

# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE GOVERNANCE

### 1.1 Company's philosophy on Code of Corporate Governance

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

### 1.2 Governance Structure

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

## 2. BOARD OF DIRECTORS

The JK Board plays a pivotal role in ensuring that the Company runs on sound and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the

Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

### Committee of Directors

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

### Management Structure

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

### Board of Directors

#### (i) Composition of the Board

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

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

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

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

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2018 five Board Meetings were held on the following dates:

(i) 13th May, 2017 (ii) 23rd June, 2017 (iii) 12th August, 2017 (iv) 11th November, 2017 (v) 3rd February, 2018

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

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

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

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

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

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

Note; None of the Director is acting as Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a Chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

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

**Compensation and disclosures**

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

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

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

The Board has unfettered and complete access to any information with your Company. Members of the Board have complete freedom to express their views on agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### **Board Training and Induction**

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

### **Meetings of Independent Directors**

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

- review the performance of Non- Independent Directors and the Board as a whole,

- review the performance of the Chairman and Managing Director of the Company, taking into account the views of Non-Executive directors,

- assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on February 3, 2018 without the presence of Non Independent Directors and management personnel to discuss the aforesaid issue.

### **Performance evaluation of Independent Directors**

The Board evaluates the performance of Independent Directors and recommends commission payable to them

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

#### **Familiarization Program for Directors**

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

#### **Meeting, Agenda And Proceedings of Board Meeting**

- **Agenda:** All the meetings are conducted as per well designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013 Rules framed thereunder and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the earlier meetings. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification/approval.
- **Invitees & Proceedings:** Apart from the Board members, the Company Secretary, the CFO, the Special Executives, Business Heads are invited to attend all the Board Meetings. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO briefs on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Chairman and Managing Director, the CFO and other senior executives briefs on capex proposals & progress, operational health & safety, marketing & cement

industry scenario and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board Meeting.

- **Post Meeting Action:** Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Chairman & Managing Director, CFO and Company Secretary for the action taken/ pending to be taken.
- **Support and Role of Company Secretary:** The Company Secretary is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects. Compliance Officer: Mr. Shambhu Singh, Company Secretary is the Compliance Officer for complying with the provisions of the Securities Laws.

#### **Directors' Profile**

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

##### **Mr. Yadupati Singhania aged about 65 years Chairman and Managing Director (B. Tech from IIT,Kanpur)**

**Yadupati Singhania**, aged 65 years, is the Chairman and Managing Director of our Company, and has been associated with cement business since 1975. He holds a bachelor of technology degree from the Indian Institute of Technology, Kanpur. He is also a chief patron of Merchants Chamber of Uttar Pradesh and Kuladhipati of Dayanand Siksha Sansthan. Besides, being Chairman of the Board of Governors of Dr. Gaur Hari Singhania Institute of Management & Research, he is also President of Kanpur Productivity Council. He is presently the Vice President of J.K. Organisation and is also involved in various Educational and Social Organisations in the city of Kanpur like Juhari Devi Girls College, Kailashpat Singhania Sports Foundation, Uttar Pradesh Cricket Association, Agrawal Sabha etc

##### **Smt. Sushila Devi Singhania aged about 83 years Non-Executive, Non-Independent Director (Graduate of Arts)**

**Sushila Devi Singhania** aged 83 years, is a non-executive, non-independent Director of our Company. She has been functioning as a Director of our Company since July 26, 2014. She is also director of Yadu International Limited and G. H. Securities Private Limited. She is a member of managing committee of Seth Anandram Jaipuria School, Kannur. President of Juhari Devi Girls Inter College, Kannur

and President of Juari Devi Girls Post Graduate College, Kanpur. She has been actively associated with programmes for welfare and upliftment of economically weaker sections, children and women and also with religious activities.

**Mr. Achintya Karati aged about 72 years  
Non-Executive, Independent Director (Law Graduate from Calcutta University)**

Achintya Karati is a non-executive, independent Director of our Company. He holds a bachelor's degree in law from the Calcutta University. He served as the country head of Government and Institutions, NCDEX and has also worked as senior advisor to ICICI Securities Limited, and also with ICICI Prudential Life Insurance Company Limited. He retired as the country head, Government and Institutional Solutions Group, ICICI Bank Limited in March, 2004. During his association with ICICI Limited, he served in various capacities, including as the Deputy Zonal Manager (North) and Head of Major Client Group (North). He has been associated with our Company since 2005.

**Mr. Jayant Narayan Godbole aged about 73 years  
Non-Executive, Independent Director (B.Tech (Hons) from IIT Mumbai, Certificate in Financial Management)**

Jayant Narayan Godbole is a non-executive, independent Director of our Company. He holds a bachelor's degree in technology (honours) from the Indian Institute of Technology, Mumbai and also holds a certificate in Financial Management. He has officiated as the chairman and managing director of the Industrial Development Bank of India in 2005 and has also served as the chairman of an empowered group working on the stabilization of the corporate debt restructuring mechanism in India

**Mr. K. N. Khandelwal aged about 74 years  
Non-Executive, Non-Independent Director (Commerce Graduate and a Chartered Accountant)**

Kailash Nath Khandelwal is a non-executive, non-independent director on our Board, and has been the Director of our Company since 2004. He holds a bachelor's degree in commerce from Agra University. He is a fellow of the Institute of Chartered Accountants of India and a practicing chartered accountant. He has over 45 years of experience in the field of finance, accounts, and taxation. He has served as president (finance and accounts) of Jaykay Enterprises Limited (formerly J.K. Synthetics Limited). Commenced his career with J.K. Synthetics Limited in 1969;

**Dr. K. B. Agarwal aged about 79 years  
Non-Executive, Independent Director (Graduate of Law, PhD, ICWA and CS)**

Krishna Behari Agarwal is a non-executive, independent director of our Company. He holds a bachelor's degree in law from Kanpur University and is a fellow of the Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He is experienced in the fields

of finance, accounts and capital markets. He has served Merchants Chamber of Uttar Pradesh and Uttar Pradesh Stock Exchange Association Limited as their president. He has been a member of the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce & Industry of India.

**Mr. Paul Heinz Hugentobler aged about 79 years  
Non-Executive, Non-Independent Director (Civil Engineer & Degree in Economic Science)**

Paul Heinz Hugentobler is a non-executive, non-independent Director of our Company. He graduated in civil engineering from Swiss Federal Institute of Technology, Zurich and also has a degree in economic science from the Graduate School of Economics and Business of St. Gallen. He has served as the area manager for the Holcim Asia Pacific Region and was a member of the Holcim Executive Committee responsible for South Asia and ASEAN. He is also the chairman of Siam City Cement Group having its operations in Thailand, Vietnam, Indonesia, Bangladesh and Sri Lanka.

**Mr. Raj Kumar Lohia aged about 64 years  
Non-Executive, Independent Director (Bachelor of Arts in Economics)**

Raj Kumar Lohia is a non-executive, independent Director of our Company. He holds a bachelor's degree in economics from Kanpur University. He joined our Board in 2004 and is also on the board of directors of several other companies.

**Mr. Suparas Bhandari aged about 73 years  
Non-Executive, Independent Director (Graduate of Science and Law)**

Suparas Bhandari is a non-executive, independent Director of our Company. He holds a bachelor's degree in science and a bachelor's degree in law from the University of Jodhpur. He is the founder, chairman and managing director of Agriculture Insurance Company of India Limited and has served as the general manager of Oriental Insurance Company of India Limited and as the assistant general manager of United India Insurance Company Limited.

**Mr. Shyam Lal Bansal aged about 64 years  
Non-Executive, Independent Director (M.Com from Delhi University, B.Com from Shri Ram College of Commerce, New Delhi, and CA (Inter))**

Shyam Lal Bansal is a non-executive, independent Director of our Company. He holds a bachelor's degree in commerce from Shri Ram College of Commerce, New Delhi and a master's degree in commerce from the University of Delhi. He superannuated as chairman & managing director from Oriental Bank of Commerce. He was actively involved as an executive director in the financial inclusion plan of United Bank of India in the whole of West Bengal and North East, as part of the banks' responsibility as state level bankers' committee convener in Tripura and West Bengal and lead bank responsibility in 10 districts of Assam. He is also

acting as an independent director of IL&FS Tamil Nadu Power Company Limited, Indiabulls Ventures Limited and Indiabulls Asset Reconstruction Company Limited. He has been functioning as a Director of our Company since February 6, 2016

### 3. AUDIT COMMITTEE

#### (i) Broad Terms of Reference

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

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013;
  - b. changes if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;

matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**(ii) The audit committee shall mandatorily review the following information**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
6. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

**(iii) Composition of the Committee**

Following Directors were the members of the Audit Committee:

- i. Dr. K. B. Agarwal (Chairman) Independent, Non-Executive Director
- ii. Shri A. Karati, Independent, Non-Executive Director
- iii. Shri J. N. Godbole, Independent, Non-Executive Director
- iv. Shri K.N. Khandelwal, Non-Independent, Non-Executive Director
- v. Shri R.K. Lohia, Independent, Non-Executive Director
- vi. Shri Shyam Lal Bansal, Independent Director, Non-Executive

All these Directors possess knowledge of Corporate Finance/ Accounts/ Company Law/Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as Special Invitees. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

**(iv) Meetings and Attendance**

During the financial year ended 31st March, 2018 four meetings were held on (1) 13th May 2017 (2) 12th August 2017 (3) 11th November 2017 (4) 3rd February 2018

**The attendance at the Committee Meetings was as under:**

Sl. No.	Name of Director	No. of Meetings Attended
1	Dr. K.B. Agarwal	4
2	Shri K. N. Khandelwal	4
3	Shri R. K. Lohia	2
4	Shri Achintya Karati	3
5	Shri J. N. Godbole	4
6	Shri Shyam Lal Bansal	2

**4. NOMINATION AND REMUNERATION COMMITTEE**

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

**(i) Role of the Committee shall, inter-alia, include the following:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the

remuneration of the directors, key managerial personnel and other employees;

- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

#### (ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2018 comprised of:

- (1) Shri Raj Kumar Lohia (Chairman): Independent, Non-Executive Director
- (2) Shri A. Karati : Independent, Non-Executive Director
- (3) Shri J.N. Godbole: Independent, Non-Executive Director
- (4) Shri Suparas Bhandari: Independent, Non-Executive Director
- (5) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

#### (iii) Meetings and Attendance

During the financial year ended 31st March, 2018 two meetings were held on (1) 13 th May, 2017 (2) 3rd February, 2018

Sl. No.	Name of Director	No. of Meetings Attended
1	Shri Achintya Karati	2
2	Shri J. N. Godbole	2
3	Shri R. K. Lohia	1
4	Shri Suparas Bhandari	2

#### (iv) Nomination and Remuneration Policy:

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

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

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

#### Details of Remuneration paid to the Directors for the year ended 31st March, 2018

S. No.	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Smt. Sushila Devi Singhania			900000	526000	1426000
2	Shri Yadupati Singhania	30000000	*52500000	90000000		172500000
3	Shri A. Karati			900000	300500	1200500
4	Shri J. N. Godbole			900000	475875	1375875
5	Dr. K. B. Agarwal			900000	751250	1651250
6	Shri K. N. Khandelwal			900000	450750	1350750
7	Shri Raj Kumar Lohia			900000	350875	1250875
8	Shri Suparas Bhandari			900000	425625	1325625
9	Mr. Paul Heinz Hugentobler		**10813130	900000	150250	11863380
10	Shri Shyam Lal Bansal			900000	150375	1050375

\* Benefits does not include payment of contribution to Provident Fund, which is exempted perquisite under applicable provisions of the Companies Act, 2013 but includes Performance Incentive of ₹ 150 Lacs

\*\*Paid in professional capacity.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE - MANDATORY COMMITTEE

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

The terms of reference of the Committee are:

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

### (i) Composition

The Committee as on 31st March, 2018 comprises of:

- (1) Dr. K.B. Agarwal (Chairman): Independent, Non-Executive Director.

- (2) Shri Suparas Bhandari: Independent, Non-Executive Director
- (3) Shri K.N. Khandelwal: Non-Independent, Non-Executive Director.
- (4) Shri Raj Kumar Lohia: Independent, Non-Executive Director.
- (5) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

### (ii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 31 complaints during the F.Y. 2017-18 and all the 31 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](http://www.scores.gov.in). However, Six requests for dematerialisation involving 30 equity shares of the Company attended as at 31.03. 2018 was attended/ disposed of within stipulated period of 30 days.

### (iii) Meeting and Attendance

During the financial year ended 31st March, 2018 four meetings were held on (1) 13th May 2017 (2) 12th August 2017 (3) 11th November 2017 (4) 3rd February 2018

**The attendance at the above Meetings was as under:**

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

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE - MANDATORY COMMITTEE

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

**(i) Composition of the Committee**

Sl. No.	Name of Director	No. of Meetings Attended
1	Smt. Sushila Devi Singhania	Non-Executive, Non-Independent Director
2	Dr. K. B. Agarwal	Non-Executive, Independent Director
3	Shri J. N. Godbole	Non-Executive, Independent Director
4	Shri Suparas Bhandari	Non-Executive, Independent Director

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

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

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

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

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

**(ii) CSR committee attendance**

Two CSR committee meetings were held during the year on (1) 13th May, 2017 and (2) 3rd February, 2018

Sl. No.	Name of Director	No. of Meetings Attended
1	Smt. Sushila Devi Singhania	2
2	Dr. K. B. Agarwal	2
3	Shri J. N. Godbole	2
4	Shri Suparas Bhandari	2

**7. CMD/CFO CERTIFICATION**

The Chairman and Managing Director and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Listing Regulations, for the year ended 31.03.2018

**8. DATES , TIME AND PLACES OF LAST GENERAL MEETINGS HELD ARE GIVEN BELOW**

Financial Year	Date	Time	Place
2014 - 15 (AGM)	1st August, 2015	12 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2015 -16 (AGM)	6th August, 2016	11 A.M.	Auditorium of the Merchants' Chamber of U.P., Kanpur
2016 -17 (AGM)	29th July, 2017	12.30 A.M	Auditorium of the Merchants' Chamber of U.P., Kanpur

Two special resolutions were passed in the Annual General Meeting of the Company held on 1st August, 2015. Four special resolutions were passed in the Annual General Meeting of the company held on 6th August, 2016. Two special resolutions were passed in the Annual General Meeting of the Company held on 29th July, 2017. There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110 of the Companies Act, 2013. The Chairman of the Audit Committee was present at AGMs held on 1st August, 2015, 6th August, 2016 and 29th July 2017 to answer the queries of the shareholders.

**Disclosures**

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

**Disclosures regarding appointment or re-appointment of Directors**

According to the provisions of Companies Act, 2013 read with Articles of Association of the Company one Non-Executive, Non-Independent Director Mr. K. N. Khandelwal will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-election. Given below is the brief resume of Mr . K. N. Khandelwal pursuant to the

Mr. K.N. Khandelwal (DIN 00037250) aged about 74 years Served as President (Finance and Accounts) of Jaykay Enterprises Limited. He Commenced his career with JK Synthetics Limited in 1969. He Joined J.K. Cement Ltd as a Director w.e.f 2004.

### Code of Conduct

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

## 9 MEANS OF COMMUNICATIONS

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

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website www.

## 10 GENERAL SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Date and Time	Saturday the 28th July, 2018 at 11:30 A.M.
Venue	Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

### (ii) Financial Calendar

(a) First Quarter Results	Within 45 days from the close of Quarter Ending June, 2018
(b) Second Quarter Results	Within 45 days from the close of Quarter Ending September, 2018
(c) Third Quarter Results	Within 45 days from the close of Quarter Ending December, 2018
(d) Result for the year ending 31st March 2019	Within 60 days from the close of Quarter/ Year Ending March, 2019

### (iii) Date of Book Closure

Thursday the 19th July, 2018 to Saturday 28th July, 2018 (both day inclusive).

### (iv) Dividend payment date

The Board of Directors of the Company have recommended a dividend of ₹ 10 per share for the year 2017-18 which shall be payable on or after 28th July, 2018

#### Dividend Policy

The Company has been declaring/paying dividend every year since 2005-06 consistently. It is maintaining a payout of 20% to 25% of Net profit as dividend (including tax)

### (v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2017-18.

### (vi) Stock Code

BSE 532644 NSE JKCEMENT  
ISIN NUMBER INE823G01014

jkcement.com. Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and www. listing.bseindia.com maintained by BSE.

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

As per SEBI Circular dated 24th April, 2009 bearing reference no.SEBI/CFD/ DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as on 31.03. 2018, 160 number of equity shares of 3 (three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DP.Id. IN301330 Client ID 19881648).

### Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), a comprehensive code of conduct for prevention and regulation of trading in the Company's share by insiders is in vogue. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company.

## (vii) Market Price Data

## STOCK MARKET DATA (BSE) &amp; SENSEX

MONTH	BSE HIGH	BSE LOW	BSE SENSEX HIGH	BSE SENSEX LOW
APRIL,2017	985.00	909.00	30184.22	29241.48
MAY,2017	1194.45	941.70	31255.28	29804.12
JUNE,2017	1192.00	927.55	31522.87	30680.66
JULY,2017	1037.00	939.00	32672.66	31017.11
AUGUST,2017	1073.40	975.00	32686.48	31128.02
SEPTEMBER,2017	1071.00	926.25	32524.11	31081.83
OCTOBER,2017	1009.90	941.35	33340.17	31440.48
NOVEMBER,2017	1107.00	892.00	33865.95	32683.59
DECEMBER,2017	1120.00	977.30	34137.97	32565.16
JANUARY, 2018	1193.95	1071.10	36443.98	33703.37
FEBRUARY, 2018	1149.00	991.60	36256.83	33482.81
MARCH, 2018	1048.00	975.40	34278.63	32483.84

## STOCK MARKET DATA (NSE) &amp; NIFTY

MONTH	NSE HIGH	NSE LOW	NSE NIFTY HIGH	NSE NIFTY LOW
APRIL,2017	988.80	911.25	9367.15	9075.15
MAY,2017	1196.00	955.05	9649.60	9269.90
JUNE,2017	1134.00	928.00	9709.30	9448.75
JULY,2017	1034.80	921.25	10114.85	9543.55
AUGUST,2017	1079.90	976.25	10137.85	9740.10
SEPTEMBER,2017	1071.80	924.95	10178.95	9687.55
OCTOBER,2017	1008.10	941.10	10384.50	9831.05
NOVEMBER,2017	1100.00	980.00	10490.45	10094.00
DECEMBER,2017	1121.00	975.30	10552.40	10033.35
JANUARY, 2018	1194.80	1081.00	11171.55	10404.65
FEBRUARY, 2018	1151.00	992.00	11117.35	10276.30
MARCH, 2018	1048.95	976.05	10525.50	9951.90

## (viii) Registrar/Transfer Agent

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

M/s Jaykay Enterprises Ltd. (Unit J.K. Cement Ltd.) Kamla Tower, Kanpur - 208 001

Telephone: (0512) 2371478 - 81; Ext: 18322/323

Fax: (0512) 2397146;

email:investorservices@jkcement.com;rc.srivastava@jkcement.com;jkshr@jkcement.com

## (ix) Share Transfer System

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

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

## (x) Distribution of Shareholding as on 31st March,2018

No of Equity Shares Held	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
UP TO 500	69975	98.29	2670239	3.82
501 TO 1000	670	0.94	476606	0.68
1001 TO 2000	251	0.35	367698	0.53
2001 TO 3000	59	0.08	149381	0.21
3001 TO 4000	38	0.06	136260	0.20
4001 TO 5000	26	0.04	120996	0.17
5001 TO 10000	45	0.06	329908	0.47
10001 AND ABOVE	128	0.18	65676162	93.92
<b>TOTAL</b>	<b>71192</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

(xi) **Category of Shareholders as on 31st March, 2018**

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
Promoters and Promoter group	24	00.03	44866571	64.16
Mutual Funds / UTI	73	00.10	8753903	12.52
Alternative Investments Funds	2	00.01	7785	00.01
Financial Institutions / Banks	68	00.10	17813	00.02
Insurance Companies	9	00.01	2927102	04.19
Foreign Institutional Investors	16	00.02	25826	00.04
Foreign Portfolio Investors Corp.	80	00.11	7179044	10.27
Bodies Corporate	669	00.94	899134	01.28
Individuals	70072	98.43	4780977	06.84
Other	179	00.25	469095	00.67
<b>TOTAL</b>	<b>71192</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

(xii) **Dematerialisation of Shares**

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) 69524499 Equity share representing 99.42 % of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2018 (Includes 137630 shares transmitted to IEPF in Demat mode through corporate action).

(xiii) **Shares Transferred to IEPF**

During the year, 144725 equity shares of 16377 holders stand transferred to Investor, Education & Protections Fund (IEPF) Authority Ministry of Corporate Affairs in demat mode in compliance of section 124 of Companies Act, 2013.

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

(xv) **Plant Location**

Company has following plants

Plants	Location
<b>INDIA</b>	
Grey Cement Plants	Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka Jharli, Dist: Jhajjar, Haryana
White Cement/Wall Putty Plants	Gotan, Dist. Nagaur, Rajasthan Rupaund, Tehsil- Badwara, Distt. Katni, M.P.
Thermal Power Plants	Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka
Waste Heat Recovery Power Plant (For captive consumption)	Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan
<b>OVERSEAS UNDERTAKEN BY SUBSIDIARY</b>	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

(xvi) **Address for Correspondence**

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

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

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

**Vigil Mechanism**

With the expansion of business in terms of volume value and geography, various risks associated with the business have also increased considerably. One such risk identified

is the risk of fraud and misconduct. The Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 mandates the listed companies to formulate appropriate vigil mechanism and whistle blower policy. The Company, since its inception believes in honest and ethical conduct from all the employees and others who are directly or indirectly associated with it. The Audit Committee is also committed to ensure fraud-free work environment. Risk Management Policy and Whistle Blower Policy are in vogue.

The policy is applicable to all the Directors, employees, vendors and customers and provides a platform to all of them to report any suspected or confirmed incident of fraud/misconduct, unethical practices, violation of code of conduct etc.

## DECLARATION

Compliance with the Code of Business Conduct and Ethics

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct and Ethics for the year ended 31st March, 2018.

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

For J.K. Cement Ltd

**Yadupati Singhania**  
Chairman & Managing Director  
DIN - 00050364

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of **J.K. CEMENT LIMITED**

We have examined the compliance of conditions of Corporate Governance by J.K. Cement Limited (" the Company") for the year ended 31st March, 2018, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and Paragraphs C,D and E of schedule V of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 (" Listing Regulations") with amendments as applicable.

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

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

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

Place : Kanpur  
Dated : 12<sup>th</sup> May, 2018

For: Reena Jakhodia & Associates  
Company Secretaries

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