



Creating Safe Foundation for A Better Tomorrow

Sustainability Report FY 2016-17

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Reporting Profile

Creating Safe Foundation for a Better Tomorrow

The JK Cement DNA has safety inbuilt in its brand and promises the desire for all stakeholders including individual home builders, institutional consumers, channel partners, influencers and applicators. With this vision in mind, we recently launch JK Super Cement Brand which is driven by the core values of the organisation that has always kept “People First”. Our key priority has always been to improve safety, followed by our endeavour to achieve long term success. We have successfully achieved excellence in safety with zero fatalities across all our locations.

We promote a safety-first culture and constantly raise awareness and take appropriate measures to ensure safety of all our workers and the society at large. By providing quality products that are strong and durable, we at JK cement aim to build safer homes. In our endeavour to integrate safety with sustainability: we offer products that are blended with alternative materials and contribute in building structures that have long-service lives.

With this belief, we invite you to read our fourth Sustainability Report for FY 2016-17 titled “Creating safe foundation for a better tomorrow” explaining how JKCL is fulfilling its economic, social and environmental responsibilities as well as the performing in the market. The Sustainability Report – an annual endeavour - is intended for all stakeholders who are directly or indirectly associated with JK Cement with a vision to provide sufficient

information for an informed decision making.

Scope and Boundary

In order to guide the reporting process, we reviewed our materiality assessment this year which reaffirmed the most important issues that are relevant to our organisation. The assessment included analysis, identification and prioritisation of issues that can pose risks to business in both short and long term. Our aim is to improve the quality and transparency of each report in such a manner so as to ensure that information is presented to stakeholders in an unbiased, comparable, accurate, reliable and comprehensible manner.

The reporting boundary of this report includes our grey manufacturing cement plants including captive power and WHR at Nimbahera, Mangrol, Gotan and Muddapur along with our grinding unit at Jharli and White Cement Plants at Gotan. The performance of our manufacturing units, grinding units and captive power plants is disclosed from 1st April, 2016 to 31st March, 2017. The Company recently commissioned a white cement based wall putty manufacturing unit at Katni with initial capacity of 200,000 tonnes per annum. Since the plant got recently commissioned, only workforce and production numbers has been included in the report. However, going forward, the performance of this plant shall also be included in the boundary of the report. The report excludes the performance of our subsidiary companies including the J.K. Cement (Fujairah) FZC, holding company of J.K. Cement Works (Fujairah) FZC, and

mining operations. Further, except for the environmental data which pertains to our manufacturing plants, grinding units, and the captive power plants, the remaining data and information represents entire organisation unless otherwise mentioned specifically.

Compliance with Global Reporting Norms

In order to strengthen the sustainability communication of JKCL with its stakeholders and comply with the internationally agreed disclosures, we prepare our report in accordance with the latest guidelines of the internationally recognised Global Reporting Initiative (GRI) G4 in accordance 'Core' criteria. We continuously refine our reporting processes in line with these standards.

Data Management

It is of utmost importance to us that the data that is gathered and reported from sites is reliable and consistent. To ensure the same, despite the varied product portfolio and vast geographical spread of the manufacturing sites, we have employed systems and practices in place for regular and reliable tracking of various sustainability performance data. The data published in our sustainability report is collected through various internal stakeholders for inclusion in sustainability report which may or may not form part of Annual Report. Our direct and indirect emissions are calculated using the Intergovernmental Panel on Climate

Change (IPCC) and Central Electricity Authority (CEA) published emission factors. Further, we have also applied World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI) formulae for compiling our calcination process emissions.

Independent Assurance

To ensure credibility and reassure readers that the information we publish is accurate and material, we undergo independent assurance that leads to quality and process improvements and therefore helps in building trust and credibility with key stakeholders. We have therefore engaged professional assurance providers who combine the strengths of nonfinancial assurance experience with technical competency in environmental and social standards. We have sought services of Ernst & Young LLP, to provide limited assurance on the information presented in the report. The assurance is in accordance with the principles of the International Standards on Assurance Engagements ISAE 3000. The assurance approach, methodology, and observations are presented in the issued assurance letter, from Ernst & Young LLP, attached at the end of this report.

Suggestions and Feedback

We welcome any comments and / or suggestions on the report content and flow. Please send your comments to sustainability@jkcement.com



Statements from Our Leaders



Message from Chairman



Dear Readers,

I am happy to report a remarkable year for J.K. Cement. During this year, our Company reached the billion-dollar mark.

Despite demonetisation, the company reported good set of numbers during the FY 2016-17. It registered higher sales of Rs. 4,327.84 crore during FY 2016-17 vis-à-vis Rs. 4,096.98 crore in FY 2015-16. We achieved highest ever EBITDA of Rs. 734.3 crore (Rs. 519.89 crore in FY 2015-16). Our net profit peaked at Rs. 259.58 crore and our earning per share reached Rs. 37.12.

We believe that the choices we make in our daily business operations have an impact on our stakeholders, planet and

society at a large, whether directly or indirectly. As a thriving organisation, sustainability becomes both our core responsibility as well as a business opportunity. Our growth is a testament to our persistent efforts in cost reduction, brownfield expansions and other efficiency initiatives. Project Nirmaan is the outcome of our 'One Group' vision to bring greater business alignment across the Company. The project focuses on business and technology transformation, along with process reengineering. Its primary objective is to develop best-in-class processes and technology capabilities, resulting in a complete state-of-the-art 'digitalisation' across the group. Project Nirmaan aims to build a future ready organisation that will deliver bottom line value.

We believe that the overarching value of any company is safety, whether it is employee safety, consumer safety or safety of the community as a whole. With this philosophy, we embarked on a mission of 'Creating Safe Foundation for a Better Tomorrow' in the year 2017 and move towards our longer term ambition of zero harm. This year embarked with the launch of 'Build Safe' - Super Grey Cement and Primaxx - multipurpose white cement wall dressing product, both of which focus on our core principles of strength, consistency and durability.

Population growth and urbanisation mean that the world will build more than ever before. At JKCL, we are determined to help in building a strong, more consistent and a durable world. We understand our responsibility and the role that we play in helping the world build better. Hence, as our contribution towards sustainable construction, we continue to innovate new products and processes.

In today's world of deteriorating environmental conditions, a company is not only judged by its financial performance but also the manner in which its business adds to

the environmental and social value. Our continuous endeavour is to reduce our environmental footprint through performance improvement, resource efficiency, energy conservation, carbon emission, depleting water resources, and above all occupational health and safety of its employees.

Diversity is one of the underlying principles of our Human Resources Policy. While putting together a team of employees, we make sure that they consist of a perfect blend of people with different skills, personalities, skills and experiences. A powerful team can raise the standard of a company and ensure its sustainable growth. Therefore, our focus is on building a team that will drive the Company's growth through creating awareness, enhancing their skills through training and bringing them to the forefront.

We are committed to invest in building the capabilities of our people and to align their career aspirations with the larger objectives of the Organisation. We foresee that the results of our efforts will build our resilience and positively impact the organisation's future.

We, the Board of Directors, management team and all the employees of JKCL, would like to extend our regards to you and to the organisations and communities we work with on a daily basis, for continued support, trust and taking interest in the sustainable development of our Company and the country in which we operate.

Sincerely,
Yadupati Singhania
Chairman & Managing Director

Message from Special Executive-1



Dear Readers,

We live in a world that has an ever changing and accelerating environment which serves as an opportunity to create value for all our employees, customers, shareholders, suppliers and communities. Our Company is making constant efforts to embed sustainability not only in our business model, but also in the way we operate by offering a high performing, rewarding and, above all, safe environment for all our stakeholders.

The emerging urban clusters in our country are driving the economic momentum of India making it one of the world's largest manufacturing country. Currently, the economic prospects of the nation appear optimistic thus providing a growth opportunity for the cement industry. Even in the uncertain environment that followed demonetisation, the industry managed to recover rather quickly. JKCL, being extremely poised while the markets recover, believes in its ability to deliver and is working towards achieving long term targets and generating returns for all the stakeholders.

We believe that business growth at JK Cement can be achieved only by providing enhanced value to our customers and end users. In line with the above belief, our first step is to fully understand our customer expectations and requirements. For the same, we outline building requirements, define the challenges likely to be faced, and formulate the solutions that can be applied. Various communication platforms form a key element in enhancing our customer engagement and providing complete consumer satisfaction. We have a Customer Technical Service in place at all the major business locations across the nation for providing technical assistance to customers. In order to safeguard the interest of all our consumers, we undertake corporate communications in a responsible manner and advertising principles are adhered to while marketing of our products and services.

Through this sustainability report, we intend to provide a holistic analysis of our vision and performance towards economic, environmental and social aspects.

Sincerely,
Raghavpat Singhania

Special Executive

Message from Special Executive-2



Dear Stakeholders,

We aspire to become a leading sustainable company in the cement industry while continuing to be a responsible organisation and hence are in a constant endeavour to innovate and refine our operations and products in line with sustainability. With this approach, we keep track of and try to minimize the life cycle impacts of our products on the environment and ensure that they are safe to use as well as are economically feasible. In light of our vision of becoming a high performing organisation, we continue to grow organically through capacity expansions. It is noteworthy to mention here the Company is planning to set up,

in phases, 6 Lac tonnes capacity of white cement based wall putty manufacturing unit at J.K. White, Katni. An initial capacity of 2 Lac tonnes has already been commissioned in the year 2016.

Over the past few years, we have made progress with our sustainability initiatives and have worked towards complying with local laws and regulations prevailing at our plant locations. While striving to maintain the highest ethical and corporate governance standards within our organisation, we work towards creating awareness about sustainability amongst our suppliers and motivate them to drive change and move towards a better future.

Safety of the masses is a key element of our sustainability strategy and we are constantly taking measures to reduce the frequency of accidents at all our operating locations. We are proud to announce that we have achieved our target of zero with no fatalities in the FY 2016-17. We continue to safeguard our employees as well as workers from external firms and third parties and spread awareness regarding safety issues and measures. This year we are trying to extend our approach of safety towards our consumers as well as the community at large.

We believe that sustainability report is a medium for consumers as well as all stakeholders to obtain an understanding of our operating model and look into our performance, governance, value creation and approach towards sustainability. We eagerly look forward to your feedback on our performance and welcome suggestions on how we can work better and become a sustainable business for all stakeholders as well as the environment.

Sincerely,
Madhavkrishna Singhania
Special Executive

Message from President (Corporate Affairs) & CFO



Dear Stakeholders,

This year, FY 2016-17, has been a successful year from both financial as well as sustainable business point of view. Our long-term thinking and responsible action have paid off even in times of political changes and challenges such as demonetization. With this sustainability report, we are trying to share a snapshot of our economic, social and environmental performance.

Our approach to sustainable business and sustainable corporate governance involves achieving our profit targets while safeguarding our future viability. Our business risks are automatically minimized when we reduce the negative

impacts of our operations and activities and take responsibility of the society and the environment.

The Indian Cement industry's growth is entirely dependent on housing and infrastructure sector. With 67% of capacity utilization, the demand stood at 281 MTPA as against the supply of 421 MTPA for the current financial year. Despite a de-growth of 1% in production volume which also impacted our operations, we registered growth of 1% production volume in North and 9% de-growth in South which results in overall 2% de-growth in Grey Cement production volume. Similarly, the White cement business registered a growth of 9% and white cement based wall putty registered a growth of 14% in production volume. We believe that Government's overall efforts towards development of the economy will boost the demand for infrastructure which in turn help to improve demand for cement as well. For instance, our Government has allocated fund for Pradhan Mantri Gram Vikas Yojna to the tune of INR 23,000 Cr in order to complete 10 million houses by fiscal year 2019 for all homeless peoples and for those living in Kachcha Houses, Further the Government allocated INR 7,000 Crore for development of road on highways with emphasis on laying 2,000 Kms coastal roads. We are confident that such initiatives will boost the economy and certainly accelerate cement demand.

Occupational Safety as well as safety of the community at large plays a vital role at JK Cement. During 2017, with the agenda of continuous improvement, we have taken a step forward to highlight safety as our core responsibility. As a company, we are trying to intensify our efforts in the area of safety and are moving towards our target of "Build Safe". In addition, our company has also made significant achievements in the areas of environment and for the betterment of the society. We are continuously trying to explore alternate renewable options for our plants.

With the focus of improving the efficiency of our manufacturing plants, we are continuously investing in environment friendly technologies. Our strategy is to work for inclusive growth of society as a whole. We seek your valuable support and feedback to help us strive towards sustainable development goals.

Sincerely,

A.K. Saraogi

President (Corporate Affairs) & Chief Financial Officer

Message from Business Head – Grey Cement



With a view to build the best whilst causing no harm to the environment, we aim to become an inspiring business and implement industry best practices. Our efforts are channelled towards strengthening our financial position and providing improved results. We understand that long term value can be created solely when we embed sustainability throughout our business. Through this Sustainability Report, we demonstrate that our deliverables are not just financial numbers, but also the social and environmental impact that we create.

We aim to achieve KPI targets through showcasing resilience and strength; knowledge and capability; improved strategy and transparent governance; and catering to customer needs. With the level of awareness present today, consumer's sustainability expectations are on a rise and deliverable satisfaction cannot just be achieved by product quality but through an amalgamation of quality and environmental efficiency without compromising on community safety.

Safety has always been our top priority and is embedded firmly in our DNA. We continuously work towards ensuring a safe, healthy and quality working environment. The target of zero fatalities has been achieved as we have the right safety processes and procedures in place and we provide optimal number of safety trainings while constantly working to ensure that the safety norms are steadfastly adhered to.

Rajnish Kapur
Business Head – Grey Cement

Message from Business Head – White Cement



In India, in 1984, the JK White Cement unit came into operation and the plant was set up at Gotan, Rajasthan with an initial capacity of 50,000 tons. From thereon, J.K White has continued its journey with present installed capacity 6 lacs tons of White Cement and 7 lacs tons of Wall Putty. With increasing consumer acceptance of value added product we have also launched Primaxx in this year. We have shown our dedication to work in difficult economic scenario, which confirms our belief that we are a company built to last long. While adapting to the new market realities, we continue to pursue our long term strategic vision.

In the field of environment, we are fully aware of the impacts of our operations and we function with a continued focus on mitigating these impacts. In line with our commitment towards responsible business, we created an area for Alternate Fuels and Raw Materials (AFR), which not only provides new options for fuels but also paves way for utilization of waste generated from other industries. Our business strategy is very well aligned with sustainability and our vision for the future includes following a path that leads to expansion and sustainable growth.

Sustainability is more than an economic, social and environmental question, it also involves the people that work with us. We have always worked to build a work environment in which people have opportunities for personal and professional development and feel committed to the company's future. We also maintain a very strong focus on the issues of occupational health and safety and we successfully reached the goal of zero fatalities a second time.

Since beginning the company's philosophy of upliftment of society is at large and we have taken up many projects on health, education, drinking water, infrastructure development for community in and around the surroundings as a result of which we maintain a very cordial relations amongst the villagers. We also celebrate all the important festivals with involvement of the society every year. We believe in our motto i.e. we are totally committed to product excellence, customer satisfaction and social responsibilities

B.K. Arora
Business Head – White Cement

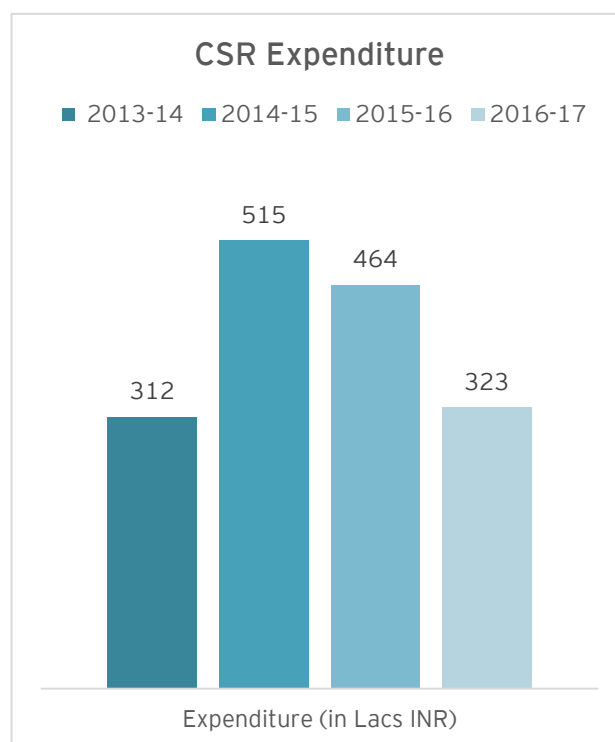
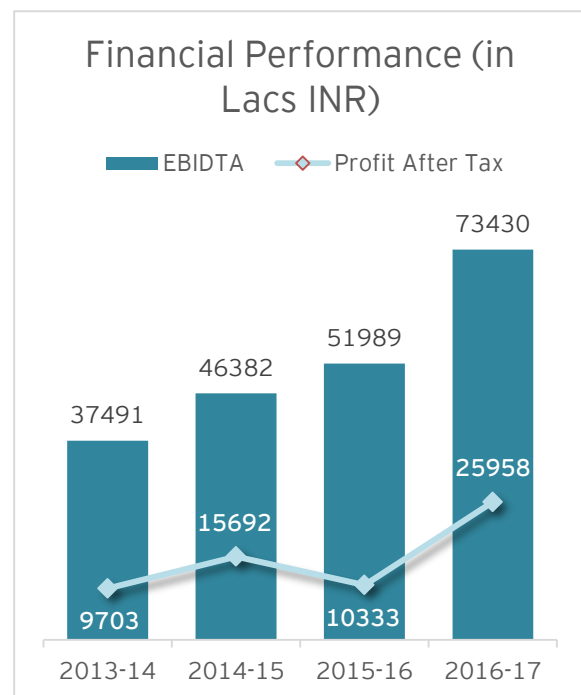
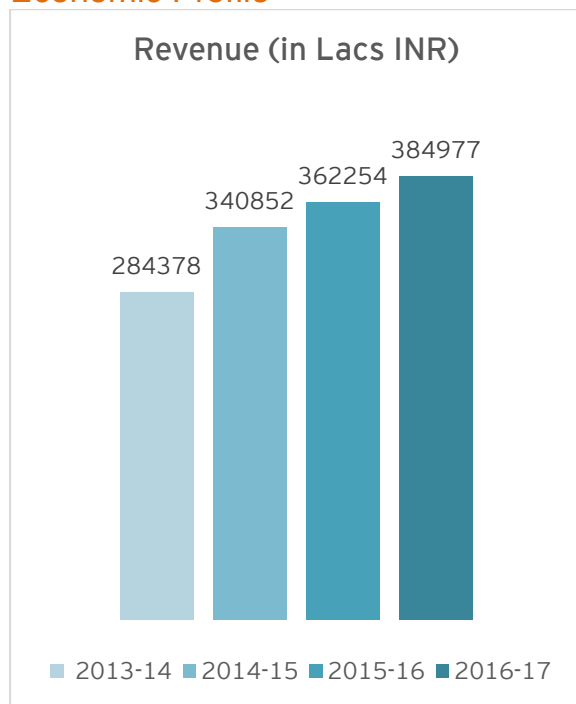


Performance Overview



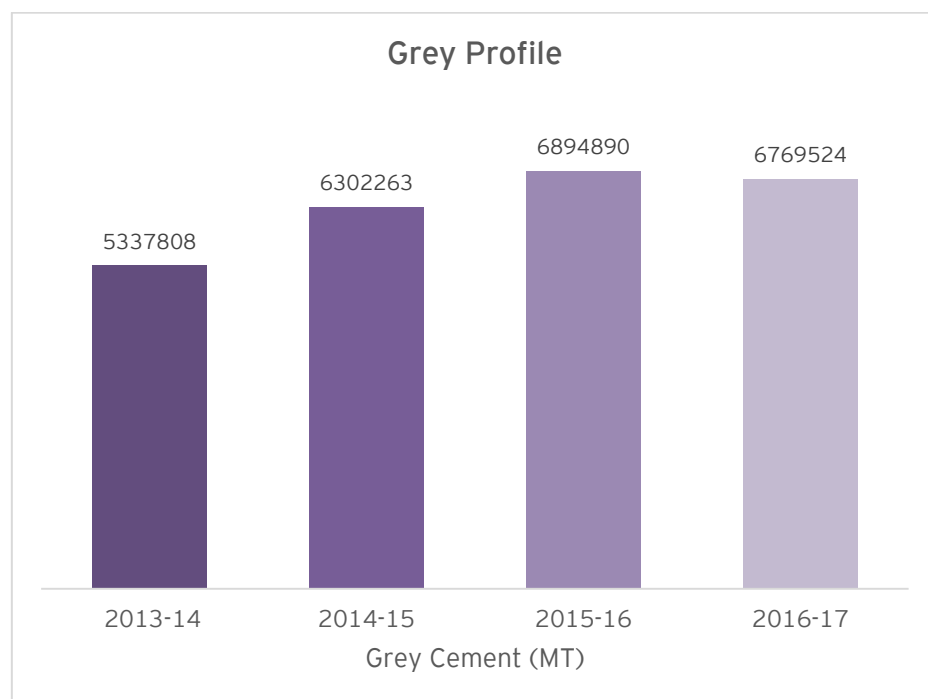
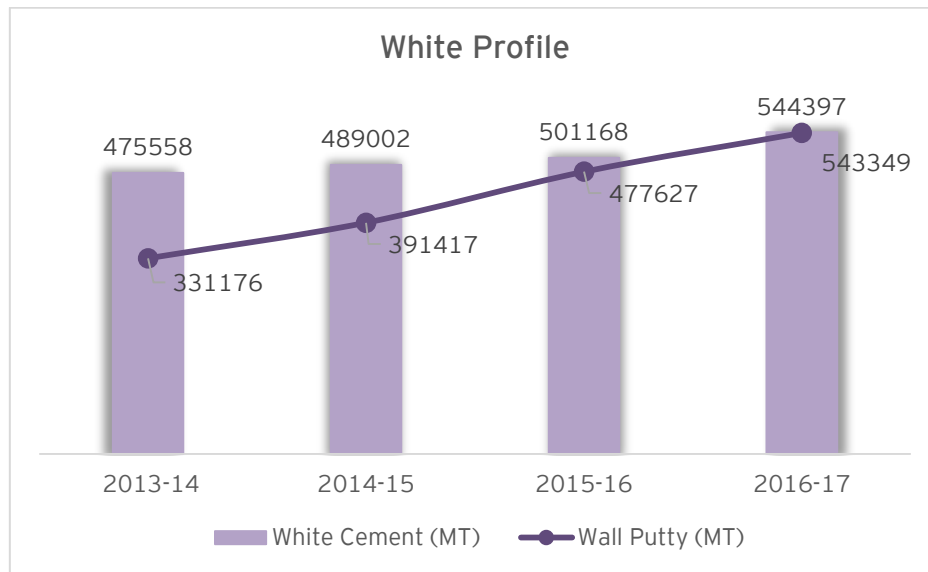
Performance Snapshot

Economic Profile

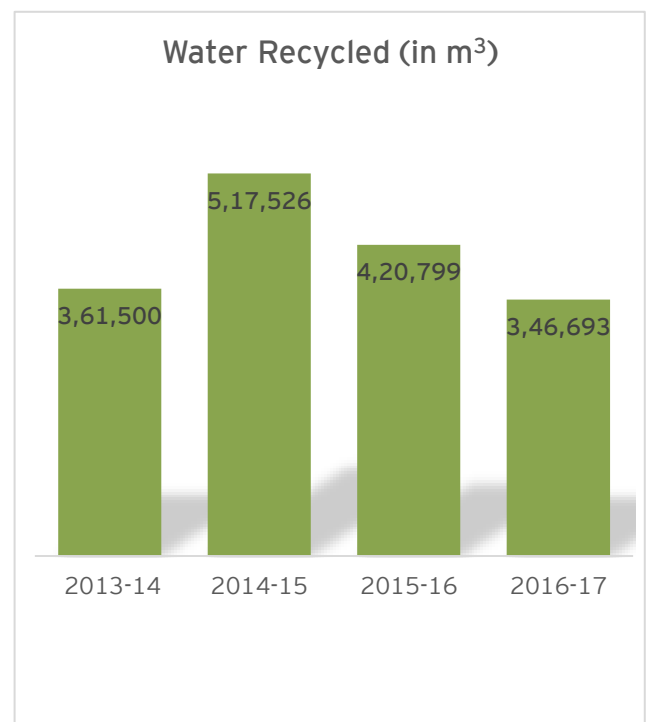
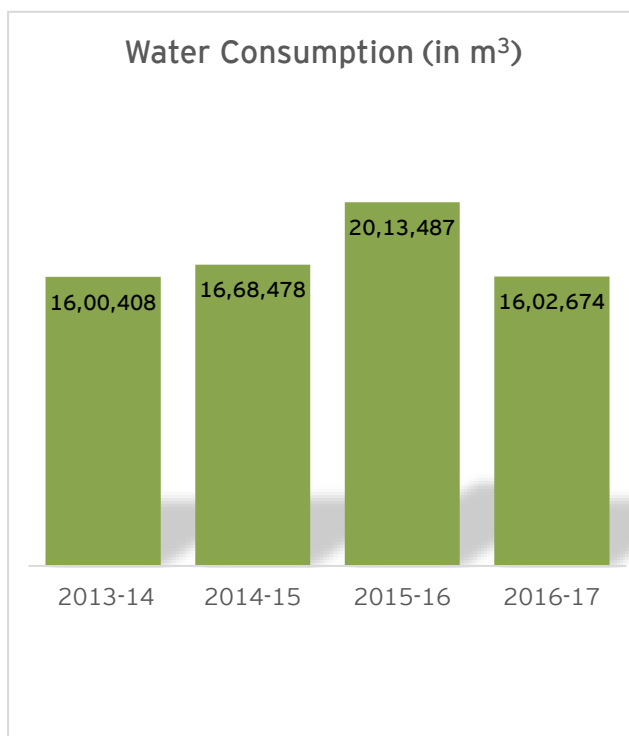
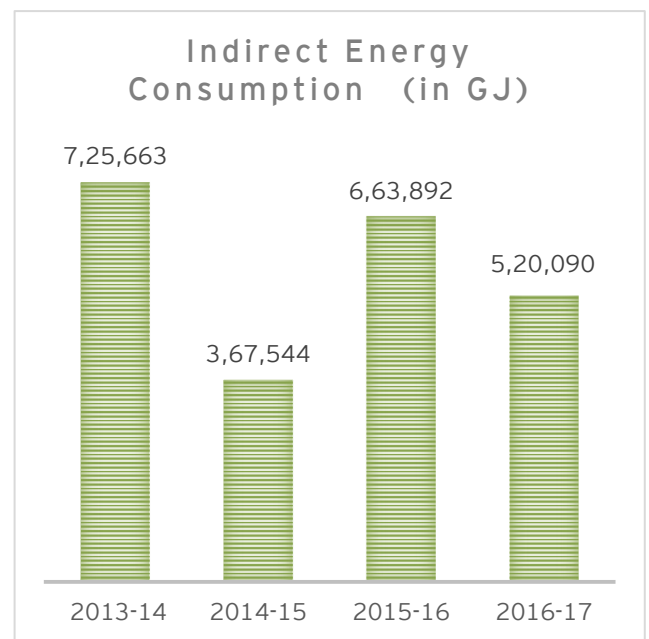
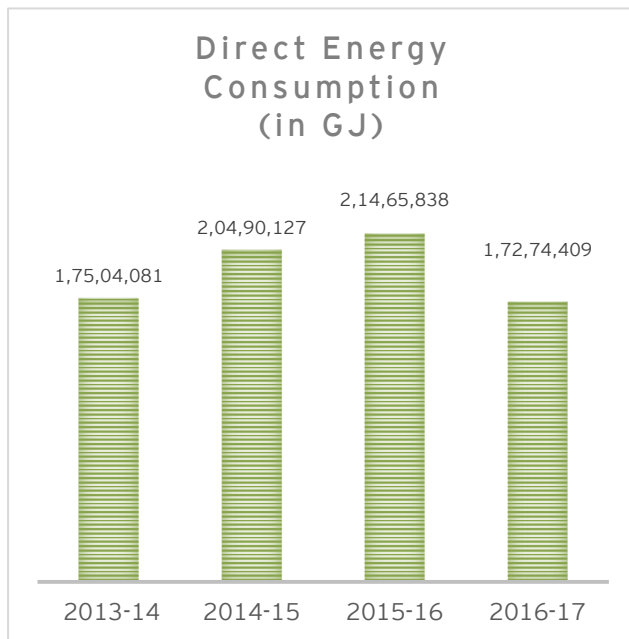


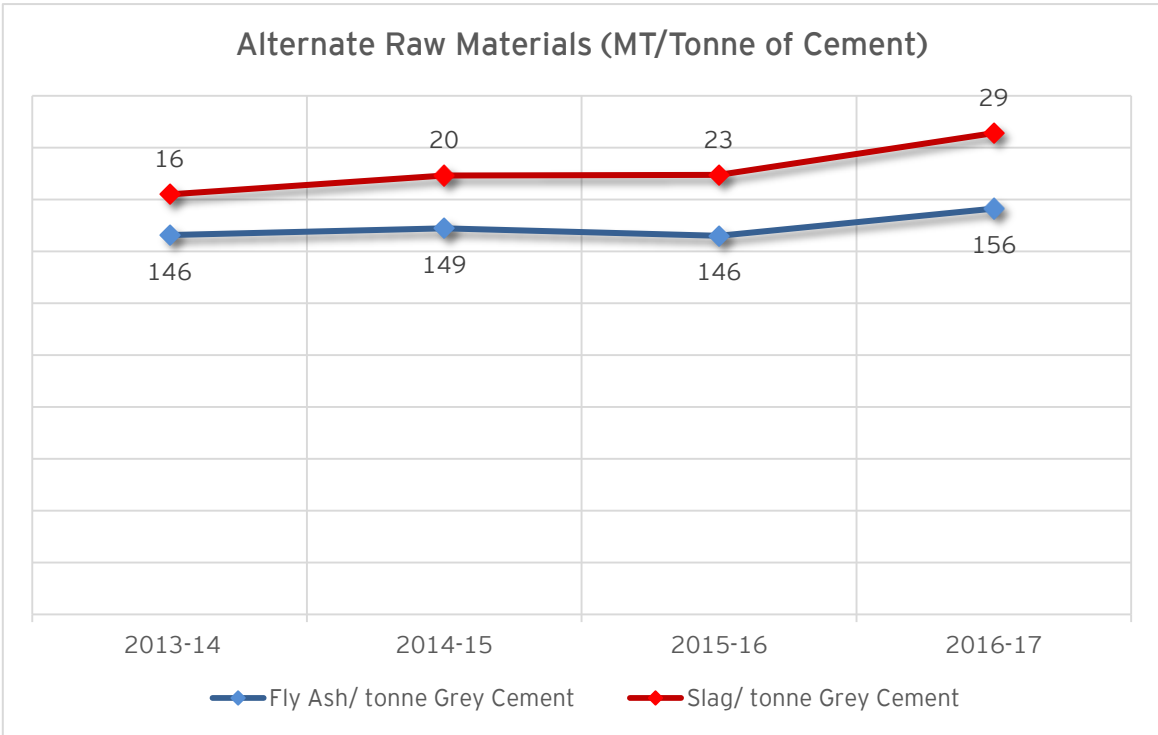
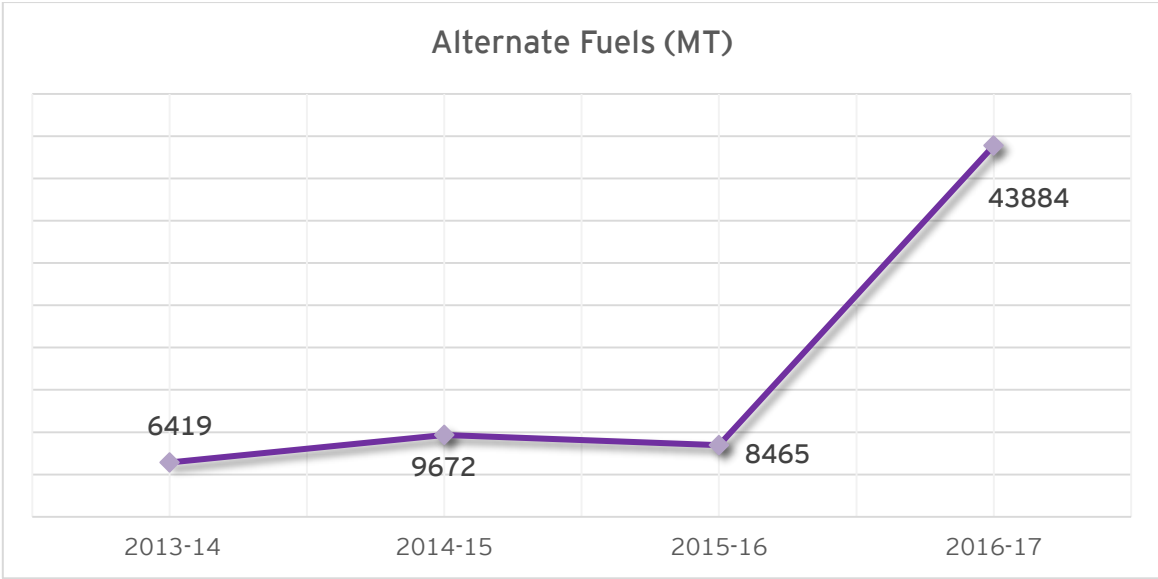
¹ Reconciliation of Net Profit reported for 2015-16 and 2016-17 is in accordance with Ind AS

Production

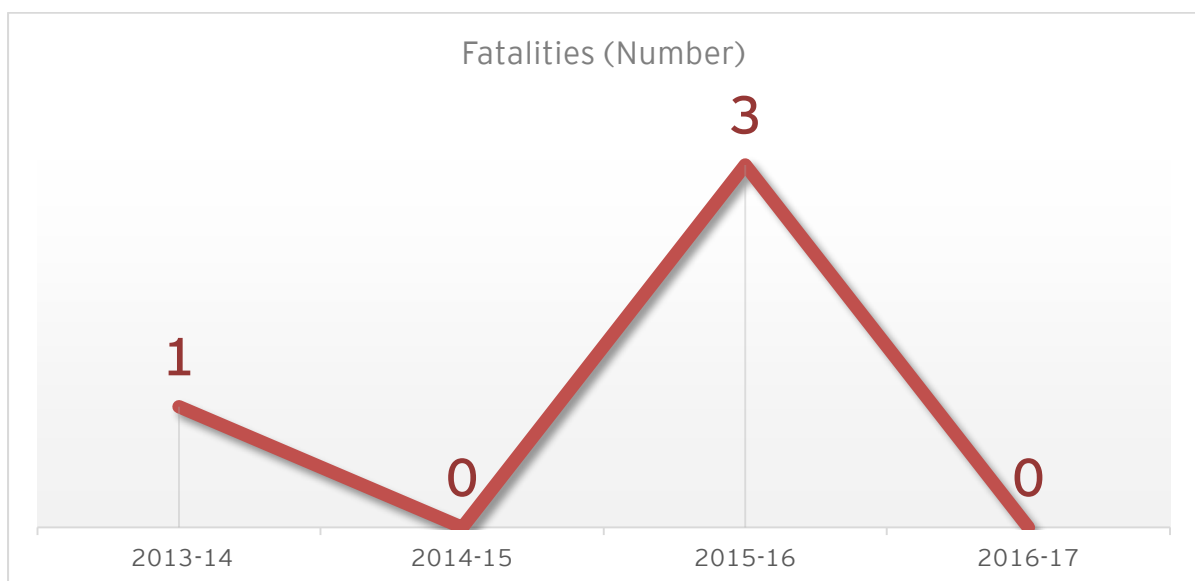
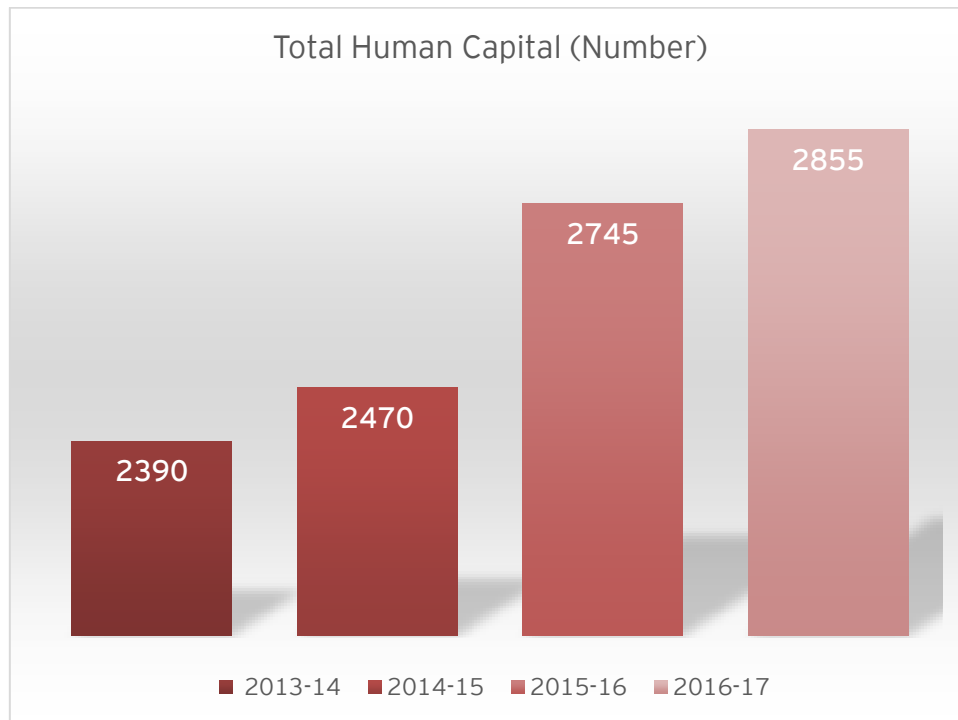


Environmental Impact





Enhancing Human Potential





Understanding Our Organisation



JK Cement Limited: At a Glance

J.K. Cement Limited is an affiliate of the industrial conglomerate J.K. Organisation, which was founded by Late Lala Kamlapat Singhanian, and has been in business since the early 1900s. All activities of the group come under the banner of J.K. Organisation, founded in the year 1954. With leading presence in diverse industries like cement, paper, tyres, textiles etc., we have established our presence in India's infrastructure sector with focus on product excellence, customer orientation and technology leadership.

The JKCL Organisation represents the highest ideals of corporate governance and a rich value system which resonate across each of its entire area of business presence. It is renowned for pioneering various initiatives and technological breakthroughs in the Indian industry, and is one of the foremost participants in India's industrial growth. We, being a responsible corporate citizen, have always focused at and known for various initiatives for contributions to society like creation of public infrastructure, health initiatives and initiatives for educational growth.

As India prepares itself to pursue its next level of growth to empower millions of people, we are committed to make that vision a reality. As one of the India's leading cement organization, we are consistently growing our capacity and enriching our portfolio to enhance our customer base. Our multiple products and socio-cultural interventions enrich the lives of millions, not just in India, but also around the world. We are constantly expanding our capacities to access new markets, leverage opportunities and enhance stakeholder value. Our installed Grey Cement capacity of 10.5 MTPA makes us one of the industry frontrunners. We are the third largest manufacturer of White Cement in the world with 1.2 MTPA capacity (including 0.6 MTPA at Fujairah, UAE) and second largest producer of Wall Putty with capacity of 0.7 MTPA. White Cement business contributes significantly in top line of Company's performance.

JK Cement has over four decades of experience in cement manufacturing across the core categories of Grey Cement and White Cement. Our main focus has always been on superior products, best quality raw materials, an extensive marketing and distribution network and sound technical know-how.

BUSINESS STRATEGY

1

Consolidate Position

- To maintain leadership position in White Cement business by improving utilisation.
- Increasing Wall Putty capacity to maintain present share of revenue

2

Operational Efficiency

- All plants enjoy proximity to raw material and growth markets
- Split grinding in Jharli, Haryana for logistical advantage in National Capital Region

3

Enhance Business

- Enhance brand visibility further through print and online media and consumer promotions
- Expand and improve distribution network

4

Enhance Energy Efficiency

- Captive power generation to provide long-term sustained source of low-cost power at fixed rate
- Use of waste heat recovery to reduce environmental impact

5

International Opportunities

- Dual process plant in UAE to cater to growing markets of the Middle East and Africa

BUSINESS DRIVERS



Superior Product Mix

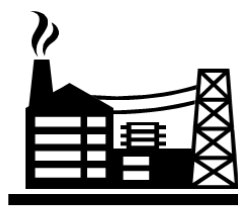
Offering blended products such as PPC, PSC by incorporating alternative materials thereby reducing use of existing natural resources.



Multi-Region Presence

Plants in Rajasthan and Karnataka gives wider market reach covering North, West and Southern regions spread to 15 states.

White Cement & Wall Putty are marketed and sold across the country



Captive Power

Over 140MW power generation through coal-based & waste heat recovery plants (23.2 MW).

Total power requirement met at lower cost through captive generation



Captive Limestone Reserves

Access to large reserves of high quality limestone, adjacent to the manufacturing facility

Awards & Associations

Awards, Recognition & Accolades received by JK Cement in FY 2016-17

With completion of more than 125 years in the industry, there is this sense of exuberance that comes with any milestone achievement.



Lifetime Achievement Award-2016

Mr. Yadupati Singhania, Chairman and Managing Director of J.K. Cement was conferred with the Lifetime Achievement Award by Indian Cement Review Awards, for his contribution to the Cement Industry.



Best Enterprise- 2016

J.K. Cement Ltd. was awarded the 'Best Enterprise' at the Business Assembly Prestigious International Awards.



2nd Fastest Growing Company

India's 2nd Fastest Growing Cement Company in the medium category at Indian Cement Review Awards 2016.



Best Employer 2015

J.K. White Cement Works, Gotan was honoured with the Certificate of Excellence in the Best Employer 2015 Award Competition by The Employers' Association of Rajasthan.



Outstanding Performance in CSR Excellence

Honourable Shri Arjun Ram Meghwal – Minister of State for Finance and Corporate Affairs, India gave away “Outstanding Performance in CSR Excellence Trophy 2015” to J.K. Cement, Rajasthan for its employee oriented programmes towards women empowerment, as declared by the Jury of the Employers' Association.



Pioneer in Rain Water Harvesting

“Certificate of Appreciation” for its valuable contribution towards Mukhyamantri Jal Swavalamban Abhiyan 2015 launched by Honourable Chief Minister of Rajasthan, Ms. Vasundhara Raje for restoration of rain water in Rajasthan.



Energy & Environment Foundation Global Green Building Award -2016

The newly constructed building for J.K. Institute of Technology – New I.T.I. Building at Nimbahera has been awarded the prestigious “Energy & Environment Foundation Global Green Building Award -2016” in the platinum category.

JKCL is associated with many industrial forums and associations, engaging with peers on various matters related to our business. Senior officials from the Company

represent us on various forums and associations, where we are active on cement sector related and other relevant discussions; and information sharing on best practices. Some of these associations include:

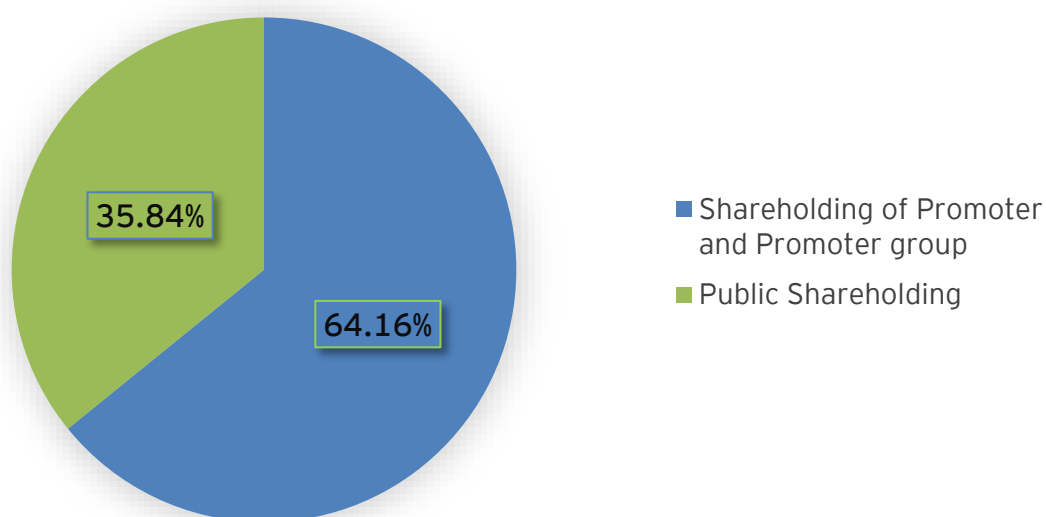
Associations

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

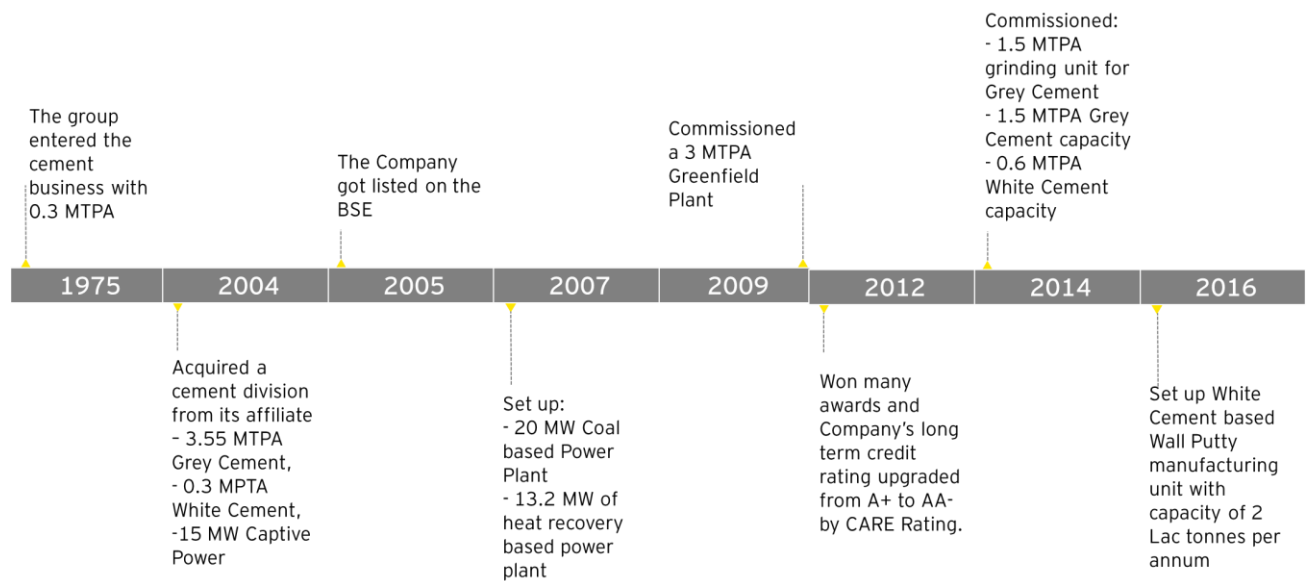
Shareholding Pattern

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. (BSE), and National Stock Exchange Ltd. (NSE). Listing fees for the year 2016-17 has been paid by the Company to the respective Stock Exchanges. The shareholding pattern, as on 31st March, 2017, was as following:

Total Shareholding as a % of Total No. of Shares



Our Sustainable Business



Our Brands

Superior products and a strong Brand name of Build Safe represent the JKCL's abiding strengths. Our brands have always been the preferred choice for builders and architects. JK Cement has carved a distinctive niche for its brands through various multifaceted marketing initiatives including 360-degree media campaigns, consumer contact programmes, online promotion and public relations, among others. Our current product portfolio includes 54% Portland Pozzolana Cement (PPC), 40% Ordinary Portland Cement (OPC) and 6% Portland Slag Cement.

Product Portfolio

Grey Portfolio



Ordinary Portland Cement

Ordinary Portland Cement (OPC) is equipped with extra strength and fineness. Ideal for all kinds of construction jobs and concrete components production. We manufacture two grades of OPC and by sales volume, our 43-grade cement tops the chart while the 53-grade cement is chosen by the customers for their preference based on high strength characteristics.

Portland Slag Cement

Portland Slag Cement (PSC) is equipped with the special character of later compressive strength which gradually increases after 3days, 7days & finally 28 days. PSC has less water requirement for concrete construction & also enables better workability. It is mainly used in special structures like pre-stressed concrete and can be widely used in coastal areas due to its highly corrosive resistance power.



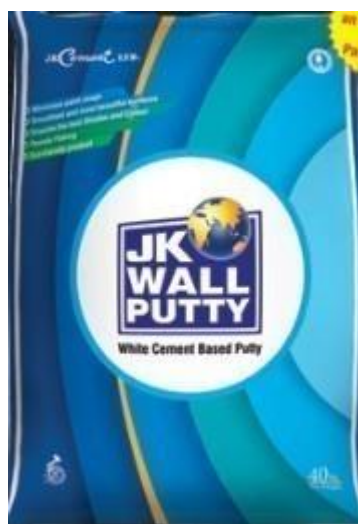
Portland Pozzolana Cement

Available as application friendly Portland Pozzolana Cement, PPC complies with quality standards specified by the Bureau of Indian Standards (BIS) and is much in demand, by both, the retail and the institutional segment.

White Portfolio

J.K. White Cement

Facilitating addition of a personal touch to both the interiors as well as exteriors of a house, White Cement is a unique product that has wide ranging applications. Very often people have the notion that since it is a "Cement" product, it must be used purely for construction and repair purposes, but it is not so, white Cement the most popular and time tested choice for your floors and walls. It is suitable for numerous decorative & architectural applications in white, light & dark colours. Further, white cement is being used as raw material by Paints Manufacturers for manufacturing of wall putty.



J.K. Wall Putty

For Silky Interior/Exterior finish of your dream house, J.K. Cement has a value added product - J.K. Wall Putty, which is a white cement based fine powder which provides an ideal base for concrete / cement plastered walls and ceilings. It gives you the most beautiful walls and provides a smooth finish for further application of all kinds of paints. Its water repelling properties prevents flaking of your expensive paints. This J.K. Wall Putty gives better compatibility, adhesive-strength and a long-life to the interior and exterior walls.

J.K. Waterproof

Giving better shine and gloss to your In-situ flooring and mosaic tiles, J.K. Water Proof is the best and most economical way to ensure that your constructions are moisture free for decades to come. It is a water repellent powder which is specifically formulated and designed to prevent the passage of water through pores and capillaries of the concrete. It lends protection to concrete against rain, moisture, dampness, humidity etc. J.K. Water Proof compound has applications to the structures wherever there is a high exposure to moisture like basements, swimming pools, water tanks, water containers, bridges, foundations, roofs etc.



J.K. Primaxx

JK PRIMAXX is a robust, multipurpose product which is a perfect blend of adhesion, strength and durability. Due to its versatility, it is ideal for both interiors & exteriors and for new & old cemented surfaces. It has superior filling properties which ensures deep penetration and sealing of porous surfaces. It also provides an excellent base and enhances the quality and coverage of wall putty, decorative paints and other acrylic polymer based coatings. Moreover, it is easy to apply and can be used not only as an under coat, but as a top coat as well. It also effectively seals all construction flaws, making the surface stronger and beautiful.

J.K. Super Grip

J.K. Super Grip is a floor and wall tile adhesive, Super Grip is a ready to use adhesive that has excellent water proofing quality. Allowing floors to be ready in just 24 hours, the product has low shrinkage property and is economical.



Plant Locations



Nimbahera

- 1975 - Commencement
- 3.25 MTPA - Grey Cement
- 20 MW - Thermal Power Plant
- 13.2 MW - Waste Heat Recovery System
- 15 MW (Bamania) - Thermal Plant



Mangrol

- 2001 - Commencement
- 2.25 MTPA - Grey Cement
- 25 MW - Captive Power Plant
- 10 MW - Waste Heat Recovery System



Muddapur

- 2009 - Commencement
- 3 MTPA - Grey Cement
- 50 MW - Thermal Power Plant



Gotan

- 1984 - Commencement
- 0.6 MTPA - White Cement
- 0.5 MTPA - Grey Cement
- 0.5 MTPA - Wall Putty
- 7.5 MW - Thermal Power Plant



Jharli

- 2014- Commencement
- 1.5 MTPA - Split grinding unit



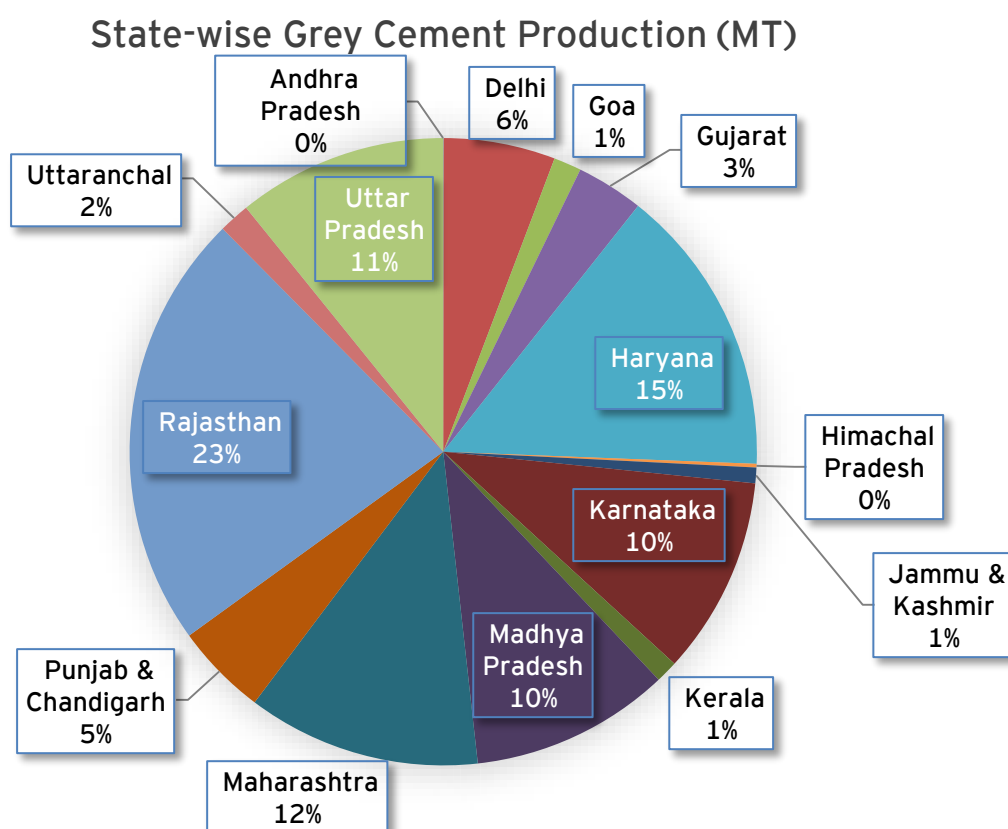
Katni

- 2016 - Commencement
- 0.2 MTPA - Wall Putty

Our Market Presence

At JK Cement, our endeavour is to highlight how, as an organisation, we are constantly improving upon our environmental footprint and contributing towards more inclusive growth of the society in which we operate, besides delivering on the economic front. We thrive to reduce environmental de-gradation, thus improving climatic condition in the long run. Moreover, we are also taking steps to optimise resources and improve efficiencies. We are building a sustainable environment for our future generation by giving back to the nature and society. We want to help all people who are directly or indirectly associated with us. At J.K Cement, our focus is to take initiatives which will help us reduce environmental de-gradation and improve climatic condition in the long run. Moreover, we are also taking steps to optimise resources and improve efficiencies.

India's Cement industry is estimated to have a capacity of about 421 million tonnes and demand is expected to grow at 5-6% on year-on-year basis. Considering the future business opportunities available, we are working on tapping them by expanding our Company's footprint to cater to the increased demand. Our Grey Cement is currently sold in various states of India including Rajasthan, Haryana, Delhi, Uttar Pradesh, Uttarakhand, Maharashtra, Punjab & Chandigarh, Himachal Pradesh, Madhya Pradesh, Gujarat, Kerala, Goa, Jammu & Kashmir and Karnataka. Similarly, our White Cement and White Cement based Wall Putty has seen huge demand within the country, besides being exported to nearly 34 countries across the world spanning across Asia, the Middle East, Africa and Asia Pacific geographies. In order to deepen our penetration in markets, we have extensively developed our dealer network. We currently have significant number of dealers & stockist in Grey Cement and White Cement segment and have plans to increase our channel strength in coming years. 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.



With regard to our supplier base, we procure input raw material mostly from nearby sources. For Cement Plant and Captive Power Plants, pet coke requirement is met mostly from Reliance MRPL and IOCL and Coal requirement from SECL, WCL and

SCCL. However, our imported supply of pet coke and imported coal is procured from US Gulf and Saudi Arabia. Similarly, we procure lignite from mines within India. In addition we have also acquired laterite mines located nearby our manufacturing operations. To meet the requirement of limestone, we have our own captive mines which are located near our plant site. We procure other raw materials such as red ochre & gypsum and packaging bags from our suppliers based in Rajasthan, Karnataka, Gujarat and Maharashtra. Further, we also procure fly ash from thermal power plant located near our manufacturing site apart from consuming fly ash from own power plant. To increase the use of alternative materials in manufacturing of cement, we are also using slag which is procured from JSW steel, Vedanta Limited, Kalyani Steels and Kirloskar Ferrous Industries Ltd.

List of countries where White Cement was exported during FY 2017			
1.	Aruba	2.	New Zealand
3.	Australia	4.	Nigeria
5.	Bahrain	6.	Oman
7.	Bangladesh	8.	Philippines
9.	Benin	10.	Qatar
11.	Brazil	12.	Rwanda
13.	Gambia	14.	South Korea
15.	Hong Kong	16.	Singapore
17.	Indonesia	18.	South Africa
19.	Japan	20.	Sri Lanka
21.	Jordan	22.	Tanzania
23.	Kenya	24.	Thailand
25.	KSA	26.	Tobago
27.	Kuwait	28.	UAE
29.	Malawi	30.	Uganda
31.	Malaysia	32.	Yemen
33.	Mozambique	34.	Zambia



Corporate Governance and Ethics



Our Approach

The pillars of good governance i.e. trusteeship, integrity, transparency, accountability and compliance with laws are cemented in the business practices of J.K. Cement. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company whilst providing sustainable returns to its stakeholders i.e. the society at large. This can only be realised by aligning the interest of the Company with that of its shareholders and other key stakeholders.

The commitment to sustainable development at JK Cement is driven by our board of directors and committees. Effective corporate governance across all plants help ensure a continual process of improvement in accordance with our sustainability strategy. In order to facilitate effective governance, our specialised committees operate centrally to carry out governing operations. Ultimately, day-to-day responsibility for sustainable development rests with every employee.

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 JKCL to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Corporate Governance Structure

JKCL's layered governance structure comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. Such a structure facilitates value creation as Board is involved in setting the overall corporate objectives and the Management has the freedom and space to achieve these corporate objectives within a given framework.

Our Board and Committees

The Board at JKCL operates within the context of a well-defined responsibility matrix and safeguards the interest of the company meanwhile ensuring that the company's resources are utilised for creating sustainable growth and societal wealth. It plays a pivotal role in guaranteeing fair decision making, integral and transparent stakeholder engagement. 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 in order to enable a focussed attention towards various facets of the business. All these Committees have been mandated to operate within a given framework.

At J.K. Cement Ltd., the Board is comprised of independent directors headed by the Chairman and Managing Director, Shri Yadupati Singhania. 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.

As on 31st March, 2017 the composition of the board of Directors was as highlighted below:

S.No.	Name of the Director	Category
1.	Mr. Yadupati Singhanian, Chairman & Managing Director	Executive Non-Independent Director
2.	Mrs. Sushila Devi Singhanian	Non-Executive Non-Independent Director
3.	Mr. Achintya Karati	Non-Executive Independent Director
4.	Mr. Jayant Narayan Godbole	Non-Executive Independent Director
5.	Mr. Krishna Behari Agarwal	Non-Executive Independent Director
6.	Mr. Kailash Nath Khandelwal	Non-Executive Non-Independent Director
7.	Mr. Paul Heinz Hugentobler	Non-Executive Non-Independent Director
8.	Mr. Raj Kumar Lohia	Non-Executive Independent Director
9.	Mr. Suparas Bhandari	Non-Executive Independent Director
10.	Mr. Shyam Lal Bansal	Non-Executive Independent Director

The Board meets at least once a quarter to review the quarterly financial results and operations of the Company. In addition, the Board also meets as and when necessary to address specific issues relating to the business.

Audit Committee

The Audit Committee comprises all non-executive directors; majority of them are independent directors, including the Chairman Dr. K.B. Agarwal. 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.

Nomination and Remuneration Committee

This committee has been functioning in pursuance of the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013. It deals mainly with remuneration packages, appointment and reappointment of Directors, devising policies etc.

Stakeholders' Relationship Committee

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. 2016-17, and all these 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, 6 requests for dematerialisation involving 23 equity shares of the Company were pending from the previous year. They were also resolved successfully by 31.03.2017.

Corporate Social Responsibility Committee

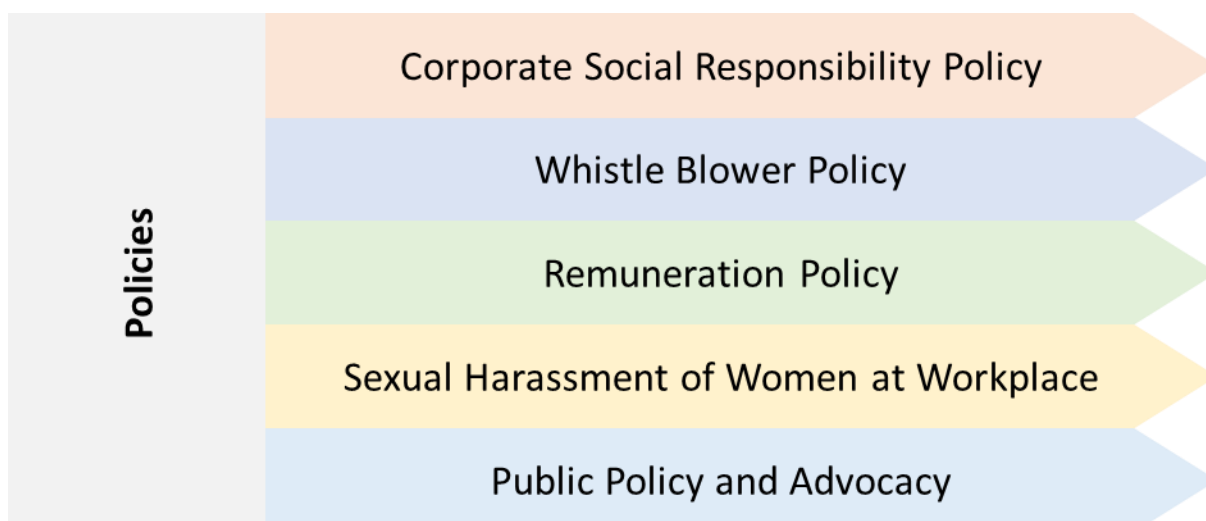
Corporate Social Responsibility Committee of the Company has been functioning in pursuance of the provisions of Section 135 of the Companies Act, 2013. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation 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.

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.

Policies

Stakeholder engagement is a vital element in identifying and prioritising sustainability issues. We have developed robust policies and systems that help us in conducting business activities in a sustainable way. Our Board, senior management, shareholders, employees and other stakeholders have helped us take required steps to conduct our operations in an ethical manner. We strongly oppose illegal labour practices. Exploitation of children and child labour is strictly prohibited at all our plants and offices. Further, we do not work with any supplier or contractor known to operate with unacceptable labour practices such as the exploitation of children, physical punishment, female abuse, involuntary servitude or any other form of unacceptable behaviour.



The company's *Corporate Social Responsibility Policy* reflects our objective of economic and social development to create a positive impact. We constantly strive to create value through our operations and initiatives and are committed towards the socio-economic development of communities. We are involved in various areas of community development and organise outreach programs to build engagement. 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.

JKCL has a *Whistle Blower Policy* to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company. It 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 to the management about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Special considerations are given to ensure that the whistle blower processing any closure is not victimised for doing so.

The *Remuneration Policy*, formulated by the Board of Directors, lays down a framework 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.

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.

Public Policy and Advocacy - We are aware of our responsibilities and the position to influence that we hold in the Indian economy. It is hence a conscious decision on our part to steer away from any influence on the Government or the policy of the country, in order to avoid any controversy regarding vested interests. The Company does not make any monetary or in-kind contributions to political parties or religious groups either. We form part of many industrial associations and forums, engaging with our peers on various matters related to our business.

Code of Conduct

We, at JKCL, have 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. It provides avenues and procedures to report unethical conduct, and to help foster a culture of honesty and accountability. This Code is a comprehensive code applicable to all Executives as well as Non-executive Directors, and members of the Senior Management and provides guidance and help in recognising and dealing with ethical issues in daily business operations. 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, 2017. A copy of the Code has been hosted on the Company's website www.jkcement.com

Insider Trading

J.K. Cement is committed to the principles of fair and open markets for publicly traded securities throughout the Indian markets where everyone has an equal chance to succeed. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), we have a policy in place for prevention and regulation of trading in the Company's share by insiders is in vogue. This policy on insider trading/dealing and stock tipping establishes standards of conduct for people who obtain inside information through their work within J.K. Cement from insider trading and stock tipping and makes it criminal offenses.

Anti-Corruption

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. Thorough checks and due diligence systems are in place across our plants and offices for ensuring strict compliance. As a result, there were no cases of corruption reported or observed during the reporting period. Aspects of zero tolerance to corruption are included in our Code of Conduct and Business Ethics guidelines. However, we do not provide formal trainings to our employees in this regard. On receiving any complaints on this matter, thorough investigation is conducted for determining the actual case. Upon inquiry if found guilty, workmen are dealt in accordance with Certified Standing Orders and staff in accordance with Modal Standing Orders.

Controllanship

Controllanship comprises four factors that are vital to JK Cement's unyielding commitment to transparency that enhances stakeholder value: integrity of records,

strict adherence to business processes, integrity in communications and preservation of documents and records.

Anti-Competitive Behaviour

Competition Commission of India (CCI) has issued an order alleging cartel in the cement industry and levied penalty on some cement manufacturers including JK Cement. The order was released by CCI post investigating a complaint filed by the Builders' Association of India, a lobby group of engineering and construction contractors. We strongly deny any such cartel activity on our part and are in the process of appealing against the CCI order. The Company had filed an appeal against the order before the Competition Appellate Tribunal (COMPAT). COMPAT has stayed the operation of the Commission's Order, subject to deposit of INR 6.56 Crore in the form of Fixed Deposit of six month's duration. However, it was also ordered that if the Appeal is dismissed, then the balance amount of penalty shall have to be deposited with interest @ 12% per annum from the date of CCI's Order i.e. 31st August, 2016.

Similarly, State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including the JKCL imposing a penalty to the tune of 0.3% of the average turnover of last three financial years. As of now, the stay petition and appeal are yet to be heard by Tribunal.

Sustainability Performance Evaluation

The annual plans prepared by the business units are reviewed and approved by the Board annually. Decisions on all strategic matters related to capital expenditure, revenue, etc. are taken subject to the approval of the Board. The Board also discusses and deliberates on issues pertaining to risk management, safety performance, and monitors compliance to applicable statutes and norms.

To empower our Board to make an informed decision, apart from financial information, it is apprised on sustainability related details including sustainability agenda of the organisation, resource optimisation, energy efficiency, fatal or serious accidents, significant labour problems and their proposed solutions, and so on. The Board periodically ensures compliance of all laws applicable to the Company. It is also informed about the materially important show cause, demand, prosecution, penalty notices and non-compliance of any regulatory, statutory nature or listing requirements.

At present, the Board does not rate the sustainability performance of its members according to any defined framework. Nevertheless, there is a continuous effort by members to collectively evaluate the performance of the Company, and thereby the Board's performance also gets evaluated. The members suggest and implement appropriate actions aimed at raising the standards of sustainability performance.

Business Risk & Opportunity Assessment

For any business to be successful, a thorough understanding of business risks is required for ensuring timely mitigation and smooth operations. Though the Indian Cement Industry survived demonetisation shock quicker than expected, the production of major cement producers shows a decline after a gap of almost 15 years. Possible reason could also be reduced demand from housing sector. 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 of raw materials, energy and freight has been identified a risk factor for future operations. To mitigate this we are concentrating more and more on alternate raw materials and alternate fuels.

India's Cement industry is having a capacity of about 421 million tons as against the demand of 281 million tons, further demand is expected to grow at 5-6% on year-on-year basis. Considering the future business opportunities available, we are working on tapping them by expanding our country footprint to cater to the increased demand. 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. We have carried out extensive exercise under "Project Nirmaan" which focuses on adopting technological excellence, cost reduction, improvement in efficiency, hiring and retaining competent talent and planning for pan-India presence which ensure that we are ready to respond to future market demands. With this vision in mind, we have launched JK Super Cement brand which is driven by the core values of the Organisation that has always kept 'People First'. The brand "Build Safe" promises strength, consistency and durability

Industry Risk Areas

Competition	The Indian cement sector has become highly competitive with multiple large players operating in the domestic market. 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. The availability 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 (India, being power deficient country) and for the new capacities, coal linkages are likely to be minimal.
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	Rise in production cost is driven by costs of raw materials, fuel, power, and freight costs which approximately forms 70% of our overall costs. Reduction in the same is achieved by practicing energy efficiency, process efficiency and strategic locations of captive mines.

Sustainability Risks related to Cement Industry

GHG and climate Protection	Approximately 5% of total global man-made CO₂ emissions is caused due to cement production. As the demand for cement is forecasted to continue increasing worldwide, particularly in emerging economies where housing and infrastructure boosts development, CO₂ emissions pose a significant concern.
Mining	Cement production involves raw materials that come from mining activities. The key risks associated with mining operations are land acquisition, mineral distribution, ground water table intersection and mine rehabilitation.
Employee health and safety	Considering the nature of work involved in cement manufacturing process, ensuring health and safety of the employees and other stakeholders is a top priority for cement companies.
Local community and environmental impacts	Cement industry poses a significant negative impact on local community in the form of air emissions and noise pollution. Further, limestone mining activities impacts the natural landscape of the place and affects the regional biodiversity.
Water impact management	Cement production requires water for cooling heavy machinery and exhaust gases in emissions control system and for operating the captive power plants, etc. This can create an ecological imbalance.
Resource Scarcity	Resource scarcity can have adverse effects on the business. Limestone is the most important raw material and to ensure constant uninterrupted supply of this material, the plants need to be strategically located near limestone-rich areas.

Ethics and Compliance

JK Cement aims at creating an environment where compliance is a central commitment and thrives to adopt greater levels of transparency, objectivity and professionalism. The changing regulatory landscape makes compliance a complex business challenge. Our management understands the requirement of adhering to corporate governance standards and robust compliance management systems. At JK Cement, our operations and business framework are designed to be adaptive to the regulatory changes in form of taxes, policies and regulations. We strive to achieve

compliance to all national and international regulations and take it as a highest priority. As far as compliance with the requirements of Clause C of Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is concerned, the Company is in full compliance with the norms and disclosures that have to be made. All laws pertaining to environment and product responsibility are adhered to.

We are also aware about the impact of our operations on environment and, therefore, continuously work towards reducing the emissions, effluents, and waste produced. The hazardous solid waste generated at our facilities is stored and disposed by authorised vendors as per the best available environment practices and complying with applicable regulations. Our established environment management systems are designed to function beyond compliance levels. All statutory compliances with respect to preventive maintenance schedule an environmental clearances through respective Pollution Control Board are adhered as required. During FY 2016-17, no fines were levied on us in this regard.

Similarly, during the reporting year, there were no incidents of fines levied on us or non-compliance with respect to the regulations concerning health and safety impacts of products and services, product related marketing communications, and product information disclosure and labelling.

Voice of Stakeholders

Engagement with stakeholders is an integral part of the entire sustainability reporting and our strategy process that enables understanding the priority issues and reasonable expectations of stakeholders. For JKCL, maintaining relationship with stakeholders is a business imperative as our business revolves around our stakeholders, right from suppliers to customers, shareholders to communities, government to our workforce and contractors. As a step towards inclusion, the company has mapped disadvantaged, vulnerable and marginalised stakeholders in and around our areas of its significant operations, and is actively working towards their growth as part of company's CSR efforts. JKCL runs initiatives in the areas of education, community hygiene, infrastructure development, livelihood support and vocational training and skill development, all directed towards helping our neighbouring communities, including disadvantaged, vulnerable and marginalised stakeholders, and being instrumental in cultivating their progress. To achieve the same, we have a well-established CSR policy which reflects our objective of economic and social development to create a positive impact. JKCL's Health, Safety and Environment policies, rules and regulations are applicable for all stakeholders i.e. employees, contractors and other business partners, involved in JKCL's business activities.

We, at JKCL, engage regularly with local community members as part of our stakeholder engagement exercise, during which community need assessment and discussions regarding the impact of the ongoing projects are also analysed and complied. Such practices allow us to gauge the impact of our ongoing initiatives and design / modify future engagements to better suit the needs of the communities.

In order to meet our objective of enhancing trust of our stakeholders, we have a streamlined approach which includes sharing timely updates of the Company. We communicate comprehensive information to our stakeholders in a timely manner aimed at providing a clear view of our performance and operations. We are proactive in our approach towards listening and addressing the concerns of our stakeholders. Planning regular two-way interactions with our stakeholders is one such approach. We aim at deep rooting mutual trust and respect, creating deeper understanding of our organisation and understanding and appreciating difference in perspectives.

Stakeholders	Engagement Mechanism	Purpose
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Annual report Shareholder meetings Sustainability report 	Sharing the financial performance, annual performance and disclosing new projects. The reports apprise regarding the changes in governance and triple bottom line performance.
Employees (Permanent & Contract)	<ul style="list-style-type: none"> Training programmes for employee skills up-gradation and on occupational health & safety Awards – plant-level reward programmes 	Innovation, improvements, performance, etc. Employee motivation, skill up-gradation and team-building. Daily discussion and resolution of issues. Prevention of accidents, health-hazards, production losses, etc.
Dealers	<ul style="list-style-type: none"> Dealer-meetings Dealer surveys 	As partners in business, focus on their welfare, growth and creation of wealth. Receiving market-feedback.
Customers	<ul style="list-style-type: none"> customer care service—for feedback, query, redressal Social-media 	Awareness building on product features, collection of feedback for future product and service improvement and grievance redressal.
Regulators & Statutory Bodies	<ul style="list-style-type: none"> Regular compliance reports Statutory audits 	Compliance disclosures on aspects defined by Government of India.
Media	<ul style="list-style-type: none"> Media-meets Press-conference Management interviews 	Important announcements meant for mass stakeholders. Providing regular, credible progress information for communication to stakeholders.
Local Communities	<ul style="list-style-type: none"> Daily informal interactions Regular field survey 	Assessment of social initiatives and their impacts.

Material Aspects

As an effective business risk management, meaningful and relevant sustainability risks and opportunities have to be correctly weighed and addressed. Having a large and diverse set of stakeholder's results in a wide range of expectations from organisations. In order to arrive at priority issues from the expectations of different interest groups, it is important to conduct a structured materiality analysis. We conduct materiality assessment periodically wherein we map stakeholder priorities along with organisational risks and opportunities.

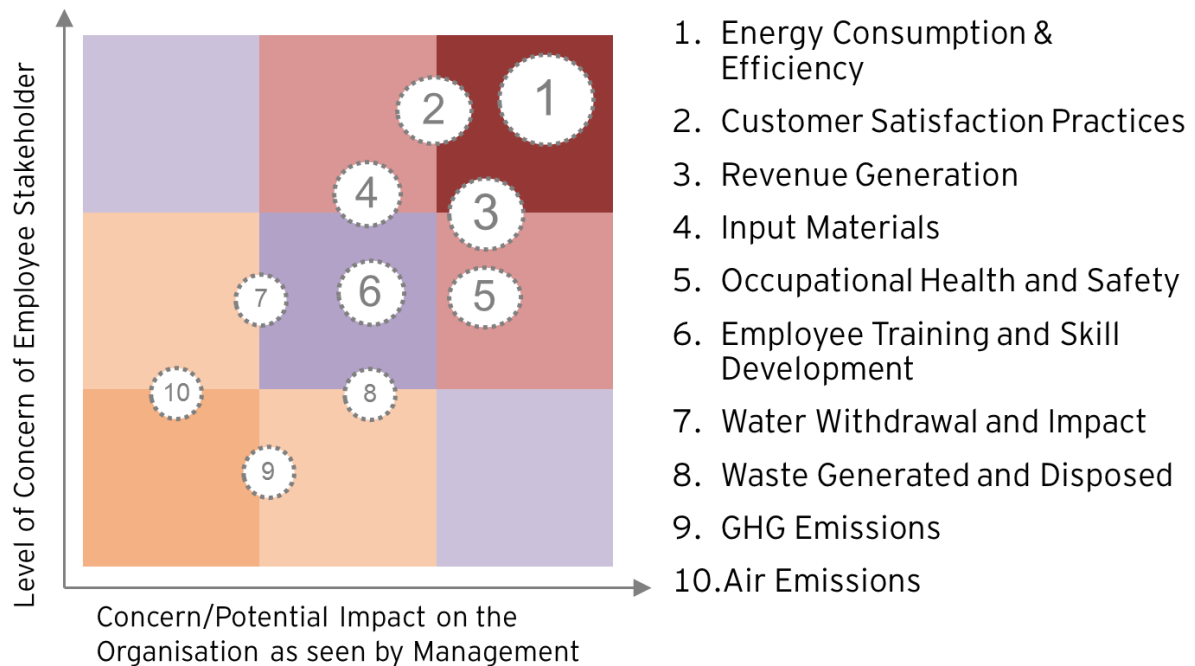
Structured stakeholder surveys are generally conducted in order to identify and prioritise issues. One such survey was also conducted by JK Cement which was designed to receive feedback from internal stakeholders i.e. employees, spread across manufacturing plants, corporate office and management personnel. The feedback received from the survey was consolidated and analysed to establish the top priority/materiality issues of the internal stakeholder group, employees and management personnel. Top issues were identified as priority areas for our sustainability journey. By mapping the prioritised set of issues identified by the management stakeholder against the prioritised issues as seen by the employee stakeholders, the below mentioned key converging issues have emerged as most material from J.K. Cement perspective.

A review of this materiality assessment by assessing cement sector issues, WBCSD CSI material issues confirmed the relevance of the assessment for FY 2016-2017 as well. The identified material issues are detailed in the table and figure below.

Materiality issues	Our Perspective
Energy Consumption and Efficiency	Comprehensively mapping our energy use and various sources, and constantly work towards reducing our energy footprint.
Customer Satisfaction Practices	Effectively communicate and reach out to our diverse customer segments, and comprehensively map and address customer expectations.
Input Materials	Efficiently manage resources being utilised in our business through product and technology innovations such as use of alternate materials.
Revenue Generation	Be a productive and successful business with an ability to provide year-on-year healthy return to our shareholders.
Occupational, Health and Safety	Provide a safe and healthy working environment for our employees and other stakeholders. Constantly work towards making our operations safer and becoming a zero accident organisation.
Employee Training	Invest in our employees, implement systems and practices for their continuous skill and career development.

and Development	
Water Withdrawal and Impact	As our operations are mainly in dry and water scarce areas, work towards reducing our water footprint and generating awareness amongst our stakeholders regarding judicious use of water.
Waste Generated and Disposed	Manage our waste properly with focus on reduce, reuse and recycle.
GHG Emissions and other Air Emissions	Constantly strive to reduce GHG and other air emissions associated with our industry through innovation in operations, installation of greener and cleaner technologies, and use of alternate fuels with lower emissions impact. These material aspects along with our efforts and performance across these aspects are discussed in the subsequent sections of the Report.

MATERIALITY ANALYSIS





Generating and Distributing Value



Cement Industry in India

India is the second largest cement producer in the world with approximately 421 MT of cement production capacity. The growth of the Indian Cement Industry depends entirely on housing and infrastructure sector. With 67% of capacity utilization, the demand stood at 281 MTPA as against the supply of 421 MTPA for the current financial year. Despite a de-growth of 1% in production volume which also impacted our operations, we registered growth of 1% production volume in North and 9% de-growth in South which results in overall 2% de-growth in Grey Cement production volume. Similarly, the White cement business registered a growth of 9% and white cement based wall putty registered a growth of 14% in production volume. We believe that Government's overall efforts towards development of the economy will boost the demand for infrastructure which in turn help to improve demand for cement as well. For instance, our Government has allocated fund for Pradhan Mantri Gram Vikas Yojna to the tune of INR 23,000 Cr in order to complete 10 million houses by fiscal year 2019 for all homeless peoples and for those living in Kachcha Houses. Further, the Government allocated INR 7,000 Crore for development of road on highways with emphasis on laying 2,000 KMs coastal roads. We are confident that such initiatives will boost the economy and certainly accelerate cement demand.

The tax rates associated with the cement industry are extremely complex. The introduction of GST is expected to increase the cost of infrastructure sector as cement is likely to attract 28% GST. However, the supply chain management of cement is expected to get a boost under GST. Also, as the logistics industry is going to be overhauled with GST, the transportation costs are expected to decrease. In addition, the multiple excise duties applicable to the cement manufacturers will be done away with under GST, thus leading to savings. Hence, all these put together may lead to reduced operation costs for the cement industry.² We, at JKCL Cement, are taking definite steps to tap this opportunity and build a future-ready organisation and make the most of prospects as they unfold. Along with our continuous focus on addressing customer expectations and meeting the market demand, we are also focussing on maintaining our market share position.

Economic Performance

We believe in creating short and long term value for our shareholders, clients, suppliers, employees and the communities at large. The prime focus at JKCL is not only address customer's expectations and meet the market demand but to also maintain our position in the market share at the same time.

We understand the importance of the economic value we create for our stakeholders, and the communities in which we operate. Our economic performance highlighted in the report is based on the standalone financial statements of the Company. We quantify and analyse the economic value we are adding, first and foremost for our shareholders, internal stakeholders (i.e. its employees), and then for our external stakeholders – suppliers and the broader economic community.

² <https://cleartax.in/s/impact-of-gst-on-the-cement-industry>

From economic performance standpoint, FY 2016-17 witnessed significant growth for JKCL Cement; with our revenues increasing by 7% compared to previous year. The following table illustrates JKCL Cement's standalone economic performance and the value added over a two-year period (FY 2016-17 & FY 2015-16) in terms of economic value generated, distributed and retained by the organisation:

Standalone Economic Value Generated & Distributed (EVG&D)	Units of reporting	FY 2016-17	FY 2015-16³
Income from Operations	Lacs INR	442,071	413,119
Economic Value Distributed			
(A) Cost of Materials Consumed	Lacs INR	69,553	66,580
(B) Power and Fuel	Lacs INR	62,526	74,354
(C) Employee Benefits and Wages	Lacs INR	27,546	23,486
(D) Finance Cost	Lacs INR	26,565	27,075
(E) Excise Duty	Lacs INR	62,429	57,579
(E) Tax Expense	Lacs INR	6,486	3,881
(F) Others	Lacs INR	160,978	149,673
Economic Value Retained	Lacs INR	25,989	10,492

Local Procurement and Hiring

Both procurement and supply chain contribute in creating good sustainability policies as efforts can be made to advance local economic development. In line with the Indian growth story, we are contributing directly in terms of taxes and through indirect economic development. Our expansion plans impact the country's economy both directly and indirectly as it provides more employment opportunities for the local population and creates more business prospects for local businesses as well. At JKCL, the preferable choice to source our raw materials, spares and equipment are the local Indian suppliers. However, if our expectations are not met then we procure materials from other parts of the world. We follow a similar approach when it comes to hiring and diversifying our workforce. Local employment in the workforce is encouraged and 100% of our workforce at our manufacturing units across India is locally hired from within the country.

Green and Inclusive Growth

We invest to become an industry that is profitable, environmental friendly and sustainable in operations. Keeping in line with this view, we spend significant amounts in process equipment that is intended for economical use of energy and reducing the associated environmental impacts. Also, we installed state-of-the-art machinery and equipment at our newly commissioned plants in order to ensure minimum impact on environment due to our activities. During the reporting year, we spent INR 79,433,326 towards environmental initiatives across our manufacturing plants in India.

³ Reconciliation of Net Profit reported on account of transition to Ind AS from Indian GAAP

As a part of corporate social responsibility, strategic social investment is achieved through collective community projects that focus on the areas of education, healthcare, spirituality and community welfare. In this regard, we have built schools, colleges, training institutes, hospitals, temples and other social infrastructure, as a part of our community intervention. We are well aware of our responsibility towards development of the communities in and around which we operate. Our strategies and initiatives have brought smiles to numerous families in and around its sites of operations, in Rajasthan, Karnataka and Haryana During the reporting period, we spent INR 3.23 Crores on our CSR efforts.



Promoting Environmental Sustainability



Our Approach

Just like sustainability itself, our approach towards sustainability has evolved over the years. It is a process of constant fine-tuning as we learn from past experiences and listen to expert advice. Infrastructure forms backbone of any economy and cement and concrete industries are imperative for the development of infrastructure. As we all are aware, natural resources are already reclining at an alarming rate. With increase in population and urbanisation, there is an added burden on natural resources. Hence, the need of the hour is to maximise the output from minimum input of raw materials. This is achieved through resource efficiency and process improvement strategies that consume less and produce more. Alternate Fuels and Raw Materials form an important support system for the above idea of sustainable sourcing. We, at JK Cement, constantly seek and implement strategies that are in line with the above sustainability requirement.

Our Company constantly tries to effect a real change in sustainability through its everyday practices. Sustainability is embedded in our strategy, becoming a key driver for differentiation, revenue generation and value creation. Our approach towards environmental sustainability has always been to mitigate the environmental impacts of our actions as much as possible 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. Our sustainability strategy therefore focuses on local responsibility — towards our employees and our neighbours as well as towards the environment.

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

Resource Optimization

Making the most efficient use of resources is an objective for the cement industry and an issue of increasing significance for customers and clients. Guided by the principle of conducting business operations in a responsible manner with minimum environmental impacts, our business practice gives 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. With the above as key focus area of its environmental sustainability strategy, JKCL has installed fully equipped laboratories at all plants with testing machines to carry out routine and detailed tests of raw materials as well as finished products which results in improvements in our existing processes and systems in order to progress towards greater efficiency in manufacturing.

Limestone, gypsum, clay and laterite form the key ingredients during the process of cement production. Amongst these, limestone is the most important raw material and to ensure constant uninterrupted supply of this material, we have invested in limestone mines; our plants, across the country, are strategically located near limestone-rich areas. This not only ensures consistent supply of the raw material, but also allows us to save on our material transport related footprint. During the current reporting period, FY 2016-17, our manufacturing plants in Nimbahera, Muddapur, Mangrol and Gotan consumed a total of 7,880,788 MT of limestone.

As a step towards resource conservation, we here at JK use recycled materials as inputs for our processes, wherever possible and viable. We encourage the use of eco-efficient blended cements which do not consume as much raw materials and natural resources as normal OPC and also continuously foster our research and development activities for resource efficient products. Fly ash and slag are two commonly used recycled materials in our manufacturing process. Our focus lies on increasing the use of fly ash and slag in our Grey Cement manufacturing, resulting in increased consumption of these materials on absolute and on per ton of Grey Cement basis. During FY 2016-17, we saw an increase in the use of recycled and alternate raw materials in the manufacturing of Grey Cement.

Besides the input raw materials, we also consume large quantity of packaging bags. In FY 2016-17, we consumed 129,494,991 (nos.) packaging bags for the Grey Cement category, including those used for PPC, OPC and PSC products.

		FY 2016-17	FY 2015-16
Production			
(A)	Grey Cement (MT)	6,769,524	6,894,890
(B)	White Cement (MT)	544,397	501,168
Raw Materials			
(A)	Limestone (MT)	7,880,788	8,619,615
(B)	Gypsum (MT)	344,269	316,060
(C)	Clay (MT)	133,945	117,602

(D)	Laterite (MT)	534,462	520,792
Alternative Raw Materials			
(A)	Fly Ash (MT)	1,059,378	1,006,711
(B)	Fly Ash per Tonne of Grey Cement (kg)	156.5	146.0
(C)	Slag Cement (MT)	197,259	161,838
(D)	Slag Cement per Tonne of Grey Cement (kg)	29.1	23.5

Alternative Fuels & Raw Materials

The opportunity of replacing traditional fuels and raw materials is huge when it comes to the cement industry. Waste and by-products with large recoverable calorific value can be used as fuels in the kiln and those containing useful minerals such as silica, calcium and alumina can be used as raw materials for the manufacture process. However, they must meet the requisite quality specifications as well. Currently, at JK Cement, agro waste and tyre chips are used as alternate fuels and fly ash and slag cement are used as alternative raw materials.

Energy Efficiency

Cement manufacturing being an energy intensive process is dependent largely on primary energy sources (direct fuels) and secondary energy sources (grid electricity). Energy efficiency, in terms of specific energy consumption per tonne of cement produced, can be improved with the introduction of more energy efficient processes and equipment. The environmental benefits associated with increased energy efficiency include reduced consumption of non-renewable resources and a proportional decrease in greenhouse gas emissions to the atmosphere. Energy efficiency actions by JKCL Cement include optimisation of heat recovery, exploring use of alternate fuels and expanding our renewable portfolio to reduce the embedded carbon and energy content.

Major use of direct fuels is in operating the pre-heater and kiln facilities. They usually operate at temperature range of 750°C-1500°C, requiring constant supply of high calorific value fuels. Coal (including Lignite, Petcoke), Furnace Oil, Agro Waste and HSD are the major primary fuels used across our cement manufacturing facilities and captive power plants. The consumption data regarding the same is presented below:

		FY 2016-17	FY 2015-16
Fuel Consumption			
(A)	Petcoke, Coal, Lignite (MT)	887,802	1,074,145
(B)	Furnace Oil (KL)	530	3,700
(C)	Agro Waste (MT)	6,553	2,074
(D)	HSD (KL)	100	4,866
(E)	Others (Charcoal Dust, Carbon Black, Cinder) (MT)	37,331	6,391
Grid Electricity			

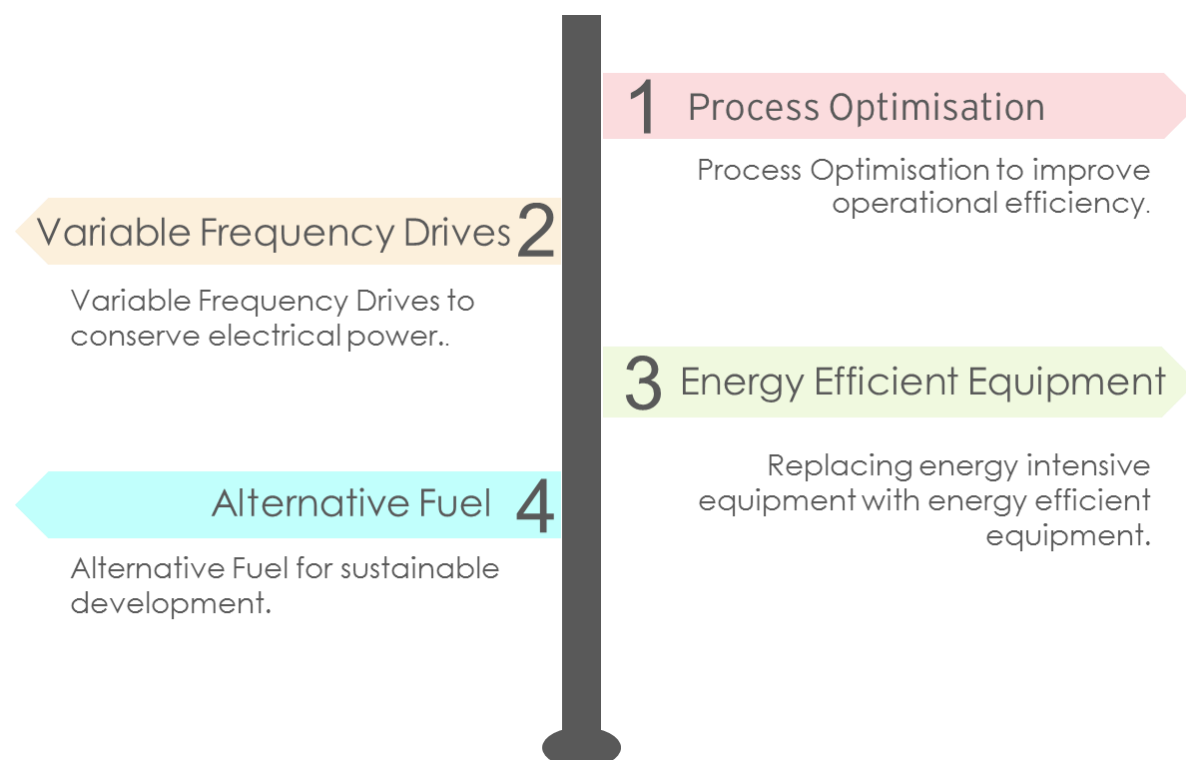
(A)	Electricity Purchased (MWh)	144,469	186,476
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We were the first company in India to install captive power plant in the year 1987 and have the same installed at all our plants except grinding unit at Jharli. In fact, we were also the first cement company in India to install a waste heat recovery power plant to take care of the need of green power. A 13.20 MW plant has been installed in this regard at our Nimbahera manufacturing plant and during FY 2014-15, we also installed 10 MW plant at Mangrol to utilise waste heat for power generation. Today, our total waste heat recovery based power generation capacity stands at 23.2 MW or 16.5% of our total captive power generation capacity, and contributes significantly towards reducing our carbon emissions. In FY 2016-17, we have generated 79,553,252 kWh of electricity by utilising the waste gases.

The total direct energy consumption from our plants cumulated to 17,274,409 GJ, whereas the total indirect energy consumption, grid electricity, at our plants during FY 2016-17, was 144,469 MWh, corresponding to 520,090 GJ.

Energy Conservation

Electrical and Thermal Energy are the major cost element in cement industry and thus the main focus for JKCL. Reduction of power consumption by 32,618,235 kWh and thermal energy by 495,326 Giga Joules was achieved in the current financial year amounting to INR 429,549,464 of savings through the following measures:



Major process optimisation measures undertaken included improving output and efficiency, optimizing & downsizing of equipment and improving heat utilization & minimizing losses.

Every step of the way, from quarry to the finished cement product, the operational conditions keep on changing in a cement industry. Hence, to maintain uniform and smooth running of the system, it becomes essential to control air flow, motor speed, and fan speed with the changing conditions. Variable frequency drives are used to smoothly start large motors and continuously monitor and adjust the speed as required by the process. Adjusting speed of fans avoids wastage of energy in dampers and louvers.

Technology Absorption and R&D Activities

Process and technology up-gradation via R&D activities is important for development of an industry. The same helps to provide an edge to the business as it results to quality improvement, improvement in efficiency as well as cost saving. The company has taken up technology up-gradation and R&D activities in the areas of Process Improvement, Sustainable Development and Energy Management. The major ones include:

- Replacement of conventional grate cooler of Kiln 3 at Nimbahera plant with latest state of art IKN pendular cooler with hot air circulation and replacing conventional burner by multi-channel burner has given reduction in thermal energy and improved efficiency / output of the kiln.
- Liquid Mix Waste as Alternative Fuel is in use at Nimbahera / Mangrol plant which has led to reduction in thermal energy.
- Use of ETP Sludge, GEIPL waste, plastic waste etc. at Muddapur Plant led to reduction in Coal use thus leading to monetary savings.
- Energy Management System is under installation at Gotan Plant which will optimise power consumption with respect to operation and will give savings of INR 3,158,000 per annum.

Climate Protection

We are committed to contribute to climate change mitigation. Cement production by its very nature leads to a high level of CO₂ emissions as it requires a lot of energy input. Our environmental policies focus on reducing carbon footprint through our operations. As part of our climate protection strategy, we focus on using low emission alternatives to fossil fuels, decreasing our clinker factor, promoting clean energy, and increasing energy efficiency across our operations.

In FY 2016-17, we have generated 79,553 MWh of electricity by utilising the waste gases, which correspondingly led to the emission reduction of 65,233 tonnes CO₂ equivalent (considering grid power as the baseline).

Our total GHG emissions from our energy consumption during the reporting year was 1,771,326 tonnes CO₂ equivalent, of which 6.5% contribution, or 116,396 tonnes CO₂ equivalent, was from indirect energy consumption. Apart from these, the GHG emissions from the calcination process during the clinker manufacturing at our facilities for the year stood at 3,011,788 tonnes CO₂ equivalent.

Water Conservation

Water is critical to the cement industry, as water is used in cement production processes, for power generation as well as for cleaning plants, trucks, and equipment. To protect this treasured natural resource and enable our business to succeed, we at

JKCL, are increasing our water efficiency, minimizing our water waste and also recharging water sources. Securing water supplies without risking local water systems is our top priority.

Throughout our operations, we are working to reducing our freshwater withdrawal by harvesting rainwater, reusing water and using freshwater sources efficiently. The water withdrawal is mainly from the surface sources, including the river water, and groundwater sources. In the FY 2016-17, we withdrew 1,602,673 m³ of freshwater out of which 21% was reused/recycled.

We are also continuously exploring ways to reduce our freshwater consumption and maximise use of recycled water. In this regard, all of our plants are zero water discharge plants and comprehensively treat and reuse domestic and industrial waste water generated on site. We utilise the treated effluent water in dust suppression and for other uses, with no water discharge from premises. Similarly, realising that most of our plants are in dry regions, with water scarcity a major challenge, the focus is on utilisation of available water and minimum possible wastage. During FY 2016-17, we recycled 346,693 m³ of water (~ 21% of water consumption) across our plant sites.

During the FY 2016-17, Nimbahera and Mangrol plant spent a total of INR 4,736,260 towards water preservation. Funding was done in various govt. schemes like 'Mukhya Mantri Jal Swalamban Yojana'. Also, water facilities like water tank, water purifiers, Water coolers, installation of pipelines, tube wells were provided in villages & nearby areas.

Sewage Treatment Plant for water recirculation

J.K. Cement works, Nimbahera has own sewage treatment plant having capacity of 500 KLD for treatment of domestic waste water. The treated water is used for plantation and greenbelt development purpose so directly we are saving ground water by reusing water. Moreover the waste water generated from our 22 MW Captive Power Plant & Waste heat recovery Power plant is being recycled in the cement plant for machineries cooling & dust suppression in coal yard after neutralization. In addition to the above, we installed two STPs in Gotan with capacity of 500 KLD and 100 KLD and another STP 300 KLD is under progress.

SEWAGE TREATMENT PLANT



Rain Water Harvesting

JKCL has been committed to water conservation and rainwater harvesting much before legislative requirements came into being. This was driven by the experience of operating in water scarce areas that our plants are located in. We are in practice of Rain water harvesting at our Nimbahera Plant. Rainwater is channelized through water garlands around the pit and then through check dams. Recharge of ground water is achieved through injection well in cement plant as well as colony. The accumulated rain water in the lower-most bench during the monsoon is used for plantation & spraying on road for suppressing dust and also used in cement plant during the summer season. Since the rainwater gets accumulated around limestone deposits, it does not get contaminated by any toxic substance in the mineral or effluent. Hence, the mine water does not require any treatment. The water harvested not only fulfils the requirement of the mines and cement plant but also recharges the water table of the surrounding area as the accumulated water is kept in the lower benches for more than 8 to 9 months.



Rain Water Harvesting Pit, Ahirpura Mines, Nimbahera



Rain Water Harvesting Pit, Nimbahera

Emissions Monitoring

We are continuously working towards reducing our environmental footprint and safeguarding local communities by working towards monitoring major and minor emissions, improving our measurement methods and adapting to newer and more stringent air emission regulations. During the process of manufacturing cement, the release of nitrogen oxides (NO_x), sulphur compounds (SO_x), and dust takes place. Other emissions include dioxins, furans, volatile organic compounds, and heavy metals that are released in very small or negligible quantities. To control our stack emissions and remain compliant with local regulations, we have incorporated various control measures like installation of Electrostatic Precipitators (ESPs), baghouse filters, changing the maintenance practices and other such measures to minimise these emissions on continuous basis.

We track PM in real time with the help of Continuous Emission Monitoring Systems (CEMS). It helps in taking immediate corrective actions on the process to control emissions and in preparing for the upcoming regulations on PM emissions. Our plants also track ambient air quality in and around the plant-premises and the emission levels in FY 2016-17 were found to be below the permissible limits. Going forward, we also plan to monitor SO_x and NO_x emissions. In line with this as part of the expansion at Mangrol, the plant is equipped with state-of-the-art machinery and systems for pollution control which will control outlet emission level much lower than the allowed limit of the Central Pollution Control Board in India. Further, we have also installed online stack monitoring system at Gotan and Muddapur for continuous monitoring of the air emissions.

In order to achieve the new MOEF emission standards of 30 mg/ Nm³ J.K. Cement Nimbahera and Mangrol Plants converted various ESPs into bag houses. A Pyro jet low NO_x burner was installed in a kiln in Nimbahera to reduce NO_x emission. Similarly, Clinker Cooler modification and process optimization was undertaken at Mangrol in order to reduce NO_x emissions. Good housekeeping is also maintained to reduce the fugitive emission from various sources of the plant. Continuous emission online emission monitoring System (CEMS) & Continuous Ambient Air Quality monitoring system (CAAQMS) data are sent to Central Pollution Control Board & Rajasthan State Pollution Control Board.

Ozone Depleting Substance

Our operations do not consume a significant amount of ODS. The ODS gas used in our plants was R-22 gas, which was consumed in our plants in condensers, chillers and AC units during routine servicing and repair. The total consumption of ODS gases in the reporting period in our plants was 511.4 Kg, amounting to 25.57 Kg of CFC-11 equivalent.

Waste Management

With rise in waste volumes and stricter environmental regulations, treating waste has become challenging, complex, demanding as well as expensive. Hence, need of the hour is for the waste management system to provide smart, sustainable and economically feasible solutions. It is, therefore, necessary for us to minimise waste generation and utilise the same.

The generation of waste material alongside the mining of limestone at all our mines, is almost negligible. However, some waste like Interstitial Clay, when generated, is collected separately and dumped at the specified places. We have a proper Waste Dump Management System in place. The above said dumps are levelled, covered with black cotton soil and scraped from other parts of the pits thus forming a rich base for natural plantations and afforestation. The heights of the dumps are strictly kept around 5 to 6 meters to avoid destabilization.

Recycling leads to reduced costs of disposal as well as helps in conservation of resources. The waste arising from our manufacturing processes are either sold recyclers or to authorised third-party vendors. Disposal of hazardous waste at JKCL occurs strictly as specified by the Government of India and Pollution Control Board norms of the respective regions. Hazardous waste generated and disposed in the reporting year included used oil and oil contaminated waste and metal scrap, paper scrap, plastic scrap, wood scrap, empty drums and other waste constituted the non-hazardous waste.

	Quantity (in FY 2016-17)	Quantity (in FY 2015-16)
Hazardous Waste		
(A) Used Oil (Litres)	52,784	42,965
(B) Contaminated Oil (Litres)	145	52,716
Non-Hazardous Waste		
(A) Metal Scrap (MT)	647	1,346
(B) Paper Scrap (MT)	137	125
(C) Plastic Scrap (MT)	294	399
(D) Empty drums (Nos.)	347	575
(E) Other Waste (MT)	102	163

Spill Management

Spillage has an adverse effect on the flora and fauna and general surrounding environment. Compliance and Statutory requirements related to spillage and subsequent recovery needs to be strictly adhered to. To reduce the likelihood of spillages, we conduct comprehensive inspection and surveillance programmes and have advance equipment installed on site for monitoring of safe storage as well as transfer of fuels. Fuel mix, including furnace oil and diesel, is stored in Proper storage facilities. Special care is taken at power plants, pre-heaters and kiln facilities to ensure proper and safe handling of fuels and avoid spillage of hot materials. No significant spill incident occurred across our plant premise during FY 2016-17 and we were subject to no fines in this regard.

Biodiversity Management

We, at JKCL, commit to achieve a positive change on biodiversity. The preservation of land, biodiversity and water plays a key role in long-term resource management. Protecting and re-cultivating biodiversity involves working closely with stakeholders in order to explore opportunities, discuss ideas and devise strategies for biodiversity conservation. We have an environmental management system in place and work continuously towards achieving high environmental performance. As part of our

commitment, we take into consideration the environmental impact of our business activities and comply with all relevant environmental laws, regulations and guidelines as well as with each customer's specific guidelines and requirements.

We continuously take actions to enhance the biodiversity in and around our quarries and mining sites. We also continue to develop rehabilitation plans for all our active sites. A thorough environmental impact assessment is done before a new plant or site is opened. We also consult openly and sensitively with our local stakeholders, so that we can achieve a balance between their needs and our own. We are also committed to implementing locally adapted biodiversity management plans at our sites with high biodiversity. Once a site becomes operational, we work in partnership with local community to monitor, manage and protect local biodiversity.

As per our Environment Impact Assessment (EIA) Reports, none of our mining sites are adjacent to the protected areas and areas of high biodiversity value. Insignificant impacts in the form of biodiversity loss due to erosion of top soil, noise disturbance, removal of vegetation and dust among others are addressed through appropriate measures.

At our limestone mining sites in Rajasthan and Karnataka, mining is carried out using deep-hole drilling and blasting which can have an impact on the local ecology of the region. Appropriate actions are taken to reduce the ill effects of this activity. To begin with, dry drilling has been converted into wet drilling, water is sprinkled on the haul roads and re-cultivation has been done around the working pit. To reduce noise, vibration and fly rock, we have switched to Sequential Blasting Machine using hole-delay technique. Rainwater harvesting is promoted, as water is being collected and kept for use during dry summer months. This practice also helps recharge the ground water table in the region.

Plantation and afforestation activities are a regular affair at JKCL. Barren lands are converted into lush green belts while utilizing the water from our STPs.



Our Human Capital



Enhancing People Potential

Our people are our most valuable asset. With more than 2800 employees at all locations in India, we strive to offer the facilities, benefits, and work environment that attract and retain great talent. The dedication and hard work of our people helped us attain and maintain this position. Our people are our competitive advantage and the reason for our success. That is why we hire the best talents and work hard to develop and support each and every one of them—so that we all grow successfully. We strive to provide an environment for continuous innovation and improvement by rewarding our employees for their dedicated efforts in achieving the Company's goal.

At JKCL, we focus on developing people and their capabilities, including identifying our talent pipeline, succession planning, and conducting a strength analysis across our workforce. We want to enhance the skills of our people, offering them growth opportunities and improving their performance. We foster a dynamic, high-performance environment, and supportive work environment where open dialogue is encouraged enabling employees to realise their full potential and creating a high performance work culture. In this way, we hear our employees' needs and expectations, ensure they feel engaged and empowered, and enable them to meet their career goals through our institutional processes.

We work to ensure a more efficient, more connected talent cycle, offering clearer benefits and outcomes for our employees' career development. Based on the belief that human resources are the most important asset for a corporation, we have implemented a variety of personnel, education, and training systems that are designed to develop the character, and creativity of each employee. While we strive to expand our business, we also help our employees to align team goals with our company's business objectives.

Trainings

Sustainability in light of human resources means investing in the systematic training of our staff. JKCL Cement invests proactively to provide its employees with relevant learning and career development opportunities in technical and soft skills. Technical and mechanical skills are indispensable for ensuring that process engineering and maintenance activities are properly carried out at our plants. A large amount of learning takes place in our premises and offices on a day-to-day basis from everyday experiences and sharing with team mates. Leadership and problem solving sessions are held in tandem with other trainings to enable individuals to drive change in a rapidly evolving company.

Our extensive training programmes cover nearly all areas of work. We understand that trainings of all hierarchical levels including direct and indirect employees are essential in developing and maintaining employee satisfaction and promoting the culture of continuous innovation. Our focus is to strengthen the type of trainings we provide to our employees.

The following table presents total recorded training man-days spent on training at our manufacturing plants in India during the current reporting year:

EMPLOYEE CATEGORY	AVERAGE TRAINING MAN HOURS	
	FY 2016-17	FY 2015-16
Senior Management	12	8
Middle Management	11	14
Junior Management	17	12
Permanent Workers	8	8

Further, we also conducted training workshops for our employees at our Kanpur Head Office, Delhi Corporate Office and marketing offices on various topics. During the reporting period, the average training man hours for management were 4.

People Power Training Programs

Marketing Inductions - Gotan

Inductions for the marketing executives were conducted during 14th -17th November and 14th - 17th December 2016. A total of 36 marketing executives from Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Kerala, Maharashtra, M.P., J&K, Punjab, West Bengal, Tamil Nadu, Rajasthan and U.P. were inducted during the program

One World - Business Simulation Exercise at Jharli

A game based Business Simulation learning session 'One World' was organized at Jharli plant on 24th December 2016. Unit Head along with 30 employees participated, learnt and discussed on topics such as trust, teamwork, communication, pro-active collaboration & breaking the silo mentality.



Friday In-house Learning Session – Jharli

Under this program, that is conducted every Friday, the employees are provided a platform to come forward as a coach and share their learning about managerial & technical aspects with other employees & workers. The whole idea is about enhancing the knowledge level for better career opportunities within the organization.

Promoting Diversity

Our company values diversity and promotes a workplace that is inclusive, fair, and cultivates respect for all employees. We promote equal opportunities in recruitment, employment, promotion, development, compensation, and retention and believe that this will bring in board fresh perspectives, experiences and ideas to our business. We treat employees at all times with dignity and respect – including direct and contracted employees.

With an aim to enhance the professional development of our employees, we promote equality which in turn facilitates an inspiring and innovative environment that enables employees to contribute fully regardless of their race, colour, gender, age, religion, nationality or disability.

When putting together teams of employees, we make sure that they contain a balanced mixture of people from different personalities, skills and experiences. As on 31st March 2017, the JKCL Cement family had 2,855 employees, of which 1,825 employees were based at the cement manufacturing plants and power plants, and 1,030 employees were based at the Company's Kanpur Headquarter, Delhi Corporate

and marketing offices. Out of these 2855, 45 are women employees placed at both manufacturing plants as well as Corporate Office⁴.

The category and gender-wise details of the HO & marketing employees for 2016-17 are presented in the table below:

Head office & Marketing (Workforce during FY 2016-17)		Gender	
Designation		Male	Female
Senior Management (Nos.)		38	1
Middle Management (Nos.)		82	1
Junior Management (Nos.)		863	16
Workers (Nos.)		6	0
GETs/ PGETs (Nos.)		22	1
Total (Nos.)		1,011	19
Grand total (Nos.)		1,030	

Attrition and New Hires

Our continuous endeavour is to make our organisation the most attractive employer and thrive to become a supportive, nourishing and employee-friendly organisation. As part of our strategy, we focus on strengthening, nurturing and re-enforcing our existing workforce; and retaining our employees for long term. We provide targeted opportunities for enhancing workforce enthusiasm and providing best of industrial technical knowledge to our existing employees. Our employee turnover is measure of the number of employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service. Our permanent employees are considered for reporting against this indicator. We conduct comprehensive exit interviews with the separating employees. This allows us to assess and improve upon our HR practices and employee retention programmes.

During the reporting period, 269 people joined the JK Cement family, while 199 employees disassociated from the organisation⁵.

Connecting People

Celebrations at JKCL

Founder's Day

J.K. Organisation celebrated its 132nd Founder's Day on 6th November at various locations on the birth anniversary of the Founder Lala Kamlapat Singhaniaji and paid tribute to his extraordinary vision, enterprise and social commitment. On this occasion various employees across India were honoured with mementos and citations in recognition of their long and dedicated service of 25 years and 40 years with the Organisation. Besides employees, dealers across India were also felicitated for their

⁴ The figure includes employees working at Katni and Bamania as well.

⁵ The new hire and attrition data corresponds to the Head Office, Corporate Office and Marketing offices only.

association with the Organization for more than 25 years. Apart from Founder's Day, Engineers Day, UAE National Day are also celebrated.



Founder Day Celebration at Kanpur

Festivities

The festival of lights- Diwali embarks zealous celebrations at JKCL. Lakshmi is the goddess of prosperity and wealth and Lakshmi Poojan forms the essence of Diwali celebrations. Employees and workers wish each other and seek the blessings of Goddess Lakshmi for a happy and prosperous year ahead. Various games and cultural programs are organised and staff along with their family members are invited to attend. Various other festivals such as Durga Puja, Vishwakarma Puja, Janmashtmi, Ganesh Chaturthi and Christmas are also celebrated with the entire JKCL Family.



Janamashtmi Celebration at Gotan

Excursions and Entertainment

Regular trips and excursions are organised for the workers at the Plant Level. With the aim of building team spirit among employees, annual sport events along with various football and cricket tournaments are organised at intra plant and inter plant levels for the rejuvenation of employees.



Foreign Trip of Dealers/Suppliers

Respecting Human Rights

Our approach to managing human rights at JK Cement stems from our core values of integrity, ethics and trust. We thrive to provide cordial working environment for employees and constantly foster a culture of mutual respect and trust. Quality of life of employees is important to us and we try to improve the same through constant

interactions with elected employee representatives. We recognize support, and respects the right of our employees to exercise freedom to associate, bargain collectively and join or form unions within our operations. Trade unions are used as a platform for constructive dialogue in all our plants, except the Muddapur plant.

We forbid all forms of discrimination including, but not limited to, race, creed, gender, marital status, political affiliation and age. Our company is committed to creating opportunities for women as well as those with physical disabilities as well. We undertake human rights due diligence at all our plants to identify, assess and manage human rights impacts within operations viz. respect for human rights including non-discrimination, prohibition of child and enforced labour. In line with our commitment, no cases of discrimination or harassment were reported by our employees across our manufacturing plants and corporate office, during FY 2016-17.

We are strongly committed to rules regarding child labour and ensure that our physical work environment is congenial to the workforce and free from any form of exploitation. Also, no one is forced to perform any task that is hazardous or detrimental to their health or wellbeing. We take extra care that JK Cement does not associate with any supplier or contractors known to follow unacceptable labour practices such as exploitation of children, physical punishment, female abuse, involuntary servitude and so on. As a step to ensure our compliance to human rights aspects, all our agreements with contractors have mandatory inclusion of clauses of human rights and child labour (as specified by Government of India and Factory Act).

JK Cement works in good faith with stakeholders to resolve human rights and labour rights issues brought to its attention. Further employees, stakeholders and third parties are continuously encouraged to report any potential human rights Violation to the Human Resources.

Providing a Safe Workplace

Maintaining Safety at workplace is an overarching value at JKCL and we are always committed to creating safe and conducive work environment for all our employees. We are constantly working towards achieving zero injuries across all our operations. Nothing comes before the health and safety of our people, contractors and the community. While maintaining accountability of safe workplace practices, we have established safety systems that nurture a safety culture where each employee takes ownership and responsibility for his own safety as well as his team members. Such a safe working environment is achieved by having a workplace accident prevention programme in place, improving employee safety measures, and investing in safety education. Every safety incident in the organisation is a learning and an instrument for improving the safety systems within our organisation. Our company facilitates extensive employee communication, supports infrastructure and encourages a compliance with systems and good practices. As a step to ensure wellbeing of the workforce, all our formal agreements cover health and safety parameters. Incident-accident recording systems are maintained as per regulatory requirements. All of our manufacturing locations monitor both reportable and non-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 occurrence. The continuous identification of potential risk factors and improvement activities help 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. We constantly look for creative and fun ways to get our safety message out. During the year, we organised various awareness and counselling programmes across our plants covering occupational health and safety aspects, lifestyles diseases and common seasonal diseases, among others.

With our continuous and dedicated efforts to achieve zero harm, we were able to restrict fatalities during FY 2016-17. In order to further raise awareness and educate employees towards safety measures, Safety Trainings are organised at both the plants as well as the Corporate Office. A hundred percent employee attendance was achieved at Gotan and Muddapur plants for safety trainings.

Towards making the plant a zero accident plant, J.K. Cement Works, Muddapur installed a 'Safety Induction Room' which is equipped with all required PPEs. Plants at Nimbahera and Mangrol practice have a decent practice of compulsory wearing of Reflective Jackets for all Employees, Contractor's Manpower, and Tipper & Truck Drivers that come in the Plant premises. The Nimbahera and Mangrol family celebrated National Safety day on March 4, with the commitment to give top priority to safety as a part of work culture of the Company. An exhibition on safety was the highlight at both the plants wherein the visitors were made to understand the various safety appliances on display.

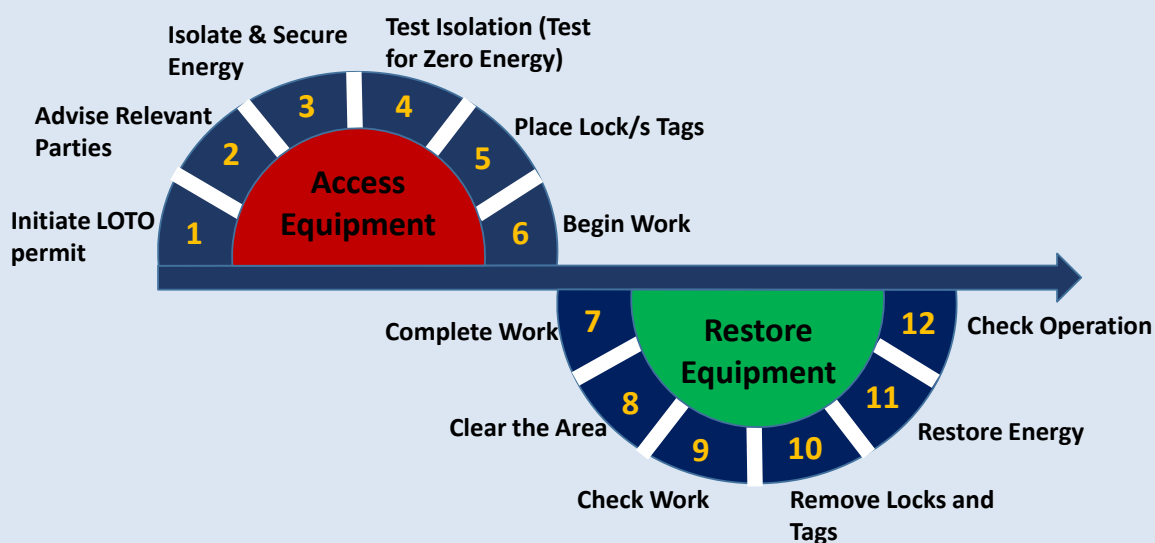


Training for Road Safety & Medical Camp for Truck Drivers & Helpers



Tool Talk in Morning During Job Allotments

LOCK-OUT TAG-OUT



"Lock-out tag-out" is a way to protect employees by ensuring that machines remain completely, temporarily off. Without a lock-out tag-out system there is the possibility that a machine will unexpectedly start up, either because of stored energy which was not correctly released or through the actions of someone starting the process without realizing that it isn't safe to do so. Training is required for two types of people; "authorized employees" - people who actually perform the lock-out tag-out and "affected employees" - people who may be affected by or work near equipment which is locked or tagged out. LOTO system has been implemented at the plants in Nimbahera and Mangrol.

Three-Seasons Reflective Safety Jackets



A top quality reflective safety jacket can make a big difference. These reflective safety jackets must be not only in compliance with the standards and regulations set forth, they must also be made to perform.

Safety First - The primary safety feature inherent in reflective safety jackets is the main colour, which should always be fluorescent orange or yellow. This means that the wearer will be highly visible to those on foot and in vehicles, even in the worst conditions for sight impairment.

Comfort- These Seasons reflective safety jackets are made to accommodate changing conditions, which can be critical in certain regions or season. Proper insulation on these jackets will also help keep the core body temperature stable regardless of outside conditions.

In summary, proper reflective safety jackets, such as the Three Season Safety Jacket, will help workers who must perform in uncertain conditions do their jobs more safely and effectively.

Fostering Employee Health

We assign as much importance to health as we do to safety, with a focus on controlling workplace health risks, ensuring fitness to perform work tasks safely, and promoting the health and well-being of our employees and contractors. Medical Examinations and health camps are regularly organised at the plant levels. In accordance to the statutory requirements, we conduct bi-annual medical check-ups for all the employees and simultaneously medical counselling was provided to the employees. The employees also seek medical assistance and advice during their visits to the dispensary from time to time.

Regular awareness sessions are conducted for employees on hepatitis B, HIV & blood transfusion diseases, first-aid training, high blood pressure, diabetes, obesity and abnormal lipid profile. Apart from these regular sessions, there are awareness and counselling sessions on the seasonal diseases as well. Apart from awareness and assistance through one-to-one interactions, the medical team also keeps sending e-mails for the related issues.

We try to protect our workforce from health hazards at work, such as dust, noise during cement handling. We also accommodate illness and disability, support health care where needed, and encourage participation in well-being and community health engagement activities.



Product Stewardship and Brand Prominence



We see sustainability as a responsibility as well as an opportunity. We develop products and services keeping in mind both sustainability as well as customer needs. In order to achieve product differentiation and customer satisfaction, we constantly indulge in research and development and continue to innovate. Along with the above, we work towards providing unique customer experience.

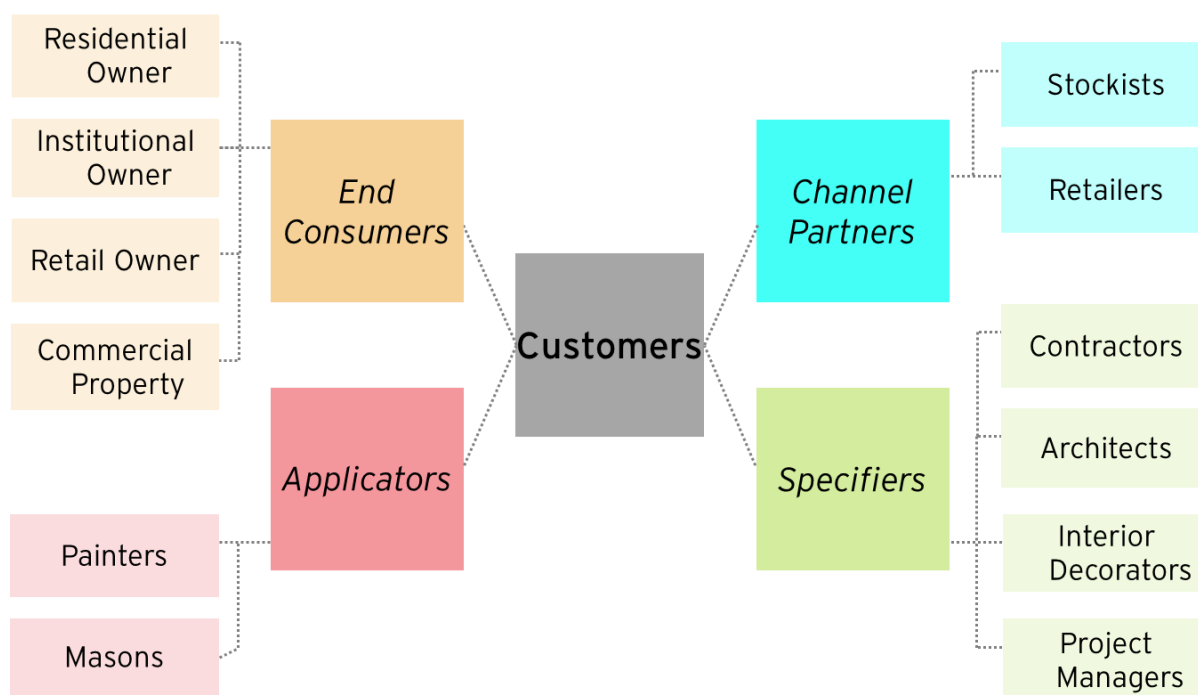
Customer Centricity

In order to meet our customers' rapidly changing expectations, we at JKCL are putting our clients at the centre of everything we do—with the goal of consistently delivering a superior customer experience, everywhere, every time. The same can be achieved when we align our organization to achieve a superior customer experience, update and simplify key internal processes and policies, develop and implement digital solutions, measure customer satisfaction systematically and continuously innovate and add value for our customers. We invest immense time and resources in R&D activities so as to develop and deliver best quality products to our customers. We have a highly experienced innovation pipeline and we are working to develop unique and sustainable products. Our in-house R&D team regularly engages with external Consultants in this regard. We have also developed a tailor-made marketing strategy to effectively communicate and reach out to our diverse range of customers.

Our development of new products and services is driven by our commitment both to sustainability and to customer needs. Our long-term objective is to establish ourselves as a major global brand in the White Cement segment. Therefore, our strategy is to partner with business associates from all around the globe. Our distribution network encompasses major segments of market covering industrial customers, distributors, retailers, influencers, architects, builders and contractors. We, therefore, strive to provide an effective, easy, and enjoyable experience for all our customers to ensure ultimate customer experience. To achieve the same, we take great efforts to understand their psyche, culture, habits to address their actual and future needs. We have also launched our Sales Force Automation Tool (SFA) for better understanding of their needs. We have a reputation of being one of the best customer service providers in India's cement industry and certainly the best when it comes to markets in Northern India. This reputation has been hard earned with utmost dedication to meet customer demands through high levels of synchronisation between our marketing, production and logistics teams.

Responsible Communications

In order to achieve customer satisfaction, JKCL Cement follows a pertinent marketing methodology that enables effective communication and helps us reach out to our diverse range of customers and listen to their grievances thus understanding their requirements. In order to communicate effectively with its clientele, the organisation directs its marketing communications and branding strategies by breaking down its customers into the following segments and using mass media, personal communication and professional forums as platforms for communications:



In order to reach out to a diverse consumer base and build brand prominence among them, JKCL has a distinctive multifaceted marketing strategy that incorporates initiatives like 360-degree media campaigns, consumer contact programmes, online promotion, public relations, and so on.

With a dedicated team for generating brand awareness and establishing brand prominence, we organize mass media campaigns, consumer promotions, online support and public relations. At various industry and consumer events our brands enjoy significant exposure. Through honest and target-specific communications, innovative campaigns and smart advertisements have helped us build a powerful brand value. Extensive campaigns were launched to educate consumers, dealers and retailers about high quality benchmarks; and also receive their insights to further improve the quality of our products.

Our strategy incorporates all the different key marketing segments. A targeted approach is followed where-in the market is segmented and principal influencers are identified. Thereafter, appropriate promotional activities are planned. We have positioned ourselves as a premium selling brand in the GCC region on the strength of our consistent quality and top-notch services. To strengthen brand visibility, we also participate in exhibitions and seminars in crucial markets regularly.

Customer Satisfaction

As a part of improving our customer experience and enhancing customer intimacy, we resolve consumer grievances related to construction practices and applications of our products promptly. Consumers can register their product related complaints through our dedicated helpline number - 1800 102 8868. Consumers can also contact our executives in their respective areas directly by taking their contact details from our website. During the reporting period, we have conducted more than 58,824 site visits for helping IHBs and influencers. The details of complaints received during the year

are shown below. Going forward, we also plan to keep tracking of repeat purchase by the customer who has lodged complaint with us.



Further, in our pursuit for customer experience excellence we have also launched the Sales Force Automation (SFA) tool, which is an android based mobility tool. The tool is used to capture the customer profiles and attain a better understanding about JKCL Customer and Customer Universe. Through this SFA system, we record the interaction frequency of the sales person with the customer. Post interaction, an automated message is sent out to the channel partners wherein customer is required to rate the quality of interaction on a number scale.

Linking Company to Customers (CTS)

Established since commencement of production, Customer Technical Services (CTS) provides technical assistance to customers in various applications of J.K. Cement. CTS officers are stationed across the Country for prompt technical services. Services are provided before purchase and before, during and application of JK Cement product. Further, in order to reach our valued customers individually/collectively we organise varied events. It has been observed that the major problem of construction activity is to locate the right kind of agencies and skilled working hands who can convert the concepts and ideas into reality. To bridge this gap, technical workshops, technical exhibitions, seminars and meets, and awareness programs are conducted by the Customer Technical Services Division.

Product Responsibility

With principal focus on setting the benchmark for quality of products and services, JKCL maintains an approach aiming to satisfy quality requirements, creating value along the lifecycle of products and enhancing relationships with customers and suppliers. Key performance indicators, internal product specifications and utilization-specific product testing pave way for quality products leading to customer satisfaction.

Our facilities are equipped with state-of the- art process control instrumentation and quality control system. The testing laboratory at Nimbahera and Mangrol is manned by qualified personnel who ensure that the quality of products is comparable to the best available in the market at all times. Similarly, our Muddapur unit has latest technologies, process control as well as quality control for plant operations with Robo lab and Automatic Blain Analyser. The entire plant is controlled from Central Control Room (CCR) with sophisticated control systems of latest technologies including Fuzzy Operations. Further, as part of our recent brownfield expansion at Mangrol plant, we have installed a fully automatic Robo lab, appointed for quality improvement of raw mix and cement. This will take samples automatically and will check and give corrections for a better quality of products.

With the help of the above measures we monitor and maintain quality of our products whilst ensuring health and safety of our people and minimum impact on the environment. Along with this, we ensure strict adherence to regulatory requirements applicable to our industry including compliance to product labelling and marketing practices. No incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products, product and service labelling and marketing communications were reported during the reporting period.

The company is taking steps to deploy and promotes for promoting sustainable sourcing practices at all plants as feasible and applicable, including procurement of some other raw materials, indirect materials and services.



Empowering Communities



Driven by the solid vision of philanthropic enterprise of its founding fathers, JK Cement stands firmly committed to its obligation towards the society, stakeholders and the environment. The organization 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 we operate and prosper. To achieve the same, we have a well-established CSR Policy that mirrors our desire to protect and improve the lives of people. With the aim to uplift the local stakeholders, we make sure that local employees are selected to manage plant operations at our existing locations. The main focus areas embedded in our CSR strategy include the following:



The social initiatives taken by us have impacted life of local people belonging to gram panchayats and villages situated around our operational plants. The following table shows our contribution towards Corporate Social Responsibility and Environment.

CSR Initiatives – FY 2016-17	Total Expenditure (in INR)
Infrastructure development	13,30,000
Education	68,65,655
Healthcare	12,63,780
Environmental protection	58,60,390
Community Welfare (healthcare services, rural development , sports promotion, donations)	1,69,48,539
TOTAL	3,22,68,364

Supporting People

Anugrah

JK Cement collaborated with Times of India for a CSR initiative 'Anugrah' with the aim of promoting 'joy of giving'. This was a small step in trying to bring a smile on the faces of the less fortunate by providing them with woollen clothes, blankets, thermals, eatables, biscuits, dry material for cooking, such as Salt, Wheat, Rice, Sugar etc.

Education

Literacy and education, keys to prosperity and opportunity, are an integral part of the social framework of any developing country. We, at JKCL, encourage and foster education among the underprivileged in the communities that we operate in. This is obtained by providing infrastructure, organising workshops and awareness camps to bring a positive change across not only the societies that we closely work in, but rather the entire nation. Sir Padampat Singhania University and L.K. Singhania Education Centre, pioneer institutes founded by JKCL, are actively promoting literacy and working towards shaping the future of the youth and thus, the country. In addition, we also support the educational cause in the local communities by organizing educational awareness talks, distributing of books, clothes and arranging transport for local children. While providing educational uplift to the underprivileged, we also make conscious efforts towards increasing the knowledge mine of the already educated population. A five day long exhibition of books on the Life and Works of Mahatma Gandhi was organised at Kamla Tower Library on the occasion of Gandhi Jayanti. Some rare photographs of Gandhiji and more than hundred books on his life were made available for employees.

Community Healthcare

We attach as much importance to health as we do to safety. Good health is one of the foundations of a great nation. Medical check-ups are regularly organised for the marginalised communities in order to bridge the gap between individuals and healthcare services. Some of the initiatives taken towards promoting healthy living are as follows:

Free eye check-up camp

Regular free eye check-ups are organised at all the plant levels. People actively participate and register at these camps. They are tested suitably and appropriate medical treatment is advised.



Organized Eye Camp on Govt. referral Hospital, Nimbahera

A step towards fighting AIDS

JK Cement Works and Employer Lead Model (ELM), Rajasthan State AIDS Control Society, Directorate of Medical and Health Services signed an MOU to develop awareness about AIDS, its prevention and control among general public. The MOU includes jointly organizing special camps, blood testing, blood donation camps and workshops for protection, cure and prevention of spread of AIDS. Apart from medical check-ups, services related to aids awareness, blood donation camps, etc. will also be made available by the plant in the future.

Free Vaccination Camp for Livestock

Under its livestock nourishment and protection campaign, the Company organized a free vaccination camp under its JK Gram Vikas Trust Scheme. The doctors and Gopals vaccinated animals as well as their owners for foot and mouth related diseases. Besides providing consultation, anti-worm medicine and mineral mixture were also provided to them.

Blood Donation Camp

Blood donation camps are also organised at regular intervals at various plant locations. Employees from the plants actively participate in the same and contribute towards this noble cause.



Blood donation at gotan

Cancer Check Up and Awareness Camp for Women

A Cancer Check-up and Awareness Camp for women was organised at Gotan. It was quite an informative programme wherein the visiting doctors' team gave an audio-visual presentation on Cancer Awareness. Nimbahera and Mangrol plant spend on training and providing support for livelihood. A Special project "Sparsh Napkin Project" was initiated for providing necessary residential training and support to women for making Low priced Sanitary Napkins and selling them.



Special project "Sparsh Napkin Project"

Free Medical Treatment Camp

Free medical aid is provided in the Medical Treatment Camps that are organised throughout the year at various plant locations. In a similar camp at Jharli, around 250 villagers were tested and treated at the camp. A sum of INR 2,003,318 was spend on such medical camps by the Nimbahera and Mangrol Plants.



2 Days Mega Camp at Nimbahera in association with Medanta Hospital

Our continuous endeavour is to promote good practices in terms of health and hygiene, prevention and cure as well as help provide services for individuals to understand and cure their illnesses.

Infrastructure Development

Infrastructure forms the foundation of every thriving economy that facilitates and spurs economic growth. By providing better connectivity, it enables local businesses to grow and is needed for provision of reliable services, Realising the crucial role of infrastructure in the development and shaping of a nation, JKCL tries to enhance available infrastructure as well as bring in new and innovative facilities. During the current year, J.K. White Cement Works, Gotan took up the responsibility of laying Kota

stone, polishing the platform and setting up 40 benches at Gotan Railway Platform in the interest of public at large. The Railway station was recently inaugurated and members from the railway authority participated in the same and appreciated this contribution of the Company towards public interest.

Cleanliness & Sanitation

Swachh Ability Run

At JKCL, we operate on a business model built with sensitivity as one of its cornerstones and an organisational commitment for a better world – for customers, stake-holders, employees and last but not the least, for the community at large. JK Cement super headed the noble cause of Swachh Ability and organised a unique run that carried a strong message about two important causes i.e. non-discrimination for Divyangs and Swachh Bharat. Also, keeping in line with the noble cause, Swachh Bharat Abhiyan was conducted near Administrative Building Premises, Packing Plant area and Residential Colony at Muddapur Plant and motivated everyone for their wholehearted participation in the task of cleaning and requested active support of all to make Swachh Bharat a reality.



Swachh Bharat Abhiyan - Muddapur

Tree Plantation Drive

With a view to protect the environment, we actively participated with the local administration of Nimbahera in the tree plantation campaign by planting 751 saplings with tree guards. Besides this, 10,000 saplings have been planted in urban and rural areas of Nimbahera and surroundings to beautify Nimbahera subdivision and create awareness about environment conservation. On the submission by North-Western Railway authority for developing a green belt and a public garden near Gotan Railway Station, we undertook the responsibility for beautification near Gotan railway station and performed the activities like cleaning of unwanted garbage and brushes, levelling, fencing and digging work to facilitate plantation. Subsequently, saplings were also planted by the members of the Railway Authority.



Tree Plantation at Gotan



Assurance Statement



The Management and Board of Directors

**JK Cement Limited,
Kamla Tower,
Kanpur 208001, Uttar Pradesh, India**

Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by JK Cement Limited (the 'Company') to provide independent assurance on its Sustainability Report 2016-17 (the 'Report') covering the Company's sustainability performance during the period 1st April 2016 to 31st March 2017.

The development of the Report based on the Global Reporting Initiative (GRI-G4) Guidelines; its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2016 to 31st March 2017. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following units/ locations:
 - Gotan (Rajasthan)
 - Nimbahera (Rajasthan)
 - Mangrol (Rajasthan)
 - Corporate office at Kanpur (Uttar Pradesh)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2016 to 31st March 2017);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention;

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During the review process, we observed that:

- The Company has developed the Report as per the 'in accordance - core' criteria of GRI G4 Sustainability Reporting Guidelines. The Report presents a fair description of the Company's performance disclosures under the aspects identified as material;
- The Company has demonstrated a structured approach towards data management for sustainability performance reporting in line with GRI G4 Guidelines. Further, the Company continues to demonstrate its commitment towards effective planning and implementation of CSR initiatives around areas of its manufacturing locations. However, it may further improve on the accuracy, compilation and completeness of reporting on certain issues viz. energy and human resource data.
- The Company may further strengthen internal review of the sustainability performance data for increasing reliability as well as auditability of the same.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the Company has reported on sustainability issues relevant to its business.

Ernst & Young LLP



Chaitanya Kalia
Partner

Dated: 14 July, 2017

Place: Mumbai, India



GRI Content Index & NVG Reference Linkage



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G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Providing a Safe Workplace	65
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G4-DMA	Generic Disclosures on Management Approach	Respecting Human Rights	64
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G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Ethics and Compliance	38
G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction	72
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National Voluntary Guidelines (NVG) Reference Content Index

NVG Principle	Response
Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Refer Section 'Corporate Governance and Ethics' and sub-section 'Our Board'.
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Refer sub-section 'Product Responsibility' under Section 'Product Stewardship and Brand Prominence'.
Principle 3 Businesses should promote the well-being of all employees	Refer sub-section 'Enhancing People Potential' under Section 'Our Human Capital'.
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Refer sub-section 'Voice of Stakeholders' under Section 'Corporate Governance and Ethics'.
Principle 5 Businesses should respect and promote human rights	Refer sub-section 'Respecting Human Rights' under Section 'Our Human Capital'.
Principle 6 Businesses should respect, protect, and make efforts to restore the environment	Refer Section 'Promoting Environmental Sustainability'.
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Refer sub-section 'Public Policy and Advocacy' under Section 'Corporate Governance and Ethics'.
Principle 8 Businesses should support inclusive growth and equitable development	Refer Section 'Empowering Communities'.
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner	Refer Section 'Product Stewardship and Brand Prominence'.