

To,
BSE Limited,
Listing Compliance
24th Floor, P.J. Towers,
Dalal Street, Mumbai -400001
Scrip Code: 532644

20.1.2024

Dear Sir/Madam,

**Sub: Compliance pursuant to Reg.54(3) of SEBI (LODR) Regulations 2015- Security
Cover Certificate for the Q.E. 31.12.2023**

Pursuant to Regulation 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we herewith enclose the Security Cover Certificates for the Quarter ended 31st December, 2023

Kindly take the same on record and oblige

Thanking you,
Yours faithfully,

For J.K. Cement Ltd.

Shambhu Singh
Vice President & Company Secretary
M.No. FCS-5836

Encl.: As above**Corporate Office**

📍 Prism Tower, 5th Floor, Ninaniya Estate,
Gwal Pahari, Gurugram, Haryana-122102
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✉ prismtower@jkcement.com
🌐 www.jkcement.com

**JK SUPER
CEMENT**
BUILD SAFE

**JK SUPER
STRONG**
BUILD SAFE

JK CEMENT
WallMaxX
White Cement Wall Putty

Manufacturing Units at :

Nimbahera, Mangrol, Gotan (Rajasthan) | Muddapur (Karnataka)
Jharli (Haryana) | Ujjain, Katni (M.P.) | Aligarh (U.P.) | Balasinor (Gujarat)



Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at December 31, 2023 for submission to Debenture Trustee

To

The Board of Directors

J.K. Cement Limited

Kamla Tower, Kanpur- 208001, Uttar Pradesh

1. This Report is issued in accordance with the terms of service scope letter agreement dated July 22, 2023 and master engagement agreement dated July 25, 2022 with J.K. Cement Limited (hereinafter the "Company").
2. We S.R. Batliboi & CO. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement on 'book value of assets and compliance status of financial covenants' for Listed, rated, secured, non-convertible, non-cumulative, redeemable, debentures (hereinafter the "debentures") as at December 31, 2023 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended December 31, 2023 pursuant to the requirements of SEBI Master Circular dated March 31, 2023 on Operational Circular for Debenture Trustees (hereinafter the "SEBI Circular").

This Report is required by the Company for the purpose of submission with IDBI Trusteeship Services Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Circular in respect of its (a) debentures of face value of Rs. 10 lacs each, having original issue amount of Rs. 100 crores against which book value as at December 31, 2023 is Rs. 60 crores; and (b) debentures of face value of Rs. 1 lacs each, having original issue amount of Rs. 100 crores against which book value as at December 31, 2023 is Rs. 100 crores (cumulatively hereinafter the "NCD's"). The Company has entered into an agreement with the Debenture Trustee vide agreement dated April 17, 2015 and March 20, 2023 respectively in respect of such NCD's (hereinafter the "Debenture Trust Deed").

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Circular and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee and for complying with all the financial covenants as prescribed in the Debenture Trust Deed which are stated in Part B of the Statement.

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:

- (a) Book values of the assets as included in Column C to J of Part A of the accompanying Statement are in agreement with the books of account underlying the unaudited standalone financial results of the Company as at December 31, 2023; and
 - (b) Company is in compliance with financial covenants as mentioned in Part B of the Statement as on December 31, 2023.
6. We have performed a limited review of the unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion with emphasis of matter paragraph vide our review report dated January 20, 2024. Our review of those financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
 - a) Obtained the Debenture Trust Deed and read the relevant clauses containing details of assets pledged of the Company against the NCD's issued by the Company;
 - b) Obtained the Board approved unaudited standalone financial results of the Company as at and for the period ended December 31, 2023;
 - c) Traced the book value of the assets to the extent disclosed in Column C to J of Part A of the Statement by the Management to the books of accounts and records of the Company underlying the Board approved unaudited standalone financial results as at December 31, 2023;
 - d) Noted from the terms of Debenture Trust Deed that the Company shall issue NCD's against pledge of fixed assets related to Company's immovable and movable fixed assets (excluding mining land, mining lease, Captive Power plant and vehicles) of Grey cement plant situated at Muddapur Karnataka as security thereof;

- e) Obtained the list of security charge created in the register of charges maintained by the Company and relevant form of charge creation filed with Ministry of Corporate Affairs ('MCA'). Traced the charge created against the assets as stated in the list of security charge from the said form on test check basis;
- f) The management has represented and confirmed that there are no liens, pledges on the assets of the Company other than those mentioned in Column C to G of Part A of the Statement;
- g) We have not performed any independent procedure on the market value of assets as disclosed in Column M of Part A of the statement;
- h) With respect to compliance with covenants as detailed in Part B of the accompanying Statement, we have performed following procedures:
 - i. Obtained and verified the computation of Debt Service Coverage Ratio as defined in Part B of the Statement by tracing and agreeing profit after tax, depreciation and amortization, interest and finance charges, deferred tax, other non-cash adjustment for such period and the scheduled repayment installment from the Board approved unaudited standalone financial results of the Company for the period ended December 31, 2023 and the underlying books of account maintained by the Company;
 - ii. Obtained and verified the computation of Total Outside Liabilities and Tangible Net Worth as defined in Part B of the Statement by tracing and agreeing total outside liabilities, paid up equity share capital and other equity from the Board approved unaudited standalone financial results of the Company as at December 31, 2023 and the underlying books of account maintained by the Company; and
 - iii. Examined and verified the arithmetical accuracy of the computation of Debt Service Coverage Ratio and Total Outside Liabilities/Tangible Net Worth as stated in Part A of the accompanying Statement.
- i) Performed necessary inquiries with the Management and obtained necessary representations including:
 - (i) Identification of fixed assets related to Company's immovable and movable fixed assets (excluding mining land, mining lease, Captive Power plant and vehicles) of Grey cement plant situated at Muddapur Karnataka as stated in Part A of the Statement from the underlying fixed asset register of the Company as at and for the period ended December 31, 2023; and
 - (ii) No other financial covenants to be Complied by the Company other than as stated in Part B of the accompanying Statement.

We have relied on above representations as stated in clauses (i) and (ii) and performed no independent procedure in this regard.

Conclusion

- 11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
 - a) Book values of the assets as included in column C to J of Part A of the accompanying Statement are not in agreement with the books of account underlying the unaudited standalone financial results of the Company as at December 31, 2023; and

- b) Company is not in compliance with financial covenants as mentioned in Part B of the Statement as on December 31, 2023.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**SANJAY
VIJ**

Digitally signed by SANJAY VIJ
DN: cn=SANJAY VIJ, c=IN,
o=Personal,
email=sanjay.vij@srb.in
Date: 2024.01.20 16:35:44
+05'30'

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 24095169BKFNAX4840

Place of Signature: Gotan Date:

January 20, 2024

Statement on book values of assets and compliance status of financial covenants for NCD's as at December 31, 2023

Part A : Summary of book values with financial covenants on standalone basis as at December 31, 2023

Annexure I - Security Cover as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2023

Rs in Cr

Coloumn A	Coloumn B	Coloumn C	Coloumn D	Coloumn E	Coloumn F	Coloumn G	Coloumn H	Coloumn I	Coloumn J	Coloumn K	Coloumn L	Coloumn M	Coloumn N	Coloumn O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Total (C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate is being issued	Other Secured Debt	Debt for which this certificate is being issued	Assets shared by Pari-Passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other Assets on which there is pari-Passu charge (excluding items covered in Coloumn F)		debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari-Passu charge Assets	Carrying value/ book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)	
		Book Value	Book Value	Yes/No	Book Value	Book Value						Relating to Column F		
Assets														
Property, Plant and Equipment	Property Plant & Equipment		28.51	Yes	645.48	6,444.82	467.92		7,586.73			1,146.84		1,146.82
Capital Work-in-Progress	Capital Work-in-Progress			Yes	19.14	437.26	7.01		463.41				19.14	19.14
Right of use Assets	Right of use Assets			No			189.94		189.94					
Goodwill									-					
Intangible Assets	Intangible Assets			No			115.86		115.86					
Intangible Assets under development									-					
Investments	Investments			No			1,121.88		1,121.88					
Loans									-					
Inventories	Inventories			No		1,257.18			1,257.18					
Trade Receivables	Trade Receivables			No		605.75			605.75					
Cash and Cash Equivalents	Balances with bank (excluding fixed deposits) and cash on hand			No			4.48		4.48					
Bank Balances other than Cash and Cash Equivalents	Earmarked balances with bank for unclaimed dividend and all fixed deposits			No		487.40	996.38		1,483.78					
Others	Others balances			No			1,350.77		1,350.77					
Total			28.51		664.62	9,232.41	4,254.24		14,179.78			1,146.84	19.14	1,165.96
Liabilities														
Debt Securities to which this certificate pertains	NCDs including interest accrued (refer note 4 below)			Yes	164.30				164.30					
Other Debt sharing pari-passu charge with above debt	Term Loan	Not to be filled		Yes	83.80				83.80					

Other Debt	Loans & Debentures	Not to be filled	9.94	No		4,324.65	5.05		4,339.63					
Subordinate Debt										-				
Borrowings	Loan repayable on demand				No		674.11			674.11				
Bank										-				
Debt Securities										-				
Others	Others									-				
Trade Payables	Trade Payable				No			818.36		818.36				
Lease Liabilities	Lease Liabilities				No			48.97		48.97				
Provisions	Provisions				No			143.84		143.84				
Others	Others				No			2,785.83		2,785.83				
Total	Total			9.94		248.10	4,998.76	3,802.05		9,058.84				248.10
Cover on Book Value						2.68								
Cover on Market Value													4.70	
			Exclusive Security Cover Ratio		Pari-Passu Security Cover Ratio									

Notes:

- As per the Debenture Trust Deed (as defined in Independent Auditor's Report), the Company has issued NCDs (as defined in Independent Auditor's Report) against fixed assets related to Company's immovable and movable fixed assets (excluding mining land, mining lease, Captive Power plant and vehicles) of Grey cement plant situated at Muddapur Karnataka.
- The Debt Service Coverage Ratio is 1.95 times as per the unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 which is in compliance with required covenant as mentioned in Part B of the Statement.
- The Total Outside Liabilities / Total Net Worth is 1.77 times as per the the books of accounts underlying the Board approved unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 which is in compliance with required covenant as mentioned in Part B of the Statement.
- The Debt Securities to which this certificate pertains as mentioned above includes outstanding balances of NCDs (as defined in Independent Auditor's Report) of Rs. 160 Crores and interest accrued of Rs. 4.30 Crores as on December 31, 2023.
- Column C represents the book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- Column D represents the book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
- Column E represents the debt for which this certificate is issued having any pari passu charge is mentioned as "Yes", else "No".
- Column F represents the a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c) other debt sharing pari- passu charge along with debt for which this certificate is issued.
- Column G represents the book value of all other assets having pari passu charge and outstanding book value of corresponding debt other than mentioned in Column F.
- Column H represents all those assets which are not charged and shall include all unsecured borrowings.
- Column M represents market value of assets having Pari-Passu charge against NCD's (as defined in Independent Auditor's Report) which is based on valuation report dated March 01, 2023 given by the valuer.
- Column N represents the book value of Capital work in progress having Pari-Passu charge against NCD's (as defined in Independent Auditor's Report) for which market value is not been determined.

For and on Behalf of the board of Directors of J. K. Cement Limited

SHAMBH
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SHAMBHU SINGH
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Date: 2024.01.20
15:42:29 +05'30'

Name: Shambhu Singh

Designation: Company Secretary

Place: Gotan

Date: January 20, 2024

Part B: Compliance with financial covenants and conditions of Debenture Trust Deed (as defined in Independent Auditor's Report) as on December 31, 2023

Financial Covenants and conditions for debentures of face value of Rs 10 lacs each, having original issue amount of Rs. 100 crores against which book value as at December 31, 2023 is Rs. 60 Crores as per Debenture Trust Deed dated April 17, 2015 are as follows:

- i. Security assets cover should be more than or equal to 1.25 times.

The management of the Company have ensured the compliance with above financial covenants and conditions as on December 31, 2023 as mentioned in Part A of the Statement.

The management of the Company confirm that there are no other financial covenants given to any other term lenders of the issuer which is superior to the Financial Covenants mentioned above.

Financial Covenants and conditions for debentures of face value of Rs 1 lacs each, having original issue amount of Rs. 100 crores against which book value as at December 31, 2023 is Rs. 100 crores as per Debenture Trust Deed dated March 20, 2023 are as follows:

- i. Debt Service Coverage ratio (DSCR) of at least 1.10 times.
- ii. Total Outside Liability / Total Net Worth of maximum 4.00 times.
- iii. Security assets cover should be more than or equal to 1.20 times.

The management of the Company have ensured the compliance with above financial covenants and conditions as on December 31, 2023 as mentioned in Part A of the Statement.

The management of the Company confirm that there are no other financial covenants given to any other term lenders of the issuer which is superior to the Financial Covenants mentioned above.

Definitions

“**Debt Service Coverage Ratio**” or “**DSCR**” shall in relation to any financial year, mean the ratio of (i) is to (ii) below:

(i) the aggregate of: (a) profit after tax for that period; (b) depreciation and amortization for such period; (c) interest and finance charges for such period as per profit and loss account; (d) deferred tax; and (e) other non-cash adjustments, if any;

(ii) an amount equal to the sum of interest and finance charges as per profit and loss account and the scheduled principal repayment instalment excluding such debt which is refinanced / taken over for that period or prepaid before scheduled repayment.

“**Total Outside Liabilities**” or “**TOL**” shall mean all indebtedness (except contingent) of the Borrower

“**Tangible/Total Net Worth**” or “**TNW**” shall mean the aggregate of:

(i) the amount paid up on the share capital (equity or preference share capital including share application monies) of the Issuer; and

(ii) the amount standing to the credit of the reserves of the Issuer (including, without limitation, any share premium account, capital reserve, government grant or subsidy, debenture redemption reserve if any, general reserve account, retained earnings and any credit balance on the accumulated profit and loss account) excluding revaluation reserves;

after deducting therefrom: any debit balance on the profit and loss account or impairment of the issued share capital of the Issuer (except to the extent that deduction with respect to that debit balance or impairment has already been made); and amounts attributable to capitalized items such as goodwill, trademarks unamortized fees, expenses, other intangible assets if not paid for.

Notes:

1. For the purpose of preparation of this Statement, books value of assets, debt and interest accrued has been considered as on December 31, 2023.
2. For the purpose of preparation of this Statement:
 - (a) Security assets cover is calculated as below:
Book value of assets having pari-passu charge/(Outstanding value of corresponding debt+ interest accrued)
 - (b) Debt Equity Ratio is calculated as below:
(Long Term Borrowings + Short term Borrowings)/Total Equity
3. For the purpose of preparation of this Statement for period ended December 31, 2023, the Management has considered the values as at and for period ended December 31, 2023.

For and on Behalf of the board of Directors of J.K. Cement Limited

**SHAMBHU
SINGH**

Digitally signed by
SHAMBHU SINGH
Date: 2024.01.20
15:42:56 +05'30'

Name: Shambhu Singh

Designation: Company Secretary

Place: Gotan

Date: January 20, 2024

Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at December 31, 2023 for submission to Debenture Trustee

To

The Board of Directors

J.K. Cement Limited

Kamla Tower, Kanpur- 208001, Uttar Pradesh

1. This Report is issued in accordance with the terms of service scope letter agreement dated July 22, 2023 and master engagement agreement dated July 25, 2022 with J.K. Cement Limited (hereinafter the "Company").
2. We S.R. Batliboi & CO. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement on 'book value of assets and compliance status of financial covenants' for rated, listed, secured, redeemable, non-cumulative and taxable non-convertible debentures (hereinafter the "debentures") as at December 31, 2023 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended December 31, 2023 pursuant to the requirements of the SEBI Master circular dated March 31, 2023 on Operational Circular for Debenture Trustees (hereinafter the "SEBI Circular").

This Report is required by the Company for the purpose of submission with IDBI Trusteeship Services Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Circular in respect of its debentures of face value of Rs. 10 lacs each, having original issue amount of Rs. 250 crores against which book value as at December 31, 2023 is Rs. 100 crores (hereinafter the "NCD's"). The Company has entered into an agreement with the Debenture Trustee vide agreement dated July 20, 2022 in respect of such NCD's (hereinafter the "Debenture Trust Deed").

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Circular and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee and for complying with all the financial covenants as prescribed in the Debenture Trust Deed which are stated in Part B of the Statement.

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:

- (a) Book values of the assets as included in column C to J of Part A of the accompanying Statement are in agreement with the books of account underlying the unaudited standalone financial results of the Company as at December 31, 2023; and
 - (b) Company is in compliance with financial covenants as mentioned in Part B of the Statement as on December 31, 2023.

6. We have performed a limited review of the unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion with emphasis of matter paragraph vide our review report dated January 20, 2024. Our review of those financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. 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.

9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.

10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
 - a) Obtained the Debenture Trust Deed and read the relevant clauses containing details of assets pledged of the Company against the NCD's issued by the Company;
 - b) Obtained the Board approved unaudited standalone financial results of the Company as at and for the period ended December 31, 2023;
 - c) Traced the book value of the assets to the extent disclosed in Column C to J of Part A of the Statement by the Management to the books of accounts and records of the Company underlying the Board approved unaudited standalone financial results as at December 31, 2023;
 - d) Noted from the terms of Debenture Trust Deed that the Company shall issue NCD's against pledge of fixed assets related to Company's Grey Cement Plants (excluding mining land, mining leases and vehicles) at (a) Nimbahera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan as security thereof;

- e) Obtained the list of security charge created in the register of charges maintained by the Company and relevant form of charge creation filed with Ministry of Corporate Affairs ('MCA'). Traced the charge created against the assets as stated in the list of security charge from the said form on test check basis;
- f) The management has represented and confirmed that there are no liens, pledges on the assets of the Company other than those mentioned in Column C to G of Part A of the Statement;
- g) We have not performed any independent procedure on the market value of assets as disclosed in Column M of Part A of the Statement;
- h) With respect to compliance with covenants as detailed in Part B of the accompanying Statement, we have performed following procedures:
 - i. Obtained and verified the computation of Debt Service Coverage Ratio as defined in Part B of the Statement by tracing and agreeing profit after tax, depreciation, interest and finance charges, deferred tax, other non-cash adjustment for such period and the scheduled repayment installment from the Board approved unaudited standalone financial results of the Company for the period ended December 31, 2023 and the underlying books of account maintained by the Company;
 - ii. Obtained and verified the computation of Total Outside Liabilities and Tangible Net Worth as defined in Part B of the Statement by tracing and agreeing total outside liabilities, paid up equity share capital and other equity from the Board approved unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 and the underlying books of account maintained by the Company; and
 - iii. Examined and verified the arithmetical accuracy of the computation of Debt Service Coverage Ratio and Total Outside Liabilities/Tangible Net Worth as stated in Part A of the accompanying Statement.
- i) Performed necessary inquiries with the Management and obtained necessary representations including:
 - (i) Identification of fixed assets related to Company's Grey Cement Plants (excluding mining land, mining leases and vehicles) at (a) Nimbahera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan as stated in Part A of the Statement from the underlying fixed asset register of the Company as at and for the period ended December 31, 2023; and
 - (ii) No other financial covenants to be maintained by the Company other than as stated in Part B of the accompanying Statement.

We have relied on above representations as stated in clauses (i) and (ii) and performed no independent procedure in this regard.

Conclusion

- 11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
 - a) Book values of the assets as included in column C to J of Part A of the accompanying Statement are not in agreement with the books of account underlying the unaudited standalone financial results of the Company as at December 31, 2023; and
 - b) Company is not in compliance with financial covenants as mentioned in Part B of the accompanying Statement.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SANJAY
VIJ

Digitally signed by SANJAY VIJ
DN: cn=SANJAY VIJ, c=IN,
o=Personal,
email=sanjay.vij@srb.in
Date: 2024.01.20 16:34:53
+05'30'

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 24095169BKFNAY8571

Place of Signature: Gotan

Date: January 20, 2024

Statement on book values of assets and compliance status of financial covenants for NCD's as at December 31, 2023

Part A : Summary of book values with financial covenants on standalone basis as at December 31, 2023

Annexure I - Security Cover as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2023

Rs in Cr

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Total (C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate is being issued	Other Secured Debt	Debt for which this certificate is being issued	Assets shared by Pari-Passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other Assets on which there is pari-Passu charge (excluding items covered in Column F)		debt amount consider more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari-Passu charge Assets	Carrying value/ book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)	
		Book Value	Book Value	Yes/No	Book Value	Book Value								
Assets														
Property, Plant and Equipment	Property Plant & Equipment		28.51	Yes	1,026.45	6,063.85	467.92		7,586.73			1,421.18		1,421.18
Capital Work-in-Progress	Capital Work-in-Progress			Yes	124.01	332.38	7.01		463.41				124.01	124.01
Right of use Assets	Right of use Assets			No			189.94		189.94					
Goodwill									-					
Intangible Assets	Intangible Assets			No			115.86		115.86					
Intangible Assets under development									-					
Investments	Investments			No			1,121.88		1,121.88					
Loans									-					
Inventories	Inventories			No		1,257.18			1,257.18					
Trade Receivables	Trade Receivables			No		605.75			605.75					
Cash and Cash Equivalents	Balances with bank (excluding fixed deposits) and cash on hand			No			4.48		4.48					
Bank Balances other than Cash and Cash Equivalents	Earmarked balances with bank for unclaimed dividend and all fixed deposits			No		487.40	996.38		1,483.78					
Others	Others			No			1,350.77		1,350.77					
Total			28.51		1,150.46	8,746.56	4,254.24		14,179.78			1,421.18	124.01	1,545.19
Liabilities														
Debt Securities to which this certificate pertains	NCDs including interest accrued (refer note 4 below)			Yes	102.30				102.30					

Other Debt sharing pari-passu charge with above debt	Term Loan	Not to be filled		Yes	-					-				
Other Debt	Loans & Debentures		9.94	No		4,468.45	5.05			4,483.43				
Subordinate Debt										-				
Borrowings	Loan repayable on demand			No		674.11				674.11				
Bank										-				
Debt Securities										-				
Others	Others									-				
Trade Payables	Trade Payable			No			818.36			818.36				
Lease Liabilities	Lease Liabilities			No			48.97			48.97				
Provisions	Provisions			No			143.84			143.84				
Others	Others			No			2,787.83			2,787.83				
Total	Total		9.94			102.30	5,142.56	3,804.05		9,058.84				102.30
Cover on Book Value					11.25									
Cover on Market Value													15.10	
			Exclusive Security Cover Ratio		Parri-Passu Security Cover Ratio									

Notes:

- As per the Debenture Trust Deed (as defined in Independent Auditor's Report), the Company has issued NCDs (as defined in Independent Auditor's Report) against fixed assets related to Company's Grey Cement Plants (excluding mining land, mining leases and vehicles) at (a)Nimbahera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan.
- The Debt Service Coverage Ratio is 1.95 times as per the unaudited standalone financial results of the Company as at and for the period ended December 31, 2023 which is in compliance with required covenant as mentioned in Part B of the Statement.
- The Total Outside Liabilities/Tangible Net Worth is 1.77 times as per the books of accounts underlying the Board approved unaudited standalone results of the Company as at and for the period ended December 31, 2023 which is in compliance with required covenants as mentioned in Part B of the Statement.
- The Debt Securities to which this certificate pertains as mentioned above includes outstanding balances of NCDs (as defined in Independent Auditor's Report) of Rs. 100 Crores and interest accrued of Rs 2.30 Crores as on December 31, 2023.
- Column C represents the book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- Column D represents the book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
- Column E represents the debt for which this certificate is issued having any pari passu charge is mentioned as "Yes", else "No".
- Column F represents the a) book value of assets having pari-passu charge for which this certificate is issued ; b) outstanding book value of debt for which this certificate is issued and c) other debt sharing pari- passu charge along with debt for which this certificate is issued.
- Column G represents the book value of all other assets having pari passu charge and outstanding book value of corresponding debt other than mentioned in Column F.
- Column H represents all those assets which are not charged and shall include all unsecured borrowings.
- Column M represents market value of assets having Pari-Passu charge against NCD's (as defined in Independent Auditor's Report) which is based on the valuation report dated September 10, 2021 given by the valuer.
- Column N represents the book value of Capital work in progress having Pari-Passu charge against NCD's (as defined in Independent Auditor's Report) for which market value is not been determined.

For and on Behalf of the board of Directors of J.K. Cement Limited

SHAMBHU SINGH
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SHAMBHU SINGH
Date: 2024.01.20
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Name: Shambhu Singh

Designation: Company Secretary

Place: Gotan

Date: January 20, 2024

Part B: Compliance with financial covenants of Debenture Trust Deed (as defined in Independent Auditor's Report) as on December 31, 2023.

(A) Financial Covenants and Conditions

For details of Financial Covenants, refer to the Part-D of Schedule VI (Covenants and Undertakings) of the Debenture Trust Deed (as defined in Independent Auditor's Report) and is reproduced as under:

Financial Covenants

For each Calculation Year the Issuer shall, at all times until the Final Settlement Date, maintain the financial covenants at the base value as provided below (each of the following together with respective base value, a "Financial Covenants"):

- | | |
|---|---|
| i. Debt Service Coverage Ratio | Not less than 1.05 for Financial Year 2021 - 22
Not less than 1.20 for Financial Year 2022-23 and thereafter |
| ii. Total Outside Liabilities / Tangible Net Worth Ratio | Not more than 3.50 |

Definitions

For the purposes of the Financial Covenants the following shall be the definitions:

"Debt Service Coverage Ratio" or **"DSCR"** shall mean, on the day on which the Financial Covenant is being tested, in respect of the relevant Calculation Year, the ratio of (a) is to (b) below:

- the aggregate of: (i) profit after tax for that period; (ii) depreciation for such period; (iii) interest and finance charges for such period as per profit and loss account; (iv) deferred tax; and (v) other non-cash adjustments, if any;
- an amount equal to the sum of interest and finance charges as per profit and loss account and the scheduled repayment installment excluding such debt which is refinanced / taken over for that period or prepaid before scheduled repayment.

"Total Outside Liabilities" shall mean all indebtedness (other than which is contingent) of the Issuer including all corporate guarantees issued by the Issuer.

"Tangible Net Worth" shall mean the aggregate of: (a) the amount paid up on the share capital (equity or preference share capital including share application monies) of the Issuer; and (b) the amount standing to the credit of the reserves of the Issuer (including, without limitation, any share premium account, capital reserve, government grant or subsidy, debenture redemption reserve, general reserve account, retained earnings and any credit balance on the accumulated profit and loss account) excluding revaluation reserves; after deducting therefrom: (i) any debit balance on the profit and loss account or impairment of the issued share capital of the Issuer (except to the extent that deduction with respect to that debit balance or impairment has already been made); and (ii) amounts attributable to capitalized items such as goodwill, trademarks, unamortized fees, expenses, other intangible assets if not paid for.

The Financial Covenants for each Financial Year in which the Issuer is required to meet the Financial Covenants (each a "Calculation Year") shall be tested as on the last date of each Financial Year, in each case based on the annual audited statement of accounts (on a standalone basis) for such Financial Year. The testing of the Financial Covenants shall take place no later than 180 (one hundred and eighty) days from the completion of the relevant Calculation Year. The Issuer shall submit a report, signed by an independent chartered accountant/Auditor, which respect to the compliance with the Financial Covenants (including a clear methodology of the calculation of such Financial Covenants) no later than 180 (one hundred and eighty) days from the completion of the relevant Calculation Year.

The Issuer confirms that there are no other financial covenants given to any other term lenders of the issuer which is superior to the Financial Covenants mentioned above.

As per para 4.1.7 of Debenture Trust Deed, The Issuer shall ensure that the FACR shall at all times till the Final Settlement Date be at least 1.25 (one point two five) times.

"Fixed Asset Coverage Ratio" or **"FACR"** shall mean at any time, the ratio of (i) is to (ii) below:

- an amount calculated based on the Book Value of the Encumbered Assets;
- the aggregate of the outstanding loans, debentures or any other borrowings, having first pari passu charge on the Encumbered Assets.

"Book Value" shall mean the book value of the assets, calculated on the basis of the latest annual audited financial statements of the Issuer, prepared in accordance with Ind-AS.

The management of the Company have ensured the compliance with above financial covenants as on December 31, 2023 as mentioned in Part A of the Statement.

Notes:

1. For the purpose of preparation of this Statement for the period ended December 31, 2023, FACR is calculated as below:

Book value of assets having pari-passu charge/(Outstanding value of corresponding debt+ interest accrued)

2. For the purpose of preparation of this Statement for period ended December 31, 2023, the Management has considered the values as at and for period ended December 31, 2023.

For and on Behalf of the board of Directors of J.K. Cement Limited

SHAMBHU
SINGH

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SHAMBHU SINGH
Date: 2024.01.20
15:43:58 +05'30'

Name: Shambhu Singh

Designation: Company Secretary

Place: Gotan

Date: January 20, 2024