

**ANNUAL
REPORT
2015-16**

Capacity. Capability. Credibility.



JK Cement LTD.

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Attendance Slip & Proxy Form



CIN : L17229UP1994PLC017199

Registered and Corporate Office

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NOTICE

Notice is hereby given that the **Twenty Second Annual General Meeting** of J.K. CEMENT LIMITED will be held at Sir Padampat Singhanian Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday the 6th August, 2016 at 11 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Smt. Sushila Devi Singhanian (DIN 00142549) (aged about 80 years), who retires by rotation pursuant to the provisions of Article 90 of the Articles of Association of the Company and being eligible, offers herself for re-appointment.
4. To appoint Auditors pursuant to Section 139 of the Companies Act, 2013 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard, following resolution is proposed to the shareholders. The retiring Auditors M/s P.L. Tandon & Company, Chartered Accountants, Kanpur (ICAI Registration No.000186C), are however eligible for re-appointment.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment

thereof, for the time being in force), M/s P.L. Tandon & Company, Chartered Accountants (ICAI Registration No.000186C), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. as may be decided by the Board of Directors of the Company and the said Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolutions:

As Ordinary Resolution(s)

5. **"RESOLVED THAT** Shri S.L. Bansal (holding DIN 02910086), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6.2.2016 in terms of Section 161 (l) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years till respective Annual General Meeting."
6. **"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 4,70,000 plus service tax as applicable and reimbursement of actual travel and out-of-

pocket expenses for the Financial Year ending 31st March, 2017 as approved by the Board of Directors of the Company in its meeting held on 28th May, 2016, to be paid to M/s. K. G. Goyal & Company, Cost Accountants, for conducting cost audit of the Company's Cement Manufacturing Units viz. J. K. Cement Works, Nimbahera, J.K.Cement Works, Mangrol, J. K. Cement Works, Gotan, J.K.White Cement Works, Gotan all situated in the State of Rajasthan, J. K. Cement Works, Jharli, situated in the State of Haryana and J. K. Cement Works, Muddapur situated in the State of Karnataka, be and is hereby ratified and confirmed."

As Special Resolution(s)

7. **"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) of the Companies Act 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company and in supersession of all the earlier resolution(s) passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums of money at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money to be borrowed by the Company together with the money already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the financial institutions, Company's bankers and or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at anyone time shall not exceed the sum of ₹ 7500 Crore (Rupees seven thousand five hundred Crore only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper desirable or expedient to give effect to this resolution."

8. **"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and all other

applicable provisions, if any, of the Companies Act, 2013, and in supersession of all the earlier resolution(s) passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages/charges/hypothecation in any manner whatsoever on all or any of the immovable and movable properties of the Company present and future, of the whole or substantially the whole of the undertaking of the Company, ranking pari-passu or otherwise and/or second and/or subservient and/ or subordinate to the mortgages / charges/hypothecation already created or to be created in future by the Company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets and/ or for the business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills discounting scheme or in favour of trustees for Debentureholders / Bondholders FCCB holders that may be appointed hereafter as security for the debentures / bonds /FCCBs that may be issued by the Company, with power to take over the management, business and concern thereof in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(a) of the Companies Act 2013 i.e ₹ 7500 Crore (Rupees seven thousand five hundred Crore only) together with interest thereon and further interest, if any, cost, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/ Bond/FCCB holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company."

9. **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 107 and any other applicable

Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Yadupati Singhania, as Chairman and Managing Director of the Company for a period of three years commencing from 01.04.2017 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration of Mr. Yadupati Singhania, Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013."

"RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and are hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

10. **Private Placement of Non Convertible Debentures**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under as may be amended from time to time, the approval of the Company be and is hereby accorded, effective 1st April, 2016, for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures ("NCD") (whether secured or unsecured) on a private placement basis to Nationalised Banks, Indian Private Banks, Foreign Banks/Other Banks/ Financial Institutional Trusts/ Other eligible Investors, in one or more tranches during the current financial year ending 31st March, 2017 upto a limit of ₹ 500 Crores subject to the overall borrowing limits of the Company, as approved by the Members, from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs."

BY ORDER OF THE BOARD

Shambhu Singh
Asst. Vice President (Legal) & Company Secretary

Place : Kanpur

Dated : 28th May, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority as applicable.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 28th July, 2016 to Saturday the 6th August, 2016 (both day inclusive).

3. The dividend as recommended by the Board of Directors and approved by the members shall be paid to those members, whose names shall appear on the Company's Register of Members on 6th August, 2016. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

4. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar & Share Transfer Agent in respect of their shareholding in physical segment by mentioning folio nos., etc.

5. Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact the Asst. Vice President (Legal) and Company Secretary at mail id. shambhu.singh@jkcement.com.

6. Members are requested to bring their copies of the Annual Report as Copies of the Report will not be re- distributed at the Meeting.

7. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.

8. Members, who hold shares in Physical/Dematerialised Form, are requested to bring their Folio No./ Depository Account Number and Client ID Number for identification.
9. Pursuant to regulation 27 of the Listing Regulations relating to Corporate Governance, the particulars of Directors proposed to be appointed or re-appointed are given in the Report on Corporate Governance attached to the Directors' Report.
10. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, PAN and Bank Account details, NECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants, PAN and Bank Account details.

Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com and send NECS Mandate to the Registered Office of the Company.

11. In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration)

Rules, 2014, the Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting. The remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting through ballot or polling paper.

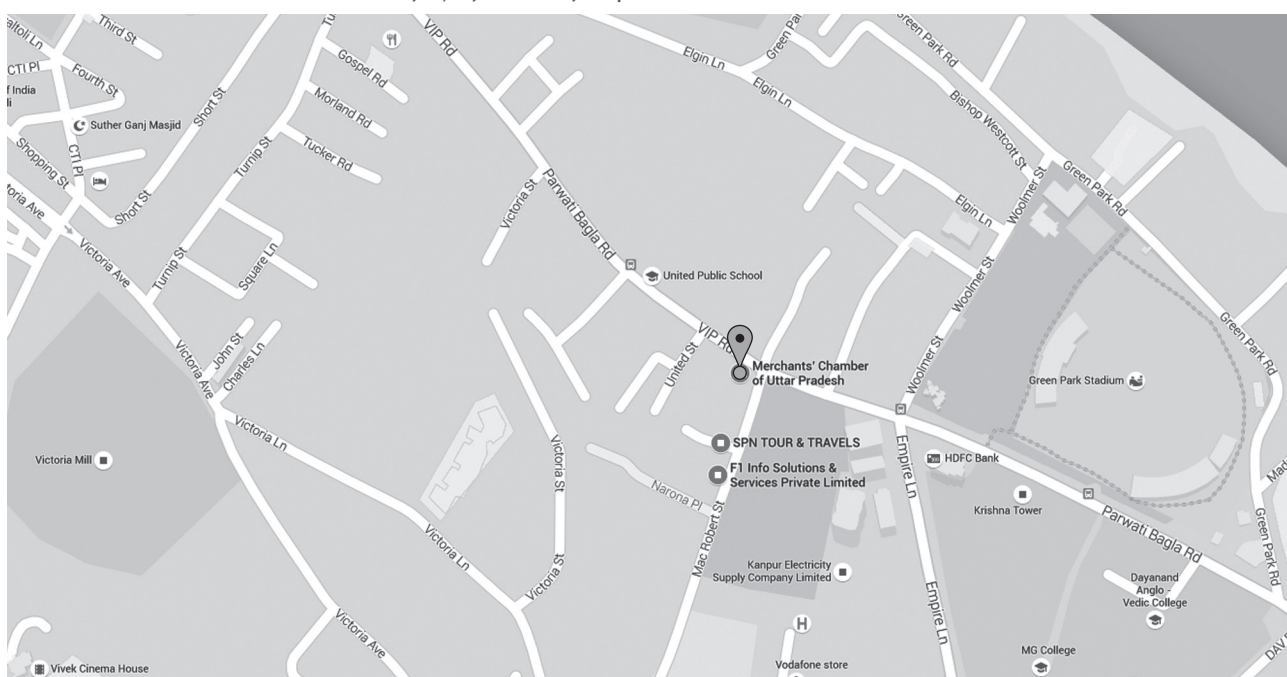
Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 30th July, 2016.

A person, whose name is recorded in the register of member or in the register of beneficial owner maintained by the depositories as on cut-off date i.e. 30th July, 2016 only shall be entitled to avail the facility of remote e-voting/ voting through ballot or polling paper at the Meeting,

12. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company during business hours on any working day excluding Saturday upto the date of the Annual General Meeting of the Company.
13. A Route Map showing directions to reach the venue of AGM is given hereinbelow as per the requirements of the Secretarial Standard – 2 on "General Meeting".

MAP SHOWING VENUE OF ANNUAL GENERAL MEETING OF J. K. CEMENT LIMITED

Venue: Merchants' Chamber Of Uttar Pradesh, 14/76, Civil Lines, Kanpur



The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 3rd August, 2016 at 10 A.M. and will end on 5th August, 2016 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 30th July, 2016 i.e. Record Date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use in the PAN field the first two characters of their name in CAPITAL letters e.g. If your name is Ramesh Kumar then enter RA followed by the Sr. No. given at the top/beginning of the address Slip (pasted on envelope).
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login/changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

14. The Company has appointed M/s. Reena Jakhodia & Associates (Prop. Ms. R. Jakhodia) of Kanpur Practicing Company Secretaries (C.P No. 6083) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
15. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

16. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the facility of ballot paper or polling paper shall be made available at the Meeting. For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO.5

The Board of Directors of the Company appointed Shri Shayam Lal Bansal aged about 61 years as an Additional Director w.e.f. 6.02.16 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 96 of the Articles of Association of the Company and to hold office upto this Annual General Meeting. In terms of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013, Shri Shayam Lal Bansal is proposed to be appointed as an Non Executive Independent Director whose office is not liable to retire by rotation in the Annual General Meeting. Notice has been received from a member proposing his candidature for the office of Director of the Company. Given below is the brief resume of Shri Shayam Lal Bansal pursuant to Regulation 27 of the Listing Regulation :

Shri Shayam Lal Bansal (DIN 02910086),

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

ITEM NO.6

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a Cost Accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 28th May, 2016, the Board has considered and approved appointment of M/s. K.G. Goyal & Company, Cost Accountants for conduct of Cost Audit of the Company's Cement Manufacturing Units viz. J.K.Cement Works, Nimbahera, J.K.Cement Works, Mangrol, J.K.Cement Works, Gotan, J.K.White Cement Works, Gotan all situated in the State of Rajasthan and J.K.Cement Works, Jhajjar situated in the State of Haryana, J.K.Cement Works, Muddapur situated in the State of Karnataka at a remuneration of ₹ 4,70,000 plus applicable service tax and reimbursement of actual travel and out of pocket expenses for the Financial Year ending 31st March, 2017.

The Resolution at item No.6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the Members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

ITEM NO. 7 & 8

As per resolutions passed by the Shareholders under Sections 180 of the Companies Act, 2013 at the Annual General Meeting held on 26.7.14, the Board of Directors was authorised to borrow money upto a limit not exceeding ₹ 5000 Crore.

The increasing business operations and growth plans being undertaken and also for various miscellaneous capital expenditure schemes, the company would require further borrowings which may exceed the limit of ₹ 5000 Crore. Hence it is proposed to increase the said limit, which shall not exceed ₹ 7500 Crores at any one time.

It is necessary for shareholders of the Company to grant their consent by passing a resolution at their meeting under Section 180 of the Companies Act, 2013, authorising the Board of Directors of the Company to borrow monies in excess of the paid up capital and free reserves of the Company.

The said borrowings from bank(s), consortium of banks, financial institutions and other lenders shall be secured by creation of

charge on immovable and movable properties of the Company relating to its one or more undertakings(s). The Board of Directors of the company recommend for your consent under section 180 of the Companies Act, 2013 the resolution for mortgage of the company's assets to secure the borrowings made or to be made by the company from time to time.

The resolution at item no. 7 and 8 are, therefore, recommended for your approval. None of the Directors of the Company is concerned or interested in the aforesaid resolution.

ITEM NO. 9

The term of appointment of Shri Yadupati Singhania, Chairman and Managing Director aged about 62 years shall expire on 31.3.2017. It is therefore to consider his re-appointment w.e.f. 1.4.2017 as Chairman and Managing Director. Also to fix the remuneration payable to Shri Yadupati Singhania from 1.4.2017. As per Companies Act, Chairman and Managing Director can be appointed for a maximum period of 3 years. Whilst on the subject of fixing remuneration payable to Shri Yadupati Singhania, details of remuneration which has duly been recommended by the Remuneration Committee.

The Board of Directors considered various aspects inter-alia including technical qualification of Shri Yadupati Singhania, his experience in cement industry, his devotion to the Company's affairs and the Company's performance during his tenure as Chairman and Managing Director. The remuneration recommended by the Remuneration Committee is in accordance with Schedule V of the Companies Act, 2013. The Shareholders are requested to approve the re-appointment of Shri Yadupati Singhania as Chairman and Managing Director for a period of 3 years and fix his remuneration as recommended by the Remuneration Committee as per details put up before the meeting.

- A. **Salary:** ₹ 25,00,000 per month in the salary range of ₹ 25,00,000 – ₹ 5,00,000 - ₹ 35,00,000 per month with such yearly increment as may be decided by the Board of Directors/ Nomination and Remuneration Committee from time to time.
- B. **Perquisites and other benefits:** House Rent allowance or Free furnished residential accommodation, furnishings, gas, electricity, water, society charges, property tax, repairs & maintenance and other amenities car(s) with driver(s) and other perquisites including reimbursement of expenses on servants, telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance etc. Such perquisites and allowances are subject to maximum ceiling of 125% of his annual salary.

- C. **Performance linked incentive:** Upto a maximum 50% of annual salary as may be decided by the Board from time to time.

(Last drawn Basic Salary remained ₹ 20 Lacs per month besides perquisites and other benefits & performance linked incentive as stipulated at B and C above).

- D. **Contribution to Provident Fund:** As per Company's policy.

- E. **Encashment of unavailed leave:** As per Company's policy. For the purpose of calculating the above ceiling the perquisites and allowances shall be evaluated as per income-tax Laws, wherever applicable. In absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- F. **Annual Leave:** 30 days annual leave with pay for every completed service of eleven months.

- G. **Leave Travel Concession:** For self and family once a year in accordance with the rules of the Company.

- H. **Personal Accident Insurance:** The annual premium on a policy shall not exceed ₹ 50,000/-

- I. **Provident fund and superannuation:**

- a) Company's contribution towards provident fund as per rules of the Company, but not exceeding 12% of Salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 27%.
- b) Gratuity payable at the rate of half month's salary for each completed year of service. A Service of six months or more to be treated as full year.
- c) Telephone: Free telephone at CMD's residence; Personal long distance calls will be billed to the CMD.

- J. **Commission:** Not exceeding 2% of the net profit computed under Section 197 of the Companies Act 2013, as may be decided by the Board from time to time. The remuneration as mentioned above shall be in accordance with the provisions of Schedule V of the Companies Act, 2013.

In the event of inadequacy or absence of profits under Section 197 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, benefits, and commission as approved herein be paid, for a period not exceeding three years, as minimum remuneration to the said CMD pursuant to the provisions of schedule V of the Companies Act, 2013.

- K. The company shall reimburse actual entertainment and travelling expenses incurred by the CMD in connection with the Company's business.

- L. The Company shall undertake Medclaim with adequate pecuniary Coverage. However, if the coverage is found to be inadequate and/or Medclaim is impermissible, the CMD shall be entitled to reimbursement of Medical Expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto, without any ceiling limit. This is subject to overall limit permissible under the Companies Act, 2013 and Rules framed thereunder.

The particulars set out hereinabove may be treated as an abstract of the terms of Agreement between the Company and Shri Yadupati Singhania, Chairman and Managing Director pursuant to the provisions of the Companies Act, 2013.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment

Mr. Yadupati Singhania and his relatives may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

ITEM NO.10

As per the provisions of Section 42 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Non Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations for such NCDs during the year. NCDs, including Commercial Paper issued on private placement basis are a significant source of borrowings for the Company.