



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Background

Since inception J.K. Cement Limited (JKCL) has remained socially responsible and has been voluntarily undertaking various Corporate Social Responsibility initiatives even when there were no legal and statutory requirements in this regard.

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

As a part of CSR Policy, JKCL runs schools at their Cement Plants at Nimbahera, Gotan, Muddapur and university at Udaipur viz. Sir Padampat Singhania University imparting value based education to students. The JKCL is also playing a pivotal role in infrastructural development of surrounding areas. Various cultural events were/are organized at the schools and also at all the cement plants. Technical education and training are also imparted through Industrial Training Centres at Nimbahera and Kanpur. Emphasis was/is laid on creation of awareness amongst villagers about need to protect environment. CSR Activities have strengthened the relationship with local people.

CSR Vision Statement and Objective

Corporate Social Responsibility is the continuing commitment of JKCL to behave ethically and contribute to the economic development of the local community and society at large. All efforts are made to operate the business with emphasis on Corporate Social Responsibility in all areas of operations by ensuring that the business values and operations meet the expectations of shareholders, customers, employees, suppliers and the communities living around the plants and offices.

Our endeavour towards implementing CSR initiatives focuses on water, health and sanitation, energy conservation, pollution-free atmosphere and clean technologies. Primary health care is ensured by providing services for the villagers and conducts medical camps periodically in the plant vicinity.

Scope and Applicability

This policy shall be applicable to the JKCL.

Policy Statement

Core Ideology

For JKCL, responsible business practices include being responsible for our business processes, products and engaging in responsible relations with employees, customers and the community. Hence for the JKCL, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances but create social and environmental value while supporting the JKCL's business objectives and reducing operating costs; and at the same time enhancing relationships with key stakeholders and customers. Investment in a number of initiatives to maintain a strong CSR position for the future, including:

- Ø Placing the safety of others who come into contact with any of our JKCL's facilities or equipment, above everything else.
- Ø Maintaining our facilities and equipment in a safe, clean, neat and orderly manner.
- Ø Maintaining legal compliance and fostering an ethical work culture.
- Ø Ensuring a safe and secure work environment.
- Ø Conduct our business in an environmentally responsible manner protecting the environment.
- Ø Supporting the communities in which we work.
- Ø Developing sustainable technologies and products.
- Ø Constantly seek ways to improve what we do.
- Ø Providing the best possible service to our customers.
- Ø Delivering the highest quality product possible and deliver it on time.
- Ø Always honour our commitments.

Total Outlay

From April 1, 2014 in line with the new Companies Act 2013, the JKCL pledges to set apart and spend atleast 2% of the average net profits made during the three preceding financial years specifically towards CSR initiatives morefully described in Schedule VII of the Companies Act, 2013 as amended from time to time.

Allocation of Resources & Thrust Areas

The CSR Committee of the Board of the JKCL will manage atleast 2% of the average net profits made during the three immediately preceding financial years to undertake CSR initiatives which meet the needs of the local communities where we operate.

Our commitment to CSR will be manifested by investing resources in any of the areas enumerated in Schedule VII of the Companies Act, 2013 as amended from time to time.

The companies shall give preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the JKCL.

Implementation

The JKCL has constituted a CSR Committee of the Board consisting of 3 or more directors and wherever required with at least one CSR Committee member as an Independent Director.

The mandate of the said CSR Committee shall be:

- Ø To formulate and recommend a CSR policy to the Board to recommend amount of expenditure to be incurred on CSR activities;
- Ø To monitor the CSR policy of the JKCL from time to time.

Upon the approval by the Board of the recommendations made by the CSR committee, the CSR Policy shall be put up on the website of the JKCL and shall be disclosed in the Board's report to the Shareholders. The Board will ensure that the activities included in the CSR policy are undertaken by the JKCL and ensure that the JKCL spends, in every financial year atleast two percent of the average net profits of the JKCL made during three immediately preceding financial years. In case the JKCL fails to spend such amount, the Board's report shall specify the reasons for not spending the amount.

Amount may be spent in Govt. approved schemes/projects. A formal process of approving projects that the JKCL will support will be put into place with each project being vetted by the CSR Committee.

While CSR programmes may be identified by the CSR committee, the CSR Committee will also evaluate projects submitted directly by reputed not for profit organisations having an established track record of at least three years in carrying on the specific activity. To ensure that there is focus and maximum impact the CSR Committee will endeavour to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured. All CSR project proposals will need to be submitted at the beginning of each financial year.

The CSR Committee will convene quarterly meetings to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects as and when required.

In order to ensure transparency and communication with all stakeholders, the CSR Committee will document the details of the JKCL's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the JKCL's Annual report and on the JKCL's website.

Further employee participation in CSR projects will be encouraged.

Executing Agency/Partners

CSR initiatives will be undertaken by the local CSR teams of the JKCL or CSR Consultants with the active involvement of employees or through partnerships with not-for-profit organizations having an established track record of at least three years in carrying on the specific activity.

The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting

requirements under the Companies Act, 2013 and Rules framed thereunder. The following minimum criteria will be ensured while selecting NGO / voluntary organizations for programme execution:

- The NGO is a registered Society / Public Charitable Trust
- The NGO has a permanent office / address in India
- The NGO has a valid Income Tax Exemption Certificate
- The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Committee.
- The NGO has a track record of atleast 3 years work in relevant areas.



CHAIRMAN

Date: 1.11.14