

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's Twenty Fourth Annual Report and Audited Financial Statements for the year ended 31st March, 2018

1. FINANCIAL RESULTS

Particulars	₹/Lacs	
	2017-18	2016-17
Gross Turnover	470955.40	4,32,784.00
Profit before depreciation & tax	62599.53	50,052.75
Less: Depreciation	18626.77	17,609.58
Profit Before Tax	43972.76	32,443.17
Tax Expense (Including deferred tax and tax adjustment of earlier years)	9785.40	11364.72
Profit After Tax	34187.36	21078.45
Add: Restated balance of retained earning at the beginning of the year	69700.05	58,143.04
Add: Dividends on 3% cumulative preference shares	-	555.72
Transfer to General Reserve	6000.00	5,000.00
Transfer to Debenture Redemption Reserve	9.40	1,711
Dividend to Equity Shares (including tax thereon)	6733.02	3366.51
Balance to be carried forward	91144.99	69700.05

2. PERFORMANCE OF THE COMPANY

Your Company's performance during the year under report has overall improved. The Company's gross turnover increased by 8.82% to ₹ 4709.55 Crore during the year compared to ₹ 4327.84 Crore in previous year. Profit before Depreciation and Tax increased to ₹ 626.00 Crores compared to ₹ 500.53 Crore.

Indian Accounting Standards (IndAS) – IFRS Converged Standards.

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2016 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015 and the Annual Accounts of 2017-18, has been drawn in terms of provisions of the IndAS.

3. PERFORMANCE OF THE SUBSIDIARY/JOINT VENTURE COMPANIES

The Company has three subsidiaries and one joint venture Company as on March 31, 2018. There has been no material change in the nature of the business of subsidiaries.

SUBSIDIARY COMPANY

J.K. Cement (Fujairah) FZC recorded net income of AED 1,501,678 (equivalent to ₹ 266.26 Lacs) for the year ended 31st December, 2017 (Previous year loss of AED 27,522 equivalent to ₹ 30.28.lacs)

JK Cement Works (Fujairah) FZC is involved in principal business of manufacturing and sale of white cement in Middle East and GCC market and has recorded a turnover of AED 147,803,976 (Previous year AED 143,747,087) reflecting a growth 2.82% over the prior year. However, it recorded a loss of AED 30,883,604 (equivalent to ₹ 5567.40 Lacs) for the year ended 31st December, 2017 {Previous year a loss of AED 31,117,399 (equivalent to ₹ 4467.63.Lacs)}

Jaykaycem (Central) Ltd, intends to set up grey cement manufacturing facilities, recorded a loss of ₹ 64.41 Lacs (previous year ₹ 3.14 Lacs) for the year ended 31st March, 2018

JOINT VENTURE

Bander Coal Company Private Limited recorded a net profit of ₹ 1.89 Lacs for the year ended 31st March, 2018 (Previous year profit of ₹ 1.17 Lacs).

4. CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 129 of the Companies Act, 2013, in respect of the subsidiaries of the Company viz. J.K. Cement (Fujairah) FZC, J.K. Cement Works (Fujairah) FZC and Jaykaycem (Central) Ltd are annexed and forms an integral part of this Report. Consolidated Financial Statements prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.

5. DIVIDEND

In terms of Dividend Policy your Directors are pleased to recommend dividend of ₹ 10 per equity share (previous year ₹ 8 per equity share) of face value of ₹ 10 each aggregating to ₹ 84.30 Crore (Previous Year ₹ 67.34 Crore) for the financial year ended 31st March, 2018 .

6. TRANSFER TO RESERVES

The Company proposes to transfer ₹ 9.40 Lacs (previous year ₹ 1710.65 Lacs) to Debenture Redemption Reserve and ₹ 6000 Lacs (previous year ₹ 5000 Lacs) to General Reserve during Financial Year 2017-18

7. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2018 remained at ₹ 69.93 Crore. During the period under report, your Company has not issued any share including Sweat Equity, ESOP and/or Convertible Debentures.

8. FINANCE

During the year under report, your Company has not availed any disbursement of term loans (previous year ₹ 151.74 Crore). However it repaid ₹ 241.46 Crores (previous year ₹ 99.23 Crore) towards Term Loan and NCD.

9. CREDIT RATING

In spite of challenging cement industry scenario, CARE has reaffirmed your Company's rating as "CARE AA" for long term bank facilities and "CARE A1+" for short term bank facilities.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

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

11. OPERATIONS**Grey Cement**

During the year under report production increased by 16.53 % at 7.89 Million Tonne (compared to 6.77 Million Tonne last year) and sales increased by 15.98% at 7.88 Million Tonne (compared to 6.79 Million Tonne last year).

White Cement

Production of White Cement increased by 2 % at 5.56 Lac Tonne during the year compared to 5.44 Lac Tonne last

year while production of value added product wall putty registered increase of 14% at 6.20 Lac Tonne during the year as compared to 5.43 Lac Tonne last year. Sale was also in tandem with production.

12. PROJECTS OF THE COMPANY**Projects undertaken/completed**

Your Company undertaken a brownfield expansion at Mangrol, Chittorgarh, Rajasthan with split grinding unit in U.P. and Gujrat having total cement production capacity of 4.2 Million Tonne Per Annum at estimated cost outlay of ₹ 2000 Crores.

13. PERSONNEL**13.1 Industrial Relations**

The industrial relations during the period under review generally remained cordial at all cement plants.

13.2 Particulars of Employees

List of employees getting salary in excess of the limits as specified under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 throughout or part of the financial year under review is annexed separately marked as Annexure - E. However, the Annual Report excluding the aforesaid information is being sent to all the members of the Company pursuant to proviso to Section 136 of the Companies Act, 2013. Any member interested in obtaining such particulars may inspect and/or send the request to the Company at its Registered and Corporate Office. None of the employee listed in the said Annexure is a relative of any Director of the Company except Shri Yadupati Singhania, Chairman and Managing Director. None of the employee hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

Particulars about Key Managerial Personnel including Chairman & Managing Director.

S.No.	Name	Designation	Remuneration Paid		% increase in Remuneration from previous year	Ration/Time per Median of employee Remuneration
			2017-18	2016-17		
1	Mr. Yadupati Singhania**	Chairman & Managing Director (KMP)	14,23,82,400	12,66,92,000	12.38%	242:1
2	Mr. Ajay Kumar Saraogi**	President (Corporate Affairs) & Chief Financial Officer (KMP)	2,34,55,160	1,97,34,000	18.85%	40:1
3	Mr. Shambhu Singh	Asst. Vice President (Legal) & Company Secretary (KMP)	50,36,784	38,15,000	32.02%	9:1

**includes remuneration in AED from foreign subsidiary companies during the calendar year 2017.

Particulars about other Non Executive Directors.

S. No.	Name	Designation	Remuneration Paid		% increase in Remuneration from previous year
			2017-18	2016-17	
1	Smt. Sushila Devi Singhania	Non Executive, Non Independent	14,26,000	12,52,250	13.87
2	Shri A. Karati	Non Executive, Independent	12,00,500	11,76,875	2.00
3	Shri J.N. Godbole	Non Executive, Independent	13,75,875	12,27,125	12.12
4	Dr. K.B. Agarwal	Non Executive, Independent	16,51,250	14,78,375	11.69
5	Shri K.N. Khandelwal	Non Executive, Non Independent	13,50,750	12,02,000	12.38
6	Shri Raj Kumar Lohia	Non Executive, Independent	12,50,875	12,52,250	(-)0.10
7	Shri Suparas Bhandari	Non Executive, Independent	13,25,625	12,27,120	8.02
8	Mr. Paul Heinz Hugentobler	Non Executive, Non Independent	1,18,63,380	1,11,30,942	6.58
9	Shri Shyam Lal Bansal	Non Executive, Independent	1,050,375	10,26,125	2.36

13.3 Human Resources and Industrial Relations

The Company has a structured induction process at all locations. Objective appraisal systems based on Key Result

Areas (KRAs) are in place for Senior Management Staff. The Corporate HR is effectively involved in nurturing, enhancing and retaining talent through job satisfaction, management development programme etc.

14. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR(S) OR COURT(S)/ MATTER OF EMPHASIS

The Competition Commission of India (CCI) has imposed penalty of ₹ 12,854 lacs and ₹ 928 lacs in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. NCLAT has stayed the CCI order in first matter on deposit of ₹ 656 lacs and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The Company, backed by a legal opinion, believes that it has a good case.

Other than the aforesaid, there have been no significant and material orders passed by the courts or regulators or tribunals impacting the ongoing concern status and company's operations. However, members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

15. CORPORATE GOVERNANCE

A report on Corporate Governance alongwith the Auditors' Certificate on its compliance, forms an integral part of this Report.

16. PUBLIC DEPOSITS

Your Company has not invited any deposits from public/ shareholders under Section 73 and 74 of the Companies Act, 2013.

17. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances, if any. The Whistle Blower Policy has been posted on the website of the Company.

18. MITIGATION OF RISK

The Company has been addressing various risks impacting the Company which is morefully provided in annexed Management Discussion and Analysis. However, as per the Listing Regulation constitution of Risk Management Committee for enforcing Risk Management Policy is not applicable to the Company.

19. REMUNERATION POLICY

The Board of Directors and Nomination & Remuneration Committee, follows a policy concerning remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also covers

criteria for selection and appointment of Board Members and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

20. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the CMD and the CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.jkcement.com.

21. AUDITORS' REPORT

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis (except items disclosed in significant accounting policies). The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2018.

Auditors' Report to the shareholders does not contain any qualification in the standalone or in the consolidated financial statements for the year under report. However, Auditors have drawn attention of shareholders on penalty imposed by Competition Commission of India (CCI), the matter is adequately covered by para 14 above read alongwith notes on accounts.

22. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including

adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the quarterly Internal Audit Reports.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

23.1 In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, Shri K. N. Khandelwal (DIN 00037250) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulation

23.2 Key Managerial Personnel

During the year under report, Following Officials acted as Key Managerial Personnel:-

S.No.	Name of the Official	Designation
1.	Shri Yadupati Singhania	Chairman & Managing Director
2.	Shri Ajay Kumar Saraogi	President (Corporate Affairs) & CFO
3.	Shri Shambhu Singh	Asst. Vice President (Legal) & Company Secretary

24. MEETINGS OF THE BOARD OF DIRECTORS

During the year 2017-18, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

25. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors also evaluated the performance of Non- Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. The Board of Directors also evaluated the functioning/performance of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee, Committee of Directors and expressed satisfaction with their functioning/performance.

26 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) The Directors have selected such accounting policies, judgments and estimates that are reasonable and prudent and applied them consistently, so as to give a true and fair view of the state of affairs of the company as on 31st March, 2018, and of the statement of Profit and Loss and cash flow of the company for the period ended 31st March, 2018;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on an ongoing concern basis;
- v) Proper internal financial controls to be followed by the company has been laid down and that such internal financial controls are adequate and were operating effectively and
- vi) Proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

27 STATUTORY AUDITOR

At the 23rd Annual General Meeting held on 29/07/2017, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of 28th Annual General Meeting. As per amended provisions of Companies (Amendment) Act, 2017 the Board of Directors ratified appointment of M/s S.R. Batliboi & Associates from conclusion of 24th Annual General Meeting till 25th Annual General Meeting. The Statutory Auditors have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under Section 143(3)(g) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014.

28. COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee appointed M/s K.G. Goyal & Company Cost Accountants, as the Cost Auditors of the company for the Financial Year 2018-19 and has recommended their

remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s K.G.Goyal & Company, have confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the company.

The Cost Audit Report for the financial year 2016-17 was filed with Ministry of Corporate Affairs.

29. SECRETARIAL AUDIT

The Board had appointed M/s Reena Jakhodia & Associates, Kanpur, a firm of Company Secretaries in Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2017 -18 . The report of the Secretarial Auditor is annexed to this report as Annexure A. The report does not contain any qualification.

30. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

31. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat Singhania University, Udaipur imparting value based education to students. Also the Company played a constructive role in the infrastructural development of surrounding areas.

During the period under report, the Company undertook various arts, cultural promotion activities, supporting activities e.g. Community welfare activities. The Annual Report on CSR activities is annexed herewith as Annexure B.

33. STATUTORY INFORMATION

1.1 Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 in respect of

Cement plants are annexed hereto as **Annexure C** and form part of the Report.

1.2 Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT- 9 as required under Section 92 of the Companies Act, 2013. For details please click www.jkcement.com.

1.3 Business Responsibility Reporting

The Business Responsibility Report for the year ended 31st March, 2018 as stipulated under regulation 34 of the Listing Regulations is annexed as Annexure D and forms part of the Annual Report.

1.4 Management Discussion & Analysis (MDA) Statement

The MDA as required under Listing Regulation is annexed hereto and forms an integral part of this Report

35. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of ₹ 11,94,049/- Lacs to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed dividend.

36. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS

36.1 COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee which comprises of Dr. K.B. Agarwal as the Chairman and Shri A. Karati, Shri J.N. Godbole, Shri K.N. Khandelwal, Shri R.K. Lohia and Shri Shyam Lal Bansal as members. More details on the committee are given in the Corporate Governance Report.

36.2 POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

37. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme aims to provide Independent Directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on the Company's website.

38. EQUAL OPPORTUNITY BY EMPLOYER

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and sex.

39. CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the company.

40. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of Rajasthan, Govt. of Karnataka, Govt. of Haryana, Government of Madhya Pradesh, Central Govt. and Government of Fujairah. The Board thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

For and on Behalf of the Board

Yadupati Singhania
Chairman & Managing Director
DIN - 00050364

Place : Kanpur
Dated : 12th May, 2018

ANNEXURE A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
J. K. Cement Limited,
Kamla Tower,
Kanpur.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. K. Cement Limited (“the Company”) having its registered office at Kamla Tower, Kanpur, U.P. and manufacturing units at (i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan, (ii) Mangrol, Dist. Chittorgarh, Rajasthan, (iii) Gotan, Dist. Nagaur, Rajasthan, (iv) Muddapur, Dist. Bagalkot, Karnataka, (v) Jharli, Dist. Jhajjar, Haryana, (vi) Village: Rupand, Tensil- Badwara, Dist. Katni, M.P. Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment etc;
- v. The following Regulations and Guidelines with amendments thereto prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.
 - f.) The Competition Act, 2002 and Rules/Regulations framed thereunder;
- vi. Following other laws are applicable specifically to the company
 - a) Factories Act, 1948;

- b) Industries (Development & Regulation) Act, 1951;
- c) Laws prescribed related to mining activities;
- d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
- e) Laws prescribed under prevention and control of pollution;
- f) Laws prescribed under Environmental protection;
- g) Laws prescribed under Direct Tax and Indirect Tax;
- h) Land Revenue laws of respective States;
- i) Labour Welfare Laws of respective states;
- j) Local laws as applicable to various offices, plants, grinding stations/Units and bulk cement terminals.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The applicable provisions of SEBI (LODR) Regulations 2015 for listing of Company's shares with the Bombay Stock Exchange and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned here in above. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other Act, Laws and Regulations to the Company.

We further report that during the year under report, following events/actions had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc:-

The Competition Commission of India (CCI) has imposed penalty of ₹ 12,854 lacs and ₹ 928 lacs in two separate orders dated 31.08.2016 and 19.01.2017 respectively for alleged contravention of provisions of the Competition Act 2002 by the Company. The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against above orders. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. NCLAT has stayed the CCI order in first matter on deposit of ₹ 656 lacs and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The Company, backed by a legal opinion, believes that it has a good case.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

Place : Kanpur
Dated : 02nd May, 2018

For: Reena Jakhodia & Associates
Company Secretaries

(Reena Jakhodia)
Proprietor
Membership No: F6435
C.P. No.: 6083

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
J. K. Cement Limited,
Kamla Tower,
Kanpur.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kanpur
Dated : 02nd May, 2018

For: Reena Jakhodia & Associates
Company Secretaries

(Reena Jakhodia)
Proprietor
Membership No: F6435
C.P. No.: 6083

ANNEXURE B

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

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

The CSR Policy was approved by the Board of Directors at its Meeting held on 1st November, 2014 and has been uploaded on the Company's website. The web link is http://www.jkcement.in/ce/policies/csrp/csr_policy.html.

The Company undertook activities relating to education and rural development.

2. The Composition of the CSR Committee.

- i. Smt. Sushila Devi Singhania (Non-Executive, Non-Independent Director)
- ii. Dr. K. B. Agarwal (Non-Executive, Independent Director)
- iii. Shri J. N. Godbole (Non-Executive, Independent Director)
- iv. Shri Suparas Bhandari (Non-Executive, Independent Director)

3. Average net profit of the Company for three Financial Years.

The average Net Profit for the last three years is ₹ 23053.10 lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

The Company is required to spend ₹ 461.06 lacs towards CSR for the Financial Year 2017-18

5. Details of CSR spent during Financial Year

- a. Total amount spent for the Financial Year: RS 481.07 lacs
- b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the financial year is detailed below:

Following expenditure has been made in accordance with the Company's CSR Policy and permissible under Schedule VII of the Companies Act, 2013 and rules framed thereunder:-

NIMBAHERA

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent:Direct or through implementing Agency
1	Various activities and promotions for preserving and encouraging Cultural heritage and Art like Srajan the spark (Mushaira bhartiya Lok kalamandal). Charity on various community gatherings like Vande Mataram Program & other National Functions, Fairs, Infrastructural development of Cultural & Religious places of importance to community. Charity to NGOs for Art & Culture related activities.	Art And Culture	Chittorgarh, Nimbahera and Nearby Area	RAJASTHAN	571000	571000	

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent:Direct or through implementing Agency
2	Construction of a fully modern Convention Center for the society, Development work at Angarbari Centers, Road Construction in nearby Rural area, Park Development and Maintenance.	Community Welfare	Ahirpura, Karunda, Maliakhera ,Pipliya and Charliya	RAJASTHAN	22390941	22390941	
3	Drinking Water arrangement at nearby villages and setting up borewells and pipeline for ensuring availability of water	Community Welfare	Karunda and Nimbahera	RAJASTHAN	941045	941045	
4	Environment protection and awareness activities	Environment	Nimbahera and nearby area	RAJASTHAN	15000	15000	
5	Sparsh Sanitary pad project for Women self help groups and providing structured setups and training for earning through production and sale of low cost sanitary pads	Livelihood Promotion	Nimbahera-Rural	RAJASTHAN	2102089	2102089	
6	Organised a multi speciality medical camp and follow up camp with the support of Geetanjali Medical College and Hospital	Health	Nimbahera,Pipliya Gadiya	RAJASTHAN	1916460	1916460	
	NIMBAHERA				27936535	27936535	
	MANGROL						
7	Construction of rest houses for travellers and other Community Welfare structures	Community Welfare	Mangrol.Arniya Joshi and Shahbad	RAJASTHAN	1258613	1258613	
8	Providing drinking water and making stable arrangement for drinking water supply in Villages, laying pipelines and tubewell for drinking.	Community Welfare	Mangrol,Shahbad and Tilakhera	RAJASTHAN	350500	350500	
9	Environment protection and awareness activities like installation system for rain water harvesting.	Environment	Arniya Joshi	RAJASTHAN	127563	127563	
10	Residential training program at villages for Women for skill development and livelihood development.	Livelihood Promotion	Mangrol & Tilakhera	RAJASTHAN	2482888	2482888	
11	Health care and awareness activities like pest control in rural area	Health	Mangrol & Tilakhera	RAJASTHAN	136000	136000	
	MANGROL				4355564	4355564	
	MUDDAPUR						
12	Establishment of Soil Testing lab at Haliyal Taluka	Rural Development	Haliyal, Karwar	Karnataka	3000000	3000000	Direct
	MUDDAPUR	TOTAL			3000000	3000000	
	TOTAL GREY				35292099	35292099	
	WHITE CEMENT						

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
13	Charges For Bus Hiring For Student Located In Rural Areas For Their Educational Support And Development.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects,	Gotan	Rajasthan	779000	779000	
14	Repair work at Government school, Dhannapa Village	Rural development projects	Gotan	Rajasthan	414000	414000	
15	Safe and Clean Drinking Water Supply in rural areas through RO Plant.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Gotan	Rajasthan	256000	256000	
16	Cooler purchase and installation of bench for Public use at Government Hospital, Gotan	Rural development projects	Gotan	Rajasthan	76000	76000	
17	Air Conditioner Purchase for Pollution Control Board, Chittorgarh	Rural development projects	Gotan	Rajasthan	43000	43000	
18	Contribution in Inter District Games		Dhanappa	Rajasthan	100000	100000	
19	JAL MANDIR GOTAN & PLANTATION WORK	Rural development projects	GOTAN	Rajasthan	140000	140000	
20	PRADHANMANTRI AWAS YOJANA GRAMIN	Rural development projects		Rajasthan	118000	118000	Direct
21	Construction of Class Room at Government School, Natiya Basti Gotan	Rural development projects	GOTAN	Rajasthan	168000	168000	Direct
22	JCB Deployed at Chepia Nada Tanak(Talab) Area for removal of Bushes KATNI WHITE CEMENT	Rural development projects	GOTAN	Rajasthan	95000	95000	
23	Putty application at Badwara Tehsil Police Station	Rural development	BADWARA	MADHYA PRADESH	41000	41000	Direct
24	Repair and maintenance of Rapaund Village Government Road	Rural development	RUPAUND	MADHYA PRADESH	17000	17000	Direct
25	Sitting chairs contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	14000	14000	Direct
26	Curtains, Table Cover and Towels contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	3000	3000	Direct
27	Cow Catcher making work at Government Hospital	Rural development	BADWARA	MADHYA PRADESH	36000	36000	Direct
28	Carpet contributed to Tehsil Office	Rural development	BADWARA	MADHYA PRADESH	3000	3000	Direct
29	Airconditioner contributed to Navodaya Vidhyalaya Badwara	Rural development	BADWARA	MADHYA PRADESH	35000	35000	Direct
30	Education material such as copies, stationery etc. distributed to	Education	RUPAUND	MADHYA PRADESH	22000	22000	Direct

S. No.	CSR Project or activity identified (60-75 words)	Section in which the project is covered	Local Area or other	Specify State and other	Amount Outlay	Cumulative expenditure upto the reporting period	Amount spent:Direct or through implementing Agency
	childrens at Rupaund Village school						
31	Crickit kit distributed to Badwara School	Promote Rural Sports	BADWARA	MADHYA PRADESH	21000	21000	Direct
					192000	192000	
					37673099	37673099	
	HO CSR EXPENDITURE(UPTO 31.03.2018)						
32	CONTRIBUTION TO J.K. GRAMIN VIKAS TRUST	RURAL DEVELOPMENT	MAHARASHTRA & RAJASTHAN	MAHARASHTRA & RAJASTHAN	10000000	10000000	
33	MEDICAL HEALTH CAMP	HEALTH	MADHYA PRADESH	MP	92083	92083	
34	Catering of food and distribution of blankets to orphanage & poors	LIVELIHOOD	DELHI	NEW DELHI	342090	342090	
	HO(UPTO 31.03.2018)				10434173	10434173	
	TOTAL JKCL UPTO 31.03.2018				48107272	48107272	

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

Not Applicable

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

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

Place : Kanpur
Dated : 12th May, 2018

Yadupati Singhania
Chairman & Managing Director
DIN:- 00050364

Dr. K. B. Agarwal
Chairman - Corporate Social and Responsibility Committee
DIN:- 00339934

ANNEXURE C

PARTICULARS OF ENERGY CONSERVATION , TECHNOLOGY ABSORPTION , FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER COMPANIES (ACCOUNTS) RULES 2014 PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT,2013 READ WITH RULE 8(3) OF THE COMPANIES(ACCOUNTS) RULES,2014

A) ENERGY CONSERVATION

Sustainable Development and continuous improvement of Key Performance Indicators is of prime importance for the company. Electrical and Thermal energy being major cost element in cement manufacturing , remained main focus to reduce cost.

During the year 2017-18 , following measures were taken giving reduction of power consumption by 13126335 kwh , reduction of thermal energy by 412518 Giga Joules yielding savings of ₹ 2306.94 lacs combined together for all the plants.

- Process Optimisation to improve operational efficiency
- Variable Frequency Drives to conserve electrical power
- Installation of Energy Efficient Equipment / Device.
- R&D Activities and Adopting new Technology.

PROCESS OPTIMISATION

Through process optimisation of all Plants, Company has saved ₹ 656.72 lacs by reducing 8564548 kwh of electricity and 114623 Giga Joules of thermal energy with expenditure of ₹ 94.72 lacs which means payback period of less than one year. Major process optimisation measures are as under:-

	₹ in lacs
	Savings
Improving Output and Efficiency	225.16
Optimisation & downsizing equipment	191.42
Improving Heat Utilisation and Minimising Losses	240.14
	656.72

Installation of Variable Frequency Drive (VFD)

In a process industry , operational conditions keeps on changing depending upon the process variables and thus to maintain uniform and smooth running of the system , it becomes essential to control air flow , motor speed , fan speed with the changing conditions. There are various ways to do so and among them the best technology is to control the speed according to the demanding situation as it gives maximum saving in power consumption and can be automated. With installation of variable frequency drive , company saved ₹ 159.01 lacs reducing 3139099 kwh by investing only ₹ 71.27 lacs i.e. payback period of less than one year.

	₹ in lacs
	Savings
Installation of VFD in CPP for Pumps & fan	81.12
Installation of VFD Process fans, water pump, compressors in various Sections	77.89
	159.01

Installation of Energy Saving Equipments

Adopting new technology is an ongoing process for the company. During the year electrical power 728951 kwh was reduced by replacing conventional lights with LED lights giving savings of ₹ 41.86 lacs and installation of energy efficient equipment replacing old types gave savings of ₹ 14.29 lacs reducing electrical power by 156423 kwh by investing INR 3,364,198.00. Thus, by investing ₹ 82.49 lacs savings of INR 56.15 lacs was made i.e. payback period of eighteen months.

	₹ in lacs
	Savings
Installation of new energy efficient pump(CEP) (WHR 13.2 MW)	7.31
Installation of A3L14 Lime Stone belt(Installation of Energy Efficient Motor)	0.31
Replacement of 125W and 250W HPSV Light by LED light	0.28
Power Factor improvement by installation of active filter	6.66
Replacement of conventional lights with LED light	31.86
Heat Exchange installed in CBD line	0.01
Replacement of Conventional lights with LED in MCC rooms & Offices	4.20
Replacement of CFL lights with LED light in preheater tower and mill area	0.42
CFL lights replaced with LED light for Plant Lighting and Buildings	5.11
	56.15

B) TECHNOLOGY ABSORPTION AND R&D ACTIVITIES

Process upgradation with Technology Upgradation along with R&D activities is important for development of an industry and to be ahead of the competitors as it results to Quality Improvement , improvement in efficiency as well as cost saving.

The company took technology upgradation and R&D activities in the areas of Process Improvement , Sustainable Development and Energy Management with estimated investment of INR 225.78 lacs and major ones are

- i. Soild Waste as Alternative Fuel use at Nimbahera plant which has reduced coal use equivalent to 45062 Giga Joules and power saving of 98224 kwh. The project accrued savings of ₹ 119.95 lacs in the year 2017-18.
- ii. At Mangrol plant clinker factor reduced from 80.47% to 76.60% by installation of Fly Ash storage and handling system with an investment of ₹ 191.24 lacs which has given savings of ₹ 1268.19 lacs in terms of 252834 Giga Joule thermal energy.
- iii. Further , amount of ₹ 5711.36 lacs has been planned for Nimbahera & Mangrol plant for Technology Absorption & Energy Conservation measures at Nimbahera & Mangrol plant for the year 2018-19.

	Savings (lacs)
Coal Grinding power saving due to AFR usage in Kiln	4.78
Coal saving by AFR Usage	115.16
Reduction of Clinker factor from 80.47% to 76.60%, savings in clinker and fuel	1268.19
PD logic for controlling preheater outlet pressure	12.60
Modification of Bag filter Bin in Packing Plant	5.70
Astronomical Switch for auto control of lightings	28.60
	1435.04

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in lacs
Foreign Exchange earned in terms of Actual inflows	934.90
Foreign Exchange outgo in terms of Actual inflows	21460.74

ANNEXURE D

BUSINESS RESPONSIBILITY REPORT 2017-18

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN):	L17229UP1994PLC017199
2. Name of the Company	JK Cement Limited (JKCL)
3. Registered Address	Kamla Tower, Kanpur – 208001, Uttar Pradesh, India
4. Website	http://www.jkcement.com/
5. Email id	shambhu.singh@jkcement.com
6. Financial Year reported	FY 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and cement related products

Industrial Group	Class	Sub Class	Description
269	2694	26941	Manufacturing of Cement and Cement related products.
		26942	

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. List three key products / services that the Company manufactures / provides (as in balance sheet):	1. Grey Cement
	2. White Cement
	3. White Cement based Wall Putty
	4. Water Proof Compound
	5. Tile Adhesive
	6. Primaxx
9. Total number of locations where business activity is undertaken by the Company	Head Office in Kanpur, Central Marketing Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Muddapur in Karnataka and Jharli in Haryana, Katni in M.P.
Number of International Locations (Provide details of major 5)	--
Number of National Locations	Head Office in Kanpur, Central Marketing Office in New Delhi and Cement Plants in Nimbahera, Mangrol and Gotan in Rajasthan, Muddapur in Karnataka and Jharli in Haryana, Katni in M.P.
10. Markets served by the Company - Local / State / National / International	White Cement & White Cement Based Wall Putty –Pan India Grey Cement - Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab & Chandigarh, Rajasthan, TamilNadu, Uttaranchal, Uttar Pradesh

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. Paid up capital (INR)	: 699,272 lacs
2. Total turnover (INR)	: 470,955.4 lacs
3. Total profit after taxes (INR)	: 34,315.24 lacs
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	During the year, an amount of INR 481.07 lacs was spent on CSR activities. This represents 1.4% of profit after tax spend on CSR activities during the financial year 2017-18.

5. List of activities in which expenditure in 4 above has been incurred:
- 1) Education, Art & Culture & Community Welfare – INR 263.13 lacs
 - 2) Environment– INR 1.43 lacs
 - 3) Rural Infrastructure Development – INR 143.24 lacs
 - 4) Health & Livelihood – INR 73.27 lacs

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

JKCL has two wholly owned subsidiary Jaykaycem (Central) Limited & J.K. Cement (Fujairah) FZC and one step down Subsidiary i.e. J.K. Cement Works (Fujairah) FZC.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

No subsidiary Companies of JKCL participates in the BR Initiatives of JKCL.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

No, none of the entity / entities with whom Company does business participates in the BR initiatives of the JKCL.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN Number : 00050364
 Name : Shri Yadupati Singhania
 Designation : Chairman & Managing Director

b) Details of the BR Head:

Name : Shri Shambhu Singh
 Designation : Company Secretary and Asst. Vice President (Legal)
 Telephone no. : +91-512-2371478-81
 E-mail id : shambhu.singh@jkcement.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

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

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Yes								
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes, Views from respective stakeholders, relevant internal and external stakeholders as deemed necessary, have been considered while formulating the respective policies and practices.								
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Policies and practices meet application regulatory and best practices requirements as evaluated by the organization at the time of their formulation. The same are evaluated and updated from time to time as seen appropriate.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes								
5.	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Yes. Company has in place numerous Board level and other committees in place for looking after different aspects of the day to day business activities, including supervision over proper application and adherence to various company policies and practices.								
6.	Indicate the link for the policy to be viewed online?	Relevant company policies can be accessed and viewed on company website: http://www.jkcement.com/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, policies and practices have been communicated to concerned stakeholders as per their applicability.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes. Company has a Whistle Blower Policy with grievance redressal mechanism for stakeholders to raise their grievances.								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes. Checks and balances are in place for ensuring strict compliance to various company policies and practices.								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

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

JKCL has been an advocate and practitioner of sustainable development since its inception. Further, Company inspires to become a renowned sustainable brand name in India and globally. In this regard, the Company evaluates sustainability related risks, performance and present the outcomes to management team and Board for their information and consideration. The sustainability performance of the Company is assessed on continual basis, at least once annually.

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

The Company publishes sustainability report on annual basis. The sustainability report for FY 2017-18 (under publication) is compliant with the Global Reporting Initiative (GRI) G4 guidelines. The latest report was released for FY 2016 -17, based on GRI G4 guidelines and can be accessed at the following link: <http://www.jkcement.com/pdf/sustainability-report-new-2016-17.pdf>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

JKCL aims at creating an environment where compliance is a central commitment and thrives to adopt greater levels of transparency, objectivity and professionalism. The pillars of good governance i.e. integrity, transparency, trusteeship, accountability and compliance with laws are cemented in our business practices.

Our Board, management and stakeholders help us conduct our operations in an ethical manner. The Company strongly oppose illegal labour practices and exploitation of child labour is strictly prohibited at all our plants and offices. Company has a detailed Code of Ethics and Business Conduct that outlines our commitment on conducting our business in accordance with the applicable laws, rules and regulations with the highest standards of business ethics. A copy of our Code of Conduct is available on the Company's website www.jkcement.com.

The Code is applicable for all members of the organisation. Also, Company have adopted a Whistle Blower Policy which empowers any person associated with the organisation to file a grievance if he/ she notices any irregularity. A proper mechanism has thus been established for the employees to report issues to the management regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

Further, JKCL has safeguards in place which discourage bidders to engage in any corrupt practices during tendering process.

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

JKCL received 30 shareholder complaints during the FY 2017-18, while no complaints were pending from previous financial year. All the 30 complaints have been successfully resolved during the year.

Principle 2: Goods and services

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.

The Company is strategically focusing on development of products and services that help customers build sustainable structures which are more resource-efficient, durable, cost-effective and conducive to human lifestyle. JKCL manufacture a range of products that cater to construction needs from foundation to finish. These include

Grey Cement, White Cement & White Cement based Wall Putty, Water Proof Compound, Tile Adhesive and recently launched Primaxx. The Company has deployed best-in-class technology and processes that use resources and energy optimally thus reducing the impacts of our cement manufacturing activities.

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

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

Making the most efficient use of resources is an objective for the cement industry and an issue of increasing significance for customers and clients. At JKCL, we give highest importance to resource efficiency. Resource efficiency, achieved through responsible management of natural resources, helps in conservation of scarce natural resources as well as enhances the quality output with lesser investments. In this regard, JKCL is investing significant time and effort for technology up-gradation in the areas of process improvement, sustainable development and energy management. JKCL's manufacturing operations consume alternative materials like fly ash, pond ash and slag etc. which help in conserving natural raw materials used for cement production. Further, alternative fuels such as agro waste, carbon black, fibre mass, ETP sludge, liquid mixed waste and solid mixed waste are consumed in kiln firing thus substituting fossil fuels to some extent. As a step towards water conservation, we are continuously exploring opportunities to increase use of recycled water and reduce water consumption across our plant sites.

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

Cement as a product is used for a variety of purposes and by diverse consumers. Hence, it is not feasible to measure the usage (energy, water) by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Besides, provide details thereof in about 50 words or so.

The Company's sourcing practices are targeted at seeking cost optimization, ensuring environment sustainability, societal interest and resource efficiency. The Company understands the impact of its supply chain and has taken proactive steps to identify the most significant environmental and social challenges within its value chain. JKCL believes that sustainability in logistics can be achieved by using less fuel consuming transport options or selecting

vendors that are situated closer to our manufacturing locations. Screening of transport providers is done based on parameters like newer vehicles, requirement for drivers to carry pollution certificates, requirement for drivers and support staff to always carry safety aprons, helmets, driving license etc. Further, we are shifting towards the rail mode of transportation related to the dispatches of our end products as well as inter unit transfer of clinker. This will help us in further reducing our impact on the environment.

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

The Company favours procurement of goods and services from local vendors. In order to strengthen partnership with the vendors, the Company organizes periodic vendor meet and trainings to discuss possible avenues to facilitate a mutually enriching business. Contractual workforce at the manufacturing plants is sourced from nearby villages through the contractors and are provided year round training including occupational health & safety and are involved in various capacity building programmes. Our primary raw material, i.e. limestone, is sourced (mined) and transported from the captive mines from nearby sources, through dumpers thus having lower transportation impacts. In case of other raw materials, wherein our expectations are not met within the local market or due to lack of availability of required product or services, we procure from outside India.

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

The Company's products i.e., cement and power, are not meant for recycling as cement is used in building and construction typically having a high life span and power is

consumed immediately. Further, the cement manufacturing process as such does not involve production of any by products or waste. However, the fly ash generated from the Company's captive power plant during power generation is utilised in blended cements. In this regard, cement plant utilizes the waste of other industries in the form of alternative fuels and raw materials (AFR) which ultimately provides a solution to industrial waste disposal. Further, hot waste gases coming out of Klin process is utilized for power generation through Waste Heat Recovery Power Plants thus reducing power cost and minimizing impact on environment.

Principle 3: Employees

1. Please indicate the total number of employees : 2967
Permanent Employees (as on 31st March, 2018)

2. Please indicate the total number of employees hired on temporary / contractual / casual basis

Category of employees	No of employees
Sub-contracted employees	2710

3. Please indicate the number of permanent women employees : 52 (as on 31st March, 2018)

4. Please indicate the number of permanent employees with disabilities : 8

5. Do you have an employee association that is recognised by the Management? :

The Company has recognized trade unions at our manufacturing plants viz. Gotan, Nimbahera and Mangrol which are recognised by the Management.

6. What percentage of your permanent employees is member of this recognised employee association? :

At JK Cement, none of our permanent employees are part of the recognized trade unions at our manufacturing plants. However, at Gotan, Mangrol and Nimbahera, 100%, 28.2% and 34.45% of our workers respectively, are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child Labour	Nil	Nil
2	Forced Labour	Nil	Nil
3	Involuntary Labour	Nil	Nil
4	Sexual Harassment	Nil	Nil

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

We strive to upgrade our workforce skills' levels through various learning and development programs. In this regard, various training needs are identified and provided to our employees include functional, behavioural and Health Safety and Environment (HSE) trainings. Further, we also conduct in-house, on-the-job and external trainer led trainings for our employees. Basic safety induction and training is given to all employees upon their induction in the company. Further, at our manufacturing locations, specific safety trainings are provided to employees based on their job profiles, including for temporary and contractual workforce.

S. No.	Category	Nimbahera	Mangrol	Gotan	Jharli	Muddapur	HO & Marketing
a	Permanent employees	74.53%	76.69 %	100%	100%	77.89%	52.7
b	Permanent women employees	100%	80%	100%	Nil	100%	100%
C	Casual / Temporary / Contractual employees	100%	100%	100%	70%	100%	Nil
d	Employees with disabilities	50%	Nil	100%	Nil	100%	Nil

Principle 4: Stakeholders

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

Yes, the Company has identified its internal as well as external stakeholders as part of the sustainability reporting process. Engaging with stakeholders is an integral part of the entire sustainability reporting and strategy process that enables understanding of priority issues and reasonable expectations of stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has mapped disadvantaged, vulnerable and marginalised stakeholders in and around areas of its significant operations, and is actively working towards their inclusive growth as part of CSR efforts.

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

The Company, for the betterment of its disadvantaged, vulnerable and marginalized stakeholders, has taken initiatives in the areas of Corporate Social Responsibility that are mainly targeted to bring meaningful difference in the lives of its associated stakeholders.

These initiatives comprise of programs related to education, community hygiene, infrastructure development, livelihood support, vocational training and skill development. The Company has a well-established CSR policy which reflects its objective of creating a positive impact through economic and social development.

Principle 5: Human rights

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

Presently, the Company does not have a Human Rights Policy. Any related issue is addressed based on relevant legislations. The Company encourages its suppliers and

contractors to meet with the human rights obligations as applicable to them. Further, the Company's Code of Conduct, Harassment and Whistle Blower Policies all cover aspects on human rights, and are applicable for all the Company employees and business partners.

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

In total, 30 complaints have been received from shareholders and 30 complaints have been resolved by the management successfully. There were nil complaints regarding breach of human rights aspects during the reporting period.

Principle 6: Environment

1. Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Health, Safety and Environment policies, rules and regulations of JKCL are applicable to the entire Company including all stakeholders i.e. employees, contractors and other business partners, involved in JKCL's business activities.

2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.

JKCL is aware of its responsibility towards imbuing climate change issues in the strategy itself and taking appropriate action so as to achieve growth in manner that does not harm the environment. The Company's energy conservation measures include process optimization to improve operational efficiency, use of Variable Frequency Drives (VFD) to conserve electrical power, Installation of Energy efficient equipments, R&D activities and adopting new technologies. During the year 2017-18, these energy conservation measures led to a reduction in power consumption by 13,126,335 kWh thus yielding a saving of INR 2,306.94 Lacs for all plants combined.

Our commitment towards innovation and technology up-gradation is evident from our targeted investments in viable technologies that help us improve the Company's environmental footprint while promising profitable growth. Examples of technology absorption and up-gradation activities include decreasing clinker factor, replacing energy intensive equipment with energy efficient equipment, modification of Bag filter bin in packing unit, astronomical Switch for Auto control of lightings, installation of VFD in CPP for pumps and fans, installation of energy saving equipment such as LED lights instead of conventional lights etc. These initiatives form a part of JKCL's climate protection strategy and for a more detailed reading are available at <http://www.jkcement.com/pdf/sustainability-report-new-2016-17.pdf>.

Further, JKCL understands that natural resources are declining at an alarming rate and hence there is a need to maximise the output from minimum input of raw materials. Our aim is to use natural resources responsibly while reducing our air emissions so that we build a successful future for our Company as well as the Planet. Our approach of integrating responsible business practices into the business operations backed by corporate ethics that go beyond compliance with law and integrity, together, has helped us conduct business in a responsible and sustainable manner.

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

Environmental performance improvement is an important pillar of JKCL's business success and so we have a risk management mechanism in place to identify, assess and mitigate the impact of potential environmental risks. As part of our commitment towards Environmental, Health and Safety (EHS) management, we have implemented a fully integrated EHS management system in our manufacturing plants, which are certified by the internationally recognised ISO-9001, ISO-14001, OHSAS-18001 and SA 8000 standards. In addition, we regularly conduct EHS management system audits by third-party certification agencies to maintain the requirements of global standards. We also have implemented Energy Management System (EnMS), ISO 50001 thus achieving improved operational efficiencies.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Besides, if yes, mention whether any environmental compliance report is filed?

Currently, no projects related to Clean Development Mechanism have been taken up by the Company.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc. Y/N? If yes, please give hyperlink to web page etc.

JKCL has a strong focus on employing clean technology, increasing energy efficiency and procuring renewable

energy. The Company has undertaken numerous initiatives over the years keeping in mind clean and green technology. Some of these include Waste Heat Recovery, Solar Energy, Rain water Harvesting, Energy Efficiency frequency measures etc. Today, our total waste heat recovery based power generation capacity stands at approximately 18.5% of our total captive power generation capacity, and contributes significantly towards reducing our carbon emissions. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year. To fulfil the minimum requirement of green energy, we have also consumed wind and solar energy.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company is within permissible limits given by CPCB and SPCB and it employs various measures to maintain compliance with the various applicable emission/waste standards.

7. Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.

No show cause /legal notices from CPCB / SPCB have been received by any of the JKCL manufacturing plants during the financial year.

Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is member of various trade and chambers or association, where the senior management represents JKCL and engages in discussions on various topics related to best practices, upcoming regulations, information sharing etc. Some of these associations include:

1. JK Organisation
2. Federation of Indian Chambers of Commerce and Industry (FICCI)
3. Cement Manufacturer's Association (CMA)

2. Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food, security, sustainable business principles and others). No

Principle 8: Inclusive Growth

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

CSR policy is the continuing commitment of JKCL to behave ethically and contribute to the economic development of the

local community and society at large. CSR 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. The Company contributes to raising the standard of living of nearby communities by investing in the creation and maintenance of health and education facilities. Our aim is to develop and support the communities in which the Company operate and prosper. Our key thrust areas around which we centre our CSR strategy include rural area development, Health & Livelihood, Education, Art & Culture and Community Welfare. The social initiatives taken by JKCL have impacted life of local people belonging to gram panchayats and villages situated around our operational plants.

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

JKCL has a Board level CSR committee which assists the Board in discharging social responsibilities. It formulates and monitors implementation framework of CSR Policy, observe practices of Corporate Governance at all levels and provide remedial measures wherever necessary. The projects / initiatives are implemented either through in-house teams or in support with other external competent authorities such as NGOs / government structures based on skill, resources and competence required.

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

JKCL regularly engages with local community members as part of its stakeholder engagement exercise, during which community need assessment and discussions regarding the impact of the ongoing projects are also analysed and complied. These allow JKCL to gauge the impact of its ongoing initiatives and design / modify future engagements to better assess the needs of the communities.

4. What is the Company's direct contribution to community development projects? Provide the amount in INR and the details of the projects undertaken?

INR 481.07 lacs was spent during the financial year 2017-18 on CSR initiatives across our major manufacturing locations. This represents 2.09 % of average net profit after tax for immediately preceding three financial year.

CSR Initiatives (FY 2017-18)	Total Expenditure (in INR Lacs)
Rural Infrastructure development	143.24
Health & Livelihood	73.27
Environment	1.43
Education, Art & Culture & Community Welfare	263.13
TOTAL	481.07

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

JKCL regularly engages with local community members to gauge the impact of its ongoing CSR initiatives. Projects are assessed under the agreed strategy and are monitored on a quarterly basis. We continuously seek to execute effective CSR interventions to boost the living standards and the overall economic status of under privileged community.

Principle 9: Customers

1. What percentage of customer complaints / consumer cases is pending, as at the end of the financial year?

We received 1375 Complaints in Grey & White Cement during the FY 2017-18, out of which 1371 complaints were resolved successfully by 31st March 2018, only 1 complaint is pending in case of grey cement & 3 complaints are pending in white cement and its value added products.

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

Yes. The Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

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

Particulars	Remarks/Status
The Competition Commission of India (CCI) issued two separate orders dated 31.8.2016 and 19.1.2017 imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company for orders dated 31.8.2016 and 19.1.2017 are INR 128.54 Crore and INR 9.28 Crore respectively.	The Company has filed appeals with Competition Appellate Tribunal (COMPAT) against these orders. COMPAT has stayed the CCI order in first matter on deposit of INR 6.56 Crore and hearing of appeal concluded, order reserved. In second matter, COMPAT has stayed the demand. The appeals with COMPAT are transferred to National Company Law Appellate Tribunal (NCLAT) and appeals are being heard. The Company, backed by a legal opinion, believes that it is good case and accordingly no provision has been made in the accounts.

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

The Company has been maintaining its brand positioning not just by producing and selling best quality products but by listening to its customers and taking corrective actions accordingly. In this regards, Consumer Satisfaction Survey is carried out by the Company to measure consumer sentiments and to take appropriate measures to expand consumer satisfaction and loyalty. Based on the inputs received, we define our action plan in order to achieve high customer satisfaction.