



# COLOURS OF TOGETHERNESS

Corporate Sustainability Report

Financial Years 2014-16

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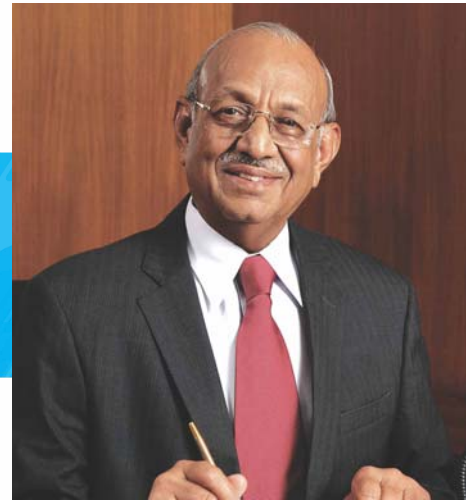
Our theme 'Colours of Togetherness' is significant of the rich diversity among our stakeholders, and those associated with us directly or indirectly, that are related to us as close crucial members of one big family. The theme is based on the values imbibed and rooted deep in the culture of the organisation.

The graphic hand is symbolic of the intent and related actions to create the culture of togetherness and belonging.





## Fostering Trust and Sustainable Growth



It gives me great pleasure to put your company's first Sustainability Report in your hands.

Sustainability to my mind is simply a set of actions that a business enterprise takes to make the business grow profitably on a long term basis. Sustainable Profitable Growth, however, cannot be achieved unless the business enterprise is sensitive to and caring about its operating internal and external environment; or we can simply say the 'Planet' as also the customers, employees, suppliers, investors, etc.; which may essentially be called the 'People'. Hence the sustainable business plan of any enterprise has to be built around the Planet, the People and finally the Profit.

We have been continuously building around these themes since many years by incorporating the basic principles of sustainability in our vision, mission, and core values. Our vision envisages and drives our actions towards achieving a Profitable Growth while improving our position within the industry and markets that are relevant to us. Caring for people has been one of our core values since inception of the group. We need to reflect these in our actions and continuously review our progress with respect to these objectives.

For those who are in know; industries based on natural mineral resources continuously work to enhance life of their resources and monitor their performance on matrix known as Resource Replacement Ratio; where the sustainability actions are mainly directed to discover new, besides conserving existing resources to last

longer. Against such general practice of discovering new, your company is also continuously striving to bring the products and adopt technologies which conserve on resources yet create more value for its customers.

We have continuously worked to reduce our energy consumption and CO<sub>2</sub> emissions per MT of cement and I am quite happy to note that our plants are among the leaders in the industry. We are also at the forefront of utilizing industrial wastes such as Fly Ash, blast furnace slag, chemical gypsum, etc. in our products without sacrificing any quality parameter and in fact the quality has been enhanced to create more value for our customers.

It is due to these actions we are continuously enhancing the longevity of our natural resources despite our current capacity being 20 times more from where we began with the same natural resources more than 30 years ago; and we still have enough resources to grow further.

Our commitment to sustainability is not limited to our main line of business, e.g., Cement, but it also extends to all our other products, mainly the value added products. Our foray into manufacturing and marketing of AAC Blocks a replacement for red clay bricks was one such step. These AAC Blocks are

natural replacement of resource intensive red clay bricks; and these not only conserve the resource consumption at the time of production but also save on energy and material costs for the entire life cycle of the building in which they have been used. Further this also enabled us to sensitize and spread the awareness on sustainability of natural resources to some of our key stakeholders in construction space.

We shall continue to move ahead on this path of conserving resources and yet create more value for our customers. A lot of this can happen only if we are taking enough care of our people in developing them for future challenges by enhancing their innovation and risk taking capabilities. We have been collaborating with research driven technological institutes such as IITs to take up joint projects, which in addition to finding solutions to operational issues, also add to enhance the capability of our people.

As I have mentioned at the beginning of my communication that sustainability is about striking a right balance between the Planet, the People, and the Profit. Our sincere commitment to these principles have helped us to grow steadily this far and we are sure it will see us on higher growth trajectory in the coming years.

**Bharat Hari Singhania**  
Chairman and  
Managing Director





## Creating Futures



I take immense pride in being associated with and leading JK Lakshmi Cement Ltd. for the last 27 years. We are a professionally managed business house that has retained its core value of caring for people and working together as one big family. The organisational philosophy is simple, just like a family nurtures its young, we believe in nurturing our people - this includes our workforce, our suppliers, dealers, and our local communities.

**Our employee engagement initiatives and work opportunities are designed to work in a holistic manner towards employee delight and to develop a high degree of ownership towards their contribution towards the organisation and themselves.**

**About 95% of our key employees are groomed internally through our talent development programmes. It is heartening to see the impact of our actions reaching far beyond the present workforce, where we see our next line of talent coming from our employee's families, many a times into positions far higher than their parents, based on their merit.**

As the Chief People Officer of the organisation, I am delighted that our organisation received the ATD (American Society for Training and Development) BEST Award, 2016 for our employee talent management program. We rank in the top 20

organisations globally for our employee retention and loyalty. I feel proud when I get opportunities to personally interact with our company and worker employees, and their families through various engagement activities across the year, like 'Coffee with VCMD', 'Mahabhoj', etc.

Health and Safety is of paramount importance to JK Lakshmi Cement Ltd. and we take every operational precaution and impart training to employees and workers to ensure an injury-free working environment. I can share with pride that our Jaykaypuram Plant, Rajasthan, Jharli Plant, Haryana, and Kalol Plant, Gujarat, have been awarded International Safety Award 2015, National Safety Award 2015 and Safety Innovation Award 2015 respectively. We will continue to invest effort and maintain vigilance to ensure best safe and productive work place.

Our journey of sustainability would be incomplete without the strong support of our supplier base and continual loyalty of our dealer network. This fact bears ample testimony when even the third generation of many of our Dealers and Sales Organisers are working with us. There are businesses that have grown being associated with us and are doing well today. I believe concept of sustainability is not new to Indian culture, where conservation and management of material and adherence to human values have been practiced since ages, keeping in mind the future generation. It is only a new terminology that arouses our curiosity to mould our ancient practices into a new shape and cover. JK Lakshmi Cement Ltd. firmly

believes in giving back to society. Our inclusive growth model fosters a passion for changing the lives of local communities that we operate in. **Our Corporate Social Responsibility (CSR) philosophy looks to empower our communities through livelihood creation, women's empowerment initiatives such as maternity and child nutrition awareness and care, women's hygiene, girl child and women's education.** We started our maternity care programme 13 years ago and have as of 31<sup>st</sup> March, 2016 covered 35 villages. From a time, when our CSR officials weren't allowed to enter the villages, we have come a long way to openly discuss maternity care and health aspects with the villagers. Our education programmes for differently abled children have led to empowerment of such children to allow them to lead lives of confidence and independence, thereby maintaining social sustainability. We have a long way to go, but we believe with focused and well-executed programmes in collaboration with the local community we can bring about lasting positive change.

We strive hard to create a future that provides opportunities and equality to all the lives we touch while contributing to the sustainable development of our nation. My vision for the company is 20 by 20 i.e. to grow into a 20 million tonnes cement producing capacity by 2020, only through amalgamating and adhering to all dimensions of sustainability.

**Vinita Singhania**  
Vice-Chairman and  
Managing Director



## Creating Value



JK Lakshmi Cement Ltd. intends to work towards leaving behind a world that is better than the one that was inherited. We are aware that this will not be a small task nor a vision we can deliver alone. Our collaborative efforts towards a cleaner sustainable tomorrow started with the foundation of the company. We have progressively innovated the delivery mechanism of this vision to incorporate the challenges and risks of current times.

Innovation has been the key to our efforts towards reducing our environmental footprint. Through engineering and experimental learning, our team has developed in-house and implemented multiple innovative technologies, such as upgradation of pyro-processing circuit, modernisation / upgradation of reverse air bag houses connected to Kiln-2 & 3, electrostatic precipitator of Kiln-1 and plenum pulse bag houses of cement mill 1 & 2 in Sirohi Plant, development of Innovative Windmill, fully-automatic unmanned weigh bridge, development of auto truck loader and automatic bag placer suitable for PP Bags along with OEM at Kalol grinding unit, optimisation of packing plant 1&2 and process modification by installation of closed loop damper for CA fan, thereby saving electrical energy at Jhajjar unit and enhancing capacity of raw mill through mechanical modification & optimising packing plant operation at integrated plant at Durg. Our units have also been exploring and utilising alternative fuel and raw material resources to the fullest.

We have shared knowledge and learnings not only among our

production units, but also across other industries. Company has been recognised through awards such as 'CII Industrial Innovation Award', 'CII-Energy Efficient Unit Award' and 'Make In India' Award for Excellence, reaffirming our efforts to strive harder to deliver value to our customers through our products and services.

Also, energy efficient steps like installation of VFDs to all possible plant equipment, and replacement of old lights with efficient LEDs at all our units, have been a part of our initiative towards gaining energy efficiency. In fact, our grinding units Kalol and Surat are 100% LED-based plants and other units are on the verge of achieving the status.

Health & Safety is one of the most important aspects for us. Our units have implemented initiatives like Open Gate Safety Meetings, LOTO systems, Safety Suggestion Scheme, Safety mobile apps, etc.

JK Lakshmi Cement Ltd. at present meets 30% to 32% of its energy needs from renewable energy, and we intend to increase this to about 60% to 66% over the next 3 years. Progressing our fight against Climate Change by continually tweaking our manufacturing process, we are working on increasing the capacity of our internal renewable energy generation. In FY2014, our engineers recirculated hot air from cooler vent

stack to increase our Waste Heat Recovery (WHR) capacity in the Sirohi plant by 0.5MW from the existing 12 MW. Our total installed WHR capacity is 12.5 MW with an additional 8 MW coming up at Durg plant. We generated 11.46 MU from our solar generation and 78.375 MU from our Waste Heat Recovery installation in fiscal year 2015-16. All our plants have installed solar-based equipment like rooftop solar at school, solar water heaters, streetlights, etc. **Our new grinding unit at Surat has installed 2.4 MW capacity solar power plant within its premises, and is believed to be one of the 'Greenest Clinker Grinding Units in the country'**. We are one of the most water-efficient units, all our units are water responsible and have implemented various innovative Rainwater Harvesting Systems, augmenting GW Resource.

As a responsible business house, our conscious effort is to create value that caters to short-term need while generating long-term benefits for all involved.

We thank all our stakeholders who have been our partners in this journey and look forward to your feedback on our first sustainability report. You can reach us at [skwali@jkmail.com](mailto:skwali@jkmail.com) or [sustain.jklcl@lc.jkmail.com](mailto:sustain.jklcl@lc.jkmail.com).

**Sushil Kumar Wali**  
Whole-time Director



## Creating Empowered Customers

The 35 year journey of JK Lakshmi Cement Ltd. has been remarkable. Being a part of such a prestigious company that relentlessly focuses and works towards excellence, is a matter of pride. We have been exploring markets and expanding geographically, based upon customer feedback and understanding pain of customer. Since inception, we have continued to perform resiliently despite the dynamic challenges in the Indian cement industry and retained loyalty of our ever increasing network and dealer associates.

To maintain market leadership and bolster the future growth of our business, we continue to invest in research and development of high technology products and manufacturing processes in all our cement plants across the country. We are accredited by NABL (Department of Science & Technology, Government of India) for our Lab Quality Management Systems. We are the first cement manufacturer of Northern India to be awarded an ISO 9002 certificate, which provides guidance on the intent of the requirements in ISO 9001:2015.

JK Lakshmi Cement Ltd. has been a forerunner in India's transition from perceiving cement as a branded category of core item, rather than just a commodity. The company therefore, has taken initiatives to move away from conventional cement manufacturing to new cutting edge technology. I am glad that the passion with which the organisation uses best technologies, management skills and marketing strategies has won the organisation prestigious awards, such as the Gold and Bronze award at Rural Marketing Association of India

(RMAI) Flame Awards, 2013, chosen among 100 most admired brands of Asia at the first Asian Brand Conclave event, 2015. The company has consistently strived to increase its customer base while providing quality products and services.

For maintaining our brand value and profitability, I believe healthy communication is essential with employees, vendors, dealers and customers that brings satisfaction of working as one. Understanding the value of customer satisfaction, JK Lakshmi Cement Ltd. has initiated various innovative steps like 'Lakshmi Sahyogi Sanrakshan Club', etc. I feel happy and proud to mention that the company was first to introduce concept of coloured cement bags in the White and Grey market of Indian Cement Industry, which touches on a different and real approach of meeting the demand of the customers.

With the increasing dynamics of the corporate world and changing needs of stakeholders, the company's passion in maintaining quality and profitability governed by a balanced approach to marketing and sales, capacity building, code of conduct, effective policies, and sustainable business models has been relentless.

JK Lakshmi Cement Ltd. intends to be a pioneer in product and service offerings for the cement sector,

accordingly, innovation plays a very strong role in our product improvement and design efforts. From my experience of being associated with Cement Manufacturers' Association (CMA) and the cement industry in general, I believe JK Lakshmi Cement Ltd. has always taken lead in introducing newer products manufactured through sustainable processes and services to the market. Quality is not just limited to the products, it extends to the healthy living of employees and workers, society and the environment. Through our various efforts and initiatives towards energy efficiency, climate protection and lowering our carbon footprint, emission reduction, employee health and safety, sustainable livelihood of local and indigenous communities, water stewardship, education and other social causes, we empower everyone in the value chain driving the organisation to continue its leadership in sustainable growth in the cement industry.

**Shailendra Chouksey**  
Whole-time Director





## Vision

- To be a Profitably growing, Innovative and Caring Company, and to become a significant player in the operating market and be amongst the top 10 in the Indian cement market.

## Mission

- Double Sales and Profit (PBIDT) in 4 years
- Achieve Operational Excellence
- Be a workplace of choice - Attract, Retain and Grow Talent Pool of change leaders
- Create superior value for the customer through Premium Products & Brand Positioning
- Continuously enhance shareholders' wealth and be a preferred portfolio among investors
- Be a Socially Responsible Corporate Citizen

## Organisational Core Values

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust
- Commitment to excellence





Integrated Cement Unit, Durg



Integrated Cement Unit, Sirohi





# Colours of JK Lakshmi



## About the Report

JK Lakshmi Cement Ltd. believes the caution we exercise today preserves the future we create for our children. In the words of our founders



**"We seek a society which is proud of its past, conscious of the present and full of hope for the future."**

- Lala Lakshmipath Singhania (1910-1976)

We need the stakeholders connected with us, to be our partners in this journey, and our first sustainability report is an honest attempt to convey to our readers the progress and initiatives we have taken in the preceding years and our sustainability vision for the organisation. We hope this report can be the first step in presenting the complete picture of the non-financial performance of JK Lakshmi Cement Ltd.



## Report Profile

This report discloses Economic, Environmental, and Social i.e. triple bottom-line performance of JK Lakshmi Cement Ltd., the construction material vertical of the JK Organisation. The reporting cycle covered in this report is from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2016. Our first report is for a period of two years. The contents of this report are developed and structured as per 'In Accordance-Core' requirements of Global Reporting Initiative (GRI) G4 guidelines. Additionally, internationally acceptable methodologies such as guidance provided by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), Green House Gas (GHG) Protocol have been used. Various national and local rules, regulations and guidelines have also been followed in calculating some of our environmental and safety performance indicators. We have also kept in mind the requirements of Business Responsibility Report (BRR) and National Voluntary Guidelines Data requirements. The policies for the BRR are not covered for this reporting year.

This report covers sustainability performance of our assets which are operational within India measured with respect to the material aspects identified through the materiality determination process. This includes our integrated cement plant at Sirohi and Durg, and Grinding Units at Kalol and Jhajjar. Data for the Durg plant has been reported for the FY2015-16 as the Durg plant was commissioned and became operational only from FY2015-16. Our Head Office in Delhi is included in the scope while the value-added products and subsidiaries are excluded at present. Surat, our latest grinding unit will be



included in the future scope. This is JK Lakshmi Cement Ltd.'s first foray into sustainability reporting and accordingly there are no restatements against data and / or claims made against any previous report.

The company has followed the approach described in GRI Implementation Manual for developing the report content. The report has been reviewed at Whole-time Director level with inputs and feedback from domain experts from various departments of the company.

## Data Integrity

The different level of maturity of our various plants along with the reporting duration being 2 years resulted in certain data collection challenges. Hence, JK Lakshmi Cement Ltd. first took up the exercise of extensive capacity building across its units which also included inviting third-party experts to raise awareness on sustainability, its drivers, GRI G4, materiality and stakeholder engagement. These workshops also worked to get buy in of various functions so as to ensure a smooth data collection process. Our aim is to provide the stakeholders with a fair and honest representation of the impact that JK Lakshmi Cement Ltd. has on the environment and society while presenting our value proposition. This report is JK Lakshmi Cement Ltd.'s first sustainability report.

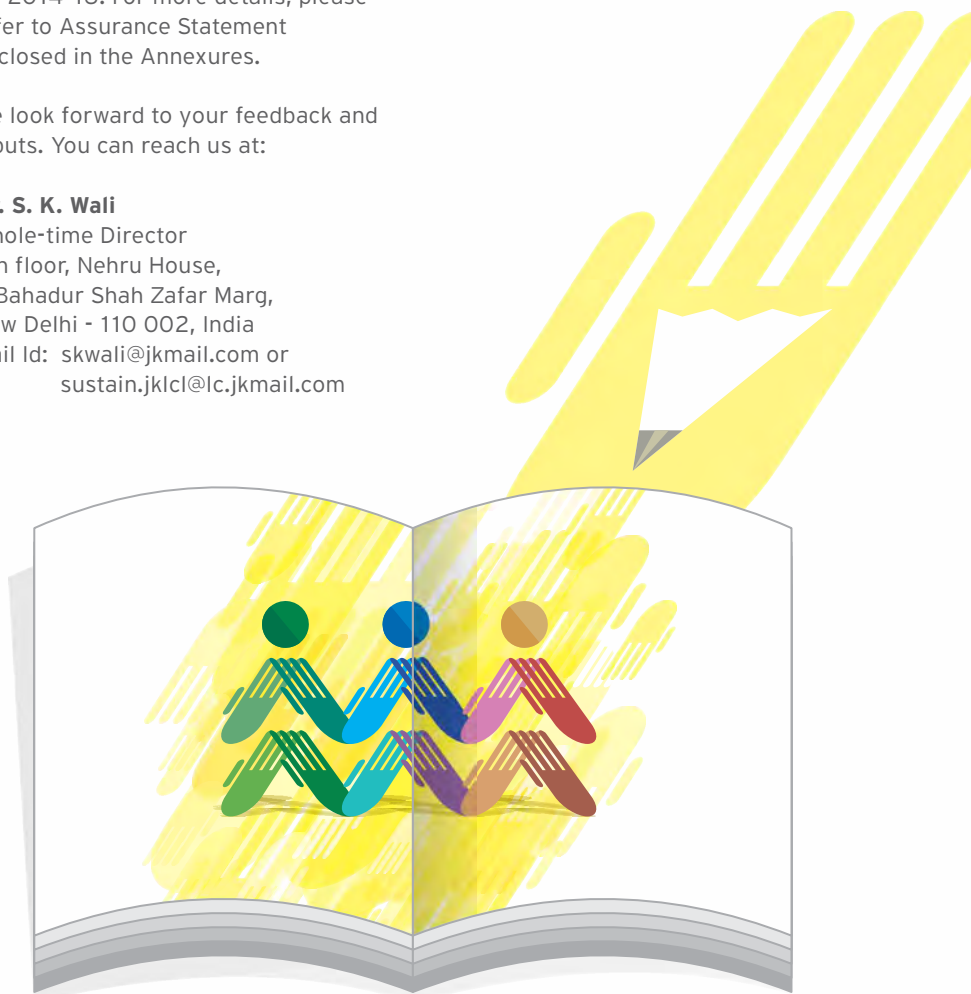
## Assurance Statement

JK Lakshmi Cement Ltd. believes more in the value gained during our sustainability journey than just the results achieved. As this is our first report, our focus is towards institutionalising the processes for monitoring and measuring of sustainability parameters and ensuring the integrity of the data collected. Third-party verification of the data would provide us an objective view of the gaps in the reporting system and data. JK Lakshmi Cement Ltd. has engaged KPMG India, with whom JK Lakshmi Cement Ltd. has no relation except for professional engagement for assurance of the sustainability report FY 2014-16. For more details, please refer to Assurance Statement enclosed in the Annexures.

We look forward to your feedback and inputs. You can reach us at:

**Mr. S. K. Wali**

Whole-time Director  
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## Perseverance and Growth - Our Organisation

JK Lakshmi Cement Ltd. has been built on the efforts and dedication of our employees and the vision of our Founders. We take great pride in our contribution to nation building, which empowers us to deliver continuous innovation and quality product to our customers. Our vision is to maintain our position among the top ten Indian Cement companies by striving for sustainable cement production and distribution processes; together, we grow stronger and better with a sense of belongingness to our society and nation.

JK Lakshmi Cement Ltd. is all about delivering on promises for the future. **We uphold our part in the promise to deliver a safe and thriving environment, economy and society to our next generation.** Our organisational values, structure and vision is built around this principle of sustainability.

In our pursuit of value creation, we want to enrich the lives of all our stakeholders - from vendors to customers, from local communities to our employees, from our investors to our creditors. Our vision of development is built on togetherness and faith in a better tomorrow that safeguards the interest of our future generation.

### Our Foundation

Our parent company, JK Organisation came into existence in 1918 driven by the passion and long-term vision of our founding fathers Shri. Late Lala Juggilal Singhania and his son Late Lala Kamlapat Singhania. They were motivated to establish a business where products are made by Indians, for Indians and using Indian raw materials. The process of diversification in successive generations led to the genesis of JK Lakshmi Cement Ltd. in 1982. As a part of a group with legacy of more than 125 years, JK Lakshmi Cement Ltd. is proud of its value proposition to the customers and the business processes that support this creation of value.

Our dominant culture of togetherness stems from our parent organisation. Despite having varied business interests and different core business offering of products and services, the Group Companies meet and interact for intensive sessions of knowledge sharing that benefit all the Companies. We learn from one another to become stronger, to deliver better product offerings and to generate better returns for our shareholders. We firmly believe, together as JK Organisation, we can tap into a varied and exhaustive experience base that takes us forward in our journey of sustainable development.

JK Lakshmi Cement Ltd. came into existence in the year 1982, with an integrated cement manufacturing unit of capacity 0.5 Million tonnes per annum (MTPA) in Sirohi district, Rajasthan. From 0.5 MTPA to 11 MTPA, the journey has been shouldered with business integrity, commitment to excellence and attitude of caring towards people and society. Our journey to current product and service offering is peppered with awards, recognition and innovation that was achieved through working together in tandem and in partnership with our external and internal stakeholders.

# Our Journey



Capacity Addition at Durg-0.9 Mn MT, Total Capacity-10.9 Mn MT

2017



Capacity Addition at Sirohi-0.5 Mn MT, Total Capacity-8.2 Mn MT

2015



Capacity Addition at Kalol-0.4 Mn MT, Total Capacity-8.6 Mn MT

2016



Surat GU Commissioned-1.4 Mn MT, Total Capacity-10.0 Mn MT

2017



2nd Integrated Plant at Durg-1.8 Mn MT, Total Capacity-7.7 Mn MT

2015



Jharli GU Started & Capacity added-1.2 Mn MT, Total Capacity-5.9 Mn MT

2015



Kalol Grinding Unit Commissioned-0.5 Mn MT, Total Capacity-4.7 Mn MT

2009



1st Integrated Plant at Sirohi, Total Capacity-0.5 Mn MT

1982



Capacity Augmentation at Sirohi, Capacity-2.4 Mn MT

2001



Capacity Addition at Sirohi, Capacity-4.2 Mn MT

2009

We operate in five states of India supplying various grades of cement predominantly to the Indian market. We are also exploring opportunities in the overseas markets.

JK Lakshmi Cement Ltd. took up an ambitious target to double its operational capacity of cement from 6 million tonnes per annum in FY 2014-15 to 11 million tonnes per annum in FY 2015-16. We are happy to report that JK Lakshmi Cement Ltd. has met this target. As on

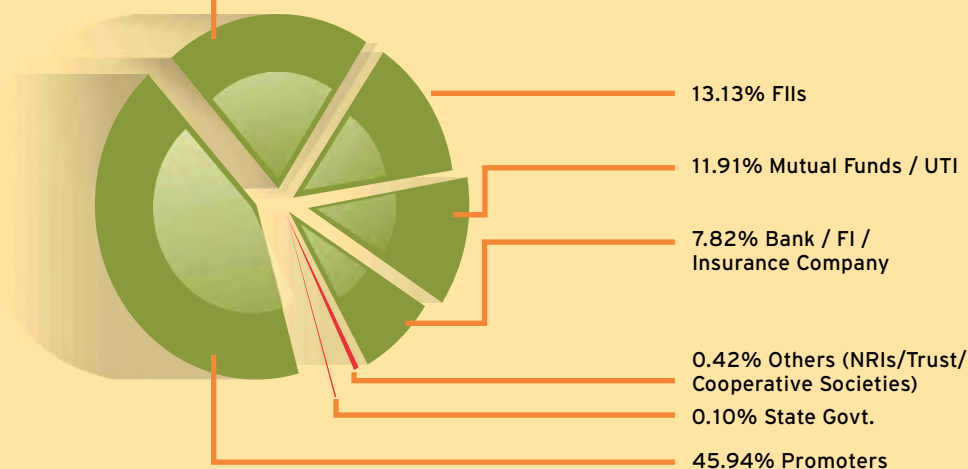
31<sup>st</sup> March, 2016 our aggregate installed capacity per annum stands at 11 million tonnes per annum. We have used a strategy of organic growth for our expansion vis-a-vis the trend of mergers and acquisitions driving growth in the sector. As on 31<sup>st</sup> March, 2016, we are supported by 3057 workforce in our growth journey.

JK Lakshmi Cement Ltd. is a Listed Public Limited Company with shareholding pattern as mentioned. We are listed on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).





## Shareholding Pattern



The company believes in contributing to policy making as we believe that today's policy shapes tomorrow's landscape. We are members of the following Industry associations:

**Cement Manufacturers' Association (CMA), The Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce of India (ASSOCHAM), Indo-American Chamber of Commerce, Rajasthan Chamber of Commerce, Udaipur Chamber of Commerce, etc.**

Additionally, our Grinding Unit at Kalol is CII-GreenCo Silver Certified and Lean Manufacturing Level-1 Certified, whereas the Jhajjar Grinding Unit has CII-Green Pro

Certification for JKSmartBlox. We are also voluntarily reporting on WBCSD-CSI Sustainability Performance Indicators. We voluntarily subscribe to the above certifications in a conscious effort to bring our plant operations and business processes to global standards and incorporate sustainability in all our systems. We have also started putting in place processes and data collection formats to meet the requirement of the Business Responsibility Report (BRR) required by Securities and Exchange Board of India (SEBI).

The National and International Standards that we subscribe to and their implementation details are as stated in the below table.

Location	Integrated Plant - Sirohi	Integrated Plant - Durg	Grinding Unit - Kalol	Grinding Unit - Jhajjar
<b>Certification</b>				
ISO 9001	✓	✓	✓	✓
ISO 14001	✓	✓	✓	✓
ISO 50001	✓	✓	✓	✓
ISO 18001	✓	✓	✓	✓
ISO 14064-1	-	-	✓	-
NABL Accreditation	✓	-	✓	✓



# Awards Gallery



FICCI Safety Systems  
Excellence Award 2013-14



Manufacturing Supply Chain  
Excellence Award in Cement 2015-16



Civic Award for Environment  
Sustainability by BCCI 2015-16



Platinum Award for Environment  
Management 2015-16: Unit Jhajjar



16th National Award for Excellence in  
Energy Management 2015: Unit Sirohi



Association For Talent Development  
Award 2015-16



People Management Award 2014-15



Global CSR Award 2015-16:  
Unit Durg



CII-GREENCO Award for Environment  
Sustainability 2015: Unit Kalol

# Sustainability and Us



ॐ ईशावास्यमिदं सर्वं यत्किञ्च जगत्यां जगत् ।  
तेन त्यक्तेन भुञ्जीथा मा गृधः कस्यस्विद्धनम् ॥१॥  
-ईशावास्योपनिषद्

“Know that all this whatever moves in this moving world is enveloped by God. Therefore, find your enjoyment in renunciation, do not covet what belongs to others”

-Ishavasya Upanishad

All the resources available on this planet are given to mankind by God, so that all living beings use them wisely without consuming other's share. As the Ishavasya Upanishad emphasizes on the balance of nature by practicing sustainable ways of living, we at JK Lakshmi Cement Ltd. also believe in utilizing the resources in a way so as to maintain the natural balance and also to create a future that empowers our future generation.

The loftiest Vedantic thought of “वसुधैव कुटुम्बकम्” (Vasudhaiva Kutumbakam) which advocates **togetherness** and belongingness, is a part of our business culture. We operate in such a way that it helps the members of our family i.e. stakeholders grow sustainably.

While our reporting journey has just started, our sustainability journey started with the conception of the organisation. We have optimized our resource utilization per tonne of cement in terms of use of limestone, Energy, Water, etc. Thus reducing our GHG footprint and yielding an added bonus of lowest cost leadership position in the market.

When it comes to sustainable development of our nation, we don't intend to take a back seat, but play a proactive role defined by action, results and perseverance.

**Let us make our planet, a better planet every moment.**

JK Lakshmi Cement Ltd., believes in utilising the present to create a tomorrow that empowers our future generation. We are aiming to pioneer innovative products and services that are created in harmony with environment and society while contributing to the Indian economy. Sustainability to us is not a mere concept, but a way of conducting business that culminates into inclusive equitable growth.

It is reflected in the fact that our supply chain consists of loyal dealers spanning to third generation dealers, our staff includes second generation JKites, our CSR initiatives have long span of years and still continue to expand. What's more, 18,722 employees have completed 25 years of service with JK Organisation across the group companies.





## Our Philosophy

JK Lakshmi Cement Ltd.'s sustainability philosophy is conceptualised through six diverse dimensions:

- Environment
- Social
- Business
- System
- Health and Safety
- Technology

Each dimension is addressing a facet in the lifecycle of product. The aim is to address and manage our material aspects through the entire lifecycle of product from cradle to cradle.



### **Environmental Sustainability** 'Imbibing green towards a greener tomorrow'

Our focus areas include reducing specific energy consumption, increasing use of renewable energy in our total energy consumption, managing our water footprint and water conservation efforts, waste management and circular economy, tracking and monitoring of our GHG emissions to combat climate change and effective land use. We intend to take these practices and initiatives beyond the boundaries of our walls and inspire and influence our supply chain partners to optimise their ecological footprint.

Our units have undertaken various initiatives towards development of greenbelt and plantation within and outside the premises since their inception. We practice responsible mining and our areas are equipped with plans for plantation and biodiversity conservation activities, in order to promote and maintain the ecological balance.



### **Social Sustainability** 'Sustaining chemistry of human relations'

Our focus areas consist of Healthcare, Education, Drinking water and Infrastructure & Skill Development among others. Giving back to the community is a virtuous cycle that benefits our organisation in the long-term than the tangible impact we create today. In line with more stringent government regulation on CSR, we are conducting need assessments and tracking the impact of our CSR activities in the vicinity of all our manufacturing plants.



### **Business Sustainability** 'Endurance to follow the 3Ps of business'

Ensuring our financials so that we can deliver the best quality solutions to our consumers is of paramount importance to us. In this tough economic climate and predatory competitive market scenario, company's operating strategies have been held strong to ensure investor return and



consistent performance of the company. Our financial viability supports our broader vision and goals of sustainable development. A key aspect of our business sustainability is our governance structure that propels our sustainability performance in all dimensions.



**System Sustainability**  
'Committed delivery for today and tomorrow'

Continuous operational improvements to ensure production efficiency and system stability is a key parameter for innovation. We turn towards the fundamentals to re-engineer our systems while redefining the measurements of success to ensure our systems and processes deliver holistic sustained results. Ensuring the linkages across various processes are consistent and smooth so that operations can deliver desired result at expected performance levels.

We believe in moving ahead with time, through exploring technology and systems.

We have established a cross functional team lead by Shri. Naveen Kumar Sharma, Vice-President (Project) & In-charge Sustainability, to bring our sustainability philosophy to on-ground reality. The team consists of representatives from each operating units and corporate office. The core activities of the team are focused on incorporating the six dimensions of sustainability into the everyday processes of JK Lakshmi Cement Ltd. and ensuring its awareness across various plant sites. The sustainability organisational structure also supports tracking and reporting on sustainability performance parameters to ensure that we achieve a year-on-year improvement.

We are determined to create value that generates impact far beyond what compliance demands. Our passion to deliver sustainable solutions to our consumers drives us to improve our processes holistically. Our journey of sustainability is a collaborative effort involving participation from our internal and external stakeholders.



**Health and Safety**  
'Safe parents of smiling future'

Ensuring workforce health and safety and creating a safe environment not just by national norms, but by international standards is one of the biggest strengths of JK Lakshmi Cement Ltd. We want to ensure that best-in-class health and safety regime is followed in the workplace, so that all employees can contribute their best.



**Technological Sustainability**  
'Welding technology through implementing innovations'

We truly believe that technology can help us in creating a brighter tomorrow. Our passion for constant improvements and innovation across stages of production has helped us gain product superiority and cater to our customers' needs better. In-house process automation, process optimisation are some of the innovation JK Lakshmi Cement Ltd. team has created to bring improved greener sustainable products to the market. **Company has sustained marvellously during tough financial times due to some significant ultra low-cost modifications and in-house innovations, which makes us the 'least cost producer of cement in India'.**



## Targets, Goals and Performance

Material Aspect	Targets and Goals for FY 2016-17
Economic Value & Business Performance	We look for increase in our revenues retaining economic value and business performance
Integrity and Transparency	Sustain integrity and transparency
Compliance To Regulation	We will continue to be 100% compliant in all aspects of business and work beyond compliance wherever long-term benefit of sustainable development is possible
Operational Efficiency	Company's Capital Investment is of Indian National Rupee (INR) 1000 to 1300 per ton as compared to industry average of 2000 to 2800 per ton for Brown field project, and will sustain the same. Being least cost producer with boosting operational efficiency
Human Capital Development	We also aim at increasing our spending on 'Employee Self Development Programme', through encouraging our young employee pipeline to self-growth Increasing training man-hours and increasing gender diversity
Energy and Emissions	Installation of Waste Heat Recovery based Power Generation unit at JK Lakshmi Cement Ltd., Durg, in addition to the existing 15 MW Plant at Sirohi  Installation of Solar-based Power Generating Plants at Surat, Jhajjar, Kalol, Sirohi, etc., to the tune of about 4 MW in addition to the existing 6MW capacity solar power plant at Phalodi  Will maintain sound mining practices, exploring more aspects related to efficient resource extraction  Increase in utilisation of Alternative Fuels in cement kilns
Occupational Health and Safety	Zero harm and zero fatality
Water Management	Sustaining and aiming towards multi-fold water positivity
Community Development	Increasing spend on social community initiatives Increased efforts towards water management in the society Utilisation of organic solid waste Increased focus on skill development, basic education, health and hygiene, etc.
Customer Satisfaction	Will increase customer connect through digital technology
Supply Chain Management	Will promote sustainable sourcing and product distribution with assessment of vendors for environmental footprint

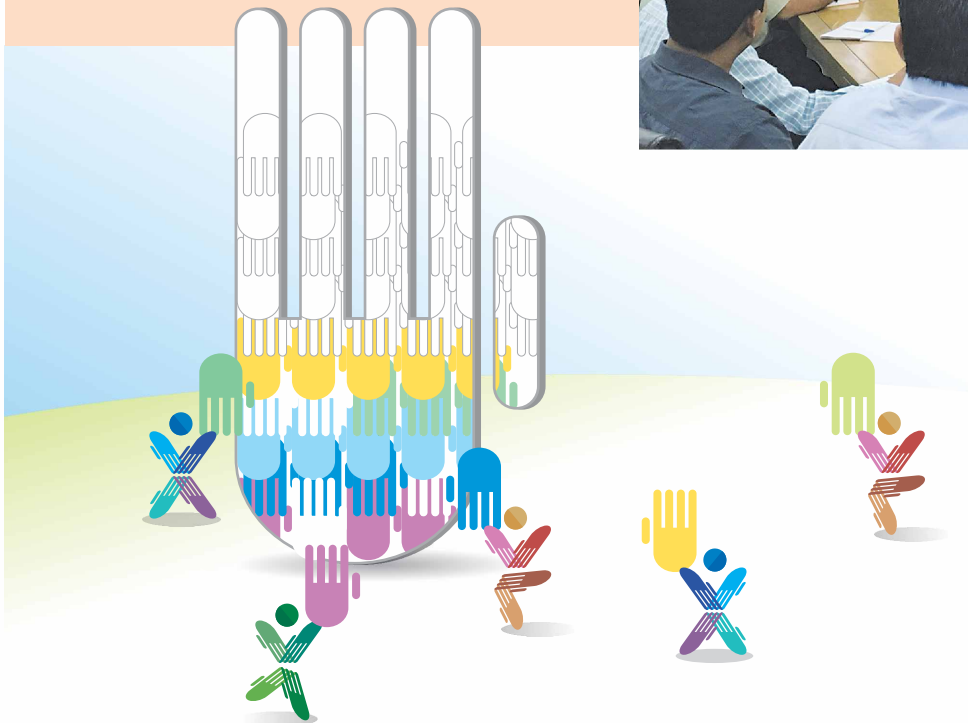
# Colours of Our Family



## Stakeholder Engagement and Materiality

Stakeholder engagement is a critical aspect of JK Lakshmi Cement Ltd.'s sustainability efforts as it provides an opportunity to build effective and long-lasting relationship with stakeholders, including customers, employees, investors, suppliers, NGOs and communities. Understanding the dynamic perspectives of multiple stakeholders has enabled us to develop a more effective material strategy. Over the years, stakeholder engagement has played a critical role in enabling company to execute successful engagement activities in the areas close to our operations. Our engagement has merged the values of business in to what more relation of belongingness.

At JK Lakshmi Cement Ltd., we interact with a wide range of external stakeholders during the year. The nature of stakeholder engagement conducted throughout the year is of a diverse nature as we have deliberated with many external stakeholders on numerous aspects concerning both the organisation and them.





Stakeholder	Internal/ External	Mode of Engagement	Key Concerns and Expectations	Frequency of Interaction (High/Medium/Low)
<b>Key Stakeholders</b>				
<b>Customers</b>	External	<ul style="list-style-type: none"> <li>Annual customer satisfaction survey</li> <li>Customer's supplier recognition/awards programmes</li> <li>Corporate website</li> <li>Marketing campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Ethical and fair marketing</li> <li>Protection of customers</li> <li>Customer communication</li> <li>Product quality and Service</li> </ul>	High
<b>Employees</b>	Internal	<ul style="list-style-type: none"> <li>Project review meetings</li> <li>Monthly meetings</li> <li>Emails</li> <li>Internal training &amp; engagement programmes</li> </ul>	<ul style="list-style-type: none"> <li>Timely completion of projects</li> <li>Career progression</li> <li>Productive work environment</li> <li>Training on health and safety</li> <li>Grievance mechanisms</li> <li>Innovations</li> </ul>	High
<b>Investors</b>	External	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Quarterly meetings</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Timely quarterly reports</li> <li>Matured governance systems</li> </ul>	High
<b>Suppliers</b>	External	<ul style="list-style-type: none"> <li>Project meetings</li> <li>Emails &amp; telephone calls</li> </ul>	<ul style="list-style-type: none"> <li>Technical approvals</li> <li>Technical concerns</li> <li>Fair and accountable business transactions</li> </ul>	High
<b>NGOs</b>	External	<ul style="list-style-type: none"> <li>CSR meetings</li> </ul>	<ul style="list-style-type: none"> <li>CSR action plan</li> <li>Developing effective and strategic interventions</li> </ul>	High
<b>Communities</b>	External	<ul style="list-style-type: none"> <li>CSR interventions</li> <li>General meetings</li> </ul>	<ul style="list-style-type: none"> <li>Execution of CSR interventions</li> <li>Implementation of CSR policy</li> <li>Sustainable development of villages</li> </ul>	High
<b>Regulatory Authorities</b>	External	<ul style="list-style-type: none"> <li>Annual/Half yearly/Monthly compliance submissions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant regulations</li> <li>Cooperating with national and regional policies</li> </ul>	High
<b>Other Stakeholders</b>				
<b>Contractors</b>	External	<ul style="list-style-type: none"> <li>Monthly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Timely development and delivery of job in hand</li> <li>Terms and conditions like general, safety, etc.</li> </ul>	High
<b>Auditors</b>	External	<ul style="list-style-type: none"> <li>OH&amp;S /ISO other audit meetings</li> </ul>	<ul style="list-style-type: none"> <li>Meeting regulatory compliances</li> <li>Identifying opportunities for improvement</li> </ul>	High

At JK Lakshmi Cement Ltd., we conducted a formal stakeholder engagement exercise for the purpose of this report with an objective to gain an understanding of the key expectations from our stakeholders. This stakeholder exercise supplemented and drew upon the ongoing engagement with multiple stakeholders undertaken by the various business functions at the company. More importantly, the engagement exercise revealed a valuable perspective of the internal stakeholders on the identified issues that are material to JK Lakshmi Cement Ltd. Numerous internal stakeholders were invited to the stakeholder engagement exercise carried out at multiple sites, representing diverse functions of the company. From a Corporate Social

Responsibility (CSR) perspective, stakeholder engagement plays an integral part in devising effective strategies for our societal interventions, and company has devised a very effective system to deliver its responsibilities towards the community and the people.

forward to utilise such insights for extra-financial reporting as well as improving strategic planning and operational management.

As a large organisation, we understand that there are wide range of issues that have an ability to impact our business operations. In order to define the content of the report, it was essential to establish a threshold to reduce the range of material issues to a selected few. We at JK Lakshmi Cement Ltd. conducted materiality exercise, where we gathered the inputs from different types of stakeholders of the organisation. Key representatives, such as the Head of the Departments (HODs) from multiple departments and the core sustainability team members were invited for the exercise.

### Determination of Material Aspects

As part of a crucial exercise during capacity building workshops at our various facilities, stakeholder engagement and materiality assessment have helped us to gather insights on the relative important issues pertaining to environmental, social and economic aspects. We look

## Stakeholder Engagement Exercise for Sustainability Report FYs 2014-16

		Key Steps Involved
STAGE 1	Defining Engagement Strategy	Identification of sector specific issues  Developing stakeholder engagement questionnaires for internal stakeholders of JK Lakshmi Cement Ltd.
STAGE 2	Identifying Key Stakeholders Exercise	Plant level sites of JK Lakshmi Cement Ltd. were selected to conduct the stakeholder engagement exercise  Representatives from different functions were identified and invited
STAGE 3	Undertaking Engagement	Stakeholder engagement sessions were conducted at Sirohi, Durg, Kalol, Jhajjar and the corporate office at New Delhi
STAGE 4	Gauging Feedback	Feedback obtained from the stakeholders during the engagement process were documented

The core coverage of the materiality exercise included the main corporate office at New Delhi and all manufacturing sites within the scope of the report - Sirohi, Durg, Kalol and Jhajjar.

**Head Office** - Human Resources and Administration, Accounts, Legal, Supply Chain and Sustainability, etc.

**Operational Sites** - General Administration, Production, Electrical, Mines, Health & Safety, Mechanical, IT, Power & Instrumentation and Environment, P&A, etc.

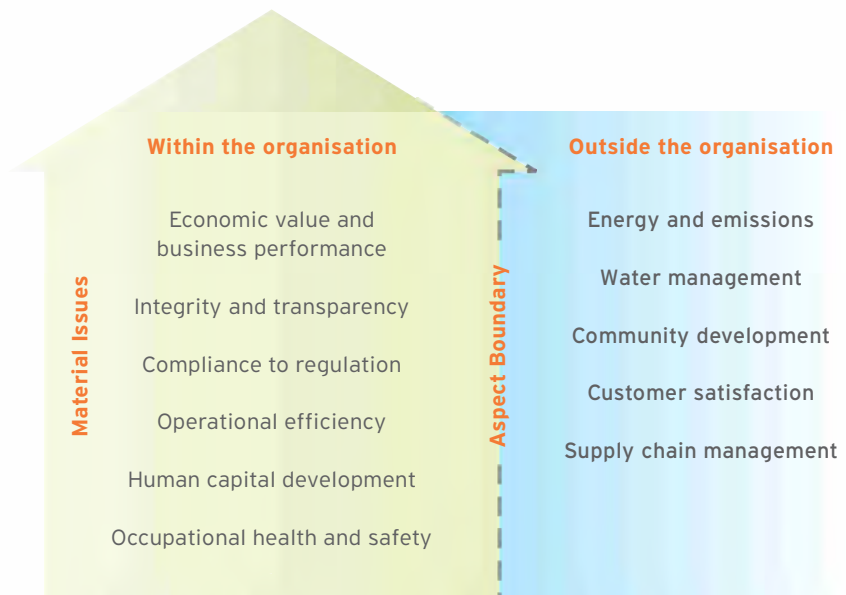
## Prioritising the Material Aspects

Capacity building workshops were conducted at integrated manufacturing units at Sirohi and Durg and at Grinding units Kalol and Jhajjar (internally by sustainability team) on the concepts of triple bottom line for the internal stakeholders of the organisation. The key objective of the workshop was to impart skills and understanding on the principles of GRI G4 guidelines - focused on the principle of materiality.

The process of defining report content entailed the preparation of an applicable list of material aspects. A range of secondary sources were utilised such as the GRI - Sustainability Topics of Sectors, Cement Sustainability Initiative and Peer Analysis for filtering down the material aspects to ensure the pertinence of the aspects to the construction materials sector. The process was concluded with a total of 55 material issues, out of which 11 material issues were shortlisted to be material for the organisation in consultation with the internal stakeholders.

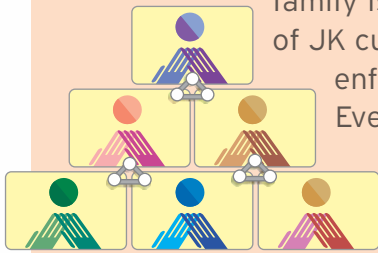
## Boundary of the Aspects

As part of the elaborated materiality assessment, we acknowledged the fact that not all impacts caused from material issues are equal and there may be cases where the impact is caused within the organisation or outside the organisation. We have attempted to segregate the nature of cause from the material issues within the organisation or outside the organisation. The identified material issues are applicable to the main corporate office, and plant sites at Sirohi, Durg, Kalol and Jhajjar. We have not defined the boundary of the aspects in quantitative terms, however, we aim to disclose the same in the reporting cycles as our impact studies become more detailed.



# Human Capital Development

JK Lakshmi Cement Ltd.'s competitive edge is its people. Our employees' dedication, commitment and passion has been instrumental in achieving pinnacle of success we have achieved. Our philosophy of treating our workforce as one big family is one of the strongest aspects of JK culture, driven from the top and enforced from the bottom-up. Every individual working for the organisation is an integral part of our value delivery to the customer.



Company's journey of 35 years was traversed successfully through challenges and achievements due to the pride our people take in their contribution to the business. The constant innovation and quality improvements to the product and processes of manufacturing cement is a way of life that the workforce imbibes at JK Lakshmi Cement Ltd.

JK Lakshmi Cement Ltd., through employee engagement, training programmes and appraisal process, takes extra measures to create the work environment and infrastructure that is conducive for the employees to reach their true potential. It is important to us that not only our employees but their support structure is also happy to be a part of company's growth journey. So, we have engagement initiatives and benefits for the families of our workforce, especially for residential work staff.

## JK Lakshmi Cement Ltd.'s Adhesive - Our Workforce

JK Lakshmi Cement Ltd. has 3057 employees seated across corporate office and plant sites consisting of 3026 males and 31 females as on 31<sup>st</sup> March, 2016. This figure includes permanent employees and contractual staff.

Employee Strength	2014-15	2015-16
Rajasthan	1658	1578
Gujarat	150	165
Haryana	164	169
Chhattisgarh	141	790
Others	325	355
<b>Total</b>	<b>2438</b>	<b>3057</b>





All our employees are full-time employees with no seasonal changes in the workforce strength throughout the year. We have 11 female members of permanent staff in FY 2015-16 as similar to strength in FY 2014-15.

We offer the benefits of provident fund, gratuity and super annuities to all our employees and mediclaim and

accident insurance to supervisor and above. The claim amount is dependent on employee category. We offer maternity benefits to our female employees and none of the employee has availed its benefits in FY 2014-15 and FY 2015-16.

### Work-force details

Category	FY 2014-15						FY 2015-16					
	Less than 30 years	30-50 years	More than 50 years	Male	Female	Total	Less than 30 years	30-50 years	More than 50 years	Male	Female	Total
Leader (GM & above)	0	22	41	62	1	63	0	19	53	71	1	72
Manager (DGM to Manager)	1	147	89	236	1	237	1	141	91	231	2	233
Executive (DM to Jr. Officer)	286	436	112	825	9	834	263	521	118	893	8	901
Non-Supervisors	90	181	206	477	0	477	75	171	207	454	0	455

We are rapidly expanding in terms of cement capacity and production, so it is only prudent that we ensure there is optimal talent pool to support and sustain this growth.



## Training and Talent Development

JK Lakshmi Cement Ltd. strongly believes in grooming and nurturing internal talent. A workforce built over long-term understanding that imbibes the culture, the vision, and the core values of the organisation plays a critical part in growing knowledge base of the organisation. We invest time, effort and thought in developing employee training programmes both technical and non-technical skills to ensure our people can perform to their true potential and work together as a team.

Company's three major focus areas with respect to human capital development are:

- Improvement in the quality of management cadre staff
- Employee involvement including fair process (based on '3E Concept' - Engagement, Explanation and Expectation-clarity)
- Building performance culture to drive change where people take ownership and responsibility

Our various employee engagement initiatives, diverse training programmes and healthy work culture aid us in realising holistic progress in the above focus areas. Our approach to the development of the human capital is gradual cultural

transformation that creates a lasting positive impact than a quick change that has temporary benefits.

Reinforcing our culture of togetherness and harmony for achieving common larger goals is what drives JK Lakshmi Cement Ltd. towards achieving the impossible.

**In line with this sense of togetherness, our training programmes are not just restricted to permanent employees, we also sponsor our contractual staff under self-development scheme for completion of their secondary, graduation or higher education.**

The details of this self-development programme are provided in our economic section.

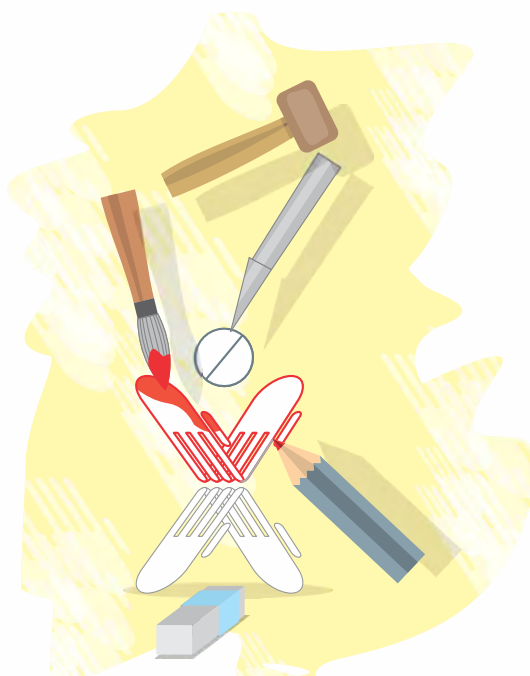




## Leadership Development Initiatives

JK Lakshmi Cement Ltd. strongly believes in developing a pipeline of future-ready leaders. In line with our philosophy of 'Grow Your Timber' we look at internal young aspirants in our Management Cadre Staff for innovative ideas. Whether an employee chooses to stay with us or not, developing strong leaders instead of managers is a lifelong career skill that empowers individuals to achieve brilliance in their respective fields. We particularly focus on under 30 years of age officials, for many of our leadership initiatives, as a long-term vision of talent and leadership development.

We have implemented programmes dedicated for leadership development that approach our philosophy from different angles.



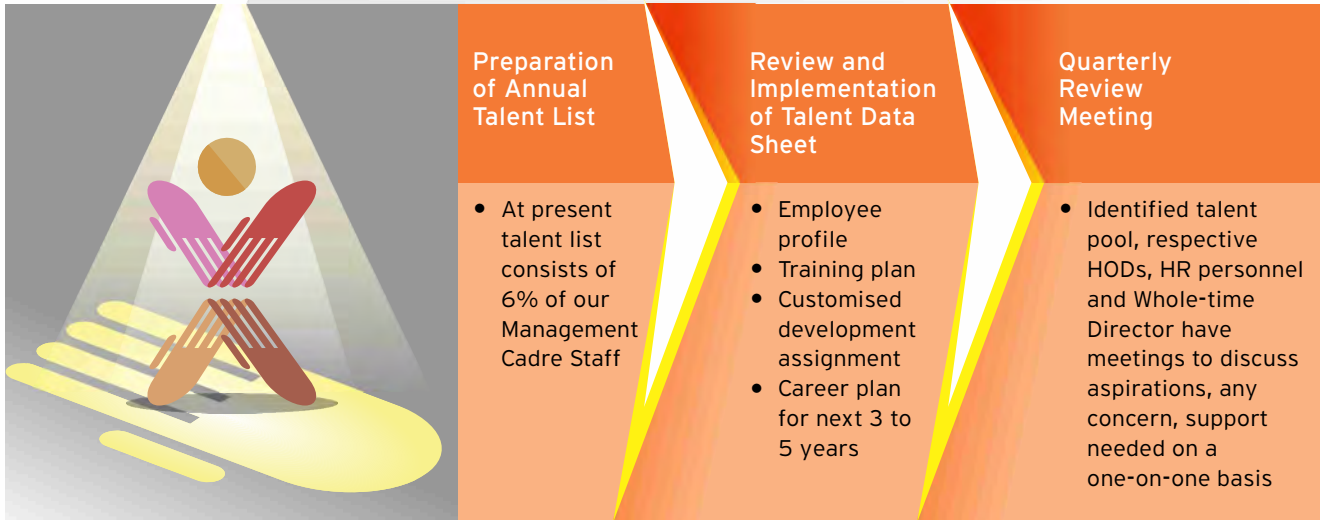
**SPARK:** SPARK stands for **S**timulating **P**assion in **A**chievers for excellence in **R**esults & enhanced **K**nowledge. This is an organisation level initiative that involves identifying talent from different functions and departments. The identified individuals are exposed to a range of experiences to develop a firm understanding of the fundamentals of the business while grooming them on holistic vision of the future of the company. This initiative has direct involvement from Director's level.

**Krishna-Arjuna:** Krishna-Arjuna initiative is at department level where the Head of the Department identifies employees in Management Cadre within the department. The employees identified in this initiative showing promise could also feed into SPARK grooming programme.

**Samiksha:** Samiksha is a in-hand coaching programme developed specifically for marketing and sales staff. The client-facing workforce are brand ambassadors of the Company. Accordingly, we have developed customised programmes for their 360 degree grooming.

# SPARK

## Talent Management Process



To reinforce the leadership development process we have been supporting initiatives such as Succession Planning and 360 degree feedback exercise that ensure the learning takes place off-the-programme and on-the-job as well.

### A. Succession Planning:

We consider the top three levels in the organisational structure as leadership positions. The Managing Director (MD) and Whole-time Director (WTD) levels essentially consists of the Coaches and Mentors. The next level is Functional Heads and one level below is the leadership succession pipeline. These two level being crucial for leadership development and succession are groomed through structured, systematic and planned interventions. The succession management encompasses three levels with at least two eligible successors for each strategic/leadership positions. The two options for each successor includes one from direct line of function as well as cross-functional.

- At the beginning of the financial year, four performance parameters that have quantifiable measurements are developed by HR department in consultation with the superiors of the successor and reviewed by Managing Director and Whole-time Director for appraisal of the selected successors. The parameters are developed and set considering the future roles that the successor would be handling.
- Quarterly review of these parameters for each successor is carried out, and at the end of the year an Action-taken Report is developed for the review of Group Chairman

- As a part of grooming exercise the successors have to also take up short-term live projects in CSR focus areas of adult literacy, especially, women education, AIDS/HIV awareness, felicitation of poor children for good academic performance particularly belonging to weaker sections of our society, etc.

### B. 360 Degree Feedback & Executive Coaching:

We believe feedback is critical for improvement and impactful transformation in any identified talent. Accordingly, as a part of leadership development, 360 degree feedback through reputed agency as well as internal feedback is taken comprising 8 feedback sources - boss, peer, subordinate and internal/external customer of the executive (VP & GM level). Using the collated and analysed feedback, executive coaching of the candidate is undertaken based on expert and modern model encompassing two high impact behaviour. One high impact behaviour is chosen by the candidate's superior and the other one is chosen by the candidate himself. The external trained coach (often a Ph.D. holder) conducts 12 sessions of coaching over 12 months which can be extended to 18 months depending upon the requirements. Feedback from stakeholders is taken to ascertain the effectiveness of the executive coaching.



**Apart from the programme, we conduct activities that test and encourage the employees to apply the learnings of the programme and come up with creative and innovative solutions for various challenges of the business and current industry scenario.**

**1. Strategy Formulation Exercise:**

This group-based simulation exercise involves formulation of strategy (business, market, new business, etc.) based on a case study and a presentation before a jury panel. The winning team is recognised. The aim is to improve competency and prepare the talent for future roles in JK Lakshmi Cement Ltd.'s Strategic Business Plan.

**2. Udaan Competition:**

This initiative seeks to foster healthy creative competition amongst identified talents and high performers of the last five years up to Deputy General Manager level. They have to make a presentation before a jury on pre-determined criteria of conceptual clarity, original inputs and creative content, linkage to practical issues, workable recommendation and action plans, literature survey and data collection including field survey. Finally, the project is judged on teamwork and presentation. Three winning teams are felicitated by the Managing Director.

## JK Organisation (JKO) Project Udaan Presentation Competition

Year	Theme
2009	Making innovation - the JKO Group's DNA for business excellence
2010	Ways & Actions to unleash potential of young talent in JKO for business excellence
2011	Topic 1 - Actions & ways to formulate & implement 'Blue Ocean Strategy' to surge ahead of the competition in JKO businesses Topic 2 - Actions & ways for breaking functional silo mindset & working in JKO businesses
2012	Creating and sustaining an innovation & risk taking culture towards becoming a least cost procedure
2013	Strategy for successfully managing business uncertainties in today's competitive world
2014	Building Organisations for Young India
2015	Building competitive advantage for JKO through innovation & agility



# SPARK

**SPARK INITIATIVE:**  
**Stimulating Passion in**  
**Achievers for excellence in**  
**Results & enhanced Knowledge**



Outbound programme at Jim Corbett



Final Felicitation Ceremony

As an architect of the SPARK initiative and inspiration behind it our Whole-time Director, Shri S K Wali, took an active interest and contributed precious time and attention to the success of the programme. Considering the rigours and long-term goals of the programme, every selected officer was given the free choice whether to participate in the programme or not. The platform provided an enriching median for the officers to share their dreams and aspiration while learning from the experiences and perspective of director-level senior management such as Shri S K Wali.

32 officers were identified under the initiative, of which 23 completed the assessment level 1. As on 31<sup>st</sup> March, 2016, 20 of these officers are onboard with JK Lakshmi Cement Ltd. All the SPARK participants were felicitated by Shri S K Wali in a grand function with the audience consisting of Senior VP (Works), all Head of the Departments & internal faculty of the SPARK programme. The top 3 officers who consistently performed across assessments conducted under SPARK initiative were also recognised.

The SPARK initiative was launched on 30<sup>th</sup> January, 2014 based on the vision and drive of our Whole-time Director, Shri S K Wali. The initiative focusses on the holistic development of young officers to groom them to be leaders of tomorrow.

**JAN  
2014**

2-day External Facilitator Workshop covering topics on JKO Competency Model, Strategic Management, Executive Skills.

**FEB  
2014**

3-day 'Finance for Non-Finance' Workshops covering topics on Elements of the Profit & Loss, Balance Sheet, Analysis of Financial Ratios, Fundamentals of Cash Flow & Fund Flow, Cost Benefit Analysis, Basics of Budgets.

**JUN  
2014**

3-day External Facilitator Workshop covering topics on Organisational Behaviour such as Power of Perceptions, Learning Organisation, Six Thinking Hats, etc. Group discussions were also conducted.

**AUG  
2014**

2-day Internal Faculty as Facilitators for the Learning Process workshop wherein internal senior management staff shared their experiences and conducted lectures.

**SEP  
2014**

2-day appreciation programme on 'Assessment & Development Centres' by Shri. K K Muthu covering topics such as Importance of Learning and Being a Life Long Learner, Sunset Planning Practice, 12 competencies of JK Leadership Competency Model, etc. with some activities such as role play, creativity test, etc.

**MAR  
2015**

3-day in-house Assessment Centre for SPARK Participants; where assessment was conducted through Group Exercise, Presentation, Role Play, Customer Care, Situation Reaction Test, Thematic Apperception Test.

**NOV  
2015**

2-day Outbound Training Programme at Jim Corbett Park. The outbound was a mix of relaxation, networking and tests for assessment.

**JAN  
2016**

4-day SHL Corporate Assessment.

## Employee Performance and Talent Retention

JK Lakshmi Cement Ltd. started My Exclusive Time (MET), a quarterly interaction designed for the employees wherein an HR personnel meets employees personally at their work areas and tries to understand the pain and pleasure points. The feedback of the meeting is shared with the HODs and Business Heads for taking necessary action.

To create a work culture of ownership and excellence at JK Lakshmi Cement Ltd., regular performance appraisal is a critical tool that is used by appraiser and appraisee to set expectations and aim for a collaborative career path that benefits both. The appraisal mechanism offers the organisation an excellent opportunity to convey to the employee the value and addition, their

contribution generates, to the business function. The process of attribution creates a sense of accountability and achievement that can assist in setting and achieving challenging goals that lead to a motivated and engaged employee. The company's HR policies and processes define objective of an appraisal process as below:

- To manage performance and align individual objectives to business objectives
- To help the appraisee to give his / her best performance by focussing on major value adding results
- To promote objectivity in performance assessment & rewards
- To help him / her become aware of his / her strengths and to build on these. This is also meant to bring some areas for improvement to his / her attention

### My Exclusive Time (MET)

This quarterly programme is designed for the employees wherein HR personnel meets employees personally at their work areas and tries to understand the pain and pleasure points. The feedback of the meeting is shared with the HODs and Business Heads for taking necessary action.



All of our employees undergo appraisal. The employees who fall outside the appraisal period are covered in the next appraisal cycle



#### Employees Receiving Regular Performance Feedback

	FY2014-15		FY2015-16	
	Male (Nos)	Female (Nos)	Male (Nos)	Female (Nos)
Leader	62	1	71	1
Manager	28	1	231	2
Executive	825	9	893	8

## Industry-Academia Relationship

Company has been regularly exploring options to develop and strengthen industry-academia relationship by providing 4-6 months summer internship to the graduates and full 1-year project internship to the post graduate students from various universities of repute like IITs, Nirma University, etc. Projects that students undertake are on automation, IT, mechanical, electrical, etc.





JK Lakshmi Cement Ltd. believes that an engaged employee is a productive employee. Hence, to understand employee engagement levels and delight areas, we conduct Employee Engagement Survey and review every two years through an external agency. We engage the services of M/S. TNS India Pvt. Ltd. based in New Delhi for measuring the strength of the employee relation with the organisation. The agency has developed a **TRI\*M** index which is a single score to measure and display the commitment and engagement of the employees of the organisation.



The score of 92 puts JK Lakshmi Cement Ltd. head and shoulders above the average top 10% of Indian organisations' performance score of 67. Based on the findings of the survey and recommendations of the agency, the top management works on initiatives to increase the employee engagement levels by working on the pain-points or bottle-necks.

## Employee Engagement Initiatives

### Open House Communication Meeting

Communication Meeting is a channel in which each and every employee has the opportunity and accessibility to interact with top management as the meeting is chaired by Whole-time Directors. Every year, 10 communication meetings are organised at Corporate Office, Marketing Zones and Factories wherein one meeting each at Corporate office and Factory is addressed by the Managing Director while 4 other meetings each at Corporate Office, Marketing Office/s and Factory are addressed by our Whole-time Directors/Chief Executive (Works). In this meeting the MD/WTDs/CE (Works) shares the major highlights of the company's financial positions and the challenges

and achievements of the Company. Employees are also asked to think of the possible solutions of the challenges and give their advices, suggestions to the management which they feel is important and beneficial to the company. Every suggestion being given by the employees are noted and critically evaluated by the team and the best suggestions are implemented. This gives a feel of belongingness to the employees that they and their advices are very important to the company.

### Quarterly In-house Magazine

We bring out three quarterly magazines. "Shilalekh" (English version circulated outside the company) (<http://www.jklakshmicement.com/media/newsletter/>) captures all the major events of the company held during the quarter and is distributed to all the employees, dealers, associated partners, etc. With this other in-house periodic magazines

viz. 'Lakshmi Darpan' of Unit Sirohi (in Hindi) and Parikranta (English e-Magazine) of Unit Kalol are also released and shared with the stakeholders.





# Coffee with VCMD



Leadership communication and interaction is one of the most powerful tools of motivating, inspiring, engaging, leading and retaining employees, especially the high calibre talent. Young employees (up to the age of 35 years) are often the executors of business strategies and action plans. Providing the frontline candidates with opportunity to directly interact with the Vice Chairman - Managing Director(VCMD) of the company on one-to-one basis increases their engagement and understanding of the broader vision of the organisation. The initiative is intended to bring the frontline young Employee in the close strategic radar of the VCMD with a view to elicit their views, suggestions and aspirations on 'doing the right thing' for the company to take it to the pinnacle of excellence in a global era where uncertainty, intense competition and change are ruling the roost of business.



The initiative seeks to attain the following objectives:-

- Align goals of the employees with that of the company
- Achieve deeper insight into strategic issues or emerging problems
- Effectively engage and inspire employees to come up and put-in their very best
- Enhance leadership development at middle and frontline levels
- Increase commitment, loyalty and retention of employees
- Create a participative forum for employees to take pride in the company, its culture, values, vision and mission
- Accelerate high potential development
- Facilitate bonding of the company/leadership with the employees and their family

## Health and Safety

In the contemporary industrial setup, the modern day corporation is said to have a moral as well as a legal responsibility to look after the health and safety of its employees. The idea is to promote and maintain the physical, mental, and social well-being of its workers to the highest degree, so as to improve workplace efficiency and output. At JK Lakshmi Cement Ltd., we strive to provide safe environment and fruitful opportunities to our workforce to undertake productive and meaningful work. By incorporating the fundamentals of Occupational Health and Safety (OHS) among our corporate responsibilities, we intend to enhance our business performance in a sound and responsible manner.

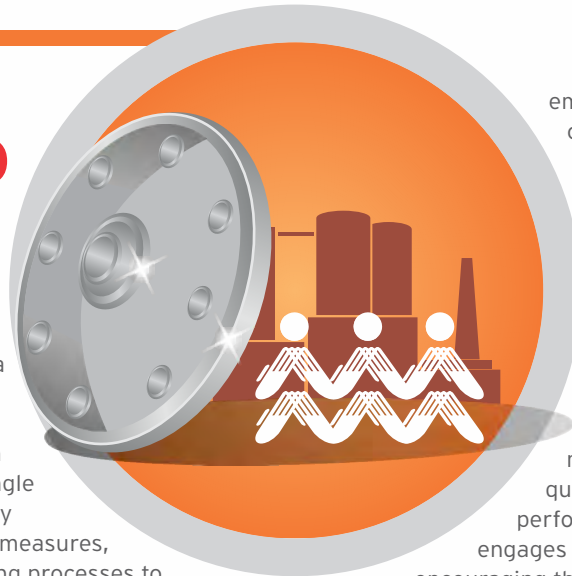
Health and safety is one of the key dimensions of the corporate sustainability umbrella of JK Lakshmi Cement Ltd. We believe that by establishing good Health and Safety practices in the workplace, a business is likely to have a higher number of motivated and productive employees, lower absenteeism rates, fewer business disruptions, and lesser outflow of contingency costs. At JK Lakshmi Cement Ltd. ensuring health and safety in operations, is the responsibility of not only various Unit Safety Officers, but also of each and every employee.



## Our Safety Vision - Vision Zero

In order to minimise the risks associated with a hazard, it is important to introduce effective prevention and mitigation measures. Our 'Vision Zero' strategy promotes a culture of prevention of hazards and adds commitment to safety for all employees at the workplace. Through incorporation of the belief that no single accident is acceptable, this philosophy provides a basis for taking proactive measures, learning from accidents, and improving processes to avoid accidents in the future. For safe execution of operations at the workplace, company has implemented the following control measures:

- Management Controls, include strategy formation and development of risk mitigation measures for ensuring health and safety in different domains of manufacturing operations. All our manufacturing units under the reporting boundary are certified under OHSAS 18001. We have also formulated a companywide OHS policy which lays out guidelines and safety norms for all



employees, permanent and contractual workers, and other agencies involved on our premises. The management is also involved in continuous monitoring and assessment of OHS risks, and corresponding methods of elimination or reduction. The company's Board of Directors reviews the safety performance of each manufacturing unit on a quarterly basis for assessment of performance. The management engages with employees by actively encouraging them to report health and safety concerns, and soliciting inputs on how to address these.

- Operational Controls, essentially comprises training and awareness programmes for employees and contractors, regarding various aspects of safety in manufacturing operations. Our Units also conduct regular safety audits of different plant sections by cross functional teams comprising employees from different departments to ensure compliance to standards and efficiency in operations.

Safety of our employees is of fundamental importance to our organisation. At JK Lakshmi Cement Ltd., we have constituted safety committees across all our units, comprising equal representation from management as well as non-management staff members. These committees are responsible for overseeing on-the-job safety of employees and their general physical, mental, and social well-being. 100% of our workforce across all units is represented in the safety committees. The composition of these committees across various units is as under:

### Composition of Safety Committees at JK Lakshmi Cement Ltd.

Location	Name of the Committee	Level of the committee	No. of members during 2014-16	
			Non-management	Management
Sirohi	Apex Safety Committee	Plant Level	33	33
Durg	Apex Safety Committee	Plant Level	16	16
Kalol	Plant Safety Committee	Plant Level	5	5
Jhajjar	EHS Committee	Plant Level	6	6







## Best Practices - Innovating Safety

### SAP Integrated Behaviour Based Safety (BBS)

JK Lakshmi Cement Ltd. has created a comprehensive safety partnership between its management and employees through the incorporation of SAP Integrated Behaviour Based Safety (BBS) system at Mother Unit Sirohi. The BBS system provides a platform to management for interpretation, exchange, and benchmarking of information pertaining to safety performance of the company's employees. Through integration with the organisational SAP system, BBS has facilitated accessibility of data and its communication across different channels in the organisation, simultaneously enabling us to take better strategic decisions.

### Real-time Status Monitoring of Fire Protection Equipment - Technology for Health & Safety

To ensure prompt response against fire hazards, we use a state-of-the-art SAP integrated system for ensuring healthy and ready-to-use condition of fire alarm system, fire hydrant, and fire extinguishers. To retrieve information of equipment status and operational parameters in a prompt manner, various fire protection devices have been laced with RFID tags. In this system, the Safety Officer can quickly identify various equipment and machine records in the SAP system, and their corresponding status in a short time, so as to provide rapid action against the emergency. This avoids manual activities such as filling of inspection check sheets, compilation of data, circulation of inspection reports, and follow ups, thereby saving substantial amount of time and efforts.

### Next Step: Safety Visit Mobile App

In order to comprehensively capture any unsafe conditions at the workplace, JK Lakshmi Cement Ltd. has developed a mobile application for reporting of such instances. Employees can install this application on their smart phones, capture photographs of the dangerous work circumstance, and communicate its details directly to their respective Head of Departments. In turn, the concerned HoD reviews the case and designates the responsibility of rectification of the issue to respective Section Head. The Section Head further coordinates with concerned team members to address the issue and restore safe operations within a stipulated time frame. This feature leads to rapid circulation of information to the responsible personnel and ensures prompt action and continued safety in operations.





The following table gives an account of the Health and Safety performance of JK Lakshmi Cement Ltd. during the reporting period.

**Health and Safety figures for workforce at JK Lakshmi Cement Ltd.**

Description	Unit	2014-15	2015-16
Injuries	Nos.	0	2
Injury Rate (IR)	Per million man hours worked	0	0.214
Occupational Disease Cases	Nos.	0	0
Occupational Disease Rate (ODR)	Per million man hours worked	0	0
Lost Days	Nos.	0	6093
Lost Day Rate (LDR)	Per million man hours worked	0	650.46
Absenteeism	Nos.	0	0
Absentee Rate (AR)	%	0	0
Man Hours Worked	Hr	8589064	9367184
Fatalities	Nos.	0	2

None of our employees are engaged in activities having a high incidence or high risk of specific diseases. Although workers involved in packing plant operations at our manufacturing units are exposed to dust, we have provided adequate ventilation in the packing assembly with latest and highly efficient dust collection and filtration mechanism, to reduce their exposure. We provide various Personal Protective Equipment such as masks, gloves, boots, and helmets to our workforce so as to ensure their safety in daily operations.

At JK Lakshmi Cement Ltd., we have devised an innovative way of promoting safety awareness by organising '**Open Gate Safety Meetings**' on the first day of each month, conducted by the Safety department. These gatherings are attended by employees, contractors, and drivers, and comprise speeches and demonstrations by staff and workers on aspects of workplace safety. Employees are awarded tokens of appreciation for categories such as "Best Safety Practitioner of the Month" and "Best Safety Suggestion" under the Plant Safety Suggestion Scheme.

In order to promote a culture of safety across all departments at our manufacturing locations, the Plant Safety Officer delivers a daily on-site Toolbox Talk prior to commencement of operations. The officer prescribes various guidelines about the safe use of tools and machinery. This also gives a platform to employees to raise their concerns regarding any issues which might persist in the operations. We also use a safety procedure known as **LockOut-TagOut or LOTO** to secure potentially risky machines for prevention against accidental startup. This facilitates safety in daily operations as well as protection during maintenance and servicing of machinery.

We have also established 'Safety Parks' and 'Safety Galleries' at our manufacturing locations. Safety related risks and warnings are portrayed in these galleries through various posters and drawings on display. At these parks, each new joiner undergoes a safety training session under which he / she is familiarised to the use of Personal Protective Equipment. New joiners are also provided training through physical demonstrations for working at heights and with other plant machinery and equipment. An

example of our commitment to resource efficiency can be witnessed in these parks, as they are constructed using discarded and waste derived materials.

Creating awareness in the society is an integral aspect towards ensuring sustainability in health and safety of our workforce. We strive to increase societal awareness towards safe work and lifestyle habits through involvement of young school students and residents of nearby villages in various celebration activities such as 'Road Safety Week', and 'Fire safety Week', among others.

We have also developed an innovative e-Learning portal to acquaint our employees with relevant aspects of workplace safety and day-to-day operations. Users can access a variety of learning modules from this portal, and track their year-round progress against the curriculum provided. To demonstrate comprehensive application of the knowledge acquired through these modules, the users can create self-paced and personalised activity plans and submit to respective HoDs for approval. This learning portal has enabled a substantial improvement in the technical proficiency of our employees.

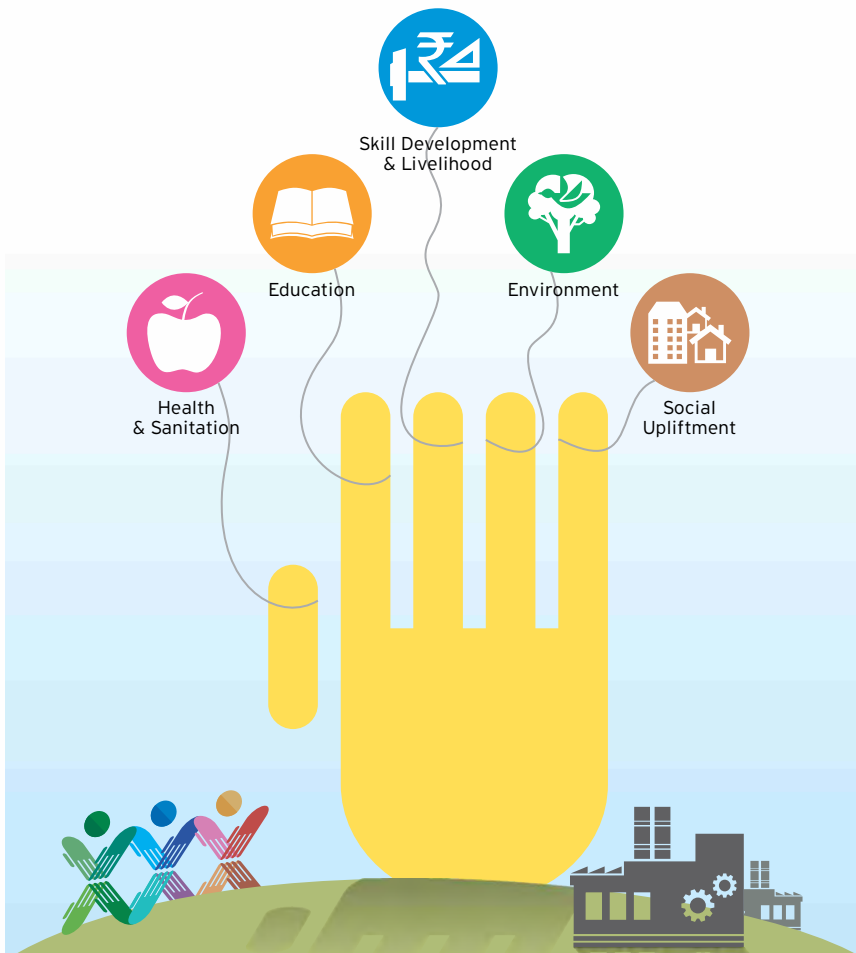


# Local Community Development

Large corporations such as JK Lakshmi Cement Ltd. have the ability to socially and economically influence the regions surrounding its organisational premises. Embracing the 'Corporate Social Responsibility (CSR)' remains at the heart of the company's business strategy. This realisation has given our organisation a great opportunity to systematically develop needful CSR interventions within the regulatory framework of the Companies Act.

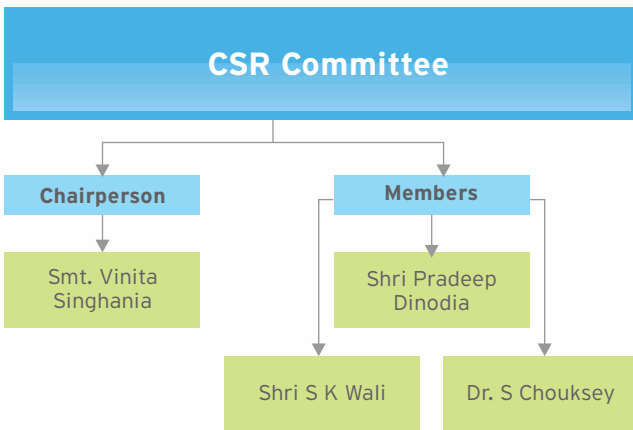
At JK Lakshmi Cement Ltd., we are committed to create environmental and socio-economic value in society by responsibly utilising the resources we have at our disposal. This means adopting an effective Corporate Social Responsibility (CSR) approach to implement multiple interventions in the surrounding regions of our organisational premises. For many years, we have been undertaking initiatives for the welfare of the underprivileged sections of inhabitants in the areas in close proximity to our plant locations.

## Key Areas of Intervention



## CSR Governance

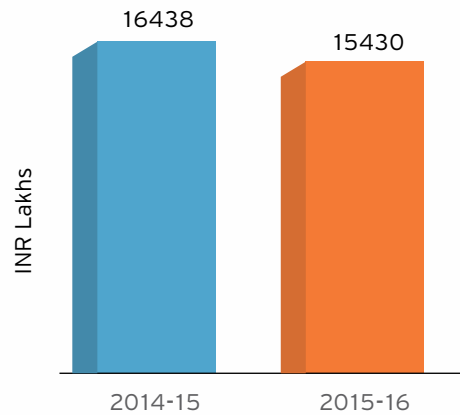
We pursue the creation of long-lasting impacts through our CSR activities, along with meeting the regulatory compliances, as an integral part of our planning. The CSR committee at JK Lakshmi Cement Ltd. comprises four members, where the key roles of the committee are to formulate and recommend CSR activities to the Board, the amount of the expenditure to be incurred on those activities and to monitor the CSR policy on a timely basis.



## CSR Interventions and Expenditure

It is mandatory for our organisation to undertake interventions as prescribed in the thematic areas of Schedule VII of the Companies Act 2013. This entails making a mandatory spend of 2% of the average of net profits of the last three years on CSR and collaborating with NGOs to implement projects.

### Average Net Profit



NGO: Non-Government Organisation

## CSR Compliance

### CSR Policy

The CSR Policy at JK Lakshmi Cement Ltd. is in compliance with the Section 135 of the Companies Act and in accordance with the CSR rules of the Ministry of Corporate Affairs

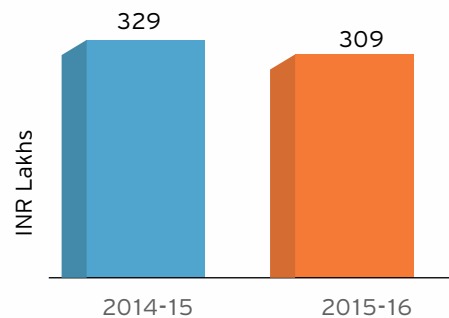
### Activities and Budget

JK Lakshmi Cement Ltd. will undertake CSR activities as defined in the Schedule VII of the Companies Act

### Governance of the CSR Policy

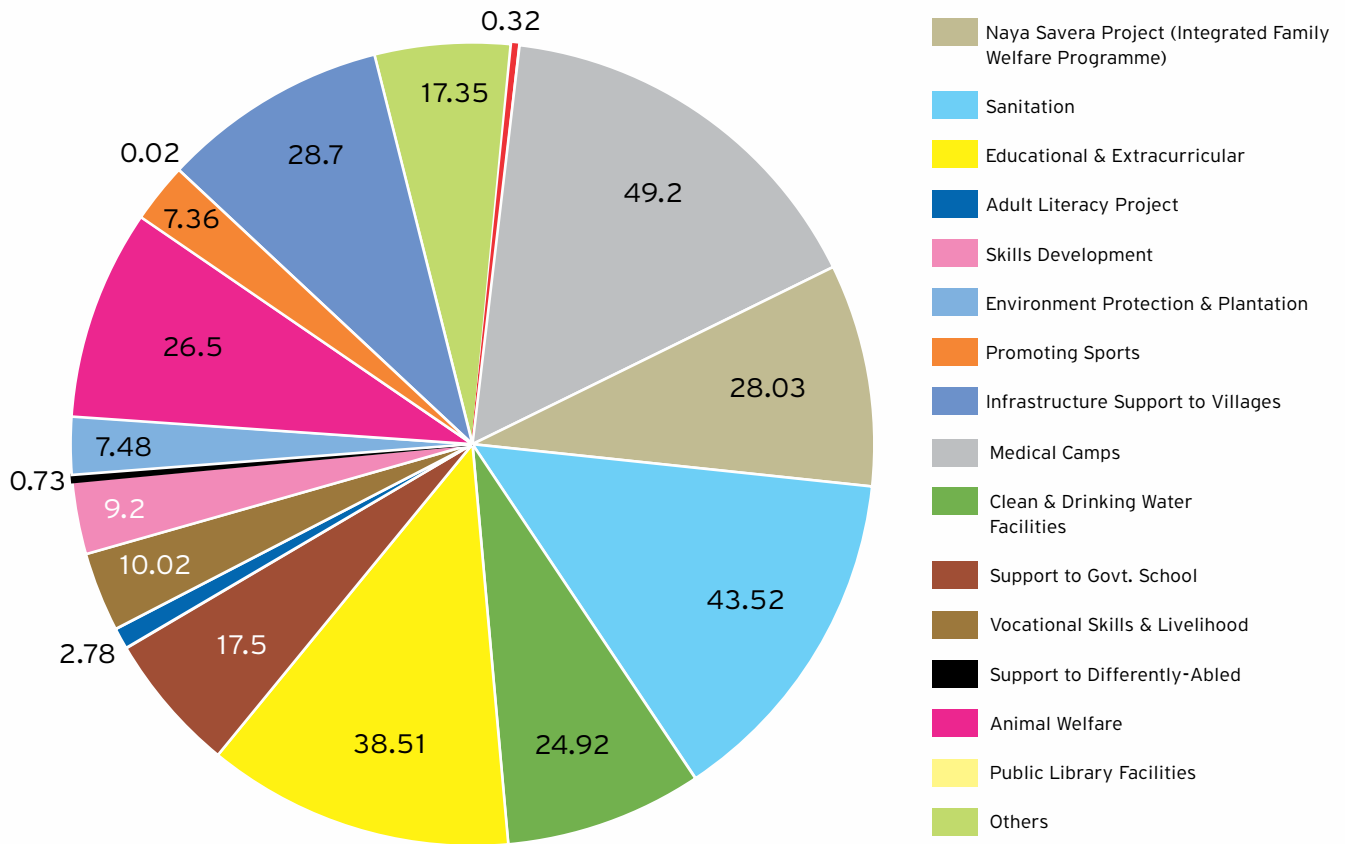
JK Lakshmi Cement Ltd. will implement a governing mechanism to oversee the implementation of its CSR Policy

### Prescribed CSR Expenditure





**Expenditure (INR Lakhs) on CSR Interventions: FY 2015-16**



It is projected that India will surpass China in terms of population and it could touch 1.45 billion<sup>1</sup> by 2028 - becoming the most populated country in the world. The majority of India's population would be in the working age group, however it is estimated that approximately 168 million people in India would be in the geriatric age group by 2026<sup>2</sup>. It would be essential that a healthier population is nurtured in order to leverage the demographic dividend of our country. The corporate sector can play a significant role in filling the gap in the healthcare delivery to the citizens of India along with other essential aspects such as education and social upliftment. Since their inception, our units has been continuously working towards upliftment of society, through various programmes under various sections as:

<sup>1</sup>Source: United Nations

<sup>2</sup>Source: United Nations

### A. Health and Sanitation

Health and sanitation has been identified as one of the core areas of interventions. During the reporting period, over 1100 smokeless cooking stoves were provided to the villagers who are residing in close proximities to Sirohi and Kalol Plant. These cooking stoves were provided at subsidised rates and have prevented health hazards by successfully replacing the traditional mouth-blown 'Chulhas'.

We have constructed many lavatories in government schools and have ensured that government girls schools are equipped with sanitary napkin vending and incinerating machines, providing complete social management system.

### B. Education

Education has been identified as an important thematic area in creating a long-lasting positive impact on the society. Under the thematic area of education, it is necessary to identify multiple parameters for ensuring the longevity of impacts at the ground level. For example, we have identified 'Adult Education' which is focussed on providing educational options to adults who passed the age to receive formal education. Through adult education, beneficiaries are provided with access to teachers in order to receive vocational education and basic literacy education.

### C. Skill Development and Livelihood Intervention

Interventions on skill development and livelihood improvement have been carefully designed to instil life-oriented skills to communities to help them overcome environmental and social barriers. We continuously seek to execute effective interventions to boost the living standards and the overall economic status of the underprivileged communities.

### D. Other Initiatives

1. Adoption of Govt. Community Health Centre at Pindwara, Sirohi, and providing facilities like repair, maintenance, water cooler, ECG machine, BP Instrument, etc.
2. Construction of bus stand with water facility, water tank for animals, construction of water ponds, installation of solar pumps for the villagers, etc.
3. Free veterinary camp at nearby villages where specialised veterinary doctor and support staff are engaged for the veterinary camp. So far total 790 animals have been enrolled in these camps at Durg unit
4. Educating Teachers of Government Primary Schools on Environment Sustainability by the Experts
5. Sports equipment distribution and organising various sport competitions in nearby government schools around all the units
6. Installation of street lights at village Moti Bhojan at unit Kalol
7. Massive plantation activity by all the manufacturing units in the nearby villages and government schools, boosting environment sustainability

<b>A</b> Key Activities	Number of Beneficiaries	Geographic Coverage
'Naya Savera' since 2004	~80,000	Sirohi
Health Camps (villagers+masons)	19,329	Sirohi/Durg/Marketing areas
32 Workshops on HIV/AIDS Awareness	1622	Sirohi
Expert recommended staple food to MDR-TB Patients	20	Kalol
Physiotherapy to differently-abled students	80	Jhajjar
Dental Check-up Camps	3830	Kalol
	110	Ambikapur
Other Specialised camps ( Pediatric Camps, Gynecological camps, Diabetic Camps, etc.)	282	Durg

<b>B</b> Key Activities	Number of Beneficiaries	Geographic Coverage
Adult Literacy Centres since 2004	885	Sirohi/Durg
Library Facilities	21 Government Schools	Kalol/Durg
e-Learning Sessions & Computer Literacy Centre	600	Durg/Jhajjar
'Project Aarambh' Admission of drop-out students activity since 2008	114	Sirohi
Hostel Accommodation	14	Sirohi

<b>C</b> Key Activities	Number of Beneficiaries	Geographic Coverage
Sewing Training Programmes for women	263	Sirohi/Jhajjar/Durg
Providing vocational assistance to SHGs	180	Sirohi/Jhajjar/Durg
Mobile Repairing and Training	28	Sirohi
Beauty Parlour Training	25	Sirohi

Interventions in relation to skill development with development of Self-help Groups (SHGs) include:  
 1. Phenyl Making Unit 2. Spice Grinding Unit 3. Paper Plate Manufacturing 4. Broom and Mat Making









# MOR SANGWARI | मोर संगवारी

Improving Women Sanitation



Majority of the Indians lack access to modern sanitation facilities. The lack of effective public health services predominantly contribute to the unhygienic environment - making children and the women the most vulnerable. The lack of access to health services in densely populated areas has become a root cause of diseases.

## Key Challenges

- Open defecation
- Inaccessibility to modern sanitation
- Poor health-care facilities

## Our Intervention

- Low-cost sanitary napkin manufacturing unit

The company has undertaken numerous initiatives to raise awareness on the importance of hygiene of women and girls. A low-cost sanitary napkin manufacturing unit was established. Furthermore, a self-help group of seven local women was formed, to whom relevant trainings were provided on the manufacturing of sanitary napkins

## Key Highlights

		
Sanitation Programmes	Construction of Toilets	Sanitary Napkin Machines

## Geographic Coverage

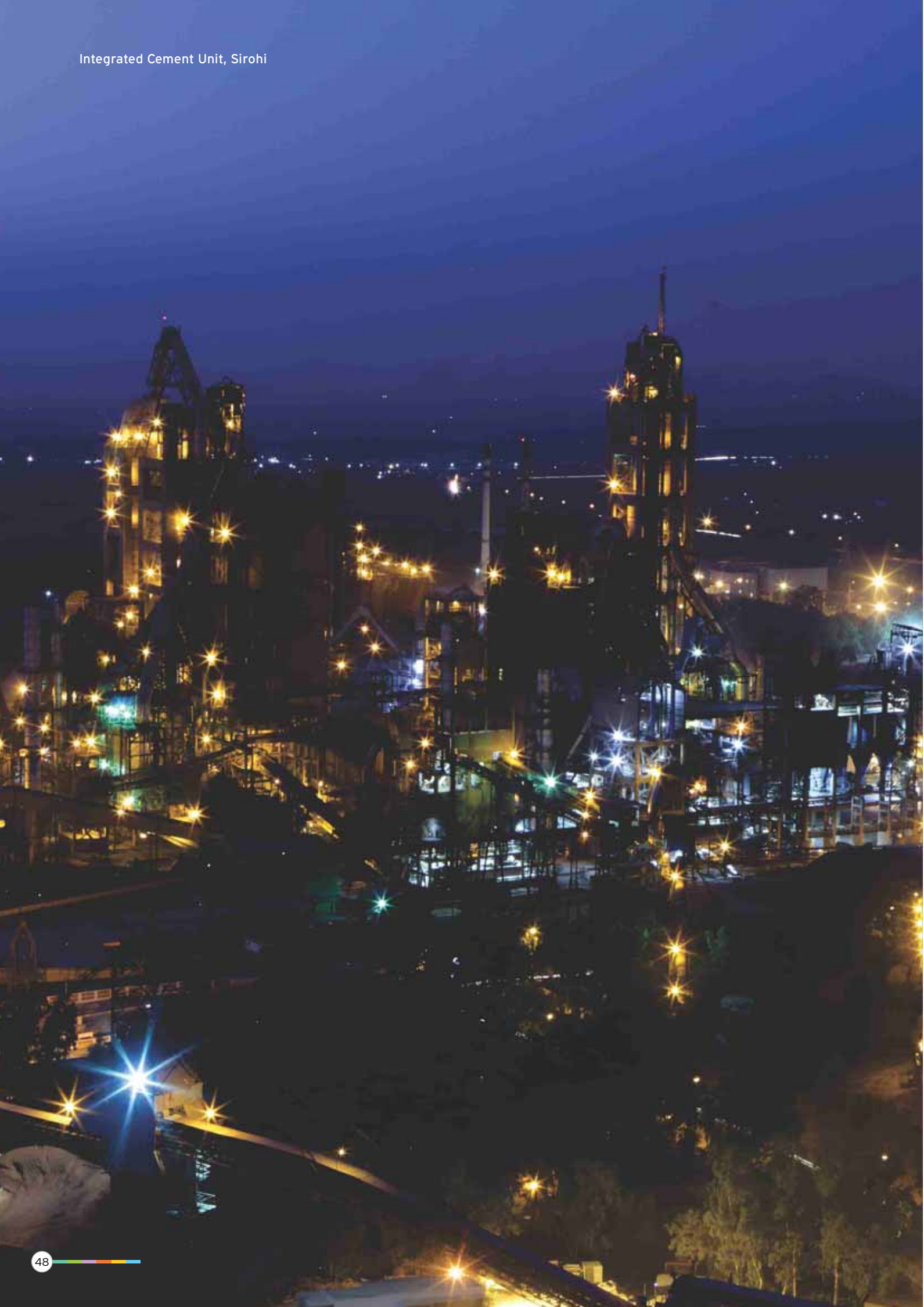


## Key Objectives

- To improve the health status of women
- To provide the hygienic environment to women
- To create awareness on women health, hygiene and sanitation

## Timescale

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓





# ZHOLA LIBRARY | झोला पुस्तकालय

Doorstep Accessibility to Libraries



Following the motto of our late President A.P.J. Abdul Kalam, unit took an initiative to educate the people in the society, through innovate concept of “Zhola Library” that is ran by School students.

## Key Challenges

Villagers - especially women are unable to get adequate education due to prevailing household responsibilities

## Our Approach

- A group of volunteers/students go to the doorstep of the residents to offer books
- Books are formally issued and a log book is maintained
- Re-collecting books from the villagers after a fixed time period and re-issue to different residents

### Direct Benefit

- Increased education among housewives, old age, elder people of villages
- Enhanced Literacy

### Indirect Benefit

- Better understanding
- Increased self confidence

### Geographic Coverage



## Key Recognitions

- Hon'ble Education Minister of the Gujarat state Shri Bhupendra Singh Chudashma
- Shri Arvind Agarwal (IAS, Additional Chief Secretary to Govt. of Gujarat, Gandhinagar)
- Publications like News Bulletin of NIOS
- Appreciated by the stakeholders



Knowledge is Power,  
Education is Gift



## Key Recognitions

- From time to time our interventions of CSR have been recognised and acknowledged by external bodies, we consistently work towards maximising our efforts in this regard. We look forward to executing more interventions under government schemes, replicating best practices from other plants, encouraging entrepreneurship and employee volunteering.
- JK Lakshmi Cement Ltd., unit Sirohi has been nominated to the District Health Committee as a Member for its remarkable CSR activities in the area.
- On 16<sup>th</sup> August, 2015, District Government Authorities related to Swachh Bharat Mission recognised toilets constructed by the company at Rampura village as a 'Model Toilet'.
- JK Lakshmi Cement Ltd., unit Sirohi was rewarded on 15<sup>th</sup> August, 2014 at Sub-Division Level Function for providing support to better services through adoption of Community Health Centre, Pindwara under PPP Model.
- The Government of Chhattisgarh has appreciated the efforts of JK Lakshmi Cement Ltd. towards improving women sanitation and has taken the decision to install the vending machine and incinerator at all Government Girl Schools.



Rashtra Vibhusan Award 2015  
Gold for Project on Education

Jhajjar

Environment Excellence Gold Award at  
Global CSR and Environment Conference  
held at Chandigarh, Punjab

Durg

Global CSR Excellence and Leadership  
Awards for Best Innovative CSR Project  
in Hygiene & Sanitation

Durg







## NAYA SAVERA | नया सवेरा

An Intervention on Health and Hygiene

As a part of our CSR initiatives, we have been implementing an 'Integrated Family Welfare Programme' to serve our nearby communities. From this intervention, we look forward to meet the high expectations of the local communities

by extending robust medical services. The underlying intention behind this intervention is to improve the health status of the backward tribal population.

### Key Objectives of the Project

**To improve the health status of women and children through two key pathways:**

- Government schemes
- Promote community participation

To provide access to mobile clinics

To promote family planning methods by making informed decisions

To facilitate awareness programmes for adolescents for responsible parenthood

### Services Provided

- Full Antenatal Check ups
- Door-step Post-Natal Checkups
- Preparing for Birth Plan
- Consultation and medicines for routine ailments
- Family Planning, counselling and providing spacing products
- Routine immunisation in collaboration with Government staff
- Child Growth Monitoring and Surveillance
- Adolescent Life-skill Education
- Awareness activities on RCH (Reproductive and Child Health) issues
- Household visits by Project staff
- Stakeholder meetings
- Saas-Bahu Sammelans / Mahila Mandal Meetings
- Health Melas / Free Medical Camps
- Cultural Programmes (Kala Zattha)
- Adolescent Awareness Programmes
- Mass Immunisation Programmes
- Village Health Committee Meetings

### Key Impact Made

- 35 villages and 55 hamlets
- 80,000 population
- 8000 eligible couples
- 70% tribal community
- 30% SC, OBC and General population

### Beneficiaries

Beneficiaries of Medical Camps (July 2004 to December 2014)

- Total medical camps conducted - 4,355
- Total household visits conducted - 29,230
- Total antenatal checkups done - 9,248
- Total post-natal checkups done - 7,677
- Total general patients screened - 50,024
- STD patients screened - 567
- Children under 5 years screened - 12,345

SC = Schedule Caste, OBC = Other Backward Classes, STD = Sexually Transmitted Diseases

### Linkage with Government Programmes



Mass Immunisation Camp



Treatment Camp



Growth Monitoring Camp



Grampanchayat Meeting

## Success - Customer Delight

JK Lakshmi Cement Ltd. has built a business that is customer centric. We believe in going the extra mile for our customers as we cherish the long-term relationships we nurture with our clients. We measure our success through consistent customer retention and brand loyalty that our products enjoy in the market. Our adherence to our Mantra of 'Customer First' has ingrained values that puts us at platform of one of the Most Trusted Cement Brands of the Nation.

We work on continual quality improvement and innovation to drive our product offerings to the best-in-class standards on the market. We believe our product durability and reliability are the best salesmen of JK Lakshmi Cement Ltd. and help us in retaining customers. So we focus tirelessly on improving every facet of the product, including quantity and quality of input resources and the manufacturing processes that enable us to deliver value to our customers. To us, JK Lakshmi products are a tool to empower our customers in building infrastructure of the future. We value the trust our customers place in us and ensure our product and service offerings deliver on the customers' faith reposed in us.

### Product and Service Range

Our constant efforts for improving operational efficiency is reflected in our products. We believe in catering to the clients' specific needs by providing them choice and variety in the products we offer. We aim to be recognised in the market and in customers minds as the complete service provider for construction material. With market conditions expected to improve this year, we are ready with our capacities to successfully cater to the need of the customer, in both rural and urban markets.

**JK LAKSHMI**  
**PRO+**  
**C E M E N T**

**JK LAKSHMI**  
**C E M E N T** 

**JK LAKSHMIPLAST**  
**PLASTER OF PARIS** 

**JK LAKSHMI**  
**Power Mix**  
**READY MIX CONCRETE**

**JK SMARTBLOX**  
Autoclaved Aerated Concrete

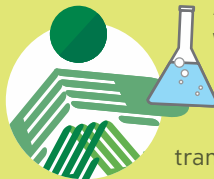


## Delivering Quality and Durability

JK Lakshmi PRO+ was launched in 2014 as a result of a customer market survey conducted to gauge the customer pain points and preferences. The product was designed based on the results of the survey and developed by a cross-functional team of highly qualified experts of JK Lakshmi Cement Ltd. within a duration of 10 months. The product we developed, keeping customer experience in mind, offers 7+ benefits to the customer, which includes superior durability and strength. The product has been so well received in the market that in 2015 we launched the JK Lakshmi Platinum Portland Slag Cement with 10+ benefits in the premium segment.

## Delivering Green Innovation

Through in-house Research and Development, JK SMARTBLOX was conceptualised. Traditional bricks use cultivable top-soil and require substantial energy during its manufacturing process; while JK SMARTBLOX is manufactured using fly ash, a waste product and is manufactured using world-class European Technology with minimal energy requirement. This green product weighs less, is larger and easier to use with its unique tongue and groove feature, compared to traditional bricks. Construction projects can therefore be completed faster and at lower costs through utilisation of these blocks. The product has been designed keeping environmental footprint in mind throughout the product life cycle. Accordingly, due to the superior thermal properties of fly ash JK SMARTBLOX have superior insulation capabilities, allowing for substantial energy savings in buildings using these blocks.



We are the first in the Indian Cement Industry to have an Autoclaved Aerated Concrete (AAC) block plant within the Grinding Unit, which reduces the logistics requirements as the raw materials are readily available within the plant. This results in significant reduction in GHG emissions as transportation of raw material is minimised.



## Our Mantra: 'Go Digital'

At a time when the Cement Industry is still largely dependent on brick and mortar stores to reach its customers, JK Lakshmi Cement Ltd. is pioneering access to our products and services through online digital portals, such as Snapdeal. We have explored dimensions of social networking world like Facebook, LinkedIn, Twitter, Youtube, etc., to connect with our customers. We have a huge fan base over Facebook and other networking sites. Various educational videos on efficient construction technology, use of value-added products aligned to traditional construction culture are also shared on these platforms, to satisfactorily deliver dynamic need of our customers.



## Our complete range of products and services

Cement	<ul style="list-style-type: none"><li>• OPC as per IS 296:2015</li><li>• PPC as per IS1489 (Part 1):1991</li><li>• PSC as per IS 455:1989</li></ul>
Plaster of Paris	<ul style="list-style-type: none"><li>• JK Lakshmiplast</li></ul>
Ready Mix Concrete	<ul style="list-style-type: none"><li>• JK Lakshmi Power Mix</li></ul>
Autoclaved Aerated Concrete (AAC) Blocks	<ul style="list-style-type: none"><li>• JK SMARTBLOX</li></ul>
Readymade Plaster	<ul style="list-style-type: none"><li>• JK Smart Plaster</li></ul>
Gypsum Plaster	<ul style="list-style-type: none"><li>• JK Lakshmiplast Gypgold</li></ul>
Cement Mortar	<ul style="list-style-type: none"><li>• JK Smartbond Cement mortar</li></ul>







## Our Customers

JK Lakshmi Cement Ltd. has a customer-centric focus in its product development, distribution network and manufacturing processes. Our value delivery mechanism looks to educate, engage and empower our customers so that they reap long-lasting benefits of our products. We believe, if we spread more awareness about our products and manner of usage of the product, we could help customers realise all the benefits designed into our products. One of our strong customer segments that acts as our ambassadors to spread the technology and innovative products to others, includes architects, contractors, masons, etc. Our product quality is maintained at

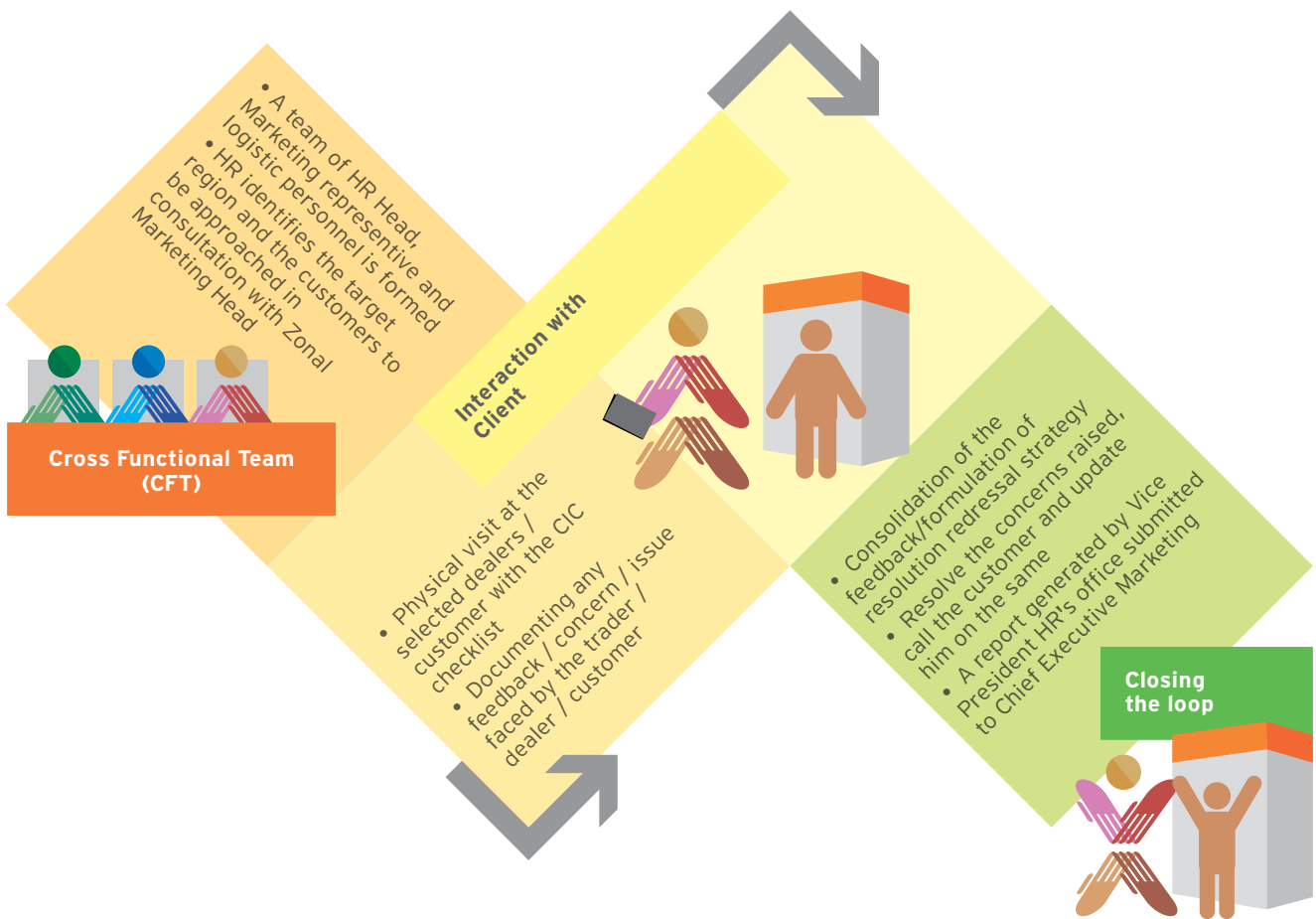
par to working values of these group of influencers, that forms an important part of our customer base.

Our efficient way to connect with the dedicated influencers takes real shape through our regular engagement programmes like knowledge sharing sessions on technical, social and relevant aspects, around the year. Company also organises various health check-up camps and training programmes for the masons. Our specially constituted techno-marketing team reaches out to the end-users through road shows and large-scale onsite demonstrations not only in urban, but also in rural segments. Out of many, some innovative approaches like 'Rural Micro Marketing Approach' (IRMMA

Model), Sambadh Programme, Lakshmi Ka Pitara, etc., have helped us to connect with our customers in rural markets in accordance with delivering our responsibility to the society.

We are supported by over 4,000 plus dealer network and over 4,000 strong retailers network in North, West, East and Central regions of the country to serve customers. The tremendous support offered by our dealer network and business partners has helped us to widen our product reach while building a database of satisfied customers.

JK Lakshmi Cement Ltd. takes cognizance of the fact that we can build awareness among our



Customer-in-Culture (CIC) Process



customers only if our sales force and customer points-of-contact imbibe the customer centricity in their way of conducting business. To inculcate this culture we have developed a special hands-on field training programme called 'customer-in-culture' for our customer facing workforce. This specially includes the workforce that interact with dealers and traders.

The objective of this programme is two fold

- To collect customer feedback and incorporate it in our delivery process
- To increase awareness of the client-facing workforce towards the needs and expectations of the customers

We have also implemented a Technical Services Cell with experts from the construction industry and well-equipped technical laboratories. These certified experts develop construction solutions for the key stakeholders including Individual House Builders, Masons and Business Associates through regular and innovative modes of interactions. On spot technical assistance is provided to customers through a 'Mobile Concrete Lab'.

**Dealer Appreciation:** To show our appreciation to our dealers, JK Lakshmi Cement Ltd. sponsored a trip to Tashkent, Uzbekistan for its dealers from across the country and dealers of Haryana were taken to Beijing and Shanghai. These trips not only induced a feeling of oneness among the dealers of JK Lakshmi Cement Ltd., but also served as a great knowledge sharing platform. The sightseeing activities on these trips help the dealers' network see the excellent infrastructure of the countries and the vital role cement plays in nation building. As our partners in our journey of sustainable development and nation building, the dealer trips reinforced the vital role our dealer network plays in supporting us.



JK Lakshmi Cement Ltd. has around 100 key customer accounts apart from thousands of small or medium-level Business-2-Business clients for our complete product basket

## GOVERNMENT



## REAL ESTATE



## INFRASTRUCTURE



## READY MIX CONCRETE



## Labelling and Advertising

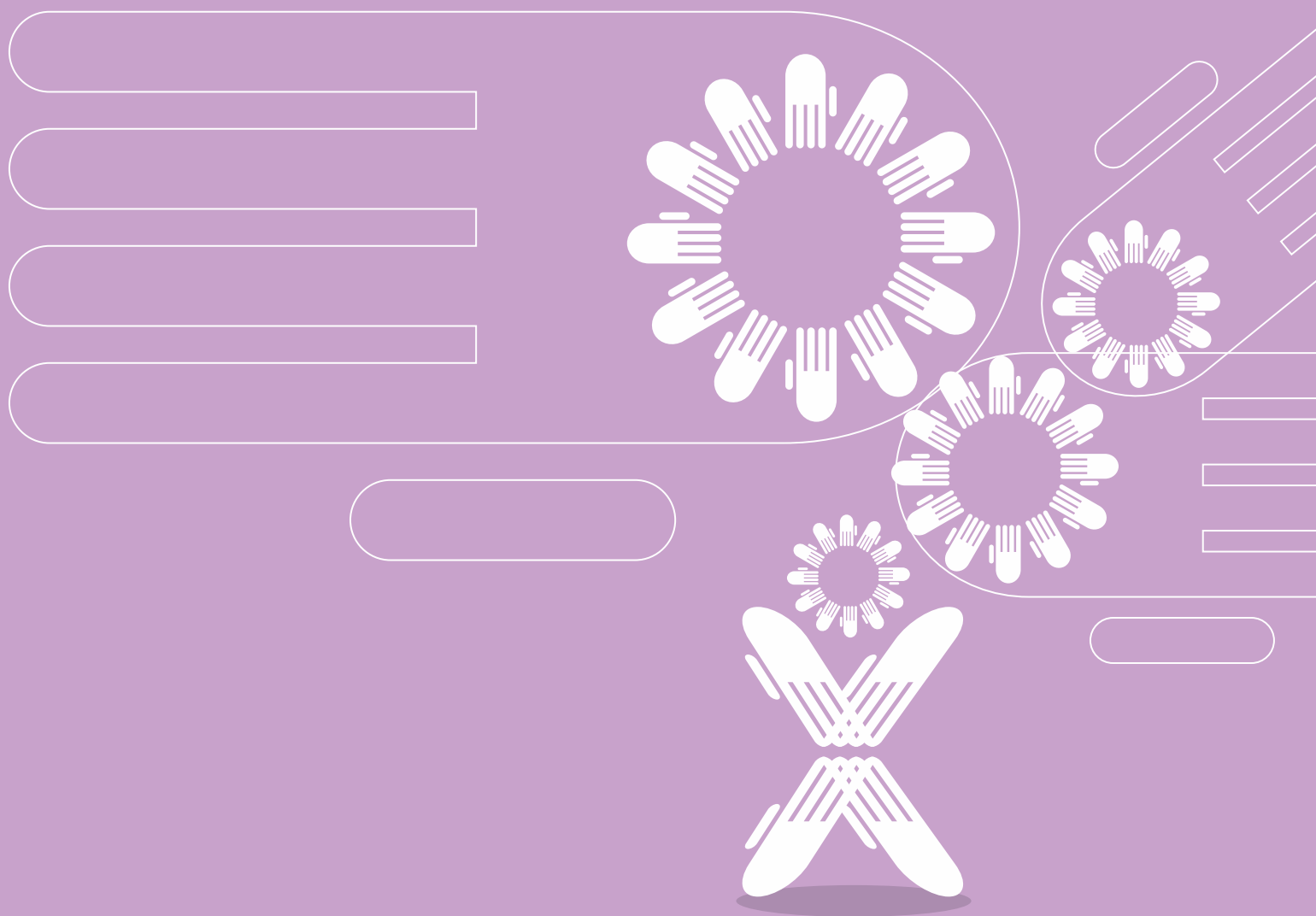
JK Lakshmi Cement Ltd. follows labelling guidelines as per Bureau of Indian Standards guidelines. We have stringent guidelines in place, which are communicated to regional marketing communication teams. With respect to public safety, we communicate all the required information prescribed by BIS, for example, no hook sign, etc. Besides, due to cement being a non-hazardous product, there is no specific safety information provided on bags. However, it is provided through MSDS.

JK Lakshmi Cement Ltd. products and services are neither restricted nor banned and have not been the topic of any negative public debate for use in any market, national or international.

Apart from reaching out to youth segment and retail users through digital avenues such as Snapdeal, we are also increasing our accessibility for our clients to reach us using Facebook and Twitter to promote direct communication with our end-users.



# Colours of Our Operations



## Corporate Governance

At JK Lakshmi Cement Ltd. we believe that Corporate Governance is best expressed as performance with values, ethics and best practices, an ultimate aim to create long-term value for all our stakeholders. Our commitment is towards maintaining a high standard of business ethics and integrity by following effective corporate governance norms in their true letter and spirit.

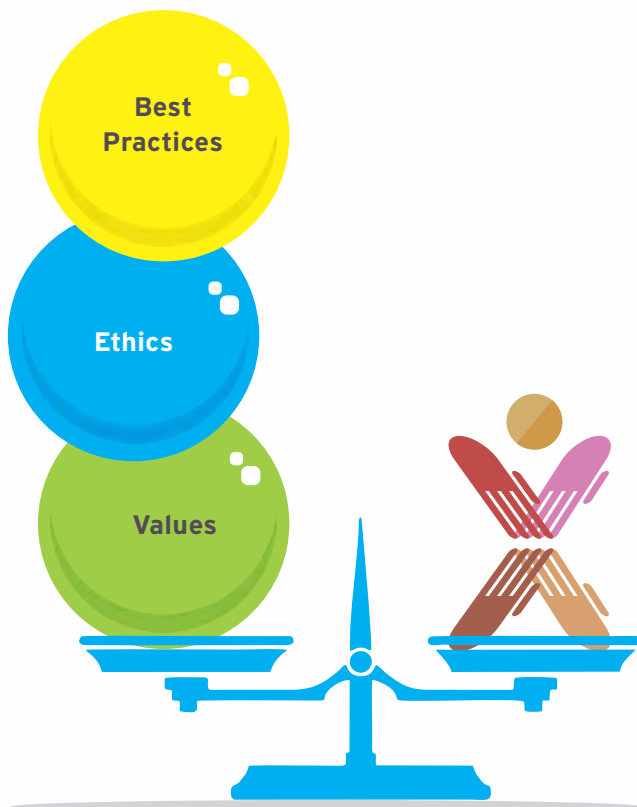
The ethos of JK Lakshmi Cement Ltd. is based on a set of core values which are endorsed by our Founders and Senior Management. The Corporate Governance strategy has been crystallised into a set of core values being observed at multiple levels in the organisation which guide our people in conducting business with high standards of ethics and integrity. The core values followed by JK Lakshmi Cement Ltd. are:

- Commitment to excellence and customer satisfaction
- Maximising long-term shareholders' value
- Socially valued enterprise
- Caring for people and environment

We deal with all stakeholders in a consistently ethical and responsible manner. Further, as part of creating an operational strategy for executing these core values, Company has identified certain crucial elements of our governance structure where these values need to be followed:

Strategic Supervision by Board of Directors

- Executive Management by Executive Directors and Senior Management
- Operational Management by respective Unit Heads and Managers



## Our Management

The company is managed under the superintendence, control and directions of its Board of Directors, and the Strategic Management of Shri Bharat Hari Singhania, Chairman & Managing Director, and Smt. Vinita Singhania, Vice Chairman & Managing Director, besides two Whole-time Directors (WTD). As on 31<sup>st</sup> March, 2016 the Board of Directors of the Company, consists of ten Directors comprising of four Executive Directors and six Non-executive Directors (NED); out of six NED five are independent Directors (IND). Four Board Meetings were held during the FY 2014-15 and FY 2015-16.

<b>Bharat Hari Singhania</b> Chairman and Managing Director (Executive)	
<b>Vinita Singhania</b> Vice Chairman and Managing Director (Executive)	
BV Bhargava (IND)	Dr. RaghupatiSinghania (NED)
NG Khaitan (IND)	Ravi Jhunjunwala (Ind)
KN Memani (IND)	Pradeep Dinodia (Ind)
Dr. S Chouksey, WTD (Executive)	S K Wali, WTD (Executive)

### Selection of Directors

The company has requisite Nomination & Remuneration structure of Directors pursuant to Section 178 of the Companies Act 2013 which *inter-alia* has laid down elaborate selection procedure for Directors, Key Managerial Personnel and other employees. We require the Board members to have balance of skills and appropriate experience and other traits as per Company's Nomination & Remuneration Policy. Directors should have positive attributes towards our company like - respect for JK's core values, professional integrity, strategic capability along with business vision, etc. 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.

## Board Committees

Currently, we have four Board Committees; The CSR Committee, The Audit Committee, The Nomination & Remuneration Committee, The Stakeholders Relationship Committee and Committee of Directors.

### CSR Committee

The CSR committee was constituted in 2014 and the committee comprises the Vice Chairman as the Chairperson, two Executive Directors and one Independent Director. The committee reviews and monitors the CSR strategy from time-to-time and also recommends the amount of expenditure to be incurred on CSR activities. It also guides the integration of social and environmental objectives with the business strategies adhering to the CSR Policy of the Company.

### 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 Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee consists of four Directors, out of which three are Independent Directors and one is Non-Executive Director. The Company Secretary acts as the Secretary of the Committee. Four meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March, 2016. The committee is in charge of appointment and remuneration of the auditors of the company. The committee also monitors the implementation of the recommendations of the Internal Auditors on Internal Control Systems improvement as well as Process improvement. It focuses on the financial management and reporting of the company.

### Nomination & Remuneration Committee

The Nomination and Remuneration Committee consists of three Directors, all being Non-executive Independent Directors. The composition and the role of the Committee is in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Board reviews the performance of a Director as per performance evaluation procedure adopted by the Board for Directors including Executive Directors. In compliance to the Nomination and Remuneration Policy, the Committee reviews the Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy, and human resource management.

### Stakeholders' Relationship Committee

We have a Stakeholders' Relationship Committee at the Board Level which consists of three Directors out of which two are Non-Executive Directors of which one is Independent. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Share Transfer Committee was constituted in 2015 to consider and approve Transfer/Transmission of shares on a fortnightly basis and related matters. Besides, the company also has a Committee of Directors which deals with and approves matters delegated by the Board of Directors from time-to-time.

### Circumventing Conflict of Interest

The company has a Corporate Ethics and Code of Conduct, and a Vigil Mechanism named Whistle Blower Policy that are approved by the Board of Directors. The Corporate Ethics and Code of Conduct covers the Directors and Employees of the Company. As per the Code of Conduct, Directors, Senior Management and Employees must circumvent the situations in which their personal interests could conflict with the interests of the company. All the Board Members and Senior Management Personnel have to affirm compliance with the said code. According to the principle under our Code of Conduct, conflicts, if any, or potential conflicts, must be disclosed to higher management for guidance and appropriate action.

### Performance Evaluation

Our Board is well familiarised with our processes and contributes significantly to discharging its role in a constructive manner. The Board carries out formal annual evaluation of its own performance and that of its Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed under Listing Regulations. The Performance of the Board is 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 is 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. which fulfills stakeholders' aspirations and societal expectations. We update the Directors at each meeting on developments in the domestic and global corporate and industry scenario, including those pertaining to legislations and economic environment, to enable them to take well informed decisions. The Directors are also apprised of all business related matters, Risk Management procedures, and new initiatives proposed. The Nomination & Remuneration Committee has approved the Nomination and Remuneration Policy on Board evaluation, evaluation of Board Committees' functioning and Individual Director's evaluation.

The Board and the Committee carry out evaluation of the performance of Individual Directors on the basis of criteria such as attendance, effective participation, contributions at the meetings of the Board and its committees, exercising duties with due and reasonable care, skill and diligence etc.

The company has an elaborate Risk Management System to inform Board Members about risk assessment and minimisation procedures. A Risk Management Committee headed by a Whole-time Director meets on quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the committee. Board Members are accordingly informed.



## Remuneration

The Remuneration is paid as per the Nomination & Remuneration Policy of the Company. The ratio of remuneration of the highest paid employee to the median remuneration for the year 2015-16 and 2014-15 were 61.84 and 55.73 respectively. In FY 2015-16, the percentage increase in remuneration of highest paid employee is 13.56% and in the median remuneration of employees is 7.05%. In FY 2014-15, the percentage increase in remuneration of highest paid employee is 12.05% and in the median remuneration of employees is 12.02%.

## Code of Conduct

Our Management Cadre Staff (including Executive Directors) strictly adhered to the Company's Code of Conduct. The Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company, in accordance with the provisions of Regulation 17 (5) of Listing Regulations and contemporary practices of good Corporate Governance. The said Code is available on the Company's website ([www.jklakshmicement.com](http://www.jklakshmicement.com)). All the Board Members and Senior Management Personnel affirm their compliance with the said Code.

**The Board of Directors of the Company at its meeting held on 25<sup>th</sup> July, 2014 have established a Policy on Vigil Mechanism or Whistle Blower Policy 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, and any other event which would adversely affect the interests of the business of the Company. We also have a formal policy to ensure safety of women and prevention of sexual harassment through the setting up of Internal Complaints Committees (ICC) at our work-places to redress the complaints of women employees. During FY 2014-15 and 2015-16, there were no complaints or allegations of Sexual Harassment filed with ICC.**

## Risk Management

Despite substantial performance improvement through risk mitigation measures in energy efficiency, supply chain management, employee safety, and corporate governance among others, uncertainty about the future is still an indomitable aspect of industrial development. This uncertainty may come in the shape of any economic, environmental, or social predicament, requiring businesses to chalk out strategies for remediation. However, uncertainties also present enterprises with avenues to venture into new markets and subsequently grow their business. Adoption of sustainable development practices has enabled JK Lakshmi Cement Ltd. to consider emerging risk areas and comprehensively capitalise on various opportunities presented by these risks, thus translating into business benefits.

The company strives to identify and address various risks in a timely and holistic manner; so as to succeed and create value for different stakeholders such as employees, communities, business partners, and shareholders through sustained economic performance. Risk management procedures have been incorporated into every core process of the company to ensure that the risks presented by today's volatile and fast paced business environment can be capitalised upon to benefit our stakeholders.

We have constituted a formal board-level Risk Management Committee, which focuses on the achievement of long-term sustainable success and coping with an uncertain business environment through the creation of an enterprise-wide approach to Risk Management. This committee comprehensively evaluates all risks which may have short/long-term repercussions on the company's operations.

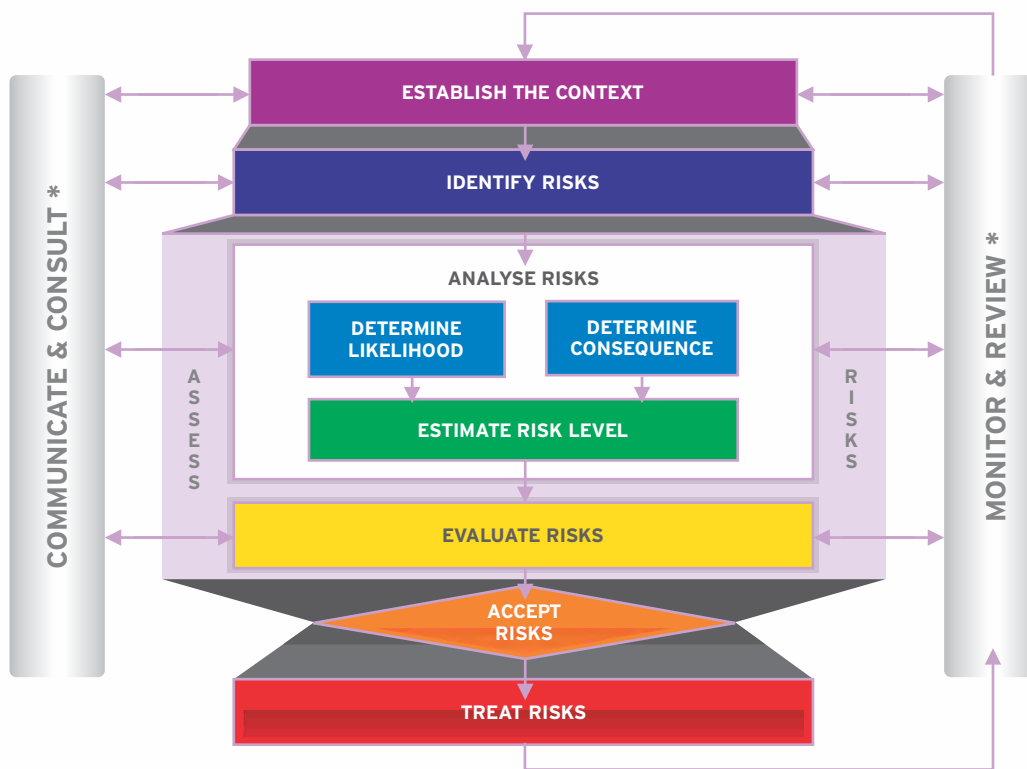


The company has Risk Management committee comprising of Whole-time Directors, CFO, Company Secretary and some other senior executives. Shri. S. Chouksey (WTD) is the Chairman of the said committee.

This Risk Management Committee meets every quarter and reviews the framework related to risk identification and mitigation.

Although the practice of Risk Management has been developed over time within many sectors in order to meet diverse needs, the adoption of consistent processes within an all-inclusive framework can help to ensure that risk is managed effectively, efficiently and coherently across any organisation. The committee has adopted a comprehensive Risk Management framework based on the guidelines of ISO 31000:2009, and tailored the

framework as per the varying needs of our strategies, operations, processes, products, assets, and practices employed. The adoption of such a framework has helped JK Lakshmi Cement Ltd. in improving its governance, improving stakeholder confidence and trust, encouraging proactive management, and consequently increasing the likelihood of achieving objectives.

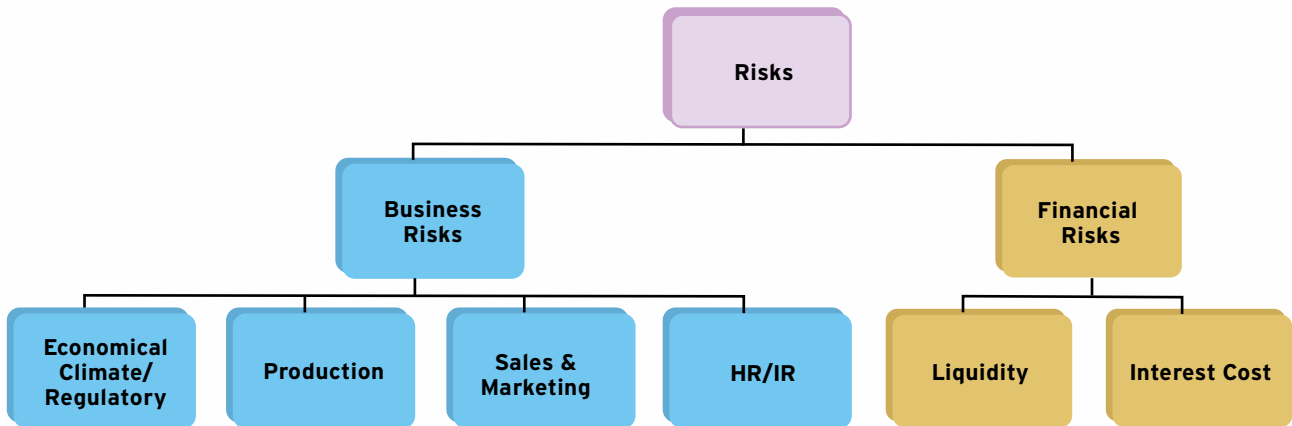


JK Lakshmi Cement Ltd.'s Risk Management Framework



We classify risks broadly under the following two categories:

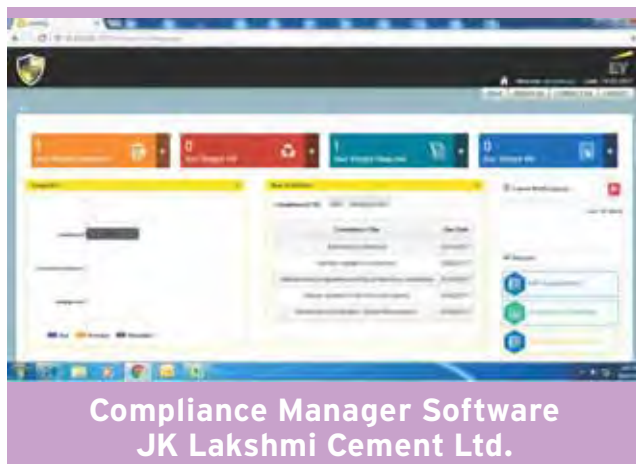
- Business Risks - Risks impacting the operational efficiency
- Financial Risks - Risks impacting the wealth of shareholders



Classification of Risks

At JK Lakshmi Cement Ltd. we manage various risks through their identification, classification, analysis, and subsequently evaluating whether the risk should be modified by mitigation methodologies in order to satisfy their risk criteria. Throughout this process, we communicate and consult with stakeholders and monitor and review the risk through the controls which are auctioning upon the risk.

In order to quantify the gravity of each risk, we assign an overall rating to each risk based on the quantum of impact and the probability of occurrence.



**RISK IMPACT RATING**

Financial Impact of Risk	Risk Magnitude	Rating
0-5 Cr	Very Low	1
6-15 Cr	Low	2
65-25 Cr	Medium	3
26-40 Cr	High	4
41 Cr & Above	Very High	5

**RISK PROBABILITY RATING**

Probability of Occurrence	Risk Magnitude	Rating
<=10%	Very Low	1
11%-25%	Low	2
26%-50%	Medium	3
51%-75%	High	4
>=76%	Very High	5

**OVERALL RISK RATING**

(= Risk Impact Rating x Risk Probability Rating)

Magnitude of Risk	Rating
Low Risk	0-5
Medium Risk	6-14
High Risk	Above 15



Based on the overall rating and the nature of the risk, the Risk Management Committee devises remediation measures through consultation with concerned departments at the organisation.

We at JK Lakshmi Cement Ltd. have identified various business and financial risks reflecting concerns of our key stakeholders. The table below lists out the business and financial risks identified against the aspects

which are material to the operations of JK Lakshmi Cement Ltd. as well as to its stakeholders (Please refer to the section on Materiality for details on the process for identification of material aspects).

#### KEY RISKS IDENTIFIED

Sr. No.	Material Aspect	Associated Financial & Business Risk	Steps taken by JK Lakshmi Cement Ltd.
1	Economic Value & Business Performance	Poor business performance implies reduced business opportunities for an enterprise, meaning lower dividends for shareholders and increased cost of capital.	Company has defined Risk Management System considering sorting and mitigating both operational and business risks.
2	Integrity and Transparency	Unethical acts by an enterprise can bring about substantial reputational damage to a company, hence affecting its future earnings besides regulatory penalties.	Company has defined a separate documented Code of Conduct for its Employees that ingrains business ethics of our parent organisations.
3	Compliance to Regulation	Involvement of an enterprise in cases of non-compliance may lead to imposition of sanctions and financial penalties thereby reduced trust from stakeholders. Additionally, business units may also face closure risks.	Company has an innovative functioning ' <b>Compliance Manager</b> ' regulated from corporate office which provides scheduled reminders to the concerned departments of their timely compliance at both manufacturing units and corporate offices.
4	Operational Efficiency	Low operational efficiency can bring about non-sustainable use of resources, leading into resource scarcity and increased environmental and capital footprint.	All our units are ISO certified for various management systems. Also a cautiously proactive approach is followed in terms of various projects to effectively increase operational efficiency.
5	Human Capital Development	Lack of human capital development initiatives will lead to reduced employee productivity and poor turn-around time, leading to weak performance at the operational level.	Various engagement programmes both at company level and unit levels are organised for our employees like Weekly Leadership Forum, Udaan, Samiksha, Family Unions, etc.
6	Energy and Emissions / GHG	An enterprise having a poor track record in energy consumption and emissions management is likely to have compliance complications, higher production cost, and environmental complications causing un-rest in the society	All our units are ISO 50001 Certified for Energy Management Systems. We are maintaining our emissions far below regulatory norms with incorporation of latest art of technology pollution control equipment like RABH, ESP's, Bag filters, etc. Our units have also developed CDM projects for GHG reduction.

7	Occupational Health and Safety	Insufficient investment/attention towards ensuring occupational health and safety of employees has a direct negative impact on labor costs through lower productivity.	All our units are OHAS 18001 Certified for OH&S. Technology based safety aspects like, SAP-Behavior Based Safety, RFID Tagging System of fire extinguishers, LOTO System, Material Safety Data Sheet (MSDS) etc. Also, safety report from each plant is reviewed by a Whole-time Director from the Board of Directors of the company.
8	Water Management	Lack of Water Management initiatives will lead to depletion of water table in an area and could create environment & social issues creating serious impact on production.	Most of our units abstract water from surface water source rather than ground water. Units have adopted extensive rainwater harvesting at the plant and mine sites to recharge the ground water resource. Also, units are recycling domestic waste water through innovative systems and reusing it for development of greenbelt and plant operation.
9	Community Development	Lack of community development initiatives can bring about hostility and unrest among the local community, thus impacting a company's social license to operate. Risks associated to non-compliance are also associated.	Our manufacturing locations are engaged in various social upliftment activities through need based programmes like Naya Savera at Sirohi, Sanitary Napkin Making Yojna at Durg, Anna Lakshmi at Kalol, and special programmes for children with special needs at Jhajjar.
10	Customer Satisfaction	Insufficient initiatives towards sustaining customer satisfaction can hamper the customer loyalty, leading to reduced market reputation, thereby affecting brand value and lower revenue generation.	Launch of new innovative products like PRO+ with 7 multiple benefits, value added green products like AAC Blocks, and ATL & BTL engagement system with the customers at both urban and rural areas.
11	Supply Chain Management	Timely availability of raw material is critical for an enterprise. Issues with suppliers may hamper the production quality, fulfilment of orders, and reputation of the company. Risks of increased cost of raw material and other associated legal penalties, etc.	Company has defined a logistics system for transportation of materials both upstream and downstream. Procurement of environmentally efficient materials and equipment from environmentally sound vendors is practiced.

A robust risk management framework is critical to the future of an organisation. Through our concrete efforts towards identification of critical risks, we have been able to successfully transform these into business opportunities, hence augmenting the growth of our enterprise.

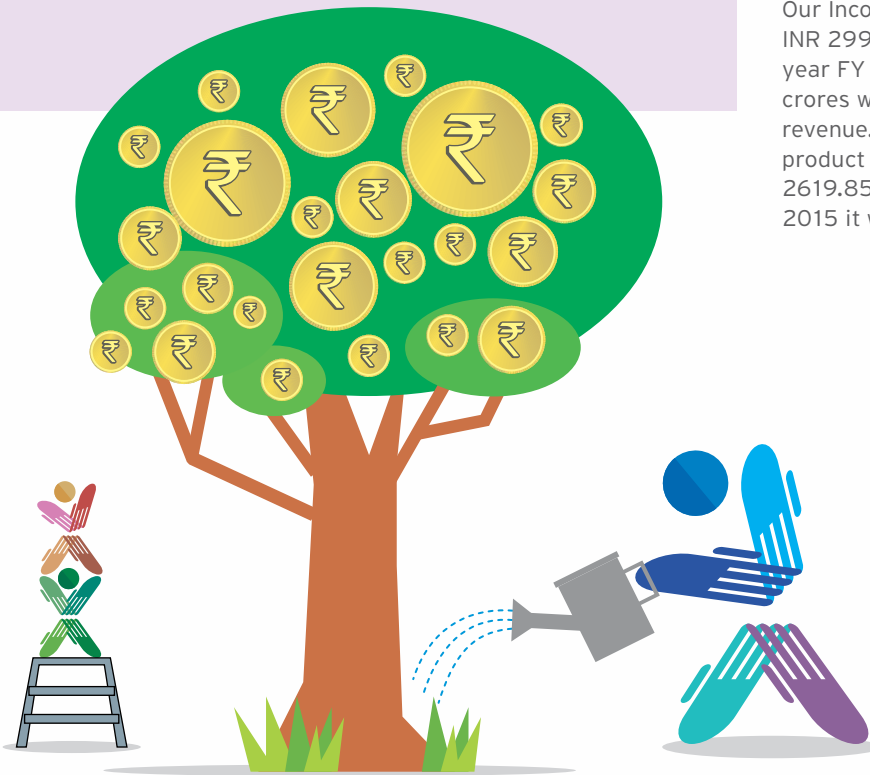
ATL = Above the Line  
BTL = Below the Line

# Economic Performance

JK Lakshmi Cement Ltd. believes in sustained and inclusive economic performance. For us creating stakeholder value is about creating lasting value that contributes to the future. We believe our financial numbers should reflect the progress we have made towards enriching the lives of our stakeholders whether it is with respect to local communities, our employees or our investors. Together we can achieve positive milestones for all involved.

JK Lakshmi Cement Ltd. is charting a path of expansion and growth that focuses on long-term vision. India is the second largest producer and consumer of cement in the world. India being a developing country with GDP growth rate of 7.56% is favourable for the cement sector, as it means rapid infrastructural investments and development. Cement is essential for building the infrastructural backbone of the country. Ports, airports, urban housing, rise in demand of city infrastructure as well as roads and highways will increase demand for cement as well as bulk cement purchases.

Our Income for the FY 2015 -16 was INR 2999.63 crores, while for the year FY 2014-15 was INR 2596.69 crores which is a 15.5% growth in revenue. Our net sales of cement product in FY2015-16 was INR 2619.85 crores while in FY 2014-2015 it was INR 2307.06 crores



Product	Quantity (in lakhs)	FY 2014-15	FY 2015-16
Cement Production	Tonnes	46.24	60.80
AAC Blocks	Cubic Meter	1.07	1.10
Ready-to-Mix Concrete	Cubic Meter	4.51	4.53
POP	Tonnes	0.84	0.92

Our economic value distribution is as follows

Consolidated Economic Value Generated (INR crores)		
	2014-15	2015-16
Revenues	2,596.69	2999.63
Consolidated Economic Value Distributed (INR crores)		
Operating Costs	2,132.81	2,479.86
Employee Wage and Benefit	146.11	196.97
Payment to Provider of Funds	90.74	192.3
Payments to Government	16.17	-41.78
Community Investments	3.36	3.12
<b>Total</b>	<b>2,389.19</b>	<b>2,830.47</b>
Consolidated Economic Value Generated (INR crores)		
Re-invested to Maintain and Develop Operations	179.18	165.62

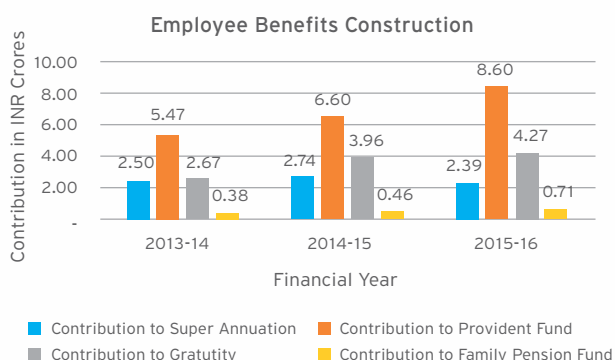
We believe that spending on our employees is an investment in future. We want our workforce to perform to their highest potential while being assured that company will ensure their well-being even after their retirement, through contributions to funds such as the Provident Fund, Gratuity Fund, Super Annuation and Family Pension Funds for permanent staff. Our total contribution to the above employee benefits was INR 15.96 crores for year 2015-16 compared to last year's INR 13.76 crores. JK Lakshmi Cement Ltd. does not operate any separate investment vehicle to meet its pension fund obligations. The fund obligation is fully covered and separately maintained. Employee contributes 12% of his salary while the organisation contributes 12% towards Provident fund.

We also have an employee self-development scheme for sponsoring employee higher education. The scheme pays 50% on qualification to the course and the rest two years post completion of the education, if the employee is on roll with JK Lakshmi Cement Ltd. The scheme, started in 2005, has covered 50 beneficiaries so far with an investment of about INR 20.75 lakhs.

**We don't restrict our spending to permanent employees, we believe in investing in our contractual staff as well. The employee self-development scheme was extended to contractual staff in 2012.**

JK Lakshmi Cement Ltd. wants to deliver its products to customer using a sustainable value chain that takes care of its environmental obligations and ensures conservation of resources for the future. Our environmental expenditure was INR 3.50 crores in FY 2015-16 as compared to INR 2.6 crores FY 2014-15. This expenditure was focused towards reducing emissions to minimise climate change impact, Waste Management implementation, environmental awareness and education, installation of cleaner technology and other Environment Management.

Company is committed to build a future where financial returns go hand-in-hand with societal development and well-being. Our financial success empowers us to contribute to our nation's development that builds a strong foundation for future generations.





## Educational Empowerment

Education is the right of every human being; it sees no barriers of age, cast, colour or creed. JK Lakshmi Cement Ltd.'s Kalol Unit as a part of "Educate Parent to Educate The Child" launched Employee Self Development scheme of education in the year 2012 with the first batch of students enrolling in the year 2013.

About 70% of employees at JK Lakshmi Cement Ltd.'s Kalol Grinding Unit (KGU) are contractual workforce.

An internal survey conducted in 2012 showed that most of the contractual workers were uneducated, some of them were educated up to 4<sup>th</sup> or 6<sup>th</sup> standard.

So KGU in the year 2012 took an initiative towards imparting education to the workers who are willing to study while working and are keen to complete their education at least till 10<sup>th</sup> and 12<sup>th</sup> standards.

On shortlisting the interested candidates, JK Lakshmi Cement Ltd. approached National Institute for Open Schooling (NIOS) of Government of India, Regional Office, Gandhinagar, Gujarat. NIOS was selected because of



flexibility in curriculum schedule, which helps one to gain education without attending regular classes.

All necessary arrangements were made for the contractual workers, regular check on their progress report was kept and all necessary assistance was provided to the workers enrolled for the education which includes enrolment expenses, books and stationery, tuition classes by plant employees, etc.



Shri Bhupendra Singh Chudashma, Education Minister of Gujarat, awarding certificate and gift to the worker students

In the initial year, more than 40 Nos. of the workers came forward and enrolled themselves to complete their education, many of whom have now completed their 10<sup>th</sup> and 12<sup>th</sup>. Enrolment from the contractual workers is increasing every year, in 2015 alone, 37 new admissions were recorded.

This initiative was extended for higher education in the second phase of the programme. 14 candidates who have completed their 12<sup>th</sup> education under the scheme have now enrolled in graduation programmes provided by Babasaheb Ambedkar Open University (BAOU) Gujarat, called in by the Company.

## Supply Chain Management

The global business landscape has seen radical development through entry of new competitors in markets, shortening of product life cycles, as well as increasing customer demands beyond cost and service quality to include ethical and sustainability concerns. In such a fast-changing environment, competition is no longer between the organisations, but among supply chains. Companies which have realised the significance of effective Supply Chain Management have captured a substantial competitive edge for their products / services, and progressed ahead of their competitors. By enhancing the strategic coordination between the traditional business functions of Supply Chain Management, JK Lakshmi Cement Ltd. aims to maximise its business potential and redefine its customers' expectations of products; subsequently creating value for all associated stakeholders.



JK Lakshmi Cement Ltd. has a vast network of suppliers located across India as well as abroad. The supply chain of cement production begins with the mining of limestone. The company has limestone mines at Sirohi, Rajasthan and Durg, Chhattisgarh. Other fundamental constituents of grey cement include Fly Ash, Gypsum and Slag which are sourced from nearby coal fired power plants, Waste Management plants, and steel industries across Rajasthan, Chattisgarh, Gujarat, and Haryana.

Our logistics play a significant role in defining our Supply Chain System leading to achieving system sustainability among our business and customers. Our company works on the linear programming logistics allocation model, which considers multiple variables to create optimum and fuel & cost-efficient decisions like type of transportation system and mode of transportation for both in-bound and out-bound logistics functioning. Our system of transportation for movement of materials (both raw materials and products) is cautiously structured & planned to bring out fastest, smallest, efficient and least fuel consuming mode. We have a designated fleet of contracted trucks, trailers, bulkers, etc. for movement of our major materials. Our integrated unit Sirohi also has wagon loading-unloading facility available at site, for bulk transfer options.

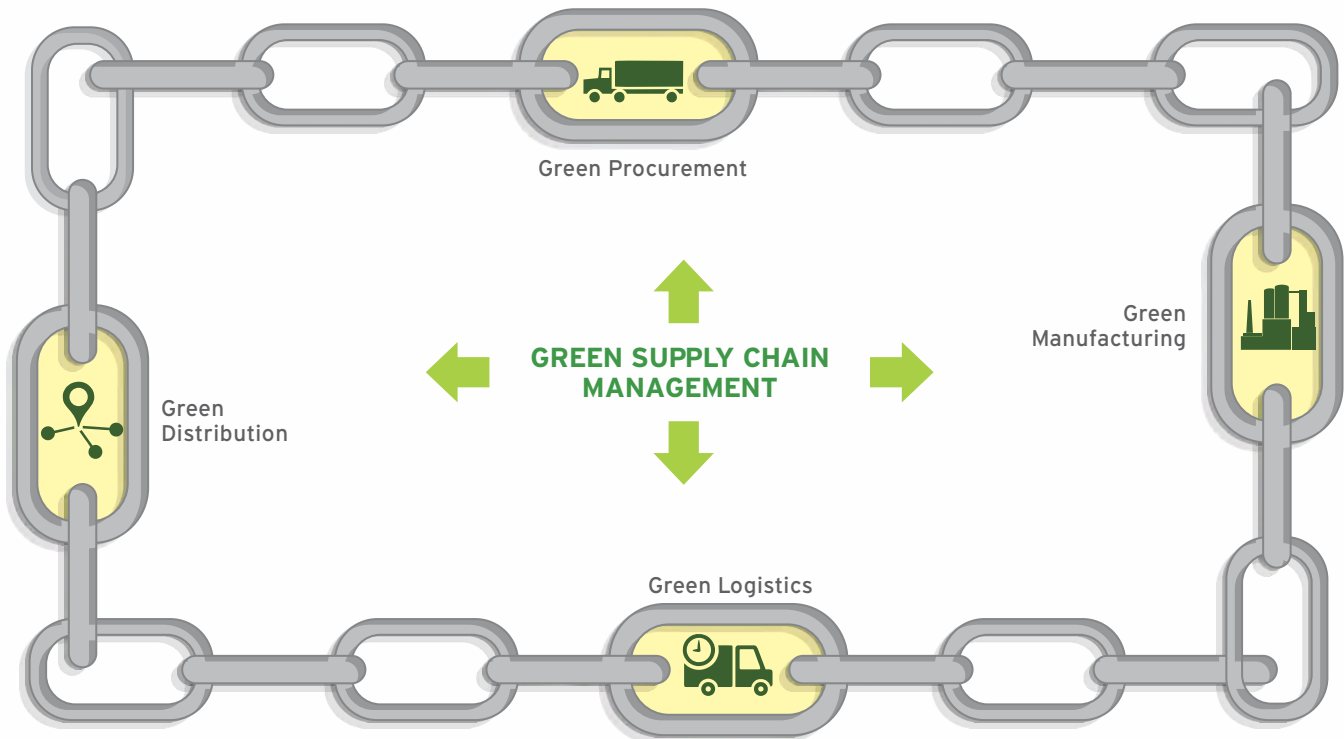
In order to segment our suppliers based on the nature of operations, types of risks associated in engagements and the volume of business, we assign risk ratings to all our suppliers. The following table illustrates the number of Class A suppliers of JK Lakshmi Cement Ltd. which accounted for more than 80% of overall business volume.

## BUSINESS VOLUMES OF SUPPLIERS

	2014-15		2015-16	
	No. of Suppliers	Total Business Volume (Rs. Crores)	No. of Suppliers	Total Business Volume (Rs. Crores)
Total Suppliers	100	514	85	526

The supply chain of a company has a major environmental impact right from procurement of raw materials to transportation and distribution of products. In order to incorporate elements of sustainability in its supply chain, JK Lakshmi Cement Ltd. has adopted the management approach of Green Supply Chain Management (GSCM), which consists of diverse aspects such as Green

Procurement, Green Manufacturing, Green Distribution, and Green Logistics. Green Procurement is an upstream segment of the GSCM which aims to minimise environmental impact throughout the lifecycle of our products by implementing green strategies in our procurement process.



Green Supply Chain Management at JK Lakshmi Cement Ltd.

At JK Lakshmi Cement Ltd. we have established Green Procurement Guidelines, which consist of a comprehensive set of assessment criteria and recommendations for selection of suppliers. These guidelines help us in collaborating with suppliers who illustrate ideal practices such as optimal use of raw materials, minimisation of carbon footprint, energy and resource efficiency, preservation of ecosystems, material recycling, and initiatives towards enhancing economic and social sustainability.

In order to establish long-term relationships with suppliers committed towards sustainable development, JK Lakshmi Cement Ltd. evaluates their policies / processes on the following parameters at their manufacturing locations:

- Environmental Sustainability
- Social Sustainability

As part of the Green Procurement criteria, our suppliers are required to observe the following guidelines:

## ENVIRONMENTAL SUSTAINABILITY

### Energy Efficiency / Conservation

- Establish, maintain and improve Energy Management System (EnMS) based on global management standards (such as ISO 50001) and have elaborate EnMS policy statement
- Suppliers not having EnMS shall formulate a plan to obtain certification and implement necessary actions
- Procurement of goods and materials having low energy footprint, without any compromise on the performance
- Promote sale and use of energy-efficient equipment / machines / technologies / services
- Collaborate with their stakeholders towards enhancing energy efficiency in their respective supply chains

### Green House Gas (GHG) Emission Reduction

- Recommend materials having lowest GHG footprint for the manufacturing processes of JK Lakshmi Cement Ltd.
- Establish, maintain and improve GHG Emission Management Systems based on Global Management Standards (such as ISO 14064) and have elaborate emissions policy statement
- Suppliers without such management systems shall formulate a plan to obtain certification, and implement necessary actions
- Use alternate and waste derived raw materials for reduction of emissions in their manufacturing processes
- Undertake GHG emission reduction programmes with stakeholders

### Water Responsibility

- Optimise water consumption at production facilities
- Install proper equipment and systems for Waste Water Treatment
- Retrofit existing equipment for water conservation
- Provide equipment / technologies to JK Lakshmi Cement Ltd. that have optimal water footprint throughout the life cycle
- Establish, maintain, and improve Water Management Systems based on Global Management Standards (such as ISO 14046) and have elaborate policy statement
- Suppliers without such management systems shall formulate a plan to obtain certification, and implement necessary actions
- Collaborate with stakeholders for creating awareness about water efficiency and conservation
- Create awareness in the society and among stakeholders about Water Management practices such as rainwater harvesting, drip irrigation, ground water recharge, etc.

### Occupational Health & Safety (OHS)

- Fully comply with JK Lakshmi Cement Ltd. policies of OHS
- Provide a healthy workplace for employees and contractors
- Comply with local and national laws and regulations on OHS
- Possess required permits and licenses from concerned authorities for carrying out operations
- Have an OHS policy statement
- Engage in safety awareness programs with stakeholders

### Resource Conservation

- Recommend materials to JK Lakshmi Cement Ltd. which contribute towards recycling oriented manufacturing
- Minimise the use of virgin materials / natural resources
- Innovate for utilisation of waste derived materials
- Adopt Resource Life Cycle Thinking in their systems to broaden the horizons of resource conservation
- Engage in 5R (Refuse, Reduce, Reuse, Recycle & Reform) processes.



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**Biodiversity Conservation**

- Launch initiatives for biodiversity protection / management
- Identify best practices and models for biodiversity conservation
- Develop products and packaging having least impact on biodiversity
- Implement Biodiversity Management Programs if they operate in areas with high biodiversity value
- Comply with relevant laws and regulations on local and national level

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**Green Supply Chain**

- Engage in sustainable raw material procurement strategies
- Integrate philosophies of Green Supply Chain Management in their business policy
- Procure green materials from their suppliers

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**SOCIAL SUSTAINABILITY**

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**Corporate Social Responsibility (CSR)**

- Fulfill necessary compliance towards social responsibility as per acts / laws applicable
- Strive to create value to the society in terms of infrastructure development, education, health services and other amenities

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**Child Labor**

- Refrain from employing children below legal minimum age

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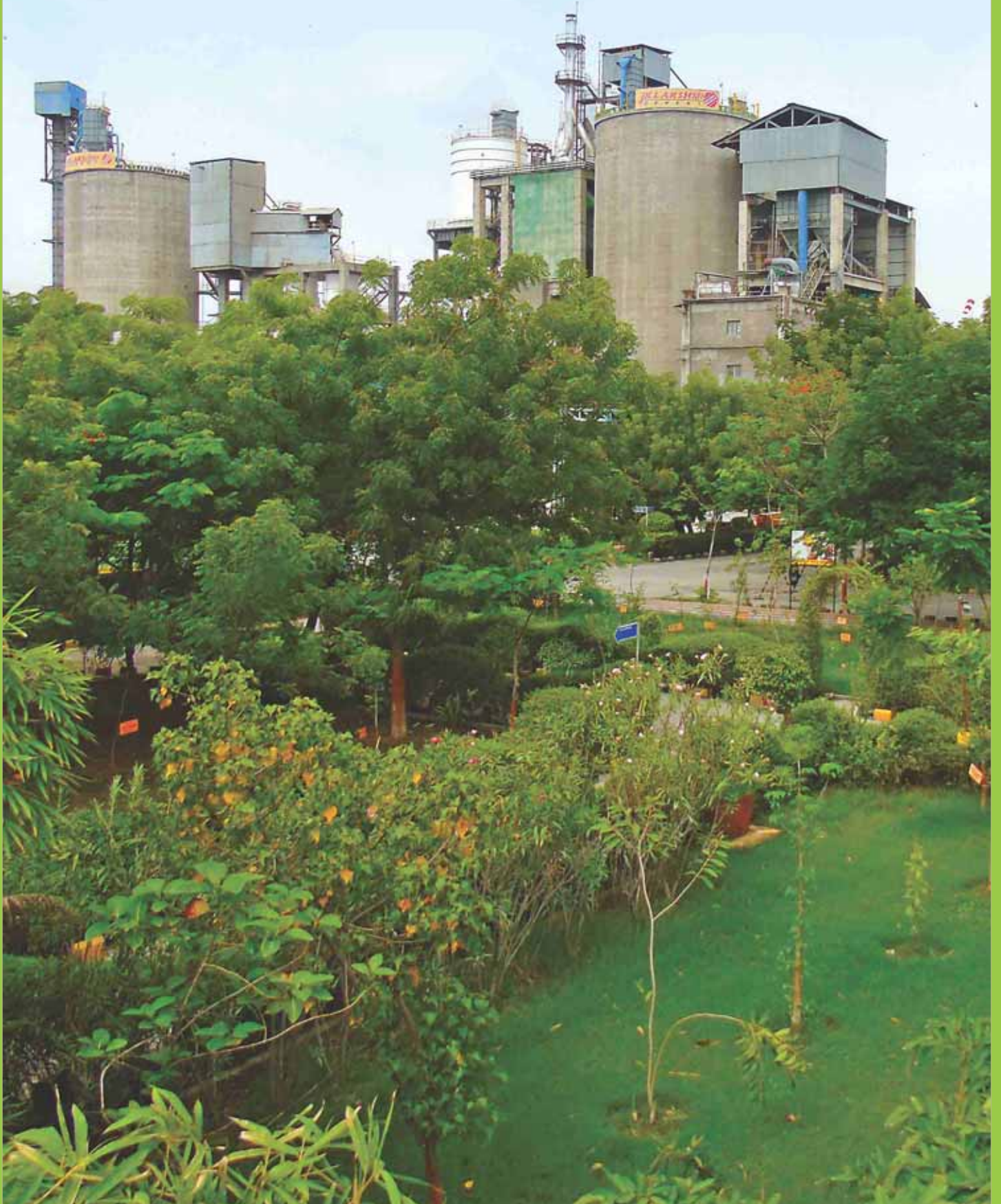
**Bribery & Corruption**

- Refrain from bribery and corruption in operations
- 

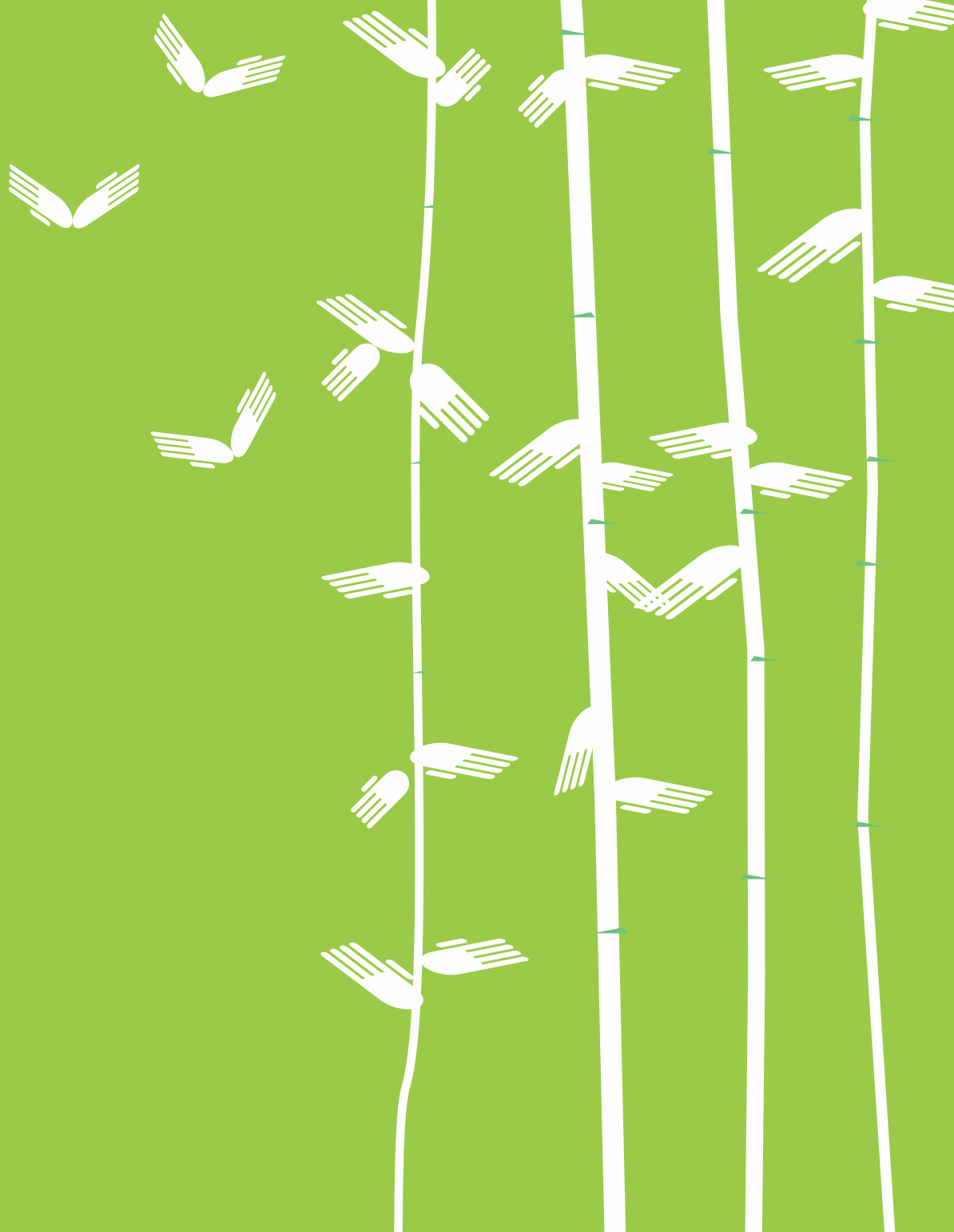
JK Lakshmi Cement Ltd. prefers to procure from suppliers who are proactive in reducing their environmental impacts, and expects its suppliers to comply with relevant laws and regulations. JK Lakshmi Cement Ltd. has the right to exclude suppliers, who do not exhibit the aforesaid measures. To engage all its suppliers towards creating transparency and developing a platform for sharing best and sustainable practices, JK Lakshmi Cement Ltd. formally assesses their Environmental, Health and Safety performance by evaluating them against a predefined set of benchmarks, through a questionnaire. Responses against these criteria help us in assessing the position of potential suppliers in the area of sustainability, by assessing their adherence to the standards stipulated in our procurement guidelines. This exercise has been started as a pilot initiative and we plan to implement it across all units from the coming financial years.



Cement Grinding Unit, Kalol



# Colours of Nature





## Cleaner Tomorrow - Our Energy and Emission

At JK Lakshmi Cement Ltd. our constant pursuit is to achieve greater energy efficiency in our energy use throughout the production process and all related aspects while moving towards less emission intensive modes of energy generation. Driven by this vision, we seek to minimise the consumption of energy in our operations through innovations, modifications & optimisation and utilise more renewable energy, in order to bolster the company's competitiveness and to minimise risks which is in line with our commitments to our stakeholders.

Through innovative ideas provided by our internal team, we are trying to build energy practices where the use of alternative fuels plays a significant role in meeting our energy requirements. This would also be supplemented by multiple initiatives to improve energy efficiency and reduce our GHG emission intensity. Using alternative fuels other than fossil fuels is an opportunity for our industry and it is one of the top priorities at our manufacturing units. As a part of this initiative, one of our units at Sirohi, Rajasthan, has already installed a Biomass feeding system for kiln that uses Biomass as fuel. The fuels which are being used are largely agricultural wastes which includes mustard husk, moong husk, soybean husk, etc. Installation of Waste Heat Recovery Systems (WHRS) at unit Sirohi during times when WHRS was a future approach in the industry says a lot about efficient low carbon system unit. **We are proud to be acknowledged as a Company with Lowest Carbon Footprint in terms of Kgs of CO<sub>2</sub> eqv. per ton of Clinker and rupee of revenue - A study published by IIM-Ahmedabad in year 2010.**



## Our pathway to 2030

The impact created by the consumption of energy and the corresponding emission of GHG are risk for any industry and particularly for the cement industry. These externalities are increasingly being internalised by various market forces and regulatory actions such as the introduction of the Perform, Achieve and Trade (PAT) Scheme which required increased investment in energy efficiency at our plants. Therefore, the management at JK Lakshmi Cement Ltd. has decided to adopt a strategic

vision to address this risk by managing our energy consumption and GHG emissions in a proactive manner.

In order to achieve our vision of reducing energy consumption and GHG emissions, we have developed a long-term energy pathway to achieve reduction in CO<sub>2</sub> emissions and alternative fuel targets for 2020 and 2030. This pathway is based on the various technological and operational improvements our team have planned to implement and has the support of the management.

	2016 (in %)	2020 (in %)	2030 (in %)
Reduction in specific CO <sub>2</sub> emissions	1%	5%	12%
Reduction in total energy consumption	2%	4%	7%
Achieve alternative fuel rate	2.5%	5%	8%

Our target by 2020 is to decrease our direct energy consumption by 3% percent and indirect energy consumption by 2% percent, with the year 2015 as the baseline. We are working towards substituting five percent of the calorific consumption of fossil fuels with alternative fuels. Currently, we are able to substitute two percent from alternative sources like biomass and RDF, etc.



In 2017-18

Recently commissioned integrated cement unit is in the process of installing a waste heat recovery system of 8 MW capacity



## Energy Performance

Producing cement is an energy intensive process where supply and efficiency becomes the key business drivers. Due to the high energy requirement of clinkerisation and associated processes in cement production, the contribution of the cost of energy is a large part of the production cost of cement. Consequently, the optimisation

of energy consumption can lead to improvement in operational and financial performance for JK Lakshmi Cement Ltd. besides mitigating risks associated with emission of GHGs. Hence, we have been closely tracking our Energy and GHG emission performance. Sirohi Unit's performance for 1<sup>st</sup> cycle of PAT is one of the most remarkable one towards achieving energy efficiency in the plant.



**3.3 KJ / Tonne of Clinker**

Substitution of fossil caloric consumption with alternative fuels

**648 Kg Co<sub>2</sub> / Tonne of Cementitious Material**

Net CO<sub>2</sub> emissions per tonne of cement in 2015-16

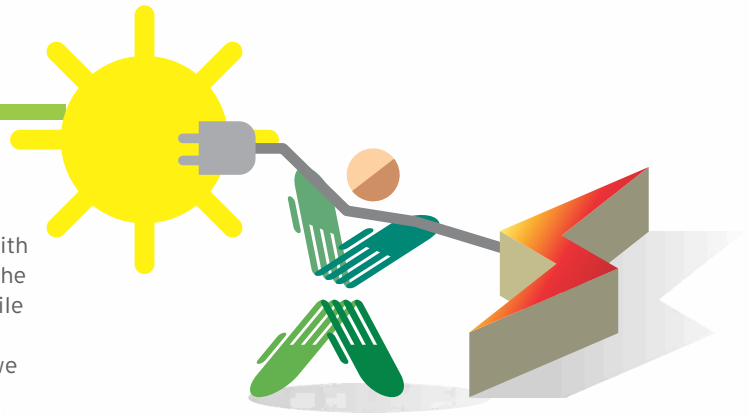
We have produced 60.83 lakh tonnes of cement in the financial year 2015-16 with the annual total energy consumption of 17479 TJ and 46.2 lakh tonnes of cement produced in 2014-15 with annual energy consumption of 15346 TJ.

Climate Protection - Our Performance	2014-15	2015-16
Specific Direct Energy Consumption in Production (GJ/MT of Cement Production)	3.32	2.91
Specific Indirect Energy Consumption in Production (GJ/MT of Cement Production)	0.262	0.172
Energy Consumption in Captive Power Plant (GJ)	4476.15	4328.70
Energy Consumption in Mines (TJ)	90.19	91.84
*Alternative Fuel Rate (%)	2.59	1.99

\*Reduced due to very low availability of Biomass

## Renewable Approach

The affordable and accessible energy supply along with aggravating air pollution continue to exist as one of the biggest developmental challenges for India and volatile energy prices has come out as one the major key concerns. Based on these challenges and concerns, we have come out with renewable strategies and we are endeavouring to reduce our reliance on non-renewable energy resources.



In the year 2012, company wanted to broaden its wings and get ready to take its first step into the renewable energy business. We have commissioned a 6 MW Solar Power Plant at Phalodi, District Jodhpur of Rajasthan and have also installed number of various solar-based equipment at plant site and colony premises, like solar water heater, solar street lights, etc. Further to moving hand-in-hand with the nation's commitment of reducing carbon intensity at COP21, we have upcoming solar power generation projects at various plant locations i.e 2.4 MW at Surat Grinding Unit, 500 KW each at Kalol and Jhajjar

Grinding Units. We have produced 114.64 lakhs units and met our renewable energy obligation which has resulted in reducing CO<sub>2</sub> by about 9400 tonnes. Sirahi Unit has an existing 15 MW Waste Heat Recovery System and 8 MW WHR System is under installation at Durg Unit. We have been able to produce 783.75 Lakh KWH from WHR system and it has resulted in reducing CO<sub>2</sub> by about 64267 tonnes. At our Kalol grinding unit, we have also installed the most innovative windmill to illuminate the management offices.

We have been generating power from our renewable energy installations:

Year	Generation from Renewable Energy Sources (GJ)	Generation from Waste Heat Recovery (GJ)
2012-13	0.00	195480
2013-14	9360	246960
2014-15	41040	326244.6
2015-16	41040	282148.92
<b>Total</b>	<b>91440</b>	<b>1050833.52</b>



## Energy Savings within JK Lakshmi Cement Ltd.

As a part of our efforts to improve our energy performance, we have been implementing international standards and frameworks at our plants. Our plants have introduced a best-in-class Energy Management System i.e. ISO 50001 towards improving our operational energy efficiency. Significant improvements in our energy performance is achieved at most of our Units by a focused approach on energy conservation by implementing viable recommendations by our energy auditors, and coupling with better capacity utilisation. We have implemented various energy conservation measures through retrofitting of equipment, making operational changes, optimising the process, etc. as a result we could achieve reduction of 987.08 TJ in energy consumption in last two years.

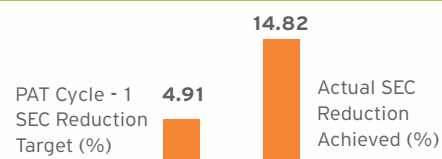
JK Lakshmi Cement Ltd. Jaykaypuram has achieved the distinction of winning the **Excellent Energy Efficient Unit Award** at the **16<sup>th</sup> National Awards for Excellence in Energy Management 2015** organised by **CII GBC** at Hyderabad on 3<sup>rd</sup> September, 2015. We have installed hot air recirculation system in cooler to increase green power generation at the rate of 8500 units/day. We have optimised our process parameters to improve raw mill rate from 210 to 220 tonnes per hour. Also, we have installed the energy efficient Variable Frequency Drive (VFD) for small and medium sized fans at all possible locations at all our manufacturing locations. Not only this, we have also modified Kiln riser & cyclone portion, Kiln 2 & Kiln 3 for energy efficiency and final product discharge circuit of cement Mill 5 & Cement Mill 6 resulted in saving of 240 units/day. Now we are using Screw Compressor in place of inefficient reciprocating compressor at our units.

Our all units have taken various other energy saving initiatives by retrofitting the equipment, operational changes and process modifications as follows:

- Raw mill optimisation by blocking nozzle to increase gas velocity and altering the dam ring height to optimise the bed height and mill feed chute skirt modification
- Modification of the bucket elevator discharge lip plate, in Kiln & Feeding system to reduce recirculation
- Optimisation of Closed Circuit Cement Ball Mill for PPC with benchmark of best lowest power consumption of 26.1 Kwh/tonne of cement
- VFD for small and medium size bag filters fans.
- Installation of Infrared sensor & bypass solenoid for lowering of truck tippler
- Modification in Cone Portion of New Cyclone 4 in Kiln 2 & Kiln 3 for smooth operation of kiln
- Modification In Final Product Discharge Circuit of Cement Mill 5 & Cement Mill 6

- Innovative Brick arrangement in Kiln for improving run factor of the kiln
- Installed 90 KVA rating energy saving device in the light circuit of Load Centre -1 and 1A of the crusher section
- Installation of VFD in Cement Mill - 1 vent fan
- Phase-wise installation of Energy Efficient LED's in place of conventional lights
- Installation of VFD in separator vent fan at Cement Mill- 3, 5 and 6
- Optimisation of kiln (reduction in PH exit losses, reduction of radiation losses across Tertiary Air duct and cyclone body & improved running hours of kiln)
- Optimisation of process parameters to improve VRM rate from 210 tph to 220 tph
- Tuning of HT capacitors in line to improve PF from 0.985 to 0.995
- **Unit Sirohi successfully achieved 14.82% reduction in specific energy consumption (SEC) as against given target of 4.91% during PAT Cycle-1, which is 3.0 times more than the given target.**

PAT Cycle-1 Performance





## Emission Management

Industrialisation has impacted our environment adversely due to air emissions which are multifaceted and long-term. We are witnessing the changing precipitation patterns, extreme weather events such as heat waves, floods, storms, droughts, etc. across the globe, including India, due to climate change caused by the emissions. Since cement production is highly energy intensive process, along with the air emissions from excavation activities, conveyer belts, grinding and kiln emissions. We, as Indian corporate citizen, have always been proactive towards management of natural resources and components of environment and harness appropriate technology to minimise on-site wastes and pollution. By adopting appropriate technology and modelling techniques, we are reducing the carbon foot print, SO<sub>x</sub>, NO<sub>x</sub> and Particulate Matter (PM) emissions.

Our mother unit Sirohi way back in 90's when stack emission standards were nowhere near 50 mg/Nm<sup>3</sup>, unit was thriving on bringing down and maintaining stack emissions below 50 mg/Nm<sup>3</sup>. Series of innovation like conversion of Electrostatic Precipitator (ESP) into a Hybrid ESP by in-house modification and converting a part of it into bag house helped us to further bring down our emission levels far below the regulatory limits. All of our manufacturing units are equipped with advance air

pollution control equipment like Reverse Air Bag House (RABH), ESP, Bag Filters, etc. Our units have not only looked into control of source emissions, but also on fugitive emissions through providing covered storage yards and silos for raw materials, covered conveyer belts at plant and mine locations, regular water sprinkling at mine haulage roads, cement concrete paved areas and roads inside plants, parking and colony premises.

We have made efforts toward technology of clinker wagon loading system and it is constructed with closed feeding belt conveyer and automatic clinker extraction and loading system controlled through PLC-based Computerised System. In financial year 2015-16, we have installed Mid Frequency Power Supply (MFPS) ESP controllers in kiln-3 cooler circuit to reduce stack dust emissions. Ambient air quality is checked on a regular basis by air pollution monitoring stations. Also, Low NO<sub>x</sub> burner in Kiln-2 resulting reduction in NO<sub>x</sub> is installed.

**On GHG emissions, JK Lakshmi Cement Ltd.'s standalone grinding unit at Kalol, is the 1<sup>st</sup> unit in Gujarat that has successfully inventoried all 3 scopes of Emissions and is compliant with ISO 14064-1: 2006.** Since direct greenhouse gas emissions represents most part of our emissions and therefore, we focus and acknowledge our responsibility to work towards Company's energy portfolio. The absolute and specific GHG emissions are provided in the below table.

Our GHG Emissions	2014-15	2015-16
Absolute Direct GHG Emission (Million tCO <sub>2</sub> eq.)	1.48	1.70
Absolute Indirect GHG Emission (Million tCO <sub>2</sub> eq.)	2	1.7
Specific Direct GHG Emissions (tCO <sub>2</sub> eq. per tonne Cement produced)	0.32	0.28
Specific Indirect GHG Emissions (tCO <sub>2</sub> eq. per tonne Cement produced)	0.04	0.03



Based on the accountability and applicability, we have accounted for the following gases: Sulfur oxides, Nitrogen oxides, Suspended Particulate Matter (SPM)

Provided below is a comparison of these gases for 2015-16 with that for 2014-15.

<b>Air Emissions</b>	<b>2014-15</b>	<b>2015-16</b>
SPM (tonne/year)	1095	1230
NOx Emissions (tonne/year)	7889	8958
SOx Emissions (tonne/year)	213	218
Specific NOx Emissions (g/ton of clinker)	1621	1601
Specific SO Emissions (g/ton of clinker)	43.8	38.1
Specific SPM (kg/tonne cement)	0.10	0.10

JK Lakshmi Cement Ltd. believes that energy and GHG management present both a risk and an opportunity for the company which can be capitalised upon to gain operational and competitive advantage. Accordingly, we are proactively finding solutions to reduce energy and GHG emissions and reward our employees for bringing forth suggestions to improve the same. Through the efforts of the management and the innovations of our employees, JK Lakshmi Cement Ltd. is on its way to a more sustainable energy and GHG path.



# Water Management

Efficient management of water resources is critical to the sustained growth of any large manufacturing industry. Today, an increasing number of businesses are beginning to recognise the significance of proficiently managing water resources towards augmenting productivity and improving resource efficiency. Other than improvements in manufacturing and business performance, channelisation of this shared resource also brings together and safeguards the interests of other associated stakeholders located outside the plant boundaries, such as the flora, fauna, and largely the local communities. The company has also spearheaded several strategies and initiatives at the operational level targeted towards Watershed Management and optimal water use.



We at, JK Lakshmi Cement Ltd. believe that despite being a local resource, water is connected to our business operations through multiple financial, social and environmental linkages. Our corporate strategy towards Water Management has been formulated in a manner so as to safeguard the interests of all associated stakeholders. Based on our understanding of stakeholder priorities through comprehensive engagement approaches, we have been able to streamline our water management efforts and accordingly shape our manufacturing activities. The rapid rate of urbanisation in our country has correspondingly led to an increase in industrial growth in our country and consequently increased the burden on natural resources,

including water. To reduce the stress on local water sources, we have been practicing water abstraction in a responsible and environmentally conscious manner. We do not withdraw water from any protected water bodies or Ramsar listed wetlands. Major water source at both of our integrated units at Sirohi and Durg is surface water from dam and the nearby river, it is only during low rainfall and less availability of surface water when Ground Water (GW) abstraction is done to meet the requirements. None of our production plants' water sources are significantly affected by water withdrawal activities. Since all our production plants employ dry process, our operations do not require extensive water consumption. None of our

production facilities discharge any waste water thereby maintaining "Zero Waste Water Discharge". The domestic waste water generated from our Unit's offices, canteens, and colony is treated in Sewage Treatment Plant (STPs), which is further used for gardening and green belt development.

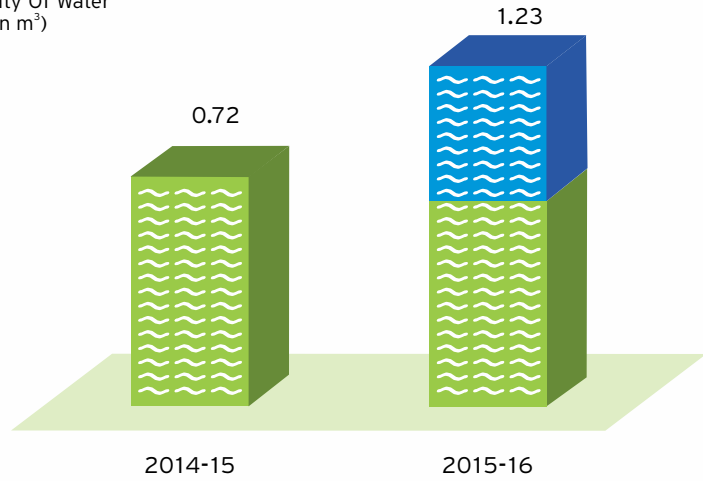
## Water Positivity

- Innovative Rainwater Harvesting (iRWH)
- Special Packaged type STP
- Root Zone Treatment STP
- Zero Liquid Discharge (ZLD)



**Water consumption at JK Lakshmi Cement Ltd.**

Quantity Of Water (Million m<sup>3</sup>)



■ Sirohi+Kalol+Jhajjar ■ Recently commissioned integrated unit at Durg

Note: Due to capacity expansion with addition of a new integrated plant at Durg, Chhattisgarh our water withdrawal increased in FY 2015-2016.

The following table shows water consumption from various sources at JK Lakshmi Cement Ltd. during the reporting period:

**Water Consumption at JK Lakshmi Cement Ltd.**

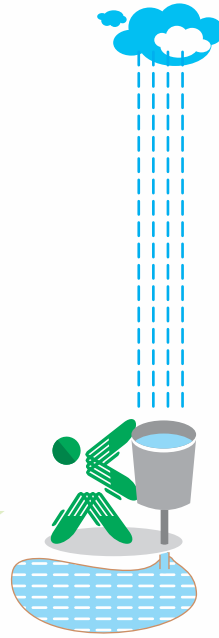
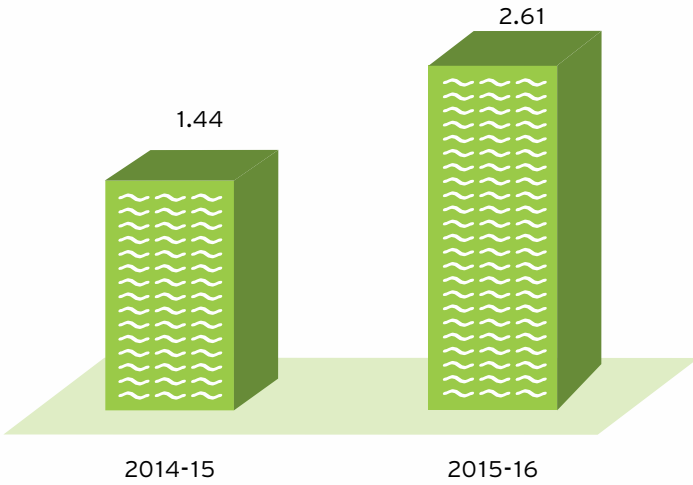
Source	2014-15	2015-16
Total Ground Water (Million m <sup>3</sup> )	0.90	0.69
Surface Water (Million m <sup>3</sup> )	0.008	0.71
Rain Water (m <sup>3</sup> )	464.16	389.66
Colony Water Usage (Million m <sup>3</sup> )	0.18	0.18
Total Water Usage in Production (Million m <sup>3</sup> )	0.72	1.23

Note: Ground water consumption increased due to low rain fall in both reporting years.

	2014-15	2015-16
Water recycled/reused (Million m <sup>3</sup> )	0.11	0.16



Total GW Recharge through Innovative Rain Water Harvesting (Million m<sup>3</sup>)



Ethos of Company has always been towards responsible and sustainable use of natural resources and water being one, is given very high level of attention since our plants came into existence. Our company has implemented a most innovative way of conserving natural water resource through its course of utilisation and treatment, by implementing scientific approach of conservation. Various practices like Innovative Rainwater Harvesting (iRWH), Scientifically Recycling Domestic Waste Water, Other Process Modifications and Optimisations are being followed at our Manufacturing Units, Mines, Colony and nearby Societies. Keeping its commitment to **Zero Liquid Discharging (ZLD)** all the units have installed scientifically designed

Packaged Type STP



Domestic Waste Water Treatment Systems which includes **Conventional STPs**, **Special Packaged type STP** (with both aerobic and anaerobic treatment facility & least sludge generation property) and **Root Zone Treatment based STP** (Biological treatment of water with help of bacteria found at the root zone of plants). This has not only assisted our organisation in supplementing its water demand, but has also contributed to the improvement in the water table in the areas of operation.

Natural rainwater harvesting pond at Jaykaypuram - Sirohi, Rajasthan



Maintaining Water Positivity



Our Water Management efforts led to overall groundwater recharge of 1.44 Million m<sup>3</sup> and 2.61 Million m<sup>3</sup> in 2014-15 and 2015-16 respectively which includes water recharge within company property and outside in the nearby villages.

All the manufacturing units are ISO 14001 Certified thereby maintaining close eye on the risk and opportunities related to consumption and utilisation of water. Following process innovation approaches like **replacing water-based cooling compressor by air-based screw compressors, stopping water spray in the cement mills, overhead water pipeline and logic control for clinker cooling water spray system.**

Empowerment and integration of the local community have always been critical components of our water management strategy, as we are of the opinion that effective community engagement can lead to a range of superior outcomes towards our

overall water sustainable industrial and societal growth. We have organised several participatory campaigns and workshops for raising community awareness regarding informed use of water resources, allowing us to communicate best practices in Water Management to various stakeholders in all our areas of operation. All the Units of the

company engage its employees, workers and nearby community through their participation in various events like Poster & Quiz Competitions, Play, Skits & Drama on occasions like World Water Day, World Environment Day, Earth Day, etc.



Mobile rainwater harvesting awareness vehicle at Durg



Durg Unit has taken an initiative to provide a practical one-day training session on Rain Water Harvesting practices at the Plant and Mine site to the fresh recruits of the Central Ground Water Board (CGWB) that has been appreciated by the Government and has made it a regular practice to provide trainings at JK Lakshmi Cement Ltd. Durg site.

Execution of these initiatives has allowed the company to work closely with various external stakeholders in diverse capacities, so as to ensure the adoption of a hands-on approach towards management of water. By imparting the ideals of judicious water use among residents of nearby communities, we have exhibited our commitment to achieve inclusive development. We strive to further enhance our performance and improve the coverage of our initiatives, so as to ensure all-round inclusion of the philosophies of sustainable development into our growth strategy.



Ground Water conservation awareness programme at government school at Durg







## 'Green Grinding Unit'

### Green Sustainable features:

- 95% less carbon footprint in the project compared to conventional grinding unit
- Least land space utilisation for process facility
- ZERO Red Mud brick utilisation
- Use of environment-friendly AAC blocks
- Paved area with 100% paver blocks against cement concrete
- Resource efficient Curved profiled roofs
- 2.4 MW Solar Power Plant for captive use
- Innovative rain water harvesting



# Annexure



## WBCSD - CSI Key Performance Indicators

Issue	Key Performance Indicator (KPI)	Data FY 2014-15	Data FY 2015-16
Climate	Total CO <sub>2</sub> emissions - gross (tonnes)	3902608	4538893
Protection	Total CO <sub>2</sub> emissions - net (tonnes)	3860798	4476823
	Specific CO <sub>2</sub> emissions - gross (kg/tonne cementitious material)	685	657
	Specific CO <sub>2</sub> emissions - net (kg/tonne cementitious material)	678	648
Fuels and Raw Materials	Specific heat consumption of clinker production (MJ/tonne clinker)	2952	2939
	Alternative Fuel Rate (%)	3.7	4.7
	Total Clinker consumed / Cementitious material Ratio (%)	65.36	67.83
Employee Health and Safety	No. of fatalities (directly employed)	0	0
	No. of fatalities per 10,000 directly employed	0	0
	No. of fatalities (indirectly employed)	0	2
	No. of fatalities (3rd party)	0	0
	No. of lost time injuries (directly employed)	0	0
	Lost time injuries per 1m man hours (directly employed)	0	0
Emissions Reduction	Total NOx emissions (tonnes/year)	7889	8958
	Specific NOx emissions (g/tonne clinker)	1621	1601
	Total SOx emissions (tonnes/year)	213	218
	Specific SOx emissions (g/tonne clinker)	43	38
	Total dust emissions (tonnes/year)	441	610
	Specific dust emissions (g/tonne clinker)	90	100
	% clinker produced with monitoring of major and minor emissions	100% with major emissions (particulate matter), Minor emissions are measured only if hazardous waste are used as fuel	
	% clinker produced with continuous monitoring of major emissions	100% with major emissions (particulate matter)	
	Independent third-party assurance of emissions data (frequency) from 2011	Data is verified by external party for 2 years FY (2014-16) for unit Sirohi & FY (2015-16) for unit Durg	
	Local Impacts	% of sites with quarry rehabilitation plans in place	100 (integrated units)
% of sites with community engagement plans in place		100% covered within Corporate Social Responsibility activity	
Biodiversity KPI no. 1	Number of quarries within, containing, or adjacent to areas designated for their high biodiversity value, as defined by GRI EN11 (number and coverage)	None of our sites are adjacent to areas designated as high biodiversity density or protected area	
Biodiversity KPI no. 2	Percentage of quarries with high biodiversity value where biodiversity management plans are actively implemented	None of our sites are adjacent to areas designated as high biodiversity density or protected area	

## GRI Content Index

Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Management Vision	02-05	Yes
G4-2	Provide a description of key impacts, risks, and opportunities The organisation should provide two concise narrative sections on key impacts, risks, and opportunities	Risk Management	64-68	No
G4-3	Report the name of the organisation	Perseverance and Growth - Our Organisation	12-16	Yes
G4-4	Report the primary brands, products and services	Perseverance and Growth - Our Organisation	12-16	Yes
G4-5	Report the location of the organisation's headquarters	Perseverance and Growth - Our Organisation	12-16	Yes
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	Perseverance and Growth - Our Organisation	12-16	Yes
G4-7	Report the nature of ownership and legal form	Perseverance and Growth - Our Organisation	12-16	No
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Perseverance and Growth - Our Organisation	12-16	Yes
G4-9	Report the scale of the organisation	Perseverance and Growth - Our Organisation	12-16	Yes
G4-10	Employees	Human Capital Development	26-35	Yes
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Human Capital Development	26-35	Yes
G4-12	Describe the organisation's supply chain	Supply Chain Management	72-75	No
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain (see comment)	About the Report	10-11	No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	Management Vision, Risk Management	02-05 64-68	Yes
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Perseverance and Growth - Our Organisation	12-16	Yes
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations	Perseverance and Growth - Our Organisation	12-16	Yes
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report	About the Report	10-11	Yes
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content	Stakeholder Engagement and Materiality	22-25	Yes
G4-19	a. List all the Material Aspects identified in the process for defining report content	Stakeholder Engagement and Materiality	22-25	Yes
G4-20	For each material Aspect, report the Aspect Boundary within the organisation	Stakeholder Engagement and Materiality	22-25	Yes
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation	Stakeholder Engagement and Materiality	22-25	Yes
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	About the Report	10-11	Not Applicable
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	About the Report	10-11	Not Applicable



Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
G4-24	Provide a list of stakeholder groups engaged by the organisation	Stakeholder Engagement and Materiality	22-25	Yes
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement and Materiality	22-25	Yes
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Stakeholder Engagement and Materiality	22-25	Yes
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Stakeholder Engagement and Materiality	22-25	Yes
G4-28	Reporting period (such as fiscal or calendar year) for information provided	About the Report	10-11	Yes
G4-29	Date of most recent previous report (if any)	About the Report	10-11	Yes
G4-30	Reporting cycle (such as annual, biennial)	About the Report	10-11	No
G4-31	Provide the contact point for questions regarding the report or its contents	About the Report	10-11	Not Applicable
G4-32	a. Report the 'in accordance' option the organisation has chosen b. Report the GRI Content Index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured	About the Report	10-11	Yes
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organisation and the assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report	About the Report	10-11	Yes
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Corporate Governance	60-63	Yes
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Corporate Governance	60-63	No
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Corporate Governance	60-63	Yes
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	Corporate Governance	60-63	No
G4-38	Report the composition of the highest governance body and its committees	Corporate Governance	60-63	Yes
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and if so, his or her function within the organisation's management and the reasons for this arrangement)	Corporate Governance	60-63	Yes
G4-40	Report the nomination and selection processes for the highest governance body and its committees and the criteria used for nominating and selecting highest governance body members	Corporate Governance	60-63	Yes
G4-41	Report processes for the highest governance body to ensure			

Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
	conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Corporate Governance	60-63	Yes
G4-42	Report the highest governance bodys and senior executives' roles in the development, approval and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts	Corporate Governance	60-63	Yes
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate Governance	60-63	Yes
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not and its frequency. Report whether such evaluation is a self-assessment b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice	Corporate Governance	60-63	No
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks and opportunities	Risk Management	64-68	No
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	Risk Management	64-68	No
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Risk Management	64-68	No
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered	About the Report	10-11	Yes
G4-51	Remuneration	Corporate Governance	60-63	No
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation	Corporate Governance	60-63	No
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Corporate Governance	60-63	No
G4-54	Report the ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest paid individual) in the same country	Corporate Governance	60-63	No
G4-55	Report the ratio of percentage increase in annual total compensation for the organisation's highest paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest paid individual) in the same country	Corporate Governance	60-63	No
G4-56	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Corporate Governance	60-63	Yes
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior and matters related to organisational integrity, such as helplines or advice lines	Corporate Governance	60-63	Yes

Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters related to organisational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines	Corporate Governance	60-63	No
<b>CATEGORY: ECONOMIC</b>				
<b>Aspect: Economic Performance</b>				
G4-DMA	Generic Disclosures on Management	Economic Performance	69-71	No
G4-EC1	Direct Economic Value generated and distributed	Economic Performance	69-71	No
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Economic Performance	69-71	No
G4-EC4	Financial assistance received from government	Economic Performance	69-71	No
G4-DMA	Generic Disclosures on Management	Local Community Development	41-51	No
G4-EC7	Development and impact of infrastructure investments and services supported	Local Community Development	41-51	Yes
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Local Community Development	41-51	Yes
<b>CATEGORY: ENVIRONMENT</b>				
<b>Aspect: Energy</b>				
G4-DMA	Generic Disclosures on Management	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN3	Energy consumption within the organisation	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN5	Energy intensity	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
<b>Aspect : Water</b>				
G4-DMA	Generic Disclosures on Management	Water Management	85-89	Yes
G4-EN8	Total water withdrawal by source	Water Management	85-89	Yes
G4-EN9	Water sources significantly affected by withdrawal of water	Water Management	85-89	Yes
G4-EN10	Percentage and total volume of water recycled and reused	Water Management	85-89	Yes
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability and Us	17-20	Yes
<b>Aspect: Emissions</b>				
G4-DMA	Generic Disclosures on Management	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN18	Greenhouse gas (GHG) emissions intensity	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
G4-EN21	NOx, SOx and other significant air emissions	Cleaner Tomorrow-Our Energy and Emission	78-84	Yes
<b>Aspect: Effluents and Waste</b>				
G4-DMA	Generic Disclosures on Management	Water Management	85-89	Yes
G4-EN22	Total water discharge by quality and destination	Water Management	85-89	Yes
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by Yes the organisation's discharges of water and runoff	Water Management	85-89	

Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
<b>Aspect: Compliance</b>				
G4-DMA	Generic Disclosures on Management	Risk Management	64-68	Yes
G4-EN29	Monetary value of significant fines and total number of non monetary sanctions for non compliance with environmental laws and regulations	Risk Management	64-68	Yes
<b>Aspect: Overall</b>				
G4-DMA	Generic Disclosures on Management	Economic Performance	69-71	Yes
G4-EN31	Total environmental protection expenditures and investments by type	Economic Performance	69-71	Yes
<b>CATEGORY : SOCIAL</b>				
<b>LABOUR PRACTICES AND DECENT WORK</b>				
<b>Aspect: Employment</b>				
G4-DMA	Generic Disclosures on Management	Human Capital Development	26-35	Yes
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Human Capital Development	26-35	No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Human Capital Development	26-35	No
G4-LA3	Return to work and retention rates after parental leave, by gender	Human Capital Development	26-35	Yes
<b>Aspect: Occupational Health and Safety</b>				
G4-DMA	Generic Disclosures on Management	Health and Safety	36-40	Yes
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	Health and Safety	36-40	Yes
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health and Safety	36-40	Yes
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Health and Safety	36-40	Yes
<b>Aspect: Training and Education</b>				
G4-DMA	Generic Disclosures on Management	Human Capital Development	26-35	No
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Human Capital Development	26-35	No
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Human Capital Development	26-35	No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Human Capital Development	26-35	Yes
<b>Aspect: Supplier Assessment for Labor Practices</b>				
G4-DMA	Generic Disclosures on Management	Supply Chain Management	72-75	Yes
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Supply Chain Management	72-75	Yes
<b>HUMAN RIGHTS</b>				
G4-DMA	Generic Disclosures on Management	Supply Chain Management	72-75	No
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labour	Supply Chain Management	72-75	No
<b>SOCIETY</b>				
<b>Aspect: Local Communities</b>				
G4-DMA	Generic Disclosures on Management	Local Community Development	41-51	Yes



Disclosure	Description	Report Section for cross reference	Page No	Ext. Assurance
G4-S01	Percentage of operations with implemented local community engagement, impact assessments and development programmes	Local Community Development	41-51	Yes
<b>Aspect: Compliance</b>				
G4-DMA	Generic Disclosures on Management	Risk Management	64-68	No
G4-S08	Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulations	Risk Management	64-68	No
<b>PRODUCT RESPONSIBILITY</b>				
<b>Aspect : Product and Service Labelling</b>				
G4-DMA	Generic Disclosures on Management	Customer Delight	52-58	Yes
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labeling and percentage of significant product and service categories subject to such information requirements	Customer Delight	52-58	Yes
G4-PR4	Total number of incidents of non compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Customer Delight	52-58	Yes
G4-DMA	Generic Disclosures on Management	Customer Delight	52-58	Yes
G4-PR6	Sale of banned or disputed products	Customer Delight	52-58	Yes
G4-PR7	Total number of incidents of non compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Customer Delight	52-58	Yes

## Conversion factors used in calculations

Sr. No.	Parameter	Conversion Factors
1.	Energy	1 Gcal = 4.1868GJ 1 GJ = 0.00027778 GWh
2.	GHG Emissions	Purchased electricity from the grid 1 MWh = 0.82 tCO <sub>2</sub> e  Global Warming Potentials (tCO <sub>2</sub> e)  CO <sub>2</sub> = 1  Emission factors  Diesel :74.1MT/TJ  Coal :96.1 MT/TJ  Natural Gas : 56.1 MT/TJ
3.	Water	1 KL = 1 m <sup>3</sup> = 1 Cubic meter
4.	Fuels	<b>Motor Diesel</b> 1 KL = 0.85 kg  <b>Diesel</b> Density factors = 0.86 kg /KL GCV = 45.26 TJ / Gg  <b>Natural Gas</b> Density factor = 0.7971 Kg/m <sup>3</sup> GCV = 53.33 TJ /Gg  <b>Coal</b> GCV= batch-wise specific calorific value as provided by site
5.	Health and safety	1 Fatality = 6,000 mandays lost

TJ - Tetra Joule

MT - Metric Tonne

GCV - Gross Calorific Value

GJ - Giga Joule

tCO<sub>2</sub> eq. - Tonnes of Co<sub>2</sub> equivalent

KJ - Kilo Joule

## Assurance Statement



### Independent Limited Assurance Statement to the management of JK Lakshmi Cement Ltd. on their Sustainability Report for Financial Year 2014-16

To the Management of JK Lakshmi Cement Ltd., Nehru House 4, Bahadur Shah Zafar Marg, New Delhi

#### Introduction

JK Lakshmi Cement Ltd. ('the Company' or 'JK Lakshmi Cement Ltd.') has requested KPMG in India ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2014-16 ('the Report').

The Company's management is responsible for identifying its material issues, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

#### Reporting Criteria

JK Lakshmi Cement Ltd.'s sustainability performance criteria is derived from the Sustainability Reporting Guidelines (G4) of GRI, as detailed in the 'Report Scope and Boundary' section in its FY 2014-16 Sustainability Report.

#### Assurance Standards Used

We conducted the assurance in accordance with limited assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Under this standard, we have reviewed the information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability as required by ISAE 3000.

#### Scope, Boundary and Limitations

The following is covered under the scope and boundary of the assurance engagement:

- The scope of assurance covers JK Lakshmi Cement Ltd.'s sustainability performance indicator disclosures for two consecutive financial years with in the period of 01 April, 2014 to 31 March, 2016 as per the table on the following page.
- The boundary of the assurance covers the economic, environmental and social performance of JK Lakshmi Cement Ltd.'s operations along with exclusions as stated in the 'About the Report' section of the Report. We have carried out site visits at the following locations:

#### Locations:

- Integrated Cement Plant, Sirohi, Rajasthan
- Integrated Cement Plant, Durg, Chhattisgarh

#### The assurance scope excludes:

- The Company's financial performance;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions of the Company.

The General and Specific Standard Disclosures subject to assurance were as follows:

General Standard Disclosures	Specific Standard Disclosures
<ul style="list-style-type: none"> <li>• The Scope</li> <li>• Strategy and Analysis: G4-1</li> <li>• Organisational Profile: G4-3 - G4-6, G4-8 - G4-11, G4-14 - G4-16</li> <li>• Identified Material Aspects and Boundaries: G4-17 - G4-21</li> <li>• Stakeholder Engagement: G4-24 - G4-27</li> <li>• Report Profile: G4-28 to G4-29, G4-32- G4 -33</li> <li>• Governance: G4-34, G4-36, G4-38 to G4-44</li> <li>• Ethics and Integrity: G4 -56-G4-57</li> </ul>	<ul style="list-style-type: none"> <li>• Economic: Indirect economic impacts (G4-DMA, G4-EC7 - G4-EC8)</li> <li>• Environment: Energy (G4-DMA, G4-EN3-G4-EN5), Water (G4-DMA, G4-EN8 - G4-EN10), Emissions (G4-DMA, G4-EN15 - G4-EN19, EN21), Effluents and waste (G4-DMA, G4-EN22 and G4EN26, Compliance (G4-DMA, G4-EN29), Overall (G4-DMA, G4-EN31)</li> <li>• Labour Practices and Decent Work: Employment (G4-DMA, G4LA3), Occupational Health and Safety (G4-DMA, G4-LA5 - G4-LA7), Training and Education (G4-DMA, G4-LA11)</li> <li>• Supplier Assessment (G4-DMA, G4-LA14)</li> <li>• Marketing (G4-DMA,G4- PR3,G4-PR4,G4-PR6,PR-7)</li> </ul>

#### Assurance procedures

Our assurance processes involve performing procedures to obtain evidence about the reliability of specified performance information. The nature, timing and extent of procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the performance indicators as well as standard disclosures whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the circumstances.

#### Our assurance procedures also included:

- Assessment of **JK Lakshmi Cement Ltd.**'s reporting procedures for sustainability reporting regarding the consistency with the application of GRI G4 guidelines
- Evaluating the appropriateness of the quantification methods and models used to arrive at the data presented in the Report
- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance indicators included in the Report
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by **JK Lakshmi Cement Ltd.** for data analysis
- Discussions with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the Report
- Discussion on sustainability with senior executives at the different plant locations and at the corporate office to understand the risk and opportunities from sustainability context and the strategy **JK Lakshmi Cement Ltd.** is implementing
- We have relied on the data and information related to the Company's financial performance, sourced from its audited annual report for the FY 2014-15 and FY 2015-16 for inclusion in the Report



- Verification of key performance data through site visits on an annual basis for
  - Testing reliability and accuracy of data on a sample basis
  - Understanding technical values considered
  - Assessing of the stakeholder engagement process through interactions with relevant internal stakeholders and review of relevant documentation
  - Reviewing of the processes deployed for collection, compilation, and reporting of sustainability performance indicators at corporate and site level

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at **JK Lakshmi Cement Ltd.**'s premises.

#### Conclusions

We have reviewed the Sustainability Report of **JK Lakshmi Cement Ltd.**. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that:

- The report does present **JK Lakshmi Cement Ltd.** sustainability performance covering its operations as mentioned in the scope.
- Material issues that have impact on **JK Lakshmi Cement Ltd.** and are of interest to its stakeholders have been highlighted in the report.

#### Observations

The following are observation points reported to the management of **JK Lakshmi Cement Ltd.** These do not, however, affect our conclusions regarding the Report stated above.

- **JK Lakshmi Cement Ltd.** has implemented data management systems for monitoring and reporting of sustainability performance indicators. However, there is scope for further improvement in the systems for tracking the sustainability performance data.
- **JK Lakshmi Cement Ltd.** has defined its sustainability vision in a structured and detailed manner with active involvement from the Senior and Top management. It can consider increasing capacity building of its internal stakeholders for greater degree of penetration of the vision and uniform understanding of sustainability concepts across its integrated plants in Sirohi and Durg and grinding units in Kalol and Jhajar.

## Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 standard. Our work was performed in conformance to the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code

## Responsibilities

**JK Lakshmi Cement Ltd.** is responsible for developing the Report contents. **JK Lakshmi Cement Ltd.** is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of **JK Lakshmi Cement Ltd.** in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to **JK Lakshmi Cement Ltd.** those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than **JK Lakshmi Cement Ltd.** for our work, for this Report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.



**Santhosh Jayaram**  
Partner  
KPMG in India  
20th March 2017

## Company Plants & Office Addresses

### Corporate Office:

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Phone: 2971-244409 - 10

### Integrated Cement Plants:

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### Cement Grinding Units:

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### Cement Grinding Unit II

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### Cement Grinding Unit III

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### AAC Block Plant:

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### RMC Plants:

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Bajaj Road, Sikar  
Phone: 9928914621

Gole Building, 2nd Floor, Palace Road, Sirohi  
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## FEEDBACK FORM

Dear Readers,

Thank you for reading our corporate sustainability report 2014-16, we would be happy to receive your feedback on this report.

Please use this form to submit your comments and suggestions directly to our Sustainability team.

### 1. How would you rate your overall impression of JK Lakshmi Cement Ltd.'s Corporate Sustainability Report 2014-16?

Excellent     Good     Average     Poor

### 2. How would you rate JK Lakshmi Cement Ltd.'s sustainability performance?

Excellent     Good     Average     Poor

### 3. How would you rate the following :

Readability:                     Good     Average     Poor

Clarity of Information:     Good     Average     Poor

Representation and layout:  Good     Average     Poor

### 4. What information and details would you like to see in future reports?

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### 5. Any other Comments or Suggestions?

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Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Organisation : \_\_\_\_\_

Contact address : \_\_\_\_\_

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Email: \_\_\_\_\_

Contact no.: \_\_\_\_\_

To,  
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