @ |
| Mr. Atul R. Desai | Executive Director & CEO (RMC) | 10 @ |
| Mr. Sarat Chandak # | Executive Director & CEO (HRJ) | N.A. @ |
| Mr. Shobhan M. Thakore | Non-executive Independent Director | 33 |
| Ms. Ameeta A. Parpia | Non-executive Independent Director | 20 |
| Dr. Raveendra Chittoor | Non-executive Independent Director | 33 |
| Mr. Manish Bhatia | Chief Financial Officer | 9 |
| Ms. Aneeta S. Kulkarni | Company Secretary | 0 |
| Mr. Joydeep Mukherjee * | Executive Director & CEO (HRJ) | 8 @ |

* *Resigned on March 2, 2019*

\# *Appointed as Executive Director & CEO (HRJ) w.e.f. March 3, 2019.*

@ *Does not include Performance incentive of ₹ 1.40 Crores paid to Executive Directors during the year 2018-19, as approved by the Nomination & Remuneration Committee.*

*Note : Remuneration of Non-executive Independent Directors excludes sitting fees.*

3. The percentage increase in the median remuneration of the employees in the financial year was around 7%.

4. The number of permanent employees on the rolls of the Company as on March 31, 2019 was 5,456.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year was 0.07 whereas, the increase in the managerial remuneration was 0.11. This increment is in line with the factors more particularly described in the Remuneration Policy of the Company stated in the Corporate Governance Report.

6. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place : Mumbai
Date : May 10, 2019

**SHOBHAN M. THAKORE**
*Chairman*

# ANNEXURE 'D' TO THE DIRECTORS' REPORT

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

## (A) Conservation of energy

**(i) The steps taken or impact on conservation of energy :**

***Cement Division***

- Limestone crusher & mines
  - All three Crushers operations optimisation with respect to shifts and numbers to match with feed and to avoid idle run.
  - Replacement of 145 kW motor driven compressor by a 30 kW VFD operated compressor to improve operating efficiency.
  - High manganese blow bars replaced by Hi-chrome blow bars to increase efficiency.
  - Mines Band – II all diesel operated and De-Watering pumps converted to electrical operated pump to save fossil fuel (diesel/ lubricant oil), reduce emission and O&M.
- Raw mills
  - U-II Raw mill - 1 Separator discharge cone extension work and armor ring angle modification to enhance efficiency.
  - Separator top sealing gap optimisation.
- Kilns
  - Shell cooling fans aluminum blades replaced with FRP blades to improve efficiency.
  - Preheater section all dispersion plates replaced with modified design to improve material dispersion in cyclones.
  - Heat resistant paint employed on Cyclones to reduce radiation losses.
  - Kiln shell cooling fans running control provided with shell scanner temperature interlock.
- Coal mills
  - Coal mill reject circuit running is controlled by timer to reduce idle running.
  - Bags changed with better design to improve collection efficiency.
- Cement mills
  - Sepax fans of Cement mills replaced with high efficiency ones to save power.
  - Roll Press gap optimisation after study with OEM to get better cake density and throughput.
  - VFD drives installation in Packing plant bag filter fans.
  - Raw mix design has been optimised to get better CUF.

***H & R Johnson (India) Division***

- **Savings in Electrical Energy**

  *Dewas*
  - Replacement of existing lights with LED provides a saving of around 25% in power consumption.

  *Kunigal*
  - Reducing power consumption in Stock tanks of slip house motor by optimising frequency input through variable frequency drives resulting in savings of about 72 kWh/day.

  *Karaikal*
  - Replacement of existing lights with LED provides a saving of around 15% in power consumption with higher illumination.
- **Savings in Thermal Energy**

  *Dewas*
  - Reconditioning of Hot Air Generator Steel duct along with Spray Dryer chimney resulting in savings in fuel consumption.

  *Pen*
  - Revamping of Hot Air duct from Chain stove to Spray Dryer resulting in savings in coal consumption.

**(ii) The steps taken by the Company for utilising alternate sources of energy :**

***Cement Division***

- Installation of 16.97 MWp solar power plant in mined out area and colony premises through associate.
- 2.45% of total annual electricity consumption for process sourced from green power resources (bio-mass, small hydro, bagasse, solar)
- 5.4 MW green power (bagasse) purchase through open Access.
- Usage of carbon black powder as an alternate to coal for pyro process.

- Ordered 22.44 MW of Waste Heat Recovery System (WHRS), which is considered green energy by several states and authorities. It will reduce demand side power requirement by equivalent MW, reducing carbon footprints as well.

***H & R Johnson (India) Division***

Installation work for development of 7 MWp Captive Solar Power Projects in progress at multiple locations and expected to get operational in Q1 of FY20. Installed Capacity of Solar Power Projects will be as under :

- Pen – 3.50 MWp
- Dewas – 1.25 MWp
- Kunigal – 1.25 MWp
- Karaikal – 1.00 MWp

**(iii) The capital investment on energy conservation equipment :**

Total investment on energy conservation equipment is ₹ 4.67 Crores during the year ended March 31, 2019.

## (B) Technology absorption

**(i) The efforts made towards technology absorption :**

- Ordered 22.44 MW of WHRS, which utilises heat of flue gases being vented to atmosphere after pyro processing.
- Development of own grinding aid, which helps in improving clinker utilisation factor and energy efficiency.
- Initiative towards installation of Low NOx burner and SNCR for reduction of SOx/NOx emissions.
- Replacement of conventional luminaires with latest LED lights across the plant, mines and colony area.
- Initiation of normal/low efficiency motors replacement with IE3/IE4 high efficiency motors to improve efficiency.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution :**

- Savings on natural resources like limestone and fossil fuel.
- Reduction of Utility demand side power consumption and improvement upon carbon footprint.
- Improvement in specific energy consumption.
- Strengthening of environment friendly measures.
- Improvement of clinker utilisation factor.
- Improvement in throughput and specific power consumption.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** : Not Applicable

**(iv) The expenditure incurred on Research and Development** : ₹ 4.47 Crores (Previous year : ₹ 3.82 Crores)

## (C) Foreign Exchange Earnings and Outgo

₹ ***Crores***

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Details of earnings in foreign currency : F.O.B Value of Export | 37.27 | 40.55 |
| Details of expenditure in foreign currency | 7.59 | 2.90 |

For and on behalf of the Board

Place : Mumbai
Date : May 10, 2019

**SHOBHAN M. THAKORE**
*Chairman*

# ANNEXURE 'E' TO THE DIRECTORS' REPORT

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

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

To,
The Members,
Prism Johnson Limited

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by Prism Johnson Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of :
   (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
      (a) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR')/Regulation(s);
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
      (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. We have relied on certifications/representations made by the officers of the Company and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Major laws applicable to the Company are as follows :
   1) Factories Act, 1948;
   2) Industrial Development and Regulations Act;
   3) Acts prescribed under Environment Protection Act;
   4) Acts prescribed under Prevention and Control of Pollution;
   5) Acts prescribed under Direct Tax and Indirect Tax;
   6) Mines Act, 1952;
   7) Acts under Industrial Laws;
   8) Labour Welfare Acts;
   9) Labour laws and other incidental laws related to labour and employees appointed by the Company;
   10) Local laws as applicable to various offices and plants.
3. We have also examined compliance with the applicable clauses of the following :
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) SEBI LODR guidelines.
4. During the year under the report the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that :**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act/Regulation(s).

- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. For certain urgent matters, some of the meetings were called at shorter notice.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**We further report that** during the audit period the Company has issued listed non-convertible debentures on private placement basis pursuant to the Special Resolution passed at the Annual General Meetings held on August 9, 2017 and August 8, 2018.

We further state that following list of the documents were verified :

1) Memorandum and Articles of Association;
2) Annual Report for the financial year 2018;
3) Minutes of the meetings of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Securities Allotment & Transfer Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee held during the year along with attendance registers;
4) Minutes of the General meeting held during the financial year under report;
5) Statutory registers;
6) Agenda papers submitted to all directors/members for the board meetings and committee meetings;
7) Intimations received from the Directors of the Company pursuant to the provisions of section 184 and 149(7) of Companies Act, 2013;
8) E-forms filed by the Company from time to time under the applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9) Intimations/documents/reports/returns filed with stock exchanges pursuant to provisions of the SEBI LODR/ Companies Act, 2013.
10) Various policies made under the Companies Act, 2013 and SEBI LODR.

For **Savita Jyoti Associates**

**Company Secretaries**
**Savita Jyoti**
FCS No. : 3738; CP No. : 1796

Place : Mumbai
Date : 26th April, 2019

# ANNEXURE 'F' TO THE DIRECTORS' REPORT

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the Financial Year ended on March 31, 2019**
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

## I. REGISTRATION AND OTHER DETAILS :

| | | | |
|---|---|---|---|
| i | CIN | : | L26942TG1992PLC014033 |
| ii | Registration Date | : | March 26, 1992 |
| iii | Name of the Company | : | Prism Johnson Limited |
| iv | Category / Sub-category of the Company | : | Public Limited Company |
| v | Address of the Registered office and contact details | : | 305, Laxmi Niwas Apartments,<br>Ameerpet, Hyderabad – 500 016.<br>Phone : +91-40-23400218 ; Fax : +91-40-23402249<br>e-mail : investor@prismjohnson.in<br>website : www.prismjohnson.in |
| vi | Whether listed company Yes / No | : | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Karvy Fintech Private Limited,<br>Unit : Prism Johnson Limited,<br>Karvy Selenium Tower B, Plot 31-32,<br>Gachibowli, Financial District, Serilingampally Mandal,<br>Nanakramguda, Hyderabad – 500 032.<br>Mr. Mohsin Uddin – Senior Manager<br>Tel : +91-40-67161500 (Ext. 1562) / +91-40-67161562<br>Fax : +91-40-23001153 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

| Sr. No. | Name and description of main products/services | NIC code of the product / services | % to total turnover of the Company |
|---|---|---|---|
| i | Portland Cement | 23942 | 42.56% |
| ii | Tiles | 23939 | 23.70% |
| iii | Ready Mixed Concrete | 23952 | 23.61% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

| Sr. No. | Name and Address of the Company | CIN | Holding subsidiary / Associate | % of shares held | Applicable section |
|---|---|---|---|---|---|
| i | Raheja QBE General Insurance Company Limited, Windsor House, 5th Floor, CST Road , Kalina, Santacruz (E), Mumbai - 400 098, Maharashtra, India. | U66030MH2007PLC173129 | Subsidiary | 51% | 2(87) |
| ii | Silica Ceramica Private Limited, Narayanpuram, Unguturu Mandal, Narayanpuram, Andhra Pradesh - 534 407, India. | U26933AP2006PTC051977 | Subsidiary $ | 99.93% | 2(87) |
| iii | H. & R. Johnson (India) TBK Limited, Windsor, 7th Floor, C.S.T. Road, Kalina, Santacruz (E), Mumbai - 400 098, Maharashtra, India. | U45200MH1996PLC101892 | Subsidiary | 100% | 2(87) |

| Sr. No. | Name and Address of the Company | CIN | Holding subsidiary / Associate | % of shares held | Applicable section |
|---|---|---|---|---|---|
| iv | Milano Bathroom Fittings Private Limited,<br>Plot No. 30, Industrial Township Phsse 4, Himuda,<br>Bhatoli Kalan, Baddi, Solan,<br>Himachal Pradesh - 173 205. India | U28994HP2000PTC006251 | Subsidiary | 100% | 2(87) |
| v | RMC Readymix Porselano (India) Limited,<br>Windsor, 7th Floor, C.S.T. Road, Kalina,<br>Santacruz (E), Mumbai - 400 098, Maharashtra, India. | U14103MH2006PLC160848 | Subsidiary | 100% | 2(87) |
| vi | TBK Venkataramiah Tile Bath Kitchen Private Limited,<br>No. 56/A, Ramamurthy Nagar, Main Road,<br>Dodda Banaswadi, Opp. New Baldwin Residential<br>School, Bangalore Karnataka - 560 043, India. | U26900KA2010PTC056306 | Step-down Subsidiary | 100% | 2(87) |
| vii | TBK Rangoli Tile Bath Kitchen Private Limited,<br>Ground Floor, Kaddiya Wadi, Azad Road,<br>Near Fire Brigade, Vile-Parle, (East),<br>Mumbai - 400 057, Maharashtra, India. | U74120MH2010PTC209550 | Step-down Subsidiary | 100% | 2(87) |
| viii | TBK Samiyaz Tile Bath Kitchen Private Limited,<br>G 5-10, Ground Floor, Plot No. 6, Savita Raj Complex,<br>Kala Manak Flat Owners Society, CIDCO New<br>Aurangabad - 431 003, Maharashtra, India | U26916MH2007PTC176528 | Step-down Subsidiary | 69.87% | 2(87) |
| ix | Ardex Endura (India) Private Limited,<br>Unit No. 406 & 407, "Brigade Rubix", No. 20,<br>HMT Campus, Yeshwanthapur, Hubli,<br>Bengaluru - 560 013, Karnataka, India. | U24233KA1997PTC022383 | Joint Venture | 50% | 2(6) |
| x | Sentini Cermica Private Limited,<br>Plot No. 1229, Road No. 60, Jubilee hills, Hyderabad,<br>Telangana - 500 033, India. | U26914TG2002PTC038347 | Joint Venture | 50% | 2(6) |
| xi | Antique Marbonite Private Limited,<br>746/2, Paikee Lakhadhirpur Road, Taluka Morbi,<br>District Rajkot, Gujarat - 363 642, India. | U24221GJ2003PTC042679 | Joint Venture | 50% | 2(6) |
| xii | Spectrum Johnson Tiles Private Limited,<br>Survey No. 242, 8-A National Highway, At Dhuva,<br>Taluka Wankaner, Dhuva, Gujarat - 363 621, India. | U26933GJ2006PTC049055 | Joint Venture | 50% | 2(6) |
| xiii | Small Johnson Floor Tiles Private Limited,<br>Survey No. 778, Paikee of Guntu, B/H GSPC<br>Gas Terminal, Lakhdhirpur Road, Lakhdhirpur,<br>Taluka Morbi - 363 642, Gujarat, India. | U26933GJ2011PTC067661 | Joint Venture | 50% | 2(6) |
| xiv | Coral Gold Tiles Private Limited,<br>Survey No. 824/P-1, Taluka Morbi, Ghuntu,<br>Gujarat - 363 642, India. | U26914GJ2007PTC052095 | Joint Venture | 50% | 2(6) |
| xv | Prism Power and Infrastructure Private Limited,<br>305, Laxmi Niwas Apartments, Ameerpet,<br>Hyderabad - 500 016, Telangana, India. | U40109TG2006PTC049084 | Associate | 49% | 2(6) |
| xvi | CSE Solar Parks Satna Private Limited,<br>Flat 401, 4th Floor, Shree Guru Harikrishna Bhavan,<br>Dr. Charat Singh Colony, A. K. Road,<br>Andheri (East), Mumbai - 400 093, India. | U40106MH2017PTC297535 | Associate # | 27% | 2(6) |

$ The Equity shareholding increased to 99.93% from 99.90%

# Became an Associate of the Company w.e.f. March 18, 2019

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity) :

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

| Category of Shareholders | | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A.** | **Promoters** | | | | | | | | | |
| **(1)** | **Indian** | | | | | | | | | |
| a) | Individual / HUF | 6,82,50,423 | 0 | 6,82,50,423 | 13.56 | 6,82,50,423 | 0 | 6,82,50,423 | 13.56 | 0.00 |
| b) | Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Bodies Corporate | 30,86,30,246 | 0 | 30,86,30,246 | 61.31 | 30,86,30,246 | 0 | 30,86,30,246 | 61.31 | 0.00 |
| e) | Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Any others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (A) (1) :** | | **37,68,80,669** | **0** | **37,68,80,669** | **74.87** | **37,68,80,669** | **0** | **37,68,80,669** | **74.87** | **0.00** |
| **(2)** | **Foreign** | | | | | | | | | |
| a) | NRIs Individuals | 500 | 0 | 500 | 0.00 | 500 | 0 | 500 | 0.00 | 0.00 |
| b) | Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Any others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (A) (2) :** | | **500** | **0** | **500** | **0.00** | **500** | **0** | **500** | **0.00** | **0.00** |
| **Total shareholding of Promoter (A) = (A) (1) + (A) (2)** | | **37,68,81,169** | **0** | **37,68,81,169** | **74.87** | **37,68,81,169** | **0** | **37,68,81,169** | **74.87** | **0.00** |
| **B.** | **Public Shareholding** | | | | | | | | | |
| **1.** | **Institutions** | | | | | | | | | |
| a) | Mutual Funds | 2,74,80,130 | 1,51,300 | 2,76,31,430 | 5.49 | 2,21,88,035 | 2,400 | 2,21,90,435 | 4.41 | -1.08 |
| b) | Financial Institutions / Banks | 2,04,304 | 0 | 2,04,304 | 0.04 | 2,96,100 | 0 | 2,96,100 | 0.06 | 0.02 |
| c) | Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) | FIIs / Foreign Portfolio Investor | 3,31,36,115 | 0 | 3,31,36,115 | 6.58 | 3,42,96,497 | 0 | 3,42,96,497 | 6.81 | 0.23 |
| h) | Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) | Others (specify) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (B) (1) :** | | **6,08,20,549** | **1,51,300** | **6,09,71,849** | **12.11** | **5,67,80,632** | **2,400** | **5,67,83,032** | **11.28** | **-0.83** |

| Category of Shareholders | | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **2.** | **Non-institutions** | | | | | | | | | |
| **a)** | **Bodies Corporate** | 1,09,08,580 | 38,100 | 1,09,46,680 | 2.17 | 1,05,09,260 | 36,400 | 1,05,45,660 | 2.10 | -0.07 |
| **b)** | **Individuals** | | | | | | | | | |
| i) | Individuals shareholders holding nominal share capital upto ₹ 2 lakh | 2,21,22,788 | 37,89,109 | 2,59,11,897 | 5.16 | 2,30,19,967 | 33,83,508 | 2,64,03,475 | 5.25 | 0.09 |
| ii) | Individuals shareholders holding nominal share capital in excess of ₹ 2 lakh | 2,39,57,766 | 13,800 | 2,39,71,566 | 4.76 | 2,83,32,063 | 13,800 | 2,83,45,863 | 5.63 | 0.87 |
| iii) | Others (specify): NBFC, IEPF, Trusts, Non Resident Indians, NRI Non-repatriation, & Clearing Members. | 45,14,719 | 1,58,700 | 46,73,419 | 0.93 | 42,42,681 | 1,54,700 | 43,97,381 | 0.87 | -0.06 |
| **Sub-total (B) (2) :** | | **6,15,03,853** | **39,99,709** | **6,55,03,562** | **13.02** | **6,61,03,971** | **35,88,408** | **6,96,92,379** | **13.85** | **0.83** |
| **Total Public Shareholding (B) = (B) (1) + (B) (2) :** | | **12,23,24,402** | **41,51,009** | **12,64,75,411** | **25.13** | **12,28,84,603** | **35,90,808** | **12,64,75,411** | **25.13** | **0.00** |
| **C.** | **Shares held by custodians for GDRs & ADRs** | – | – | – | – | – | – | – | – | – |
| **GRAND TOTAL (A+B+C)** | | **49,92,05,571** | **41,51,009** | **50,33,56,580** | **100.00** | **49,97,65,772** | **35,90,808** | **50,33,56,580** | **100.00** | – |

**(ii) Shareholding of Promoters :**

| Sr. No. | Shareholder's Name | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| **(A)** | **Promoters :** | | | | | | | |
| 1 | Manali Investment & Finance Private Limited | 6,78,17,992 | 13.47 | 0.00 | 6,78,17,992 | 13.47 | 0.00 | 0.00 |
| 2 | Hathway Investments Private Limited | 6,41,13,400 | 12.74 | 0.00 | 6,41,13,400 | 12.74 | 0.00 | 0.00 |
| 3 | Coronet Investments Private Limited | 5,79,49,394 | 11.51 | 0.00 | 5,79,49,394 | 11.51 | 0.00 | 0.00 |

| Sr. No. | Shareholder's Name | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 4 | Rajan B. Raheja | 5,14,06,327 | 10.21 | 0.00 | 5,14,06,327 | 10.21 | 0.00 | 0.00 |
| 5 | Bloomingdale Investment & Finance Private Limited | 3,12,89,300 | 6.22 | 0.00 | 3,12,89,300 | 6.22 | 0.00 | 0.00 |
| 6 | Varahagiri Investment And Finance Private Limited | 2,32,21,148 | 4.61 | 0.00 | 2,32,21,148 | 4.61 | 0.00 | 0.00 |
| 7 | Matsyagandha Investment & Finance Private Limited | 2,31,11,412 | 4.59 | 0.00 | 2,31,11,412 | 4.59 | 0.00 | 0.00 |
| **Total - Promotors (A)** | | **31,89,08,973** | **63.35** | **0.00** | **31,89,08,973** | **63.35** | **0.00** | **0.00** |
| **(B)** | **Promoters Group :** | | | | | | | |
| 8 | Suman R. Raheja | 56,90,528 | 1.13 | 0.00 | 56,90,528 | 1.13 | 0.00 | 0.00 |
| 9 | Akshay R. Raheja | 55,76,784 | 1.11 | 0.00 | 55,76,784 | 1.11 | 0.00 | 0.00 |
| 10 | Viren R. Raheja | 55,76,784 | 1.11 | 0.00 | 55,76,784 | 1.11 | 0.00 | 0.00 |
| 11 | Brindaban Land Development Private Limited | 14,000 | 0.00 | 0.00 | 14,000 | 0.00 | 0.00 | 0.00 |
| 12 | Colonnade Housing Private Limited | 14,000 | 0.00 | 0.00 | 14,000 | 0.00 | 0.00 | 0.00 |
| 13 | Excelsior Construction Company Private Limited | 16,000 | 0.00 | 0.00 | 16,000 | 0.00 | 0.00 | 0.00 |
| 14 | Gstaad Trading Company Private Limited | 12,000 | 0.00 | 0.00 | 12,000 | 0.00 | 0.00 | 0.00 |
| 15 | R Raheja Properties Private Limited | 2,31,00,400 | 4.59 | 0.00 | 2,31,00,400 | 4.59 | 0.00 | 0.00 |
| 16 | Gstaad Investment & Finance Private Limited | 14,000 | 0.00 | 0.00 | 14,000 | 0.00 | 0.00 | 0.00 |
| 17 | Peninsula Estates Private Limited | 1,79,33,200 | 3.56 | 0.00 | 1,79,33,200 | 3.56 | 0.00 | 0.00 |
| 18 | Trophy Investment & Finance Private Limited | 20,000 | 0.00 | 0.00 | 20,000 | 0.00 | 0.00 | 0.00 |
| 19 | Shiraz Realtors Private Limited | 4,000 | 0.00 | 0.00 | 4,000 | 0.00 | 0.00 | 0.00 |
| 20 | Satish B. Raheja | 500 | 0.00 | 0.00 | 500 | 0.00 | 0.00 | 0.00 |
| **Total - Promotors Group (B)** | | **5,79,72,196** | **11.52** | **0.00** | **5,79,72,196** | **11.52** | **0.00** | **0.00** |
| **Total - Promotors & Promotors Group (A + B)** | | **37,68,81,169** | **74.87** | **0.00** | **37,68,81,169** | **74.87** | **0.00** | **0.00** |

**(iii) Change in Promoters' Shareholding (Please specify, if there in no change) :**

There are no changes in the Promoters' shareholding during the Financial year 2018-19.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

| Sr. No. | Particulars | Reason | Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | For each of the Top 10 Shareholders | | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | HDFC Trustee Company Limited | At the beginning of the year | April 1, 2018 | 2,64,82,422 | 5.26 | 2,64,82,422 | 5.26 |
| | | Decrease | April 20, 2018 | 1,38,000 | 0.03 | 2,63,44,422 | 5.23 |
| | | Decrease | April 27, 2018 | 1,41,942 | 0.03 | 2,62,02,480 | 5.21 |
| | | Decrease | May 4, 2018 | 79,000 | 0.02 | 2,61,23,480 | 5.19 |
| | | Decrease | June 8, 2018 | 50,00,000 | 0.99 | 2,11,23,480 | 4.20 |
| | | Decrease | July 13, 2018 | 85,700 | 0.02 | 2,10,37,780 | 4.18 |
| | | Decrease | July 20, 2018 | 62,100 | 0.01 | 2,09,75,680 | 4.17 |
| | | Decrease | July 27, 2018 | 1,26,657 | 0.03 | 2,08,49,023 | 4.14 |
| | | Decrease | August 3, 2018 | 76,98,465 | 1.53 | 1,31,50,558 | 2.61 |
| | | Decrease | August 10, 2018 | 2,58,448 | 0.05 | 1,28,92,110 | 2.56 |
| | | Decrease | August 17, 2018 | 25,00,000 | 0.50 | 1,03,92,110 | 2.06 |
| | | Decrease | August 24, 2018 | 18,92,110 | 0.38 | 85,00,000 | 1.69 |
| | | Decrease | December 21, 2018 | 31,000 | 0.01 | 84,69,000 | 1.68 |
| | | Decrease | March 15, 2019 | 5,140 | 0.00 | 84,63,860 | 1.68 |
| | | At the end of the year | March 31, 2019 | | | 84,63,860 | 1.68 |
| 2 | National Westminster Bank PLC As Trustee of the Jupiter India Fund | At the beginning of the year | April 1, 2018 | 1,15,10,838 | 2.29 | 1,15,10,838 | 2.29 |
| | | Increase | April 6, 2018 | 1,31,304 | 0.03 | 1,16,42,142 | 2.31 |
| | | Increase | November 16, 2018 | 1,85,135 | 0.04 | 1,18,27,277 | 2.35 |
| | | Increase | November 23, 2018 | 17,932 | 0.00 | 1,18,45,209 | 2.35 |
| | | At the end of the year | March 31, 2019 | | | 1,18,45,209 | 2.35 |
| 3 | L&T Mutual Fund Trustee Limited - L&T Emerging Business Fund | At the beginning of the year | April 1, 2018 | 0 | 0.00 | 0 | 0.00 |
| | | Increase | June 8, 2018 | 50,50,000 | 1.00 | 50,50,000 | 1.00 |
| | | Increase | June 29, 2018 | 88,469 | 0.02 | 51,38,469 | 1.02 |
| | | Increase | July 6, 2018 | 16,588 | 0.00 | 51,55,057 | 1.02 |
| | | Increase | July 13, 2018 | 1,00,000 | 0.02 | 52,55,057 | 1.04 |
| | | Increase | August 3, 2018 | 10,00,000 | 0.20 | 62,55,057 | 1.24 |
| | | Increase | October 19, 2018 | 1,15,036 | 0.02 | 63,70,093 | 1.27 |
| | | Increase | October 26, 2018 | 4,80,407 | 0.10 | 68,50,500 | 1.36 |
| | | Increase | December 14, 2018 | 50,000 | 0.01 | 69,00,500 | 1.37 |
| | | Increase | February 8, 2019 | 1,20,868 | 0.02 | 70,21,368 | 1.39 |

| Sr. No. | Particulars | Reason | Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | For each of the Top 10 Shareholders | | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total shares of the Company |
| | | Increase | February 15, 2019 | 1,02,722 | 0.02 | 71,24,090 | 1.42 |
| | | Increase | February 22, 2019 | 1,32,410 | 0.03 | 72,56,500 | 1.44 |
| | | Increase | March 1, 2019 | 1,00,000 | 0.02 | 73,56,500 | 1.46 |
| | | Increase | March 8, 2019 | 97,718 | 0.02 | 74,54,218 | 1.48 |
| | | Increase | March 15, 2019 | 54,070 | 0.01 | 75,08,288 | 1.49 |
| | | Increase | March 22, 2019 | 7,309 | 0.00 | 75,15,597 | 1.49 |
| | | At the end of the year | March 31, 2019 | | | 75,15,597 | 1.49 |
| 4 | Akash Bhanshali | At the beginning of the year | April 1, 2018 | 73,92,416 | 1.47 | 73,92,416 | 1.47 |
| | | At the end of the year | March 31, 2019 | | | 73,92,416 | 1.47 |
| 5 | CLSA Global Markets Pte. Ltd. | At the beginning of the year | April 1, 2018 | 56,12,748 | 1.12 | 56,12,748 | 1.12 |
| | | Decrease | May 11, 2018 | 41,075 | 0.01 | 55,71,673 | 1.11 |
| | | Decrease | May 18, 2018 | 1,73,874 | 0.03 | 53,97,799 | 1.07 |
| | | Decrease | May 25, 2018 | 78,669 | 0.02 | 53,19,130 | 1.06 |
| | | Decrease | June 1, 2018 | 2,93,731 | 0.06 | 50,25,399 | 1.00 |
| | | Decrease | June 8, 2018 | 16,736 | 0.00 | 50,08,663 | 1.00 |
| | | At the end of the year | March 31, 2019 | | | 50,08,663 | 1.00 |
| 6 | Government Pension Fund Global | At the beginning of the year | April 1, 2018 | 52,84,373 | 1.05 | 52,84,373 | 1.05 |
| | | At the end of the year | March 31, 2019 | | | 52,84,373 | 1.05 |
| 7 | IDFC Sterling Value Fund | At the beginning of the year | April 1, 2018 | 0 | 0.00 | 0 | 0.00 |
| | | Increase | August 24, 2018 | 24,00,000 | 0.48 | 24,00,000 | 0.48 |
| | | Increase | September 28, 2018 | 83,897 | 0.02 | 24,83,897 | 0.49 |
| | | Increase | October 5, 2018 | 1,86,106 | 0.04 | 26,70,003 | 0.53 |
| | | Increase | October 12, 2018 | 1,99,789 | 0.04 | 28,69,792 | 0.57 |
| | | Increase | October 19, 2018 | 30,208 | 0.01 | 29,00,000 | 0.58 |
| | | Increase | November 2, 2018 | 94,781 | 0.02 | 29,94,781 | 0.59 |
| | | Increase | November 9, 2018 | 32,967 | 0.01 | 30,27,748 | 0.60 |
| | | Increase | November 16, 2018 | 55,692 | 0.01 | 30,83,440 | 0.61 |
| | | Increase | November 23, 2018 | 16,135 | 0.00 | 30,99,575 | 0.62 |
| | | Increase | November 30, 2018 | 2,69,055 | 0.05 | 33,68,630 | 0.67 |
| | | Increase | December 7, 2018 | 2,95,957 | 0.06 | 36,64,587 | 0.73 |
| | | Increase | December 14, 2018 | 49,448 | 0.01 | 37,14,035 | 0.74 |
| | | Increase | December 28, 2018 | 1,97,709 | 0.04 | 39,11,744 | 0.78 |

| Sr. No. | Particulars | Reason | Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | For each of the Top 10 Shareholders | | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total shares of the Company |
| | | Increase | January 4, 2019 | 68,256 | 0.01 | 39,80,000 | 0.79 |
| | | Increase | January 18, 2019 | 20,000 | 0.00 | 40,00,000 | 0.79 |
| | | Increase | January 25, 2019 | 97,439 | 0.02 | 40,97,439 | 0.81 |
| | | Increase | February 1, 2019 | 6,02,561 | 0.12 | 47,00,000 | 0.93 |
| | | Increase | February 8, 2019 | 1,00,000 | 0.02 | 48,00,000 | 0.95 |
| | | Increase | February 15, 2019 | 2,10,000 | 0.04 | 50,10,000 | 1.00 |
| | | Increase | March 8, 2019 | 20,000 | 0.00 | 50,30,000 | 1.00 |
| | | Decrease | March 15, 2019 | 28,200 | 0.01 | 50,01,800 | 0.99 |
| | | At the end of the year | March 31, 2019 | | | 50,01,800 | 0.99 |
| 8 | Legato Capital Management Investments LLC | At the beginning of the year | April 1, 2018 | 36,02,202 | 0.72 | 36,02,202 | 0.72 |
| | | Increase | March 1, 2019 | 2,40,872 | 0.05 | 38,43,074 | 0.76 |
| | | Increase | March 8, 2019 | 1,38,000 | 0.03 | 39,81,074 | 0.79 |
| | | At the end of the year | March 31, 2019 | | | 39,81,074 | 0.79 |
| 9 | Jupiter South Asia Investment Company Limited | At the beginning of the year | April 1, 2018 | 29,94,745 | 0.59 | 29,94,745 | 0.59 |
| | | Decrease | April 6, 2018 | 1,10,630 | 0.02 | 28,84,115 | 0.57 |
| | | Increase | September 28, 2018 | 1,59,331 | 0.03 | 30,43,446 | 0.60 |
| | | Decrease | November 2, 2018 | 64,758 | 0.01 | 29,78,688 | 0.59 |
| | | Decrease | November 16, 2018 | 1,01,182 | 0.02 | 28,77,506 | 0.57 |
| | | Decrease | February 22, 2019 | 1,24,138 | 0.02 | 27,53,368 | 0.55 |
| | | Decrease | March 15, 2019 | 49,976 | 0.01 | 27,03,392 | 0.54 |
| | | At the end of the year | March 31, 2019 | | | 27,03,392 | 0.54 |
| 10 | Ashish Agarwal | At the beginning of the year | April 1, 2018 | 0 | 0.00 | 0 | 0.00 |
| | | Increase | August 24, 2018 | 15,50,000 | 0.31 | 15,50,000 | 0.31 |
| | | Increase | November 2, 2018 | 6,50,000 | 0.13 | 22,00,000 | 0.44 |
| | | At the end of the year | March 31, 2019 | | | 22,00,000 | 0.44 |

Notes :

(1) The above information is based on the weekly beneficiary position received from depositories.

(2) 0.00 denotes % less than 0.01

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

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For each of the Directors and KMP | No. of Shares | % of total Shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Mr. Rajan B. Raheja | 5,14,06,327 | 10.21 | 5,14,06,327 | 10.21 |
| 2 | Ms. Ameeta A. Parpia | 76,000 | 0.02 | 76,000 | 0.02 |

Note : No change in shareholding of Directors during the year.

## V INDEBTEDNESS :

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

₹ Crores

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year :** | | | | |
| i) Principal Amount (Gross) | 1,115.01 | 420.20 | 12.84 | 1,548.05 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 58.51 | – | – | 58.51 |
| **Total (i + ii + iii)** | **1,173.52** | **420.20** | **12.84** | **1,606.56** |
| **Change in Indebtedness during the financial year :** | | | | |
| Addition | 534.37 | 226.35 | – | 760.72 |
| Reduction | 436.57 | 392.67 | 6.43 | 835.67 |
| **Net change** | **97.80** | **(116.32)** | **(6.43)** | **(74.95)** |
| **Indebtedness at the end of the financial year :** | | | | |
| i) * Principal Amount | 1,212.81 | 253.88 | 6.41 | 1,473.10 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 77.82 | – | – | 77.82 |
| **Total (i + ii + iii)** | **1,290.63** | **253.88** | **6.41** | **1,550.92** |

* The indebtedness principal amount given above is gross of processing fees ₹ 3.63 Crores and ₹ 3.25 Crores at the beginning and end of the financial year respectively.

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

₹ Crores

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | |
|---|---|---|---|---|---|---|---|
| | | Mr. Vijay Aggarwal | Mr. Vivek Agnihotri | Mr. Joydeep Mukherjee# | Mr. Atul Desai | Mr. Sarat Chandak* | Total Amount |
| 1 | **Gross salary :** | | | | | | |
| | a Salary as per provisions contained in section 17(1) of the IncomeTax Act, 1961 | 9.69 | 2.68 | 2.85 | 2.60 | 0.16 | **17.98** |
| | b Value of perquisites U/s 17(2) of the Income Tax Act, 1961 | – | – | – | – | – | **–** |
| | c Profits in lieu of salary U/s 17(3) of the Incom Tax Act, 1961 | – | – | – | – | – | **–** |
| 2 | **Stock Option** | – | – | – | – | – | **–** |

₹ Crores

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | |
|---|---|---|---|---|---|---|---|
| | | Mr. Vijay Aggarwal | Mr. Vivek Agnihotri | Mr. Joydeep Mukherjee# | Mr. Atul Desai | Mr. Sarat Chandak* | Total Amount |
| 3 | **Sweat Equity** | – | – | – | – | – | **–** |
| 4 | **Commission :** | | | | | | |
| | – as % of profit | – | – | – | – | – | **–** |
| | – others | – | – | – | – | – | **–** |
| 5 | **Others** | – | – | – | – | – | **–** |
| | **Total (A)** | **9.69** | **2.68** | **2.85** | **2.60** | **0.16** | **17.98** |
| | Ceiling as per the Act | The remuneration is paid in accordance with the Companies Act, 2013 and Rules thereunder. | | | | | |

# Resigned on March 2, 2019
* Appointed w.e.f. March 3, 2019

**B. Remuneration to other Directors :**

₹ Crores

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Mr. Shobhan M. Thakore | Mr. Rajan B. Raheja | Ms. Ameeta A. Parpia | Dr. Raveendra Chittoor | Mr. J. A. Brooks | |
| 1 | **Independent Directors :** | | | | | | |
| | i) Fees for attending Board / Committee Meetings | 0.07 | – | 0.08 | 0.04 | – | **0.19** |
| | ii) Commission | 0.15 | – | 0.125 | 0.075 | 0.33 | **0.68** |
| | iii) Others | – | – | – | – | – | **–** |
| | **Total (1)** | **0.22** | **–** | **0.205** | **0.115** | **0.33** | **0.87** |
| 2 | **Other Non-executive Directors :** | | | | | | |
| | i) Fees for attending Board / Committee Meetings | – | 0.05 | – | – | – | **0.05** |
| | ii) Commission | – | – | – | – | – | **–** |
| | iii) Others | – | – | – | – | – | **–** |
| | **Total (2)** | **–** | **0.05** | **–** | **–** | **–** | **0.05** |
| | **Total (B) = (1 + 2)** | **0.22** | **0.05** | **0.205** | **0.115** | **0.33** | **0.92** |
| | Ceiling as per the Act | Within 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. | | | | | |
| | **Total Managerial Remuneration (A + B)** | | | | | | **18.90** |

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :

₹ Crores

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | Mr. Manish Bhatia (CFO) | Ms. Aneeta S. Kulkarni (Company Secretary) | Mr. Sarat Chandak CEO (HRJ) - Designate * | |
| 1 | **Gross salary :** | | | | |
| | a Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 1.22 | 0.64 | 0.61 | **2.47** |
| | b Value of perquisites U/s 17(2) of the IncomeTax Act, 1961 | # | # | – | **#** |
| | c Profits in lieu of salary U/s 17(3) of the Income Tax Act, 1961 | – | – | – | **–** |
| 2 | **Stock Option** | – | – | – | **–** |
| 3 | **Sweat Equity** | – | – | – | **–** |
| 4 | **Commission :** | | | | |
| | – as % of profit | – | – | – | **–** |
| | – others | – | – | – | **–** |
| 5 | **Others** | – | – | – | **–** |
| | **Total** | **1.22** | **0.64** | **0.61** | **2.47** |

# Amount less than ₹ 50,000/-
* Appointed from November 12, 2018 to March 2, 2019

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties / punishments / compunding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other officers-in-default, if any, during the year.

For and on behalf of the Board

**SHOBHAN THAKORE**
*Chairman*

Place : Mumbai
Date : May 10, 2019

# Independent Auditor's Report

**To the members of Prism Johnson Limited (Formerly Prism Cement Limited)**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Prism Johnson Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements") .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 state of affairs of the Company as at March 31, 2019 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules framed thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters:

| Sr.No | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| 1 | **Evaluation of Provisions and Contingent Liabilities**<br>As at the Balance Sheet date, the Company has certain open legal cases and other contingent liabilities as disclosed in note no. 4.04. The assessment of the existence of the present legal or constructive obligation and analysis of the probability of the related payment require the management to make judgement and estimates in relation to the issues of each matter.<br>The management with the help of its expert, as needed, have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.<br>Due to the level of judgement and estimate involved in recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter. | Our procedures included, amongst others:<br>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on "*Provisions, Contingent Liabilities and Contingent Assets*".<br>We have analysed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.<br>In addition, we have reviewed:<br>• the details of the proceedings before the relevant authorities including communication from the advocates / experts;<br>• legal advises / opinions obtained by the management, as needed, from experts in the field of law on the legal cases;<br>• minutes of board meetings, including the sub-committees; and<br>• status of each of the material matters as on the date of the balance sheet.<br>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements. |

| Sr.No | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| 2 | **Impairment of investment in Property, plant and equipments and in subsidiaries**<br>Significant judgement is involved in carrying out impairment assessment of Property, plant and equipment (PPE) and investment in subsidiaries. Such assessment is undertaken using discounted cash flow models to determine the recoverable amount (value-in-use) of Cash Generating Units (CGUs), which is compared to the carrying amount of the relevant non-current assets of the CGU in terms of Ind AS 36 on "*Impairment of Assets*".<br>A deficit in recoverable amount compared with the carrying amount would result in an impairment.<br>The value-in-use requires the use of significant management judgements and estimates including key assumptions such as product-mix, sales growth rate, discount rate and terminal growth rate etc.<br>Considering significant degree of judgement in estimating value-in-use, we identified assessment of impairment of PPE and investments in subsidiaries as a key audit matter. | • We understood, evaluated and validated management's key controls over the impairment assessment process.<br>• We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the management to market practice.<br>• We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations.<br>• We also compared historical actual results to those budgeted to assess the quality of management's forecasts.<br>• We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed such parameters with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from independent sources.<br>• We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information.<br>• We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount to exceed the recoverable amount. |

## Information Other than the Standalone Financial Statements and Our Report thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS and relevant provisions 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the standalone financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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 the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act ;

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

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; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 4.04 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on the long-term contracts including derivative contracts; and

iii. There has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

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**Annexure A - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date, to the members of the Company on the standalone financial statements for the year ended March 31, 2019**

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its property, plant and equipment;

(b) The Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment of the Company are being verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on verification conducted during the year as compared with the book records; and

(c) Based on audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and explanations given by the management and further based on certificate received from the debenture trustee / security trustee, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for following:

| Particulars | Gross Block | Net Block | Remark |
|---|---|---|---|
| | As at March 31, 2019 (₹ in Crores) | | |
| Freehold Land/ Leasehold Land/ Premises | 22.52 | 21.30 | In the year 2009-10, vide a scheme of amalgamation approved by the relevant high courts, H. & R. Johnson (India) Limited and RMC Readymix (India) Private Limited were amalgamated into the Company. These immovable properties are continued to be in the name of the above transferor companies and as represented by the Company, it is in the process of getting these properties transferred / registered in its name. The Company is in the possession of the relevant title deeds registered in the name of H. & R. Johnson (India) Limited or RMC Readymix (India) Private Limited, as the case may be. |

(ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable; and

(b) The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with in the books of account;

(iii) 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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

(v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under, to the extent applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

(vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable; and

(b) The details of dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

| Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount involved (₹ in Crores) |
|---|---|---|---|
| Central Excise and Service Tax | 2011-12 to 2016-17 | Customs Excise & Service Tax Appellate Tribunal | 5.07 |
| | 1996-97 (Feb.97) | High Court | 0.98 |
| | 2005-06 to 2015-16 | Central Excise Service Tax Appellate Tribunal | 15.69 |
| | 2007-08 to 2017-18 | Commissioner (Appeals) | 1.06 |
| | 2012-13 to 2017-18 | Assistant Commissioner (Appeals) | 0.70 |
| | 2012-13 to 2017-18 | Joint Commissioner | 1.33 |
| | 2017-18 | Assistant Commissioner of Central Tax, Bengaluru | 0.07 |
| | 2008-17 | Addl. Comm. | 1.26 |
| Sales Tax (Central & State) | 2000-01 to 2005-06 | High Court, Chattisgarh | 7.56 |
| | 2009-10 | High Court, Madhya Pradesh | 0.53 |
| | 2010-11 | Commercial Tax Appellate Board, Bhopal | 0.28 |
| | 2010-11 to 2012-13 | Commissioner (Appeals), Delhi | 2.18 |
| | 2014-15 | Deputy Commissioner , Maharashtra | 2.43 |
| | 2009-10 to 2013-14 | Additional Commissioner (Appeals), Madhya Pradesh | 2.27 |
| | 2010-11 | Appellate Board, Madhya Pradesh | # |
| | 2010-11 | Astt. Comm. Madhya Pradesh | 0.16 |
| | 2007-08 to 2008-09 | Tribunal, Madhya Pradesh | 0.23 |
| | 2010-11 to 2013-14 | Assistant Deputy Commissioner (Appeals), Telangana | 0.13 |
| | 2010-11 to 2011-12 | Commissioner (appeals), Punjab | 0.24 |
| | 2000-01 to 2001-02 and 2012-13 & 2013-14 | Sales tax Appellate Tribunal, Hyderabad | 0.19 |
| | 2005-06 to 2006-07 | Joint Commissioner of Sales Tax, Mumbai | 0.34 |
| | 2007-08 to 2009-10 | Appellate Deputy Commissioner, Chennai | 0.48 |
| | 2009-10 | Assistant Commissioner Commercial Tax | 0.35 |

| Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount involved (₹ in Crores) |
|---|---|---|---|
| | 2009-10 | Commercial Tax Officer, Bengaluru | 1.18 |
| | 2010-11 | Joint Commissioner of Commercial Tax, Appeals Gujarat | 0.06 |
| | 2013-14 | Deputy Commissioner of Commercial Tax, Gujarat | 0.08 |
| | 2013-14 | Commissioner (Appeals) | 2.05 |
| | 2010-11 | Assistant Commissioner of Comercial Tax, Bengaluru | 0.07 |
| | 2010-11 to 2014-15 | Assistant Commissioner Central Excise, Kolkata | 0.01 |
| | 2011-14 | Assistant Commissioner Commercial Tax, Cochin | 0.11 |
| | 2012-13 | Senior Joint Commissioner of Commercial Taxes, Kolkata | 0.05 |
| | 2013-14 | Assistant Commissioner Commercial Tax, Madhya Pradesh | 0.03 |
| | 2014-15 | Excise & Taxation Officer Cum Assessing Authority, Gurugram | 0.06 |
| | 2015-16 | Deputy Commissioner of Sales Tax, Bhubaneswar | 0.07 |
| | 2017-18 | Additional Deputy Commissioner of Sales Tax | # |
| | 2016-17 & 2017-18 | Deputy Commissioner of Sales Tax, Bhubaneswar | 0.12 |
| | 2016-17 | Assessing authority ( Rajasthan) | 0.1 |
| | 2010-11 to 2015-16 | DC -Appeal ( Kerela) | 0.74 |
| | 2009-10 | Asst. Commissioner (Punjab) | 0.04 |
| Madhya Pradesh Commercial Tax Act, 1944 | 2012-13 to 2016-17 | High Court, Madhya Pradesh | 12.94 |
| Madhya Pradesh Entry Tax Act, 1976 | 2006-07 to 2016-17 | MP High Court, Madhya Pradesh | 66.49 |
| West Bengal Sales Tax Act, 1954 | 2013-15 | Appeallate authority | 0.60 |
| Energy Development Cess, 2001 | 2000-01 to 2005-06 | Supreme Court | 8.90 |
| Income Tax Act, 1961 | 2011-14 | Income Tax Appellate Tribunal , Jabalpur | 0.19 |
| Industrial Disputes Act | 2007-08 | Deputy Labour Commissioner (Labour), Bengaluru | 0.07 |
| West Bengal CST Sales | 2012-13 | Revision Board, Kolkata | 0.16 |
| Royalty on Mining Minerals | 2010-11 to 2011-12 | Director of Mines & Geology, Hyderabad | 0.09 |
| Water Charges/ Tax | 1998-99 to 2016-17 | High Court, Madhya Pradesh | 6.63 |
| Cross Subsidy on Power Purchase | 2018-19 | Cross Subsidy on Power Purchase Appeallate Tribunal for electricity | 39.72 |

# Amount less than ₹ 50,000/-

(viii) The Company has not defaulted in repayment of dues to any financial institutions, banks, government or debenture holders.

(ix) The Company has raised term loans during the year which have been applied for the purpose for which they were raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.

(xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

## Annexure B - referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Prism Johnson Limited on the standalone financial statements for the year ended March 31, 2019

### Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls with reference to financial statements of **Prism Johnson Limited** ("the Company") as of March 31, 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 with reference to financial statements 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

# Standalone Balance Sheet as at March 31, 2019

₹ Crores

| Particulars | Note No. | As at March 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Property, plant and equipment | 2.01 | 2,016.07 | 1,996.91 |
| Capital work-in-progress | 4.05 | 120.15 | 92.54 |
| Intangible assets | 2.02 | 18.47 | 16.01 |
| Financial assets | | | |
| Investments | 2.03 | 439.80 | 415.70 |
| Loans | 2.04 | 54.60 | 51.16 |
| Other financial assets | 2.05 | 72.97 | 59.22 |
| Deferred tax assets (net) | 2.06 | 24.97 | 56.38 |
| Other non-current assets | 2.07 | 209.78 | 160.80 |
| **Total Non-current Assets** | | **2,956.81** | **2,848.72** |
| **Current Assets** | | | |
| Inventories | 2.08 | 501.18 | 431.54 |
| Financial assets | | | |
| Trade receivables | 2.09 | 704.58 | 662.12 |
| Cash and cash equivalents | 2.10 | 52.54 | 55.13 |
| Bank balances other than Cash and cash equivalents | 2.11 | 2.93 | 4.38 |
| Loans | 2.04 | 3.56 | 3.55 |
| Other financial assets | 2.05 | 5.28 | 18.73 |
| Current tax assets (net) | 2.12 | 60.35 | 44.36 |
| Other current assets | 2.07 | 147.30 | 133.22 |
| Non-current assets classified as held for sale | 4.18 | 2.70 | 1.23 |
| **Total Current Assets** | | **1,480.42** | **1,354.26** |
| **TOTAL ASSETS** | | **4,437.23** | **4,202.98** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 2.13 | 503.36 | 503.36 |
| Other equity | 2.14 | 638.75 | 522.47 |
| **Total Equity** | | **1,142.11** | **1,025.83** |
| **Liabilities** | | | |
| **Non-current Liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 2.15 | 1,020.94 | 930.24 |
| Other financial liabilities | 2.17 | 312.02 | 218.00 |
| Provisions | 2.18 | 22.18 | 22.15 |
| Other non-current liabilities | 2.19 | 37.87 | 33.95 |
| **Total Non-current Liabilities** | | **1,393.01** | **1,204.34** |
| **Current Liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 2.15 | 132.24 | 312.38 |
| Trade payables | | | |
| Total outstanding dues of Micro Enterprises & Small Enterprises | 2.16 | 8.09 | 0.25 |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | 2.16 | 783.20 | 734.89 |
| Other financial liabilities | 2.17 | 633.19 | 597.54 |
| Current tax liabilities (net) | 2.20 | 52.75 | 27.00 |
| Provisions | 2.18 | 33.51 | 39.07 |
| Other current liabilities | 2.19 | 259.13 | 261.68 |
| **Total Current Liabilities** | | **1,902.11** | **1,972.81** |
| **TOTAL EQUITY AND LIABILITIES** | | **4,437.23** | **4,202.98** |
| **Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Standalone Statement of Profit and Loss for the year ended March 31, 2019

₹ Crores

| Particulars | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 3.01 | 5,955.57 | 5,519.94 |
| Other Income | 3.02 | 20.73 | 66.22 |
| **Total Income** | | **5,976.30** | **5,586.16** |
| **EXPENSES** | | | |
| Cost of materials consumed | | 1,408.15 | 1,305.16 |
| Purchase of stock-in-trade | | 1,040.40 | 1,119.75 |
| Changes in inventories | 3.03 | (75.40) | 54.16 |
| Power and fuel expenses | | 958.46 | 732.69 |
| Freight outward expenses | | 842.31 | 670.04 |
| Excise duty | | – | 111.51 |
| Other manufacturing expenses | 3.04 | 368.33 | 335.36 |
| Employee benefits expense | 3.05 | 454.33 | 413.99 |
| Finance costs | 3.06 | 174.06 | 187.28 |
| Depreciation, amortisation and impairment expense | 3.07 | 160.06 | 153.07 |
| Other expenses | 3.08 | 404.29 | 398.09 |
| **Total Expenses** | | **5,734.99** | **5,481.10** |
| **Profit before exceptional items and tax** | | 241.31 | 105.06 |
| Exceptional items | 3.09 | (11.26) | – |
| **Profit before tax** | | **230.05** | **105.06** |
| **Tax expenses** | 3.10 | | |
| Current tax | | 53.15 | 27.00 |
| Deferred tax | | 30.92 | 7.65 |
| **Total tax expenses** | | **84.07** | **34.65** |
| **Profit for the year** | | **145.98** | **70.41** |
| **Other Comprehensive Income / (Loss)** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of the defined benefit plans | | 0.83 | (0.35) |
| Equity instruments through other comprehensive income | | 0.30 | – |
| Income Tax relating to items that will not be reclassified to profit or loss | 3.10 | (0.49) | 0.12 |
| **Total Other Comprehensive Income / (Loss)** | | **0.64** | **(0.23)** |
| **Total Comprehensive Income for the year** | | **146.62** | **70.18** |
| **Earnings per share** (Face value of ₹ 10/- each) (Refer Note 4.01): | | | |
| Basic (in ₹) | | 2.90 | 1.40 |
| Diluted (in ₹) | | 2.90 | 1.40 |
| **Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Standalone Statement of changes in Equity for the year ended March 31, 2019

₹ Crores

| A. EQUITY SHARE CAPITAL | Note No. | Amount |
|---|---|---|
| Balance as at April 1, 2017 | 2.13 | 503.36 |
| Changes in equity share capital during the year | | – |
| Balance as at March 31, 2018 | 2.13 | 503.36 |
| Changes in equity share capital during the year | | – |
| **Balance as at March 31, 2019** | 2.13 | **503.36** |

₹ Crores

| B. OTHER EQUITY | Reserves and Surplus (refer note 2.14) | | | | |
|---|---|---|---|---|---|
| | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Retained Earnings | Total |
| **Balance as at April 01, 2017** | **10.75** | **121.43** | **155.67** | **164.44** | **452.29** |
| Profit for the year | – | – | – | 70.41 | 70.41 |
| Other Comprehensive Income / (loss) | – | – | – | (0.23) | (0.23) |
| Total Comprehensive Income for the year | 10.75 | 121.43 | 155.67 | 234.62 | 522.47 |
| Transferred to Retained Earnings | – | (12.20) | – | – | (12.20) |
| Transferred from Debenture Redemption Reserve | – | – | – | 12.20 | 12.20 |
| **Balance as at March 31, 2018** | **10.75** | **109.23** | **155.67** | **246.82** | **522.47** |
| Balance as at April 01, 2018 | 10.75 | 109.23 | 155.67 | 246.82 | 522.47 |
| Profit for the year | – | – | – | 145.98 | 145.98 |
| Other Comprehensive Income / (loss) | – | – | – | 0.64 | 0.64 |
| Total Comprehensive Income for the year | 10.75 | 109.23 | 155.67 | 393.44 | 669.09 |
| Transferred to Retained Earnings | – | (12.98) | – | – | (12.98) |
| Dividend and Dividend Distribution Tax | – | – | – | (30.34) | (30.34) |
| Transferred from Debenture Redemption Reserve | – | – | – | 12.98 | 12.98 |
| **Balance as at March 31, 2019** | **10.75** | **96.25** | **155.67** | **376.08** | **638.75** |

**Significant Accounting Policies Note - 1**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

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*(Executive Director & CEO - RMC)*

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*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Standalone Cash Flow Statement for the year ended March 31, 2019

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 230.05 | 105.06 |
| **Non-cash Adjustment to Profit Before Tax :** | | |
| Depreciation, amortisation and impairment expense | 160.06 | 153.07 |
| Impairment on trade receivables | 13.66 | 17.83 |
| Impairment on non current assets | 1.87 | 0.02 |
| Amortisation of processing fees | 5.91 | 6.24 |
| Bad debts written off | 11.97 | 5.40 |
| Unwinding of interests and discounts | (1.76) | (1.68) |
| (Gain) / Loss on disposal of Property, plant and equipment | 1.23 | (0.85) |
| (Gain) / Loss on sale of investments | – | (5.40) |
| Dividend and interest income | (7.27) | (7.72) |
| Finance costs | 168.09 | 180.99 |
| Balances written back | (0.19) | (1.11) |
| Exchange differences (net) | 0.12 | 0.74 |
| Other non-cash Items | 1.74 | (4.89) |
| **Operating profit before change in operating assets and liabilities** | **585.48** | **447.70** |
| | | |
| **Change in operating assets and liabilities :** | | |
| Decrease/(increase) in trade receivables | (68.70) | (80.42) |
| Decrease/(increase) in inventories | (69.64) | (31.80) |
| Increase/(decrease) in trade payables | 56.58 | (4.74) |
| Decrease/(increase) in other financial assets | (0.27) | 22.60 |
| Decrease/(increase) in loans | (3.97) | 0.95 |
| Decrease/(increase) in other non-current and current assets | (49.29) | 41.79 |
| Increase/(decrease) in provisions | (5.53) | 9.07 |
| Increase/(decrease) in other current and non-current financial liabilities | 99.84 | 6.47 |
| Increase/(decrease) in other current and non-current liabilities | (3.59) | 76.89 |
| **Cash generated from operations** | **540.91** | **488.51** |
| Direct taxes paid (net of refunds) | 42.99 | 29.56 |
| **Net cash flow from operating activities (a)** | **497.92** | **458.95** |

# Standalone Cash Flow Statement for the year ended March 31, 2019 (Contd...)

₹ Crores

| Particulars | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payments for acquisition of Property, plant and equipment | | (248.17) | (175.67) |
| Payments for purchase of investments | | (25.27) | (35.00) |
| Proceeds from sale of investments | | 1.88 | 6.90 |
| Proceeds from disposal of Property, plant and equipment | | 18.22 | 2.44 |
| Interest received | | 7.21 | 7.41 |
| Dividend received | | 0.04 | 0.04 |
| **Net cash flow used in investing activities** | **(b)** | **(246.09)** | **(193.88)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | | 632.23 | 456.80 |
| Repayment of long term borrowings | | (526.41) | (550.81) |
| Loan given to a Subsidiary | | – | (0.90) |
| Repayment of short term borrowings | | (180.12) | – |
| Interest paid | | (150.11) | (169.15) |
| Commission received | | 0.33 | – |
| Dividend and Dividend Distribution tax paid | | (30.34) | – |
| **Net cash flow used in financing activities** | **(C)** | **(254.42)** | **(264.06)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **(a+b+c)** | **(2.59)** | **1.01** |
| Cash and cash equivalents at the beginning of the year | | 55.13 | 54.12 |
| **Cash and cash equivalents at the end of the year** | | **52.54** | **55.13** |
| | | | |
| **Cash and cash equivalents comprise of :** | | | |
| Balances with bank | | 47.80 | 51.39 |
| Cheques/drafts on hand | | 3.85 | 2.85 |
| Cash on hand | | 0.89 | 0.89 |
| **Total** | | **52.54** | **55.13** |

Notes :

1. The Cash Flow Statement has been prepared using the Indirect Method set out in Ind AS 7- Statement of Cash Flows.
2. Payments for acquisition of Property, plant and equipment include movement in capital work-in-progress.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Notes to the Standalone Financial Statements for the year ended March 31, 2019

## BACKGROUND

Prism Johnson Limited (Formerly Prism Cement Limited), a Public Limited Company domiciled in India, incorporated under the Companies Act, 1956, principally operates in three business segments : Cement; Tile and Bath (HRJ) and Ready Mixed Concrete (RMC). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange (India) Limited.

**Authorisation of financial statements :**

The financial statements were authorised for issue in accordance with a resolution of the board of directors dated May 10, 2019.

## 1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

### 1.1 Basis of Preparation

**a) Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder and the relevant provisions of the Act. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

**b) Historical cost convention**

The financial statements have been prepared on a historica cost basis, except for the following:

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

b) defined benefit plans-plan assets measured at fair value.

### 1.2 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, except where otherwise indicated.

### 1.3 Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is classified as current if it is :

a) expected to be realised or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realised within twelve months after the reporting period; or

d) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when :

a) it is expected to be settled in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current on net basis.

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

### 1.4 Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as below :

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements and Ind AS 111 – Joint Arrangements. The entities mentioned below are considered as subsidiaries :

a) Antique Marbonite Private Limited

b) Small Johnson Floor Tiles Private Limited

c) Spectrum Johnson Tiles Private Limited

d) Sentini Cermica Private Limited

e) Coral Gold Tiles Private Limited

**Key assumptions**

**a) Evaluation of recoverability of deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**b) Assets and obligations relating to employee benefits**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c) Useful lives of Property, plant and equipment**

The company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**d) Impairment of Property, plant and equipment**

For Property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

**e) Impairment of investment**

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilisation, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**f) Valuation of inventories**

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

**g) Recognition and measurement of other Provisions**

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**h) Mine Restoration Provision**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to the expected cost of mines restoration and the expected timing of those costs.

**i) Fair value of financial instruments**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

## 1.5 Property, plant and equipment

a) Freehold land is carried at historical cost less impairment losses, if any.

b) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

c) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

d) An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.

e) Expenditure directly attributable to setting up / construction of new projects are capitalised. Administrative and other General overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss. Income earned during this period from setting up activities is deducted from the total of indirect expenditure.

f) The residual values and useful lives of Property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

g) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company identifies any land lease arrangement with a term in excess of 50 years as a finance lease.

h) Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, plant and equipment.

i) Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land and mines development expenses are amortised systematically based on principle of Unit of Production method.

j) Depreciation on Property, plant and equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, plant and equipment and has adopted the useful lives and residual value as prescribed therein except following cases which are based on internal technical assessment :

| Assets | Useful life of asset |
|---|---|
| Mobile Phones | 1 - 3 years |
| Motor car given to employees as per the Company's scheme or vehicle used by employees | 5 -7 years |
| Lease hold land | Remaining period of the lease |
| Truck mixers, Loaders, Excavators and Dumpers | 8 years |
| Lease hold Improvements | Over the period of the lease/rent agreement |
| Machinery spares | Over the useful life of the related assets |
| Assets acquired under the finance lease | Over the primary lease period and secondary lease period if renewable at nominal cost, if any |
| Plant & Machinery–Concrete Pumps | 6 years |

Freehold land is not depreciated. Land on finance lease is amortised over the period of lease.

k) The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, plant and equipment is assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.

l) All assets costing up to ₹ 10,000/- are fully depreciated in the year of capitalisation.

### 1.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Technical know-how / license fee and application software are classified as Intangible Assets.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows :

| Assets | Amortisation method / Useful life |
|---|---|
| Intellectual Property Rights | 10 years |
| Technical know-how | 7 years |
| Software | 1 - 8 years |
| Mineral Procurement Rights | Unit of Production method |
| Mining Lease Rights | Over the period of the lease |

### Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an Intangible asset when the Company can demonstrate the following :

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) Its intention to complete the asset;

c) Its ability to use or sell the asset;

d) Ability to generate future economic benefits;

e) The availability of adequate resources to complete the development and use or sell the asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

## 1.7 Impairment of Assets

Carrying amount of Tangible assets, Intangible assets, investments in Subsidiaries, Joint Ventures and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 1.8 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable 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 in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition. Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, plant and equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of inventories is computed on weighted average basis.

Traded goods are valued at lower of weighted average cost and net realisable value.

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

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, price changes and such other related factors.

## 1.9 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet 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 change in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management.

## 1.10 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

The above criteria is also used for recognition of incentives under various scheme notified by the Government.

## 1.11 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition and Measurement – Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Amortised Cost**

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

- the financial asset is held within a business model whose objective is to hold financial assets 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.

**FVTOCI**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset 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.

**FVTPL**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

**Classification and Subsequent measurement: Financial Liabilities**

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

**Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of Financial Assets and Financial Liabilities**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

## 1.12 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 definitions of a financial liability and an equity instrument.

**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 a Company are recognised at the proceeds received.

## 1.13 Investments in Subsidiaries, Associate and Joint Ventures

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the Joint Venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its Subsidiaries, Associate and Joint Ventures are accounted at cost.

### 1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.15 Provisions, Contingent liabilities and Contingent Assets

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

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

**Contingent liabilities are disclosed in the case of :**

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

Contingent Assets is disclosed when inflow of economic benefits is probable.

### 1.16 Gratuity and other post-employment benefits

#### a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### b) Post-employment obligations

The Company operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and national pension scheme.

**Gratuity obligations**

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

**Defined contribution plans**

The Company contributes to Superannuation, Employee's State Insurance Corporation, Provident Fund and subscribes to the National Pension Scheme which are considered as defined contribution plans. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Company, the management does not expect any material liability on account of interest shortfall to be borne by the Company. The said contributions are charged to the Statement of Profit and Loss.

**c) Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 1.17 Revenue Recognition

**a) Revenue From Contracts With Customers**

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Effective April 01, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives are not required to adjust retrospectively. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach :

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time :

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

**b) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method.

**c) Dividend Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 1.18 Taxes on Income

**Current Tax**

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable taxregulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

MAT Credits 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.

## 1.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) 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 is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.20 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**As a lessee :**

Leases of Property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 1.21 Foreign currency translation

**a) Functional and presentation currency**

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/ services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non-Monetary items :**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 1.22 Mine Restoration Provision

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Mines restoration expenses are incurred on an ongoing basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. On the basis of technical parameters, restoration expenses estimates are reviewed periodically.

### 1.23 Non-current assets held for Sale

Non-current assets are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised. Any decrease in fair value of asset (less cost of sale) is recognised through profit and loss as impairment loss. Any subsequent increase in fair value of asset to the extent of previously recognised impairment loss is recognised as gain and any gain exceeding this impairment loss is recognised on the date of de-recognition.

## RECENT ACCOUNTING PRONOUNCEMENTS

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 01, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 01, 2019.

The Company will adopt this standard using modified retrospective method effective April 01, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted. The effect on adoption of Ind AS 116 is expected to be insignificant.

## 2.01 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

| Particulars | Gross Carrying Amount | | | | Depreciation/Impairment | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2018 | Addition/ Adjustments | Disposal | As at March 31, 2019 | As at April 01, 2018 | For the Year | Elimination on disposal | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| **Own Assets :** | | | | | | | | | | |
| Land - Freehold | 565.72 | 48.93 | 0.42 | 614.23 | 13.21 | 7.75 | – | 20.96 | 593.27 | 552.51 |
| Buildings | 189.54 | 4.17 | 3.52 | 190.19 | 31.69 | 11.25 | 2.08 | 40.86 | 149.33 | 157.85 |
| Plant and Machinery | 1,452.14 | 86.38 | 60.67 | 1,477.85 | 328.40 | 95.07 | 44.86 | 378.61 | 1,099.24 | 1,123.74 |
| Railway siding | 3.42 | 1.04 | – | 4.46 | 0.57 | 0.19 | – | 0.76 | 3.70 | 2.85 |
| Office Equipment | 11.47 | 2.42 | 0.67 | 13.22 | 4.86 | 1.59 | 0.59 | 5.86 | 7.36 | 6.61 |
| Computers | 13.08 | 3.62 | 1.72 | 14.98 | 7.29 | 2.76 | 1.19 | 8.86 | 6.12 | 5.79 |
| Mines Development | 160.56 | 29.23 | – | 189.79 | 86.78 | 26.52 | – | 113.30 | 76.49 | 73.78 |
| Furniture & Fixtures | 31.34 | 8.81 | 0.30 | 39.85 | 11.17 | 4.03 | 0.19 | 15.01 | 24.84 | 20.17 |
| Vehicles | 16.54 | 3.61 | 2.32 | 17.83 | 7.33 | 2.45 | 1.36 | 8.42 | 9.41 | 9.21 |
| Truck Mixers, Loaders and Dumpers | 11.26 | 0.29 | – | 11.55 | 8.96 | 1.21 | – | 10.17 | 1.38 | 2.30 |
| **Total (a)** | **2,455.07** | **188.50** | **69.62** | **2,573.95** | **500.26** | **152.82** | **50.27** | **602.81** | **1,971.14** | **1,954.81** |
| **Assets taken on Finance Lease :** | | | | | | | | | | |
| Land | 10.05 | – | – | 10.05 | 0.98 | 0.22 | – | 1.20 | 8.85 | 9.07 |
| Plant and Machinery | 37.62 | 7.96 | – | 45.58 | 4.94 | 4.97 | – | 9.91 | 35.67 | 32.68 |
| Vehicles | 0.41 | 0.12 | – | 0.53 | 0.06 | 0.06 | – | 0.12 | 0.41 | 0.35 |
| **Total (b)** | **48.08** | **8.08** | **–** | **56.16** | **5.98** | **5.25** | **–** | **11.23** | **44.93** | **42.10** |
| **Total (a+b)** | **2,503.15** | **196.58** | **69.62** | **2,630.11** | **506.24** | **158.07** | **50.27** | **614.04** | **2,016.07** | **1,996.91** |

## 2.01 PROPERTY, PLANT AND EQUIPMENT (Contd...)

₹ Crores

| Particulars | Gross Carrying Amount | | | | Depreciation/Impairment | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2017 | Addition/ Adjustments | Disposal | As at March 31, 2018 | As at April 01, 2017 | For the Year | Elimination on disposal | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| **Own Assets :** | | | | | | | | | | |
| Land - Freehold | 516.01 | 49.72 | 0.01 | 565.72 | 8.15 | 5.06 | – | 13.21 | 552.51 | 507.86 |
| Buildings | 187.65 | 3.92 | 2.03 | 189.54 | 22.17 | 11.51 | 1.99 | 31.69 | 157.85 | 165.48 |
| Plant and Machinery | 1,410.48 | 43.24 | 1.58 | 1,452.14 | 239.00 | 90.70 | 1.30 | 328.40 | 1,123.74 | 1,171.48 |
| Railway siding | 3.42 | – | – | 3.42 | 0.38 | 0.19 | – | 0.57 | 2.85 | 3.04 |
| Office Equipment | 8.94 | 3.21 | 0.68 | 11.47 | 4.03 | 1.42 | 0.59 | 4.86 | 6.61 | 4.91 |
| Computers | 10.65 | 3.24 | 0.81 | 13.08 | 4.87 | 3.02 | 0.60 | 7.29 | 5.79 | 5.78 |
| Mines Development | 119.85 | 40.71 | – | 160.56 | 58.65 | 28.13 | – | 86.78 | 73.78 | 61.20 |
| Furniture & Fixtures | 21.83 | 10.13 | 0.62 | 31.34 | 8.10 | 3.37 | 0.30 | 11.17 | 20.17 | 13.73 |
| Vehicles | 16.75 | 1.58 | 1.79 | 16.54 | 5.65 | 2.93 | 1.25 | 7.33 | 9.21 | 11.10 |
| Truck Mixers, Loaders and Dumpers | 10.82 | 0.45 | 0.01 | 11.26 | 7.34 | 1.63 | 0.01 | 8.96 | 2.30 | 3.48 |
| **Total (a)** | **2,306.40** | **156.20** | **7.53** | **2,455.07** | **358.34** | **147.96** | **6.04** | **500.26** | **1,954.81** | **1,948.06** |
| **Assets taken on Finance Lease:** | | | | | | | | | | |
| Land | 8.91 | 1.25 | 0.11 | 10.05 | 0.78 | 0.21 | 0.01 | 0.98 | 9.07 | 8.13 |
| Plant and Machinery | 16.84 | 20.78 | – | 37.62 | 1.83 | 3.11 | – | 4.94 | 32.68 | 15.01 |
| Vehicles | 0.41 | – | – | 0.41 | 0.01 | 0.05 | – | 0.06 | 0.35 | 0.40 |
| **Total (b)** | **26.16** | **22.03** | **0.11** | **48.08** | **2.62** | **3.37** | **0.01** | **5.98** | **42.10** | **23.54** |
| **Total (a+b)** | **2,332.56** | **178.23** | **7.64** | **2,503.15** | **360.96** | **151.33** | **6.05** | **506.24** | **1,996.91** | **1,971.60** |

Notes :

a) Depreciation for the year includes ₹ 1.61 Crores (Previous year : ₹ 1.82 Crores) considered for capitalisation.

b) Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.

c) Additions to Plant & Machinery during the year includes ₹ 1.78 Crores (Previous year : ₹ 0.11 Crores) on account of Research assets.

d) Additions to Freehold Land is net-off liabilities no longer required to be paid.

## 2.02 INTANGIBLE ASSETS

₹ Crores

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2018 | Addition | Disposal | As at March 31, 2019 | As at April 01, 2018 | For the Year | Elimination on disposal | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Software | 15.50 | 4.93 | – | 20.43 | 6.56 | 2.99 | – | 9.55 | 10.88 | 8.94 |
| Intellectual Property Rights | 1.77 | – | – | 1.77 | 1.77 | – | – | 1.77 | – | – |
| Mining Lease Rights | 8.25 | – | – | 8.25 | 1.24 | 0.44 | – | 1.68 | 6.57 | 7.01 |
| Minerals Procurement Rights | 2.28 | – | – | 2.28 | 2.26 | – | – | 2.26 | 0.02 | 0.02 |
| Technical Know-how | 0.14 | 1.13 | – | 1.27 | 0.10 | 0.17 | – | 0.27 | 1.00 | 0.04 |
| **Total** | **27.94** | **6.06** | **–** | **34.00** | **11.93** | **3.60** | **–** | **15.53** | **18.47** | **16.01** |

₹ Crores

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2017 | Addition | Disposal | As at March 31, 2018 | As at April 01, 2017 | For the Year | Elimination on disposal | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Software | 13.54 | 1.96 | – | 15.50 | 4.07 | 2.49 | – | 6.56 | 8.94 | 9.47 |
| Intellectual Property Rights | 1.77 | – | – | 1.77 | 1.18 | 0.59 | – | 1.77 | – | 0.59 |
| Mining Lease Rights | 8.25 | – | – | 8.25 | 0.80 | 0.44 | – | 1.24 | 7.01 | 7.45 |
| Minerals Procurement Rights | 2.28 | – | – | 2.28 | 2.26 | – | – | 2.26 | 0.02 | 0.02 |
| Technical Know-how | 0.14 | – | – | 0.14 | 0.06 | 0.04 | – | 0.10 | 0.04 | 0.08 |
| **Total** | **25.98** | **1.96** | **–** | **27.94** | **8.37** | **3.56** | **–** | **11.93** | **16.01** | **17.61** |

**Range of remaining period of amortisation as at March 31, 2019 of Intangible assets is as below :**

₹ Crores

| Assets | Range of remaining period of amortisation | | | |
|---|---|---|---|---|
| | < 5 year | 6 - 10 year | > 10 year | Net Carrying Amount |
| Software | 6.24 | 4.64 | – | 10.88 |
| Mining Lease Rights | 1.81 | 1.64 | 3.12 | 6.57 |
| Minerals Procurement Rights | 0.02 | – | – | 0.02 |
| Technical Know-how | 0.69 | 0.31 | – | 1.00 |
| **Total** | **8.76** | **6.59** | **3.12** | **18.47** |

## 2.03 INVESTMENTS

₹ Crores

| Particulars | Face Value ₹ | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|
| | | Qty | Amount | Qty | Amount |
| **Investments in Equity Instruments (fully paid up) - Unquoted** | | | | | |
| **Investment in Subsidiaries - measured at cost** | | | | | |
| • Raheja QBE General Insurance Company Limited | 10 | 10,55,70,000 | 105.57 | 10,55,70,000 | 105.57 |
| • Silica Ceramica Private Limited # | 10 | 8,65,45,783 | 213.31 | 6,15,45,783 | 188.31 |
| • H. & R. Johnson (India) TBK Limited | 100 | 1,61,020 | 29.71 | 1,61,020 | 29.71 |
| • Antique Marbonite Private Limited # | 10 | 30,09,000 | 15.08 | 30,09,000 | 15.08 |
| • Small Johnson Floor Tiles Private Limited * | 10 | 20,00,000 | 13.30 | 20,00,000 | 13.30 |
| • Sentini Cermica Private Limited # | 10 | 20,00,000 | 10.00 | 20,00,000 | 10.00 |
| • Milano Bathroom Fittings Private Limited * | 100 | 72,446 | 9.09 | 72,446 | 9.09 |
| • Spectrum Johnson Tiles Private Limited | 10 | 21,65,388 | 8.03 | 21,65,388 | 8.03 |
| • Coral Gold Tiles Private Limited | 10 | 26,00,000 | 5.46 | 26,00,000 | 5.46 |
| • RMC Readymix Porselano (India) Limited | 10 | 50,000 | 0.05 | 50,000 | 0.05 |
| **Investment in Joint Venture - measured at cost** | | | | | |
| • Ardex Endura (India) Private Limited | 10 | 65,00,000 | 6.50 | 65,00,000 | 6.50 |
| **Investment in Associates - measured at cost** | | | | | |
| • Prism Power and Infrastructure Private Limited | 10 | 4,900 | – | 4,900 | – |
| • CSE Solar Parks Satna Private Limited | 10 | 2,70,001 | 0.27 | – | – |
| **Other Investments designated at FVTOCI** | | | | | |
| • B L A Power Private Limited | 10 | 1,75,00,000 | 21.30 | 1,75,00,000 | 21.00 |
| **(a)** | | | **437.67** | | **412.10** |
| **Investments in preference shares (fully paid up) - Unquoted** | | | | | |
| **Investment in Subsidiaries - measured at amortised cost** | | | | | |
| • Milano Bathroom Fittings Private Limited (1% Non-cumulative and Redeemable Preference Shares) | 100 | 2,00,000 | 0.80 | 3,87,500 | 2.38 |
| • Small Johnson Floor Tiles Private Limited (0.01% Non-cumulative Optionally Convertible Preference Shares) | 10 | 40,00,000 | 1.33 | 40,00,000 | 1.22 |
| **(b)** | | | **2.13** | | **3.60** |
| **Total non-current investments (a + b)** | | | **439.80** | | **415.70** |
| | | | | | |
| Aggregate book value of quoted investments | | | – | | – |
| Aggregate market value of investments designated at FVTOCI | | | 21.30 | | 21.00 |
| Aggregate amount of unquoted investments | | | 418.50 | | 394.70 |

# Company has given Non Disposal Undertaking to certain banks for its investment in above Subsidiaries.

* Investment in Subsidiaries viz Milano Bathroom Fittings Private Limited and Small Johnson Floor Tiles Private Limited includes equity component recognised from 1% Non-cumulative and Redeemable Preference Shares and 0.01% Non-cumulative Optionally Convertible Preference Shares respectively. The carrying value of such equity component is ₹ 2.36 Crores (Previous year : ₹ 2.36 Crores) and ₹ 3.30 Crores (Previous year : ₹ 3.30 Crores) with respect to these Companies.

## 2.04 LOANS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Security Deposits - Utility | | | | |
| Unsecured, considered good | 33.66 | 31.15 | 1.05 | 1.05 |
| **(a)** | **33.66** | **31.15** | **1.05** | **1.05** |
| Security Deposits - Rental | | | | |
| Unsecured, considered good | 15.45 | 15.12 | – | – |
| Unsecured, credit impaired | 0.77 | 0.82 | – | – |
| | 16.22 | 15.94 | – | – |
| Less: Provision for impairment | 0.77 | 0.82 | – | – |
| **(b)** | **15.45** | **15.12** | **–** | **–** |
| Loans to related parties | | | | |
| Loan to a subsidiary company * | | | | |
| Unsecured, considered good | 4.00 | 4.00 | – | – |
| **(c)** | **4.00** | **4.00** | **–** | **–** |
| Loans to employees | | | | |
| Unsecured, considered good | 1.49 | 0.89 | 2.51 | 2.50 |
| **(d)** | **1.49** | **0.89** | **2.51** | **2.50** |
| **Total (a+b+c+d)** | **54.60** | **51.16** | **3.56** | **3.55** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member except security deposit of ₹ 0.06 Crores (Previous year : ₹ 0.06 Crores) for premises given to Director.

* Further information about these loans is set out in notes 4.11 and 4.12.

## 2.05 OTHER FINANCIAL ASSETS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Insurance claim receivable (refer note 4.16) | 58.94 | 58.94 | 4.12 | 3.66 |
| Bank deposits with more than twelve months maturity (restricted use) | 0.05 | 0.23 | – | – |
| Accrued Interest | – | – | 1.14 | 1.10 |
| Balances in Escrow accounts with banks (restricted use) | 0.05 | 0.05 | – | – |
| Balances related to Coal Mine and Infrastructure (refer note 4.15) | 13.93 | – | – | 13.93 |
| Other receivables | – | – | 0.02 | 0.04 |
| **Total** | **72.97** | **59.22** | **5.28** | **18.73** |

## 2.06 DEFERRED TAX ASSETS (NET)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows :

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Deferred tax (liabilities)/assets in relation to :** | | |
| Unabsorbed depreciation/ Business loss as per Income Tax | 32.54 | 126.98 |
| Provision for employees benefits | 58.29 | 54.92 |
| Other temporary differences / unutilised tax asset | 72.14 | 31.06 |
| Property, plant and equipment | (138.00) | (156.58) |
| **Total** | **24.97** | **56.38** |

₹ Crores

| Particulars | As at March 31, 2019 | Credited / (Charged) to Statement of P&L / OCI | As at March 31, 2018 | Credited / (Charged) to Statement of P&L / OCI | As at March 31, 2017 |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to :** | | | | | |
| Unabsorbed depreciation/ Business loss as per Income Tax | 32.54 | (94.44) | 126.98 | (44.66) | 171.64 |
| Provision for employees benefits | 58.29 | 3.37 | 54.92 | 9.97 | 44.95 |
| Other temporary differences / unutilised tax asset | 72.14 | 41.08 | 31.06 | 12.21 | 18.85 |
| Property, plant and equipment | (138.00) | 18.58 | (156.58) | 14.95 | (171.53) |
| **Total** | **24.97** | **(31.41)** | **56.38** | **(7.53)** | **63.91** |

## 2.07 OTHER ASSETS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Capital Advances | 74.04 | 58.61 | – | – |
| **Advances other than Capital Advances** | | | | |
| Balances with government authorities : | | | | |
| CENVAT/ VAT/GST receivables | – | – | 32.52 | 31.42 |
| Balances with statutory authorities | 32.45 | 17.77 | 0.28 | 1.05 |
| Excise/ VAT/ Service Tax/ Custom duty deposited under protest | 6.83 | 8.41 | 0.76 | 12.19 |
| Security Deposits | 5.52 | 3.63 | 0.16 | 0.26 |
| Advances to other parties (net of provision for impairment) | 15.63 | 15.49 | 66.84 | 2.56 |
| Prepaid expenses | 2.27 | 4.21 | 17.72 | 10.12 |
| Royalty refund receivable | – | – | 17.12 | 17.12 |
| Others | 73.04 | 52.68 | 11.90 | 58.50 |
| **Total** | **209.78** | **160.80** | **147.30** | **133.22** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

## 2.08 INVENTORIES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Raw materials | 106.61 | 111.43 |
| Goods-in-transit | 0.82 | 0.16 |
| Stores and spares | 61.83 | 64.26 |
| Goods-in-transit | 0.01 | 2.43 |
| Fuel stock | 23.73 | 62.30 |
| Goods-in-transit | 76.16 | 34.34 |
| Work-in-progress | 64.13 | 40.64 |
| Finished goods | 108.56 | 73.27 |
| Goods-in-transit | 18.55 | 8.26 |
| Stock-in-trade | 40.18 | 33.60 |
| Goods-in-transit | 0.60 | 0.85 |
| **Total** | **501.18** | **431.54** |

Note : Amount charged to the Statement of Profit and Loss on account of write-down of inventories to net realisable value for the year is ₹ 11.44 Crores (Previous year : ₹ 10.32 Crores).

## 2.09 TRADE RECEIVABLES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Secured, considered good | 55.00 | 44.52 |
| Unsecured, considered good | 649.58 | 617.60 |
| Unsecured, credit impaired | 121.13 | 107.47 |
| | 825.71 | 769.59 |
| Less : Provision for impairment | 121.13 | 107.47 |
| **Total** | **704.58** | **662.12** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

## 2.10 CASH AND CASH EQUIVALENTS

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Balances with banks : | | |
| In current accounts | 44.32 | 48.23 |
| Deposits with original maturity of less than three months | 3.48 | 3.16 |
| Cheques / drafts on hand | 3.85 | 2.85 |
| Cash on hand | 0.89 | 0.89 |
| **Total** | **52.54** | **55.13** |

## 2.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Unclaimed Dividend | 0.46 | 0.28 |
| Term Deposits (original maturity for more than three months but less than twelve months - restricted use) | 2.47 | 4.10 |
| **Total** | **2.93** | **4.38** |

## 2.12 CURRENT TAX ASSETS (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Current Tax Assets : | | |
| Taxes paid (net of provision) | 60.35 | 44.36 |
| **Total** | **60.35** | **44.36** |

## 2.13 EQUITY SHARE CAPITAL

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Authorised Share Capital : | | |
| 52,50,00,000 (Previous year : 52,50,00,000) Equity shares of ₹ 10/- each | 525.00 | 525.00 |
| **Total** | **525.00** | **525.00** |
| Issued, Subscribed and Paid up : | | |
| 50,33,56,580 (Previous year : 50,33,56,580) Equity shares of ₹ 10/- each | 503.36 | 503.36 |
| **Total** | **503.36** | **503.36** |

### a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :

| Equity shares | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| | No. of Shares | No. of Shares |
| At the beginning of the year | 50,33,56,580 | 50,33,56,580 |
| Outstanding at the end of the year | 50,33,56,580 | 50,33,56,580 |

### b. Rights, preference and restrictions attached to Equity shares :

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

## 2.13 EQUITY SHARE CAPITAL (Contd...)

### c. Details of shareholders holding more than 5% shares in the Company :

| Name of the Shareholder | As at March 31, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Manali Investment & Finance Private Limited | 6,78,17,992 | 13.47% | 6,78,17,992 | 13.47% |
| Hathway Investments Private Limited | 6,41,13,400 | 12.74% | 6,41,13,400 | 12.74% |
| Coronet Investments Private Limited | 5,79,49,394 | 11.51% | 5,79,49,394 | 11.51% |
| Rajan B. Raheja | 5,14,06,327 | 10.21% | 5,14,06,327 | 10.21% |
| Bloomingdale Investment & Finance Private Limited | 3,12,89,300 | 6.22% | 3,12,89,300 | 6.22% |
| HDFC Trustee Company Limited | # | | 2,64,82,422 | 5.26% |

# Less than 5%

## 2.14 OTHER EQUITY

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| General reserve | 155.67 | 155.67 |
| Retained earnings | 376.08 | 246.82 |
| Capital redemption reserve | 10.75 | 10.75 |
| Debentures redemption reserve | 96.25 | 109.23 |
| **Total** | **638.75** | **522.47** |

**Description of the nature and purpose of each reserve within equity is as follows :**

**(a) General Reserve**

The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

**(b) Retained Earnings**

Retained earnings are the net profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments in terms of Ind AS 101.

**(c) Capital Redemption Reserve**

Capital redemption reserve was created pursuant to the scheme of amalgamation.

**(d) Debenture Redemption Reserve (DRR)**

The Company has issued non-convertible debentures. In terms of provisions of the Companies (Share Capital and Debenture) Rules, 2014 (as amended), the Company is required to create DRR which is equal to 25% of the value of the debentures issued, over the term of the debentures, out of the profits of the Company available for payment of dividend.

## 2.15 BORROWINGS

₹ Crores

| Particulars | Non-current | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| **Secured** | | |
| Bonds / Debentures | | |
| • 10.40% Non-convertible Debentures (refer Sr. No. 1) {800 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 80.00 | – |
| • 10.40% Non-convertible Debentures (refer Sr. No. 2) {1200 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 120.00 | – |
| • 10.70% Non-convertible Debentures (refer Sr. No. 3) {1000 Nos. (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | 100.00 | 100.00 |
| • 9.25% Non-convertible Debentures (refer Sr. No. 4) {2000 Nos. (Previous year : 2000 Nos.) debentures of ₹ 0.10 Crore each} | 200.00 | 200.00 |
| • 9.77% Non-convertible Debentures (refer Sr. No. 5) {1500 Nos. (Previous year : 1500 Nos.) debentures of ₹ 0.10 Crore each} | 150.00 | 150.00 |
| • 9.80% Non-convertible Zero coupon with yield to maturity (refer Sr. No. 6) {Nil (Previous year : 500 Nos.) debentures of ₹ 0.10 Crore each} | – | 50.00 |
| • 11.00% Non-convertible Debentures (refer Sr. No. 7) {Nil (Previous year : 500 Nos.) debentures of ₹ 0.10 Crore each} | – | 50.00 |
| Term loans from banks (refer Sr. No. 8 to 13) | 523.23 | 436.37 |
| Vehicle loans from banks (refer Sr. No. 14 to 16) | 4.09 | 4.01 |
| **Unsecured** | | |
| • 10.40% Non-convertible Debentures (refer Sr. No. 21) | 50.00 | – |
| {500 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | | |
| • 9.25% Non-convertible Debentures (refer Sr. No. 22) | 75.00 | – |
| {750 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | | |
| • 9.00% Non-convertible Debentures (refer Sr. No. 23) | – | 100.00 |
| {Nil (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | | |
| • (0.30)% + SBI Base rate Non-convertible Debentures (refer Sr. No. 24) | – | 100.00 |
| {Nil (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | | |
| Inter-corporate deposits (refer Sr. No. 25) | 0.13 | 0.14 |
| Fixed deposits from public (refer Sr. No. 26) | 6.41 | 12.84 |
| Finance Lease Obligations (refer Sr. No. 27) | 28.75 | 28.68 |
| | **1,337.61** | **1,232.04** |
| Less : Disclosed under other Financial Liabilities : | | |
| Current maturities of non-current borrowings | 306.27 | 291.68 |
| Current maturities of finance lease obligations | 8.47 | 8.62 |
| Unclaimed fixed deposits | 1.93 | 1.50 |
| **Total** | **1,020.94** | **930.24** |

## 2.15 BORROWINGS (Contd...)

₹ Crores

| Particulars | Current | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| **Secured** | | |
| Loans repayable to banks - On Demand (refer Sr. No. 17 & 18) | 24.01 | 18.65 |
| Buyer's Credit (refer Sr. No. 19 & 20) | 8.23 | 102.35 |
| | | |
| **Unsecured** (refer Sr. No. 28) | | |
| Working Capital Demand Loans from banks | – | 165.00 |
| Buyer's Credit | – | 1.38 |
| Commercial Papers<br>{Maximum balance outstanding during the year ₹ 100 Crores (Previous year : ₹ 75 Crores)} | 100.00 | 25.00 |
| **Total** | **132.24** | **312.38** |

### (a) Debentures (Secured) :

The Company has issued the following Secured Redeemable Non-convertible Debentures :

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 1 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets. | Allotted on August 31, 2018 and repayable at 10.40% p.a. XIRR basis redemption premium on September 27, 2021. | 80.00 | – |
| 2 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets. | Allotted on August 3, 2018 and repayable at 10.40% p.a. XIRR basis redemption premium on June 22, 2021. | 120.00 | – |
| 3 | Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division, except leased assets. | Allotted on November 10, 2017 and repayable on November 10, 2020 with Put / Call option at par on November 12, 2018 and November 11, 2019. During the year, the terms of Non convertible debentures were modified with the consent of Debenture holder and ROI increased to 10.70% p.a. | 100.00 | 100.00 |
| 4 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, except leased assets. | Allotted on December 13, 2016 and repayable at 9.25% p.a. XIRR basis redemption premium on April 29, 2020. | 200.00 | 200.00 |
| 5 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, except leased assets. | Allotted on January 21, 2015 and repayable on January 21, 2020 with call option at par on July 21, 2016 and Put / Call option at par on July 20, 2018; January 21, 2019; July 19, 2019. During the year, the terms of Non convertible debentures were modified with the consent of Debenture holder and ROI decreased to 9.77 % p.a. | 150.00 | 150.00 |

## 2.15 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| 6 | Secured by first pari passu charge by way of hypothecation of all the movable Property, plant and equipment of HRJ Division located at Pen, Kunigal and Dewas, both present and future. | Allotted on January 21, 2015 and repayable on April 26, 2018 with Put/Call option at 11.25% p.a. IRR basis redemption premium on April 26, 2017. Post April 26, 2017 the coupon rate has been reset to 9.80% p.a. till maturity. | – | 50.00 |
| 7 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets. | Allotted on February 03, 2015 and repayable on April 25, 2018. | – | 50.00 |
| **Total** | | | **650.00** | **550.00** |

**(b) Nature of Security and terms of repayment for secured borrowings (other than debentures) :**

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| 8 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future. | Quarterly in equal installments payable over a period of 6 years commencing after moratorium period of two years. Availed on March 16, 2016. | 142.50 | 230.00 |
| 9 | First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7th Floor, Windsor. | Quarterly installments payable over a period of 54 Months; ₹ 4.16 Crores each per quarter from November 17, 2018. | 41.67 | 50.00 |
| 10 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on April 21, 2017. | 59.23 | 70.00 |
| 11 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on July 20, 2017. | 83.08 | 90.00 |
| 12 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on September 27, 2018. | 100.00 | – |
| 13 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on November 19, 2018. | 100.00 | – |
| 14 | Secured by exclusive charge on vehicles of HRJ Division | EMI over a period of 60 months from the respective date of disbursement. | 3.26 | 3.12 |
| 15 | First and exclusive charge secured by hypothecation of vehicles financed to RMC Division. | EMI over a period of 60 months from the respective date of disbursement. | 0.47 | 0.34 |
| 16 | Secured by exclusive charge on vehicles of Cement Division. | EMI over a period of 60 months from the respective date of disbursement. | 0.36 | 0.55 |

## 2.15 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| 17 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division. | Payable within one year. | 24.01 | 18.33 |
| 18 | Secured by first pari passu charge over entire current assets both present and future of RMC Division. | Repayable on Demand. | – | 0.32 |
| 19 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division. | As per due dates of respective buyer's credit. | 8.23 | 5.28 |
| 20 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of Cement Division. | As per due dates of respective buyer's credit. | – | 97.07 |
| **Total** | | | **562.81** | **565.01** |
| Less: Unamortised borrowing costs | | | 3.25 | 3.63 |
| **Total** | | | **559.56** | **561.38** |

### (c) Nature of Security and terms of repayment for unsecured borrowings :

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| Non-current Borrowings : | | | | |
| 21 | Non-convertible Debentures | Allotted on September 17, 2018 and repayable on September 17, 2021 with Put / Call option at par on September 17, 2020. | 50.00 | – |
| 22 | Non-convertible Debentures | Allotted on April 11, 2018 and repayable on April 09, 2021 with Put / Call option at par on April 11, 2019 and April 11, 2020. | 75.00 | – |
| 23 | Non-convertible Debentures | Allotted on November 26, 2014 and repayable on November 25, 2019 with Put / Call option at par on November 26, 2017 and November 26, 2018. | – | 100.00 |
| 24 | Non-convertible Debentures | Allotted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017. | – | 100.00 |
| 25 | Inter corporate deposits | Original terms of repayment was three years from April 01, 2016. However, the same has been revised from April 01, 2018 for a period of one year. | 0.13 | 0.14 |
| 26 | Fixed deposits from public | Payable over a period of one to two years from the respective date of disbursement. | 6.41 | 12.84 |
| 27 | Finance lease obligation | Payable over period of 5 years from the respective date of disbursement. | 28.75 | 28.68 |
| 28 | Current Borrowings | | 100.00 | 191.38 |
| | **Total** | | **260.29** | **433.04** |

## 2.15 BORROWINGS (Contd...)

### (d) Assets pledged as security :

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Current** | | |
| Receivables | 704.58 | 662.12 |
| Inventories | 501.18 | 431.54 |
| **(a)** | **1,205.76** | **1,093.66** |
| **Non - current** | | |
| Freehold Land | 556.74 | 516.10 |
| Buildings | 80.48 | 81.33 |
| Plant and Machinery | 895.83 | 915.91 |
| Railway Siding | 3.68 | 2.83 |
| Office Equipments | 3.84 | 3.39 |
| Furniture and Fixtures | 4.20 | 4.77 |
| Computers | 2.28 | 2.23 |
| Mines Development | 70.31 | 68.56 |
| Vehicles | 5.11 | 4.86 |
| Movable Tangible assets at Pen, Dewas and Kunigal | – | 177.29 |
| **(b)** | **1,622.47** | **1,777.27** |
| **Total (a+b)** | **2,828.23** | **2,870.93** |

## 2.16 TRADE PAYABLES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Total outstanding dues of Micro Enterprises & Small Enterprises (refer note 4.19) | 8.09 | 0.25 |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | 783.20 | 734.89 |
| **Total** | **791.29** | **735.14** |

## 2.17 OTHER FINANCIAL LIABILITIES

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Current maturities of non-current borrowings | – | – | 306.27 | 291.68 |
| Current maturities of finance lease obligations | – | – | 8.47 | 8.62 |
| Payables for acquisition of Property, plant and equipment | – | – | 29.31 | 32.98 |
| Interest accrued | 60.56 | 0.11 | 17.26 | 58.40 |
| Unclaimed dividends* | – | – | 0.46 | 0.28 |
| Unpaid matured deposits and interest accrued thereon | – | – | 2.31 | 1.82 |
| Security deposits from customers / others | 248.47 | 214.85 | 11.48 | 21.96 |
| Payable to employees | – | – | 7.12 | 11.61 |
| Financial lease obligations | 2.06 | 1.93 | – | – |
| Finance guarantee obligations | 0.09 | 0.72 | 0.63 | 0.94 |
| Liability for expenses | 0.84 | 0.39 | 248.77 | 168.32 |
| Others | – | – | 1.11 | 0.93 |
| **Total** | **312.02** | **218.00** | **633.19** | **597.54** |

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019 (Previous year : Nil).

**Details of current maturities of non-current borrowings :**

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Secured Loans :** | | |
| Non-convertible debentures | 150.00 | 100.00 |
| Term loans | 150.24 | 83.52 |
| Vehicle loans | 1.42 | 1.35 |
| **Unsecured Loans :** | | |
| Non-convertible debentures | – | 100.00 |
| Fixed deposits from public | 4.48 | 6.81 |
| Inter-corporate deposits | 0.13 | – |
| **Total** | **306.27** | **291.68** |

## 2.18 PROVISIONS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| **Employee benefits :** | | | | |
| Provision for Gratuity | – | – | 0.05 | 0.96 |
| Provision for Bonus | – | – | 12.36 | 12.70 |
| Provision for Leave Encashment | 16.96 | 17.86 | 8.81 | 12.22 |
| Others | – | – | 12.29 | 13.19 |
| **(a)** | **16.96** | **17.86** | **33.51** | **39.07** |
| **Others :** | | | | |
| Provision for claims under litigations | 0.07 | 0.07 | – | – |
| Others | 5.15 | 4.22 | – | – |
| **(b)** | **5.22** | **4.29** | **–** | **–** |
| **Total (a+b)** | **22.18** | **22.15** | **33.51** | **39.07** |

## 2.19 OTHER LIABILITIES

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Advance from customers | 1.55 | 0.79 | 70.55 | 93.12 |
| Statutory liabilities | 26.26 | 22.73 | 113.71 | 104.48 |
| Other employee benefit expenses | – | – | 15.90 | 11.36 |
| Others | 10.06 | 10.43 | 58.97 | 52.72 |
| **Total** | **37.87** | **33.95** | **259.13** | **261.68** |

## 2.20 CURRENT TAX LIABILITIES (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Provision for Taxation (net of taxes paid/adjusted) | 52.75 | 27.00 |
| **Total** | **52.75** | **27.00** |

## 3.01 REVENUE FROM OPERATIONS

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Revenue from operations** | | |
| Sale of products (refer note 4.17) | 5,909.62 | 5,464.63 |
| Sale of services | 20.97 | 35.76 |
| **Other operating revenue :** | | |
| Scrap sales | 11.13 | 8.01 |
| Claims and recoveries | 5.36 | 6.39 |
| Export incentive | 2.45 | 2.01 |
| Others | 6.04 | 3.14 |
| **Total** | **5,955.57** | **5,519.94** |

**Revenue from contracts with customers**

**I. Revenue from contracts with customers disaggregated based on geography**

₹ Crores

| Particulars | Year ended March 31, 2019 |
|---|---|
| Home market | 5,902.41 |
| Exports | 53.16 |
| **Total** | **5,955.57** |

**II. Reconciliation of gross revenue with the revenue from Contracts with Customers**

₹ Crores

| Particulars | Year ended March 31, 2019 |
|---|---|
| Gross Revenue | 6,224.67 |
| Less : Discounts and incentives | 269.10 |
| **Net Revenue recognised from Contracts with Customers** | **5,955.57** |

**III. Revenue recognised from Contract liability (Advances from Customers)**

₹ Crores

| Particulars | As at March 31, 2019 |
|---|---|
| Closing Contract liability | 72.10 |

The contract liability outstanding at the beginning of the year was ₹ 93.91 Crores, of which, ₹ 77.58 Crores has been recognised as revenue during the year ended March 31, 2019.

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

## 3.02 OTHER INCOME

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Interest income earned on financial assets : | | |
| Bank deposits (at amortised cost) | 1.06 | 1.23 |
| Corporate guarantee / unwinding interest | 1.42 | 1.31 |
| Dividend on preference shares | 0.45 | 0.30 |
| Others | 6.62 | 7.04 |
| Other non - operating income : | | |
| Liabilities no longer considered as payable | 0.19 | 1.11 |
| Government assistance - Tax subsidy / exemption | 4.64 | 37.19 |
| Miscellaneous income | 6.35 | 11.79 |
| Other gains and losses : | | |
| Net gain on buyback of investments | – | 5.40 |
| Net gain on disposal of Property, plant and equipment | – | 0.85 |
| **Total** | **20.73** | **66.22** |

## 3.03 CHANGES IN INVENTORIES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Inventories at the end of the year (including in-transit) | | |
| Stock-in-trade | 40.78 | 34.45 |
| Work-in-progress | 64.13 | 40.64 |
| Finished goods | 127.11 | 81.53 |
| **(a)** | **232.02** | **156.62** |
| | | |
| Provision of excise duty reversed **(b)** | **–** | **(13.12)** |
| | | |
| Inventories at the beginning of the year (including in-transit) | | |
| Stock-in-trade | 34.45 | 40.38 |
| Work-in-progress | 40.64 | 33.73 |
| Finished goods | 81.53 | 149.79 |
| **(c)** | **156.62** | **223.90** |
| **Total (a - b - c)** | **75.40** | **(54.16)** |

## 3.04 OTHER MANUFACTURING EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Stores and spares consumed | 90.60 | 67.42 |
| Plant and equipment hire charges | 51.65 | 49.03 |
| Repairs to plant and equipment | 23.33 | 30.18 |
| Royalty for minerals | 63.37 | 53.78 |
| Sub-contract charges | 66.03 | 66.38 |
| Plant upkeep expenses | 45.67 | 38.32 |
| Quarry expenses | 19.77 | 22.64 |
| Dies and punches consumed | 3.97 | 3.66 |
| Other manufacturing expenses | 3.94 | 3.95 |
| **Total** | **368.33** | **335.36** |

## 3.05 EMPLOYEE BENEFITS EXPENSE

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Salaries, wages and bonus | 397.07 | 363.09 |
| Contribution to provident and other funds | 36.41 | 30.83 |
| Staff welfare expenses | 20.85 | 20.07 |
| **Total** | **454.33** | **413.99** |

## 3.06 FINANCE COSTS

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Interest and Finance charges on financial liabilities : | | |
| Interest on overdraft / cash credit | 6.62 | 8.96 |
| Interest on borrowings | 144.94 | 157.03 |
| Interest on security deposits | 13.68 | 12.43 |
| Interest on finance lease obligation | 2.86 | 1.90 |
| Interest on taxes | – | 0.82 |
| Other borrowing costs | 5.96 | 6.14 |
| **Total** | **174.06** | **187.28** |

## 3.07 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Depreciation of Property, plant and equipment | 155.96 | 149.51 |
| Impairment of Property, plant and equipment | 0.50 | – |
| Amortisation of intangible assets | 3.60 | 3.56 |
| **Total** | **160.06** | **153.07** |

## 3.08 OTHER EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Rent expenses | 37.29 | 35.07 |
| Rates and taxes | 16.03 | 20.95 |
| Travelling and communication expenses | 58.24 | 52.13 |
| Commission on sales | 25.05 | 22.74 |
| Advertisement, sales promotion and other marketing expenses | 76.22 | 76.42 |
| Legal and professional fees | 53.46 | 61.98 |
| Insurance | 10.88 | 10.03 |
| Impairment of trade receivables | 13.66 | 17.83 |
| Bad debts written off | 11.97 | 5.40 |
| Loss on sale of assets | 1.23 | – |
| Concrete pumping expenses | 15.41 | 16.17 |
| Research expenses * | 4.47 | 3.82 |
| Repairs to buildings | 3.13 | 2.80 |
| Repairs others | 6.14 | 4.12 |
| Bank charges | 5.12 | 4.52 |
| Net loss on foreign exchange fluctuation | 0.73 | 0.74 |
| Impairment of non-current assets | 1.87 | 0.02 |
| Miscellaneous expenses | 63.39 | 63.35 |
| **Total** | **404.29** | **398.09** |
| *Research expenses comprises of : | | |
| Salaries and wages | 2.12 | 1.83 |
| Travelling and Communication | 0.36 | 0.38 |
| Others | 1.99 | 1.61 |
| **Total** | **4.47** | **3.82** |

## 3.09 EXCEPTIONAL ITEMS

Exceptional items include interest of ₹ 14.78 Crores (Previous year : Nil) on delayed payment of Entry Tax in Uttar Pradesh. However, during the year, in response to writ petition the Company was asked to deposit 50% of the said amount and stay was granted for the balance amount.

It also includes a credit adjustment of ₹ 3.52 Crores (Previous year : Nil) on account of refund received of Entry Tax in Madhya Pradesh, which was earlier paid and charged to statement of profit and loss. The Company had lodged an appeal before MP Commercial Tax Tribunal Board, Bhopal for the same.

## 3.10 TAX EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| (a) Income tax expenses : | | |
| Current tax - In respect of the current year | 53.15 | 27.00 |
| Deferred tax - In respect of the current year | 30.92 | 7.65 |
| **Total** | **84.07** | **34.65** |
| (b) Income tax recognised in Other Comprehensive Income : | | |
| Remeasurements of the defined benefit plans | (0.49) | 0.12 |
| **Total income tax expenses recognised in the year (a - b)** | **84.56** | **34.53** |
| | | |
| (c) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows : | | |
| Net profit before tax | 230.05 | 105.06 |
| Effective tax rate applicable to the Company | 34.94% | 34.61% |
| Tax amount at the enacted income tax rate | 80.38 | 36.36 |
| Add : Expenses not deductible in determining taxable profits | 79.51 | 68.72 |
| Less : Allowances/Deductibles | (65.44) | (60.42) |
| Minimum Alternative Tax | 53.15 | 27.00 |
| Incremental Deferred Tax assets on account of unused tax losses and unused tax credits | (68.91) | (41.29) |
| Incremental Deferred Tax liability on account of other temporary differences | 5.87 | 4.16 |
| **Tax expense as per the Statement of Profit and Loss** | **84.56** | **34.53** |

## 4.01 EARNINGS PER SHARE (EPS)

| Particulars | As At March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Basic earnings per share : | | |
| Attributable to equity holders of the Company (₹) | **2.90** | **1.40** |
| Diluted earnings per share : | | |
| Attributable to equity holders of the Company (₹) | **2.90** | **1.40** |
| Reconciliation of earnings used in calculating earnings per share : | | |
| Basic earnings per share : | | |
| Profit attributable to equity holders of the Company used in calculating basic earnings per share (₹ Crores) | 145.98 | 70.41 |
| Diluted earnings per share : | | |
| Profit attributable to equity holders of the Company used in calculating diluted earnings per share (₹ Crores) | 145.98 | 70.41 |
| Weighted average number of Equity shares used as the denominator in calculating basic and diluted earnings per share | 50,33,56,580 | 50,33,56,580 |

## 4.02 LEASES

a. Under finance lease arrangements, the Company had acquired mining rights of limestone, against which the total payment has been made and no contingent rent is payable.

b. Details of Finance lease agreements (Land, Plant and Machinery) – Non-cancellable :

Future minimum lease payments (MLP) under these leases are as follows :

₹ **Crores**

| Finance lease Liabilities | Minimum lease payment | | Present value of Minimum lease payment | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Not later than one year | 9.13 | 9.05 | 8.19 | 5.99 |
| Later than one year and not later than five years | 21.72 | 20.87 | 17.29 | 17.14 |
| Later than five years | 11.97 | 11.91 | 0.81 | 0.75 |
| **Total** | **42.82** | **41.83** | **26.29** | **23.88** |

At the expiry of the lease term, in case of lease agreements other than land, the lessee has an option to purchase the assets at Fair Market Value.

c. Operating lease agreements ( Land, Machinery and Equipments) - Non-cancellable

₹ **Crores**

| Future Lease Rental Payments | Minimum lease payment | |
|---|---|---|
| | As at March 31 | |
| | 2019 | 2018 |
| Due not later than one year | 10.56 | 12.34 |
| Due later than one year but not later than 5 years from the balance sheet date | 15.62 | 21.07 |
| Later than 5 years | – | – |
| **Total** | **26.18** | **33.41** |

Lease rentals of ₹ 11.12 Crores (Previous year : ₹ 14.64 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

## 4.03 EMPLOYEE BENEFIT PLANS

### 1. Defined contribution plans

The Company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expenses recognised in the Statement of Profit and Loss is ₹ 18.14 Crores (Previous year : ₹ 16.26 Crores) represents contributions payable to these plans by the Company at rates specified in rules of the plans.

### 2. Defined Benefits Plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefits plan are administered by separate funds that are legally independent entities. The governing body of the fund is responsible for the investment policy with regard to assets of the funds.

These plans typically expose the Company to Actuarial risks such as : investment risk, interest rate risk, longetivity risk and salary risk. No other post-retirement benefit are provided to the employees.

| | | |
|---|---|---|
| Investment risk | : | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. |
| Interest risk | : | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments. |
| Longevity risk | : | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | : | The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

### 3. Principal assumptions used for the purpose of actuarial valuation

| Particulars | Valuation as at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Discount Rate | 7.48% | 7.80% |
| Expected Rate(s) of salary increase | 5% | 5% |
| Average longetivity at retirement age for current beneficiaries of plans (years) | 37 to 43 | 37 to 42 |
| Average longetivity at retirement age for current employees (future beneficiaries of the plan) | 58 & 60 | 58 & 60 |
| Attrition Rate | 10% to 15% | 10% to 14% |

### 4. (a) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plans

₹ Crores

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Service cost : | | | | |
| Current service cost | 2.91 | 2.34 | 6.29 | 5.42 |
| Past service cost and (gain) / loss from settlements | 0.58 | – | – | – |
| Net interest expense | 1.80 | 1.76 | 2.22 | 1.73 |
| Actuarial(Gain) / Loss | 4.52 | 5.70 | (1.75) | 0.39 |
| **Component of defined benefit costs recognised in Statement of profit and loss** | **9.81** | **9.80** | **6.76** | **7.54** |

## 4.03 EMPLOYEE BENEFIT PLANS (Contd...)

### 4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans

₹ Crores

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Remeasurement of net defined benefit liability | | |
| Return on plan assets (excluding amount included in net interest expense) | (0.05) | (0.41) |
| Actuarial (gains) / losses arising from changes in demographic assumptions | (0.21) | 1.50 |
| Actuarial (gains) / losses arising from changes in financial assumptions | 0.72 | (0.75) |
| Actuarial (gains) / losses arising from experience adjustments | (1.29) | 0.01 |
| **Components of defined benefits cost recognised in Other Comprehensive Income** | **(0.83)** | **0.35** |

### 5. (a) Movements in present value of defined benefit obligation

₹ Crores

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Opening defined benefit obligations | 30.09 | 26.68 | 45.57 | 40.96 |
| Current service cost | 3.49 | 2.34 | 6.29 | 5.42 |
| Interest cost | 1.80 | 1.76 | 3.42 | 2.90 |
| Remeasurement (Gains) / Losses | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | (0.03) | 0.98 | (0.21) | 1.50 |
| Actuarial (gains) / losses arising from changes in financial assumptions | 0.71 | (0.27) | 0.72 | (0.75) |
| Actuarial (gains) / losses arising from experience adjustments | 3.84 | 4.99 | (1.29) | 0.01 |
| Benefits paid | (14.11) | (6.39) | (3.59) | (4.47) |
| **Closing defined benefit obligation** | **25.79** | **30.09** | **50.91** | **45.57** |

### 5. (b) Movements in present value in planned assets

₹ Crores

| Particulars | Gratuity | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Fair value of plan assets at beginning of year | 33.25 | 32.49 |
| Interest Income | 2.66 | 2.47 |
| Contributions | 2.62 | 2.36 |
| Return on plan Assets | 0.05 | 0.40 |
| Benefits paid | (3.59) | (4.47) |
| **Fair value of plan assets at end of year** | **34.99** | **33.25** |

## 4.03 EMPLOYEE BENEFIT PLANS (Contd...)

**6. The category of plan assets as a percentage of total plan are as follows :**

| Particulars | Percentage As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Equity Shares | 17.88% | 18.89% |
| Central and State Government Securities | 67.36% | 54.64% |
| Other Fixed Income Securities / Deposits | 14.76% | 26.47% |
| **Total** | **100%** | **100%** |

**Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

**₹ Crores**

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Discount Rate +100 basis points | 24.79 | 29.85 | 48.49 | 43.45 |
| Discount Rate -100 basis points | 26.86 | 20.05 | 53.58 | 47.91 |
| Salary Increase Rate +1 % | 26.76 | 32.05 | 53.36 | 47.73 |
| Salary Increase Rate -1 % | 24.88 | 29.95 | 48.65 | 43.57 |
| Attrition Rate +1% | 25.85 | 31.08 | 51.20 | 45.87 |
| Attrition Rate -1% | 25.70 | 30.82 | 50.60 | 45.25 |

## 4.04 (a) CONTINGENT LIABILITIES

(i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 47.52 Crores (Previous year : ₹ 44.94 Crores).

(ii) Prepayment charges claimed by banks on amounts prepaid ₹ 2.92 Crores (Previous year : ₹ 2.92 Crores).

(iii) Claims against the Company not acknowledged as debts on account of disputes :

(a) In respect of exemption of Central Sales Tax on coal purchases : ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.

(b) Energy Development Cess ₹ 9.89 Crores (Previous year : ₹ 9.89 Crores).

(c) Tax on Rural and Road Development ₹ 14.20 Crores (Previous year : ₹ 11.92 Crores).

(d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 200.84 Crores (Previous year : ₹ 167.07 Crores).

## (b) CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 266.80 Crores (Previous year : ₹ 47.54 Crores) and other commitments includes Outstanding Letters of Credit ₹ 133.57 Crores (Previous year : ₹ 22.99 Crores).

## (c) FINANCIAL GUARANTEE

Corporate guarantees issued to the bankers : ₹ 310.25 Crores (Previous year : ₹ 249.25 Crores).

**4.04 (Contd...)**

**(d) Disclosure of provisions made as per the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :**

₹ Crores

| Particulars | As at April 01, 2018 | Provisions made during the year | Amounts utilised or reversed during the year | As at March 31, 2019 |
|---|---|---|---|---|
| MPEB Cess on Generation of Electricity | 8.33 | – | – | 8.33 |
| MP Entry Tax / VAT | 10.05 | – | – | 10.05 |
| VAT on Inter Unit transfer | 0.68 | – | – | 0.68 |
| Appeal with AP, Kerala, Punjab, Tamil Nadu, Karnataka and Maharashtra Commercial Tax Department | 0.67 | 0.70 | – | 1.37 |
| Mines Restoration Expenses | 3.57 | 0.85 | – | 4.42 |
| Service Tax on Goods Transport Agency | 14.50 | – | – | 14.50 |

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 0.84 Crores (Previous year : ₹ 0.23 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 38.51 Crores (Previous year : ₹ 37.57 Crores).

**(e)** In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited (GAIL) having validity till April, 2028, the Company is committed to draw minimum quantity of Re-Liquified Natural Gas (RLNG) specified therein. In case of underdrawn quantities, determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation clause (TOP) of the GSA and is allowed to draw such underdrawn quantities in the balance term of the GSA at then prevailing price.

In earlier years, the Company has not been able to draw committed quantity of RLNG. The Company has exhausted its downward flexibility limit available in GSA. In preceding three calendar years, GAIL has waived of TOP obligation. The amount committed under TOP for the underdrawn quantities of RLNG for the quarter ended March 31, 2019, which would be due in December 2019, if it remains undrawn or not waived, is approximately ₹ 14.79 Crores.

As per past trend, RLNG is the most competitively priced natural gas available in the country, non-off take of contracted quantity of RLNG by the Company is unlikely to result in any TOP liability. Also management is expecting increase in the capacity utilisation due to favourable market conditions, the management is confident about utilisation of underdrawn RLNG as mentioned above in balance part of the calendar year and also in subsequent contracted period. The aforesaid amount, if payable, will only be in the nature of an advance payment for RLNG which can be drawn anytime thereafter up to the end of term of the GSA i.e. April 2028. Accordingly, in view of the management, this contract is not in the nature of onerous contract and no effect of the same is required to be given in the accounts.

**(f)** The Supreme Court, in a judgement dated February 28, 2019, has stipulated the components of salary that need to be taken into account for computing the contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company will account for the impact of the judgement after clarification is obtained in interpreting aspects of the judgement and after knowing the effective date of its application. The Company does not expect the impact to be material on the financial statements of the Company for the year ended March 31, 2019. Accordingly, no adjustments have been made in the accompanying financial statements.

**4.05 Capital work-in-progress includes pre-operative expenses of ₹ 76.58 Crores (Previous year : ₹ 71.11 Crores), the details of which are as under :**

₹ Crores

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Indirect expenditure incurred during the year and considered as pre-operative expenses** | | |
| Salary, Wages and Bonus | 2.41 | 3.01 |
| Contribution to Provident and other funds | 0.06 | 0.10 |
| Rent, Rates and Taxes | 0.29 | 0.32 |
| Travelling and Communication | 0.24 | 0.35 |
| Professional fees | 0.12 | 0.11 |
| Depreciation | 1.61 | 1.82 |
| Miscellaneous expenses | 0.74 | 1.76 |
| **Total** | **5.47** | **7.47** |
| Add : Expenditure upto previous year | 71.11 | 63.64 |
| **Balance Carried forward** | **76.58** | **71.11** |
| Cost relating to acquisition of assets and related direct expenses | 43.57 | 21.43 |
| **Total Capital Work-in-progress** | **120.15** | **92.54** |

**4.06 CAPITAL MANAGEMENT**

**Risk management**

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors', creditors' and market confidence and to sustain future development and growth of its business and at the same time, optimise returns to the shareholders. The Company takes appropriate and corrective steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

Consistent with others in the industry, the Company monitors capital on the basis of the capital gearing ratio computed as under :

Net debt (total Borrowings net of Cash and Cash equivalents) divided by Total Equity (as shown in the Balance Sheet).

The Company's strategy is to maintain a capital gearing ratio within 2 times. The comparative capital gearing ratios are tabulated as hereunder :

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net Debt | 1,414.38 | 1,484.91 |
| Total Equity | 1,142.11 | 1,025.83 |
| **Net Debt to Equity Ratio** | **1.24** | **1.45** |

The Company has complied with all material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements. No lenders have raised any matter that may lead to breach of covenants stipulated in the underlying documents.

## 4.07 FINANCIAL INSTRUMENTS

### (i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non- current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of long term security deposits taken, non-current borrowings and remaining non current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data

**₹ Crores**

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Financial assets** | | | | |
| Measured at amortised cost : | | | | |
| Trade receivables | 704.58 | 704.58 | 662.12 | 662.12 |
| Loans | 58.16 | 58.16 | 54.71 | 54.71 |
| Cash and Bank balances | 55.59 | 55.59 | 59.81 | 59.81 |
| Other financial assets | 78.13 | 78.13 | 77.65 | 77.65 |
| Measured at FVTPL : | | | | |
| Derivative Instruments | – | – | # | # |
| Measured at FVTOCI : | | | | |
| Investment in other companies | 21.30 | 21.30 | 21.00 | 21.00 |
| **Total Financial assets** | **917.76** | **917.76** | **875.29** | **875.29** |
| **Financial liabilities** | | | | |
| Measured at amortised cost : | | | | |
| Borrowings | 1,469.85 | 1,469.85 | 1,544.42 | 1,544.42 |
| Trade payables | 791.29 | 791.29 | 735.14 | 735.14 |
| Other financial liabilities | 628.54 | 628.54 | 513.74 | 513.74 |
| **Total Financial liabilities** | **2,889.68** | **2,889.68** | **2,793.30** | **2,793.30** |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### (iii) Level wise disclosure of financial instruments

₹ Crores

| Particulars | As at March 31, 2019 | As at March 31, 2018 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| Investment in equity instruments of other companies (B L A Power Private Limited) | 21.30 | 21.00 | 3 | Independent Valuer Certificate |
| Foreign currency forward contracts - Assets | # | # | 2 | Quotes from banks or dealers |

# Amount less than ₹ 50,000/-

The following table shows a reconciliation of significant unobservable inputs from the opening balance to the closing balance for Level 3 recurring fair value measurements :

₹ Crores

| Investment in equity instruments of other companies | Amount |
|---|---|
| Balance as on April 1, 2018 | 21.00 |
| Add : adjustment due to Fair valuation | 0.30 |
| **Balance as on March 31, 2019** | **21.30** |

### (iv) Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board. The details of different types of risk and management policy to address these risks are listed below :

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows polices set up by the Board of Directors / Management.

#### (a) Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Each division of the Company has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Company uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 2 years past due.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

**Table showing age of gross trade receivables and movement in expected credit loss allowance :**

₹ Crores

| Age of receivables | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Within the credit period | 251.52 | 209.63 |
| 1-90 days past due | 343.27 | 352.72 |
| 91-180 days past due | 56.41 | 57.33 |
| 181-270 days past due | 31.65 | 24.92 |
| More than 270 days past due | 142.86 | 124.99 |
| **Total** | **825.71** | **769.59** |

₹ Crores

| Movement in the expected credit loss allowance | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 107.47 | 89.64 |
| Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 13.66 | 17.83 |
| **Balance at the end of the year** | **121.13** | **107.47** |

### (b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturities of financial liabilities**

**The table below provides details regarding the remaining contractual maturities of financial liabilities :**

₹ Crores

| As at March 31, 2019 | < 1 Year | 1 - 5 year | > 5 year | Total |
|---|---|---|---|---|
| Non-current borrowings | 301.79 | 1,000.66 | – | **1,302.45** |
| Current borrowings | 132.24 | – | – | **132.24** |
| Finance lease obligation | 9.13 | 21.72 | 11.97 | **42.82** |
| Fixed Deposits payable | 6.41 | – | – | **6.41** |
| Financial Guarantee Obligation | 174.25 | 136.00 | – | **310.25** |
| Trade Payables | 791.29 | – | – | **791.29** |
| Other Financial Liabilities | 316.52 | 61.62 | 250.40 | **628.54** |

₹ Crores

| As at March 31, 2018 | < 1 Year | 1 - 5 year | > 5 year | Total |
|---|---|---|---|---|
| Non-current borrowings | 284.87 | 905.65 | – | **1,190.52** |
| Current borrowings | 312.38 | – | – | **312.38** |
| Finance lease obligation | 9.05 | 20.87 | 11.91 | **41.83** |
| Fixed Deposits payable | 8.31 | 4.53 | – | **12.84** |
| Financial Guarantee Obligation | 83.25 | 166.00 | – | **249.25** |
| Trade Payables | 735.14 | – | – | **735.14** |
| Other Financial Liabilities | 295.74 | 1.22 | 216.78 | **513.74** |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers / financers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at any point of time there is sufficient availability of line of credit to handle peak business cycle.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

### (c) Market Risk

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 two types of risk : currency risk and interest rate risk.

#### i. Market Risk – Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex Consultant and as per polices set by Management.

The Company is also exposed to the foreign currency loans availed from various banks to reduce the overall interest cost.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows :

**In Crores**

| Currencies | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| US Dollar (USD) | 0.23 | 1.66 | 0.08 | 0.09 |
| EURO | 0.12 | 0.12 | 0.02 | 0.01 |
| Japanese Yen (JPY) | 0.01 | 0.06 | – | – |
| Srilankan Rupee (LKR) | 0.27 | 0.20 | 12.66 | 9.00 |
| Swiss Francs (CHF) | – | # | – | – |
| Danish Krone (DKK) | – | # | – | – |

**Foreign Currency Exposure**

**In Crores**

| Foreign currency exposure as at March 31, 2019 | USD | EURO | JPY | DKK | LKR | CHF |
|---|---|---|---|---|---|---|
| Trade receivables | 0.08 | 0.02 | – | – | 11.65 | – |
| Loan and other receivables | – | – | – | – | 1.01 | – |
| Borrowings | 0.12 | # | – | – | – | – |
| Trade payables | 0.11 | 0.12 | 0.01 | – | 0.27 | – |
| Forward contracts for payables | 0.04 | 0.08 | – | – | – | – |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

**Foreign Currency Exposure**

**In Crores**

| Foreign currency exposure as at March 31, 2018 | USD | EURO | JPY | DKK | LKR | CHF |
|---|---|---|---|---|---|---|
| Trade receivables | 0.09 | 0.01 | – | – | 9.00 | – |
| Loan and other receivables | – | – | – | – | – | – |
| Borrowings | 1.60 | # | – | – | – | – |
| Trade payables | 0.06 | 0.12 | 0.06 | # | 0.20 | # |
| Forward contracts for receivables | # | – | – | – | – | – |

# Amount less than 50,000/-

**Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date**

**In Crores**

| Currency | Nature | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|
| | | Amount in Foreign Currency | Amount (₹) | Amount in Foreign Currency | Amount (₹) |
| EURO | Asset | 0.02 | 1.43 | 0.01 | 0.89 |
| LKR | Asset | 12.66 | 4.99 | 9.00 | 3.77 |
| USD | Asset | 0.08 | 5.53 | 0.09 | 5.64 |
| CHF | Liability | – | – | # | 0.01 |
| EURO | Liability | 0.04 | 3.03 | 0.12 | 9.68 |
| LKR | Liability | 0.27 | 0.11 | 0.20 | 0.08 |
| USD | Liability | 0.19 | 13.07 | 1.66 | 108.01 |
| DKK | Liability | – | – | # | 0.01 |
| JPY | Liability | 0.01 | # | 0.06 | 0.04 |

# Amount less than 50,000/-

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

**₹ Crores**

| Currencies | Impact on Profit after Tax and Equity | | | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | 1% increase | 1% increase | 1% decrease | 1% decrease |
| USD | (0.08) | (1.02) | 0.08 | 1.02 |
| Euro | (0.02) | (0.09) | 0.02 | 0.09 |
| LKR | 0.05 | 0.04 | (0.05) | (0.04) |
| **Total** | **(0.05)** | **(1.07)** | **0.05** | **1.07** |

**ii. Market Risk – Interest Rate**

The 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.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Variable rate borrowings | 555.47 | 808.75 |
| Fixed rate borrowings | 914.38 | 735.67 |

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used for internal review by the key management personnel.

₹ Crores

| Particulars | Impact on Profit / Loss and Equity | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| Interest rates - increase by 100 basis points * | (5.55) | (8.09) |
| Interest rates - decrease by 100 basis points * | 5.55 | 8.09 |

* Assuming all other variables as constant

## 4.08 RELATED PARTY DISCLOSURES

**Relationships**

₹ Crores

| Particulars | Ownership interest | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| **Subsidiaries** | | |
| Raheja QBE General Insurance Company Limited | 51% | 51% |
| H. & R. Johnson (India) TBK Limited | 100% | 100% |
| Silica Ceramica Private Limited | 99.93% | 99.90% |
| Milano Bathroom Fittings Private Limited | 100% | 100% |
| TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) | 100% | 100% |
| TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) | 100% | 100% |
| RMC Readymix Porselano (India) Limited | 100% | 100% |
| Sentini Cermica Private Limited | 50% | 50% |
| Antique Marbonite Private Limited | 50% | 50% |
| Spectrum Johnson Tiles Private Limited | 50% | 50% |
| Small Johnson Floor Tiles Private Limited | 50% | 50% |
| Coral Gold Tiles Private Limited | 50% | 50% |
| Antique Minerals Private Limited (Subsidiary of Antique Marbonite Private Limited) | 25.50% | 25.50% |
| Sanskar Ceramics Private Limited (Subsidiary of Small Johnson Floor Tiles Private Limited) | 25% | 25% |
| TBK Samiyaz Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) (w.e.f. 23.09.2017) | 69.88% | 69.88% |
| | | |
| **Joint Venture** | | |
| Ardex Endura (India) Private Limited | 50% | 50% |

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Particulars | Ownership interest As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Joint Venture of Subsidiary** | | |
| TBK Deziner's Home Private Limited | 50% | 50% |
| TBK Unique Jalgaon Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK P B Shah Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Deepgiri Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Prathap Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Rathi Sales Agencies Private Limited | 50% | 50% |
| TBK Florance Ceramics Private Limited | 50% | 50% |
| TBK Sanitary Sales Private Limited | 50% | 50% |
| TBK Krishna Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Rishi Ceramics Private Limited | 50% | 50% |
| TBK Aishwarya Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Raj Kamal Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Shree Ganesh Traders Private Limited | 50% | 50% |
| TBK Home Trends Private Limited | 50% | 50% |
| TBK Solan Ceramics Private Limited | 50% | 50% |
| TBK Bansal Ceramics Private Limited (Joint venture upto 23.03.2019) | – | 50% |
| TBK Kadakia's Tile Bath Kitchen Private Limited (Joint venture upto 23.03.2019) | – | 50% |
| TBK Vaibhavi Tile Bath Kitchen Private Limited (Joint venture upto 28.03.2019) | – | 50% |
| **Associates** | | |
| Prism Power and Infrastructure Private Limited | 49% | 49% |
| CSE Solar Parks Satna Private Limited | 27% | – |

**Companies in which Directors and/or their relatives have significant influence**

Peninsula Estates Private Limited

Varahagiri Investments & Finance Private Limited

Windsor Realty Private Limited

**Others- Significant Influence**

Countrywide Exports Private Limited

**Key Management Personnel (KMP)**

**Executive Directors**

Mr. Vijay Aggarwal, Managing Director

Mr. Vivek K. Agnihotri, Executive Director & CEO - Cement

Mr. Sarat Chandak, Executive Director & CEO - HRJ *(w.e.f. March 03, 2019)*

Mr. Atul R. Desai, Executive Director & CEO - RMC

Mr. Joydeep Mukherjee, Executive Director & CEO - HRJ *(upto March 02, 2019)*

**Non-executive Directors**

**Non-independent**

Mr. Rajan B. Raheja, Director

**Independent**

Mr. Shobhan M. Thakore, Chairman

Ms. Ameeta A. Parpia, Director

Dr. Raveendra Chittoor, Director

Mr. J. A. Brooks, Director *(upto November 07, 2017)*

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Name | Relationship | Nature of transaction | Amount of transaction in FY2018-19 | Amount outstanding as on March 31, 2019 (Payable)/ Receivable | Amount of transaction in FY2017-18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|---|---|
| Peninsula Estates Private Limited | Companies in which Directors and / or their relatives have significant influence | Rent paid | 0.14 | – | 0.12 | – |
| | | Deposit given | – | 0.03 | – | 0.03 |
| Varahagiri Investments & Finance Private Limited | Companies in which Directors and / or their relatives have significant influence | Rent paid | 0.58 | – | 0.46 | – |
| | | Deposit given | – | 0.11 | – | 0.11 |
| CSE Solar Parks Satna Private Limited | Associate | Investment made | 0.27 | 0.27 | – | – |
| Payable to KMPs on account of Managerial Remuneration | | Refer table below (*) | 19.80 | (1.41) | 17.40 | (1.20) |
| Mr. Atul R. Desai | Executive Director & CEO–RMC | Deposit given | – | 0.06 | – | 0.06 |
| | | Rent Paid | 0.13 | – | 0.13 | – |
| H. & R. Johnson (India) TBK Limited | Subsidiary | Sales | 20.41 | 2.29 | 27.39 | 3.19 |
| | | ICD given/ (repaid) | – | 4.00 | 0.90 | 4.00 |
| Silica Ceramica Private Limited | Subsidiary | Purchase and services | 151.40 | (25.98) | 159.65 | (27.87) |
| | | Interest received | 1.08 | – | 1.74 | – |
| | | Reimbursement of services received | 1.95 | – | 2.05 | – |
| | | Commission received | 0.33 | – | – | – |
| | | Purchase of assets | 3.80 | – | – | – |
| | | Investment made | 25.00 | – | 35.00 | – |
| Milano Bathroom Fittings Private Limited | Subsidiary | Interest paid | 0.21 | – | 0.02 | – |
| | | Dividend received | 0.04 | – | 0.04 | – |
| | | Buy back of shares | 1.88 | – | – | – |
| | | Reimbursement of services received | 0.46 | – | 0.45 | – |
| Antique Marbonite Private Limited | Subsidiary | Purchase and services | 260.58 | (60.16) | 253.85 | (54.61) |
| Sanskar Ceramic Private Limited | Subsidiary | Reimbursement of services received | 0.20 | – | – | – |
| | | Purchase and services | 103.17 | (24.05) | 100.95 | (27.86) |
| Small Johnson Floor Tiles Private Limited | Subsidiary | Reimbursement of services received | 0.06 | – | – | – |
| | | Interest Received | 1.03 | – | 1.07 | – |

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Name | Relationship | Nature of transaction | Amount of transaction in FY2018-19 | Amount outstanding as on March 31, 2019 (Payable)/ Receivable | Amount of transaction in FY2017-18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|---|---|
| Sentini Cermica Private Limited | Subsidiary | Buy back of shares | – | – | 6.90 | – |
| | | Purchase and services | 103.88 | (19.40) | 118.28 | (18.07) |
| Spectrum Johnson Tiles Private Limited | Subsidiary | Purchase and services | 97.97 | (9.35) | 62.99 | (5.32) |
| | | Interest Received | 1.16 | – | 0.30 | – |
| | | Rent paid | 0.04 | – | 0.03 | – |
| TBK Florance Ceramics Private Limited | Joint Venture | Selling and Distribution expenses | 0.70 | – | 1.14 | – |
| TBK Rangoli Tile Bath Kitchen Private Limited | Subsidiary | Rent received | 0.03 | – | – | – |
| TBK Rishi Tile Bath Kitchen Private Limited | Joint Venture | Sales | 14.16 | 3.28 | 9.83 | 1.85 |
| | | Selling and Distribution expenses | 0.44 | – | 0.61 | – |
| TBK Samiyaz Tile Bath Kitchen Private Limited | Subsidiary | Deposit received | 0.01 | – | – | (0.01) |
| Countrywide Exports Private Limited | Significant Influence | Rent paid | 0.07 | – | 0.04 | – |
| Raheja QBE General Insurance Company Limited | Subsidiary | Insurance premium | 0.35 | 0.08 | 0.42 | 0.09 |
| | | Rent received | 0.03 | – | 0.04 | – |
| | | Security deposit received | – | (0.02) | 0.01 | (0.02) |
| Others | | Interest received / (waived–off) | 0.46 | – | 0.36 | – |
| | | Interest paid | # | – | # | – |
| | | Purchase and services | 195.21 | (47.09) | 195.15 | (39.88) |
| | | Sales | 86.87 | 17.76 | 107.80 | 18.55 |
| | | Selling and Distribution expenses | 2.12 | – | 5.21 | – |
| | | Reimbursement of services received | 1.78 | – | 2.04 | – |
| | | Reimbursement of services paid | 0.37 | – | 0.50 | – |
| | | Rent paid | 0.01 | – | # | – |
| | | Dividend received | # | – | # | – |

# Amount less than ₹ 50,000/–

Note :

In addition to the above, the Company has extended aggregate loan of ₹ 46.15 Crores (Previous year : ₹ 46.15 Crores) to H. & R. Johnson (India) TBK Limited, out of which loan of ₹ 42.15 Crores (Previous year : ₹ 42.15 Crores) is

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

interest free. The Company had invested in 0.01% Non-cumulative Optionally Convertible Preference Shares issued by Small Johnson Floor Tiles Private Limited aggregating to ₹ 4.00 Crores (Previous year : ₹ 4.00 Crores) and 1% Non-cumulative Redeemable Preference Shares issued by Milano Bathroom Fittings Private Limited aggregating to ₹ 2.00 Crores (Previous year : ₹ 3.88 Crores). The Company has also given financial guarantees to commercial banks for ₹ 310.25 Crores (Previous year : ₹ 249.25 Crores) who have extended loans to Silica Ceramica Private Limited.

* Compensation to key management personnel is as under :

₹ Crores

| Particulars | Amount of transaction in FY 2018-19 | Amount of transaction in FY 2017-18 |
|---|---|---|
| Short-term employee benefits | 18.88 | 17.17 |
| Post-employment benefits | – | – |
| Other long-term benefits | – | – |
| Commission paid to Independent Directors | 0.68 | – |
| Sitting fees | 0.24 | 0.23 |
| **Total Compensation to key management personnel** | **19.80** | **17.40** |

Notes :

a) As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

b) The value of related party transaction and balances reported are based on actual transaction and without giving effect to notional Ind AS adjustment entries.

c) Transactions disclosed against "Others" in the above table are those transactions with related party which are of the amount not in excess of 10% of the total related party transactions of the same nature.

## 4.09 SEGMENT INFORMATION

In accordance with Ind AS 108 on "Operating segments" information has been given in the Consolidated Financial Statement of the Company and therefore no separate disclosure on segment information is given in the Standalone financial Statements.

## 4.10 GOVERNMENT GRANTS BY WAY OF TAX SUBSIDY/EXEMPTION SCHEMES :

a) As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the second Cement Unit at Satna was entitled for subsidy at the rate of 75% of VAT / CST paid on sales till December 31, 2017, subject to prescribed limits. For the period July 1, 2017 to December 31, 2017, in absence of clarity, the Company had recognised subsidy under the scheme as a percentage of State Goods and Services Tax. In the current year, Government of Madhya Pradesh has issued an order for extension of support under the GST regime and therefore, the differential subsidy for the above period is recognised in the statement of profit and loss of ₹ 2.89 Crores.

b) As per Industrial promotion policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT / CST paid on sales above the normal production capacity achieved. Subsidy recognised in the Statement of Profit and Loss receivable for the year is ₹ 0.98 Crores (Previous year : ₹ 0.03 Crores).

c) As per Assam Industries (Tax Exemption) Scheme 2009, RMC Unit at Guwahati is entitled to Sales Tax Exemption subject to prescribed limit, at the rate of 99% of tax payable. No amount is recognised in the current year as compared to previous year of ₹ 0.12 Crores.

d) The Company started commercial production of ready mixed plant in Guwahati, Assam on August 6, 2012 and is entitled for 34% of the excise duty paid on finished goods, since that date. During the current financial year, no refund was received by the Company as compared to previous year of ₹ 0.35 Crores.

e) The Company had started commercial production at ready mix plant in Guwahati, Assam in financial year 2012-13 with capital expenditure of ₹ 1.56 Crores on Plant and machinery. As per "North East Industrial and Investment Promotion Policy (NEIIPP), 2007", the Company is entitled to capital investment subsidy. During the current year, the Company has received capital subsidy of ₹ 0.47 Crores (Previous year : Nil) subsequent to fulfilment of all required conditions under NEIIPP 2007. The subsidy is recognised as deferred income and amortised over the balance useful life of assets.

## 4.11 Details of Loans given, security provided and investment made during the year 2018-19 as per section 186 (4) of the Companies Act, 2013

₹ Crores

| Nature of transaction | Name of the recipient | Amount of loan/ security/ acquisition/ guarantee | | Interest Rate | Purpose of loan/ security/ acquisition/ guarantee | Period |
|---|---|---|---|---|---|---|
| | | 2018 - 2019 | 2017 - 2018 | | | |
| Security acquisition | Silica Ceramica Private Limited (unlisted) - Narayanpuram | 25.00 | 35.00 | – | Investment in Equity shares | – |
| Loans | H. & R. Johnson (India) TBK Limited (unlisted) - Mumbai | – | 0.90 | 9% | For working capital and business expansion | Repayment based on mutual consent |
| Corporate Guarantee | Silica Ceramica Private Limited (unlisted) - Narayanpuram | 61.00 | – | – | Given to Axis Trustees Services Limited | For the period of loan |
| Corporate Guarantee | Silica Ceramica Private Limited (unlisted) - Narayanpuram | – | 22.00 | – | Given to Yes Bank Limited | For the period of loan |
| Security acquisition | CSE Solar Parks Satna Private Limited (unlisted) - Mumbai | 0.27 | – | – | Investment in Equity shares | – |

## 4.12 Disclosure under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ Crores

| Name of Subsidiary | Amount outstanding | | Maximum Balance outstanding during the Year | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| H. & R. Johnson (India) TBK Limited | 46.15 | 46.15 | 46.15 | 46.15 |

## 4.13 CORPORATE SOCIAL RESPONSIBILITY (CSR)

a) As per section 135 of the Companies Act, 2013, gross amount required to be spent by the Company during the year 2018-19 was ₹ 0.64 Crores (Previous year : Nil).

b) Details of amount spent by the Company during the year 2018-19 are as follows :

₹ Crores

| Particulars | In cash | Yet to be paid in cash | Total |
|---|---|---|---|
| Construction/acquisition of any asset | 0.28 | 0.08 | 0.36 |
| On purposes other than above | 0.32 | 0.05 | 0.37 |
| **Total** | | | **0.73** |

## 4.14 PAYMENT TO STATUTORY AUDITORS

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| For Statutory Audit | 1.00 | 0.72 |
| For Tax Audit | 0.10 | 0.09 |
| For Company law matters and Taxation Services | 0.22 | 0.26 |
| For Certification | 0.01 | 0.12 |
| For Reimbursement of Expenses | 0.01 | 0.02 |
| **Total** | **1.34** | **1.21** |

**4.15** Pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014, Sial Ghogri Coal mine of the Company was de-allocated and put to auction by the Ministry of Coal through Nominated Authority. The Nominated Authority had determined compensation of ₹ 32.49 Crores for the said Coal Block as against expenses and book value of assets amounting to ₹ 47.58 Crores.

Till date, a sum of ₹ 32.34 Crores has been disbursed by the Nominated Authority. The Company had inter-alia disputed the quantum of compensation before the Hon'ble High Court of Judicature, Delhi. As directed by the said High Court, the Company has filed a claim for an additional compensation of ₹ 53.03 Crores before the Coal Tribunal at Sinraulli , duly appointed under Coal Bearing Areas (Acquisition and Development) Act, 1957. Pending final disposal of the claim by the Coal Tribunal , the Company has not recognised excess of compensation over the book value as income as well as loss that may have to be incurred in the event compensation is denied. Accordingly, the balance amount appears under the head Other Financial Assets (note no. 2.05) and Freehold Land (note no. 2.01) ₹ 13.93 Crores and ₹ 1.31 Crores respectively. The Freehold Land continues to be in possession of the Company as it was not part of the vesting order. Based on the legal opinion, the Company has more than reasonable chances of succeeding in the matter.

**4.16** Insurance claim of the year 2012 relating to collapse of blending silo and consequential damages was rejected by the insurance company. The Company had recognised a sum of ₹ 58.94 Crores as receivable. The Company has filed a money suit before the District Judge and Special Commercial Court at Satna against New India Assurance Company for recovery of ₹ 150.27 Crores, and the matter is pending. The Company has also initiated arbitration proceedings with the party responsible for construction of blending silo for recovery of damages. Based on legal opinion and judicial precedents, the Company has more than reasonable chance of succeeding in the matter.

**4.17** In accordance with applicable accounting standard and Schedule III to the Companies Act, 2013, Sales for the period April 01, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT). Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 2017, VAT / Central Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of applicable accounting standard. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, figures for the year ended and as on March 31, 2019 such as sales, expenses, elements of working capital (Inventories, other current assets / current liabilities) and ratios in percentage of sales, are not comparable with the figures of the previous year. For comparison purposes revenue excluding excise duty is given below :

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net Sales excluding excise duty | 5,930.59 | 5,388.88 |

**4.18** (a) In the course of normal business operation, the Company has settled certain receivables by acquiring residential and commercial properties. The process of disposing these properties is in progress. An impairment loss of ₹ 1.10 Crores is recognised in Statement of profit and loss under the head Other expenses to write down the value of such properties to its fair value. The reportable segment, in which the Non-current Asset held for sale is presented, is RMC in accordance with Ind AS 108.

(b) The Company has decided to discontinue its operations at its Cement packing unit and dispose off certain assets located there such as buildings, land, plant & machinery, etc. The Company is in the process of discussion with various potential buyers and expects the same to be disposed off within next twelve months. The reportable segment, in which the Non-current Asset held for sale is presented, is Cement in accordance with Ind AS 108.

**4.19** According to the information available with the management, on the basis of intimation received from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2019 as follows :

**₹ Crores**

| Particulars | | As at March 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| a) | Principal amount due | 8.09 | 0.25 |
| b) | Interest due on above | – | – |
| c) | Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 | – | – |
| d) | Amount of interest due and payable for the period of delay | – | – |
| e) | Amount of interest accrued and remaining unpaid as at year end | – | – |
| f) | Amount of further remaining due and payable in the succeeding year | – | – |

**4.20** Figures for the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Independent Auditors' Report

**To the Members of Prism Johnson Limited**

**(Formerly Prism Cement Limited)**

**Report on the audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **Prism Johnson Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and its associates comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors of the subsidiaries, joint venture and associate, 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 the 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, its joint venture and its associates as at March 31, 2019 and their consolidated profit (including other comprehensive income), their consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules framed thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 judgement, 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 the matters described below to be the key audit matters:

| Sr. No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| 1 | **Evaluation of Provisions and Contingent Liabilities**<br><br>As at the Balance Sheet date, the Group has certain open legal cases and other contingent liabilities as disclosed in note no. 4.04 and 4.12. The assessment of the existence of the present legal or constructive obligation and analysis of the probability of the related payment require the management to make judgement and estimates in relation to the issues of each matter.<br><br>The management with the help of its expert, as needed, have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. | Our procedures included, amongst others<br><br>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on "*Provisions, Contingent Liabilities and Contingent Assets*".<br><br>We have analysed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.<br><br>In addition, we have reviewed:<br>• the details of the proceedings before the relevant authorities including communication from the advocates / experts;<br>• legal advises / opinions obtained by the management, as needed, from experts in the field of law on the legal cases; |

| Sr. No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| | Due to the level of judgement and estimate involved in recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter. | • minutes of board meetings, including the sub-committees; and<br>• status of each of the material matters as on the date of the balance sheet.<br>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements. |
| 2 | **Impairment of investment in Property, plant and equipments and in subsidiaries**<br>Significant judgement is involved in carrying out impairment assessment of Property, plant and equipment (PPE) and investment in subsidiaries. Such assessment is undertaken using discounted cash flow models to determine the recoverable amount (value-in-use) of Cash Generating Units (CGUs), which is compared to the carrying amount of the relevant non-current assets of the CGU in terms of Ind AS 36 on "*Impairment of Assets*". A deficit in recoverable amount compared with the carrying amount would result in an impairment.<br>The value-in-use requires the use of significant management judgements and estimates including key assumptions such as product-mix, sales growth rate, discount rate and terminal growth rate etc.<br>Considering significant degree of judgement in estimating value-in-use, we identified assessment of impairment of PPE and investments in subsidiaries as a key audit matter. | • We understood, evaluated and validated management's key controls over the impairment assessment process.<br>• We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the management to market practice.<br>• We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations. We also compared historical actual results to those budgeted to assess the quality of management's forecasts.<br>• We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed such parameters with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from independent sources.<br>• We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information.<br>• We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount to exceed the recoverable amount. |

## Information Other than the Consolidated Financial Statements and Our Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of The other information comprises the information included in Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the balanace part of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these

consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including, its joint venture and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group its joint venture and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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 and of its joint venture and associates are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 Act, we are also responsible for expressing our opinion on whether the Holding 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 and its joint venture and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated 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.

Materiality is the magnitude of the misstatement in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of seven subsidiaries and consolidated financial statement of three subsidiaries whose financial statements / consolidated financial statements reflect total assets of ₹ 1,605.46 Crores as at March 31, 2019, total revenues of ₹ 1,062.42 Crores and net cash flows amounting to ₹ 6.09 Crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. The consolidated financial statements also include Group's share of net profit of ₹ 14.05 Crores for the year ended March 31, 2019, as considered in the preparation of consolidated financial statements, in respect of the joint venture and the associate, 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, joint venture and associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidate financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, joint venture and associates incorporated in India, none of the directors of the Group companies, its joint venture and its associates incorporated in India is disqualified as on March 31, 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 with reference to financial statements of the Holding Company, its subsidiaries, joint venture and associates incorporated in India and the operating effectiveness of such controls, we give our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

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 Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors of subsidiaries, joint venture and associates, as noted in the other matters paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates. Refer Note 4.04 and 4.12 to the consolidated financial statements;

   ii. The Group, its joint venture and its associates has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. There has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group, its joint venture and its associates.

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

## Annexure A referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Prism Johnson Limited ("the Holding Company") on the consolidated financial statements for the year ended 31st March, 2019

### Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of **Prism Johnson Limited** ("the Holding Company") and its subsidiaries, its joint venture and associates, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries, its joint venture and associates , which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statement of the Holding Company, its subsidiaries, joint venture and associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

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

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiaries, its joint venture and associates , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates standalone financial statements of seven subsidiaries, consolidated financial statements of three subsidiary, standalone financial statements of two associate, consolidated financial statements of one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

**Atul Shah**
Partner
Membership No. 039569

Place : Mumbai
Dated : May 10, 2019

# Consolidated Balance Sheet as at March 31, 2019

₹ Crores

| Particulars | Note No. | As at March 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Property, plant and equipment | 2.01 | 2,580.83 | 2,559.44 |
| Capital work-in-progress | 4.05 | 124.29 | 99.71 |
| Goodwill | 2.02 | 25.45 | 25.45 |
| Other intangible assets | 2.03 | 19.40 | 16.62 |
| Investments in Joint Ventures and Associates | 2.04 | 52.29 | 45.35 |
| Financial assets | | | |
| Investments | 2.05 | 322.68 | 332.04 |
| Loans | 2.06 | 71.13 | 74.19 |
| Other financial assets | 2.07 | 94.22 | 68.49 |
| Deferred tax assets (net) | 2.08 | 40.66 | 69.36 |
| Other non-current assets | 2.09 | 225.39 | 180.87 |
| **Total Non-current Assets** | | **3,556.34** | **3,471.52** |
| **Current Assets** | | | |
| Inventories | 2.10 | 709.28 | 616.82 |
| Financial assets | | | |
| Investments | 2.05 | 109.75 | 33.20 |
| Trade receivables | 2.11 | 722.18 | 667.88 |
| Cash and cash equivalents | 2.12 | 62.21 | 63.18 |
| Bank balances other than Cash and cash equivalents | 2.13 | 11.60 | 14.24 |
| Loans | 2.06 | 5.08 | 4.11 |
| Other financial assets | 2.07 | 35.20 | 48.23 |
| Current tax assets (net) | 2.14 | 75.47 | 59.01 |
| Other current assets | 2.09 | 186.04 | 187.42 |
| Non-current assets classified as held for sale | 4.16 | 2.70 | 1.23 |
| **Total Current Assets** | | **1,919.51** | **1,695.32** |
| **TOTAL ASSETS** | | **5,475.85** | **5,166.84** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 2.15 | 503.36 | 503.36 |
| Other equity | 2.16 | 622.75 | 534.50 |
| Non-controlling interests | | 265.94 | 272.67 |
| **Total Equity** | | **1,392.05** | **1,310.53** |
| **Liabilities** | | | |
| **Non-current Liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 2.17 | 1,175.15 | 1,151.98 |
| Other financial liabilities | 2.19 | 435.12 | 279.00 |
| Provisions | 2.20 | 28.68 | 27.23 |
| Deferred tax liabilities (net) | 2.21 | 27.00 | 25.13 |
| Other non current liabilities | 2.22 | 49.81 | 44.84 |
| **Total Non-current Liabilities** | | **1,715.76** | **1,528.18** |
| **Current Liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 2.17 | 302.57 | 523.61 |
| Trade payables | | | |
| Total outstanding dues of Micro Enterprises & Small Enterprises | 2.18 | 16.61 | 2.28 |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | 2.18 | 756.05 | 681.96 |
| Other financial liabilities | 2.19 | 913.53 | 757.26 |
| Current tax liabilities (net) | 2.23 | 68.16 | 42.20 |
| Provisions | 2.20 | 39.92 | 44.11 |
| Other current liabilities | 2.22 | 271.20 | 276.71 |
| **Total Current Liabilities** | | **2,368.04** | **2,328.13** |
| **TOTAL EQUITY AND LIABILITIES** | | **5,475.85** | **5,166.84** |
| **Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ Crores

| Particulars | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 3.01 | 6,194.42 | 5,642.19 |
| Other Income | 3.02 | 26.64 | 65.80 |
| **Total Income** | | **6,221.06** | **5,707.99** |
| **EXPENSES** | | | |
| Cost of materials consumed | | 1,798.06 | 1,641.17 |
| Purchase of stock-in-trade | | 278.23 | 376.36 |
| Changes in inventories | 3.03 | (96.39) | 36.25 |
| Power and fuel expenses | | 1,208.76 | 950.48 |
| Freight outward expenses | | 843.16 | 670.93 |
| Excise duty | | – | 134.46 |
| Other manufacturing expenses | 3.04 | 405.48 | 373.01 |
| Employee benefits expense | 3.05 | 565.55 | 512.72 |
| Finance costs | 3.06 | 219.55 | 227.03 |
| Depreciation, amortisation and impairment expense | 3.07 | 200.04 | 184.36 |
| Other expenses | 3.08 | 590.56 | 503.76 |
| **Total expenses** | | **6,013.00** | **5,610.53** |
| **Profit before share of profit of Joint Ventures, Associates and Exceptional items** | | 208.06 | 97.46 |
| Share of profit of Joint Ventures & Associates | | 4.41 | 3.20 |
| **Profit before Exceptional items and Tax** | | **212.47** | **100.66** |
| Exceptional items | 3.09 | (11.26) | – |
| **Profit before tax** | | **201.21** | **100.66** |
| **Tax expenses** | 3.10 | | |
| Current tax | | 61.75 | 37.39 |
| Deferred tax | | 29.86 | 8.27 |
| **Total tax expenses** | | **91.61** | **45.66** |
| **Profit for the year** | | **109.60** | **55.00** |
| **Other Comprehensive Income / (Loss)** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of the defined benefit plans | | 0.23 | (0.64) |
| Equity instruments through other comprehensive income | | 0.30 | – |
| Share of Other comprehensive income in Joint Ventures, to the extent not to be reclassified to profit or loss | | 0.02 | 0.05 |
| Income tax relating to items that will not be reclassified to profit or loss | 3.10 | (0.46) | 0.23 |
| **Total (A)** | | **0.09** | **(0.36)** |
| **Items that will be reclassified to profit or loss** | | | |
| Net gain/(loss) arising on financial assets measured at FVTOCI | | 0.94 | (4.08) |
| Income tax relating to items that will be reclassified to profit or loss | 3.10 | (0.25) | 1.35 |
| **Total (B)** | | **0.69** | **(2.73)** |
| **Total Other Comprehensive Income / (Loss) (A+B)** | | **0.78** | **(3.09)** |
| **Total Comprehensive Income for the year** | | **110.38** | **51.91** |
| **Profit / (Loss) for the year attributable to:** | | | |
| Owners of the Parent | | 116.40 | 42.50 |
| Non-controlling interests | | (6.80) | 12.50 |
| | | **109.60** | **55.00** |
| **Other Comprehensive Income / (Loss) for the year attributable to :** | | | |
| Owners of the Parent | | 0.71 | (1.70) |
| Non-controlling interests | | 0.07 | (1.39) |
| | | **0.78** | **(3.09)** |
| **Total Comprehensive Income / (Loss) for the year attributable to :** | | | |
| Owners of the Parent | | 117.11 | 40.80 |
| Non-controlling interests | | (6.73) | 11.11 |
| | | **110.38** | **51.91** |
| **Earnings per share** (Face value of ₹ 10/- each) (Refer Note 4.01): | | | |
| Basic (in ₹) | | 2.31 | 0.84 |
| Diluted (in ₹) | | 2.31 | 0.84 |
| **Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore** *(Chairman)*
**Vijay Aggarwal** *(Managing Director)*
**Atul R. Desai** *(Executive Director & CEO - RMC)*
**Manish Bhatia** *(Chief Financial Officer)*
**Ameeta A. Parpia** *(Director)*
**Vivek K. Agnihotri** *(Executive Director & CEO - Cement)*
**Sarat Chandak** *(Executive Director & CEO - HRJ)*
**Aneeta S. Kulkarni** *(Company Secretary)*

# Consolidated Statement of changes in Equity

for the year ended March 31, 2019

₹ Crores

| A. EQUITY SHARE CAPITAL | Note No. | Amount |
|---|---|---|
| Balance as at April 1, 2017 | 2.15 | 503.36 |
| Changes in equity share capital during the year | | – |
| Balance as at March 31, 2018 | 2.15 | 503.36 |
| Changes in equity share capital during the year | | – |
| **Balance as at March 31, 2019** | 2.15 | **503.36** |

₹ Crores

| B. OTHER EQUITY | Reserves and Surplus (refer note 2.16) | | | | | | Amount attributable to Owners of the parent | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Capital Reserve | Retained Earnings | Net Gain arising of financial assets measured as at FVTOCI | | | |
| **Balance as at April 1, 2017** | 11.43 | 121.43 | 193.24 | (0.65) | 164.66 | 1.46 | 491.57 | 269.42 | 760.99 |
| Profit for the year | – | – | – | – | 42.50 | – | 42.50 | 12.50 | 55.00 |
| Items of Other Comprehensive Income : | | | | | | | | | |
| Remeasurements of the defined benefit plans | – | – | – | – | (0.34) | – | (0.34) | (0.05) | (0.39) |
| Share in Joint Ventures and Associates | – | – | – | – | 0.03 | – | 0.03 | – | 0.03 |
| Net Gain arising of financial assets measured at FVTOCI | – | – | – | – | – | (1.39) | (1.39) | (1.34) | (2.73) |
| **Total Comprehensive Income for the year** | **11.43** | **121.43** | **193.24** | **(0.65)** | **206.85** | **0.07** | **532.37** | **280.53** | **812.90** |
| Non-controlling interests arising on the acquisition of a Subsidiary | – | – | – | – | – | – | – | 0.29 | 0.29 |
| Reduction of non-controlling interests due to buy back of shares of a Subsidiary | – | – | – | – | – | – | – | (8.15) | (8.15) |
| Capital reserve due to business combination within the group | – | – | – | (0.20) | – | – | (0.20) | – | (0.20) |
| Transferred from General Reserve | 0.60 | – | – | – | – | – | 0.60 | – | 0.60 |
| Transferred to Capital Redemption Reserve | – | – | (0.60) | – | – | – | (0.60) | – | (0.60) |
| Transferred to Retained Earnings | – | (12.20) | – | – | – | – | (12.20) | – | (12.20) |
| Transferred from Debenture Redemption Reserve | – | – | – | – | 12.20 | – | 12.20 | – | 12.20 |
| Others | – | – | – | – | 2.33 | – | 2.33 | – | 2.33 |
| **Balance as at March 31, 2018** | **12.03** | **109.23** | **192.64** | **(0.85)** | **221.38** | **0.07** | **534.50** | **272.67** | **807.17** |

# Consolidated Statement of changes in Equity

for the year ended March 31, 2019 (Contd...)

₹ Crores

| B. OTHER EQUITY | Reserves and Surplus (refer note 2.16) | | | | | | Amount attributable to Owners of the parent | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Capital Reserve | Retained Earnings | Net Gain arising of financial assets measured as at FVTOCI | | | |
| **Balance as at April 01, 2018** | **12.03** | **109.23** | **192.64** | **(0.85)** | **221.38** | **0.07** | **534.50** | **272.67** | **807.17** |
| Profit/ (Loss) for the year | – | – | – | – | 116.40 | – | 116.40 | (6.80) | 109.60 |
| Items of Other Comprehensive Income : | | | | | | | | | |
| Remeasurements of the defined benefit plans | – | – | – | – | 0.34 | – | 0.34 | (0.27) | 0.07 |
| Share in Joint Ventures and Associates | – | – | – | – | 0.02 | – | 0.02 | – | 0.02 |
| Net Gain arising of financial assets measured at FVTOCI | – | – | – | – | – | 0.35 | 0.35 | 0.34 | 0.69 |
| **Total Comprehensive Income for the year** | **12.03** | **109.23** | **192.64** | **(0.85)** | **338.14** | **0.42** | **651.61** | **265.94** | **917.55** |
| Capital reserve due to business combination within the group | – | – | – | (0.25) | – | – | (0.25) | – | (0.25) |
| Transferred from Retained Earnings | 1.88 | – | – | – | – | – | 1.88 | – | 1.88 |
| Transferred to Capital Redemption Reserve | – | – | – | – | (1.88) | – | (1.88) | – | (1.88) |
| Transferred to Retained Earnings | – | (12.98) | – | – | – | – | (12.98) | – | (12.98) |
| Transferred from Debenture Redemption Reserve | – | – | – | – | 12.98 | – | 12.98 | – | 12.98 |
| Dividend and Dividend Distribution tax | – | – | – | – | (30.34) | – | (30.34) | – | (30.34) |
| Others | – | – | – | – | 1.73 | – | 1.73 | – | 1.73 |
| **Balance as at March 31, 2019** | **13.91** | **96.25** | **192.64** | **(1.10)** | **320.63** | **0.42** | **622.75** | **265.94** | **888.69** |

**Significant Accounting Policies Note - 1**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# Consolidated Cash Flow Statement for the year ended March 31, 2019

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 201.21 | 100.66 |
| **Non-cash Adjustment to Profit Before Tax :** | | |
| Depreciation, amortisation and impairment expense | 200.04 | 184.36 |
| Share of (Profit) / Loss of Joint Ventures and Associates | (4.41) | (3.20) |
| Impairment on trade receivables | 13.75 | 18.18 |
| Impairment on financial assets | 5.05 | 2.98 |
| Impairment on non-current assets | 9.42 | 0.15 |
| Amortisation of processing fees | 6.56 | 7.21 |
| Bad debts written off | 12.34 | 5.40 |
| Unwinding of interest and discounts | (0.08) | (0.49) |
| (Gain) / Loss on disposal of Property, plant and equipment | 1.63 | 2.30 |
| Gain on disposal of investments | (0.93) | (0.61) |
| Dividend and interest income | (7.10) | (7.60) |
| Finance costs | 212.93 | 219.77 |
| Balances written back | (0.19) | (1.11) |
| Exchange differences (net) | (0.05) | 0.73 |
| Other non-cash Items | 2.55 | (4.85) |
| **Operating profit before change in operating assets and liabilities** | **652.72** | **523.88** |
| | | |
| **Change in operating assets and liabilities :** | | |
| Decrease/(increase) in trade receivables | (80.62) | (65.62) |
| Decrease/(increase) in inventories | (92.46) | (54.62) |
| Increase/(decrease) in trade payables | 88.99 | (25.81) |
| Decrease/(increase) in other financial assets | (18.54) | 23.82 |
| Decrease/(increase) in loans | 1.42 | (0.06) |
| Decrease/(increase) in other non-current and current assets | (31.77) | 43.68 |
| Increase/(decrease) in provisions | (2.74) | 9.77 |
| Increase/(decrease) in other current and non-current financial liabilities | 98.71 | 19.58 |
| Increase/(decrease) in other current and non-current liabilities | 90.39 | 149.85 |
| **Cash generated from operations** | 706.10 | 624.47 |
| Direct taxes paid (net of refunds) | 52.21 | 37.85 |
| **Net cash flow from operating activities (a)** | **653.89** | **586.62** |

# Consolidated Cash Flow Statement (Contd...) for the year ended March 31, 2019

₹ Crores

| Particulars | | Year ended March 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payments for acquisition of Property, plant and equipment | | (286.59) | (341.64) |
| Payments for purchase of investments | | (184.37) | (230.85) |
| Proceeds from sale of investments | | 105.82 | 147.60 |
| Proceeds from disposal of Property, plant and equipment | | 22.56 | 7.13 |
| Interest received | | 12.44 | 11.21 |
| **Net cash flow used in investing activities** | **(b)** | **(330.14)** | **(406.55)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | | 685.94 | 588.65 |
| Repayment of long term borrowings | | (566.48) | (550.87) |
| Repayment of short term borrowings | | (221.03) | – |
| Interest paid | | (192.81) | (217.42) |
| Dividend and Dividend Distribution tax paid | | (30.34) | – |
| **Net cash flow used in financing activities** | **(c)** | **(324.72)** | **(179.64)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **(a+b+ b)** | **(0.97)** | **0.43** |
| Cash and cash equivalents at the beginning of the year | | 63.18 | 62.75 |
| **Cash and cash equivalents at the end of the year** | | **62.21** | **63.18** |
| | | | |
| **Cash and cash equivalents comprises of :** | | | |
| Balances with bank | | 56.99 | 58.74 |
| Cheques/drafts on hand | | 3.85 | 3.23 |
| Cash on hand | | 1.37 | 1.21 |
| **Total** | | **62.21** | **63.18** |

Notes :

1. The Cash Flow Statement has been prepared using the Indirect Method set out in Ind AS 7- Statement of Cash Flows.
2. Payments for acquisition of Property, plant and equipment include movement in capital work-in-progress.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore** *(Chairman)*
**Vijay Aggarwal** *(Managing Director)*
**Atul R. Desai** *(Executive Director & CEO - RMC)*
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**Vivek K. Agnihotri** *(Executive Director & CEO - Cement)*
**Sarat Chandak** *(Executive Director & CEO - HRJ)*
**Aneeta S. Kulkarni** *(Company Secretary)*

# Notes to the Consolidated Statements for the year ended March 31, 2019

## 1. Significant Accounting Policies

The consolidated financial statements comprise financial statements of Prism Johnson Limited (Formerly Prism Cement Limited) (the "Company") and its subsidiaries (collectively the "Group") for the year ended March 31, 2019. 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 recognised stock exchanges in India.

The Group is principally operates in four business segments: Cement; Tile and Bath (HRJ), Ready Mixed Concrete (RMC) and Insurance. Information on other related party relationships of the Group is provided in Note 4.08.

**Authorisation of financial statements :** The financial statements were authorised for issue in accordance with a resolution of the board of directors dated May 10, 2019 .

## 1.1 Basis of Preparation

### a) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder and the relevant provisions of the Act. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

### b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

- certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- defined benefit plans -plan assets measured at fair value.

## 1.2 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Crores, except where otherwise indicated.

## 1.3 Current versus non-current classification

The Group presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is classified as current if :

a) it is expected to be realised or intended to be sold or consumed in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is expected to be realised within twelve months after the reporting period; or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if :

a) it is expected to be settled in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

## 1.4 Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as below:

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements and Ind AS 111 – Joint Arrangements. The entities mentioned below are considered as subsidiaries :

a) Antique Marbonite Private Limited

b) Small Johnson Floor Tiles Private Limited

c) Spectrum Johnson Tiles Private Limited

d) Sentini Cermica Private Limited

e) Coral Gold Tiles Private Limited

**Key assumptions**

**a) Evaluation of recoverability of deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**b) Assets and obligations relating to employee benefits**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c) Useful lives of Property, plant and equipment**

The company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**d) Impairment of Property, plant and equipment**

For Property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

**e) Impairment of investment**

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilisation, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**f) Valuation of inventories**

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

**g) Recognition and measurement of other Provisions**

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**h) Mine Restoration Provision**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to the expected cost of mines restoration and the expected timing of those costs.

**i) Fair value of financial instruments**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

## 1.5 Principles of consolidation and equity accounting

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

**b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in Associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

**c) Joint Ventures**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or Joint Ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only Joint Ventures.

Interests in Joint Ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated Balance Sheet.

**d) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from Associates and Joint Ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its Associates and Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.9 below.

**e) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequent accounting for the retained interest as an Associate, Joint Venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

The amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss.

If the ownership interest in a Joint Venture or an Associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss where appropriate.

## 1.6 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the consolidated financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

### 1.7 Property, plant and equipment

a) Freehold land is carried at historical cost less impairment losses, if any.

b) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

c) When significant parts of Plant and Equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

d) An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.

e) Expenditure directly attributable to setting up / construction of new projects are capitalised. Administrative and other General overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss. Income earned during this period from setting up activities is deducted from the total of indirect expenditure.

f) The residual values and useful lives of Property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

g) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Group. Accordingly, the Group identifies any land lease arrangement with a term in excess of 50 years as a finance lease.

h) Stores and spares which meet the definition of Property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, plant and equipment.

i) Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land and mines development expenses are amortised systematically based on principle of Unit of Production method.

j) Depreciation on Property, plant and equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Group has assessed the estimated useful lives of its Property, plant and equipment and has adopted the useful lives and residual value as prescribed therein except for the following cases which are based on internal technical assessment :

| Assets | Useful life of asset |
|---|---|
| Mobile Phones | 1 - 3 years |
| Motor car given to employees as per the company's scheme or vehicle used by employees | 5 - 7 years |
| Leasehold land | Remaining period of the lease |
| Truck mixers, Loaders, Excavators and Dumpers | 8 years |

| Assets | Useful life of asset |
|---|---|
| Leasehold Improvements | Over the period of the lease /rent agreement |
| Machinery spares | Over the useful life of the related assets |
| Assets acquired under the finance lease | Over the primary lease period and secondary lease period if renewable at nominal cost, if any |
| Plant & Machinery - Concrete Pumps | 6 years |

Freehold land is not depreciated. Land on finance lease is amortised over the period of lease.

k) The Group depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, plant and equipment is assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.

l) All assets costing up to ₹ 10,000/- are fully depreciated in the year of capitalisation.

## 1.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

Technical know-how / license fee and application software are classified as Intangible Assets.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the Intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of Intangible assets (acquired) are as follows:

| Assets | Amortisation method / Useful life |
|---|---|
| Intellectual Property Rights | 10 years |
| Technical know-how | 7 years |
| Software | 1 - 8 years |
| Mineral Procurement Rights | Unit of Production Method |
| Mining Lease Rights | Over the period of the lease |

**Research and Development**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an Intangible asset when the Group can demonstrate the following:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) Its intention to complete the asset;

c) Its ability to use or sell the asset;

d) Ability to generate future economic benefits;

e) The availability of adequate resources to complete the development and use or sell the asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

## 1.9 Impairment of Assets

Carrying amount of Tangible assets, Intangible assets, investments in Joint Ventures and Associates (accounted under equity method) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 1.10 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable 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 in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition. Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, plant and equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of inventories is computed on weighted average basis.

Traded goods are valued at lower of weighted average cost and net realisable value.

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

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, price changes and such other related factors.

### 1.11 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet 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 change in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management.

### 1.12 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

The above criteria is also used for recognition of incentives under various scheme notified by the Government.

### 1.13 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

**Initial Recognition and Measurement – Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Group classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Amortised Cost**

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

- the financial asset is held within a business model whose objective is to hold financial assets 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.

**FVTOCI**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset 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.

**FVTPL**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Impairment of Financial Assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Classification and Subsequent measurement: Financial Liabilities**

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

**Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of Financial Assets and Financial Liabilities**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## 1.14 Financial liabilities and equity instruments

**Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**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 Group are recognised at the proceeds received.

## 1.15 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 1.16 Provisions, Contingent liabilities and Contingent assets

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

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

**Contingent liabilities are disclosed in the case of :**

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

Contingent Assets is disclosed when inflow of economic benefits is probable.

## 1.17 Gratuity and other post-employment benefits

### a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### b) Post-employment obligations

The Group operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and national pension scheme.

**Gratuity obligations**

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

**Defined contribution plans**

The Group contributes to Superannuation, Employee's State Insurance Corporation, Provident Fund and subscribes to the National Pension Scheme which are considered as defined contribution plans. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Group, the management does not expect any material liability on account of interest shortfall to be borne by the Group. The said contributions are charged to the Statement of Profit and Loss.

### c) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 1.18 Revenue Recognition

### a) Revenue from contracts with customers

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Effective April 01, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives are not required to adjust retrospectively. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach :

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time :

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

### b) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

### c) Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 1.19 Taxes on Income

### Current Tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, Associates and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

## 1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) 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 is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

## 1.21 Segment reporting

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

The operating segments have been identified on the basis of nature of products/services.

a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.

c) Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.

d) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.

e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

## 1.22 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**As a lessee :**

**Finance Lease**

Leases of Property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 1.23 Foreign currency translation

**a) Functional and presentation currency**

The Group's financial statements are prepared in INR, which is also the Group's financial and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/ services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non–Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 1.24 Mine Restoration Provision

The Group provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Mines restoration expenses are incurred on an ongoing basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. On the basis of technical parameters, restoration expenses estimates are reviewed periodically.

### 1.25 Non-current assets held for Sale

Non-current assets are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised. Any decrease in fair value of asset (less cost of sale) is recognised through profit and loss as impairment loss. Any subsequent increase in fair value of asset to the extent of previously recognised impairment loss is recognised as gain and any gain exceeding this impairment loss is recognised on the date of de-recognition.

### 1.26 Other Policies relating to Insurance Business

**Reinsurance Ceded**

Reinsurance cost in respect of proportional reinsurance ceded, is accrued at policy inception. Non-proportional reinsurance cost is recognised when incurred and due. Any subsequent revisions to refunds or cancellations of premiums are recognised in the year in which they occur.

**Reinsurance accepted**

Reinsurance inward acceptances are accounted for on the basis of returns / intimations, to the extent received, from the insurers.

**Claims incurred**

Claims are recognised as and when reported based on information from Surveyors / insured / Brokers. Claims paid are charged to the respective revenue account. Provision is made for estimated value of claims outstanding as at the Balance Sheet date. Reserve is maintained for each claim which at all times reflects the amount likely to be paid on each claim, as anticipated and estimated by the management in the light of past experience and subsequently modified for changes, as appropriate.

**IBNR (Claims Incurred but not reported) and IBNER (Claims Incurred but not enough reported)**

IBNR represents that amount of all claims that may have been incurred prior to the end of current accounting year but not have been reported or claimed. The IBNR provision also includes provision if any required for claims incurred but not enough reported. The IBNR (including IBNER) is determined based on the actuarial principles by the Appointed Actuary.

**Reserve for Unexpired Risk**

Reserve for unexpired risk represents that part of net premium (net of proportional reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other businesses based on net premium written during the year as required under Section 64V(1)(ii)(b) of the Insurance Act, 1938.

## RECENT ACCOUNTING PRONOUNCEMENTS

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 01, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 01, 2019.

The Company will adopt this standard using modified retrospective method effective April 01, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted. The effect on adoption of Ind AS 116 is expected to be insignificant.

## 2.01 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

| Particulars | Gross Carrying Amount | | | | | Depreciation/Impairment | | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Addition/ Adjustments | Disposal | Acquisition through business combinations | As at March 31, 2019 | As at April 01, 2018 | Acquisition through business combinations | For the Year | Elimination on disposal | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| **Own Assets:** | | | | | | | | | | | | |
| Land - Freehold | 592.08 | 48.93 | 0.43 | – | 640.58 | 13.21 | – | 7.75 | – | 20.96 | 619.62 | 578.87 |
| Buildings | 286.56 | 8.69 | 3.52 | – | 291.73 | 41.44 | – | 15.36 | 2.08 | 54.72 | 237.01 | 245.12 |
| Plant and Machinery | 1,968.54 | 126.10 | 67.88 | – | 2,026.76 | 405.64 | – | 128.08 | 47.45 | 486.27 | 1,540.49 | 1,562.90 |
| Railway siding | 3.42 | 1.04 | – | – | 4.46 | 0.57 | – | 0.19 | – | 0.76 | 3.70 | 2.85 |
| Office Equipment | 13.19 | 2.60 | 0.67 | – | 15.12 | 5.71 | – | 1.88 | 0.59 | 7.00 | 8.12 | 7.48 |
| Computers | 15.39 | 4.26 | 1.72 | – | 17.93 | 8.25 | – | 3.46 | 1.19 | 10.52 | 7.41 | 7.14 |
| Mines Development | 161.96 | 29.24 | – | – | 191.20 | 86.78 | – | 26.52 | – | 113.30 | 77.90 | 75.18 |
| Furniture & Fixtures | 35.15 | 9.22 | 0.30 | – | 44.07 | 13.08 | – | 4.55 | 0.19 | 17.44 | 26.63 | 22.07 |
| Vehicles | 21.85 | 4.50 | 2.57 | – | 23.78 | 8.89 | – | 3.26 | 1.51 | 10.64 | 13.14 | 12.96 |
| Truck Mixers, Loaders and Dumpers | 11.26 | 0.29 | – | – | 11.55 | 8.96 | – | 1.21 | – | 10.17 | 1.38 | 2.30 |
| Leasehold improvement | 0.79 | 0.07 | 0.03 | – | 0.83 | 0.75 | – | 0.02 | 0.02 | 0.75 | 0.08 | 0.04 |
| **Total (a)** | **3,110.19** | **234.94** | **77.12** | **–** | **3,268.01** | **593.28** | **–** | **192.28** | **53.03** | **732.53** | **2,535.48** | **2,516.91** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | |
| Land | 10.52 | – | – | – | 10.52 | 1.02 | – | 0.23 | – | 1.25 | 9.27 | 9.50 |
| Plant and Machinery | 37.62 | 7.96 | – | – | 45.58 | 4.94 | – | 4.97 | – | 9.91 | 35.67 | 32.68 |
| Vehicle | 0.41 | 0.12 | – | – | 0.53 | 0.06 | – | 0.06 | – | 0.12 | 0.41 | 0.35 |
| **Total (b)** | **48.55** | **8.08** | **–** | **–** | **56.63** | **6.02** | **–** | **5.26** | **–** | **11.28** | **45.35** | **42.53** |
| **Total (a+b)** | **3,158.74** | **243.02** | **77.12** | **–** | **3,324.64** | **599.30** | **–** | **197.54** | **53.03** | **743.81** | **2,580.83** | **2,559.44** |

## 2.01 PROPERTY, PLANT AND EQUIPMENT (Contd...)

₹ Crores

| Particulars | Gross Carrying Amount | | | | | Depreciation/Impairment | | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition/ Adjustments | Disposal | Acquisition through business combinations | As at March 31, 2018 | As at April 01, 2017 | Acquisition through business combinations | For the Year | Elimination on disposal | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| **Own Assets :** | | | | | | | | | | | | |
| Land - Freehold | 541.47 | 50.62 | 0.01 | — | 592.08 | 8.15 | — | 5.06 | — | 13.21 | 578.87 | 533.32 |
| Buildings | 261.53 | 27.06 | 2.03 | — | 286.56 | 28.45 | — | 14.98 | 1.99 | 41.44 | 245.12 | 233.08 |
| Plant and Machinery | 1,776.51 | 216.93 | 24.98 | 0.08 | 1,968.54 | 306.14 | 0.01 | 116.45 | 16.96 | 405.64 | 1,562.90 | 1,470.37 |
| Railway siding | 3.42 | — | — | — | 3.42 | 0.38 | — | 0.19 | — | 0.57 | 2.85 | 3.04 |
| Office Equipment | 10.42 | 3.42 | 0.68 | 0.03 | 13.19 | 4.59 | 0.01 | 1.70 | 0.59 | 5.71 | 7.48 | 5.83 |
| Computers | 12.00 | 4.19 | 0.81 | 0.01 | 15.39 | 5.40 | — | 3.45 | 0.60 | 8.25 | 7.14 | 6.60 |
| Mines Development | 121.25 | 40.71 | — | — | 161.96 | 58.65 | — | 28.13 | — | 86.78 | 75.18 | 62.60 |
| Furniture & Fixtures | 24.69 | 10.86 | 0.62 | 0.22 | 35.15 | 9.56 | 0.05 | 3.77 | 0.30 | 13.08 | 22.07 | 15.13 |
| Vehicles | 21.46 | 2.38 | 2.01 | 0.02 | 21.85 | 6.70 | 0.01 | 3.58 | 1.40 | 8.89 | 12.96 | 14.76 |
| Truck Mixers, Loaders and Dumpers | 10.82 | 0.45 | 0.01 | — | 11.26 | 7.34 | — | 1.63 | 0.01 | 8.96 | 2.30 | 3.48 |
| Leasehold Improvement | 0.85 | — | 0.06 | — | 0.79 | 0.64 | — | 0.14 | 0.03 | 0.75 | 0.04 | 0.21 |
| **Total (a)** | **2,784.42** | **356.62** | **31.21** | **0.36** | **3,110.19** | **436.00** | **0.08** | **179.08** | **21.88** | **593.28** | **2,516.91** | **2,348.42** |
| **Assets taken on Finance Lease :** | | | | | | | | | | | | |
| Land | 9.38 | 1.25 | 0.11 | — | 10.52 | 0.81 | — | 0.22 | 0.01 | 1.02 | 9.50 | 8.57 |
| Plant and Machinery | 16.84 | 20.78 | — | — | 37.62 | 1.83 | — | 3.11 | — | 4.94 | 32.68 | 15.01 |
| Vehicle | 0.41 | — | — | — | 0.41 | 0.01 | — | 0.05 | — | 0.06 | 0.35 | 0.40 |
| **Total (b)** | **26.63** | **22.03** | **0.11** | **—** | **48.55** | **2.65** | **—** | **3.38** | **0.01** | **6.02** | **42.53** | **23.98** |
| **Total (a+b)** | **2,811.05** | **378.65** | **31.32** | **0.36** | **3,158.74** | **438.65** | **0.08** | **182.46** | **21.89** | **599.30** | **2,559.44** | **2,372.40** |

Notes :

a) Depreciation for the year includes ₹ 1.61 Crores (Previous year : ₹ 1.82 Crores) considered for capitalisation.

b) Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.

c) Additions to Plant & Machinery during the year includes ₹ 1.78 Crores (Previous year : ₹ 0.11 Crores) on account of Research assets.

d) Additions to Freehold Land is net-off liabilities no longer required to be paid.

## 2.02 GOODWILL

₹ Crores

| Particulars | Gross Carrying Amount | | | | Impairment | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Addition | Disposal | As at March 31, 2019 | As at April 1, 2018 | Acquisition through business combinations | For the Year | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Goodwill | 25.45 | – | – | 25.45 | – | – | – | – | 25.45 | 25.45 |
| **Total** | **25.45** | **–** | **–** | **25.45** | **–** | **–** | **–** | **–** | **25.45** | **25.45** |

| Particulars | Gross Carrying Amount | | | | Impairment | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition | Disposal | As at March 31, 2018 | As at April 1, 2017 | Acquisition through business combinations | For the Year | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Goodwill | 25.42 | 0.03 | – | 25.45 | – | – | – | – | 25.45 | 25.42 |
| **Total** | **25.42** | **0.03** | **–** | **25.45** | **–** | **–** | **–** | **–** | **25.45** | **25.42** |

## 2.03 OTHER INTANGIBLE ASSETS

₹ Crores

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Addition | Disposal | As at March 31, 2019 | As at April 1, 2018 | Acquisition through business combinations | For the Year | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Software | 16.71 | 5.76 | – | 22.47 | 7.16 | – | 3.50 | 10.66 | 11.81 | 9.55 |
| Intellectual Property Rights | 1.77 | – | – | 1.77 | 1.77 | – | – | 1.77 | – | – |
| Mining Lease Rights | 8.25 | – | – | 8.25 | 1.24 | – | 0.44 | 1.68 | 6.57 | 7.01 |
| Minerals Procurement Rights | 2.28 | – | – | 2.28 | 2.26 | – | – | 2.26 | 0.02 | 0.02 |
| Technical Know-how | 0.14 | 1.13 | – | 1.27 | 0.10 | – | 0.17 | 0.27 | 1.00 | 0.04 |
| **Total** | **29.15** | **6.89** | **–** | **36.04** | **12.53** | **–** | **4.11** | **16.64** | **19.40** | **16.62** |

## 2.03 OTHER INTANGIBLE ASSETS (Contd...)

₹ Crores

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition | Disposal | As at March 31, 2018 | As at April 1, 2017 | Acquisition through business combinations | For the Year | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Software | 14.02 | 2.69 | – | 16.71 | 4.51 | – | 2.65 | 7.16 | 9.55 | 9.51 |
| Intellectual Property Rights | 1.77 | – | – | 1.77 | 1.18 | – | 0.59 | 1.77 | – | 0.59 |
| Mining Lease Rights | 8.25 | – | – | 8.25 | 0.80 | – | 0.44 | 1.24 | 7.01 | 7.45 |
| Minerals Procurement Rights | 2.28 | – | – | 2.28 | 2.26 | – | – | 2.26 | 0.02 | 0.02 |
| Technical Know-how | 0.14 | – | – | 0.14 | 0.06 | – | 0.04 | 0.10 | 0.04 | 0.08 |
| **Total** | **26.46** | **2.69** | **–** | **29.15** | **8.81** | **–** | **3.72** | **12.53** | **16.62** | **17.65** |

**Range of remaining period of amortisation as at March 31, 2019 of Intangible assets is as below :**

| Assets | Range of remaining period of amortisation | | | |
|---|---|---|---|---|
| | < 5 year | 6 - 10 year | > 10 year | Net Carrying Amount |
| Software | 5.80 | 6.01 | – | 11.81 |
| Mining Lease Rights | 1.81 | 1.64 | 3.12 | 6.57 |
| Minerals Procurement Rights | 0.02 | – | – | 0.02 |
| Technical Know - how | 0.69 | 0.31 | – | 1.00 |
| **Total** | **8.32** | **7.96** | **3.12** | **19.40** |

## 2.04 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

₹ Crores

| Particulars | As at March 31, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | Qty | Amount | Qty | Amount |
| **Investments in Equity Instruments accounted for using equity method :** | | | | |
| **Investment in Joint Ventures - Unquoted** | | | | |
| TBK Bansal Ceramics Private Limited | – | – | 5,000 | – |
| TBK Deepgiri Tile Bath Kitchen Private Limited | 50,000 | 1.85 | 50,000 | 1.74 |
| TBK Florance Ceramics Private Limited | 1,55,000 | 2.53 | 1,55,000 | 2.61 |
| TBK Krishna Tile Bath Kitchen Private Limited | 5,000 | – | 5,000 | – |
| TBK PB Shah Tile Bath Kitchen Private Limited | 50,000 | – | 50,000 | – |
| TBK Rishi Ceramics Private Limited | 5,000 | 0.27 | 5,000 | 0.24 |
| TBK Unique Jalgaon Tile Bath Kitchen Private Limited | 5,000 | 0.01 | 5,000 | 0.16 |
| TBK Home Trends Private Limited | 5,000 | – | 5,000 | 0.12 |
| Ardex Endura (India) Private Limited | 65,00,000 | 47.15 | 65,00,000 | 40.24 |
| **Investment in Associates - Unquoted** | | | | |
| Prism Power and Infrastructure Private Limited | 4,900 | – | 4,900 | – |
| CSE Solar Parks Satna Private Limited | 2,70,001 | 0.21 | – | – |
| **Investments in Preference shares - measured at amortised cost** | | | | |
| **Investment in Joint Ventures- Unquoted** | | | | |
| TBK P B Shah Tile Bath Kitchen Private Limited | 25,000 | 0.08 | 25,000 | 0.07 |
| (0% Redeemable Preference Shares) | | | | |
| TBK Rishi Ceramics Private Limited | 12,500 | 0.04 | 12,500 | 0.03 |
| (0% Redeemable Preference Shares) | | | | |
| TBK Deziner's Home Private Limited | 60,000 | 0.15 | 60,000 | 0.14 |
| (0% Redeemable Preference Shares) | | | | |
| **Total investments** | | **52.29** | | **45.35** |

## 2.05 INVESTMENTS

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Non-current :** | | |
| **Investments - unquoted (fully paid-up)** | | |
| (a) Investments in Equity Instruments - measured at FVTPL | 0.02 | 0.01 |
| (b) Investments in Equity Instruments - designated at FVTOCI | | |
| B L A Power Private Limited {No. of Shares 1,75,00,000 (Previous year : 1,75,00,000)} | 21.30 | 21.00 |
| TBK Reddy Tile Bath Kitchen Private Limited {No. of Shares 100 (Previous year : 100)} (*) | # | # |
| TBK Shriram Tile Bath Kitchen Private Limited {No. of Shares 500 (Previous year : 500)} (*) | # | # |
| TBK Tile Home Private Limited {No. of Shares 100 (Previous year : 100)} (*) | # | # |
| (c) Investment in debenture or bonds - measured at FVTOCI | | |
| Government Securities and Government Bonds | 128.89 | 102.81 |
| Debentures / Bonds | 85.81 | 106.54 |
| Investment in Infrastructure and Social sectors | 86.66 | 101.68 |
| **Total aggregate unquoted investments** | **322.68** | **332.04** |
| | | |
| Aggregate fair value of quoted investments | – | – |
| Aggregate fair value of unquoted investments | 322.68 | 332.04 |
| Aggregate fair value of investments measured at FVTPL | 0.02 | 0.01 |
| Aggregate fair value of investments designated at FVTOCI | 21.30 | 21.00 |
| Aggregate fair value of investments measured at FVTOCI | 301.36 | 311.03 |

* During the year, the Group decided to divest it's stake in Joint Ventures known as TBK Bansal Ceramics Private Limited, TBK Vaibhavi Tile Bath Kitchen Private Limited and TBK Kadakia's Tile Bath Kitchen Private Limited, which are engaged in retail activity of TBK segment. As a part of these arrangements the irrecoverable dues are amounting to ₹ 2.26 Crores has been charged to the Statement of Profit and Loss.

\# Amount less than ₹ 50,000/-

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Current :** | | |
| **Investments - unquoted** | | |
| (a) Investments in debentures or bonds- measured at FVTOCI | | |
| Government Securities and Government Bonds | 15.02 | 4.98 |
| Other Debentures / Bonds | 50.09 | 15.41 |
| Investment in Infrastructure and Social sectors | 14.96 | – |
| (b) Investments in Mutual Funds - measured at FVTPL | 29.68 | 12.81 |
| **Total aggregate unquoted investments** | **109.75** | **33.20** |
| | | |
| Aggregate fair value of quoted investments | – | – |
| Aggregate fair value of unquoted investments | 109.75 | 33.20 |
| Aggregate fair value of investment measured at FVTOCI | 80.07 | 20.39 |
| Aggregate fair value of investment measured at FVTPL | 29.68 | 12.81 |

## 2.06 LOANS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Security Deposits - Utility | | | | |
| Unsecured, considered good | 41.35 | 39.95 | 2.15 | 1.11 |
| **(a)** | **41.35** | **39.95** | **2.15** | **1.11** |
| Security Deposits - Rental | | | | |
| Unsecured, considered good | 17.37 | 16.97 | – | – |
| Unsecured, credit impaired | 0.77 | 0.82 | – | – |
| | 18.14 | 17.79 | – | – |
| Less : Provision for impairment | 0.77 | 0.82 | – | – |
| **(b)** | **17.37** | **16.97** | **–** | **–** |
| Loans to related parties (*) | | | | |
| Unsecured, considered good | 4.39 | 6.33 | – | – |
| Unsecured, credit impaired | – | 0.10 | – | – |
| | 4.39 | 6.43 | – | – |
| Less : Provision for impairment | – | 0.10 | – | – |
| **(c)** | **4.39** | **6.33** | **–** | **–** |
| Loans to employees | | | | |
| Unsecured, considered good | 1.49 | 0.89 | 2.93 | 3.00 |
| **(d)** | **1.49** | **0.89** | **2.93** | **3.00** |
| Loans to others | | | | |
| Unsecured, considered good | 6.53 | 10.05 | – | – |
| Unsecured, credit impaired | 3.64 | 2.16 | – | – |
| | 10.17 | 12.21 | – | – |
| Less : Provision for impairment | 3.64 | 2.16 | – | – |
| **(e)** | **6.53** | **10.05** | **–** | **–** |
| **Total (a+b+c+d+e)** | **71.13** | **74.19** | **5.08** | **4.11** |

These financial assets are carried at amortised cost.

(*) Refer note 4.08

## 2.07 OTHER FINANCIAL ASSETS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Insurance claim receivable (refer note 4.14) | 58.94 | 58.94 | 4.12 | 3.66 |
| Bank deposits with more than twelve months maturity (restricted use) | 1.98 | 0.66 | – | – |
| Balances in Escrow accounts with banks (restricted use) | 0.05 | 0.05 | – | – |
| Accrued interest | 2.52 | 3.42 | 14.24 | 17.33 |
| Balances related to Coal Mine and Infrastructure (refer note 4.13) | 13.93 | – | – | 13.93 |
| Other receivables | 16.80 | 5.42 | 16.84 | 13.31 |
| **Total** | **94.22** | **68.49** | **35.20** | **48.23** |

## 2.08 DEFERRED TAX ASSETS (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Deferred tax assets / (liabilities) in relation to :** | | |
| Unabsorbed depreciation / Business losses as per Income Tax | 58.20 | 152.69 |
| Provision for employee benefits | 58.91 | 54.92 |
| Other temporary differences / unutilised tax asset | 85.68 | 36.01 |
| Property, plant and equipment | (162.13) | (174.26) |
| **Total** | **40.66** | **69.36** |

**The movement in deferred tax assets during the year ended March 31, 2019 and March 31, 2018 :**

₹ Crores

| Particulars | As at March 31, 2019 | Credited / (Charged) to Statement of P&L /OCI | As at March 31, 2018 | Credited / (Charged) to Statement of P&L /OCI | Acquisition through business combination | As at March 31, 2017 |
|---|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to :** | | | | | | |
| Unabsorbed depreciation / Business losses as per Income Tax | 58.20 | (94.49) | 152.69 | (49.98) | 0.07 | 202.60 |
| Provision for employee benefits | 58.91 | 3.99 | 54.92 | 9.97 | – | 44.95 |
| Other temporary differences / unutilised tax asset | 85.68 | 49.67 | 36.01 | 14.17 | – | 21.84 |
| Property, plant and equipment | (162.13) | 12.13 | (174.26) | 18.68 | – | (192.94) |
| **Total** | **40.66** | **(28.70)** | **69.36** | **(7.16)** | **0.07** | **76.45** |

**Unrecognised deductible temporary differences, unused tax losses and unused tax credits :**

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following : | | |
| Unabsorbed depreciation | 24.72 | 38.09 |
| Business losses | 153.66 | 132.60 |
| **Total** | **178.38** | **170.69** |

## 2.08 DEFERRED TAX ASSETS (NET) (Contd...)

**Expiry schedule of Unrecognised deductible temporary differences, unused tax losses and unused tax credits :**

₹ Crores

| Expiry of losses | Business losses | Unabsorbed depreciation |
|---|---|---|
| 2019-20 | 1.73 | – |
| 2020-21 | 17.46 | – |
| 2021-22 | 16.45 | – |
| 2022-23 | 20.54 | – |
| 2023-24 | 18.17 | – |
| Five years and above | 79.31 | – |
| Indefinite | – | 24.72 |
| **Total** | **153.66** | **24.72** |

## 2.09 OTHER ASSETS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Capital Advances | 74.67 | 61.31 | – | – |
| **Advances other than Capital Advances :** | | | | |
| Balances with government authorities : | | | | |
| CENVAT/ VAT/ GST receivables | 3.41 | 10.68 | 40.21 | 38.99 |
| Balances with Statutory Authorities | 32.45 | 17.77 | 0.28 | 1.05 |
| Excise / VAT / Service Tax / Custom duty deposited under protest | 10.67 | 12.35 | 0.76 | 12.19 |
| Advance Income Tax (net of provision for taxation) | 1.17 | 1.42 | 0.61 | – |
| Security Deposits | 5.52 | 3.63 | 1.40 | 0.61 |
| Advances to related parties | – | – | 1.02 | 0.37 |
| Advances to other parties (net of provision for impairment) | 15.63 | 15.49 | 69.94 | 5.01 |
| Prepaid expenses | 2.35 | 4.43 | 19.49 | 12.34 |
| Royalty refund receivable | – | – | 17.12 | 17.12 |
| Others | 79.52 | 53.79 | 35.21 | 99.74 |
| **Total** | **225.39** | **180.87** | **186.04** | **187.42** |

## 2.10 INVENTORIES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Raw materials | 167.39 | 168.71 |
| Goods-in-transit | 1.67 | 0.56 |
| Stores and spares | 90.19 | 94.86 |
| Goods-in-transit | 0.27 | 2.43 |
| Fuel stock | 26.84 | 65.55 |
| Goods-in-transit | 76.16 | 34.34 |
| Work-in-progress | 79.54 | 53.34 |
| Finished goods | 207.11 | 154.24 |
| Goods-in-transit | 18.55 | 8.26 |
| Stock-in-trade | 40.96 | 33.68 |
| Goods-in-transit | 0.60 | 0.85 |
| **Total** | **709.28** | **616.82** |

Note : Amount charged to the Statement of Profit and Loss on account of write-down of inventories to net realisable for the year is ₹ 13.01 Crores (Previous year : ₹ 22.37 Crores).

## 2.11 TRADE RECEIVABLES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Secured, considered good | 55.00 | 44.52 |
| Unsecured, considered good | 667.18 | 623.36 |
| Unsecured, credit impaired | 121.98 | 108.23 |
| | **844.16** | **776.11** |
| Less : Provision for impairment | 121.98 | 108.23 |
| **Total** | **722.18** | **667.88** |

## 2.12 CASH AND CASH EQUIVALENTS

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Balances with banks : | | |
| In current accounts | 52.35 | 55.02 |
| Deposits with original maturity of less than three months | 4.64 | 3.72 |
| Cheques / drafts on hand | 3.85 | 3.23 |
| Cash on hand | 1.37 | 1.21 |
| **Total** | **62.21** | **63.18** |

## 2.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Unclaimed Dividend | 0.46 | 0.28 |
| Term deposits (original maturity for more than three months but less than twelve months - restricted use) | 2.47 | 4.10 |
| Term deposits (original maturity for more than three months but less than twelve months) | 8.67 | 9.86 |
| **Total** | **11.60** | **14.24** |

## 2.14 CURRENT TAX ASSETS (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Current tax assets : | | |
| Taxes paid | 116.81 | 62.59 |
| Tax refund receivable | 0.50 | 0.46 |
| Benefit of tax losses to be carried back to recover taxes paid in prior periods | 0.11 | – |
| Others | 0.21 | – |
| **(a)** | **117.63** | **63.05** |
| Current tax liabilities : | | |
| Provision for taxation | 4.20 | 4.04 |
| Income tax payable | 37.96 | – |
| **(b)** | **42.16** | **4.04** |
| **Total (a-b)** | **75.47** | **59.01** |

## 2.15 EQUITY SHARE CAPITAL

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Paid up Share Capital :** | | |
| 50,33,56,580 (Previous year : 50,33,56,580) Equity shares of ₹ 10/- each | 503.36 | 503.36 |
| **Total** | **503.36** | **503.36** |

### a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :

| Equity shares | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| At the beginning of the year | 50,33,56,580 | 50,33,56,580 |
| Outstanding at the end of the year | 50,33,56,580 | 50,33,56,580 |

### b. Rights, preference and restrictions attached to Equity shares :

The Company has one class of Equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

## 2.15 EQUITY SHARE CAPITAL (Contd...)

### c. Details of shareholders holding more than 5% shares in the Company :

| Name of the Shareholder | As at March 31, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Manali Investment & Finance Private Limited | 6,78,17,992 | 13.47% | 6,78,17,992 | 13.47% |
| Hathway Investments Private Limited | 6,41,13,400 | 12.74% | 6,41,13,400 | 12.74% |
| Coronet Investments Private Limited | 5,79,49,394 | 11.51% | 5,79,49,394 | 11.51% |
| Rajan B. Raheja | 5,14,06,327 | 10.21% | 5,14,06,327 | 10.21% |
| Bloomingdale Investment & Finance Private Limited | 3,12,89,300 | 6.22% | 3,12,89,300 | 6.22% |
| HDFC Trustee Company Limited | # | | 2,64,82,422 | 5.26% |

# Less than 5%

## 2.16 OTHER EQUITY

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| General reserve | 192.64 | 192.64 |
| Retained earnings | 320.63 | 221.38 |
| Other Comprehensive Income (Financial assets measured as at FVTOCI) | 0.42 | 0.07 |
| Capital reserve | (1.10) | (0.85) |
| Capital redemption reserve | 13.91 | 12.03 |
| Debentures redemption reserve | 96.25 | 109.23 |
| **Total** | **622.75** | **534.50** |

**Description of the nature and purpose of each reserve within equity is as follows :**

**(a) General Reserve**

The Group had transferred a portion of the net profits before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

**(b) Retained Earnings**

Retained earnings are the net profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments in terms of Ind AS 101.

**(c) Capital Reserve**

Capital reserve represents recognition of equity component included in investments made in subsidiaries by way of preference shares and on applying Ind AS 103 Business Combination in accounting acquisitions made during the year.

**(d) Capital Redemption Reserve**

Capital redemption reserve was created pursuant to the scheme of amalgamation.

**(e) Debenture Redemption Reserve (DRR)**

The Group has issued non-convertible debentures. In terms of provisions of the Companies (Share Capital and Debenture) Rules, 2014 (as amended), the Group is required to create DRR which is equal to 25% of the value of the debentures issued, over the term of the debentures, out of the profits of the Group available for payment of dividend.

## 2.17 BORROWINGS

₹ Crores

| Particulars | Non-current As at March 31, 2019 | Non-current As at March 31, 2018 |
|---|---|---|
| **Secured** | | |
| Bonds / Debentures | | |
| • 10.40% Non-convertible Debentures (refer Sr. No. 1) {800 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 80.00 | – |
| • 10.40% Non-convertible Debentures (refer Sr. No. 2) {1200 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 120.00 | – |
| • 10.70% Non-convertible Debentures (refer Sr. No. 3) {1000 Nos. (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | 100.00 | 100.00 |
| • 9.25% Non-convertible Debentures (refer Sr. No.4) {2000 Nos. (Previous year : 2000 Nos.) debentures of ₹ 0.10 Crore each} | 200.00 | 200.00 |
| • 9.77% Non-convertible Debentures (refer Sr. No. 5) {1500 Nos. (Previous year : 1500 Nos.) debentures of ₹ 0.10 Crore each} | 150.00 | 150.00 |
| • 10.25% Non-convertible Debentures (refer Sr. No. 6) {750 Nos. (Previous year : 750 Nos.) debentures of ₹ 0.10 Crore each} | 74.93 | 74.84 |
| • 9.80% Non-convertible Zero coupon Debentures with yield-to-maturity) (refer Sr. No. 7) { Nil (Previous year : 500 Nos.) debentures of ₹ 0.10 Crore each} | – | 50.00 |
| • 11.00% Non-convertible Debentures (refer Sr. No. 8) {Nil (Previous year : 500 Nos.) debentures of ₹ 0.10 Crore each} | – | 50.00 |
| Term loans from banks (refer Sr. No. 9 to 24) | 675.23 | 624.40 |
| Vehicle loans from banks (refer Sr. No. 25 to 32) | 5.16 | 4.66 |
| Buyer's Credit (refer Sr. No. 53) | – | 0.93 |
| **Unsecured** | | |
| • 10.40% Non-convertible Debentures (refer Sr. No. 54) {500 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 50.00 | – |
| • 10.65% Non-convertible Redeemable Debentures (refer Sr. No. 55) {500 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 49.90 | – |
| • 9.25% Non-convertible Debentures (refer Sr. No. 56) {750 Nos. (Previous year : Nil) debentures of ₹ 0.10 Crore each} | 75.00 | – |
| • (0.30)% + SBI Base rate Non-convertible Debentures (refer Sr. No. 57) {Nil (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | – | 100.00 |
| • 9.00% Non-convertible Debentures (refer Sr. No. 58) {Nil (Previous year : 1000 Nos.) debentures of ₹ 0.10 Crore each} | – | 100.00 |
| 0.01% Non-cumulative Redeemable Preference Shares (refer Sr. No. 59) | 1.84 | 1.68 |
| Inter-corporate deposits (refer Sr. No. 60) | 0.13 | 0.14 |
| Fixed Deposits from Public (refer Sr. No. 61) | 6.41 | 12.84 |
| Finance lease obligations (refer Sr. No. 62) | 28.75 | 28.68 |
| | **1,617.35** | **1,498.17** |
| Less : Disclosed under other financial liabilities : | | |
| Current maturities of non-current borrowings | 431.80 | 336.07 |
| Current maturities of finance lease obligations | 8.47 | 8.62 |
| Unclaimed fixed deposits | 1.93 | 1.50 |
| **Total** | **1,175.15** | **1,151.98** |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Particulars | Current As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Secured** | | |
| Loans repayable to banks - On Demand (refer Sr. No. 33 to 49) | 175.65 | 160.58 |
| Buyer's Credit (refer Sr. No. 50 to 52) | 8.23 | 107.64 |
| | | |
| **Unsecured** (refer Sr. No. 63) | | |
| Working Capital Demand Loans from banks | 15.00 | 228.42 |
| Loan from related party | 0.19 | 0.59 |
| Inter-corporate deposits | 3.50 | – |
| Buyer's Credit | – | 1.38 |
| Commercial Paper {Maximum balance outstanding ₹ 100 Crores (Previous year : ₹ 75 Crores)} | 100.00 | 25.00 |
| **Total** | **302.57** | **523.61** |

### (a) Debentures (Secured) :

The Group has issued the following secured redeemable Non-convertible Debentures :

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 1 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets. | Allotted on August 31, 2018 and repayable at 10.40% p.a. XIRR basis redemption premium on September 27, 2021. | 80.00 | – |
| 2 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future, except leased assets. | Allotted on August 3, 2018 and repayable at 10.40% p.a. XIRR basis redemption premium on June 22, 2021. | 120.00 | – |
| 3 | Secured by first pari passu charge on all the movable and immovable Property, plant and equipment of the Cement Division except leased assets. | Allotted on November 10, 2017 and repayable on November 10, 2020 with Put / Call option at par on November 12, 2018 and November 11, 2019. During the year, the terms of Non-convertible debentures were modified with the consent of Debenture holder and ROI increased to 10.70% p.a. | 100.00 | 100.00 |
| 4 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets. | Allotted on December 13, 2016 and repayable at 9.25% p.a. XIRR basis redemption premium on April 29, 2020. | 200.00 | 200.00 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 5 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets. | Allotted on January 21, 2015 and repayable on January 21, 2020 with call option at par on July 21, 2016 and Put / Call option at par on January 19, 2018; July 20, 2018; January 21, 2019; July 19, 2019. During the year, the terms of Non-convertible debentures were modified with the consent of Debenture holder and ROI decreased to 9.77% p.a. | 150.00 | 150.00 |
| 6 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Subsidiary Company. Further corporate guarantee has been extended by the Holding Company. | Allotted on December 02, 2016 and repayable at the end of 37 months from the date of allotment. | 74.93 | 74.84 |
| 7 | Secured by first pari passu charge by way of hypothecation of all the movable Property, plant and equipment of HRJ division located at Pen, Kunigal and Dewas, both present and future. | Allotted on January 21, 2015 and repayable on April 26, 2018 with Put / Call option at 11.25% p.a. IRR basis redemption premium on April 26, 2017. Post April 26, 2017 the coupon rate has been reset to 9.80% p.a. till maturity. | – | 50.00 |
| 8 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets. | Allotted on February 03, 2015 and repayable on April 25, 2018. | – | 50.00 |
| | **Total** | | **724.93** | **624.84** |

**(b) Nature of Security and terms of repayment for secured borrowings (other than debentures) :**

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 9 | Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future. | Quarterly in equal installments payable over a period of 6 years commencing after moratorium period of two years. Availed on March 16, 2016. | 142.50 | 230.00 |
| 10 | First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7th Floor, Windsor. | Quarterly installments payable over a period of Five years. ₹ 4.17 Crores each per quarter from November 17, 2018. | 41.67 | 50.00 |
| 11 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on April 21, 2017. | 59.23 | 70.00 |
| 12 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 13 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on July 20, 2017. | 83.08 | 90.00 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 13 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on September 27, 2018. | 100.00 | – |
| 14 | Secured by first pari passu charge on all the movable and immovable fixed assets of the Cement Division, both present and future. | Quarterly in 19 equal installments payable from the last day of 9th month from date of first drawdown of facility availed on November 19, 2018. | 100.00 | – |
| 15 | Secured by first pari passu charge over all movable and immovable Tangible and Intangible assets both present and future of the Subsidiary Company. Further, corporate guarantee has been extended by the Holding Company. | Quarterly in 12 equal installments payable from the last day of 18th month from date of first drawdown of facility availed on March 16, 2017. | 55.98 | 74.46 |
| 16 | Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company. | EMI over a period of 94 months starting from June 2012. | – | 0.91 |
| 17 | Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company. | EMI over a period of 66 months starting from January 2013. | – | 0.57 |
| 18 | Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company. | EMI over a period of 61 months starting from July 2016. | 0.93 | 1.42 |
| 19 | Secured by hypothecation of all Tangible and Intangible assets (present & future) and second pari passu charge over the immovable assets (land) of the Subsidiary Company. | EMI over a period of 72 months starting from April 30, 2018. | 28.50 | 32.52 |
| 20 | Hypothecation by way of first and exclusive charge on all present & future current assets inclusive of all stocks, book debts. Hypothecation by way of first and exclusive charge on all Property, plant and equipment. | Repayable in 84 EMI. | 37.18 | 40.85 |
| 21 | Secured against hypothecation of first charge of existing Land, Building and Plant & Machinery. Exclusive charge of Plant & Machinery acquired from the loan. | Repayable in 10 equal quarterly instalments from April, 2018. | 18.00 | 30.00 |
| 22 | Secured by hypothecation of all present and future current assets inclusive of all stock, book debts and Property, plant and equipment inclusive of all the Plant & Machinery. Further equitable mortgage of the property situated at Morbi. | Repayable in 60 EMI. | 3.30 | 4.15 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 23 | Secured by hypothecation of all Tangible and Intangible assets (present & future) and second pari passu charge over the immovable assets (land) of the Subsidiary Company. | EMI over a period of 72 months starting from October 2014. | 1.95 | 3.15 |
| 24 | Hypothecation by way of first and exclusive charge on all present & future current assets inclusive of all stocks, book debts. Hypothecation by way of first and exclusive charge on all Property, plant and equipment. | Repayable in 72 EMI. | 6.16 | – |
| 25 | Secured by exclusive charge on vehicles of HRJ Division. | EMI over a period of 60 months from the respective date of disbursement. | 3.26 | 3.12 |
| 26 | First and exclusive charge secured by hypothecation of vehicles financed to RMC Division. | EMI over a period of 60 months from the respective date of disbursement. | 0.47 | 0.34 |
| 27 | Secured by exclusive charge on vehicles of Cement Division. | EMI over a period of 60 months from the respective date of disbursement. | 0.36 | 0.55 |
| 28 | Secured by hypothecation of vehicle of the Subsidiary Company. | Repayable in 60 EMI. | 0.05 | 0.06 |
| 29 | Secured by hypothecation of vehicle of the Subsidiary Company. | Repayable in 60 equal quarterly installments. | 0.11 | 0.15 |
| 30 | Secured by hypothecation of vehicle of the Subsidiary Company. | Repayable in 48 equal quarterly installments. | 0.14 | – |
| 31 | Secured by hypothecation of vehicle of the Subsidiary Company. | Repayable in 47 equal quarterly installments. | 0.22 | – |
| 32 | Secured by first pari passu charge on vehicles of the Subsidiary Company. | Repayable in 36 EMI. | 0.55 | 0.44 |
| 33 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division. | Repayable within one year. | 24.01 | 18.33 |
| 34 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of RMC Division. | Repayable on demand. | – | 0.32 |
| 35 | Secured by way of hypothecation of stocks and book debts and collaterally secured by way residual value of movable and immovable assets other than factory land & building of the Subsidiary Company. | Repayable on demand. | 9.97 | 9.98 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 36 | Secured by first pari passu charge on all current assets both present and future, second pari passu charge on all the Tangible and Intangible assets both present and future and personal guarantee of Director of the Subsidiary Company. | Repayable on demand. | 2.68 | 4.03 |
| 37 | Secured by first pari passu charge on all current assets both present and future, second pari passu charge on all Tangible and Intangible assets both present and future and personal guarantee of Director of the Subsidiary Company. | Repayable on demand. | 0.02 | 0.32 |
| 38 | Secured by first pari passu charge on all current assets of the Subsidiary Company both present and future, second pari passu hypothecation charge on all existing and future movable Property, plant and equipment (except vehicles).<br>Second pari passu mortgage charge on all Immovable properties being land & building of the Subsidiary Company. | Repayable on demand. | – | 3.19 |
| 39 | Secured by first pari passu charge by hypothecation of total current assets and second pari passu charge over entire Tangible and Intangible assets (other than Land and building) and personal guarantees of three directors of the Subsidiary Company. | Repayable on demand. | 46.41 | 34.69 |
| 40 | Secured by hypothecation of stock, book debts, and all other current assets (present & future). Equitable mortgage over the immovable property (factory land) of the Subsidiary Company. | Repayable on demand. | 37.73 | 32.83 |
| 41 | Secured by hypothecation of land & building and all Tangible and Intangible assets and all current assets & personal guarantee of two directors of the Subsidiary Company. | Repayable on demand. | 18.51 | 11.64 |
| 42 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets both present and future. Further corporate guarantee has been extended by the Holding Company. | Repayable on demand. | 3.06 | 16.08 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 43 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of the Holding Company. | Repayable on demand. | 15.00 | – |
| 44 | Secured by first pari passu charge on all Tangible and Intangible assets of the Subsidiary Company, second pari passu charge on current assets of the Subsidiary Company both present and future. The facility will be secured by Fixed Deposit margin of 150% of facility amount of the Subsidiary Company. Further, corporate guarantee has been extended by the Holding Company. | Repayable on demand. | 2.29 | 4.07 |
| 45 | Secured by way of hypothecation of stocks and book debts. | Repayable on demand. | 1.15 | – |
| 46 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets of the Subsidiary Company, both present and future. Further, corporate guarantee has been extended by the Holding Company. | Repayable on demand. | – | 5.00 |
| 47 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets of the Subsidiary Company, both present and future. Further, corporate guarantee has been extended by the Holding Company. | Repayable on demand. | 4.85 | 9.83 |
| 48 | Secured by hypothecation of all present and future current and movable assets of the Company and exclusive equitable mortgage of Property situated at Motiwala Nagar, Aurangabad owned by one of the Directors and personal guarantee of two Directors of the Subsidiary Company. | Repayable on demand. | 0.46 | 0.40 |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| 49 | Secured by hypothecation of all current assets, both present and future and all movable Property, plant and equipment of the Subsidiary Company. Further equitable mortgage of the Immovable property of the Subsidiary Company. | Repayable on demand. | 9.51 | 9.87 |
| 50 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of Cement Division. | As per due dates of respective buyer's credit. | – | 97.07 |
| 51 | Secured by first pari passu charge by hypothecation of total current assets and second pari passu charge over entire Tangible and Intangible assets (other than Land and building) and personal guarantees of three directors of the Subsidiary Company. | Repayable on demand. | – | 5.29 |
| 52 | Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division. | As per due dates of respective buyer's credit. | 8.23 | 5.28 |
| 53 | Secured by first pari passu charge by hypothecation of total current assets and second pari passu charge over entire Tangible and Intangible assets (other than Land and building) and personal guarantees of three directors of the Subsidiary Company. | Repayable on demand. | – | 0.93 |
| **Total** | | | **867.52** | **901.84** |
| Less : Unamortised borrowing costs | | | 3.25 | 3.63 |
| **Total** | | | **864.27** | **898.21** |

**(c) Nature of Security and terms of repayment for unsecured borrowings :**

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| Non-current Borrowings : | | | | |
| 54 | Non-convertible Debentures | Allotted on September 17, 2018 and repayable on September 17, 2021 with Put / Call option at par on September 17, 2020. | 50.00 | – |
| 55 | Non-convertible Debentures | Allotted on September 14, 2018 and repayable at the end of 36 months from the date of allotment. | 49.90 | – |
| 56 | Non-convertible Debentures | Allotted on April 11, 2018 and repayable on April 09, 2021 with Put / Call option at par on April 11, 2019 and April 11, 2020. | 75.00 | – |

## 2.17 BORROWINGS (Contd...)

₹ Crores

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| 57 | Non-convertible Debentures | Allotted on November 26, 2014 and repayable on November 25, 2019 with Put / Call option at par on November 26, 2017 and November 26, 2018. | – | 100.00 |
| 58 | Non-convertible Debentures | Allotted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017. | – | 100.00 |
| 59 | Non-cumulative Redeemable Preference Shares | Twenty years from the date of issue. | 1.84 | 1.68 |
| 60 | Inter corporate deposits | Original terms of repayment was three years from April 01, 2016. However, the same has been revised from April 01, 2018 for a period of one year. | 0.13 | 0.14 |
| 61 | Fixed Deposits from Public | Payable over a period of one to two years from the respective date of disbursement. | 6.41 | 12.84 |
| 62 | Finance lease obligation | Payable over period of five years from the respective date of disbursement. | 28.75 | 28.68 |
| 63 | Current Borrowings | | 118.69 | 255.39 |
| | **Total** | | **330.72** | **498.73** |

**(d) Aggregate value of non-current borrowings guaranteed by others :**

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Bonds / debentures** | | |
| Principal | 125.00 | 75.00 |
| Interest | 5.41 | 2.49 |
| **Term loans from banks** | | |
| Principal | 74.25 | 105.00 |

**(e) Assets pledged as security :**

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Current** | | |
| Cash and cash equivalents | 2.71 | 2.98 |
| Other Bank Balance | 4.23 | 5.25 |
| Receivables | 903.40 | 840.10 |
| Inventories | 708.49 | 616.73 |
| Others | 3.33 | 2.35 |
| **(a)** | **1,622.16** | **1,467.41** |
| **Non - current** | | |
| Freehold Land | 598.74 | 558.12 |
| Buildings | 168.09 | 168.51 |
| Plant and Machinery | 1,339.81 | 1,355.80 |
| Railway Siding | 3.68 | 2.83 |
| Office Equipments | 4.18 | 3.74 |
| Furniture and Fixtures | 6.31 | 6.27 |
| Computers | 2.61 | 2.49 |
| Mines Development | 71.73 | 69.98 |
| Vehicles | 8.75 | 8.44 |
| Movable Tangible assets at Pen, Dewas and Kunigal | – | 177.29 |
| **(b)** | **2,203.90** | **2,353.47** |
| **Total (a+b)** | **3,826.06** | **3,820.88** |

## 2.18 TRADE PAYABLES

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Total outstanding dues of Micro Enterprises & Small Enterprises | 16.61 | 2.28 |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | 756.05 | 681.96 |
| **Total** | **772.66** | **684.24** |

## 2.19 OTHER FINANCIAL LIABILITIES

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Current maturities of non-current borrowings | – | – | 431.80 | 336.07 |
| Current maturities of finance lease obligations | – | – | 8.47 | 8.62 |
| Payables for acquisition of Property, plant and equipment | – | – | 36.38 | 37.11 |
| Interest accrued | 60.56 | 0.11 | 23.68 | 62.16 |
| Unclaimed dividends* | – | – | 0.47 | 0.28 |
| Unpaid matured deposits and interest accrued thereon | – | – | 2.31 | 1.82 |
| Security deposits from customers / others | 248.50 | 214.88 | 11.53 | 22.73 |
| Payable to employees | – | – | 13.77 | 17.71 |
| Financial lease obligations | 2.10 | 1.96 | – | – |
| Liability for expenses | 0.84 | 0.39 | 258.72 | 180.77 |
| Proportionate share in Joint Venture losses | – | – | 1.70 | 1.19 |
| Others | 123.12 | 61.66 | 124.70 | 88.80 |
| **Total** | **435.12** | **279.00** | **913.53** | **757.26** |

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019 (Previous year : Nil).

**Detail of Current Maturities of Non-current Borrowings**

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Secured Loans :** | | |
| Non-convertible debentures | 224.93 | 100.00 |
| Term loans | 200.54 | 125.92 |
| Vehicle loans | 1.71 | 1.74 |
| **Unsecured Loans :** | | |
| Non-convertible debentures | – | 100.00 |
| Inter Corporate Deposits | 0.13 | – |
| Fixed Deposits from public | 4.49 | 6.81 |
| Non-convertible Preference Shares | – | 1.60 |
| **Total** | **431.80** | **336.07** |

## 2.20 PROVISIONS

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| **Employee benefits :** | | | | |
| Provision for Gratuity | 5.02 | 3.61 | 1.40 | 1.45 |
| Provision for Bonus | – | – | 16.78 | 16.44 |
| Provision for Leave Encashment | 18.28 | 19.18 | 9.05 | 12.58 |
| Others | 0.16 | 0.15 | 12.46 | 13.39 |
| **(a)** | **23.46** | **22.94** | **39.69** | **43.86** |
| **Others :** | | | | |
| Provision for claims under litigations | 0.07 | 0.07 | – | – |
| Provision for expenses | – | – | 0.23 | 0.25 |
| Others | 5.15 | 4.22 | – | – |
| **(b)** | **5.22** | **4.29** | **0.23** | **0.25** |
| **Total (a+b)** | **28.68** | **27.23** | **39.92** | **44.11** |

## 2.21 DEFERRED TAX LIABILITIES (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Deferred tax liabilities / (assets) in relation to :** | | |
| Unabsorbed depreciation / Business loss as per Income Tax | 1.19 | 0.73 |
| Provision for employee benefits | (0.94) | (0.83) |
| Other temporary differences | (9.82) | (9.15) |
| Property, plant and equipment | 36.57 | 34.38 |
| **Total** | **27.00** | **25.13** |

**The movement in deferred tax liabilities during the year ended March 31, 2019 and March 31, 2018 :**

₹ Crores

| Particulars | As at March 31, 2019 | Credited / (Charged) to Statement of P&L /OCI | As at March 31, 2018 | Credited / (Charged) to Statement of P&L /OCI | As at March 31, 2017 |
|---|---|---|---|---|---|
| **Deferred tax liabilities / (assets) in relation to :** | | | | | |
| Unabsorbed depreciation / Business loss as per Income Tax | 1.19 | 0.46 | 0.73 | 1.18 | (0.45) |
| Provision for employee benefits | (0.94) | (0.11) | (0.83) | 0.60 | (1.43) |
| Other temporary differences | (9.82) | (0.67) | (9.15) | (10.33) | 1.18 |
| Property, plant and equipment | 36.57 | 2.19 | 34.38 | 8.19 | 26.19 |
| **Total** | **27.00** | **1.87** | **25.13** | **(0.36)** | **25.49** |

## 2.22 OTHER LIABILITIES

₹ Crores

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Advance from customers | 1.55 | 0.79 | 72.56 | 94.70 |
| Statutory liabilities | 26.26 | 22.73 | 123.76 | 117.83 |
| Other employee benefit expenses | – | – | 15.90 | 11.46 |
| Others | 22.00 | 21.32 | 58.98 | 52.72 |
| **Total** | **49.81** | **44.84** | **271.20** | **276.71** |

## 2.23 CURRENT TAX LIABILITIES (NET)

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Current tax liabilities** | | |
| Provision for taxation | 68.38 | 78.89 |
| **(a)** | **68.38** | **78.89** |
| **Current tax assets** | | |
| Taxes paid | 0.22 | 36.58 |
| Others | – | 0.11 |
| **(b)** | **0.22** | **36.69** |
| **Total (a-b)** | **68.16** | **42.20** |

## 3.01 REVENUE FROM OPERATIONS

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Revenue from operations** | | |
| Sale of products (refer note 4.15) | 6,102.87 | 5,555.80 |
| Sale of services | 20.97 | 35.91 |
| **Other operating revenue :** | | |
| Scrap sales | 13.53 | 10.19 |
| Claims and recoveries | 17.46 | 7.65 |
| Export incentive | 3.02 | 2.62 |
| Investment Income of Insurance Business | 26.77 | 24.41 |
| Net Gain arising of financial assets designated as at FVTPL | 1.10 | 0.71 |
| Commission | 2.43 | 1.66 |
| Others | 6.27 | 3.24 |
| **Total** | **6,194.42** | **5,642.19** |

**Revenue from contracts with customers :**

**I. Revenue from contracts with customers disaggregated based on geography**

₹ Crores

| Particulars | Year ended March 31, 2019 |
|---|---|
| Home market | 6,062.30 |
| Exports | 132.12 |
| **Total** | **6,194.42** |

**II. Reconciliation of gross revenue with the revenue from contracts with customers**

₹ Crores

| Particulars | Year ended March 31, 2019 |
|---|---|
| Gross Revenue | 6,463.52 |
| Less : Discounts and incentives | 269.10 |
| **Net Revenue recognised from Contracts with Customers** | **6,194.42** |

**III. Revenue recognised from Contract liability (Advances from Customers)**

₹ Crores

| Particulars | Year ended March 31, 2019 |
|---|---|
| Closing Contract liability | 74.11 |

The contract liability outstanding at the beginning of the year was ₹ 95.49 Crores, of which, ₹ 79.15 Crores has been recognised as revenue during the year ended March 31, 2019.

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

## 3.02 OTHER INCOME

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Interest income earned on financial assets : | | |
| Bank deposits (at amortised cost) | 1.33 | 1.60 |
| Unwinding Interest on financial assets | 0.14 | 0.20 |
| Dividend on preference Shares | 0.49 | 0.02 |
| Others | 5.56 | 6.16 |
| Other non - operating income : | | |
| Liabilities no longer considered as payable | 0.19 | 1.11 |
| Government assistance - Tax subsidy / exemption | 11.11 | 41.12 |
| Miscellaneous income | 7.82 | 15.59 |
| **Total** | **26.64** | **65.80** |

## 3.03 CHANGES IN INVENTORIES

₹ Crores

| Particulars | | Year ended March 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| Inventories at the end of the year (including in-transit) | | | |
| Stock-in-trade | | 41.56 | 34.53 |
| Work-in-progress | | 79.54 | 53.34 |
| Finished goods | | 225.66 | 162.50 |
| | **(a)** | **346.76** | **250.37** |
| | | | |
| On acquisition : Stock-in-trade | **(b)** | **–** | **1.98** |
| | | | |
| Provision for excise duty reversed | **(c)** | **–** | **(23.59)** |
| | | | |
| Inventories at the beginning of the year (including in-transit) : | | | |
| Stock-in-trade | | 34.53 | 38.51 |
| Work-in-progress | | 53.34 | 43.21 |
| Finished goods | | 162.50 | 226.51 |
| | **(d)** | **250.37** | **308.23** |
| **Total** | **(a-b-c-d)** | **96.39** | **(36.25)** |

## 3.04 OTHER MANUFACTURING EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Stores and spares consumed | 116.12 | 93.17 |
| Plant and equipment hire charges | 51.65 | 49.03 |
| Repairs to plant and equipment | 29.02 | 35.14 |
| Royalty for minerals | 63.37 | 53.78 |
| Sub-contract charges | 67.98 | 69.63 |
| Plant upkeep expenses | 45.67 | 38.32 |
| Quarry expenses | 19.77 | 22.64 |
| Dies and punches consumed | 0.56 | 0.75 |
| Other manufacturing expenses | 11.34 | 10.55 |
| **Total** | **405.48** | **373.01** |

## 3.05 EMPLOYEE BENEFITS EXPENSE

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Salaries, wages and bonus | 500.39 | 453.60 |
| Contribution to provident and other funds | 42.16 | 36.62 |
| Staff welfare expenses | 23.00 | 22.50 |
| **Total** | **565.55** | **512.72** |

## 3.06 FINANCE COSTS

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Interest and Finance charges on financial liabilities : | | |
| Interest on overdraft / cash credit | 20.52 | 23.32 |
| Interest on borrowings | 174.88 | 180.58 |
| Preference Share Dividend including Corporate Tax | 0.40 | 0.15 |
| Interest on finance lease obligation | 2.86 | 1.90 |
| Interest on taxes | – | 0.82 |
| Interest on security deposits | 13.68 | 12.43 |
| Other borrowing costs | 7.21 | 7.83 |
| **Total** | **219.55** | **227.03** |

## 3.07 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Depreciation of Property, plant and equipment | 195.43 | 180.64 |
| Impairment of Property, plant and equipment | 0.50 | – |
| Amortisation of intangible assets | 4.11 | 3.72 |
| **Total** | **200.04** | **184.36** |

## 3.08 OTHER EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Rent expenses | 41.31 | 38.87 |
| Rates and taxes | 18.42 | 22.34 |
| Travelling and communication expenses | 61.53 | 55.25 |
| Commission on sales | 25.09 | 22.41 |
| Advertisement, sales promotion and other marketing expenses | 96.40 | 71.91 |
| Legal and professional fees | 57.26 | 66.75 |
| Re-insurance expenses | 24.53 | 16.41 |
| Insurance | 11.67 | 10.74 |
| Impairment loss allowance on other financial assets carried at amortised cost | 5.05 | 2.98 |
| Impairment of trade receivables | 13.75 | 18.18 |
| Bad debts written off | 12.34 | 5.40 |
| Concrete pumping expenses | 15.41 | 16.17 |
| Research expenses * | 4.47 | 3.82 |
| Repairs to buildings | 3.66 | 3.32 |
| Repairs others | 8.23 | 5.70 |
| Bank charges | 6.14 | 5.30 |
| Impairment on non-current assets | 9.42 | 0.15 |
| Net loss on foreign exchange fluctuation | 1.72 | 0.73 |
| Loss on disposal of Property, plant and equipment (net) | 1.63 | 2.30 |
| Miscellaneous expenses | 172.53 | 135.03 |
| **Total** | **590.56** | **503.76** |
| * Research expenses comprise of : | | |
| Salaries and wages | 2.12 | 1.83 |
| Travelling and Communication | 0.36 | 0.38 |
| Others | 1.99 | 1.61 |
| **Total** | **4.47** | **3.82** |

## 3.09 EXCEPTIONAL ITEMS

Exceptional items include interest of ₹ 14.78 Crores (Previous year : Nil) on delayed payment of Entry Tax in Uttar Pradesh. However, during the year, in response to writ petition the Company was asked to deposit 50% of the said amount and stay was granted for the balance amount.

It also includes a credit adjustment of ₹ 3.52 Crores (Previous year : Nil) on account of refund received of Entry Tax in Madhya Pradesh, which was earlier paid and charged to statement of profit and loss. The Company had lodged an appeal before MP Commercial Tax Tribunal Board, Bhopal for the same.

## 3.10 TAX EXPENSES

₹ Crores

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| (a) Income tax expenses : | | |
| Current tax - In respect of the current year | 61.75 | 37.39 |
| Deferred tax - In respect of the current year | 29.86 | 8.27 |
| **Total** | **91.61** | **45.66** |
| (b) Income tax recognised in Other Comprehensive Income : | | |
| Remeasurements of the defined benefit plans | (0.49) | 0.21 |
| Share in joint ventures, to the extent not to be reclassified to profit or loss | 0.03 | 0.02 |
| Net Gain arising of financial assets designated as at FVTOCI | (0.25) | 1.35 |
| | **(0.71)** | **1.58** |
| **Total income tax expense recognised in the current year (a-b)** | **92.32** | **44.08** |
| (c) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows : | | |
| Net profit before tax | 201.21 | 100.66 |
| Effective tax rate applicable to the Company | 34.94% | 34.61% |
| Tax amount at the enacted income tax rate | 70.30 | 34.84 |
| Share of profit / (loss) in joint venture not taxable | 1.55 | 1.11 |
| Entities with losses not liable to tax | 18.11 | 12.78 |
| Difference in tax rates of certain entities of the group | (2.89) | (3.31) |
| Tax holiday concession | – | (1.27) |
| Add : Expenses not deductible in determining taxable profits | 79.51 | 68.92 |
| Less : Allowances/ deductible | (65.44) | (60.42) |
| Minimum Alternative Tax | 48.29 | 26.66 |
| Tax relating to earlier years | (0.40) | 0.16 |
| Others | 11.18 | 1.58 |
| Incremental Deferred Tax assets on account of unused tax losses and unused tax credits | (74.02) | (41.88) |
| Incremental Deferred Tax asset on account of other temporary differences | – | (1.35) |
| Incremental Deferred Tax liability on account of other temporary differences | 6.12 | 6.26 |
| **Tax expense as per the Statement of Profit and Loss** | **92.32** | **44.08** |

## 4.01 EARNINGS PER SHARE (EPS)

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Basic earnings per share : | | |
| Attributable to equity holders of the Group (₹) | **2.31** | **0.84** |
| Diluted earnings per share : | | |
| Attributable to equity holders of the Group (₹) | **2.31** | **0.84** |
| Reconciliation of earnings used in calculating earnings per share : | | |
| Basic earnings per share : | | |
| Profit attributable to equity holders of the Group used in calculating basic earnings per share (₹ Crores) | 116.40 | 42.50 |
| Diluted earnings per share : | | |
| Profit attributable to equity holders of the Group used in calculating diluted earnings per share (₹ Crores) | 116.40 | 42.50 |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 50,33,56,580 | 50,33,56,580 |

## 4.02 LEASES

a. Under finance lease arrangements, the Group had acquired mining rights of limestone, against which the total payment has been made and no contingent rent is payable.

b. Details of Finance lease agreements (Land, Machinery and Equipments) - Non-cancellable :

The Group has entered into finance lease agreement for plant and machinery. Future minimum lease payments (MLP) under these leases are as follows :

**₹ Crores**

| Finance lease Liabilities | Minimum lease payment | | Present value of Minimum lease payment | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Not later than one year | 9.13 | 9.05 | 8.19 | 5.99 |
| Later than one year and not later than five years | 21.72 | 20.87 | 17.29 | 17.14 |
| Later than five years | 11.97 | 11.91 | 0.81 | 0.75 |
| **Total** | **42.82** | **41.83** | **26.29** | **23.88** |

At the expiry of the lease term, in case of lease agreements other than land, the lessee has an option to purchase the assets at Fair Market Value.

c. Operating lease agreements (Land, Machinery and Equipments) - Non-cancellable

**₹ Crores**

| Future Lease Rental Payments | As at March, 31 | |
|---|---|---|
| | 2019 | 2018 |
| Due not later than one year | 11.76 | 13.48 |
| Due later than one year but not later than five years from the Balance Sheet date | 16.66 | 23.22 |
| Later than five years | 0.16 | 0.20 |
| **Total** | **28.58** | **36.90** |

Lease rentals of ₹ 13.47 Crores (Previous year : ₹ 14.85 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

## 4.03 EMPLOYEE BENEFITS PLANS

### 1. Defined contribution plans

The Group operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the Statement of Profit and Loss of ₹ 21.54 Crores (Previous year : ₹ 19.58 Crores) represents contributions payable to these plans by the Group at rates specified in rules of the plans.

### 2. Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefits plan are administered by separate funds that are legally independent entities. The governing body of the fund is responsible for the investment policy with regard to assets of the funds.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longetivity risk and salary risk.

| | | |
|---|---|---|
| Investment risk | : | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. |
| Interest risk | : | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments. |
| Longetivity risk | : | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | : | The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

### 3. Principal assumptions used for the purpose of actuarial valuation

| Particulars | Valuation as at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Discount Rate | 7.28% to 7.94% | 7.70% to 8.09% |
| Expected Rate(s) of salary increase | 4% to 10% | 4% to 8% |
| Average longetivity at retirement age for current beneficiaries of plans (years) | 37 to 58 | 32 to 42 |
| Average longetivity at retirement age for current employees (future beneficiaries of the plan) | 58 & 60 | 58 & 60 |
| Attrition rate | 2% to 15% | 2% to 14% |

### 4. (a) Amounts recognised in consolidated Statement of Profit and Loss in respect of defined benefit plans

₹ Crores

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Service cost : | | | | |
| Current service cost | 3.06 | 2.53 | 7.73 | 6.66 |
| Past service cost and (gain) / loss from settlements | 0.58 | – | – | – |
| Net interest expense | 1.90 | 1.84 | 2.57 | 1.94 |
| Actuarial (Gain) / Loss | 4.46 | 5.80 | (1.75) | 0.39 |
| **Component of defined benefit costs recognised in Statement of Profit and Loss** | **10.00** | **10.17** | **8.55** | **8.99** |

## 4.03 EMPLOYEE BENEFITS PLANS (Contd...)

### 4. (b) Amounts recognised in consolidated Other Comprehensive Income in respect of defined benefit plans

₹ Crores

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Remeasurement of net defined benefit liability | | |
| Return on plan assets (excluding amount included in net interest expense) | (0.04) | (0.40) |
| Actuarial (gains) / losses arising from changes in demographic assumptions | (0.23) | 1.76 |
| Actuarial (gains) / losses arising from changes in financial assumptions | 0.92 | (0.72) |
| Actuarial (gains) / losses arising from experience adjustments | (0.88) | – |
| **Components of defined benefits cost recognised in Other Comprehensive Income** | **(0.23)** | **0.64** |

### 5. (a) Movements in present value of defined benefit obligation and planned assets

₹ Crores

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Opening defined benefit obligations | 31.60 | 27.92 | 51.88 | 45.75 |
| Acquisition through business combination | – | – | – | – |
| Current service cost | 3.64 | 2.53 | 7.73 | 6.66 |
| Interest cost | 1.90 | 1.84 | 4.33 | 3.15 |
| Remeasurement (Gains) / Losses | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | (0.07) | 1.10 | (0.23) | 1.76 |
| Actuarial (gains) / losses arising from changes in financial assumptions | 0.81 | (0.30) | 0.92 | (0.73) |
| Actuarial (gains) / losses arising from experience adjustments | 3.72 | 5.00 | (0.88) | – |
| Actuarial (gain) / loss on obligations | – | – | – | – |
| Benefits paid | (14.46) | (6.49) | (4.33) | (4.71) |
| **Closing Defined Benefit Obligation** | **27.14** | **31.60** | **59.42** | **51.88** |

### 5. (b) Movements in fair value of the plan assets

₹ Crores

| Particulars | Gratuity | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Opening fair value of plan assets | 34.68 | 33.83 |
| Interest income | 2.76 | 2.57 |
| Contributions | 2.75 | 2.49 |
| Return on plan assets | 0.05 | 0.38 |
| Benefits paid | (4.11) | (4.59) |
| **Closing fair value of plan assets** | **36.13** | **34.68** |

## 4.03 EMPLOYEE BENEFITS PLANS (Contd...)

**6. The category of plan assets as a percentage of total plan are as follows :**

| Particulars | Percentage As At March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Equity Shares | 18.33% | 19.24% |
| Central and State Government Securities | 67.07% | 54.25% |
| Other Fixed Income Securities / Deposits | 14.60% | 26.51% |
| **Total** | **100%** | **100%** |

**Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

**₹ Crores**

| Particulars | Leave Encashment | | Gratuity | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Discount Rate +100 basis points | 25.35 | 30.92 | 55.81 | 49.18 |
| Discount Rate -100 basis points | 27.51 | 21.26 | 61.91 | 54.42 |
| Salary Increase Rate +1 % | 27.40 | 33.26 | 61.70 | 54.22 |
| Salary Increase Rate -1 % | 25.44 | 31.02 | 55.95 | 49.31 |
| Attrition Rate +1% | 26.43 | 32.22 | 58.97 | 51.99 |
| Attrition Rate -1% | 26.33 | 31.96 | 58.41 | 51.31 |

## 4.04 (a) CONTINGENT LIABILITIES

(i) Guarantees given by the Group's bankers and counter guaranteed by the Group: ₹ 73.07 Crores (Previous year : ₹ 62.56 Crores).

(ii) Prepayment charges claimed by banks on amounts prepaid ₹ 2.92 Crores (Previous year : ₹ 2.92 Crores).

(iii) Claims against the Group not acknowledged as debts on account of disputes :

(a) In respect of exemption of Central Sales Tax on coal purchases : ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.

(b) Energy Development Cess ₹ 9.89 Crores (Previous year : ₹ 9.89 Crores).

(c) Tax on Rural and Road Development ₹ 14.20 Crores (Previous year : ₹ 11.92 Crores).

(d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 217.42 Crores (Previous year : ₹ 187.57 Crores).

## (b) CAPITAL AND OTHER COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 267.13 Crores (Previous year : ₹ 58.28 Crores) and other commitments include outstanding letter of credit ₹ 147.52 Crores (Previous year : ₹ 37.40 Crores).

(ii) The Group has imported capital goods without payment of duty under EPCG Scheme. The Group has been granted waiver for Duty of ₹ 12.92 Crores (Previous year : ₹ 13.11 Crores) and against this waiver, the Group is committed to export goods of ₹ 78.56 Crores (Previous year : ₹ 78.56 Crores) in a Block of 6 years from the date of authorisation of EPCG License. Till March 2019, the Group has exported goods manufactured from the Imported Capital Goods of ₹ 47.62 Crores (Previous year : ₹ 15.52 Crores). The outstanding Export Obligation as on 31st March 2019 is ₹ 44.49 Crores (Previous year : ₹ 63.03 Crores).

**4.04 (Contd...)**

**(c) FINANCIAL GUARANTEE**

Corporate guarantees issued to the bankers ₹ 375.21 Crores (Previous year : ₹ 249.25 Crores).

**(d) Disclosure of provisions made as per the requirements of Ind AS - 37 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :**

**₹ Crores**

| Particulars | As at April 01, 2018 | Provisions made during the year | Amounts utilised or reversed during the year | As at March 31, 2019 |
|---|---|---|---|---|
| MPEB Cess on Generation of Electricity | 8.33 | – | – | 8.33 |
| MP Entry Tax / VAT | 10.05 | – | – | 10.05 |
| VAT on Inter Unit Transfer | 0.68 | – | – | 0.68 |
| Appeal with AP, Kerala, Punjab, Tamil Nadu, Karnataka and Maharashtra Commercial Tax Department | 0.67 | 0.70 | – | 1.37 |
| Mines Restoration Expenses | 3.57 | 0.85 | – | 4.42 |
| Service Tax on Goods Transport Agency | 14.50 | – | – | 14.50 |

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 0.84 Crores (Previous year : ₹ 0.23 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 38.51 Crores (Previous year : ₹ 37.57 Crores).

**(e)** In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited (GAIL) having validity till April, 2028, the Company is committed to draw minimum quantity of Re-Liquified Natural Gas (RLNG) specified therein. In case of underdrawn quantities, determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation clause (TOP) of the GSA and is allowed to draw such underdrawn quantities in the balance term of the GSA at then prevailing price.

In earlier years, the Company has not been able to draw committed quantity of RLNG. The Company has exhausted its downward flexibility limit available in GSA. In preceding three calendar years, GAIL has waived of TOP obligation. The amount committed under TOP for the underdrawn quantities of RLNG for the quarter ended March 31, 2019, which would be due in December 2019, if it remains undrawn or not waived, is approximately ₹ 14.79 Crores.

As per past trend, RLNG is the most competitively priced natural gas available in the country, non-off take of contracted quantity of RLNG by the Company is unlikely to result in any TOP liability. Also management is expecting increase in the capacity utilisation due to favourable market conditions, the management is confident about utilisation of underdrawn RLNG as mentioned above in balance part of the calendar year and also in subsequent contracted period. The aforesaid amount, if payable, will only be in the nature of an advance payment for RLNG which can be drawn anytime thereafter up to the end of term of the GSA i.e. April 2028. Accordingly, in view of the management, this contract is not in the nature of onerous contract and no effect of the same is required to be given in the accounts.

**(f)** The Supreme Court, in a judgement dated February 28, 2019, has stipulated the components of salary that need to be taken into account for computing the contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company will account for the impact of the judgement after clarification is obtained in interpreting aspects of the judgement and after knowing the effective date of its application. The Company does not expect the impact to be material on the financial statements of the Company for the year ended March 31, 2019. Accordingly, no adjustments have been made in the accompanying financial statements.

**4.05 Capital work-in-progress includes pre-operative expenses of ₹ 76.60 Crores (Previous year : ₹ 71.13 Crores), the details of which are as under :**

₹ Crores

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Indirect expenditure incurred during the year and considered as pre-operative expenses** | | |
| Salary, Wages and Bonus | 2.41 | 3.01 |
| Contribution to Provident and other funds | 0.06 | 0.10 |
| Rent, Rates and Taxes | 0.29 | 0.32 |
| Travelling and Communication | 0.24 | 0.35 |
| Professional fees | 0.12 | 0.11 |
| Depreciation | 1.61 | 1.82 |
| Miscellaneous expenses | 0.74 | 1.76 |
| **Total** | **5.47** | **7.47** |
| Add : Expenditure up to Previous year | 71.13 | 63.66 |
| **Balance Carried forward** | **76.60** | **71.13** |
| Cost relating to acquisition of assets and related direct expenses | 47.69 | 28.58 |
| **Total Capital Work-in-progress** | **124.29** | **99.71** |

**4.06 CAPITAL MANAGEMENT**

**Risk management**

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors', creditors' and market confidence and to sustain future development and growth of its business and at the same time, optimise returns to the shareholders. The Group takes appropriate and corrective steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

Consistent with others in the industry, the Group monitors capital on the basis of the capital gearing ratio computed as under :

Net debt (Total Borrowings net of Cash and Cash equivalents) divided by Total Equity (as shown in the Balance Sheet including Non-controlling interest).

The Group's strategy is to maintain a capital gearing ratio within 2.25 times. The comparative capital gearing ratios are tabulated as hereunder :

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net Debt | 1,846.11 | 1,944.36 |
| Total Equity | 1,392.05 | 1,310.53 |
| **Net Debt to Equity ratio** | **1.33** | **1.48** |

The Group has complied with all material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements. No lenders have raised any matter that may lead to breach of covenants stipulated in the underlying documents.

## 4.07 FINANCIAL INSTRUMENTS

### (i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of long term security deposits taken, non-current borrowings and remaining non current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data

**₹ Crores**

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Financial assets** | | | | |
| Measured at amortised cost : | | | | |
| Trade receivables | 722.18 | 722.18 | 667.88 | 667.88 |
| Loans | 76.21 | 76.21 | 78.30 | 78.30 |
| Cash and Bank balances | 75.99 | 75.99 | 78.39 | 78.39 |
| Other financial assets | 127.24 | 127.24 | 115.75 | 115.75 |
| Measured at FVTPL : | | | | |
| Investments | 29.70 | 29.70 | 12.82 | 12.82 |
| Derivative Instruments | – | – | # | # |
| Measured at FVTOCI : | | | | |
| Investment in other companies | 402.73 | 402.73 | 352.42 | 352.42 |
| **Total Financial assets** | **1,434.05** | **1,434.05** | **1,305.56** | **1,305.56** |
| **Financial liabilities** | | | | |
| Measured at amortised cost : | | | | |
| Borrowings | 1,919.92 | 1,919.92 | 2,021.78 | 2,021.78 |
| Trade payables | 772.66 | 772.66 | 684.24 | 684.24 |
| Other financial liabilities | 906.45 | 906.45 | 690.07 | 690.07 |
| **Total Financial liabilities** | **3,599.03** | **3,599.03** | **3,396.09** | **3,396.09** |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### (iii) Level wise disclosure of financial instruments

₹ Crores

| Particulars | As at March 31, 2019 | As at March 31, 2018 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| Investment in equity instruments of other companies (B L A Power Private Limited) | 21.30 | 21.00 | 3 | Independent Valuer Certificate |
| Investments in mutual funds | 29.68 | 12.81 | 1 | Quotes from market |
| Investment in debenture/bonds | 381.43 | 331.42 | 2 | Quotes from market for similar instruments |
| Foreign currency forward contracts - Assets | # | # | 2 | Quotes from banks or dealers |

# Amount less than ₹ 50,000/-

The following table shows a reconciliation of significant unobservable inputs from the opening balance to the closing balance for Level 3 recurring fair value measurements :

₹ Crores

| Investment in equity instruments of other companies | Amount |
|---|---|
| Balance as on April 1, 2018 | 21.00 |
| Add : adjustment due to Fair valuation | 0.30 |
| **Balance as on March 31, 2019** | **21.30** |

### (iv) Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Groups financial risk management policy is set by the respective Board of the companies in the Group. The details of different types of risk and management policy to address these risks are listed below :

The Group's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Group, it uses various instruments and follows polices set up by the Board of Directors / Management.

#### (a) Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Group by failing to discharge its obligation as agreed.

Credit risks from balances with banks and financial institutions are managed in accordance with the Groups policy. For financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

Each Company of the Group has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Group uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Group operates, management considers that the trade receivables are in default if the payment are more than 2 years past due.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

**Table showing age of gross trade receivables and movement in expected credit loss allowance :**

₹ Crores

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Within the credit period | 259.99 | 206.99 |
| 1-90 days past due | 348.11 | 355.15 |
| 91-180 days past due | 57.18 | 58.31 |
| 181-270 days past due | 32.39 | 26.03 |
| More than 270 days past due | 146.49 | 129.63 |
| **Total** | **844.16** | **776.11** |

₹ Crores

| Movement in the expected credit loss allowance | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 108.23 | 90.05 |
| Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 13.75 | 18.18 |
| **Balance at the end of the year** | **121.98** | **108.23** |

### (b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Groups approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturities of financial liabilities**

**The table below provides details regarding the remaining contractual maturities of financial liabilities :**

₹ Crores

| As at March 31, 2019 | < 1 Year | 1 - 5 year | > 5 year | Total |
|---|---|---|---|---|
| Non-current borrowings | 418.38 | 1,151.57 | 12.24 | **1,582.19** |
| Current borrowings | 302.57 | – | – | **302.57** |
| Finance lease obligation | 9.13 | 21.72 | 11.97 | **42.82** |
| Fixed Deposits payable | 6.41 | – | – | **6.41** |
| Trade Payables | 772.66 | – | – | **772.66** |
| Other Financial Liabilities | 482.55 | 151.98 | 271.92 | **906.45** |

₹ Crores

| As at March 31, 2018 | < 1 Year | 1 - 5 year | > 5 year | Total |
|---|---|---|---|---|
| Non-current borrowings | 329.27 | 1,118.99 | 8.39 | **1,456.65** |
| Current borrowings | 523.61 | – | – | **523.61** |
| Finance lease obligation | 9.05 | 20.87 | 11.91 | **41.83** |
| Fixed Deposits payable | 8.31 | 4.53 | – | **12.84** |
| Trade Payables | 684.24 | – | – | **684.24** |
| Other Financial Liabilities | 411.09 | 50.08 | 228.90 | **690.07** |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### Financing arrangements

The Group has sufficient sanctioned line of credits from its bankers / financiers; commensurate to its business requirements. The Group reviews its line of credit available with bankers and lenders from time to time to ensure that at any point of time there is sufficient availability of line of credit to handle peak business cycle.

The Group pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

### (c) Market Risk

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 two types of risk: currency risk and interest rate risk.

#### i. Market Risk – Foreign Exchange

Foreign currency risk is that the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and a portion of its business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Group hedges the receivables as well as payables after discussion with the Forex Consultant and as per polices set by the management.

The Group is also exposed to the foreign currency loans availed from various banks to reduce the overall interest cost.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at the end of the reporting period are as follows :

**In Crores**

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| US Dollar (USD) | 0.43 | 1.86 | 0.17 | 0.15 |
| EURO | 0.12 | 0.12 | 0.03 | 0.01 |
| Japanese Yen (JPY) | 0.01 | 0.06 | – | – |
| Srilankan Rupee (LKR) | 0.27 | 0.20 | 12.66 | 9.00 |
| Swiss Francs (CHF) | – | # | – | – |
| Danish Krone (DKK) | – | # | – | – |

**Foreign Currency Exposure**

**In Crores**

| Foreign currency exposure as at March 31, 2019 | USD | EURO | JPY | LKR | DKK | CHF |
|---|---|---|---|---|---|---|
| Trade receivables | 0.15 | 0.02 | – | 11.65 | – | – |
| Loans and other receivables | 0.02 | 0.01 | – | 1.01 | – | – |
| Borrowings | 0.12 | # | – | – | – | – |
| Trade payables | 0.31 | 0.12 | 0.01 | 0.27 | – | – |
| Forward contracts for payables | 0.04 | 0.08 | – | – | – | – |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

In Crores

| Foreign currency exposure as at March 31, 2018 | USD | EURO | JPY | LKR | DKK | CHF |
|---|---|---|---|---|---|---|
| Trade receivables | 0.11 | 0.01 | – | 9.00 | – | – |
| Loans and other receivables | 0.04 | – | – | – | – | – |
| Borrowings | 1.69 | # | – | – | – | – |
| Trade payables | 0.17 | 0.12 | 0.06 | 0.20 | # | # |
| Forward contracts for receivables | # | – | – | – | – | – |

# Amount less than 50,000/-

**Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date**

In Crores

| Currency | Nature | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|
| | | Amount in Foreign Currency | Amount (₹) | Amount in Foreign Currency | Amount (₹) |
| EURO | Asset | 0.03 | 2.17 | 0.01 | 0.89 |
| LKR | Asset | 12.66 | 4.99 | 9.00 | 3.77 |
| USD | Asset | 0.17 | 11.90 | 0.15 | 9.55 |
| DKK | Liability | – | – | # | 0.01 |
| EURO | Liability | 0.04 | 3.02 | 0.12 | 9.68 |
| LKR | Liability | 0.27 | 0.11 | 0.20 | 0.08 |
| USD | Liability | 0.39 | 27.12 | 1.86 | 121.05 |
| JPY | Liability | 0.01 | # | 0.06 | 0.04 |
| CHF | Liability | – | – | # | 0.01 |

# Amount less than 50,000/-

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit after tax and impact on Equity

₹ Crores

| Currency | Impact on Profit after Tax and Equity | | | |
|---|---|---|---|---|
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | 1% increase | 1% increase | 1% decrease | 1% decrease |
| USD | (0.15) | (1.11) | 0.15 | 1.11 |
| EURO | (0.01) | (0.09) | 0.01 | 0.09 |
| LKR | 0.05 | 0.04 | (0.05) | (0.04) |
| **Total** | **(0.11)** | **(1.16)** | **0.11** | **1.16** |

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### ii. Market Risk – Interest Rate

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group borrows at variable as well as fixed interest rates and the same is managed by the Group by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Group has borrowed in a mix of short term and long term loans.

₹ Crores

| Particulars | As at March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Variable rate borrowings | 1,228.21 | 1,178.54 |
| Fixed rate borrowings | 691.71 | 843.24 |

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepaxred assuming that the amount of liability outstanding at the end of the reporting period was outstanding for whole the year. A 100 basis point increase or decrease is used for internal review by the key management personnel.

₹ Crores

| Particulars | Impact on Profit/Loss and Equity | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| Interest rates - increase by 100 basis points * | (6.92) | (11.79) |
| Interest rates - decrease by 100 basis points * | 6.92 | 11.79 |

* Assuming all other variables as constant

## 4.08 RELATED PARTY DISCLOSURES

**Relationships**

| Particulars | Ownership Interest | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| **Joint Venture** | | |
| Ardex Endura (India) Private Limited | 50% | 50% |
| | | |
| **Associate** | | |
| CSE Solar Parks Satna Private Limited | 27% | – |
| | | |
| **Joint Venture of Subsidiary** | | |
| TBK Deziner's Home Private Limited | 50% | 50% |
| TBK Unique Jalgaon Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK P B Shah Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Deepgiri Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Prathap Tile Bath Kitchen Private Limited. | 50% | 50% |

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

| Particulars | Ownership Interest | |
|---|---|---|
| | As at March 31, | |
| | 2019 | 2018 |
| TBK Rathi Sales Agencies Private Limited | 50% | 50% |
| TBK Florance Ceramics Private Limited | 50% | 50% |
| TBK Sanitary Sales Private Limited | 50% | 50% |
| TBK Samiyaz Tile Bath Kitchen Private Limited (Joint Venture upto 22.09.2017) | * | * |
| TBK Krishna Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Rishi Ceramics Private Limited | 50% | 50% |
| TBK Aishwarya Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Raj Kamal Tile Bath Kitchen Private Limited | 50% | 50% |
| TBK Shree Ganesh Traders Private Limited | 50% | 50% |
| TBK Home Trends Private Limited | 50% | 50% |
| TBK Solan Ceramics Private Limited | 50% | 50% |
| TBK Bansal Ceramics Private Limited (Joint Venture upto 23.03.2019) | – | 50% |
| TBK Kadakia's Tile Bath Kitchen Private Limited (Joint Venture upto 23.03.2019) | – | 50% |
| TBK Vaibhavi Tile Bath Kitchen Private Limited (Joint Venture upto 28.03.2019) | – | 50% |

* TBK Samiyaz Tile Bath Kitchen Private Limited (Subsidiary w.e.f. 23.09.2017)

**Companies in which Directors and/or their relatives have significant influence**

Peninsula Estates Private Limited
Varahagiri Investments & Finance Private Limited

**Others - Significant Influence**

Countrywide Exports Private Limited

**Key management personnel (KMP)**

**Executive Directors**

Mr. Vijay Aggarwal, Managing Director
Mr. Vivek K. Agnihotri, Executive Director & CEO - Cement
Mr. Sarat Chandak, Executive Director & CEO - HRJ *(w.e.f. March 03, 2019)*
Mr. Atul R. Desai, Executive Director & CEO - RMC
Mr. Joydeep Mukherjee, Executive Director & CEO - HRJ *(upto March 02, 2019)*

**Non-executive Directors**

**Non-independent**

Mr. Rajan B. Raheja, Director

**Independent**

Mr. Shobhan M. Thakore, Chairman
Ms. Ameeta A. Parpia, Director
Dr. Raveendra Chittoor, Director
Mr. J. A. Brooks, Director *(upto November 07, 2017)*

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Name | Relationship | Nature of transaction | Amount of transaction in FY2018-19 | Amount outstanding as on March 31, 2019 (Payable)/ Receivable | Amount of transaction in FY2017-18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|---|---|
| Windsor Realty Private Limited | Companies in which Directors and/or their relatives have significant influence | Rent Paid | – | – | 1.42 | – |
| | | Security Deposit | – | – | – | 1.81 |
| Peninsula Estates Private Limited | Companies in which Directors and/or their relatives have significant influence | Rent paid | 0.14 | – | 0.12 | – |
| | | Deposit given | – | 0.03 | – | 0.03 |
| Varahagiri Investments & Finance Private Limited | Companies in which Directors and/or their relatives have significant influence | Rent paid | 0.58 | – | 0.46 | – |
| | | Deposit given | – | 0.11 | – | 0.11 |
| CSE Solar Parks Satna Private Limited | Associate | Investment made | 0.27 | 0.27 | – | – |
| Mr. Atul R. Desai | Executive Director & CEO-RMC | Deposit given | – | 0.06 | – | 0.06 |
| | | Rent paid | 0.13 | – | 0.13 | - |
| Payable to KMPs on account of Managerial Remuneration | | Refer table below (*) | 19.80 | (1.41) | 17.40 | (1.20) |
| TBK Bansal Ceramics Private Limited | Joint Venture | Amount written-off / Loan Balance | 0.91 | – | 0.01 | 0.40 |
| | | Interest receivable written-off/ Balance receivable | 0.26 | – | 0.25 | 0.41 |
| TBK Florance Ceramics Private Limited | Joint Venture | Sales | 11.08 | 1.31 | 11.26 | 1.03 |
| | | Selling and Distribution Expenses | 0.70 | – | 1.14 | – |
| | | Amount Repaid | 0.23 | – | – | – |
| | | Reimbursement of Services Paid | 0.04 | – | 0.06 | – |
| TBK Rathi Sales Agencies Private Limited | Joint Venture | Reimbursement of services received | 0.24 | – | 0.12 | – |
| TBK PB Shah Tile Bath Kitchen Private Limited | Joint Venture | Purchases and Services | 0.01 | – | – | – |
| | | Sales | 8.96 | 0.55 | 7.53 | 0.18 |
| TBK Sanitary Sales Private Limited | Joint Venture | Interest Received | 0.14 | – | 0.14 | – |
| | | Reimbursement of services paid | 0.05 | – | 0.06 | – |
| | | Amount writen-off / Loan Balance | 0.42 | 0.23 | 0.30 | 0.64 |

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Name | Relationship | Nature of transaction | Amount of transaction in FY2018-19 | Amount outstanding as on March 31, 2019 (Payable)/ Receivable | Amount of transaction in FY2017-18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|---|---|
| TBK Deepgiri Tile Bath Kitchen Private Limited | Joint Venture | Reimbursement of services received | 0.11 | – | 0.32 | – |
| | | Interest received | 0.17 | – | 0.19 | – |
| TBK Shree Ganesh Traders Private Limited | Joint Venture | Reimbursement of services paid | 0.04 | – | 0.09 | – |
| TBK Prathap Tile Bath Kitchen Private Limited | Joint Venture | Reimbursement for service paid | 0.04 | – | 0.02 | – |
| | | Interest receivable written-off/ Balance receivable | 0.21 | – | – | 0.10 |
| | | Selling and Distribution Expenses | 0.31 | – | 0.33 | – |
| | | Interest Received | 0.12 | – | 0.13 | – |
| Countrywide Exports Private Limited | Significant Influence | Rent Paid | 0.07 | – | 0.04 | – |
| TBK Deziners Home Private Limited | Joint Venture | Sales | 8.57 | 1.32 | 9.70 | 1.33 |
| TBK Vaibhavi Tile Bath Kitchen Private Limited | Joint Venture | Amount written-off / loan balance | 0.42 | – | 0.01 | 0.06 |
| | | Interest receivable written-off/ Balance receivable | 0.18 | – | – | – |
| TBK Rishi Ceramics Private Limited | Joint Venture | Selling and Distribution Expenses | 0.44 | – | 0.61 | – |
| | | Sales | 14.17 | 3.33 | 9.83 | 1.93 |
| Ardex Endura (India) Private Limited | Joint Venture | Purchase and services | 0.08 | 0.01 | – | – |
| Others | | Interest received | 0.67 | – | 0.97 | – |
| | | Purchase and services | – | – | 0.82 | – |
| | | Sales | 32.30 | 8.41 | 57.45 | 11.25 |
| | | Selling and Distribution Expenses | 1.38 | – | 4.67 | – |

## 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores

| Name | Relationship | Nature of transaction | Amount of transaction in FY2018-19 | Amount outstanding as on March 31, 2019 (Payable)/ Receivable | Amount of transaction in FY2017-18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|---|---|
| | | Rent received | – | – | 0.26 | – |
| | | Amount written-off / loan balance | 1.19 | 4.21 | 0.94 | 5.36 |
| | | Interest receivable written-off/ Balance receivable | 0.15 | 2.97 | 0.13 | 2.54 |
| | | Reimbursement of services received | 0.04 | – | 0.64 | – |
| | | Loan given / repaid/ loan balance | – | – | 0.25 | 1.24 |
| | | Reimbursement of services paid | 0.02 | – | 0.07 | – |

* Compensation to key management personnel is as under :

₹ Crores

| Particulars | Amount of transaction in FY 2018-19 | Amount of transaction in FY 2017-18 |
|---|---|---|
| Short-term employee benefits | 18.88 | 17.17 |
| Post-employment benefits | – | – |
| Other long-term benefits | – | – |
| Commission paid to Independent Directors | 0.68 | – |
| Sitting Fees | 0.24 | 0.23 |
| **Total Compensation to key management personnel** | **19.80** | **17.40** |

Notes :

a) As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

b) The value of related party transaction and balances reported are based on actual transaction and without giving effect to notional Ind AS adjustment entries.

c) Transactions disclosed against "Others" in the above table are those transactions with related party which are of the amount not in excess of 10% of the total related party transactions of the same nature.

## 4.09 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues.

Information reported to Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on types of goods and services delivered, or provided. No operating segments have been aggregated in arriving at reporting segments in the Group.

**Segment Revenue and Results :**

The following is an analysis of the Group revenue and results from continuing operations by reportable segments.

₹ Crores

| Particulars | Segment Revenue | | Segment Results | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Cement (a) | 2,773.33 | 2,453.07 | 401.54 | 279.27 |
| HRJ | 1,827.32 | 1,726.80 | 0.51 | 0.63 |
| Share of Profit / (loss) of Joint Ventures | – | – | 4.47 | 3.20 |
| Total HRJ (b) | 1,827.32 | 1,726.80 | 4.98 | 3.83 |
| RMC (c) | 1,480.67 | 1,376.26 | 17.33 | 6.32 |
| Insurance (d) | 153.02 | 104.64 | (11.85) | 1.09 |
| **(a+b+c+d)** | **6,234.34** | **5,660.77** | **412.00** | **290.51** |
| Less : Inter Segment Revenue | 39.92 | 18.58 | – | – |
| **Total** | **6,194.42** | **5,642.19** | **412.00** | **290.51** |
| Add : Other un-allocable income net of un-allocable expenditure | | | 15.56 | 24.68 |
| Less : Finance costs | | | 219.55 | 227.03 |
| **Profit Before Tax** | | | **208.01** | **88.16** |

**Segment Assets and Liabilities :**

₹ Crores

| Particulars | As at March 31, | As at March 31, |
|---|---|---|
| | 2019 | 2018 |
| **Segment Assets** | | |
| Cement | 2,466.07 | 2,326.13 |
| Investment in Associate accounted under Equity Method | 0.21 | – |
| Total Cement (a) | 2,466.28 | 2,326.13 |
| HRJ | 1,855.57 | 1,800.57 |
| Investment in Joint Ventures accounted under Equity Method | 52.08 | 45.35 |
| Total HRJ (b) | 1,907.65 | 1,845.92 |
| RMC (c) | 508.84 | 470.74 |
| Insurance (d) | 481.85 | 400.42 |
| Total Segment Assets (a+b+c+d) | 5,364.62 | 5,043.21 |
| Unallocated | 116.13 | 128.37 |
| **Consolidated Total Assets** | **5,480.75** | **5,171.58** |
| **Segment Liabilities** | | |
| Cement | 900.80 | 789.55 |
| HRJ | 726.94 | 680.25 |
| RMC | 335.53 | 291.23 |
| Insurance | 376.29 | 283.58 |
| Total Segment Liabilities | 2,339.56 | 2,044.61 |
| Unallocated | 2,015.08 | 2,089.11 |
| **Consolidated Total Liabilities** | **4,354.64** | **4,133.72** |

## 4.09 SEGMENT INFORMATION (Contd...)

For the purposes of monitoring segment performance and allocating resources between segments :

i. All assets are allocated to reportable segments other than, other investments, loans, other financial assets. Goodwill is allocated to reportable segments as described in notes.

ii. All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

₹ Crores

| Particulars | Depreciation and amortisation | | Additions to Non-current Assets | |
|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Cement | 113.01 | 105.56 | 157.06 | 140.82 |
| HRJ | 64.22 | 55.71 | 78.64 | 222.05 |
| RMC | 21.69 | 22.54 | 12.95 | 17.30 |
| Insurance | 1.12 | 0.55 | 1.26 | 1.56 |
| **Total** | **200.04** | **184.36** | **249.91** | **381.73** |

## 4.10 GOVERNMENT GRANTS BY WAY OF TAX SUBSIDY /EXEMPTION SCHEMES

a) As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the second Cement Unit at Satna was entitled for subsidy at the rate of 75% of VAT / CST paid on sales till December 31, 2017, subject to prescribed limits. For the period July 1, 2017 to December 31, 2017, in absence of clarity, the Company had recognised subsidy under the scheme as a percentage of State Goods and Services Tax. In the current year, Government of Madhya Pradesh has issued an order for extension of support under the GST regime and therefore, the differential subsidy for the above period is recognised in the statement of profit and loss of ₹ 2.89 Crores.

b) As per Industrial promotion policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT / CST paid on sales above the normal production capacity achieved. Subsidy recognised in the Statement of Profit and Loss is ₹ 0.98 Crores (Previous year : ₹ 0.03 Crores).

c) As per Assam Industries (Tax Exemption) Scheme 2009, RMC Unit at Guwahati is entitled to Sales Tax Exemption subject to prescribed limit, at the rate of 99% of tax payable. No amount is recognised in the current year as compared to previous year of ₹ 0.12 Crores.

d) The Company started commercial production of ready mixed plant in Guwahati, Assam on August 6, 2012 and is entitled for 34% of the excise duty paid on finished goods, since that date. During the current financial year, no refund was received by the Company as compared to previous year of ₹ 0.35 Crores.

e) Antique Marbonite Private Limited, Coral Gold Tiles Private Limited, Small Johnson Floor Tiles Private Limited and Spectrum Johnson Tiles Private Limited have received grant in the nature of exemption of Import duty such as custom duty, CVD and other duties on capital goods with certain condition related to Export of Goods under EPCG Scheme of Government of India aggregating to ₹ 12.24 Crores (Previous year : ₹ 13.11 Crores).

f) Milano Bathroom Tiles Fittings Private Limited is entitled for 100 % of CGST, 100% of SGST and 29% of IGST paid through debit in cash ledger account maintained by the Entity as per Jammu and Kashmir Budgetary Support Scheme under Goods and Services Tax amounting to ₹ 1.28 Crores. (Previous year : ₹ 0.93 Crores).

g) As per Jammu and Kashmir State Freight Refund Scheme, the Company is entitled for freight Subsidy for transporting manufactured goods outside the state of Jammu and Kashmir beyond 1000 kilometers. The Company has recognised the subsidy of ₹ 0.15 Crores (Previous year : Nil) in the statement of profit and loss.

h) As per Jammu and Kashmir Budgetary support scheme under Goods and Service Tax, the Company is entitled for claim 2% of the taxable turnover with respect to interstate supplies made by the Industrial unit under Integrated Goods and Services Tax Act, 2017 provided that the maximum amount of annual reimbursement shall be limited to 2% of the interstate sales turnover reflected by the dealer in his returns for the accounting year 2016-17. The Company has recognised the Interstate Sale Rebate of ₹ 0.18 Crores (Previous year : Nil) in the statement of profit and loss.

i) The Company had started commercial production at ready mix plant in Guwahati, Assam in financial year 2012-13 with capital expenditure of ₹ 1.56 Crores on Plant and machinery. As per "North East Industrial and Investment Promotion Policy (NEIIPP), 2007", the Company is entitled to capital investment subsidy. During the current year, the Company has received capital subsidy of ₹ 0.47 Crores (Previous year : Nil) subsequent to fulfilment of all required conditions under NEIIPP 2007. The subsidy is recognised as deferred income and amortised over the balance useful life of assets.

## 4.11 INTERESTS IN OTHER ENTITIES

**Subsidiaries :**

The Company's subsidiaries as at March 31, 2019 are set out below. Unless otherwise stated, they have Share Capital consisting solely of equity shares that are held directly by the Company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

| Name of entity | Country of incorporation | Ownership interest held by the Group | | Ownership interest held by non-controlling interests | | Principal Activities |
|---|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | |
| Raheja QBE General Insurance Company Limited | India | 51% | 51% | 49% | 49% | General Insurance business |
| Milano Bathroom Fittings Private Limited | India | 100% | 100% | – | – | Manufacturing of bathroom fittings |
| Silica Ceramica Private Limited | India | 99.93% | 99.90% | 0.07% | 0.10% | Manufacturing of Tiles |
| Antique Marbonite Private Limited | India | 50% | 50% | 50% | 50% | |
| Spectrum Johnson Tiles Private Limited | India | 50% | 50% | 50% | 50% | |
| Sentini Cermica Private Limited | India | 50% | 50% | 50% | 50% | |
| Coral Gold Tiles Private Limited | India | 50% | 50% | 50% | 50% | |
| Small Johnson Floor Tiles Private Limited | India | 50% | 50% | 50% | 50% | |
| H. & R. Johnson (India) TBK Limited | India | 100% | 100% | – | – | Trading of Tiles |
| TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) | India | 100% | 100% | – | – | |
| TBK Samiyaz Private Limited (Subsidiary of H & R Johnson (India) TBK Limited.) | India | 69.88% | 69.88% | 30.12% | 30.12% | |
| TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) | India | 100% | 100% | – | – | |
| RMC Readymix Porselano (India) Limited | India | 100% | 100% | – | – | Operations not yet commenced |

## 4.11 INTERESTS IN OTHER ENTITIES (Contd...)

**Non-controlling interests (NCI) :**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

₹ Crores

| Particulars | Raheja QBE General Insurance Company Limited | | Antique Marbonite Private Limited | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| **Summarised Balance Sheet :** | | | | |
| Current assets | 173.36 | 93.30 | 132.68 | 112.54 |
| Current liabilities | 161.16 | 120.57 | 143.98 | 118.74 |
| Net current assets (a) | **12.20** | **(27.27)** | **(11.30)** | **(6.20)** |
| | | | | |
| Non-current assets | 324.16 | 321.45 | 177.86 | 173.13 |
| Non-current liabilities | 123.82 | 62.15 | 27.88 | 37.82 |
| Net non-current assets (b) | **200.34** | **259.30** | **149.98** | **135.31** |
| Net assets (a+b) | **212.54** | **232.03** | **138.68** | **129.11** |
| | | | | |
| **Accumulated NCI** | **103.92** | **113.47** | **69.68** | **64.90** |

₹ Crores

| Summarised Statement of Profit and Loss | Raheja QBE General Insurance Company Limited | | Antique Marbonite Private Limited | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue | 153.30 | 104.82 | 298.77 | 241.43 |
| Profit for the year | (19.67) | 1.19 | 9.50 | 5.12 |
| Other Comprehensive Income/ (Loss) | 0.18 | (2.73) | 0.09 | 0.16 |
| Total Comprehensive Income/ (Loss) | **(19.49)** | **(1.54)** | **9.59** | **5.28** |
| Profit/(Loss) allocated to NCI | **(9.55)** | **(0.75)** | **4.78** | **2.54** |

₹ Crores

| Summarised cash flows | Raheja QBE General Insurance Company Limited | | Antique Marbonite Private Limited | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Cash flows from operating activities | 75.19 | 74.28 | 40.44 | 21.40 |
| Cash flows from investing activities | (72.97) | (75.35) | (16.22) | (52.90) |
| Cash flows from financing activities | – | – | (23.63) | 31.92 |
| Net increase/(decrease) in cash and cash equivalents | **2.22** | **(1.07)** | **0.59** | **0.42** |

## 4.12 INTERESTS IN JOINT VENTURE AND ASSOCIATE

Set out below is information on the Joint Venture of the Group as at March 31, 2019 which, in the opinion of the management, is material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ Crores

| Name of entity | Relationship | Place of business | % of Ownership | Carrying amount | |
|---|---|---|---|---|---|
| | | | | 2018-19 | 2017-18 |
| Ardex Endura (India) Private Limited | Joint Venture | India | 50% | 47.01 | 40.24 |

₹ Crores

| Commitments and contingent liabilities | Ardex Endura (India) Private Limited | |
|---|---|---|
| | 2018-19 | 2017-18 |
| Share in Joint Venture's contingent liability in respect of VAT / CST, excise and service tax claims not acknowledge as debt | 0.41 | 0.46 |
| Share of capital commitment in Joint Venture | – | – |

**Summarised financial information for the Joint Venture :**

The tables below provides summarised financial information for the Joint Venture that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant Joint Venture and not the Group share in the Joint Venture.

₹ Crores

| Particulars | | Ardex Endura (India) Private Limited | |
|---|---|---|---|
| | | 2018-19 | 2017-18 |
| **Summarised Balance Sheet** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 3.22 | 1.97 |
| Other assets | | 78.60 | 67.73 |
| **Total current assets** | **(a)** | **81.82** | **69.70** |
| **Total non-current assets** | **(b)** | **39.61** | **35.34** |
| **Current liabilities** | | | |
| Financial liabilities (excluding trade payables) | | 5.11 | 4.56 |
| Other liabilities | | 23.85 | 23.97 |
| **Total current liabilities** | **(c)** | **28.96** | **28.53** |
| **Non-current liabilities** | | | |
| Financial liabilities (excluding trade payables) | | 1.16 | 0.38 |
| Other liabilities | | 3.16 | 1.54 |
| **Total non-current liabilities** | **(d)** | **4.32** | **1.92** |
| **Net assets** | **(a+b-c-d)** | **88.15** | **74.59** |

## 4.12 INTERESTS IN JOINT VENTURE AND ASSOCIATE (Contd...)

₹ Crores

| Reconciliation to carrying amounts | Ardex Endura (India) Private Limited | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Opening net assets** | 74.59 | 63.92 |
| Profit for the year | 13.78 | 10.59 |
| Other Comprehensive Income | 0.05 | 0.08 |
| Impact of change in accounting policy | (0.27) | – |
| **Closing net assets** | **88.15** | **74.59** |
| Group's share in % | 50% | 50% |
| Group's share in INR | 44.07 | 37.30 |
| Goodwill | 2.94 | 2.94 |
| **Carrying amount** | **47.01** | **40.24** |

₹ Crores

| Summarised Statement of Profit and Loss | Ardex Endura (India) Private Limited | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Revenue from operations | 154.99 | 134.65 |
| Other Income | 1.71 | 1.28 |
| Depreciation and amortisation | 2.83 | 3.38 |
| Interest expense | 0.69 | 0.19 |
| Income tax expense | 6.15 | 5.76 |
| Other expenses | 133.25 | 116.01 |
| **Profit for the year** | **13.78** | **10.59** |
| Other comprehensive income | 0.05 | 0.08 |
| **Total Comprehensive Income** | **13.83** | **10.67** |

**Individually immaterial Joint Ventures and Associate :**

In addition to the interests in Joint Venture disclosed above, the Group also has interests in a number of individually immaterial Joint Ventures (through subsidiaries) and Associate that are accounted for using the equity method.

₹ Crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Aggregate carrying amount of individually immaterial Joint Ventures and Associate | 4.87 | 4.87 |
| Aggregate amount of the Group's share of : | | |
| Profit / (Loss) from operations | (2.42) | (2.10) |
| **Total Comprehensive Income / (Loss)** | **(2.42)** | **(2.10)** |

₹ Crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Share of profits/ (losses) from Joint Venture / Associate | 6.83 | 5.30 |
| Share of profits /(losses) from subsidiary's Joint Ventures | (2.42) | (2.10) |
| **Total share of profits / (losses) from Joint Venture / Associate** | **4.41** | **3.20** |

**4.13** Pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014, Sial Ghogri Coal mine of the Company was de-allocated and put to auction by the Ministry of Coal through Nominated Authority. The Nominated Authority had determined compensation of ₹ 32.49 Crores for the said Coal Block as against expenses and book value of assets amounting to ₹ 47.58 Crores.

Till date, a sum of ₹ 32.34 Crores has been disbursed by the Nominated Authority. The Company had inter-alia disputed the quantum of compensation before the Hon'ble High Court of Judicature, Delhi. As directed by the said High Court, the Company has filed a claim for an additional compensation of ₹ 53.03 Crores before the Coal Tribunal at Sinraulli, duly appointed under Coal Bearing Areas (Acquisition and Development) Act, 1957. Pending final disposal of the claim by the Coal Tribunal , the Company has not recognised excess of compensation over the book value as income as well as loss that may have to be incurred in the event compensation is denied. Accordingly, the balance amount appears under the head Other Financial Assets (note no. 2.07) and Freehold Land (note no. 2.01) ₹ 13.93 Crores and ₹ 1.31 Crores respectively. The Freehold Land continues to be in possession of the Company as it was not part of the vesting order. Based on the legal opinion, the Company has more than reasonable chances of succeeding in the matter.

**4.14** Insurance claim of the year 2012 relating to collapse of blending silo and consequential damages was rejected by the insurance company. The Company had recognised a sum of ₹ 58.94 Crores as receivable. The Company has filed a money suit before the District Judge and Special Commercial Court at Satna against New India Assurance Company for recovery of ₹ 150.27 Crores, and the matter is pending. The Company has also initiated arbitration proceedings with the party responsible for construction of blending silo for recovery of damages. Based on legal opinion and judicial precedents, the Company has more than reasonable chance of succeeding in the matter.

**4.15** In accordance with applicable accounting standard and Schedule III to the Companies Act, 2013, Sales for the period April 01, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT). Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 2017, VAT / Central Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of applicable accounting standard. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, figures for the year ended and as on March 31, 2019 such as sales, expenses, elements of working capital (Inventories, other current assets / current liabilities) and ratios in percentage of sales, are not comparable with the figures of the previous year. For comparison purposes revenue excluding excise duty is given below :

**₹ Crores**

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net Sales excluding excise duty | 6,123.84 | 5,457.25 |

**4.16** (a) In the course of normal business operation, the Company has settled certain receivables by acquiring residential and commercial properties. The process of disposing these properties is in progress. An impairment loss of ₹ 1.10 crores is recognised in Statement of profit and loss under the head Other expenses to write down the value of such properties to its fair value. The reportable segment, in which the Non-current Asset held for sale is presented, is RMC in accordance with Ind AS 108.

(b) The Company has decided to discontinue its operations at its Cement packing unit and dispose off certain assets located there such as buildings, land, plant & machinery, etc. The Company is in the process of discussion with various potential buyers and expects the same to be disposed off within next twelve months. The reportable segment, in which the Non-current Asset held for sale is presented, is Cement in accordance with Ind AS 108.

## 4.17 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

**March 31, 2019 :**

₹ Crores

| Name of the entity in the Group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | % of consolidated net assets | Amount | % of consolidated profit or loss | Amount | % of consolidated Other Comprehensive Income | Amount | % of consolidated Total Comprehensive Income | Amount |
| **Parent** | 53.93% | 750.72 | 133.06% | 145.84 | 84.63% | 0.66 | 132.72% | 146.50 |
| **Subsidiaries (Group's share)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Milano Bathroom Fittings Private Limited | 2.31% | 32.17 | 5.74% | 6.29 | – | – | 5.70% | 6.29 |
| Silica Ceramica Private Limited | 2.08% | 29.00 | -28.19% | (30.89) | -1.28% | (0.01) | -27.99% | (30.90) |
| H. & R. Johnson (India) TBK Limited * | 0.59% | 8.21 | -6.09% | (6.68) | -3.85% | (0.03) | -6.08% | (6.71) |
| RMC Readymix Porselano (India) Limited | – | 0.04 | -0.01% | (0.01) | – | – | – | (0.01) |
| Antique Marbonite Private Limited * | 4.96% | 69.02 | 4.34% | 4.76 | 5.13% | 0.04 | 4.35% | 4.80 |
| Small Johnson Floor Tiles Private Limited * | 1.29% | 17.89 | -0.36% | (0.40) | -7.69% | (0.06) | -0.42% | (0.46) |
| Spectrum Johnson Tiles Private Limited | 1.40% | 19.53 | -3.02% | (3.31) | -3.85% | (0.03) | -3.03% | (3.34) |
| Sentini Cermica Private Limited | 2.76% | 38.43 | 2.65% | 2.90 | 1.28% | 0.01 | 2.64% | 2.91 |
| Coral Gold Tiles Private Limited | 0.62% | 8.63 | 0.95% | 1.04 | 2.56% | 0.02 | 0.96% | 1.06 |
| Raheja QBE General Insurance Company Limited | 7.79% | 108.40 | -9.15% | (10.03) | 11.54% | 0.09 | -9.01% | (9.94) |
| **Non-controlling interests in all subsidiaries** | | | | | | | | |
| **Indian** | 19.10% | 265.94 | -6.20% | (6.80) | 8.97% | 0.07 | -6.10% | (6.73) |
| **Joint ventures (Investment as per equity method)** | | | | | | | | |
| Ardex Endura (India) Private Limited * | 3.17% | 44.07 | 6.28% | 6.89 | 2.56% | 0.02 | 6.26% | 6.91 |
| **Total** | **100%** | **1,392.05** | **100%** | **109.60** | **100%** | **0.78** | **100%** | **110.38** |

## 4.17 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III (Contd...)

March 31, 2018 :

₹ Crores

| Name of the entity in the Group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | % of consolidated net assets | Amount | % of consolidated profit or loss | Amount | % of consolidated Other Comprehensive Income | Amount | % of consolidated Total Comprehensive Income | Amount |
| Parent | 50.32% | 659.48 | 117.71% | 64.74 | 7.44% | (0.23) | 124.27% | 64.51 |
| Subsidiaries (Group's share) | | | | | | | | |
| Indian | | | | | | | | |
| Milano Bathroom Fittings Private Limited | 1.97% | 25.88 | 10.42% | 5.73 | 1.29% | (0.04) | 10.96% | 5.69 |
| Silica Ceramica Private Limited | 2.68% | 35.12 | -69.80% | (38.39) | 1.29% | (0.04) | -74.03% | (38.43) |
| H. & R. Johnson (India) TBK Limited * | 1.01% | 13.18 | -10.67% | (5.87) | -1.29% | 0.04 | -11.23% | (5.83) |
| RMC Readymix Porselano (India) Limited | — | 0.05 | — | — | — | — | — | — |
| Antique Marbonite Private Limited * | 4.90% | 64.22 | 4.74% | 2.61 | -2.59% | 0.08 | 5.18% | 2.69 |
| Small Johnson Floor Tiles Private Limited * | 1.40% | 18.35 | 4.05% | 2.23 | 2.59% | (0.08) | 4.14% | 2.15 |
| Spectrum Johnson Tiles Private Limited * | 1.75% | 22.87 | 1.67% | 0.92 | 0.97% | (0.03) | 1.71% | 0.89 |
| Sentini Cermica Private Limited | 2.71% | 35.52 | 6.98% | 3.84 | 0.65% | (0.02) | 7.36% | 3.82 |
| Coral Gold Tiles Private Limited | 0.58% | 7.57 | 1.42% | 0.78 | 0.65% | (0.02) | 1.47% | 0.76 |
| Raheja QBE General Insurance Company Limited | 9.03% | 118.33 | 1.11% | 0.61 | 45.31% | (1.40) | -1.52% | (0.79) |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Indian | 20.80% | 272.67 | 22.73% | 12.50 | 44.98% | (1.39) | 21.40% | 11.11 |
| Joint ventures (Investment as per equity method) | | | | | | | | |
| Ardex Endura (India) Private Limited * | 2.85% | 37.29 | 9.64% | 5.30 | -1.29% | 0.04 | 10.29% | 5.34 |
| **Total** | **100%** | **1,310.53** | **100%** | **55.00** | **100%** | **(3.09)** | **100%** | **51.91** |

* Based on consolidated financial statement of the respective entities

**4.18** Figures for the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

As per our report of even date
For **G. M. Kapadia & Co.**
*Chartered Accountants*
Firm Registration No. 104767W

**Atul Shah**
*Partner*
Membership No. 039569

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board
**Shobhan M. Thakore**
*(Chairman)*

**Vijay Aggarwal**
*(Managing Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

# FORM AOC – I

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

**Statement containing salient features of the financial statements of Subsidiaries /Joint Ventures/ Associates**

**Part " A" Subsidiaries**

₹ Crores

| Sr. No. | Name of the Subsidiaries | Milano Bathroom Fittings Private Limited | Silica Ceramica Private Limited | H. & R. Johnson (India) TBK Limited * | RMC Readymix Porselano (India) Limited $ | Raheja QBE General Insurance Company Limited |
|---|---|---|---|---|---|---|
| 1 | Date when subsidiary was acquired | 26.06.2010 | 11.09.2009 | 01.04.2009** | 01.04.2009** | 10.12.2007 |
| 2 | Reporting Currency | INR | INR | INR | INR | INR |
| 3 | Share Capital | 0.72 | 86.61 | 1.61 | 0.05 | 207.00 |
| 4 | Reserves & Surplus | 31.44 | (42.34) | 8.30 | (0.01) | 5.54 |
| 5 | Total Assets | 49.69 | 285.57 | 25.89 | 0.05 | 497.52 |
| 6 | Total Liabilities | 17.52 | 241.30 | 15.97 | 0.01 | 284.98 |
| 7 | Investments | 0.01 | – | 4.67 | – | 411.11 |
| 8 | Turnover | 56.54 | 129.06 | 38.99 | – | 153.02 |
| 9 | Profit before Taxation | 6.87 | (30.90) | (6.26) | (0.01) | (21.22) |
| 10 | Provision for taxation | 0.58 | – | 0.10 | – | (1.55) |
| 11 | Profit after taxation (before OCI) | 6.29 | (30.90) | (6.36) | (0.01) | (19.67) |
| 12 | Other Comprehensive Income and Minority share | # | (0.02) | (0.03) | – | 0.18 |
| 13 | Profit/(Loss) for the year (after OCI) - Total Comprehensive Income attributable to the owners of the Company | 6.29 | (30.92) | (6.39) | (0.01) | (19.49) |
| 14 | Proposed Dividend | Nil | Nil | Nil | Nil | Nil |
| 15 | % of shareholding | 100% | 99.93% | 100% | 100% | 51% |

**Part "B" : Joint Ventures and Associates**

| Sr. No. | Name of Joint Ventures/ Associates | Sentini Cermica Private Limited | Spectrum Johnson Tiles Private Limited | Antique Marbonite Private Limited * | Small Johnson Floor Tiles Private Limited* | Coral Gold Tiles Private Limited | Ardex Endura (India) Private Limited* | CSE Solar Parks Satna Private Limited | Prism Power and Infrastructure Private Limited $ |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Latest audited Balance Sheet date | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 2 | Date when Joint Ventures/ Associates was acquired | 01.04.2009** | 01.04.2009** | 01.04.2009** | 18.11.2011 | 04.11.2015 | 01.04.2009** | 18.03.2019 | 08.02.2006 |
| 3 | Shares of Joint Ventures/ Associates held by the Company on the year end | | | | | | | | |
| | - Number | 20,00,000 | 21,65,388 | 30,09,000 | 20,00,000 | 26,00,000 | 65,00,000 | 2,70,001 | 4,900 |
| | - Amount of investment in Joint Ventures/Associates | 10.00 | 8.03 | 15.08 | 14.63 | 5.46 | 6.50 | 0.27 | # |
| | - Extend of Holding % | 50% | 50% | 50% | 50% | 50% | 50% | 27% | 49% |
| 4 | Description of how there is significant influence | Joint Venture | Joint Venture | Joint Venture | Joint Venture | Joint Venture | Joint Venture | Associate | Associate |
| 5 | Reason why the Joint Ventures/ Associates is not consolidated | N.A | N.A | N.A | N.A | N.A | N.A | N.A | Not Operational and not material |
| 6 | Networth attributable to Shareholding as per latest audited Balance Sheet | 38.43 | 19.53 | 69.02 | 17.89 | 8.63 | 44.07 | 0.77 | # |
| 7 | Profit/(Loss) for the year (after OCI) - Total Comprehensive Income attributable to the owners of the Company | | | | | | | | |
| | i. Considered in Consolidation | 5.82 | (6.68) | 9.60 | (0.91) | 2.12 | 6.91 | (0.06) | N.A. |
| | ii. Not considered in Consolidation | Refer Note no. 5 | | | | | 6.91 | (0.17) | N.A. |

* Based on Consolidated financial statements of respective entities

$ Entities yet to commence operations

# Amount less than ₹50,000/-

** The appointed date of amalgamation of erstwhile H. & R. Johnson (India) Limited with the Company

Notes :

(1) None of the entities have been liquidated or sold during the year.

(2) The reporting period of all the subsidiaries is March 31, 2019.

(3) Investments excludes investment in subsidiaries.

(4) On March 28, 2019, the Company has acquired additional 0.03% holding in Silica Ceramica Private Limited.

(5) As per the principles of Ind-AS, these entities are considered as Subsidiary therefore total profit of the said entities have been considered for consolidation.

For and on behalf of the Board

**Shobhan M. Thakore**
*(Chairman)*

**Vivek K. Agnihotri**
*(Executive Director & CEO - Cement)*

**Manish Bhatia**
*(Chief Financial Officer)*

**Ameeta A. Parpia**
*(Director)*

**Atul R. Desai**
*(Executive Director & CEO - RMC)*

**Aneeta S. Kulkarni**
*(Company Secretary)*

**Vijay Aggarwal**
*(Managing Director)*

**Sarat Chandak**
*(Executive Director & CEO - HRJ)*

Place : Mumbai
Date : May 10, 2019

# Notice

**NOTICE IS HEREBY GIVEN** that the Twenty-seventh Annual General Meeting of the Company will be held on Wednesday, July 31, 2019 at 10.00 a.m. at National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2nd Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana, to transact the following business :

**Ordinary Business** :

**1.** To consider and adopt :

a. the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and the Statutory Auditors thereon; and

b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019, together with the Report of the Statutory Auditors thereon.

**2.** To appoint a Director in place of Mr. Atul R. Desai (DIN : 01918187), who retires by rotation and being eligible, offers himself for re-appointment as Director.

**Special Business :**

**3. Re-appointment of Mr. Vijay Aggarwal as Managing Director**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as may be amended from time to time and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the re-appointment of Mr. Vijay Aggarwal (DIN : 00515412) as Managing Director of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), to revise/alter/modify/amend/ change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Vijay Aggarwal.

1. Period :

Three years with effect from March 3, 2019.

2. Remuneration :

(i) Remuneration, by way of salary, perquisites, incentives and allowances, and commission, which together shall not, in any financial year, exceed ₹ 12 Crores (Rupees Twelve Crores only), as may be decided by the Board from time to time.

(ii) In addition, Mr. Vijay Aggarwal shall be entitled to the following :

(a) Company's contribution to provident fund, superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961;

(b) gratuity/ex-gratia at a rate not exceeding half a month's salary for each completed year of service; and

(c) encashment of leave at the end of the tenure, payable as per the rules of the Company."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove, in the event of loss or inadequacy of profits or in the event that the limits set out in Section 197 and/or Schedule V to the Companies Act, 2013 are exceeded in any financial year(s) during the currency of tenure of Mr. Vijay Aggarwal as Managing Director of the Company, he shall be paid the above mentioned remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolutions in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

**4. Re-appointment of Mr. Atul R. Desai as Executive Director & CEO (RMC)**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution** :

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as may be amended from time to time and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the re-appointment of Mr. Atul R. Desai (DIN : 01918187) as Executive Director & CEO (RMC) of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), to revise/alter/modify/amend/change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Atul R. Desai.

1. Period :

   Three years with effect from August 29, 2019.

2. Remuneration :

   (i) Remuneration, by way of salary, perquisites, incentives and allowances, and commission, which together shall not, in any financial year, exceed ₹ 5 Crores (Rupees Five Crores only), as may be decided by the Board from time to time.

   (ii) In addition, Mr. Atul R. Desai shall be entitled to the following :

      (a) Company's contribution to provident fund, superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961;

      (b) gratuity/ex-gratia at a rate not exceeding half a month's salary for each completed year of service; and

      (c) encashment of leave at the end of the tenure, payable as per the rules of the Company."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove, in the event of loss or inadequacy of profits or in the event that the limits set out in Section 197 and/ or Schedule V to the Companies Act, 2013 are exceeded in any financial year(s) during the currency of tenure of Mr. Atul R. Desai as Executive Director & CEO (RMC) of the Company, he shall be paid the above mentioned remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

**5. Appointment of Mr. Sarat Chandak as Director of the Company**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution** :

"RESOLVED THAT Mr. Sarat Chandak (DIN : 06406126), who was appointed as Additional Director of the Company with effect from March 3, 2019 and who holds office upto the date of this Annual General Meeting as per Section 161 of the Companies Act, 2013 ('the Act') and pursuant to the recommendation of the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**6. Appointment of Mr. Sarat Chandak as Executive Director & CEO (HRJ)**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution** :

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as may be amended from time to time and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the appointment of Mr. Sarat Chandak (DIN : 06406126) as Executive Director & CEO (HRJ) of

the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), to revise/alter/modify/amend/ change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Sarat Chandak.

1. Period :

   Three years with effect from March 3, 2019.

2. Remuneration :

   (i) Remuneration, by way of salary, perquisites, incentives and allowances, and commission, which together shall not, in any financial year, exceed ₹ 5 Crores (Rupees Five Crores only), as may be decided by the Board from time to time.

   (ii) In addition, Mr. Sarat Chandak shall be entitled to the following :

      (a) Company's contribution to provident fund, superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961;

      (b) gratuity/ex-gratia at a rate not exceeding half a month's salary for each completed year of service; and

      (c) encashment of leave at the end of the tenure, payable as per the rules of the Company."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove, in the event of loss or inadequacy of profits or in the event that the limits set out in Section 197 and/ or Schedule V to the Companies Act, 2013 are exceeded in any financial year(s) during the currency of tenure of Mr. Sarat Chandak as Executive Director & CEO (HRJ) of the Company, he shall be paid the above mentioned remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolutions in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

## 7. Re-appointment of Mr. Shobhan M. Thakore as Independent Director of the Company

**To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shobhan M. Thakore (DIN : 00031788), who was appointed as an Independent Director and who holds office up to July 30, 2019, being eligible and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, with effect from July 31, 2019 as well as to continue to hold the position of Non-executive Independent Director beyond 75 years of age."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 8. Re-appointment of Ms. Ameeta A. Parpia as Independent Director of the Company

**To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Ameeta A. Parpia (DIN : 02654277), who was appointed as an Independent Director and who holds office up to July 30, 2019, being eligible and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, with effect from July 31, 2019."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**9. To ratify remuneration of the Cost Auditors of the Company**

**To consider and, if thought fit, to ratify, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. D. C. Dave & Co., Cost Accountants, (Firm Registration No. 000611) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid a remuneration of ₹ 9,00,000/-, in addition to applicable taxes and reimbursement of out-of-pocket expenses."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**10. Private Placement of Non-convertible Debentures and/or other Debt Securities**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

"RESOLVED THAT in supersession of the Special Resolution passed at the 26th Annual General Meeting of the Company held on August 8, 2018 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended and subject to other applicable Rules, Regulations, Guidelines, Notifications and Circulars as may be applicable, the Articles of Association of the Company and subject to receipt of necessary approvals as may be required and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals which may be agreed to by the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the approval of the Company, be and is hereby accorded to the Board for making offer(s) or invitation(s) to subscribe to secured/unsecured Non-convertible Debentures ('NCDs') including but not limited to Bonds, and/or other Debt Securities, on Private Placement basis, in one or more tranches, to such person(s)/Financial Institution(s)/Bank(s)/Mutual Fund(s)/Body Corporate(s)/Company(ies)/any other entities on such terms and conditions as the Board may deem fit during a period of one year from the date of passing of this resolution upto an aggregate amount of ₹ 1250,00,00,000/- (Rupees Twelve Hundred Fifty Crores only) within the overall borrowing limits of the Company, as approved by the members, from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle or vary/modify the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, premium, repayment, prepayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or any regulatory bodies and to delegate all or any of the powers conferred herein to any Committee of Directors or any other Officer(s)/Authorised Representative(s) of the Company and/or in such manner as it may deem fit."

**NOTES :**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Business mentioned under Item Nos. 3 to 10 above, is annexed hereto. Details of the Directors seeking re-appointment/appointment under Item 2 - 8 of the Notice as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR') are included in the Notice.

2. **A member entitled to attend and vote at the Annual General Meeting (the 'AGM'/'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, in order to be effective, be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the Meeting.**

3. **A person can act as a proxy on behalf of not more than fifty members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature(s) authorising their representative(s) to attend and vote on their behalf at the Meeting.

5. Members/proxies are requested to bring duly filled attendance slip(s) sent herewith to attend the Meeting.

6. The Register of Members and Transfer Books of the Company will remain closed from Thursday, July 25, 2019 to Wednesday, July 31, 2019 (both days inclusive).

7. Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent - Karvy Fintech Private Limited ('Karvy'), Unit : Prism Johnson Limited, Karvy Selenium, Tower - B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad - 500 032. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

8. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from Karvy.

10. Pursuant to Section 101 and Section 136 of the Act read with Rules made thereunder, copies of the Annual Report, Notice of the 27th AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to all the Members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copy of the Annual Report is being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com quoting the Folio Number and Name of the Company. The Notice of the 27th AGM and the Annual Report will also be available on the Company's website www.prismjohnson.in for Members to download. Even after registering for e-communication, Members are entitled to receive such communication in printed form, upon making a request in writing for the same.

11. The Ministry of Corporate Affairs had notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'). As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority. The IEPF Rules mandate the companies to transfer such shares of Members of whom dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed amounts lying with the Company as on August 8, 2018 (date of last AGM) are available on the website of the Company www.prismjohnson.in/investors/IEPF and on Ministry of Corporate Affairs' website.

    The Members whose dividend/shares are transferred to the IEPF Authority can now claim their dividend/shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPFA/refund.html. Members are requested to approach the Company/Karvy for claiming unpaid dividends yet to be transferred to IEPF as early as possible.

12. SEBI has mandated the submission of the Permanent Account Number (PAN), proof of identity/address and bank details by every participant in the securities

market. Members holding shares in electronic form are, therefore, requested to submit the said documents to their Depository Participant(s). Members holding shares in physical form shall submit the documents to Karvy.

13. SEBI has amended the Regulation 40 of the SEBI LODR pursuant to which after March 31, 2019, transfer of securities cannot be processed unless the securities are held in the dematerialised form with a depository.

    Members holding shares in physical form are requested to dematerialise their holdings at the earliest as henceforth it will not be possible to transfer shares held in physical mode.

14. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day, except Saturdays, up to the date of the Meeting.

15. Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

16. Members are requested to note that Karvy has launched a new mobile application 'KPRISM' and website https://kprism.karvy.com for online service to shareholders.

    Members can download the mobile application, register themself (onetime) for availing host of services viz., consolidated portfolio view serviced by Karvy, dividends status and send requests for change of Address, change/ update Bank Mandate. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

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

18. In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended, the Secretarial Standards - 2 issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI LODR, the Members are provided with the facility to cast their vote electronically on all resolutions set forth in this Notice from a place other than the venue of the Meeting ('remote e-voting').

    The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, July 24, 2019, **('cut-off date')** are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

    The facility for voting through electronic voting system/ ballot paper will be made available at the AGM and Members attending the Meeting who have not already cast their vote by remote e-voting shall be eligible to vote at the Meeting.

    Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

    The Company has appointed Ms. Savita Jyoti, M/s. Savita Jyoti Associates, Practising Company Secretary, Hyderabad as the Scrutiniser to scrutinise the entire e-voting process, in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

    The Company has entered into an arrangement with Karvy for facilitating e-voting for AGM.

    The instructions for e-voting are as under :

**A. In case a Member receives Notice of AGM through email (for Members whose e-mail addresses are registered with the Company/ Depositories) :**

i. Open your web browser during the voting period and navigate to https://evoting.karvy.com.

ii. Enter the login credentials i.e. User ID and Password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

iii. After entering the details appropriately, click on 'LOGIN'.

iv. You will reach the 'Password Change' menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT (e-voting Event Number) i.e. **Prism Johnson Limited**.

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR'/'AGAINST' taken together should not exceed your total shareholding. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your vote by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. **Once you confirm, you shall not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email at sja.pjltd@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'Corporate Name_EVENT No.'

xi. The Portal will remain open for voting from **July 25, 2019 (9.00 a.m.) till July 30, 2019 (5.00 p.m.)**

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the 'Download' section of https://evoting.karvy.com or contact Karvy on Toll Free No. 1800-345-4001 for any further clarifications.

**B. In case a Member receives the physical copy of the Notice of AGM and Attendance Slip (for Members whose email addresses are not registered with the Company/Depositories) :**

i. Password is provided in the enclosed Attendance Slip : EVEN (e-voting Event Number) of Prism Johnson Limited, User ID and password.

ii. Please follow steps from Sr. No. (i) to (xii) under heading 'A' above to vote through e-voting platform.

**C. General Instructions :**

i. The e-voting period commences from 9.00 a.m. on July 25, 2019 and ends at 5.00 p.m. on July 30, 2019. During this period, the Members of the Company, holding shares either in physical form or in demat form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

ii. The voting rights shall be as per the number of equity shares held by the Member(s) as on Wednesday, July 24, 2019, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

iii. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iv. Subject to the receipt of requisite number of votes, the resolutions shall be deemed as passed on the date of the Meeting.

v. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.prismjohnson.in and on Karvy's website www.evoting.karvy.com and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited.

vi. A Route Map along with prominent landmark to reach the venue of AGM is annexed to this notice.

By Order of the Board

Place : Mumbai
Date : June 27, 2019

**Aneeta S. Kulkarni**
Company Secretary

## EXPLANATORY STATEMENT

As required by Section 102 of the Act, the following Explanatory Statement sets out the material facts relating to Item Nos. 3 to 10 mentioned in the accompanying Notice.

**Item No. 3 - 6**

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, at its meeting held on February 6, 2019 :

(i) Re-appointed Mr. Vijay Aggarwal (DIN : 00515412) as the Managing Director of the Company for a period of three years with effect from March 3, 2019.

(ii) Appointed Mr. Sarat Chandak (DIN : 06406126) as Additional Director and designated him as Executive Director & CEO (HRJ) of the Company for a period of three years with effect from March 3, 2019.

Pursuant to Section 161 of the Act, Mr. Chandak holds office as Additional Director up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company, liable to retire by rotation.

The Board, on the recommendation of the Nomination & Remuneration Committee, at its meeting held on May 10, 2019, re-appointed Mr. Atul Desai (DIN : 01918187) as Executive Director & CEO (RMC) of the Company for a period of three years with effect from August 29, 2019.

**Statement as per Part (B) of Part II of Schedule V to the Companies Act, 2013 and information pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

| I. | GENERAL INFORMATION | | | | |
|---|---|---|---|---|---|
| | 1. | **Nature of Industry** | Manufacture of Cement, Tiles, Bath and Ready Mixed Concrete. | | |
| | 2. | **Date or expected date of commencement of commercial production** | The Company was incorporated on March 26, 1992. | | |
| | 3. | **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** | Not applicable | | |
| | 4. | **Financial performance based on given indicators** | | | **₹ Crores** |
| | | | **Particulars** | **2018-19** | **2017-18** | **2016-17** |
| | | | Total Revenue | 5,976.30 | 5,586.16 | 5,555.24 |
| | | | Total Expenses | 5,746.25 | 5,481.10 | 5,527.11 |
| | | | Exceptional Items | – | – | – |
| | | | Profit Before Tax | 230.05 | 105.06 | 28.13 |
| | | | Profit After Tax | 145.98 | 70.41 | 17.51 |
| | | | Dividend Rate | 5% | – | – |
| | 5. | **Foreign investments or collaborators, if any** | There are no foreign collaborators.<br>The Company is listed on BSE Limited and the National Stock Exchange of India Limited. The foreign holding in the Company as on March 31, 2019 is 7.13%. | | |

| | | | |
|---|---|---|---|
| **II.** | **INFORMATION ABOUT THE APPOINTEE** | | |
| **A** | **Mr. Vijay Aggarwal** | | |
| | **1.** | **Background details** | Mr. Vijay Aggarwal, 50 years, was appointed as Managing Director on the Board since March 3, 2010 and has earlier been a Director on the Board of the Company as an alternate to Mr. Satish B. Raheja. He was the Managing Director and CEO of the erstwhile H. & R. Johnson (India) Limited since 1998, before it was amalgamated with the Company.<br><br>Mr. Aggarwal graduated from IIT Delhi with a B. Tech in Electrical Engineering and completed PGDM from IIM, Ahmedabad, where he was conferred the Gold Medal for being the first ranker and K. V. Srinivas Gold Medal for being the best all-rounder. He started his career with SBI Capital Markets Limited and has several years of experience in the manufacturing industry.<br><br>Mr. Aggarwal is also a Director on the Boards of Aptech Limited, Asianet Satellite Communications Limited, Exide Industries Limited, Exide Life Insurance Company Limited and Raheja QBE General Insurance Company Limited. He is Chairman of the Audit Committee of Aptech Limited, Asianet Satellite Communications Limited and Exide Life Insurance Company Limited & member of the Audit Committees of Exide Industries Limited and Raheja QBE General Insurance Company Limited.<br><br>In the past, Mr. Aggarwal had been a part of various associations in different capacities. He had served as the Chairman of Indian Council of Ceramic Tiles and Sanitaryware, as Vice-Chairman of Ceramics and Allied Products (including Refractories) Panel at Capexil and as a Member of the Managing Committee of Bombay Chamber of Commerce and Industry. |
| | **2.** | **Past Remuneration** | The remuneration paid to Mr. Aggarwal for the year 2018-19 was ₹ 9.69 Crores. |
| | **3.** | **Job profile and his suitability** | Mr. Aggarwal, as the Managing Director of the Company, functions under the overall superintendence and guidance of the Board. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Aggarwal. |
| **B.** | **Mr. Atul R. Desai** | | |
| | **1.** | **Background details** | Mr. Atul R. Desai, 57 years, has a rich experience of 32 years. He was the Whole-time Director and Chief Marketing Officer at Reliance Cement Company Private Limited ('RCC') prior to joining the Company. He joined RCC in 2013. He led the marketing, logistics and sales operations, product management, partnership marketing, customer service and customer retention. As a part of the marketing operations, he also took care of RCC's media and industry relations, advertising, interactive programmes, communications as well as market and customer research.<br><br>He started his career as a GET with Gujarat State Fertilizer Corporation and subsequently served other leading companies including Star Cement and Ambuja Cement as Head of Operations & Marketing.<br><br>Mr. Desai has done B.E. (Chemical) from Gujarat University and MBA (Marketing) from South Gujarat University. He has also undergone a Senior Executive Programme at London Business School and Senior Leadership Programme at IMD Luccane - Switzerland. |

| | | | |
|---|---|---|---|
| | **2.** | **Past Remuneration** | The remuneration paid to Mr. Desai for the year 2018-19 was ₹ 2.87 Crores. |
| | **3.** | **Job profile and his suitability** | Mr. Desai, as the Executive Director & CEO (RMC) of the Company, functions with special focus on the RMC (India) Division under the overall superintendence and guidance of the Board and the Managing Director of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Desai. |
| **C.** | **Mr. Sarat Chandak** | | |
| | **1.** | **Background details** | Mr. Sarat Chandak, 48 years, was appointed as Executive Director & CEO (HRJ) on the Board of Directors since March 3, 2019. He joined the Company in November 2018 and was designated Chief Executive Officer (HRJ) - Designate.<br>Mr. Chandak has a good and varied experience of over 24 years, with in-depth business insight and knowledge of the building materials industry, especially in the tiles industry. He is a result-oriented, persevering management professional with documented track record of success in developing business in nascent markets and building efficient organisational team, with proven ability to lead and mentor. He has knowledge of business processes of both front and back hand with proficiency in strategising to tackle operational challenges and align business objectives.<br>Mr. Chandak was the Chief Executive Officer & Whole Time Director of RAK Ceramics India Private Limited since May 2016. Prior to his joining RAK Ceramics, Mr. Chandak had worked in senior positions with Kajaria Ceramics Limited, Bell Granito Ceramica Limited and Everest Industries Limited.<br>Mr. Chandak has done his B.Sc. (Hons), Sambalpur University, Post Graduate Diploma in Systems Management, NIIT - Nagpur and MBA-Marketing from Pune University. |
| | **2.** | **Past Remuneration** | The remuneration paid to Mr. Chandak for the period March 3, 2019 to March 31, 2019 was ₹ 0.21 Crores. |
| | **3.** | **Job profile and his suitability** | Mr. Chandak, as the Executive Director & CEO (HRJ) of the Company, functions with special focus on the H & R Johnson (India) Division under the overall superintendence and guidance of the Board of Directors and the Managing Director of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Chandak. |
| | **Remuneration proposed** | | To be decided by the Nomination & Remuneration Committee/ Board from time to time within the overall limits as approved by the shareholders. |
| | **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person** | | Considering the general industry practices, the specific Company profile, knowledge, skills, insights, vast business experience and responsibilities shouldered by Mr. Aggarwal, Mr. Desai and Mr. Chandak, the remuneration decided by the Nomination & Remuneration Committee/Board is in line with industry standards and is fair and reasonable. |
| | **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any** | | Except for the remuneration payable to them, Mr. Aggarwal, Mr. Desai and Mr. Chandak have no direct or indirect pecuniary relationship with the Company or with any of the Directors or managerial personnel of the Company.<br>The Company does not pay any bonus, severance fee and no stock options have been granted to the Managing Director/Executive Director & CEOs. |

| | | | |
|---|---|---|---|
| **III.** | **DISCLOSURES** | 1. | The appointments may be terminated at any time by either party giving six months' notice of such termination to the other party. |
| | | 2. | Mr. Aggarwal, Mr. Desai and Mr. Chandak do not hold any securities of the Company. |
| | | 3. | Mr. Aggarwal, Mr. Desai and Mr. Chandak do not have any interest in the capital of the Company or any of its subsidiaries directly or indirectly or through any other statutory structures and do not have any direct or indirect interest nor are they related to the directors or promoters of the Company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment. |
| | | 4. | Mr. Aggarwal, Mr. Desai and Mr. Chandak possess post-graduate level qualification with expertise and specialised knowledge in the field in which the Company operates. |
| | | 5. | Board Meeting Attendance for FY 2019 :<br>Mr. Vijay Aggarwal : 9 Meetings<br>Mr. Atul Desai : 8 Meetings<br>Mr. Sarat Chandak : 1 Meeting |

The draft Agreements to be entered into with Mr. Aggarwal, Mr. Desai and Mr. Chandak are available for inspection at the Company's Registered Office at Hyderabad and at the Corporate Office at Mumbai, on all working days between 11.00 a.m. to 1.00 p.m., except Saturdays, up to the date of the Annual General Meeting.

The Directors are of the view that the Company would benefit/ continue to be benefited by the experience and guidance of Mr. Aggarwal, Mr. Desai and Mr. Chandak and therefore recommend adoption of the Ordinary/Special Resolutions at Item Nos. 3 - 6.

Mr. Aggarwal, Mr. Desai and Mr. Chandak are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Except for Mr. Aggarwal, Mr. Desai and Mr. Chandak who may be deemed to be interested in the appointment, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

**Item No. 7 & 8**

Mr. Shobhan M. Thakore (DIN : 00031788) and Ms. Ameeta A. Parpia (DIN : 02654277) were appointed as Independent Directors of the Company for a term of five years and they hold office as Independent Directors of the Company up to July 30, 2019.

The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Thakore and Ms. Parpia as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company with effect from July 31, 2019.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenures respectively, the continued association of Mr. Thakore and Ms. Parpia would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Thakore and Ms. Parpia as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Regulation 17A(1) of the SEBI LODR, which are effective from April 1, 2019, require the Company to obtain approval of members by way of a special resolution for appointing or continuing the directorship of a person as a Non-executive Director who has attained seventy-five years of age. Mr. Thakore shall attain the age of 75 years during the proposed second term. Mr. Thakore has rich and varied experience in the industry and it would be in the interest of the Company to continue to avail of his expertise.

Mr. Thakore and Ms. Parpia are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and are not debarred from holding the office of director by virtue of any SEBI order or any other such authority and have given their consent to act as a Directors.

The Company has also received declarations from Mr. Thakore and Ms. Parpia that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI LODR.

In the opinion of the Board, Mr. Thakore and Ms. Parpia fulfil the conditions for appointment as Independent Directors as specified in the Act and the SEBI LODR. Mr. Thakore and Ms. Parpia are independent of the management.

The Company has also received notices from a Member under Section 160 of the Act proposing their re-appointment as Directors.

Details of Mr. Thakore and Ms. Parpia, are provided in the Notice. They shall be paid remuneration by way of fee for attending meetings of the Board/Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act and as approved by the shareholders.

Copy of draft letters of appointment of Mr. Thakore and Ms. Parpia setting out the terms and conditions of appointment is available for inspection by the Members at the Company's Registered Office at Hyderabad and at the Corporate Office at Mumbai, on all working days between 11.00 a.m. to 1.00 p.m., except Saturdays, up to the date of the Annual General Meeting.

Except for Mr. Thakore and Ms. Parpia who may be deemed to be interested in the appointment, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business. Mr. Thakore and Ms. Parpia are not related to any of the Directors or Promoters of the Company.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI LODR.

The Board recommends the Special Resolutions set out at Item Nos. 7-8 of the Notice for approval by the members.

**Item No. 9**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. D. C. Dave & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of ₹ 9,00,000/-, in addition to applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

The Directors recommend the passing of the Ordinary Resolution at Item No. 9.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

**Item No. 10**

As per Section 42 of the Act read with the Rules thereunder, a company offering or making an invitation to subscribe to Non-convertible Debentures ('NCDs') on a private placement basis, is required to obtain the prior approval of Members by way of a special resolution. Such an approval by way of special resolution may be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs issued on private placement basis are a significant source of borrowings for the Company. The borrowings of the Company as on the date of notice consists of secured NCDs and Fund & Non-fund based Credit Facilities from Banks by way of Cash Credit/Overdraft/Short Term Loan/WCDL/LC/BG, etc. The Company has, as on date, borrowed ₹ 775 Crores by way of NCDs at competitive costs due to which the average cost of borrowing of the Company has reduced. The Company seeks to pass an enabling resolution to borrow funds in addition to the existing borrowing to meet its requirement of funds for repayment/reduction of high cost borrowings, working capital requirements and general corporate purposes.

The Members had, at the AGM held on August 8, 2018, approved a similar resolution which was valid for a year. Therefore, the approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 10, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Directors recommend the passing of the Special Resolution at Item No. 10.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

By Order of the Board

Place : Mumbai
Date : June 27, 2019

**Aneeta S. Kulkarni**
Company Secretary

CIN : L26942TG1992PLC014033
***Registered Office*** **:**
305, Laxmi Niwas Apartments,
Ameerpet, Hyderabad - 500 016
Phone : +91-40-23400218 ; Fax : +91-40-23402249
email : investor@prismjohnson.in
website: www.prismjohnson.in

**Details of Directors seeking re-appointment as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 :**

**Mr. Shobhan M. Thakore (DIN : 00031788)**, 71 years, B.A. (Politics) and Bachelor of Law from Bombay University is the Chairman of the Board. He was a Solicitor of High Court, Bombay and Supreme Court of England and Wales.

He was an advisor to several leading Indian Companies on corporate law matters and securities related legislations. He had acted on behalf of leading investment banks and issuers for Indian IPO offerings and several international equity and equity-linked debt issuances by Indian corporates. He also advised in the establishment and operations of various India-dedicated equity funds and domestic mutual funds. Being a solicitor for over 40 years, he instructed leading Indian Counsel before various courts and forums including High Courts around India as well as the Supreme Court of India in various matters involving indirect tax, commercial and corporate law. He was a partner of M/s. Bhaishanker Kanga & Girdharlal, Advocates & Solicitors for more than 30 years, until March 31, 2004. Thereafter, he was a partner of M/s. AZB & Partners, Advocates & Solicitors until December 31, 2006. From January 1, 2007, Mr. Thakore along with Mr. Suresh Talwar (ex-partner of M/s. Crawford Bayley & Company) founded M/s. Talwar Thakore & Associates, one of the leading corporate law firms in Mumbai and was a Senior Consultant with M/s. Talwar Thakore and Associates.

**Directorships in other Listed Companies :**

- Alkyl Amines Chemicals Limited
- Bharat Forge Limited
- Morarjee Textiles Limited
- Sharda Cropchem Limited

**Chairmanships/Memberships of Board Committees in other Listed Companies :**

- Alkyl Amines Chemicals Limited
  *Stakeholders Relationship Committee - Chairman*
  *Audit Committee - Member*
- Bharat Forge Limited
  *Audit Committee - Member*
- Morarjee Textiles Limited
  *Stakeholders Relationship Committee - Chairman*
  *Audit Committee - Member*
- Sharda Cropchem Limited
  *Stakeholders Relationship Committee - Member*

Mr. Thakore does not hold any securities in the Company. He does not have any *inter se* relation with any other Director or any employee of the Company.

**Ms. Ameeta A. Parpia (DIN : 02654277)** 54 years, B.A., LL.B, is the Chairperson of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Board of Directors of the Company.

Ms. Parpia, Advocate & Solicitor, partner of M/s. A. H. Parpia & Company, has been in practice since last 30 years.

**Directorships in other Listed Companies :**

- Supreme Petrochem Limited
- Hathway Cable & Datacom Limited

**Chairmanships/Memberships of Board Committees in other Listed Companies :**

- Supreme Petrochem Limited
  *Stakeholders Relationship Committee - Member*
  *Audit Committee - Member*
- Hathway Cable & Datacom Limited
  *Audit Committee - Member*

Ms. Parpia holds 76,000 equity shares of the Company. She does not have any *inter se* relation with any other Director or any employee of the Company.

# PRISM JOHNSON LIMITED

(Formerly Prism Cement Limited)
CIN : L26942TG1992PLC014033
Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218; Fax : +91 40 23402249; email : investor@prismjohnson.in; website : www.prismjohnson.in

## FORM NO. MGT-11
## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....
Registered address : .....
E-mail ID : .....
Folio No./Client ID : ..... DP ID : .....

I/We, being the member(s) holding ..... shares of Prism Johnson Limited, hereby appoint;

1. Name : ..... E-mail ID : .....
   Address : .....
   ..... Signature : .....
   or failing him/her
2. Name : ..... E-mail ID : .....
   Address : .....
   ..... Signature : .....
   or failing him/her
3. Name : ..... E-mail ID : .....
   Address : .....
   ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on July 31, 2019 at 10.00 a.m. at National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2nd Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana, and at any adjournment thereof in respect of such resolutions asare indicated below :

| | **Ordinary Business** | **For *** | **Against *** |
|---|---|---|---|
| 1. | Adoption of Audited Financial Statements for the year ended March 31, 2019. | | |
| 2. | Re-appointment of Mr. Atul R. Desai, a Director retiring by rotation. | | |
| | **Special Business** | **For *** | **Against *** |
| 3. | Re-appointment of Mr. Vijay Aggarwal as Managing Director. | | |
| 4. | Re-appointment of Mr. Atul R. Desai as Executive Director & CEO (RMC). | | |
| 5. | Appointment of Mr. Sarat Chandak as Director of the Company. | | |
| 6. | Appointment of Mr. Sarat Chandak as Executive Director & CEO (HRJ). | | |
| 7. | Re-appointment of Mr. Shobhan M. Thakore as Independent Director of the Company. | | |
| 8. | Re-appointment of Ms. Ameeta A. Parpia as Independent Director of the Company. | | |
| 9. | Ratify remuneration of the Cost Auditors of the Company. | | |
| 10. | Private Placement of Non-convertible Debentures and/or other Debt Securities. | | |

Signed this ..... day of ..... 2019

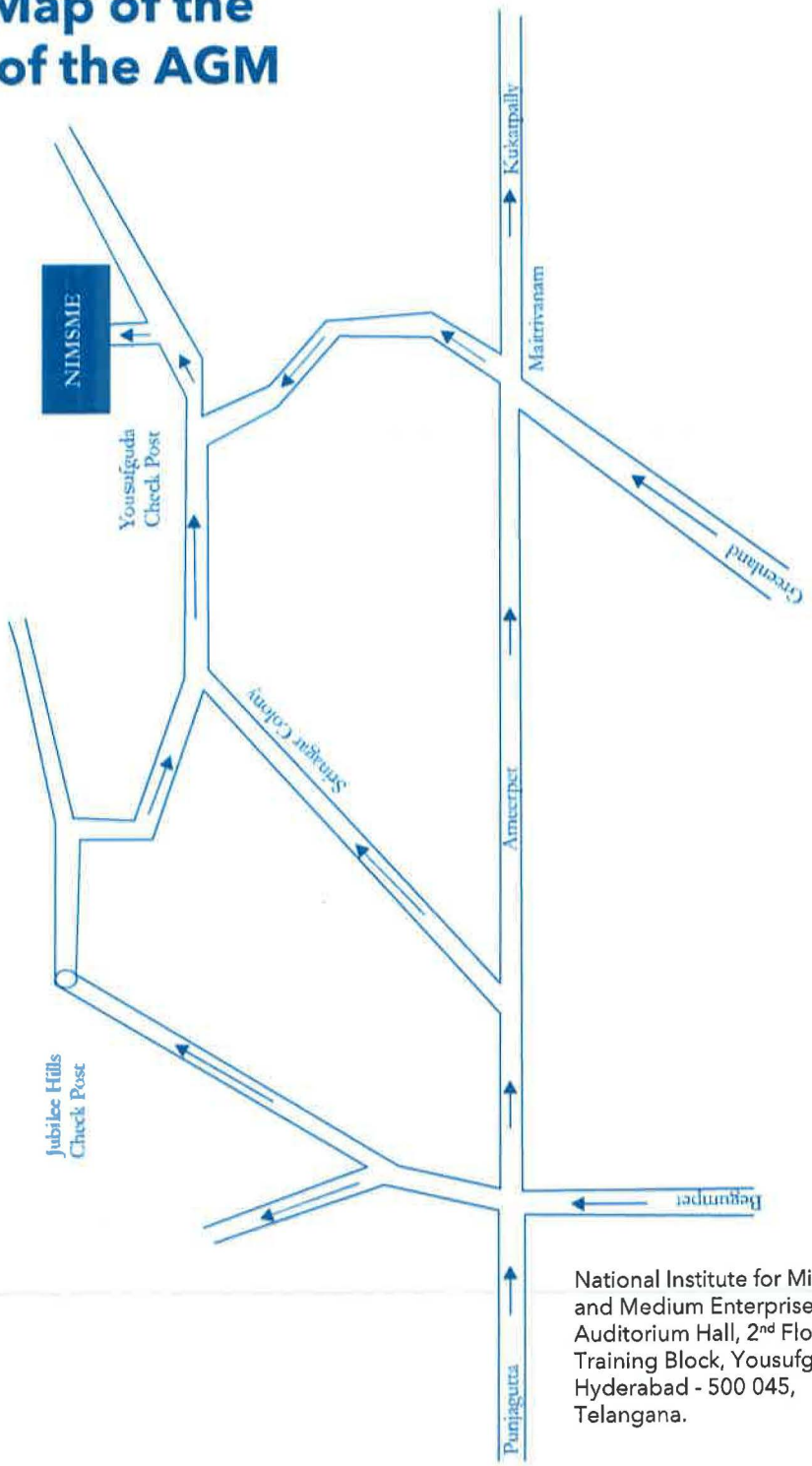
Affix Revenue Stamp

Signature of shareholder Signature of Proxy holder(s)

Notes :

*1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. Please complete all details including details of member(s) in above box before submission.

# Route Map of the Venue of the AGM




National Institute for Micro, Small and Medium Enterprises (ni-msme),
Auditorium Hall, 2nd Floor,
Training Block, Yousufguda,
Hyderabad - 500 045,
Telangana.

PRISM®
CEMENT
दूर की सोच

JOHNSON®
Not just tiles, Lifestyles.

PRISM RMC
Complete Concrete Solutions

Concept & Design at S-ANCIAL (info@s-ancial.com)

# PRISM JOHNSON LIMITED

(FORMERLY PRISM CEMENT LIMITED)

Scan me

**Registered Office**
305 Laxmi Niwas Apartments, Ameerpet, Hyderabad 500016
**CIN :** L26942TG1992PLC014033 |**Tel :** +91-40-23400218 | **Fax :** +91-40-23402249