

12th May, 2024

**BSE Ltd.
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001
Scrip Code:532644 (ISIN:INE 823G01014)
Through BSE Listing Centre**

Dear Sir/Madam,

Sub: Compliance pursuant to Reg.54(3) of SEBI (LODR) Regulations 2015- Security Cover Certificate for the Q.E. 31.03.2024

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 March, 2024

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

☎ +0124-6919000

✉ 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 Security Cover, Compliance with all Covenants and book value of assets as at March 31, 2024 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Master Circular dated March 31, 2023 for submission to IDBI Trusteeship Services Limited (the '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 showing 'Security Cover as per the terms of Debenture Trust Deed, Compliance with Covenants and book value of assets' for Listed, rated, secured, non-convertible, non-cumulative, redeemable, debentures (hereinafter the "debentures") as at March 31, 2024 (hereinafter the "Statement") which has been prepared by the Company from the Board approved audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Company as at and for the year ended March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Master Circular dated March 31, 2023 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and 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 Regulations and 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 March 31, 2024 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 March 31, 2024 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 Regulations and SEBI Circular including maintenance of hundred per cent security cover or higher security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the NCD's issued. The management is also responsible for providing all relevant information to the Debenture Trustee and

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for complying with all the covenants as prescribed in the Debenture Trust Deed which are stated in Part B and Part C of the Statement.

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Company has maintained hundred percent security cover or higher security cover as per the terms of the Debenture Trust deed;
 - (b) Company is in compliance with the covenants (including financial covenants) as mentioned in Part B and Part C of the Statement as on March 31, 2024; and
 - (c) 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 audited standalone financial statement of the Company as at March 31, 2024.
6. We have audited the financial statements of the Company as at and for the financial year ended March 31, 2024 on which we issued an unmodified audit opinion with emphasis of matter paragraph vide our report dated May 12, 2024. Our audit of these financial statement was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, as amended and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
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 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 and read the Debenture Trust Deed and noted that as per such Debenture Trust Deed, the Company is required to maintain minimum Security Cover as stated in Part B of the Statement for such NCD's;
 - b) Obtained the Board approved audited standalone financial statements of the Company as at and for the financial year ended March 31, 2024;

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- c) Traced and agreed the principal amount and the interest thereon of the NCD's outstanding as on March 31, 2024 to the books of account underlying the Board approved audited standalone financial statement of the Company as at and for the financial year ended March 31, 2024;
- d) 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 audited standalone financial statement as of March 31, 2024;
- e) 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;
- f) 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;
- g) 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;
- h) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of NCD's;
- i) Examined and verified the arithmetical accuracy of the computation of Security Cover, in the accompanying Statement;
- j) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Debenture Trust Deed;
- k) We have not performed any independent procedure on the market value of assets as disclosed in Column M of Part A of the statement;
- l) With respect to compliance with covenants as detailed in Part B and Part C 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 audited standalone financial statement of the Company for the year financial ended March 31, 2024 and the underlying books of account maintained by the Company;
 - ii. Obtained and verified the computation of Total Outside Liabilities and Total 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 audited standalone financial statement of the Company as at March 31, 2024;
 - iii. Examined and verified the arithmetical accuracy of the computation of Debt Service Coverage Ratio and Total Outside Liabilities/Total Net Worth as stated in Part A of the accompanying Statement.

With respect to covenants other than those mentioned in clause (i) , (ii) and (iii) above, the management has represented and confirmed that the Company has complied with all the other covenants as detailed in Part C of the accompanying Statement. We have relied on the same and have not performed any independent procedures in this regard.

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- m) 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 financial year ended March 31, 2024; 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) Company has not maintained hundred percent security cover or higher security cover as per the terms of the Debenture Trust Deed;
 - b) Company is not in compliance with the covenants (including financial covenants) as mentioned in Part B and Part C of the Statement as on March 31, 2024; and
 - c) 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 audited standalone financial statement of the Company as at March 31, 2024.

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: 2024.05.12 18:30:55
+05'30'

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 24095169BKFNCU7997

Place of Signature: Gurugram

Date: May 12, 2024

Statement on book values of assets and compliance status of financial covenants for NCD's as at March 31, 2024

Part A : Summary of book values with financial covenants on standalone basis as at March 31, 2024

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 March 31, 2024

Rs in crore

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		25.50	Yes	667.42	6,630.68	449.92		7,773.52			1,146.84		1,146.82
Capital Work-in-Progress	Capital Work-in-Progress			Yes	18.88	391.77	4.53		415.18				18.88	18.88
Right of use Assets	Right of use Assets			No			192.11		192.11					
Goodwill									-					
Intangible Assets	Intangible Assets			No			115.97		115.97					
Intangible Assets under development									-					
Investments	Investments			No			1,470.94		1,470.94					
Loans									-					
Inventories	Inventories			No	1,067.53				1,067.53					
Trade Receivables	Trade Receivables			No	460.40				460.40					
Cash and Cash Equivalents	Balances with bank (excluding fixed deposits) and cash on hand			No			56.19		56.19					
Bank Balances other than Cash and Cash Equivalents	Earmarked balances with bank for unclaimed dividend and all fixed deposits			No	215.60		1,418.02		1,633.62					
Others	Others balances			No			1,099.09		1,099.09					
Total			25.50		686.30	8,765.98	4,806.77		14,284.55			1,146.84	18.88	1,165.70
Liabilities														
Debt Securities to which this certificate pertains	NCDs including interest accrued (refer note 4 below)			Yes	161.02				161.02					
Other Debt sharing pari-passu charge with above debt	Term Loan	Not to be filled		Yes	79.37				79.37					

Part B: Compliance with financial covenants and conditions of Debenture Trust Deed (as defined in Independent Auditor's Report) as on March 31, 2024

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 March 31, 2024 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 covenant and conditions as on March 31, 2024 as mentioned in Part A of the Statement.

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 March 31, 2024 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 March 31, 2024 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) 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.

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.

Notes:

1. For the purpose of preparation of this Statement, books value of assets, debt and interest accrued has been considered as on March 31, 2024.
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)

3. For the purpose of preparation of this Statement for financial year ended March 31, 2024, the Management has considered the values as at and for financial year ended March 31, 2024.

Part C: Compliance with other covenants of Debenture Trust Deed (as defined in Independent Auditor's Report) as on March 31, 2024

The Company is in compliance with all the following applicable covenants:

Other covenants for debentures of face value of Rs. 10 lacs each, having original issue amount of Rs. 100 crores against which book value as at March 31, 2024 is Rs. 60 Crores as per Debenture Trust Deed dated April 17, 2015 are as follows:

- (i) The Company shall not undertake or permit any merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholder(s)/owner(s) or effect any scheme or amalgamation reconstruction;
- (ii) The Company shall not sell or dispose (except those assets in the normal course of business) of the mortgaged premises or any part thereof or create thereon any mortgage, lien or charge or other encumbrance of any kind whatsoever;
- (iii) The Company shall not undertake any new project, diversification, modernisation or substantial expansion of any project;
- (iv) The Company shall not declare the dividend without the permission of the trustee in a financial year, if the amounts outstanding in NCDs have not been paid or any event of default is continuing;
- (v) The Company shall not create further charge on the mortgaged premises;
- (vi) The Company shall not create any subsidiary or permit any Company to become its subsidiary and if there is any such scenario, the Company will provide notice thereof;
- (vii) The Company shall not pull down or remove any building or structure (except any temporary structure) on the land for the time being forming part of specifically mortgaged premise except in the ordinary course of repairs & maintenance or improvement or replacement or otherwise in the course of and for the purpose of carrying on the business of the company.

Note: The management of the Company have ensured the compliance with above covenants as on March 31, 2024.

Other covenants for debentures of face value of Rs. 1 lacs each, having original issue amount of Rs. 100 crores against which book value as at March 31, 2024 is Rs. 100 crores as per Debenture Trust Deed dated March 20, 2023 are as follows:

- (i) The Company shall not make any change in the nature and conduct of its business;
- (ii) The Company shall not carry out any amendments or alterations or modification to the Memorandum and Articles, which is having a Material Adverse Effect;
- (iii) The Company shall not make any modification to the structure of the Debentures in terms of coupon, conversion, redemption;
- (iv) The Company shall not abandon or agree to abandon its business, or enter into any amalgamation, demerger, merger or reconstruction, (except for permitted transaction of merger of JAYKAYCEM (CENTRAL) Ltd. with the Issuer);
- (v) The Company shall not declare or make any distribution of dividend if the Company has defaulted in payment of coupon or redemption of Debentures or payment of any other amount under the Transaction Documents or in creation of Security in accordance with the terms of the Information Memorandum/ Disclosure Document;
- (vi) The Company shall not make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default;
- (vii) The Company shall not voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the IBC or under any other Applicable Laws;

(viii) The Issuer shall not agree, authorize or otherwise consent to any proposed settlement, resolution or compromise of any litigation, arbitration or other dispute with any person.

Note: The management of the Company have ensured the compliance with above covenants as on March 31, 2024.

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

ANOOP KUMAR Digitally signed by
ANOOP KUMAR SHUKLA
SHUKLA Date: 2024.05.12 17:43:02
+05'30'

Name: Anoop Kumar Shukla
Designation: President Accounts & Consolidation
Place: Gurugram
Date: May 12, 2024

Independent Auditor's Report on Security Cover, Compliance with all Covenants and book value of assets as at March 31, 2024 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Master Circular dated March 31, 2023 for submission to IDBI Trusteeship Services Limited (the '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 showing 'Security Cover as per the terms of Debenture Trust Deed, Compliance with Covenants and book value of assets' for rated, listed, secured, redeemable, non-cumulative and taxable non-convertible debentures (hereinafter the "debentures") as at March 31, 2024 (hereinafter the "Statement") which has been prepared by the Company from the Board approved audited standalone financial statement, underlying books of account and other relevant records and documents maintained by the Company as at and for the financial year ended March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Master Circular dated March 31, 2023 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and 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 Regulations and 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 March 31, 2024 is Rs. 50 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 Regulations and SEBI Circular including maintenance of hundred per cent security cover or higher security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the NCD's issued. The management is also responsible for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deed which are stated in Part B and Part C of the Statement.

S.R. BATLIBOI & Co. LLP

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Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Company has maintained hundred percent Security cover or higher Security cover as per the terms of the Debenture Trust Deed;
 - (b) Company is in compliance with the covenants (including financial covenants) as mentioned in Part B and Part C of the Statement as on March 31, 2024; and
 - (c) 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 audited standalone financial statement of the Company as at March 31, 2024.

6. We have audited the standalone financial statement of the Company as at and for the financial year ended March 31, 2024, on which we issued an unmodified audit opinion with emphasis of matter paragraph vide our report dated May 12, 2024. Our audit of these financial statement was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, as amended and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 and read the Debenture Trust Deed and noted that as per such Debenture Trust Deed, the Company is required to maintain Security Cover of at least hundred and twenty five percent (1.25 times);
 - b) Obtained the Board approved audited standalone financial statement of the Company as at and for the financial year ended March 31, 2024;

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Chartered Accountants

- c) Traced and agreed the principal amount and the interest thereon of the NCD's outstanding as on March 31, 2024 to the books of account underlying the Board approved audited standalone financial statement of the Company as at and for the financial year ended March 31, 2024;
- d) 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 audited standalone financial statement as of March 31, 2024;
- e) 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;
- f) 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;
- g) 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;
- h) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of NCD's;
- i) Examined and verified the arithmetical accuracy of the computation of Security Cover, in Part A of the accompanying Statement;
- j) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Debenture Trust Deed;
- k) We have not performed any independent procedure on the market value of assets as disclosed in Column M of Part A of the statement;
- l) With respect to compliance with covenants as detailed in Part B and Part C 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 audited standalone financial statement of the Company for the financial year ended March 31, 2024 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 audited standalone financial statement of the Company as at and for the financial year ended March 31, 2024; 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.

With respect to covenants other than those mentioned in clauses (i), (ii) and (iii) above, the management has represented and confirmed that the Company has complied with all the other covenants as detailed in Part C of the accompanying Statement. We have relied on the same and have not performed any independent procedures in this regard.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- m) 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 financial year ended March 31, 2024; 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) Company has not maintained hundred percent security cover or higher security cover as per the terms of the Debenture Trust Deed;
 - b) Company is not in compliance with the covenants (including financial covenants) as mentioned in Part B and Part C of the accompanying Statement; and
 - c) 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 audited standalone financial statement of the Company as at March 31, 2024.

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: 2024.05.12 18:30:16
+05'30

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 24095169BKFNCV3134

Place of Signature: Gurugram

Date: May 12, 2024

Statement on book values of assets and compliance status of financial covenants for NCD's as at March 31, 2024

Part A : Summary of book values with financial covenants on standalone basis as at March 31, 2024

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 March 31, 2024

Rs in crore

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 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		25.50	Yes	1,107.52	6,190.58	449.92		7,773.52			1,421.18		1,421.18
Capital Work-in-Progress	Capital Work-in-Progress			Yes	31.31	379.34	4.53		415.18				31.31	31.31
Right of use Assets	Right of use Assets			No			192.11		192.11					
Goodwill									-					
Intangible Assets	Intangible Assets			No			115.97		115.97					
Intangible Assets under development									-					
Investments	Investments			No			1,470.94		1,470.94					
Loans									-					
Inventories	Inventories			No		1,067.53			1,067.53					
Trade Receivables	Trade Receivables			No		460.40			460.40					
Cash and Cash Equivalents	Balances with bank (excluding fixed deposits) and cash on hand			No			56.19		56.19					
Bank Balances other than Cash and Cash Equivalents	Earmarked balances with bank for unclaimed dividend and all fixed deposits			No		215.60	1,418.02		1,633.62					
Others	Others			No			1,099.09		1,099.09					
Total			25.50		1,138.83	8,313.45	4,806.77		14,284.55			1,421.18	31.31	1,452.49
Liabilities														
Debt Securities to which this certificate pertains	NCDs including interest accrued (refer note 4 below)			Yes	50.67				50.67					
Other Debt sharing pari-passu charge with above debt	Term Loan	Not to be filled		Yes	-				-					
Other Debt	Loans & Debentures		7.74	No		4,530.68	4.30		4,542.72					
Subordinate Debt									-					
Borrowings	Loan repayable on demand			No		585.24			585.24					
Bank									-					
Debt Securities									-					
Others	Others							-						

Trade Payables	Trade Payable	Not to be filled		No			809.17		809.17				
Lease Liabilities	Lease Liabilities			No			53.86		53.86				
Provisions	Provisions			No			155.57		155.57				
Others	Others			No			2,733.93		2,733.93				
Total	Total		7.74		50.67	5,115.92	3,756.83		8,931.16				50.67
Cover on Book Value					22.48								
Cover on Market Value													28.67
			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)Nimbaheera having capacity of 3.25 Mn.tpa (b) Mangrol line 1 in the state of Rajasthan.
- The Debt Service Coverage Ratio is 2.07 times as per the audited standalone financial statement of the Company as at and for the financial year ended March 31, 2024 which is in compliance with required covenant as mentioned in Part B of the Statement.
- The Total Outside Liabilities/Tangible Net Worth is 1.67 times as per the books of accounts underlying the Board approved audited standalone statement of the Company as at and for the financial year ended March 31, 2024 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. 50 Crores and interest accrued of Rs 0.67 Crores as on March 31, 2024.
- 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.
- Column G includes the book value of land and building pertaining to Prayagraj plant. The Company has already created Hypothecation on movable fixed assets. However, the mortgage is in process.

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

ANOOP KUMAR SHUKLA
Digitally signed by ANOOP KUMAR SHUKLA
Date: 2024.05.12 17:41:50 +05'30'

Name: Anoop Kumar Shukla

Designation: President Accounts & Consolidation

Place: Gurugram

Date: May 12, 2024

Part B: Compliance with financial covenants of Debenture Trust Deed (as defined in Independent Auditor's Report) as on March 31, 2024

(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:

(a) 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;

(b) 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:

- (a) an amount calculated based on the Book Value of the Encumbered Assets;
- (b) 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 March 31, 2024 as mentioned in Part A of the Statement.

Notes:

1. For the purpose of preparation of this Statement for the financial year ended March 31, 2024, 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 year ended March 31, 2024, the Management has considered the values as at and for financial year ended March 31, 2024.

Part C: Compliance with other covenants of Debenture Trust Deed (as defined in Independent Auditor's Report) as on March 31, 2024

The Company is in compliance with all the following applicable covenants:

- i. The Company has not take and/or agree to take or consent to any action or permit or formulate or participate in any scheme of merger, demerger, reconstruction, reorganization, takeover, amalgamation, compromise or similar arrangements;
- ii. The Company shall not sell, lease, transfer or otherwise dispose of any Secured Property (excluding subleasing of land/facilities) except (i) if the cost of such assets forming part of the Security Property proposed for sale or disposal in any Financial Year is less than 5% (five percent) of the cost of Secured Property; and (ii) provided such sale or disposal of assets does not result in the FACR falling below 1.25;
- iii. The Company shall not use the proceeds obtained from issuance of Debentures for (i) subscription to or purchase of shares/debentures and investment in real estate, (ii) acquisition of any immovable property, (iii) any capital market transaction, (iv) any speculative purposes; or (v) any other purpose which is not eligible for bank credit as per the guidelines issued by RBI;
- iv. The Company shall not materially change the nature or conduct of its business;
- v. The Company shall not change its Financial Year or change the accounting method or policies followed by it, unless such change is required pursuant to change in Law;
- vi. The Company shall not enter into any financial obligation of a long-term nature/ adversely affecting the Issuer's financials which could lead to breach of the Financial Covenant of TOL/ TNW or if there already exists an Event of Default under Schedule IV (sub-section (a));
- vii. The Company shall not carry out any modification, amendments or alterations to the Constitutional Documents which may have an adverse impact on the rights of the Debenture Holders or a Material Adverse Effect;
- viii. The Company shall not enter into any transaction other than on arm's length basis;
- ix. The Company shall not make any payments to its shareholders in the form of dividend or their Affiliates on the occurrence of an Event of Default;
- x. The Company shall not create, incur, any Security Interest on or in respect of any of the Secured Property, except in respect of second ranking charge created or to be created in respect of the Secured Property or any part thereof.

Note : The management of the Company have ensured the compliance with above covenants as on March 31, 2024.

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

ANOOP KUMAR SHUKLA
Digitally signed by ANOOP KUMAR SHUKLA
Date: 2024.05.12 17:42:14 +05'30'

Name: Anoop Kumar Shukla

Designation: President Accounts & Consolidation

Place: Gurugram

Date: May 12, 2024