

# REPORT ON CORPORATE GOVERNANCE

## 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 Clause 49 of the Listing Agreement with the Stock Exchange(s) is concerned, your Company is in full compliance with the norms and disclosures that have to be made.

## Board of Directors

### (i) Composition of the Board

At J.K. Cement Ltd, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari 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.

As on 31st March, 2014 the composition of the Board of Directors is given herein below:

- One Promoter, Non-Executive, Non Independent Director

- One Promoter, Executive, Non Independent Director
- One Non Executive, Non Independent Director
- Eight 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, 2014, four Board Meetings were held on the following dates:

- (i) 11th May, 2013 (ii) 27th July, 2013
- (iii) 9th November, 2013 and (iv) 25th January, 2014

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

Sr. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM
1	Dr. Gaur Hari Singhania	4	Yes
2	Shri Yadupati Singhania	4	Yes
3	Shri Ashok Sharma	4	Yes
4	Shri A. Karati	3	Yes
5	Shri Jagendra Swarup (appointed w.e.f. 27.7.13)	3	No
6	Shri J.N. Godbole	4	Yes
7	Shri J.P. Bajpai (ceased to be a Director w.e.f. 31.3.14)	2	Yes
8	Dr. K.B. Agarwal	4	Yes
9	Shri K.N. Khandelwal	4	Yes
10	Shri R.K. Lohia	4	Yes
11	Shri Suparas Bhandari	3	Yes



Grey Cement plant  
at Nimahera

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

Sr. No.	Name of Director	Category	Relationship Interse Directors	No. of other Directorships <sup>@</sup>	No. of Board Committees (Other than J.K. Cement Ltd.) in which <sup>**</sup>	
					Chairman	Member
1	Dr. Gaur Hari Singhania Chairman	Promoter; Non Executive, Non Independent	Related to Shri Yadupati Singhania	5	-	-
2	Shri Yadupati Singhania Managing Director & CEO	Promoter; Executive, Non Independent	Related to Dr. Gaur Hari Singhania	9	-	-
3	Shri Ashok Sharma	Non-Executive, Independent	-	-	-	-
4	Shri Achintya Karati	Non-Executive, Independent	-	5	-	5
5	Shri Jagendra Swarup	Non-Executive, Independent	-	3	-	1
6	Shri J.P. Bajpai (ceased to be a Director w.e.f. 31.3.14)	Non-Executive, Independent	-	3	-	1
7	Shri J.N. Godbole	Non-Executive, Independent	-	13	3	8
8	Dr. K.B. Agarwal	Non-Executive, Independent	-	3	2	1
9	Shri K.N. Khandelwal	Non-Executive, Non- Independent	-	2	-	1
10	Shri R.K. Lohia	Non-Executive, Independent	-	5	-	-
11	Shri Suparas Bhandari	Non-Executive, Independent	-	-	-	-

<sup>@</sup> 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 25 of the Companies Act, 1956 has been excluded.

<sup>\*\*</sup> Chairmanship/ Membership of the Audit Committee and the Shareholders' Grievance Committee has been considered.

**(iv) Non-Executive Directors' compensation and disclosures**

Apart from sitting fees paid to the Non-Executive Independent and Non-Independent Directors (except Managing Director & CEO) for attending Board/Committee meetings, Commission was paid during the year details of which are given separately in this report. 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 fulfils stakeholder's aspirations and societal expectations.

The matters placed before the Board as required under Clause 49 of Listing Agreement inter alia includes:

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

**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 292A of the Companies Act, 1956 (corresponding Section 177 of the Companies Act, 2013) and the Corporate Governance Code as prescribed under clause 49 of the Listing Agreement, which broadly

includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include.

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management, the annual financial statements before submission to the Board for approval with particulars reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement and Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 (corresponding Section 134(5) of the Companies Act, )2013.
  - b. Changes if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions,
  - g. Qualifications in the draft audit report.
5. Reviewing with the management,

- the quarterly financial statements before submission to the Board for approval
6. Reviewing with the statutory and internal auditors the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls.
  7. Reviewing reporting structure, coverage and frequency of internal audit.
  8. Discussion with internal auditors any significant findings and follow up thereon.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  10. 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.
  11. 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.
  12. To review the following information:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - c) Management letters/letters of internal control weaknesses issued by the statutory auditors.
  13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  14. Approval of the Annual Internal Audit Plan
  15. To review whistle Blower Mechanism
- (ii) **Composition of the Committee**  
As on 31st March, 2014, the following Directors were the members of the Audit Committee:
- (i) Shri Ashok Sharma (Chairman)  
Independent, Non Executive Director
  - (ii) Shri A. Karati :  
Independent, Non Executive Director
  - (iii) Dr. K. B. Agarwal:
- (iv) Shri K.N. Khandelwal:  
Non Independent, Non Executive Director
- (v) Shri R.K. Lohia:  
Independent, Non Executive Director
- All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as special invitees.
- All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.
- (iii) **Meetings and Attendance**  
During the financial year ended 31st March, 2014 four meetings were held on (i) 11th May, 2013 (ii) 27th July, 2013 (iii) 9th November, 2013 and (iv) 25th January, 2014

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

Sr. No.	Name of Director	No. of Meetings attended
1	Shri Ashok Sharma	4
2	Shri A. Karati	3
3	Dr. K. B. Agarwal	4
4	Shri K.N. Khandelwal	4
5	Shri R.K. Lohia	4

**(iv) Self Assessment by the Audit Committee**

The Audit Committee has set in place a process to measure and benchmark its performance on an annual basis. The assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

**Remuneration Committee****(i) Broad Terms of Reference**

- (a) To review and decide the policy on specific remuneration package of

Managing Director and quantum of Commission of Non-executive Chairman of the Company.

- (b) To decide quantum of Commission of Non-executive Directors of the Company.

**(ii) Composition of the Committee**

Remuneration Committee of the Company as on 31st March, 2014 comprised of:

- (i) Shri Raj Kumar Lohia (Chairman): Independent, Non Executive Director  
(ii) Shri A. Karati : Independent, Non Executive Director  
(iii) Shri J.P. Bajpai : Independent, Non Executive Director (ceased to be a Member w.e.f. 27.7.13)

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

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

**(iii) Meetings and Attendance**

During the financial year ended 31st March, 2014 one meeting was held on 11th May, 2013.

**The attendance at the above Meeting was as under: -**

Sr. No.	Name of Director	No. of Meetings attended
1	Shri Raj Kumar Lohia	1
2	Shri A.Karati	1
3	Shri J.P. Bajpai	1
4	Shri Suparas Bhandari	1

**(iv) 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 Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on

remuneration to the 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 sub committees of the Board and commission on profits.

**The number of Equity Shares held by Non-Executive Directors of the Company as on 31.03.2014 are as under:**

Name of Directors	No. of Equity Shares Held	Name of Directors	No. of Equity Shares held
Dr. Gaur Hari Singhania	1041973	Shri Ashok Sharma	640
Shri J.P. Bajpai	100	Shri Achintya Karati	640
Shri K.N. Khandelwal	1000	Dr. K.B. Agarwal	300

## (v) Details of Remuneration paid to the Directors for the year ended 31st March, 2014

Sr. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	--	--	6000000	380000	6380000
2	Shri Yadupati Singhania <sup>@</sup>	16800000	29400000*	20000000	--	66200000
3	Shri Ashok Sharma	--	--	650000	160000	810000
4	Shri A. Karati	--	--	650000	130000	780000
5	Shri J.P. Bajpai	--	--	650000	140000	790000
6	Shri J.N. Godbole	--	--	650000	80000	730000
7	Dr. K.B. Agarwal	--	--	650000	530000	1180000
8	Shri K.N. Khandelwal	--	--	650000	450000	1100000
9	Shri Raj Kumar Lohia	--	--	650000	240000	890000
10	Shri Suparas Bhandari	--	--	650000	70000	720000
11	Shri Jagendra Swarup	--	--	650000	100000	750000

\*Benefits does not include payment of contribution to Provident Fund, which is exempted perquisite under Para 2 Section II Part II of Schedule XIII of the Companies Act, 1956 but includes Performance incentive of ₹ 84 Lacs.

@ Appointment of Managing Director & CEO is for a period of 5 years w.e.f. 1st April, 2012 upto 31st March, 2017.

### Shareholders'/Investors' Grievance Committee

#### (i) Composition

The Committee as on 31st March, 2014 comprises of:

- Dr. K.B. Agarwal (Chairman): Independent, Non Executive Director.
- Shri Jagendra Swarup: Independent, Non Executive Director (Appointed as Member w.e.f. 27.7.13)
- Shri J.P. Bajpai : Independent, Non Executive Director (Ceased to be Member w.e.f. 27.7.13)
- Shri K.N. Khandelwal: Non Independent, Non Executive Director.

(v) Shri Raj Kumar Lohia: Independent, Non Executive Director.

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

#### (iii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 23 complaints during

the F.Y. 2013-14, and all the 23 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, nine requests for dematerialization involving 63 equity shares of the Company remained to be attended as at 31.03.2014 was attended/disposed of after 31.03.14 but within stipulated period of 30 days.

#### (iv) Meeting and Attendance

During the financial year ended 31st March, 2014 four meetings were held on (i) 11th May, 2013 (ii) 27th July, 2013 (iii) 9th November, 2013 and (iv) 25th January, 2014

#### The attendance at the above Meeting was as under: -

Sr. No.	Name of Director	No. of Meetings attended
1	Shri J.P. Bajpai	2
2	Shri Jagendra Swarup	2
3	Dr. K.B. Agarwal	4
4	Shri K.N. Khandelwal	4
5	Shri Raj Kumar Lohia	4



## CEO/CFO Certification

The Managing Director & CEO 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 Clause 49(v) of the Listing Agreement, for the year ended 31.03.2014.

### General Body Meetings:

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

Financial Year	Date	Time	Place
2010-11 (AGM)	30th July, 2011	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2011-12 (AGM)	4th August, 2012	12.00 Noon	-do-
2012-13 (EGM)	9th February, 2013	12.00 Noon	Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar, Kanpur
2012-13 (AGM)	27th July, 2013	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur

A special resolution was passed in the Extraordinary General Meeting (EGM) of the Company held on 9th February, 2013.

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 192A of the Companies Act, 1956 (corresponding Section 110 of the Companies Act, 2013).

The Chairman of the Audit Committee was present at AGMs held on 30th July, 2011, 4th August, 2012 and 27th July, 2013 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 Clause 49 of the Listing Agreement. 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 Shri 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 Shri K.N. Khandelwal Director pursuant to clause 49 of the Listing Agreement:

**Shri Kailash Nath Khandelwal** (DIN 00037250) is a Commerce Graduate and a Chartered Accountant having experience of more than 45 years in the field of Finance, Accounts, Taxation etc. He has been acting as Director of the Company since 2004. He also served as President (Finance & Accounts) of Jaykay Enterprises Ltd (formerly J.K. Synthetics Ltd). He is on the Board of other Indian Companies and also acted as Trustee and Member of various educational and social institutions and organisations. As on 31st March, 2014, he held 1000 Nos. of Equity share of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors upto five consecutive years till respective Annual General Meeting. Respective notices have been received from member(s) proposing their candidature for the office of Directors of the Company. In the opinion of the Board Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari fulfill

the conditions specified in the Companies Act, 2013 and rules framed thereunder for their appointment as Independent Directors of the Company and are independent of the management. Given below are the brief resumes of Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari pursuant to Clause 49 of the Listing Agreement:

**Shri Achintya Karati** (DIN 00024412) is a Non-Executive Independent Director. He is a Law Graduate from Calcutta University. He Served as Senior Advisor to ICICI Securities Limited and also with ICICI Prudential Life Insurance Company Limited. He possesses vast experience in finance & legal affairs, spanning over three decades and diverse expertise across commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited in March 2004. He also served as Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Limited. As on 31st March, 2014, he held 640 Nos. of Equity share of the Company.

**Shri Ashok Sharma** (DIN 00057771) is a Non-Executive Independent Director. He is a Law Graduate and a Practising Chartered Accountant. He possesses vast experience in finance and audit spanning over three decades. Being a Practising Chartered Accountant he is handling audit assignments of private sector organisations, Banks, Insurance Companies and Financial Institutions. He is former Chairman of U. P. Stock Exchange Limited. He served on many Committees viz. Rehabilitation

Committee for Uttar Pradesh Small Industries Corporation Limited, Corporate Committee of CIRC of ICAI, Indian Council of Arbitrators and Kanpur Income Tax Bar Association. As on 31st March, 2014, he held 640 Nos. of Equity share of the Company.

**Shri Jayant Narayan Godbole** (DIN 00056830) is a B.Tech (Hons.) from IIT Mumbai and also holding certificate in Financial Management. He possesses over 39 years experience in various fields ranging from operation of small scale units in India to conceiving, implementing and operating mega projects abroad. He functioned as Chairman & Managing Director of IDBI in 2005 at the time of retirement. During his stints with IDBI and IIBI he was directly overlooking functions including Zonal Head, Corporate Finance, restructuring and rehabilitation of sick units, venture capital, merchant banking and investors' relation. He stabilised the corporate debt restructuring (CDR) mechanism in India as the Chairman of the Empowered Group. As on 31st March, 2014, he does not hold any Equity share of the Company.

**Dr. K.B. Agarwal** (DIN 00339934) is a graduate of Law, PhD. ICWA and CS. He has vast experience in the fields of Finance, Accounts and Capital Market. He has been associated with several industry and trade associations and served Merchants' Chamber of U.P. and U.P. Stock Exchange Association Limited as their President. He has been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government. As on 31st March, 2014, he held 300 Nos. of Equity share of the Company.

**Shri Raj Kumar Lohia** (DIN 00203659) is a Non-Executive Independent Director. He is Bachelor of Arts in Economics. He is an industrialist and possesses over 28 years rich experience in commerce and industry and Director of the Company since 2004 and also on the Board of other companies. He is recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship. As on 31st March, 2014, he does not hold any Equity share of the Company.

**Shri Suparas Bhandari** (DIN 00159637) is graduated in Science and Law. He possesses more than four decades of rich insurance industry experience and is the founder Chairman and Managing Director of Agriculture Insurance Company of India Limited. He also served as Assistant General Manager of United Insurance Company of India Ltd and General Manager of Oriental Insurance Company of India Ltd. As on 31st March, 2014, he does not hold any Equity share of the Company.

The Board of Directors of the Company appointed Shri Jagendra Swarup as an Additional Director w.e.f. 27.7.13 in accordance with the provisions of Section 260 of the Companies Act, 1956 (corresponding Section 161 of the Companies Act, 2013) and Article 127 of the Articles of Association of the Company and to hold office upto the next Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Jagendra Swarup being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting. Notice has been received from a member proposing his candidature for the office of Director of the Company. In the opinion of the Board Shri Jagendra Swarup fulfills the conditions specified in the Companies Act, 2013 and rules framed thereunder for his appointment as an Independent Director of the Company and is independent of the management. Given below is the brief resume of Shri Jagendra Swarup pursuant to clause 49 of the Listing Agreement:

**Shri Jagendra Swarup** (DIN 00164708) is an Advocate. He has been in practice for over 37 years and has vast experience in the legal field and particularly on matters relating to Corporate Laws, Banking and Taxation. He is the legal advisor to leading Indian Companies and Banks. He is holding membership of various Associations and also important positions in various fields viz. professional, political, commercial, educational and social. He has been a member of Legislative Council

of U.P. for about four decades consecutively. He has been a Director of Jaykay Enterprises Ltd. since 2001. He is also a Director in the Board of Juggilal Kamlatpat Cotton Spg. & Weaving Mills Co. Ltd. and Frost International Ltd. As on 31st March, 2014, he does not hold any Equity share of the Company.

#### 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](http://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. A declaration signed by the Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management personnel of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2013-14."

Yadupati Singhania  
(Managing Director & CEO)

#### Means of Communications

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

All vital information relating to the Company



and its performance, including quarterly results etc. are simultaneously posted on Company's website [www.jkcement.com](http://www.jkcement.com). Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and [www.listing.bseindia.com](http://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 April 24, 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 31.03.2014, 160 number of equity shares of 3(three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DPIId. IN301330 Client ID 19881648).

**Prevention of Insider Trading.**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992, 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.

**General Shareholders Information**

**(i) Annual General Meeting**

Date Time	Saturday the 26th July, 2014 at 12:00 Noon.
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, 2014
(b) Second Quarter Results -	Within 45 days from the close of Quarter Ending September, 2014
(c) Third Quarter Results -	Within 45 days from the close of Quarter Ending December, 2014
(d) Results for the year ending 31st March, 2015	Within 60 days from the close of Quarter/Year Ending March, 2015

**(iii) Date of Book Closure**

Wednesday 16th July, 2014 to Saturday 26th July, 2014 (both day inclusive)

**(iv) Dividend payment date:**

The Board of Directors of the Company have recommended a dividend of ₹ 3.00 per share for the year 2013-14 which shall be payable on or after 26th July, 2014

**(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 2013-14.

**(vi) Stock Code**

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014

## (vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL, 2013	289.60	232.40	19622.68	18144.22
MAY, 2013	298.90	218.95	20443.62	19451.26
JUNE, 2013	253.00	221.85	19860.19	18467.16
JULY, 2013	238.00	162.00	20351.06	19126.82
AUGUST, 2013	185.00	148.15	19569.20	17448.71
SEPTEMBER, 2013	199.80	170.00	20739.69	18166.17
OCTOBER, 2013	203.85	170.00	21205.44	19264.72
NOVEMBER, 2013	201.95	180.20	21321.53	20137.67
DECEMBER, 2013	217.90	185.00	21483.74	20568.70
JANUARY, 2014	200.40	163.00	21406.66	20343.78
FEBRUARY, 2014	169.55	152.60	21140.51	19963.12
MARCH, 2014	251.15	165.00	22467.21	20920.98

Month	NSE			
	High	Low	Nifty High	Nifty Low
APRIL, 2013	279.00	236.50	5962.30	5477.20
MAY, 2013	298.00	223.55	6229.45	5910.95
JUNE, 2013	255.00	220.05	6011.00	5566.25
JULY, 2013	237.90	161.50	6093.35	5747.60
AUGUST, 2013	186.40	150.25	5808.50	5118.85
SEPTEMBER, 2013	197.80	172.50	6142.50	5318.90
OCTOBER, 2013	203.80	180.20	6309.05	5700.95
NOVEMBER, 2013	200.95	180.60	6342.95	5972.45
DECEMBER, 2013	217.50	187.20	6415.25	6129.95
JANUARY, 2014	200.00	165.45	6358.30	6027.25
FEBRUARY, 2014	171.45	152.60	6282.70	5933.30
MARCH, 2014	251.80	165.20	6730.05	6212.25

## (viii) Registrar/Transfer Agent

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

M/s Jaykay Enterprises Ltd.

(Unit J.K. Cement Ltd.)

Kamla Tower;

Kanpur – 208 001

Telephone: (0512) 2371478 – 81;

Ext: 322/323

Fax: (0512) 2332665/2399854;

email: investorservices@jkcement.com ;

rc.srivastava@jkcement.com

## (ix) Share Transfer System

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

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

## (x) Distribution of Shareholding as on 31st March, 2014

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
UPTO 500	85927	98.67	2685767	3.84
501 TO 1000	690	0.79	498775	0.71
1001 TO 2000	203	0.23	303761	0.44
2001 TO 3000	74	0.09	189846	0.27
3001 TO 4000	26	0.03	95006	0.14
4001 TO 5000	25	0.03	118217	0.17
5001 TO 10000	45	0.05	338463	0.48
10001 AND ABOVE	96	0.11	65697415	93.95
<b>TOTAL</b>	<b>87086</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

## (xi) Category of Shareholders as on 31st March 2014

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
PROMOTERS AND PROMOTER GROUP	29	00.04	46801619	66.93
MUTUAL FUNDS / UTI	37	00.04	5637717	08.06
FINANCIAL INSTITUTIONS / BANKS	106	00.12	11001	00.02
INSURANCE COMPANIES	4	0	1037828	01.48
FOREIGN INSTITUTIONAL INVESTORS	47	00.05	8646723	12.37
BODIES CORPORATE	765	00.88	1740163	02.49
INDIVIDUALS	85891	98.63	5839168	08.35
OTHERS	207	00.24	213031	00.30
<b>TOTAL</b>	<b>87086</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).

6,93,00,113 Equity share representing 99.10% of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2014.

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

## (xiv) Plant Location

Company has following plants:

Plant	Location
<b>INDIAN</b>	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka
White Cement Plant	Jharli, Dist: Jhajar, Haryana (under implementation) Gotan, Dist. Nagaur, Rajasthan Village : Rupaund, Tehsil – Badwara, Distt. Katni, M.P (under implementation)
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka Mangrol, Chittorgarh, Rajasthan (under implementation)
Waste Heat Recovery Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
<b>OVERSEAS SETUP BY SUBSIDIARY</b>	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

**(xv) Address for Correspondence:**

Mr. Shambhu Singh  
Senior General Manager (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

**Sustainability and Environment**

The Company's Sustainability framework continued to assess Sustainability risks and opportunities both at the unit and corporate levels and monitor the various sustainability initiatives. The Company initiatives aimed at low carbon emissions, low air and water pollution, use of alternative fuel, renewable energy etc

J.K. Cement to begin with drawn up its sustainability report for 2012-13. The Report is developed based on prevailing guidelines. The sustainability report reflects upon our triple-bottom line performance and highlights the major initiatives taken by us during the period 2012-13.

Currently we have an installed Grey Cement capacity of 7.5 MTPA, making us one of the leading manufacturers in the country. We believe in constant innovation, and invest immense time and resources in R&D activities towards our constant strive to develop and deliver best quality products to our customers. We have a highly experienced in-house R&D team responsible for product innovations, who regularly engage with external consultants.

Our current product portfolio includes 56% Portland Pozzolana cement (PPC), 40% Ordinary Portland cement (OPC) and 4% Portland Slag cement. Our Grey Cement

is currently sold in 13 states in India; J.K. Cement's major market includes Rajasthan, Haryana, Delhi, Western Uttar Pradesh, Maharashtra, Punjab, Madhya Pradesh, Gujarat, Kerala, Goa and Karnataka states. Similarly, our White Cement has seen huge demand within the country, besides being exported to nearly 29 countries across the world spanning across Asia, Middle East, Africa and Asia Pacific geographies.

The cement industry forms the backbone of today's societal growth; Cement being the key material required for the infrastructure development. The demand of cement has been rising at fast pace and is expected to rise even more sharply. At the same time, the industry has a huge impact on the environment, much larger than some other traditional industrial sectors. However, there are no viable substitutes to Cement and Cement will continue to fuel urban development in the coming years. Here, operational efficiency and product innovation by the Cement industry leading to reduced resource consumption and emissions presents the best way forward. We, at J.K. Cement, understand this situation and are constantly striving to reduce our Environment footprint. We realize the importance of conserving and consuming the earth's resources with discretion, and are working towards this goal through various innovative initiatives and improvements in our operational efficiency. Going forward we aim to use the most advanced technology to produce the most efficient products consuming only the minimal of the earth's resources.

**Occupational Health and Safety**

We consider Health and Safety as fundamental values to be integrated into all our activities. Enhancing our working conditions to enable high standards of

safety for our workplace is instrumental for business success. Keeping this philosophy in mind, we consider every single incident as a source of learning and an opportunity for improving our existing systems. We have various practices and policies in place for ensuring work-place safety and safeguarding employees against events concerning work-place related serious disease and fatalities. All our offices and sites have established EHS Management systems with designated responsibilities and safety infrastructure, which are under constant supervision and upgradation to comply with leading international standards. During the year 2012-13 total number of reportable injuries for both permanent and contractual workers was one each. Moreover, the organization recorded a total lost days of 44 and 14 for permanent and contractual employees respectively. 100% of our work force is covered under the formal joint management worker health and safety committees. We have organized various awareness and counseling programs on health and safety. Going forward our focus will be on continued efforts towards embedding and strengthening the competencies of our people across all regions and businesses.

**Managing the Risks of Fraud, Corruption and Unethical Business Practices**

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