

# DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it gives a great pleasure to present the 16<sup>th</sup> Annual Report and Audited Financial Statements of **JSW CEMENT LIMITED** ("the Company") for the financial year ended March 31, 2022.

## 1. Financial Performance-Standalone:

The key highlights of financial performance for the Company as reflected by its Audited Financial Statements for the Financial Year ended March 31, 2022 is summarized below:

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from operations	4,099.22	3,416.77	4,668.57	3,861.90
Other Income	225.19	76.09	194.91	61.73
<b>Total Income</b>	<b>4,324.41</b>	<b>3,492.86</b>	<b>4,863.48</b>	<b>3,923.63</b>
<b>Expense</b>				
Cost of material consumed	1,008.29	778.76	1,058.23	946.45
Purchase of stock in trade	26.94	19.25	153.31	16.54
Changes in inventories of finished, goods, semi-finished goods & stock in trade	(22.83)	45.93	(35.36)	36.27
Employee benefit expense	217.53	191.08	244.63	205.07
Finance cost	283.60	277.57	315.37	290.65
Depreciation & Amortization expense	169.95	154.28	225.06	178.68
Power and fuel	598.70	387.77	759.14	451.32
Freight and handling expenses	955.87	756.67	1,013.18	796.75
Other Expenses	592.82	455.68	739.30	592.51
Captive consumption	(5.09)	(5.45)	(7.37)	(5.48)
<b>Total Expense</b>	<b>3,825.78</b>	<b>3,061.54</b>	<b>4,465.49</b>	<b>3,508.76</b>
<b>Profit before exceptional item &amp; tax</b>	<b>498.63</b>	<b>431.32</b>	<b>397.99</b>	<b>414.87</b>
Exceptional items	-	35.40	-	35.40
Share of profit/(loss) of joint ventures (net)	-	-	1.26	-
<b>Profit before tax</b>	<b>498.63</b>	<b>395.92</b>	<b>396.73</b>	<b>379.47</b>
Tax expense	174.24	138.07	164.08	129.63
<b>Total Profit for the year</b>	<b>324.39</b>	<b>257.85</b>	<b>232.65</b>	<b>249.84</b>

## 2. Highlights of Performance:

### a. Consolidated Performance

The total consolidated production of Portland Slag Cement ("PSC"), Ordinary Portland Cement ("OPC") Concreel HD, Composite Cement (CC), Portland Pozzolana Cement ("PPC") and Ground Granulated Blast Furnace Slag ("GGBS") during the year under review was 8.82 MTPA (PSC 3.05 MTPA, OPC 0.99 MTPA, Concreel HD 1.09 MTPA, CC 0.55 MTPA, PPC 0.01 MTPA and GGBS 3.13 MTPA) as compared to production of 7.92 MTPA (PSC 3.12 MTPA, OPC 1.00 MTPA, Concreel HD 0.71 MTPA, CC 0.59 MTPA, PPC 0.06 MTPA and GGBS 2.44 MTPA) in the previous year, recording increase of 11.4% over previous year. The total consolidated sales of PSC, OPC, PPC, CC and GGBS during the year under review as 8.80 MTPA (PSC 3.04 MTPA, OPC 0.99 MTPA, Concreel HD 1.08 MTPA, CC 0.55 MTPA, PPC 0.01 MTPA, GGBS 3.13 MTPA) as compared to sales of 8.01 MTPA (PSC 3.17 MTPA, OPC 1.00 MTPA, Concreel HD 0.72 MTPA, CC 0.60 MTPA, PPC 0.06 MTPA, GGBS 2.46 MTPA) in previous year recording an increase of 9.9% over previous year.

### b. Standalone Performance

The total standalone production of Portland Slag Cement ("PSC"), Ordinary Portland Cement ("OPC") Concreel HD, Composite Cement (CC), and Ground Granulated Blast Furnace Slag ("GGBS") during the year under review was 8.81 MTPA (PSC 3.05 MTPA, OPC 0.99 MTPA, Concreel HD 1.09 MTPA, CC 0.55 MTPA, and GGBS 3.13 MTPA) as compared to production of 7.83 MTPA (PSC 3.09 MTPA, OPC 1.00 MTPA, Concreel HD 0.71 MTPA, CC 0.59 MTPA, and GGBS 2.44 MTPA) in the previous year, recording increase of 12.5% over previous year. The total standalone sales of PSC, OPC, PPC, CC and GGBS during the year under review as 8.79 MTPA (PSC 3.04 MTPA, OPC 0.99 MTPA, Concreel HD 1.08 MTPA, CC 0.55 MTPA, GGBS 3.13 MTPA) as compared to sales of 7.92 MTPA (PSC 3.14 MTPA, OPC 1.00 MTPA, Concreel HD 0.72 MTPA, CC 0.60 MTPA, GGBS 2.46 MTPA) in previous year recording an increase of 11.0% over previous year.

## 3. Financial Statement:

The audited Standalone and Consolidated Financial Statements of the Company, which form a part of this Annual Report, have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards.



## 4. Transfer to Reserves:

No amount is proposed to be transferred to reserves.

## 5. Dividend:

In view of the Company's expansion plan, the Board of Directors has not recommended any dividend on the Share Capital of the Company.

## 6. Global Economy:

In the beginning of FY2022, the pandemic continued to wreak havoc, causing significant negative impact on businesses and society as a whole. New variants of the COVID-19 led to a fresh round of lockdowns across the globe. The most immediate impact was felt in the form of rising prices of crude oil and supply chain disruptions, leading to a rise in inflation that weighed down growth in emerging economies considerably. This moderated the projected growth rate for FY2022 to 4.4%, down from 5.9% in FY2021.

With the widespread administration of covid vaccines, a level of immunity was achieved against the ever-growing threats of new covid variants, boosting economic recovery. Apart from vaccines, governments and central banks play a major role in reviving the economy. They drive traction and capital expenditure to ensure that money keeps flowing in the economy, expedited through relevant policy framework. Many sectors were revitalised owing to the outburst of pent up demand and a growing flexibility in aligning to the changing dynamics. Sectors like tourism and hospitality need more stimulus and will only regain a degree of normalcy once countries open up their doors to international travel. The recovery rate for each country depends on investments made on advanced healthcare, along with accommodative fiscal policies. Countries with a strong infrastructural foundation find it much easier to bounce back from the impact of the pandemic.

The ongoing Russia-Ukraine conflict will have major ramifications for the global economy. Both these countries are major commodity producers and supply chain disruptions will have prices going upwards in the rest of the world. There is also a severe concern around rampant climate change that has been showing its effect all over the world. A UN report released in August 2021 warns about an impending climate catastrophe unless strong measures are taken to control greenhouse gas emissions. Another report from Deloitte suggests that increased occurrence of natural calamities like storm, floods and droughts will impact 70% of industrial production around the planet.

## 7. Management Discussion and Analysis:

Management Discussion and Analysis is provided as a separate section in this Annual Report.

## 8. Outlook:

The efficacy of vaccines and astute macro-economic policies adopted by governments will be fundamental to the revival of businesses across the world. The pandemic has laid bare the increasing need for collaborative

approaches to tackling global crises. We now have the necessary experience to manoeuvre through these pandemic infused disruptions. Although economic output in the developed world is projected to return to pre-covid levels in 2022, they will continue to remain below for the emerging market economies. With the volatile crude oil prices and vulnerable supply chains, inflation is also expected to remain elevated this year. Global collaborative effort is the need of the hour to address the severe financial impact resulting from climate change related extreme weather events.

### Indian Economy

India set an ambitious target of vaccinating 1 Billion+ people at the beginning of 2021. This large-scale vaccination drive has injected immunity into our vulnerable populations to safeguard from covid related fatalities. However, infections skyrocketed with advent of new strains of the virus. Hospitals were once again overwhelmed with severe shortage of oxygen supply, while frontline workers were once again overburdened. With subsequent lockdowns and accelerated vaccinations, India gradually emerged out of the second wave, witnessing an uptick in economic growth. The central government prioritised capital expenditure by allocating ₹ 7.5 Lakh Crores, an increase of 35% over previous year. The central government also had strong focus on projects promoting infrastructure development with the belief that increased investments in infrastructure will propel growth in other industries. The Reserve Bank of India predicted that the economic growth rate will stand at 7.8% for 2022-2023. However, the overall Consumer Price Index would remain higher at 6% as of January 2022 due to high input cost, supply side disruptions and rising crude oil prices.

Despite pandemic concerns, India has shown a positive trajectory towards economic recovery through higher:

- GST collections
- UPI transactions
- Passenger and freight traffic via air and rail
- FDI influx

**Outlook:** Outcomes of both external and internal volatilities will shape how Indian economy would perform in the coming year. While the overarching threat of newer covid variants continue to remain, we are in a comfortable position to manage it with our aggressive vaccination drive and contingency plans pertaining to the outbreak will be suitably addressed. The task at hand is to continue with the pace of economic recovery across all sectors including tourism, which was hit badly in 2021. With the government's focus on infrastructure, heavy industries like steel, cement, machinery etc. are expected to see higher demand.

### Industry Review

The cement industry is expected to grow at 7% in FY2022 due to factors such as infrastructure growth, increased activity in urban and rural housing, rising rural incomes and an overall industrial growth. This optimistic demand growth for cement will primarily be driven by housing and infrastructure sector. The Investment Information and

Credit Rating Agency of India Limited (ICRA) expects around 20% volume growth in cement production to 355 million metric tonnes this fiscal year.

## 9. Capital Expenditure and New Projects:

The Company is India's leading green cement company with current capacity of 15.1 MTPA across its manufacturing units at various location in India and it has drawn an ambitious plan to ramp up its production capacity in near future.

The Company has a strong commitment towards innovation in sustainability and technology to offer environment-friendly construction and building solutions. With a strong presence in 12 major states along with 3 Union Territories in India, we are now ready to expand our footprint in the country and overseas by adding to our existing active state-of-the-art manufacturing plants and three mines and intend to increase our production capacity to 25 MTPA.

### 9.1 NANDYAL, ANDHRA PRADESH

- Present installed capacity for clinker is 2.5 MTPA & cement grinding is 4.8 MTPA. Company plans to increase the clinker capacity from 2.5 MTPA to 3.4 MTPA along with 12.29 MW WHRS system.
- Kiln upgradation project and waste heat recovery system are under construction. Kiln firing is expected to be completed by September 2022 and WHRS by October 2022 after stabilization of clinker circuit.
- Final EIA report has been submitted on April 1, 2022 and EC approval is expected by June 2022.
- M/s TechCem has carried out the consultancy service for the upgradation project and M/s Holtec for WHRS Project. M/s KHD has been appointed for supply of Ball mill and M/s Loesche for supply of Coal Mill for upgradation project. M/s Thermax has been appointed for supply of boiler and M/s Siemens for Turbine for WHRS project.
- Engineering activity has been completed and site construction activity is in full swing.
- Liquid Alternative Fuel firing to the calciner is running & that has saved ₹ 430 lakhs in the financial year of 2021-22. Fuel used is pharma waste liquid and 1.9% TSR has been achieved in FY2022.
- Solid Alternative Fuel feeding system is running which saved ₹ 517 lakhs in the financial year 2021-22. This will be recurring saving every year. The installed capacity is 10 TPH. Fuel used is rice husk, agricultural waste and solid pharma waste and plastic waste. 2.3% TSR has been achieved in FY2022.
- To streamline dispatches (Clinker loading and Slag unloading) via Rail, 1.2 km of railway line is connected to the main line at Panyam, which is around 38 KM from the plant. The said railway line is in operation.

### 9.2 VIJAYANAGAR, KARNATAKA

- Present installed capacity for cement grinding unit is 4.0 MTPA, consisting of 4 no. of RP's and 1 no. of VRM

- The commissioning of de-bottlenecking project has increased the capacity from 3.2 MTPA to 4.0 MTPA. De-bottlenecking project include bulk loading, 240 TPH packer circuit, 5,000 MT product silo and blender circuit for producing blended Cement. 4 MTPA target has been achieved with bulk loading, 240 TPH packer and 5,000 MT silo Project, however the installation of blender circuit is for redundancy purpose and expected to be completed by June 2022.
- Execution of 2 MTPA brown field grinding unit project to increase grinding capacity from 4 MTPA to 6 MTPA has been initiated.
- M/s Holtec Consulting has carried out, System Design, Basic Engineering and Procurement Assistance activity for setting up the 2 MTPA grinding unit. Engineering and procurement activity is under progress. Order has been awarded to M/s Loesche for the supply of VRM.
- Expected commissioning Schedule is February 2023.

### 9.3 SALBONI, WEST BENGAL

- Present installed capacity for cement grinding unit is 3.0 MTPA, consisting of 4 no. of RP's.
- The commissioning of de-bottlenecking project has increased the plant capacity from 2.4 MTPA to 3.0 MTPA. De-bottlenecking project includes new 430 TPH blender circuit, new 240 TPH packer circuit and 5,000 TPH product silo.
- Further, installation of a Ball Mill in RP1 circuit is under progress. This will enhance the plant capacity from 3.00 MTPA to 3.60 MTPA. The scheduled completion is expected by June 2022.
- The construction of Kali Matadi Temple at Ankur Colony, Salboni is at full swing and expected to be completed by the end June 2022.

### 9.4 DOLVI, MAHARASHTRA

- Present installed capacity for cement grinding unit is 2.5 MTPA, consisting of 4 no. of RP's and 2 no. of VRM.
- Clinker handling system at Dharmatar Jetty project is under construction. The Project includes 80,000 MT clinker silo, feeding and extraction system. Schedule completion is expected by May 2022.
- 2 MTPA brownfield expansion project will increase the production capacity from 2.5 MTPA to 4.5 MTPA is under construction. The said project is expected to be commissioned by December 2022.
- M/s Holtec Consulting has carried out, System Design, Basic Engineering and Procurement Assistance activity for setting up the 2 MTPA grinding unit. Engineering and procurement activity is under progress. Order has been awarded to M/s Loesche for the supply of VRM.
- Expected commissioning schedule is December 2022.

### 9.5 SHIVA CEMENT LIMITED, ODISHA

- The new clinkerisation unit of 1.36 MTPA green field clinker project includes 4,000 TPD clinker circuit, 8.9 MW WHRS, 132 KV incoming power, OLBC and Railway siding is under construction to cater to the

requirements of Salboni and Jajpur grinding units in order to de-risk against the volatility in imported clinker prices.

- EC & CTE has been granted for new auction Khatkurbahal block and expansion of existing mines. EC & CTE has been granted for Cement plant (Clinker expansion from 0.825 MTPA to 3.0 MTPA and cement expansion from 0.252 MTPA to 2 MTPA.
- All engineering activity for clinkerisation & WHRS plant is completed and most of the equipment has been received at site. Major civil activity is completed and erection activity is at full-fledged.
- 132 KV Incoming power – transmission tower erection is under progress. Switchyard at equipment erection work is completed and LIL0 substation work is under progress.
- Railway Siding – DPR is approved and ESP approval is under progress and expected to be obtained by July 2022.
- OLBC – IPCOL has approved 22.8-acre land for proposed OLBC and submitted to IDCO. Technical offer has been received from FLS, Beumer and Macmet for OLBC on EPC mode excluding civil job. Technical evaluation is under progress.

### 9.6 FUJAIRAH, UAE

- Present installed capacity for clinker is 1.0 MTPA which is fully exported to Bangladesh and other Asian Countries.
- The Company plans to increase Clinker production capacity from existing 3,000 TPD to 7,500 TPD by installing a 2<sup>nd</sup> clinker production line of 2.4 MTPA along with installation of Waste Heat Recovery Power Plant (WHRPP) of gross generation capacity 14.67 MW. The construction is under progress and the clinker plant is expected to be commissioned by July 2023 followed by WHRPP after stabilization of upgraded clinker production.
- Process Equipment has been ordered to Thyssenkrupp in India. Site construction commenced in January 2022. Civil Construction and Installation packages have been awarded to local contractor (Al-Aweal) in the UAE. Ordering of Waste Heat Recovery Power Plant (WHRPP) is under finalization.
- The company is also focusing on a sustainable growth model and investing on substituting conventional fuels with solid and liquid non-hazardous wastes. In view of achieving the target, some nascent steps have been taken and further possibility in under exploration in support with market experts on the matter.
- As a starter kit, a Solid RDF feeding system has been installed in the existing setup and is operational. With feeding of solid RDF through starter kit and usage of various alternate fuels and materials, a Thermal Substitution Rate (TSR) of 5 to 6% has been targeted.

## 9.7 NEW MINES/AUCTION STATUS:

### a. Gujarat:

- Government of Gujarat has extended the validity of Letter of Intent (LoI) with Two years i.e. June 20, 2022.
- Environment Clearance for Mudhway D limestone mine for 1.6 MTPA capacity is granted on May 25, 2021.
- The Company at present is in process of obtaining statutory clearances for commencement of mining operations by FY2023.

### b. Rajasthan:

- Environment Clearance for 3B2 limestone block for 3.8 MTPA capacity is granted on August 31, 2020.
- Land acquisition is in process in 3B2 limestone block.
- The Company at present is in process of obtaining statutory clearances for commencement of mining operations by FY2024.
- The Company won the 3C1 & 3C2 limestone blocks in E-auction and had been declared as preferred bidder for 3C1 & 3C2 limestone blocks, which are adjacent to the existing 3B2 limestone block.
- LOI is yet to be issued by the State Government of Rajasthan.

### c. JSW Cement FZE, Fujairah:

- Total Limestone produced from Fujairah Mines in FY2021 is 5.734 Million tons. Currently, 6 MTPA crusher is operational
- Total Limestone exported from Fujairah Mines in FY2021 is 3.1 Million tons.

### d. Shiva Cement Limited (SCL), Khatkurbahal Limestone Mine & Khatkurbahal (North) Limestone Block:

- Environment Clearance for 1.6 MTPA limestone was granted by MoEF & CC on March 17, 2022.
- Consent to Establish (CTE) for 1.6 MTPA limestone was granted by OSPCB on January 07, 2022. Received amended Letter of Intent (LoI) on February 02, 2021 with inclusion of mineral Dolomite, which indicates the grant of mining lease for mineral dolomite along with Limestone.
- Mining Plan approved by Indian Bureau of Mines (IBM) for Khatkurbahal (North) Block for 2.4 MTPA Dolomite mining on April 24, 2021.
- The Company is currently under the process of getting the amendment in the EC with respect to inclusion of 2.4 MTPA Dolomite.
- Govt. of Odisha had issued declaration of successful bidder & currently execution of MDPA is under process.
- Shiva Cement at present is in process of obtaining statutory clearance for commencement of mining operations by FY2023.



**Khatkurbahal Block:**

- Environment Clearance for 1.5 MTPA limestone was granted by MoEF & CC on March 11, 2022.
- Consent to Establish (CTE) for 1.5 MTPA limestone was granted by OSPCB on April 07, 2022.

**10. Holding and Subsidiary Company:**

- Adarsh Advisory Services Private Limited is the Holding Company. Presently, there are four subsidiaries of the Company which are as under:
  - JSW Cement FZE is a Wholly Owned Subsidiary Company incorporated at Fujairah, Free Zone, UAE on November 24, 2016.
  - Shiva Cement Limited is a Subsidiary Company incorporated in the year 1985 and the Company is listed on Bombay Stock Exchange, having its Plant site at Shiva Cement Limited, Telighana, PO: Birangatoli, Tehsil-Kutra, District - Sundargarh Odisha - 770018.
  - Utkarsh Transport Private Limited is a Wholly Owned Subsidiary Company incorporated on April 25, 2018 and having Registered office at JSW Cement Limited, Babukhan Millenium Centre, 6-3-1099/1100, No. 702, A Block Somajiguda, Hyderabad Telangana 500082.
  - JSW Green Cement Private Limited is a wholly owned subsidiary company incorporated on November 18, 2019 and having Registered office at JSW Cement Limited, Babukhan Millenium Centre, 6-3-1099/1100, No. 702, A Block Somajiguda, Hyderabad Telangana 500082
- Report on Performance of Subsidiaries, Associates and Joint Venture Companies:

The performance and financial position of each of the subsidiaries, associates and joint venture companies for the year ended March 31, 2022 is attached as "Annexure-A" in the prescribed format AOC-1 and forms part of the Board's report.

**11. Share Capital:****Authorised Share Capital:**

During the year under review, the Company vide the special resolution passed in the EGM dated July 19, 2021 has:

- Increased the Authorised Share Capital from ₹ 15,00,00,00,000 (Rupees Fifteen Hundred Crore) divided into 1,25,00,00,000 (One Hundred Twenty-Five Crore) Equity Shares of ₹ 10 (Rupees Ten) each and 2,50,00,000 (Two Crores Fifty Lakhs) Preference Shares of ₹ 100 (Rupees Hundred) each to ₹ 35,00,00,00,000 (Rupees Thirty-Five Hundred Crore) consisting of:
  - 180,00,00,000 (One Hundred and Eighty Crore) Equity Shares of face value of ₹ 10 (Rupees One Ten) each and

- 17,00,00,000 (Seventeen Crore) compulsorily convertible preference shares of face Value of ₹ 100 (Rupees One Hundred) each.

- reclassification of preference shares 2,50,00,000 (Two crore Fifty Lakhs only) Preference Shares of ₹ 100 (Rupees One Hundred) each amounting to ₹ 2,50,00,00,000 (Rupees Two Hundred and Fifty Crore only) as 2,50,00,000 (Two Crore Fifty Lakhs) Compulsorily Convertible Preference Shares of ₹ 100 (Rupees One Hundred) each amounting to ₹ 2,50,00,00,000 (Rupees Two Hundred and Fifty Crore only)

- Issued, subscribed and paid up share capital Share Capital:

The issued, subscribed and paid up share capital of the Company as on March 31, 2022 was:

- ₹ 9,86,35,22,300/- (Ninety Hundred Eight Six Crores Thirty-Five Lakhs Twenty-Two Thousand Three Hundred only), comprising of 98,63,52,230, (Ninety-Eight Crores Sixty-Three Lakhs Fifty-Two Thousand Two Hundred Thirty) Equity shares of ₹ 10/- (Rupees Ten) each.
- During the year under review, the Company has issued and allotted 160,000,000 Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each to:
  - 75,000,000 (Seven Crore Fifty Lakh) to Synergy Metals Investments Holding Limited
  - 75,000,000 (Seven Crore Fifty Lakh) to AP Asia Opportunistic Holdings Pte Ltd and
  - 10,000,000 (One crore) to State Bank of India.

During the year under review, the Company has not issued any:

- shares with differential rights
- sweat equity shares.

**12. Fixed Deposit:**

The Company has not accepted any deposits from public in terms of Section 73, 74, 75, 76 of the Companies Act, 2013.

**13. Particulars of Loans, Guarantees, Investments and Securities:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes to the Financial Statements.

**14. Internal Control, Audit and Internal Financial control:****Internal Control**

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standard operating

procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

**Internal Audit**

JSW Group Audit Team perform the Internal Audit function and followed best standard practices. The Internal Audit function covers all the factories, sales offices, warehouses and centrally controlled businesses and functions, as per the annual plan agreed with the Audit Committee. The audit coverage plan is approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee is presented with key control issues and actions taken on the issues highlighted in previous report.

**Internal Financial Controls**

As per section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless, the Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

This framework includes entity level policies, process and operating level standard operating procedures. The entity level policies include anti-fraud policies, whistle blower policy, HR policy, treasury policy. The Company has also prepared Standard Operating Procedures (SOP) for each of its processes like procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations etc.

**15. Particular of Contract and Arrangement with Related Party Transactions:**

During the year under review, the Audit Committee has granted omnibus approval for the Related Party Transactions. The Related Party Transactions which exceed omnibus limits were placed before the Audit Committee for review and further approval on quarterly basis and

subsequently before the Board for noting. All the Related Party Transactions that were entered during the financial year were on arm's length basis and in the ordinary course of business. Hence, provisions of section 188 of the Companies Act, 2013 are not applicable.

The contracts or arrangements with related parties referred to section 188(1) of the Companies Act, 2013 are required to be disclosed in pursuance of section 134(3)(h), the Companies Act, 2013 in Form AOC-2. Accordingly, Related Party with the whom transactions have been entered during the year under review are given in "Annexure-B" to this report.

**16. Disclosure under Employee Stock Option Plan and Scheme:**

The Board of Directors and Members of the Company, formulated the JSW Cement Employees Stock Ownership Plan - 2016, was implemented through the JSW Cement Employees ESOP Trust (Trust), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company.

In view of the phenomenal growth and success JSW Cement Limited during last couple of years, the Company rolled out the Employee Stock Ownership Plan (JSWCL ESOP-2021) during FY2022. The primary objective of this plan are a) attract & retain talent b) drive sustainable business growth and c) provide a wealth creation opportunity to its employees.

The said plan was recommended by ESOP Committee in its meeting held on November 8, 2021 and was approved by the Board and the Members of the Company in their meeting held on November 9, 2021 and November 30, 2021 respectively.

A detailed note on the JSW Cement Employees Stock Ownership Plan - 2016 and JSWCL ESOP-2021 are provided in the Notes to Accounts (Refer Note No. 39 (e) of Standalone Accounts) of the Annual Report.

During the year under review, the details of options granted to Whole-time Directors/Directors/KMPs of the Company are as follows:

- Mr. Nilesh Narwekar - Whole-time Director & CEO - was granted 2,49,590 options under Grant -1 of JSWCL ESOP-2021
- Mr. Narinder Singh Kahlon - Director- Finance & Commercial & CFO - was granted 2,54,954 options under Grant -1 of JSWCL ESOP-2021
- Mr. K. Swaminathan - Director - was granted 1,93,768 options under Grant -1 of JSWCL ESOP-2021
- Ms. Sneha Bindra - Company Secretary - was granted 10,370 options under Grant -1 of JSWCL ESOP-2021

**17. Credit Rating:**

During the year, the Company's credit rating was reaffirmed as "A+" for long-term loan and "A1" for short-term loan by India Ratings and CRISIL LTD.

**18. Awards:**

The Company has received awards and accolades from the Government and Non-Governmental Organizations/Associations detailed of which are mentioned hereunder:

- a. The Company strives to improve the green cover surrounding its plant facilities by planting saplings and has also contributed to reduced GHG emissions by installing solar lights and implementing several energy efficiency measures in plant operations. All these significant efforts were recognised in the form of following awards:
- Nandyal unit was awarded with "**Excellence in Environment Management**" for outstanding Policy, Practices and Results on the journey of Excellence in Sustainable business during 16<sup>th</sup> CII ITC Sustainability Awards 2021.
  - Nandyal unit has won "**Apex India Green Leaf Award 2021**" under "**Gold Category**" for outstanding achievement in "**Waste Management**".
  - Nandyal Mines received the following awards and accolades during the "**Mines Environment and Mineral Conservation Week - 2021-22 under 'Large Mechanized Mines Group - C'**"
    1. Waste Dump Management - **First Prize**
    2. Mineral Conservation - **First Prize**
    3. Publicity and Propaganda - **First Prize**
    4. Overall Performance - **First Prize**
  - Vijaynagar unit has won "**Greentech Energy Conservation Award 2021**".
  - Vijaynagar unit has also won "**Apex India Green Leaf Award 2021**" under "**Gold Category**" for Environment Excellence.
  - Dolvi unit has won "**Apex India Green Leaf Award 2021**" under "**Gold Category**" for its environmentally friendly product 'M - Sand' in Eco-Innovation category.
  - Salboni unit was awarded with "**Apex India Green Leaf Award 2021**" under "**Gold Category**" for Environment Excellence.
- b. At JSW Cement, the health and safety of the people is of paramount importance and the Company makes every possible effort to ensure the same at all the plant facilities and workplace. This year the Company bagged the following awards for its outstanding performance in Occupational Health & Safety management:
- Vijayanagar unit received the Greentech Safety India Award 2021 for outstanding achievements in Safety Excellence.
  - Vijayanagar unit also received Apex India Occupational Health & Safety Gold Award 2021
  - Nandyal mines received the following awards and accolades during the 'Mines Safety Week - 2021, Zone - IV - Group B1

- Contractual work Vis Safety & Safety is my Responsibility Card - **First Prize**
- Occupational Health, Welfare Amenities & Preparation of SOP's and Implementation - **First Prize**

**19. Policy:**

The Company has adopted various policies which has been available on website (jsw.cement.in/aboutjsw-cement/organization) of the Company. The brief detail of few policies are as under:

- **Whistle Blower Policy and Vigil Mechanism:**

Pursuant to the provisions of the Companies Act, 2013, the Company has adopted Whistle Blower Policy and Vigil Mechanism ("the Policy").

This Policy aims to provide an avenue for employees to raise their concerns that could have grave impact on the operations, performance, value and the reputation of the Company and it also empowers the Audit Committee of the Board of Directors to investigate the concerns raised by the employees. The policy provides adequate safeguards against victimization or unfair treatment of employees who avail the vigil mechanism.

- **Corporate Social Responsibility (CSR) Policy:**

As a responsible and proactive corporate, the Company has adopted a CSR Policy in compliance of Section 135 of the Companies Act, 2013. The company aims to follow a complete life cycle approach, focusing, inter alia, on women empowerment through education, sanitation and a range of such access related issues that hinder a holistic development of the communities. Specific interventions recommended by the policy are efficient maternal and child health care with enhanced access to improved nutrition services; early childhood/pre-primary education and its effective completion till secondary education; better access to life skill education for adolescents; and enhancing of the output of prevalent occupations along with vocation education.

The Company decided its priority towards villages in the immediate vicinity of the plant locations defined as Direct Influence Zone (DIZ). However, certain programs might have been expanded beyond this geographical preview for upscaling and defined as Indirect Influence Zone (IIZ). Details of the CSR initiatives under taken by the Company pursuant to provisions of the Companies Act, 2013 are given in "**Annexure-C**" to this report.

- **Nomination & Remuneration Policy:**

The Board of Directors has framed a policy named as Nomination Policy and Remuneration Policy which lays down a framework in relation to criteria for selection and appointment of Board Members, Key Managerial Personnel and Senior Management of the Company as well as remuneration to be paid to Directors, Key Managerial Personnel and Senior Management of the Company.

While recommending the Candidate for appointment, the Nomination and Remuneration Committee shall assess the candidate against a range of criteria, i.e. qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities, required to operate the position successfully and has discretion to decide adequacy of such criteria for the concern position. All candidates shall be assessed on the basis of the merit, related skills and competencies. There shall be no discrimination on the basis of religion, caste, creed or sex. Further the committee also recommend to the Board remuneration to be paid to such candidates with following broad objective:

- (a) Remuneration is reasonable and sufficient to attract, retain and motivate directors,
- (b) Motivate KMP and other employees and to stimulate excellence in their performance,
- (c) Remuneration is linked to Company's performance, individual performance and such other factors considered relevant from time to time,
- (d) The policy balances fixed and variable pay and reflects short and long term performance objectives.

- **Risk Management Policy:**

The Company has a Risk Management Policy aimed to ensure resilience for sustainable growth and sound corporate governance by having a process of risk identification and management in compliance with the provisions of the Companies Act, 2013. The Company is faced with risks of different types, all of which need different approaches for mitigation. Details of various risks faced by the Company are provided in MDA section of this Annual Report. Based on the Risk Management Policy, a standardized Risk Management Process and System was implemented across the JSW group. Risk plans have been framed for all identified risks with mitigation action, target dates and responsibility. Risk Management Committee closely monitor and review the risk plans. The Committee meets every half-year to review key strategic and tactical risks, identify new risks and assess the status of mitigation measures.

- **Board Evaluation Policy:**

Board Evaluation is a good governance practice. It comprises of both assessment and review. This include analysis of how the Board and its committees are functioning, the time spent by the Board considering the matters and whether the terms of reference of the Board & committees have been met.

Independent Directors play an important role in the governance processes of the Board. The evaluation of Individual Director focus on the contribution of Director in the Board and Committee. The performance of Individual Director is assessed against a range of criteria including the ability of director in creating shareholder value, development of strategies, major risk affecting the company and listen and respect the idea of fellow director and member of the management.

Pursuant to the provisions of the Companies Act, 2013, the Independent Director(s) on the Board of the Company shall evaluate the performance of Non-Independent Director(s) and review the performance of the Chairperson. Nomination and Remuneration Committee constituted under section 178 of the Companies Act, 2013 has been made responsible for review of self-evaluation of Directors and to carry out evaluation of every Director's performance.

The Board believes, the evaluation process should be used constructively as a mechanism to improve Board effectiveness, maximise strengths and tackle weaknesses.

**20. Corporate Governance:**

The Company consistently endeavors to follow corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherited responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on leadership and governance matters relating to the Company.

The report on the Company's Corporate Governance practices is given as "**Annexure-D**" to this Annual Report.

**21. Directors and Key Managerial Personnel:**

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2022, the Board comprises of 13 Directors of which three are Executive Directors, ten are Non-Executive Directors including one Woman Director. The Company has four Independent Directors on the Board. All Independent Directors meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed thereunder.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

**Appointment/Re-appointment of the Directors**

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee (NRC) appointed Mr. Pankaj Kulkarni, Non-Executive Director (DIN: 00725144) as an Independent Director of the Company, to hold office for the first term of 5 years with effect from April 1, 2021 to March 31, 2026, and the same was approved in the 15<sup>th</sup> AGM by the shareholders of the Company.

Based on the recommendation of the NRC, and approval of the Board of Directors and shareholders of the Company, taking into account his credentials, expertise and experience, appointed Mr. Jugal Kishore Tandon (DIN: 01282681) as a Non-Executive Director of the Company with effect from April 16, 2021.

The Board of Directors of the Company at its meeting held on February 12, 2021, based on the recommendation of the NRC and based on her performance evaluation, re-appointed Mrs. Sutapa Banerjee (DIN: 02844650) as Independent Director for 2<sup>nd</sup> term of 5 years with effect from April 22, 2021 to April 21, 2026, taking into account their past performance, contributions, expertise and experience, and was approved by the Members of the Company in the 15<sup>th</sup> Annual General Meeting;

Mr. K. Swaminathan (DIN: 01447632) ceased to be the Whole-time Director consequent to his superannuation on April 30, 2021, the Board of Directors of the Company, based on the recommendation of the NRC re-designated him as Non-Executive Director of the Company with effect from May 1, 2021.

Mr. Parth Jindal (DIN: 06404506) Managing Director of the Company was re-appointed for the period of 5 years with effect from June 20, 2021 to June 19, 2026 by the Board of Directors of the Company at its Meeting held on May 1, 2021, based on the recommendation of the NRC and approved by the Members at the 15<sup>th</sup> Annual General Meeting.

Mr. Narinder Singh Kahlon (DIN: 03578016) was re-appointed as a Whole-time Director of the Company designated as Director – Finance & Commercial and CFO for period of 3 years from May 8, 2021 to May 7, 2024 by the Board of Directors of the Company at its Meeting held on May 1, 2021 based on the recommendation of the NRC and approved by the Members at the 15<sup>th</sup> Annual General Meeting.

Based on the recommendation of the NRC, the Board of Directors, taking into account his credentials, expertise and experience, appointed Mr. Sumit Banerjee (DIN: 00213826) as Independent Director of the Company for the first term of 5 years from with effect from July 28, 2021, which was approved by the Members of the Company at the 15<sup>th</sup> Annual General Meeting.

The Board of Directors of the Company at its meeting held on July 28, 2021, based on the recommendation of the NRC appointed Mr. Sudhir Maheshwari (DIN: 02376365) as a Nominee Director of the Company w.e.f July 28, 2021 representing Synergy Metals Investments Holding Limited which was approved by the Members of the Company at the 15<sup>th</sup> Annual General Meeting.

The Board of Directors of the Company at its meeting held on August 30, 2021, based on the recommendation of the NRC appointed Mr. Utsav Bajjal (DIN: 02592194) as a Nominee Director of the Company w.e.f August 30, 2021 representing AP Asia Opportunistic Holdings Pte. Ltd., which was approved by the Members of the Company at the 15<sup>th</sup> Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kantilal Narandas Patel (DIN: 00019414) and Mr. Biswadip Gupta (DIN: 00048258) retires by rotation at the forthcoming 16<sup>th</sup> Annual General Meeting and being eligible, offers themselves for re-appointment.

Necessary resolutions for approval of the appointment/ re-appointment of the aforesaid Directors have been included in the Notice of the forthcoming 16<sup>th</sup> Annual General Meeting of the Company. The Directors recommend the same for approval by the Members.

## 22. Directors' Responsibility Statement:

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts for the year under review, on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## 23. Committee of Board:

The Company has constituted various Committees of the Board as required under the Companies Act, 2013. For details like composition, number of meetings held, attendance of members, etc. of such Committees, please refer to the Corporate Governance Report that forms a part of this Annual Report.

## 24. Meetings of the Board:

During the year, twelve board meetings were convened and held the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## 25. Auditors and Auditor's Report:

### a. Statutory Auditors:

M/s HPVS & Associates, Chartered Accountants, Mumbai was appointed as Statutory Auditors for the period of five years with effect from 12<sup>th</sup> Annual General Meeting to 17<sup>th</sup> Annual General Meeting.

### b. Cost Auditors:

Pursuant to Section 148(1) of the Companies Act, 2013 the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board, at its meeting held on May 1, 2021 has on the recommendation of the Audit Committee, re-appointed M/s. R. Nanabhoy & Co., Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2022 on a remuneration of ₹ 3,00,000 plus out of pocket expenses, travelling and other expenses (which would be reimbursable at actuals) plus taxes, wherever applicable. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and accordingly was placed and approved by the Shareholders at the 15<sup>th</sup> Annual General Meeting. The due date for filing the Cost Audit Report for the financial year ended March 31, 2021 was September 30, 2021, and the Cost Audit Report was filed in XBRL mode on August 27, 2021.

Further, the Board, at its meeting held on May 4, 2022 has on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates, Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2023 on a remuneration of ₹ 3,30,000 (Rupees Three Lakh Thirty Thousand) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses in terms of section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed before the Shareholders for ratification.

### c. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. S. K. Jain & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is annexed as "Annexure-E" and forms an integral part of this Report. The Report does not contain any observations or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

## 26. Compliance with Secretarial Standards:

During the year under review, the Company has complied with Secretarial Standards 1 and 2, issued by the Institute of Company Secretaries of India.

## 27. Material Change and Commitments:

In terms of section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the company's financial position have occurred between March 31, 2022 and the date of the report.

## 28. Significant and material orders passed by the regulators:

No orders have been passed by any Regulator or Court or Tribunal which can have significant impact on the going concern status and the Company's operations in future.

## 29. Annual Return:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and are accessible at the web-link [www.jswcement.in](http://www.jswcement.in).

## 30. Reporting of frauds:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

## 31. Conservation of energy, technology absorption and innovation:

The information required pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption, adoption or innovation is attached hereto as "Annexure-F" and forms part of this report.

### Foreign exchange earnings and Outgo

The Foreign Exchange earnings of the Company for the year under review amounted to ₹ 16.35 crore (Standalone) and ₹ 291.78 crore (Consolidated). The foreign exchange outflow of the Company for the year under review amounted to ₹ 133.77 crore (Standalone) and ₹ 264.11 crore (Consolidated).

## 32. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace:

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy and duly constituted Internal Complaints Committees across locations. To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis.

**33. Human Resource:**

As the country continued to grapple with the COVID-19 pandemic, the Company continued to complement the government's efforts with its unprecedented support in the fight against this pandemic. The Company continued to undertake several relief measures across our manufacturing locations and markets that it caters to. Through collaborative efforts with JSW group we supported communities with oxygen concentrators, distribution of N-95 masks and vaccination doses camps.

The initiative "We Care" providing round the clock, on call medical guidance and support, in collaboration with our in-house medical staff, touched more than 10,000 lives.

In FY 2022, the people strategy of the company continued to focus on supporting the business imperatives. A glimpse of HR interventions with the internal & external stakeholders for the year are as under –

- **Business Continuity During COVID-19 – 'We care'** touched lives beyond just our employees and associates and included channel partners and their families as well as local communities. The Company continued to follow all protocols of social distancing, sanitization, thermal screening, awareness sessions, vaccination drives at all places in our Offices & Manufacturing sites.
- **Building on the Sales Transformation Journey –** Kshamata se Saksham ki oor - Kshamata, was launched in FY 21 and as the names suggests, was aimed at improving our go to market strategy and overall sales and marketing capabilities. We continued to build on the capability journey by launching Saksham – our initiative towards improving capability of the sales and marketing teams. Through engagement sessions with key stakeholders and market visits, competency framework for all unique roles were developed. The framework looked at current and future business requirements, internal and external dimensions and comprised of functional and behavioural competencies.
- **Employee Capability Building –** Capability building has become a high strategic priority for the organization. The Company focuses on Employee development by enhancing their skills and knowledge and fostering a culture of continuous learning. This contributes to operational stability by retaining expertise, providing business performance continuity, reducing cost and alleviating succession planning. Various technical and behavioral workshops were conducted as per the training needs identified. Keeping in view of the pandemic situation, we continued to build on e-learning initiatives.
- **Employee Engagement –** The Company has always focused on keeping people as the core of all business decisions. Rewards and Recognition, Leadership Connect, Events and Celebrations etc form the core of our engagement with people. During the year, the launched its first ever Employee Engagement Survey under the aegis of Awaaz in the month of October 2021. In line with our strategic pillar of embracing digital the

Awaaz survey was launched online, in association with an external partner, enabling employees to give on-the go feedback on key drivers of engagement. The survey received a phenomenal response and saw 88% employees come forward to share their feedback. The survey findings were presented to the leadership team followed by dissemination to all employees spread across various locations. A structured Awaaz – Action Planning workshops were conducted across all sales and marketing zones and manufacturing locations. These workshops, based on Large Scale Interactive Processes, involved employees from across demographics coming together for a day to look at critical areas of focus and the action planning for each of the identified area.

- **Diversity & Inclusion –** The year also saw the Company focusing on making the organization more diverse and inclusive through induction of women employees. The Human Resources team along with the functional managers focused on scouting talent for all lateral positions. A special initiative was undertaken and 11 women candidates from science background were recruited to be trained as future Quality Control professionals. They have undergone a structured induction program comprising of classroom based as well as on-the job training for a period of 6 months. Upon successful completion of the program, these 11 trainees will be absorbed across various locations.

**34. Occupational Health & Safety (OH&S):**

The Company's primary objective is to achieve OH&S by providing training to its employees through various training programs. Some of the safety measures are as follows:

- "Cement Group Safety Council" meeting was conducted monthly and the progress of safety management system of all locations was reviewed by the Management.
- Prepared Job Safety Analysis (JSA) for all routine and non-routine activities and explaining the hazards and implementing the mitigation measures to avoid any unwanted incidents while performing the task at all locations.
- Prepared, approved, displayed and explained the Cardinal and General Safety Rules to all employees.
- Personal Protective Equipment (PPE), Lock Out & Tag Out (LOTO), Permit to Work (PTW), working at height (WAH) and Confined space entry (CSE) task force teams have prepared the procedure and training modules and have also commenced the training programme in all locations including Jajpur plant.
- All senior employees have been trained on Safety Observation procedure (SO). SO tours have been carried out as per schedule in all operating locations. The schedule compliance was 83%.
- To ensure Contractor Safety Management (CSM), all contractors go through the Pre-qualification Assessment before being awarded.

- Rewarding safe working employees to encourage the safety culture in all locations.
- Training the drivers on defensive driving techniques on daily basis through plants Road and Rail subcommittee.
- All major incidents investigating and preventative actions are implementing to avoid the reoccurrence and reviewed by executive committee on monthly basis. There are no fatal incidents during the financial year.
- LTIFR (Lost time injury frequency rate) was 0.10 (lowest ever last five years).
- The Company followed COVID-19 protocols at all locations to avoid the spread of the infection.
- Full pledged safety management system was implemented at all our units & project sites for better safety.
- As per the Factories Act, medical checkup conducted to all our associates and employees.
- First aid and Firefighting training imparted to all our essential employees.
- 13,221 near miss reported against the target of 10,000 near misses.
- 2,29,953 training hours (on the job & off the job) imparted to improve the associates and employee's knowledge and safe work systems.
- Consequence management system implementing strictly to main the safety culture.

**35. Particulars of Employees:**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

**36. IBC Code and One-time Settlement:**

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code). There has not been any instance of one-time settlement of the Company with any bank or financial institution.

**37. Acknowledgements:**

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, banks and other financial institutions, vendors, suppliers, customers, shareholders and all other stakeholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of all the employees.

For and on behalf of the Board  
**JSW Cement Limited**

**Nirmal Kumar Jain**  
Chairman  
DIN: 00019442

Date: May 4, 2022  
Place: Mumbai

## ANNEXURE A

## FORM AOC-1

Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint Ventures

₹ or except % of shareholding

Sr. No.	Name of the Subsidiaries/ Associate Companies/Joint Ventures	Financial year ended	Exchange rate	Share capital (paid-up)	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of shareholding
1	Utkarsh Transport Private Limited – wholly-owned subsidiary	2022	-	1.01	10.30	43.24	52.53	-	9.82	-5.68	1.15	-4.52	100.00
2	Shiva Cement Limited – subsidiary	2022	-	39.00	-81.72	898.36	941.08	-	3.47	-34.52	-9.00	-25.52	59.32
3	JSW Green Cement Private Limited – wholly-owned subsidiary	2022	-	0.01	0.04	37.02	37.05	-	34.47	-0.04	-0.007	-0.03	100.00
4	JSW Cement FZE, Fujairah, UAE – wholly-owned subsidiary	2022	20.61	208.72	45.78	1,353.20	1,098.70	-	563.54	-38.61	-	-38.61	100.00
5	JSW One Platforms Limited – Joint Venture	2022	-	0.34	16.47	34.47	17.66	-	16.21	-8.37	-	-8.37	15.00

For and on behalf of the Board  
**JSW Cement Limited****Nirmal Kumar Jain**  
Chairman  
DIN: 00019442**Parth Sajjan Jindal**  
Managing Director  
DIN: 06404506**Nilesh Narwekar**  
Whole-Time Director & CEO  
DIN: 06908109**Narinder Singh Kahlon**  
Director Finance & Commercial  
DIN: 03578016**Sneha Bindra**  
Company SecretaryDate: May 4, 2022  
Place: Mumbai

## ANNEXURE B

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

- Details of contracts or arrangements or transactions not at arm's length basis** – Not Applicable
- Details of material contracts or arrangement or transactions at arm's length basis** – For details of transactions during the year refer note 39 (i) of the financial statements. The materials transactions are as under:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Date of approval by the Board/ Audit Committee	Amount paid as advance, if any
<b>Nature of Contract</b>					
<b>Purchase of Goods and Services</b>					
JSW Steel Limited	Others	5 years Yearly	Purchase of LD Slag, Coal Fine, Steam Coal, Fly Ash, Flue Dust, TMT/ Plate, AL. slag, BF gas	Approved by Audit Committee of Board of Directors of the Company on February 9, 2021	-
JSW Steel Coated Products Limited	Others	1 year	Purchase of Iron roofing Sheet		
Shiva Cement Limited	Subsidiary		Others		
JSW Cement FZE	Subsidiary		Clinker		
JSW Green Cement Private Limited	Subsidiary		Power		
JSW Dharamtar Port Private Limited	Others		Cargo Handling Services		
Amba River coke Limited	Others		Coke Oven Gas		
Utkarsh Transport Services Private Limited	Subsidiary		Transport Services		
JSW Global Business Solutions Limited	Others		Business Support Services		
JSW IP Holdings Private Limited	Others		Brand Loyalty Fess		
JSW Energy Limited	Others	15 to 25 years depending upon the agreements for different places	Power		
JSW Processor and Traders Private Limited	Others	2 year	Job work services	Approved by Audit Committee of Board of Directors of the Company on November 9, 2021	
<b>Lease of Property</b>					
JSW Steel Limited	Others	5 to 10 years depending upon the agreements for different places	Lease Agreements and/ or Leave License Agreement	Approved by Audit Committee of Board of Directors of the Company on February 9, 2021	-
JSW Bengal Steel Limited					
JSW Realty and Infrastructure Private Limited					
<b>Sale of Capital Goods</b>					
Shiva Cement Limited	Subsidiary	-	Capital Goods sold	Approved by Audit Committee of Board of Directors of the Company on February 9, 2021	-
<b>Sale of Goods and Services</b>					
JSW Steel Limited	Others	Based on the Requirements	Cement, RMC GGBS, and Slag	Approved by Audit Committee of Board of Directors of the Company on February 9, 2021	-
JSW Steel Coated					
JSW Energy Limited					
JSW Jaigad Port Limited					
JSW Paints Private Limited					
JSW Techno Project Management					
JSW Realty and Infrastructure Private Limited					
JSW Dharamtar Port Private Limited					
JSW Vijaynagar Metallic Limited					
JSW Green Cement Private Limited	Subsidiary				
<b>Rendering of services</b>					
Shiva Cement Limited	Subsidiary	18 months	Project Management Services	Approved by Audit Committee of Board of Directors of the Company on May 1, 2021	-

For and on behalf of the Board  
**JSW Cement Limited****Nirmal Kumar Jain**  
Chairman  
DIN: 00019442Date: May 4, 2022  
Place: Mumbai





- (d) Amount spent in Administrative Overheads : ₹ 0.05 crore  
 (e) Amount spent on Impact Assessment, if applicable : NA  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 5.22 crore  
 (g) Excess amount for set off, if any

(in ₹)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	5.45 crore
(ii)	Total amount spent for the Financial Year	5.22 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): Not applicable  
 (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Not applicable**

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Date: May 4, 2022  
Place: Mumbai

**K. N. Patel**  
(DIN: 00019414)  
Chairperson of CSR Committee

**N. K. Jain**  
(DIN: 00019442)  
Chairman