

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

1.1 Company's philosophy on Code of Corporate Governance

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management Level. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/other key stakeholders. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. This, together with meaningful CSR activities and sustainable development policies followed by the Company, has enabled your Company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates. In so far as compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is concerned, your Company is in full compliance with the norms and disclosures that have to be made.

1.2 Governance Structure

JK's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

2. BOARD OF DIRECTORS

The JK Board plays a pivotal role in ensuring that the Company runs on sound and that its resources are utilised for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

Committee of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors. Each of these Committees has been mandated to operate within a given framework.

Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees.

Board of Directors

(i) Composition of the Board

At J.K. Cement Ltd., the Board is headed by its Chairman and Managing Director, Shri Yadupati Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

The composition of the Board of Directors is given herein below:

- One Promoter, Executive, Non Independent Director
- Three Non-Executive, Non Independent Directors,
- Six Non Executive, Independent Directors.

(ii) Attendance of each Director at the Board Meetings and last Annual General Meeting

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2016, five Board Meetings were held on the following dates:

- (i) 23rd May, 2015 (ii) 26th June, 2015 (iii) 1st August, 2015 (iv) 31st October, 2015 and (v) 6th February, 2016.

The attendance of each Director at Board Meetings and at the last Annual General Meeting (AGM) was as under: -

S.No.	Name of Director	No. of Board Meetings attended	Attendance at last AGM
1	Shri Yadupati Singhania	4	No
2	Shri A. Karati	4	Yes
3	Shri J.N Godbole	4	Yes
4	Dr. K.B. Agarwal	5	Yes
5	Shri K.N Khandelwal	5	Yes
6	Mr. Paul Heinz Hugentobler	3	No
7	Shri R.K Lohia	3	No
8	Shri Suparas Bhandari	4	Yes
9	Smt Sushila Devi Singhania	4	No
10	*Shri Shyam Lal Bansal	NIL	N.A.

Appointed w.e.f. 6.2.16

(iii) The number of Directorships on the Board and Board Committees of other companies, of which the Directors are members / Chairman is given as under:

S.No.	Name of Director	Category	Relationship interse Director	No.of other Directorships®	No.of Board Commitees** (Other than J.K.Cement Ltd.) in which	
					Chairman	Member
1	Shri Yadupati Singhania Chairman & Managing Director	Executive, Non Independent	Smt.Sushila devi Singhania	9	-	-
2	Shri Achintya Karati	Non-Executive, Independent	-	7	1	4
3	Smt. Sushila Devi Singhania	Non-Executive, Non Independent	Shri Yadupati Singhania	1	-	-
4	Shri J.N. Godbole	Non-Executive, Independent	-	8	3	7
5	Dr. K.B. Agarwal	Non-Executive, Independent	-	4	2	1
6	Shri K.N. Khandelwal	Non-Executive, Non- Independent	-	1	-	2
7	Shri R.K. Lohia	Non-Executive, Independent	-	5	-	-
8	Shri Suparas Bhandari	Non-Executive, Independent	-	1	-	-
9	Mr. Paul Heinz Hugentobler	Non-Executive, Non- Independent	-	1	-	-
10	Shri.S.L.Bansal	Non-Executive, Independent	-	2	-	-

@ Directorships on all public limited companies, whether listed or not, has been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 has been excluded.

** Chairmanship/ Membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered.

(iv) **Non-Executive Directors'**

Compensation and disclosures

Apart from sitting fees paid to the Non-Executive Independent and Non-Independent Directors (except Chairman & Managing Director) for attending Board/ Committee meetings, Commission was paid during the year details of which are given separately in this report. Further, for the expert advisory/consultancy services rendered by any Director consultancy fee has been paid. No transaction has been made with Non-Executive and Independent Directors vis-à-vis your Company.

(v) **Other provisions as to Board and Committees**

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board and their foresight helps in decision making process.

The Board has unfettered and complete access to any information with your Company. Members of the Board have complete freedom to express their views on

agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

The matters placed before the Board as required under Listing Regulations inter alia includes:

- a) Key elements of Annual Budget, Business plans and progress thereof, presentation on quarterly performance.
- b) Information on recruitment and remuneration of Senior Officials just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- c) Delegation of powers to the Management, Show cause, demand, prosecution notices and penalty notices which are materially important.
- d) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- e) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- f) Significant Human Resources related issues.
- g) Sale/purchase or material nature of investments, assets which is not in normal course of business.
- h) Any issue which involves possible public or product liability claims of substantial nature including any judgement or order which may have passed stricture on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company. Review of compliance of all laws applicable to the Company including the requirements of the Listing Regulations with the Stock Exchanges and steps taken by the Company to rectify instances of non-compliances, if any.
- i) Minutes of Meetings of Audit Committee, Committee of Directors and other Committees of Board.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the

role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Regulation 25(7) of the Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of non-independent directors and management personnel inter alia to :

- review the performance of Non-Independent Directors and the Board as a whole,
- review the performance of the Chairman and Managing Director of the Company, taking into account the views of Non-Executive Directors,
- assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on February 9, 2015 without the presence of Non-Independent Directors and management personnel to discuss the aforesaid issue. All the Independent Directors were present at that Meeting.

Performance evaluation of Independent Directors

The Board evaluates the performance of Independent Directors and recommends commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and Committee Meetings attended by them.

Familiarisation Program for Directors

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarisation program including the presentation and interactive session with the Chairman and Managing Director and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The program also includes visit to the plant to familiarise them with all facets of cement manufacturing. On the matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion

with the Board members. The details of familiarisation program can be accessed from the website.

Directors' Profile

The brief profile of each Director as at the year end is given below:

Mr. Yadupati Singhania aged about 62 years Chairman and Managing Director (B. Tech from IIT, Kanpur)

- Helped to evolve India's cement industry for over three decades;
- Played a pivotal role in the introduction of international quality white cement in India;
- Director of the Employers Association of Northern India and Chancellor of Sir Padampat Singhania University, Udaipur;
- President of Kanpur Productivity Council and member of the Board of Governors of the National Council for Cement and Building Material and Jodhpur Chamber of Commerce;
- Member of the Managing Committee of Cement Manufacturers Association;
- Deeply involved in social entrepreneurship;
- Member of Rotary Club;

Smt. Sushila Devi Singhania aged about 80 years Non Executive, Non Independent Director (Graduate of Arts)

- Scion of renowned Jalan family representing Surajmall Nagarmall group, famous industrial house.
- Having keen interest in industry and commerce.
- A Member of Managing Committee of Seth Anandram Jaipuria School, Kanpur, President of Juari Devi Girls Inter College, Kanpur and President of Juari Devi Girls Post Graduate College, Kanpur.
- Has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities.
- Acting as Director of M/s. Yadu International Ltd. and M/s. G.H. Securities Limited.

Mr. Achintya Karati aged about 70 years Non-Executive Independent Director (Law Graduate from Calcutta University)

- Served as Senior Advisor to ICICI Securities Limited and also with ICICI Prudential Life Insurance Company Limited;
- Vast experience in finance and legal affairs, spanning over three decades;
- Diverse expertise across commercial, legal and secretarial matters;
- Retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile Industrial Credit and Investment Corporation of India Limited) in March 2004;
- Served as Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Limited;

Mr. Jayant Narayan Godbole aged about 71 years Non-Executive Independent Director (B.Tech (Hons) from IIT Mumbai, Certificate in Financial Management)

- Possesses more than 4 decades rich experience in the field of conceiving, implementing and operating mega projects abroad;
- He functioned as Chairman and Managing Director of IDBI in 2005 at the time of retirement. During his stints with IDBI and IIBI he was responsible for Corporate Finance, restructuring and rehabilitation of sick units, Venture capital, merchant banking and investors' relation;
- Stabilised the Corporate Debt Restructuring (CDR) mechanism in India as the Chairman of an Empowered Group;

Mr. K. N. Khandelwal aged about 71 years Non-Executive Non-Independent Director (Commerce Graduate and a Chartered Accountant)

- Served as President (Finance and Accounts) of Jaykay Enterprises Limited;
- Commenced his career with J.K. Synthetics Limited in 1969;

Dr. K. B. Agarwal aged about 76 years Non-Executive Independent Director (Graduate of Law, PhD, ICWA and CS)

- Rich experience in Finance, Accounts and Capital Market;
- Former President of Merchants' Chamber of U.P. and U.P. Stock Exchange Limited. Associated with FICCI and ASSOCHAM, and was also involved with various Government committees;

Mr. Paul Heinz Hugentobler aged about 67 years
Non-Executive Non-Independent Director (Civil Engineer & Degree in Economic Science)

- A Swiss national, he Joined Holcim Group Support Ltd. as Project Manager in 1980;
- He is graduated in Civil Engineering from Swiss Federal Institute of Technology, Zurich and Economic Science from Graduate School of Economics and Business of St. Gallen;
- Served as Holcim Ltd. Area Manager for the Asia Pacific Region;
- From 1999 to 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a Director;
- Until his retirement in February 2014, he was appointed as a member of the Executive Committee at Holcim Ltd. with the responsibility for South Asia and ASEAN except the Philippines;
- He joined J.K. Cement Ltd. as a Director w.e.f 17th May, 2014;

Mr. Raj Kumar Lohia aged about 61 years
Non-Executive Independent Director (Bachelor of Arts in Economics)

- A leading industrialist of Kanpur;
- 3 decades of rich experience in commerce and industry;
- Director of the Company since 2004 and also on the Board of other companies;
- Recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship;

Mr. Suparas Bhandari aged about 70 years
Non-Executive Independent Director
(Graduate of Science and Law)

- Founder Chairman and Managing Director of Agriculture Insurance Company of India Limited with extensive insurance industry experience for more than four decades;
- Served as the General Manager of Oriental Insurance Company of India Limited and Assistant General Manager of United Insurance Company of India Limited;

Mr. Shyam Lal Bansal aged about 61 years.
Non-Executive Independent Director (M.Com from Delhi University, B.Com from Shri Ram College of Commerce, New Delhi, and CA [Inter])

- Possess 39 Years of vast experience in the field of Banking and Finance in Public Sector Banks;
- Superannuated as Chairman & Managing Director from Oriental Bank of Commerce;
- Actively involved as an Executive Director in The Financial Inclusion Plan of United Bank of India in the Whole of West Bengal and North East, as part of the Bank's responsibility as SLBC convener in Tripura and West Bengal and Lead Bank responsibility in 10 districts in Assam;
- Acting as Independent Director in NIIT Institute of Finance, Banking and Insurance Training Limited and IL & FS Tamil Nadu Power Company Limited;
- Contributing value addition through vast knowledge and experience to Educational and Commercial Organisation;

3. AUDIT COMMITTEE

(i) Broad Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and the Corporate Governance Code as prescribed under Listing Regulations, which broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include.

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.

4. Evaluation of Internal Financial Control and risk management system.
 5. Scrutiny of internal corporate loans and investments.
 6. Reviewing with management, the annual financial statements before submission to the Board particularly with reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement and Board's report in terms of Section 134(5) of the Companies Act, 2013.
 - (b) Changes if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
 7. Reviewing with the management the quarterly financial statements before submission to the Board for Approval.
 8. Reviewing with the statutory and internal auditors the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls.
 9. Reviewing reporting structure, coverage and frequency of internal audit.
 10. Discussion with internal auditors any significant findings and follow up thereon.
 11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
 13. To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 14. To review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) Management letters/letters of internal control weaknesses issued by the statutory auditors.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 16. Approval of the Annual Internal Audit Plan.
 17. To review whistle Blower Mechanism
- (ii) Composition of the Committee**
Following Directors were the members of the Audit Committee:
1. Dr. K. B. Agarwal (Chairman) Independent, Non-Executive Director
 2. Shri A. Karati, Independent, Non-Executive Director
 3. Shri J. N. Godbole Independent, Non-Executive Director
 4. Shri K.N. Khandelwal, Non Independent, Non-Executive Director
 5. Shri R.K. Lohia, Independent, Non-Executive Director
- All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as special invitees. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2016 four meetings were held on (i) 23rd May, 2015 (ii) 1st August, 2015 (iii) 31st October, 2015 (iv) 6th February, 2016.

The attendance at the Committee Meetings was as under:

S.No.	Name of Director	No. of Meetings attended
1	Dr. K. B. Agarwal	4
2	Shri K.N. Khandelwal	4
3	Shri R.K. Lohia	2
4	Shri Achintya Karati	4
5	Shri J.N Godbole	4

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Company has been functioning in pursuance of the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

(i) Broad Terms of Reference

- To review and decide the policy on specific remuneration package of Chairman and Managing Director of the Company.
- To decide quantum of Commission of Non-executive Directors of the Company.
- Recommend to the Board the appointment or reappointment of Directors.
- Devise a policy on Board diversity.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

(ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2016 comprised of:

- Shri Raj Kumar Lohia (Chairman): Independent, Non-Executive Director
- Shri A. Karati: Independent, Non-Executive Director

(iii) Shri J.N. Godbole: Independent, Non-Executive Director

(iv) Shri Suparas Bhandari: Independent, Non-Executive Director

Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2016 one meeting was held on 23rd May, 2015.

The attendance at the above Meeting was as under:

S.No.	Name of Director	No. of Meetings attended
1	Shri A. Karati	1
2	Shri J.N. Godbole	1
3	Shri R.K Lohia	-
4	Shri Suparas Bhandari	1

(iv) Nomination and Remuneration Policy:

The Company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. Keeping in view the above, the Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Chairman and Managing Director including details of fixed components and performance linked incentives.

As for the Non-Executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various committees of the Board and commission on profit.

The number of Equity Shares held by Non-Executive Directors of the Company as on 31.03.2016 are as under:

S.No.	Name of Director	No. of Equity shares held
1	Smt. Sushila Devi Singhania	920957
2	Shri K.N. Khandelwal	1000
3	Shri Achintya Karati	640
4	Dr.K.B. Agarwal	300

Details of Remuneration paid to the Directors for the year ended 31st March, 2016

S.No.	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Smt. Sushila Devi Singhania	-	-	700000	390875	1090875
2	Shri Yadupati Singhania*	21600000	37800000*	10000000	-	69400000
3	Shri A. Karati	-	-	700000	275500	975500
4	Shri J.N. Godbole	-	-	700000	300625	1000625
5	Dr. K.B. Agarwal	-	-	700000	616250	1316250
6	Shri K.N. Khandelwal	-	-	700000	420500	1120500
7	Shri Raj Kumar Lohia	-	-	700000	386125	1086125
8	Shri Suparas Bhandari	-	-	700000	300625	1000625
9	Mr. Paul Heinz Hugentobler	-	11097000**	700000	133658	11930658
10	Shri Shyam Lal Bansal (appointed w.e.f. 6.2.16)	-	-	-	-	-

* Benefits does not include payment of contribution to Provident Fund, which is exempted perquisite under applicable provisions of the Companies Act, 2013 but includes Performance of ₹ 108 Lacs

** Paid in professional capacity.

5. STAKE HOLDERS' RELATIONSHIP COMMITTEE - MANDATORY COMMITTEE

Stakeholders' Relationship Committee of the Company has been functioning in pursuance of the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

The terms of reference of the Committee are:

1. Transfer/transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;
2. Issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. Issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. To grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
6. To issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
7. To approve and monitor dematerialisation of shares / debentures / other securities and all matters incidental or related thereto;
8. To authorise the Company Secretary and Head Compliance/ other Officers of the Share Department to attend to matters relating to non-receipt of annual

reports, notices, non- receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;

9. Monitoring expeditious redressal of investors' / stakeholders' grievances;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

(i) Composition

The Committee as on 31st March, 2016 comprises of:

- (a) Dr. K.B. Agarwal (Chairman): Independent, Non-Executive Director.
- (b) Shri Suparas Bhandari: Independent, Non-Executive Director
- (c) Shri K.N. Khandelwal: Non Independent, Non-Executive Director.
- (d) Shri Raj Kumar Lohia: Independent, Non-Executive Director.

- (ii) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

(iii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 21 complaints during the F.Y. 2015-16, and all the 21 complaints were redressed. No investor grievance has remained unattended/ pending for more than thirty

days. Investor's complaints received through SEBI are redressed at www.scores.gov.in. However, Six requests for dematerialisation involving 23 equity shares of the Company remained to be attended as at 31.03.2016 was attended/ disposed of after 31.03.16 but within stipulated period of 30 days.

(iv) Meeting and Attendance

During the financial year ended 31st March, 2016 four meetings were held on (i) 23rd May, 2015 (ii) 1st August, 2015 (iii) 31st, October 2015 and (iv) 6th February 2016

The attendance at the above Meetings was as under:

S.No.	Name of Director	No. of Meetings attended
1	Dr. K. B. Agarwal	4
2	Shri K.N. Khandelwal	4
3	Shri Raj Kumar Lohia	2
4	Shri Suparas Bhandari	4

Corporate Social Responsibility Committee - Mandatory Committee

Corporate Social Responsibility Committee of the Company has been functioning in pursuance of the provisions of Section 135 of the Companies Act, 2013.

Composition of the Committee

Smt. Sushila Devi Singhania	Non-Executive, Non-Independent Director
Dr. K.B.Agarwal	Non-Executive, Independent Director
Shri J.N.Godbole	Non-Executive, Independent Director
Shri Suparas Bhandari	Non-Executive, Independent Director

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the

framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

Terms of Reference of the Committee, inter alia, includes the following:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be more undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

- To observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

6. CSR COMMITTEE ATTENDANCE

One CSR committee meeting was held during the year on 6th February 2016

The attendance at the above Meeting was as under:

Name of Director	No. of Meetings attended
	Attended
Smt. Sushila Devi Singhania	1
Dr. K. B. Agarwal	1
Shri J.N.Godbole	1
Shri Suparas Bhandari	1

7. CMD/CFO CERTIFICATION

The Chairman and Managing Director and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Listing Regulations, for the year ended 31.03.2016.

8. GENERAL BODY MEETINGS:

Dates, time and places of last General meetings held are given below

Financial Year	Date	Time	Place
2012-13 (EGM)	9th February, 2013	12 Noon	Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar, Kanpur
2012-13 (AGM)	27th July, 2013	12 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2013-14 (AGM)	26th July, 2014	12 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2014-15 (AGM)	1st August, 2015	12 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur

A special resolution was passed in the Extraordinary General Meeting (EGM) of the Company held on 9th February, 2013. Twelve special resolutions were passed in the Annual General Meeting of the Company held on 26th July, 2014. two special resolutions were passed in the Annual General Meeting of the Company held on 1st August, 2015. There were no matters required to be dealt/ passed by the

Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110 of the Companies Act, 2013. The Chairman of the Audit Committee was present at AGMs held on 27th July, 2013, 26th July 2014 and 1st August 2015 to answer the queries of the shareholders.

Disclosures

- (i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
- (iii) The Company has complied with the mandatory requirements of Listing Regulations. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

Disclosures regarding appointment or re-appointment of Directors:

According to the provisions of Companies Act 2013 read with Articles of Association of the Company one Non-Executive Non-Independent Director Smt Sushila Devi Singhania will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-election. Given below is the brief resume of Smt Sushila Devi Singhania pursuant to the listing regulations:

Smt Sushila Devi Singhania (DIN 00142549) aged about 80 years scion of renowned Jalan family representing Surajmall Nagarmall group, famous industrial house. She is an arts graduate having keen interest in industry and commerce. She is a Member of Managing Committee of Seth Anand Ram Jaipuria School, Kanpur, President of Juari Devi Girls Inter College, Kanpur and President of Juari Devi Girls Post Graduate College, Kanpur. She was/is actively associated with programmes for welfare and upliftment of economically weaker sections, children and women. She is actively associated with religious activities. She is acting as Director of Yadu International Ltd. and G.H. Securities (P) Limited. As on 31st March, 2016, she holds 920957 Equity share of the Company.

The Board of Directors of the Company appointed Shri Shyam Lal Bansal as an Additional Director w.e.f. 6.2.2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 96 of the Articles of Association of the Company and to hold office upto the next Annual General Meeting. In terms of Section 161 and any other applicable provisions of the Companies Act, 2013. Shri Shyam Lal Bansal is proposed to be appointed as Non-Executive Independent Director upto 5(five) consecutive years. Notice has been received from a member proposing his candidature for the office of Director of the Company.

Given below is the brief resume of Shri Shyam Lal Bansal pursuant to the Listing Regulations:

Shri Shyam Lal Bansal (DIN 02910086), aged about 61 years possesses 39 Years of vast experience in the field of Banking and Finance in Public Sector Banks and Superannuated as Chairman & Managing Director from Oriental Bank of Commerce. He is actively involved as an Executive Director in The Financial Inclusion Plan of United Bank of India in the Whole of West Bengal and North East, as part of the Bank's responsibility as SLBC convener in Tripura and West Bengal and Lead Bank responsibility in 10 districts in Assam. He is acting as Independent Director in NIIT Institute of Finance, Banking and Insurance Training Limited and IL & FS Tamil Nadu Power Company Limited and Contributing value addition through vast knowledge and experience to Educational and Commercial Organisation.

Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non- executive Directors, and members of the Senior Management. A copy of the Code has been hosted on the Company's website www.jkcement.com. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them hereinafter.

9. MEANS OF COMMUNICATIONS

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Regulations and the same are normally published in Business Standard, Economic Times, Nav Bharat Times, Hindustan, Times of India, and Nafa Nuksan newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website www.jkcement.com. Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and www.listing.bseindia.com maintained by BSE.

Details of shares lying in the Escrow Account of the Registrar & Share Transfer Agent.

As per SEBI Circular dated 24th April, 2009 bearing reference no. SEBI/CFD/ DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is

reported that as on 31.03.2016, 160 number of equity shares of 3 (three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd., Kanpur (DP.Id. IN301330 Client ID 19881648).

Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations),

a comprehensive code of conduct for prevention and regulation of trading in the Company's share by insiders is in vogue. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company.

10. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting	
Date and Time	Saturday the 6th August, 2016 at 11 A.M.
Venue	Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.
(ii) Financial Calendar	
(a) First Quarter Results	Within 45 days from the close of Quarter Ending June, 2016
(b) Second Quarter Results	Within 45 days from the close of Quarter Ending September, 2016
(c) Third Quarter Results	Third Quarter Results - Within 45 days from the close of Quarter Ending December, 2016
(d) Result for the year ending 31st March, 2017	Within 60 days from the close of Quarter/Year Ending March, 2017

(iii) Date of Book Closure

Thursday the 28th July, 2016 to Saturday 6th August, 2016 (both day inclusive).

(iv) Dividend payment date:

The Board of Directors of the Company have recommended a dividend of ₹ 4 per share for the year 2015-16 which shall be payable after 6th August, 2016.

Dividend Policy

The Company has been declaring/paying dividend every year since 2006-07 consistently. It is maintaining a payout of 20% to 25% of Net profit as dividend (including tax).

(v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2015-16.

(vi) Stock Code

BSE 532644
NSE JKCEMENT
ISIN NUMBER INE823G01014

(vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
April, 2015	720.00	610.00	29094.61	26897.54
May, 2015	655.00	572.40	28071.16	26423.99
June, 2015	679.25	548.00	27968.75	26307.07
July, 2015	694.75	600.00	28578.33	27416.39
August, 2015	685.00	580.00	28417.59	25298.42
September, 2015	670.00	571.00	26471.82	24833.54
October, 2015	690.00	603.05	27618.14	26168.71
November, 2015	742.05	625.95	26824.30	25451.42
December, 2015	695.00	575.00	26256.42	24867.73
January, 2016	615.00	451.00	26197.27	23839.76
February, 2016	502.25	425.00	25002.32	22494.61
March, 2016	683.00	482.00	25479.62	23133.18

Month	NSE			
	High	Low	Nifty High	Nifty Low
April, 2015	720.50	615.20	8844.80	8144.75
May, 2015	659.90	574.00	8489.55	7997.15
June, 2015	680.00	555.50	8467.15	7940.30
July, 2015	697.00	600.15	8654.75	8315.40
August, 2015	685.00	574.00	8621.55	7667.25
September, 2015	669.00	582.00	8055.00	7539.50
October, 2015	693.00	600.25	8336.30	7930.65
November, 2015	745.00	622.20	8116.10	7714.15
December, 2015	698.50	572.00	7979.30	7551.05
January, 2016	616.65	450.00	7972.55	7241.50
February, 2016	550.00	425.00	7600.45	6825.80
March, 2016	689.00	477.00	7749.40	7035.10

(viii) Registrar/Transfer Agent

M/s Jaykay Enterprises Ltd. is acting as Registrar and Share Transfer Agent of the Company for Physical and Demat segment. Their address for communication is as under:-

M/s Jaykay Enterprises Ltd. (Unit J.K. Cement Ltd.)
Kamla Tower, Kanpur - 208 001
Telephone: (0512) 2371478 - 81; Ext: 18322/323
Fax: (0512) 2332665/2399854;
email: investorservices@jkcement.com;
rc.srivastava@jkcement.com

(ix) Share Transfer System

Share Transfer work of physical segment is attended to by the Company's Registrar & Share Transfer Agent within the prescribed period under law and the Listing Regulations with Stock Exchanges.

All share transfers etc. are approved/ ratified by a Committee of Directors, which meets periodically.

(x) Distribution of Shareholding as on 31st March, 2016

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	81365	98.84	2371030	3.39
501 to 1000	542	0.66	382106	0.55
1001 to 2000	166	0.20	242094	0.34
2001 to 3000	56	0.07	141886	0.20
3001 to 4000	23	0.03	81684	0.12
4001 to 5000	25	0.03	116494	0.17
5001 to 10000	42	0.05	309122	0.44
10001 and above	99	0.12	66282831	94.79
Total	82318	100	69927250	100

(xi) Category of Shareholders as on 31st March, 2016

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters and Promoter Group	25	0.03	46866571	67.02
Mutual Funds / UTI	66	0.08	5654596	8.09
Financial Institutions / Banks	103	0.13	15403	0.02
Insurance Companies	8	0.01	3757784	5.37
Foreign Institutional Investors	52	0.06	7330384	10.48
Bodies Corporate	678	0.82	1122904	1.61
Individuals	81245	98.7	4986917	7.13
Others	141	0.17	192691	0.28
Total	82316	100	69927250	100

(xii) Dematerialisation of Shares

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 69350286 Equity share representing 99.17% of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2016.

(xiii) The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.**(xiv) Plant Location**

Company has following plants

Plant	Location
INDIA	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist. Bagalkot, Karnataka
	Jharli, Dist. Jhajjar, Haryana
White Cement & White Cement based Wall Putty Plant	Gotan, Dist. Nagaur, Rajasthan
	Village: Rupaund, Tehsil - Badwara, Dist. Katni, M.P
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan
	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist. Bagalkot, Karnataka
	Mangrol, Chittorgarh, Rajasthan
Waste Heat Recovery Power Plant (For captive consumption)	i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
	ii) Mangrol, Dist. Chittorgarh, Rajasthan
OVERSEAS	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

(xv) Address for Correspondence:

Mr. Shambhu Singh
Asst. Vice President (Legal) & Company Secretary,
J.K. Cement Ltd.,
Kamla Tower, Kanpur - 208001. Telephone No.: 0512
2371478 - 81 Fax: 0512-2332665/2399854
Email: shambhu.singh@jkcement.com
Website: www.jkcement.com

emissions low air and water pollution, use of alternative fuel, renewable energy etc.

(xvi) SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish PAN copy in the following cases:-

- Deletion of name of deceased shareholder, where the shares are held in the name of two or more shareholders.
- Transmission of shares to the legal heirs, where deceased shareholder was a sole holder.
- Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

At JK Cement, we strive to integrate responsible environmental practices into business operations that can add value in terms of environmental capital and financial profitability and have taken adequate measures towards the same. We consciously aim to mitigate environmental impacts due to our business operations and follow precautionary approach wherever we suspect that the risk of our actions might cause harm to environment. We are aiming for responsible use of natural resources, reduction in air emissions, targeted investments in viable technologies that promise profitable growth and corporate ethics that extend beyond compliance with the law and focus on integrity. We are convinced that, with this approach, we are conducting business in a sustainable manner while building the basis for a successful future for our Company.

For us, the environmental performance improvement remains an important pillar of our business success. We also continuously focus on improving resource efficiency in clinker and cement production by optimising energy usage, utilising waste in production processes and targeting higher alternative fuel and raw material usage. In the process, we also endeavour to minimise our impact on climate, water and air.

Sustainability and Environment

The Company's Sustainability framework continued to assess sustainability risks and opportunities both at the unit and corporate levels and monitor the various sustainability initiatives. The Company's initiatives aimed at low carbon

Occupational Health & Safety

Safety is the core operational priority at all our plants and we are committed in creating safe and conducive work environment for all our employees. We are continuously working towards enhancing working conditions by implementing safe workplace practices, establishing safety systems, extensive employee communication, supporting infrastructure and encouraging a compliance with systems and good practices. As a step to ensure well-being of the workforce, all our formal agreements cover health and safety parameters.

We have developed robust safety systems which are aimed at nurturing a safety culture where each employee takes ownership and responsibility for his and the safety of his team members. We do this by operating a workplace accident prevention program, improving employee safety measures, and investing in safety education and materials to instil a culture throughout the company. Every safety incident in the organisation is a leaning and an instrument for improving the safety systems within our organisation. Incident-accident recording systems are maintained as per regulatory requirements. All of our manufacturing facilities monitor the injuries (first aid, minor and reportable injuries). We have well established Environment, Health & Safety (EHS) Management systems with designated responsibilities and safety infrastructure, which are under constant supervision and up-gradation to comply with leading international standards. Root Cause Analysis (RCA) is performed for reported incidents to identify the reasons for the incident and suggest mitigation/avoidance based on the investigation. The learnings from these incidents are shared amongst the employees to prevent any future repeat occurrence.

The continuous identification of potential risk factors and improvement activities helps us to achieve such success.

To further instil the safety culture, a safety committee is functional at all our manufacturing plants and is powered by equal participation from management and worker representatives. During the year, we have organised various awareness and counselling programs on Health and Safety aspects across our plants covering occupational health and safety aspects, lifestyles diseases and common seasonal diseases beside others.

Risk & Opportunities

Understanding business risks is required for ensuring timely mitigation and smooth operations. The growth of Indian cement industry has been commendable in the past decade with a compounded growth of about 8%. However, the growth rate has slowed in the recent years. One of the major factors for this is reduced demand from housing sector which attributes to about 67% of the total consumption. The slowdown in construction activities, regulatory delays in infrastructure projects and high interest rates have been other important factors resulting in reduced growth of the cement industry.

Higher operating costs including but not limited to cost heads such as raw materials, energy and freight has been identified a risk factor for future operations. The fluctuation in prices of INR pose risk to the sustainability of our operations. The trends seen in the industry are also expected to pose risk for availability of training manpower and lack of investment in innovation.

Competition	The Indian cement sector has become highly competitive with multiple large players operating, result of entry of foreign players and years of consolidation and expansion by domestic companies. While earlier most companies were catering to specific parts of India, now most players are expanding their reach pan-India thus creating greater market competition.
Fuel availability and prices	Coal is the primary source of fuel for the captive power plants and cement plants. Here shortage of coal supply, quality of coal, and volatility of fuel prices remain a major concern for the sector. With dwindling production of domestic coal supplies, coal linkages for cement companies is expected to decline further on account of coal linkages being offered to power producers.
Bargaining power of the customers	Cement is a commodity business and sales volumes mostly depends on the distribution reach of the company. However, things are changing and some brands have now started commanding a premium on account of better quality.
Increase in production cost	There has been severe pressure on the production costs over the past years, primarily driven by a rise in costs of raw materials, fuel, power, and freight costs which approximately forms 70% of our overall costs.

Despite the slowdown observed in cement sector market, the 12 five year plan of the government includes plans to increase the investment in infrastructure to about US\$ 1 trillion. Considering the future business opportunities available, we are working on tapping them by expanding our Company's footprint to cater to the increased demand. In this light, we completed the grey cement expansion to 10.5 MTPA in 2014-15. Our focus is on adopting technological excellence, hiring and retaining competent staff and planning for pan India presence and competent workforce in order to ensure we are market ready to respond to future demands. We are also planning to strengthen our brand

positioning by extensive marketing and strengthening our distribution network. We at JK Cement are thus preparing a strong platform for sustainable growth in future.

Managing the Risks of Fraud, Corruption and Unethical Business Practices

The Company is committed to Fraud and Corruption-free work culture. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the Company has put greater emphasis to address this risk

COMPLIANCE CERTIFICATE OF THE STATUTORY AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the same is annexed to this report.

Declaration

Compliance with the Code of Business Conduct and Ethics

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct and Ethics for the year ended 31st March, 2016.

Place : Kanpur
Dated : 28th May, 2016

For J.K. Cement Ltd.

Yadupati Singhania
Chairman & Managing Director

CHAIRMAN & MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION

As required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we have certified to the Board that for the financial year ended 31st March, 2016, the Company has complied with the requirements of the Regulations.

For J.K. Cement Ltd.

Yadupati Singhania
Chairman & Managing Director

For J.K. Cement Ltd.

A.K. Saraogi
President (C/A) & Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of **J.K. Cement Limited**

We have examined the compliance of conditions of Corporate Governance by J.K.Cement Limited ('the Company') for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above -mentioned Listing Agreement / Listing Regulations, as applicable.

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

For- P.L.Tandon & Co.
Chartered Accountants
Firm Registration No 000186C

A.K. Agarwal
(Partner)

Membership Number 071548

Place Kanpur
Date 28.05.2016