

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction
- maximising long term shareholders' value
- socially valued enterprise; and
- caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of

Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS

As on 31st March 2020, the Board of Directors of the Company consists of Directors comprising of four Executive Directors and six Non-executive Directors (NED) out of which five are Independent Directors (IND). Five Board Meetings were held during the Financial Year 2019-20 ended 31st March 2020, on 22nd May 2019, 6th August 2019, 1st November 2019, 28th January 2020 and 13th March 2020. Attendance and other details of the Directors for the Financial Year ended on 31st March 2020 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (31.8.2019)	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies		
					Directorships \$	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Bharat Hari Singhania, Chairman & Managing Director	00041156	Executive	5	Yes	4	-	-
Smt. Vinita Singhania, Vice Chairman & Managing Director	00042983	Executive	5	Yes	5	-	-
Shri B.V. Bhargava*	00001823	IND	5	No	4	3	1
Dr. Kashi Nath Memani*	00020696	IND	5	No	3	1	-
Shri Nand Gopal Khaitan*	00020588	IND	5	Yes	6	7	2
Dr. Raghupati Singhania	00036129	NED	4	No	7	2	1
Shri Ravi Jhunjhunwala*	00060972	IND	3	No	8	5	2
Dr. Shailendra Chouksey, Whole-time Director	00040282	Executive	5	Yes	2	1	1
Shri Sushil Kumar Wali, Whole-time Director	00044890	Executive	4	Yes	1	-	-
Amb.Bhaswati Mukherjee*	07173244	IND	5	No	2	-	-
Shri Pradeep Dinodia*#	00027995	IND	1	No	N.A.	N.A.	N.A.

* The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Shri Pradeep Dinodia, ceased to be Director of the Company w.e.f 31st August 2019, on expiry of his term of office as Independent Director of the Company.

\$ Excluding private companies, foreign companies, companies under Section 8 of the Act. Independent directorships held by the Directors are in accordance with the Listing Regulations.

@ Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

N.A. – Not Applicable

Other Listed companies where Directors of the Company are Directors and their category of directorship (as on 31st March 2020)

Sl.No	Name of Director	Name of Listed Company	Category of Directorship
1	Shri Bharat Hari Singhania	JK Agri Genetics Limited JK Paper Limited JK Tyre & Industries Limited Bengal & Assam Company Limited	Non- Executive Non- Executive Executive Non- Executive
2	Smt. Vinita Singhania	JK Paper Limited HEG Limited Udaipur Cement Works Limited Bengal & Assam Company Limited	Non- Executive Non- Executive Non- Executive Non- Executive
3	Shri B.V. Bhargava	The Supreme Industries Limited Sumitomo Chemical India Limited	Independent Independent
4	Dr. Kashi Nath Memani	Emami Limited DLF Limited	Independent Independent
5	Shri Nand Gopal Khaitan	Mangalam Cement Limited Reliance Chemotex Industries Limited India Power Corporation Limited HSIL Limited Chase Bright Steel Limited Somany Home Innovation Limited	Independent Non- Executive Independent Independent Independent Independent
6	Dr. Raghupati Singhania	JK Agri Genetics Limited Radico Khaitan Limited JK Tyre & Industries Limited Bengal & Assam Company Limited	Non-Executive Independent Executive Non-Executive
7	Shri Ravi Jhunjhunwala	HEG Limited RSWM Limited Maral Overseas Limited BSL Limited India Glycols Limited	Executive Non-Executive Non-Executive Non-Executive Independent
8	Amb. Bhaswati Mukherjee	Jindal Stainless Limited Udaipur Cement Works Limited	Independent Independent

Note: Other Directors do not hold directorship in any other listed company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/expertise/competencies (core skills) required in the context of the Company's business and sector for it to function effectively:-

(i) financial and accounting knowledge; (ii) strategic expertise; (iii) risk governance; (iv) legal & corporate governance expertise; (v) technology/ knowledge pertaining to Cement industry; (vi) commercial experience; (vii) community service, sustainability and corporate social responsibility; and (viii) quality and safety experience.

All the Board Members possess above skills collectively that enable them to make effective contribution to the Board and its Committees. The core skills of individual Directors are: (a) the Executive Directors of the Company; namely- Shri Bharat Hari Singhania & Smt. Vinita Singhania are Industrialists & Entrepreneurs with long diversified Industry experience including Cement, Paper & Tyre, etc.; Shri S.K. Wali - Professional having technical knowledge pertaining to cement industry and Quality, Safety, Risk governance, sustainability and community service; and Dr. S. Chouksey – Professional having vast knowledge pertaining to cement industry with experience in commercial, marketing, quality, safety and risk governance (b) the Non-executive Directors of the



Company; namely- Dr. Ragupati Singhania and Shri Ravi Jhunjhunwala are eminent Industrialists and Entrepreneurs with long diversified Industry experience, Shri B.V. Bhargava – retired from ICICI in 1996, as its VC & MD, having wide financial & accounting knowledge with specialization in development Banking and Project Financing; Dr. K. N. Memani – Ex-Chairman & Country Managing Partner of Ernst & Young, India, having extensive Financial and Accounting knowledge with specialization in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy, etc.; Shri N.G Khaitan – Attorney -At-Law having Corporate Governance Expertise and experience in corporate and arbitration matters, commercial and civil litigation, merger & acquisitions and joint ventures coupled with Financial and Accounting Knowledge; and Amb. Bhaswati Mukherjee – former Ambassador of India to Netherlands, Educationist and a prolific Writer having rich experience on International Relations, Human Rights and Community Service.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company implemented a web based legal compliance tool called “Compliance Manager” developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the Company’s website www.jklakshmicement.com. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Smt. Vinita Singhania, Vice Chairman & Managing Director.

Relationship between Directors inter-se: Shri Bharat Hari Singhania and Dr. Raghupati Singhania are brothers. None of the other Directors are related to each other within the meaning of the Act.

The number of Equity Shares of ₹ 5/- each held by the Non-executive Directors as on 31st March 2020 are:

Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan–15,948 shares and Dr. Raghupati Singhania – 2,66,632 shares. Dr. Kashi Nath Memani, Amb. Bhaswati Mukherjee and Shri Ravi Jhunjhunwala do not hold any shares in the Company. The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 28th January 2020. Shri Nand Gopal Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting .

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company and the web link is <http://www.jklakshmicement.com/companys-policy-pdf/Familiarisation-Programme-Policy.pdf>

5. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Act and the Listing Regulations.

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due &

reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the Non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive and Non- executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 1987. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations as amended from time to time.

The Committee consists of four Directors, out of which three are Independent Directors (IND) and one is Non-executive Director. Four meetings of the Audit Committee were held during the financial year ended 31st March 2020.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
22 nd May 2019	4
6 th August 2019	3
1 st November 2019	3
28 th January 2020	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman (IND)	4
Dr. Raghupati Singhania	Member (NED)	3
Shri Ravi Jhunjhunwala	Member (IND)	3
Shri B.V. Bhargava	Member (IND)	4

The Audit Committee Meetings were attended by the Chief Financial Officer, the Head of Internal Audit, Company Secretary and the Statutory Auditor. The Company Secretary acts as the Secretary of the Committee.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board level which consists of four Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
22 nd May 2019	4
6 th August 2019	4
1 st November 2019	3
28 th January 2020	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman (NED)	3
Shri Nand Gopal Khaitan	Member (IND)	4
Shri Bharat Hari Singhania	Member	4
Dr. Shailendra Chouksey	Member	4

Shri B.K. Daga, Sr. Vice President & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer of shares, non-receipt of balance sheet and dividends etc. During the Financial Year ended 31st March 2020, the Company received 4 complaints from the investors and the same have since been resolved to the satisfaction of investors. Also, there are no complaints pending in respect of previous period.



The Board of Directors has delegated the power of transfer of shares and related matters to 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the Financial Year ended 31st March 2020, 24 Meetings of the Share Transfer Committee were held.

8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of four Directors, out of which one is Executive Director and three are Non-executive Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Dates of the Meetings and the number of Members attended:

Date of Meetings	Number of Members attended
22 nd May 2019	4
6 th August 2019	3

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Nand Gopal Khaitan	Chairman (IND)	2
Shri B.V. Bhargava	Member (IND)	2
Shri Ravi Jhunjunwala	Member (IND)	1
Shri Bharat Hari Singhania	Member	2

9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, and independence of a Director as well as a policy on Board Diversity. The Policy is available at the website of the Company and the weblink is <https://www.jklakshmicement.com/wp-content/uploads/2019/04/NR-Policy.pdf>

The salient features of the policy are as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act and Listing Regulations or other applicable laws & regulations.

- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, as the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of the Board of Directors, its Committees and individual Director as per the manner of performance evaluation specified by the Committee from time to time .
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior

management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10. REMUNERATION PAID TO DIRECTORS

- (i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the Financial Year ended 31st March 2020 to the following Executive Directors is as follows: Shri Bharat Hari Singhania - ₹ 11.60 Crore, Smt. Vinita Singhania - ₹ 14.79 Crore, Shri Sushil Kumar Wali - ₹ 4.47 Crore and Dr. Shailendra Chouksey - ₹ 4.46 Crore. The Company does not have any Stock Option Scheme. For more details about

11. GENERAL BODY MEETINGS

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time
2016- 17	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7 th September 2017	12:30 P. M.
2017- 18	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	7 th September 2018	12.00 Noon
2018-19	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	31 st August 2019	12.00 Noon

Details of Special Resolutions passed in the previous three AGMs:

Special Resolution for: (1) Issue of securities of upto ₹ 500 Crore was passed in the AGM held on 7th September 2017 and 7th September 2018. (2) Issue of Non-convertible debentures of upto ₹ 500 Crores was passed in the AGM held on 31st August 2019. (3) Re-appointment of Independent Directors namely; Shri B.V. Bhargava and Dr. Kashi Nath Memani for second term of three consecutive years each; Shri Nand Gopal Khaitan and Shri Ravi Jhunjhunwala for second term for five consecutive years each and re-appointment of Whole-time Directors namely, Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for three years each, were passed in the last AGM held on 31st August 2019.

components of remuneration, please refer to Form MGT-9, which forms part of the Directors' Report.

The tenure of office of the Managing Directors and the Whole-time Directors is five years and three years, respectively from their respective dates of appointment. In the case of Executive Directors, their notice period is six months. Severance Fees for the Managing Directors is remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

- (ii) **Non-executive Directors:** During the Financial Year 2019-20, the Company paid sitting fees aggregating to ₹ 29.05 Lakh to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. Commission payable to NEDs is ₹ 56 Lakh; ₹ 9 Lakh each to Shri B.V. Bhargava, Dr. Kashi Nath Memani, Shri Nand Gopal Khaitan, Amb. Bhaswati Mukherjee, Dr. Raghupati Singhania and Shri Ravi Jhunjhunwala and ₹ 2 Lakh to Shri Pradeep Dinodia (Director for part of the year). The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

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No Special Resolution passed last year through postal ballot. There is no immediate proposal for passing any Special Resolutions through postal ballot.

12. DISCLOSURES

- i) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: **None**

Suitable disclosures as required by Ind AS- 24 – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Act and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the



materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.jklakshmicement.com/wp-content/uploads/2020/01/RPT-Policy2020.pdf>

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.

(iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 25th July 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

(iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees.

During the year, no complaint was filed with ICC and no complaint pending as on the end of the Financial Year 31st March 2020.

(v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Company has a Risk Management Committee since 2005, comprising of Whole-time Directors and Senior Executives which meets on a quarterly basis and evaluates the efficacy of the framework relating

to risk identification and its mitigation and keep the Board informed.

In addition, during the Financial Year 2018-19, the Board constituted another Risk Management Committee (RMC), pursuant to Regulation 21 of the SEBI Listing Regulations, with majority of the Members comprising of Directors-namely, Smt. Vinita Singhania, Vice Chairman & Managing Director (Chairperson), Shri N.G Khaitan, Independent Director, Dr. S. Chouksey and Shri S. K. Wali, Whole-time Directors of the Company. The other Members are Shri S.A. Bidkar, Chief Financial Officer, Shri S. Ramesh, Senior Vice President (Materials) and Shri P.L. Mehta, Senior Vice President (Works). During the year, one meeting for the RMC was held on 6th August 2019 which was attended by all the members.

The Role and Responsibilities of the RMC broadly include: Evaluating various risks of the business and to draw out a risk management plan for the Company, taking steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis, identifying total exposure of the Company towards Commodity risks faced and hedged exposure etc., monitoring and reviewing risk management and mitigation plan of the Company and informing Board on the effectiveness of the risk management framework and process of risk management.

(vi) **Disclosure of commodity price risks and commodity hedging activities:** As a part of Risk Management mechanism, the Company has identified fluctuations in major commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to ensure availability of raw material and prices under check.

Requisite details pursuant to SEBI Circular dated 15th November 2018: For the Financial Year 2019-20, Company's exposure in Petcoke and Coal was more than 10% of the total cost of production. Board of Directors considered Petcoke and Coal as 'Material' commodities for the purpose of disclosure as required under the aforesaid SEBI Circular.

(a) Total exposure of the listed entity to commodities: ₹ 669 Crore.

(b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Petcoke	449 Crore	5.07 Lakh MT	Nil	Nil	Nil	Nil	NA
Coal	220 Crore	3.49 Lakh MT	Nil	Nil	Nil	Nil	NA

(c) Commodity risks faced by the listed entity during the year: Nil

(vii) **Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A):** During the Financial Year ended 31st March 2020, the Company has not raised any funds through Preferential Allotment or through Qualified Institutions Placement.

(viii) **Certificate:** The Company has received a certificate dated 8th May 2020 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS No. 234, CP No. 3331) that none of the Directors on the Board of JK Lakshmi Cement Ltd. has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

(ix) **Subsidiary Companies:** The financial statements, in particular, the investments made

by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

Udaipur Cement Works Limited, is a material subsidiary as defined in Regulation 16 of the Listing Regulations and the requirements pertaining to the same are complied with.

The Company has formulated a policy for determining material subsidiary as required under above Regulation and the same is disclosed on the Company's Website. The web link is www.jklakshmicement.com/companys-policy-pdf/Policy-for-Material-Subsidiary.pdf.

(x) **Credit Ratings**

Ratings to various facilities of the Company by Rating Agencies are as under:

Sl. No.	Facility	Rating Agency	Rating Assigned
A	Long Term Bank Facilities		
1	Long Term Bank facilities of ₹ 1,412.84 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
2	Non-Convertible Debentures of:		
	- ₹ 300 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
	- ₹ 16.60 Crore	CARE Ratings Ltd.	CARE AA-; Stable (Double A Minus; Outlook Stable)
3	Fixed Deposits of ₹ 50 Crore	CARE Ratings Ltd.	CARE AA- (FD); Stable (Double A Minus [Fixed Deposits]; Outlook Stable)
B	Short Term Bank Facilities		
1	Short Term Bank Facilities of ₹ 700 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
2	Commercial Paper of ₹ 175 Crore	CARE Ratings Ltd.	CARE A1(+) (A One Plus)
3	Commercial Paper of ₹ 175 Crore	CRISIL Ltd.	CRISIL A1(+) (A One Plus)



During the year under review, CARE Ratings Ltd. has reaffirmed the Credit Rating in respect of Company's Long Term Banking Facilities & Non-Convertible Debentures at CARE AA- (Double A Minus; Outlook Stable). Further, CARE has also reaffirmed the Credit Rating in respect of Company's Fixed Deposits at CARE AA- (FD); Stable (Double A Minus; [Fixed Deposits]; Outlook Stable).

CARE Ratings Ltd. & CRISIL have maintained the Credit Rating in respect of Short Term Banking Facilities & Commercial Paper at CARE A1(+) (A One Plus) & CRISIL A1 (+) (A One Plus) respectively.

(xi) Dividend Distribution Policy

1 Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

Accordingly, the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 3rd February, 2017.

2 Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act, 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

3 Factors to be considered while declaring Dividend

While recommending Dividend, the Board shall take into account various Internal & External factors which shall *inter-alia* include:

- (1) Profitability of the Company during the relevant year.
- (2) Past Dividend trends.
- (3) Leverage profile.
- (4) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (5) Company's Liquidity Position and Cash flow position.
- (6) Economic conditions and regulatory environment.
- (7) Any other relevant factors that the Board may deem fit to consider.

4 Utilisation of retained Earnings

The retained earnings will be used *inter-alia* for

the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

5 Declaration of Dividend

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

The Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

6 Review & modification of Dividend Distribution Policy

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefor.

7 Disclaimer

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

(xii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the Financial Year ended 31st March 2020.

(xiii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the Statutory Auditors are given in Note 48 to the Standalone Financial Statements. No fees has

been paid by any of the subsidiaries to the said Statutory Auditor. Further, no fees was paid by any of the subsidiaries or by the Company to any entity in the network firm/network entity of which the Statutory Auditor is a part.

13. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are published in the leading English newspapers, namely, The Financial Express, Business Standard, Hindustan Times, Hindu Business Line and one regional daily newspaper namely "Dainik Bhaskar" (Pali), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company's website – www.jklakshmicement.com. Official news releases are also available on the Company's website.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

14. GENERAL SHAREHOLDERS' INFORMATION

(i) Registered Office

Jaykaypuram - 307 019, Distt. Sirohi, Rajasthan

(ii) Annual General Meeting (AGM)

(a) Date and Time: Please refer to Notice of the AGM

Venue: Regd. Office: Jaykaypuram - 307019, Distt. Sirohi, Rajasthan or virtual AGM

(b) A brief resume and other particulars of Director seeking re-appointment at the aforesaid AGM is given in the Notes to the Notice convening the said AGM.

(iii) Financial Year: April 1 to March 31

(ix) Stock Market Price Data

Months (2019-20)	BSE Ltd. (₹)		National Stock Exchange of India Ltd. (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2019	382.00	339.05	382.25	340.55
May 2019	396.20	333.85	395.20	333.50
June 2019	395.00	325.70	395.95	325.00
July 2019	369.40	315.55	371.70	327.70
August 2019	354.80	317.50	353.90	317.45
September 2019	334.90	287.40	334.50	288.00
October 2019	318.00	260.20	314.60	277.20
November 2019	317.00	275.05	317.85	275.00
December 2019	293.40	263.00	294.70	262.75
January 2020	389.35	281.60	388.00	281.15
February 2020	366.65	302.45	367.00	301.75
March 2020	312.70	187.80	314.05	180.00

(iv) Financial Calendar (Tentative)

Financial Reporting	
• for the quarter ending 30.06.2020	Within 45 days of the end of the quarter
• for the half-year ending 30.09.2020	
• for the quarter ending 31.12.2020	
• for the year ending 31.03.2021 (Audited)	Within 60 days of the end of the financial year.
• Annual General Meeting for the Financial Year ending 2020-21	Between July to September 2021

(v) Dividend Payment Date: Not Applicable

(vi) Date of Book Closure: As in the AGM Notice

(vii) Names and address of Stock Exchanges where equity shares of the Company are listed: The Equity Shares of the Company (Face Value: ₹ 5/-each) are listed on:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

The annual listing fee for the Financial Year 2020-21 has been paid to both the aforesaid Stock Exchanges.

The securities of the Company are not suspended from trading.

(viii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN:

BSE – 500380 and NSE – JKLAKSHMI, ISIN: INE786A01032.



JK Lakshmi Cement Ltd. Share performance v/s BSE Sensex (April'19 - March'20)



(x) Distribution of Shareholding as on 31st March 2020

No. of Equity Shares	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	58,63,873	4.98	66,162	93.58
501-1,000	19,57,729	1.66	2,654	3.75
1,001-5,000	31,08,095	2.64	1,499	2.12
5,001-10,000	11,51,766	0.98	161	0.23
10,001 & above	10,55,88,603	89.74	223	0.32
TOTAL	11,76,70,066	100.00	70,699	100.00

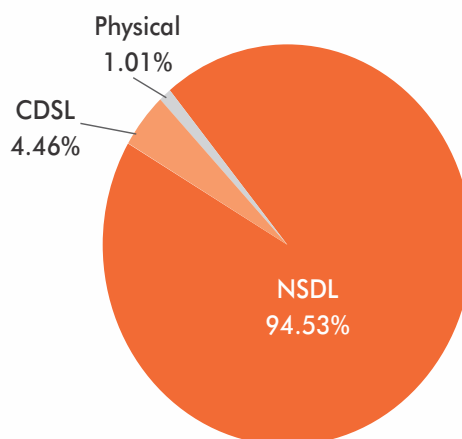
(xi) Share Transfer System

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

(xii) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are actively traded on BSE and NSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their physical shares, with any one of the Depositories, namely NSDL and CDSL. The ISIN for Equity Shares of the Company for both the depositories is INE786A01032. As on 31st March 2020, 98.99% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Particulars and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.

Shares Held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2020



- (xiii) **Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31st March 2020 – NIL.
- (xiv) **Commodity price risk or foreign Exchange risk and hedging activities:** During the Financial Year ended 31st March 2020, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.
- (xv) **Plant Locations:**
- (1) **JK Lakshmi Cement**
Jaykaypuram, Dist. Sirohi - 307 019 (Rajasthan)
 - (2) **JK Lakshmi Cement**
Malpuri Khurd, Ahiwara,
District Durg-491001 (Chhattisgarh)
 - (3) **JK Lakshmi Cement**
Motibhoyan, Kalol
District Gandhinagar – 382010 (Gujarat)
 - (4) **JK Lakshmi Cement**
Village Bajitpur, P.O. Jhamri,
District Jhajjar-124507 (Haryana)
 - (5) **JK Lakshmi Cement**
Village Dastan, Taluka Palsana,
District Surat-394310 (Gujarat)
 - (6) **JK Lakshmi Cement**
Village Ghantikhal, Radhashyampur,
P. O. Khuntuni,
District Cuttack – 754 029 (Odisha)
- (xvi) **Address for correspondence regarding share transfers and related matters**
1. **JK Lakshmi Cement Limited**
Secretarial Department,
Gulab Bhawan, 3rd Floor (Rear Block),
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002
Ph:(011) 30179862-864-869-894
Contact Person: Shri B.K. Daga
(E-mail: jklc.investors@jklmail.com)
 2. **Registrar & Share Transfer Agent (RTA) –**
MCS Share Transfer Agent Ltd.
F-65, First Floor, Okhla Industrial Area,
Phase – I, New Delhi – 110 020,
Ph. (011) 41406149-50,
Fax No. (011) 41709881
E-mail: admin@mcsregistrars.com
Contact Person: Shri Ajay Dalal
E-mail: ajay.dalal@mcsregistrars.com
- (xvii) **Debenture Trustee**
IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai- 400 001
Tel No.: (022) 40807000
Fax No.: (022) 66311776
Email: itsl@idbitrustee.com
Website: <http://www.idbitrustee.com>
- (xviii) This Corporate Governance Report of the Company for the Financial Year ended 31st March 2020 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.
- (xix) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations-
(a) The Board: The Chairman of the Company is Executive; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jklakshmicement.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.
- (xx) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- (xxi) (a) **Transfer of Shares to IEPF Authority:**
In accordance with the Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPFA Rules), the Company has transferred 71,192 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF Authority), during the year. The details of such shares are available on the Website of the Company at www.jklakshmicement.com. The said shares can be claimed back by the shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.



(b) Information in terms of Schedule V (F) of the Listing Regulations:

As on 1st April 2019, the Company had 40,178 Equity Shares, which were unclaimed by 587 Equity Shareholders. These were lying in dematerialized mode in the unclaimed suspense account. Out of the above, the Company had transferred 34,244 Equity Shares which remained unclaimed by 565 Equity Shareholders to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 7 requests for 478 Equity Shares for crediting to the Demat Account of the Shareholders/ dispatch of physical Share Certificate on rematerialisation during the year. These have since been transferred / dispatched. Accordingly, as on 31st March 2020 the Company has 5,456 Equity

Shares which remain unclaimed by 15 Equity Shareholders in the unclaimed suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owner of such shares claims the shares.

15. DECLARATION

This is to confirm that for the Financial Year ended 31st March 2020, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania
Vice Chairman & Managing Director

