

EXPANDING HORIZONS

ANNUAL REPORT
2015-16



TRIBUTE TO A MAN WHO BELIEVED IN INDIA AND ITS PEOPLE

The vision for a self-reliant India. The determination to reform and serve society. And the dream to make a difference in the lives of others. For one of India's leading industrialists, ambition held a wholly different meaning. Where setting up schools and healthcare centres was a part of every business plan. Where increasing profitability went hand-in-hand with alleviating poverty. And where building an empire never came before building a nation.

Shri O. P. Jindal

August 7, 1930 to March 31, 2005

Visionary and Founder - O. P. Jindal Group

At JSW Cement, we are consistently expanding our capacities to leverage the emerging opportunities. While the Government is driving the infrastructure sector's growth in India, we are well poised to contribute to the nation's progress.

After exceeding the 6.4 mpta capacity benchmark, we aim to take our capacity to 30 mpta by 2020, making us count among the top five industry players. In line with this, during the year, we emphasised on both organic and inorganic expansion.

The year also witnessed significant increase in sales of both Portland Slag Cement (PSC) and Ground Granulated Blast Furnace Slag (GGBS), thereby increasing our profitability. Capitalising on our strong market position and customer-confidence, we are bolstering our position at every step.

Going forward, we will continue to operate more responsibly with our strong focus on further expanding our capacities, deepening our reach and enhancing our profitability.

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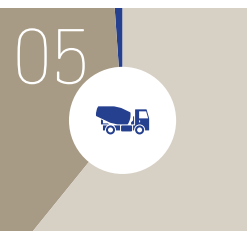
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Forward Looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

JSW CEMENT AT A GLANCE

Incorporated in 2006, JSW Cement began its illustrious journey of cement production in 2009 with a grinding facility of 0.6 mtpa at Vijayanagar, Karnataka. We started operations with production of Ground Granulated Blast Furnace Slag (GGBS) and Portland Slag Cement (PSC) and commenced manufacturing Clinker and Cement at our Nandyal, Andhra Pradesh facility in June, 2012. We entered into the market to ensure a sustainable future for the Country by producing eco-friendly cement. Within a short period of time, we have become India's largest manufacturer of PSC, which is an environment friendly and economically viable variant of blended cement.

We have a manufacturing capacity of 6.4 mtpa with facilities at Vijayanagar, Karnataka; Nandyal, Andhra Pradesh and Dolvi, Maharashtra. We cater to both urban and rural markets of eastern, western and southern India backed by our strong distribution network of 2,000 dealers and 70 warehouses.

We aim to enhance our capacity to 30 mtpa by 2020, thereby becoming one of the top five players in the industry.

VISION

Global recognition for quality and efficiency while nurturing nature and society

MISSION

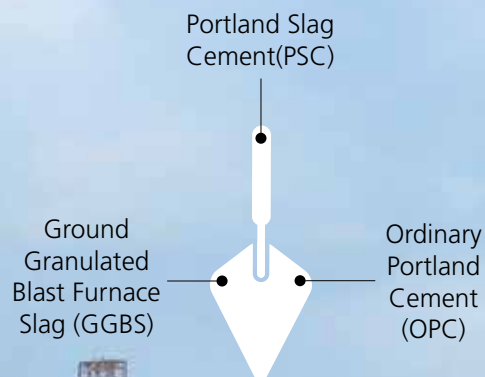
Supporting India's growth in core economic sectors with speed and innovation

CORE VALUES

- Transparency
- Strive for Excellence
- Dynamism
- Passion for learning

OFFERINGS

PRODUCTS



FACILITIES

**NANDYAL,
ANDHRA PRADESH***

2.20 mtpa
Clinker capacity

4.80 mtpa
Cement
manufacturing
capacity

*integrated cement unit

**VIJAYANAGAR,
KARNATAKA**

0.60 mtpa
Grinding unit

**DOLVI,
MAHARASHTRA**

0.97 mtpa
Grinding unit



FACTS AND FIGURES

PSC

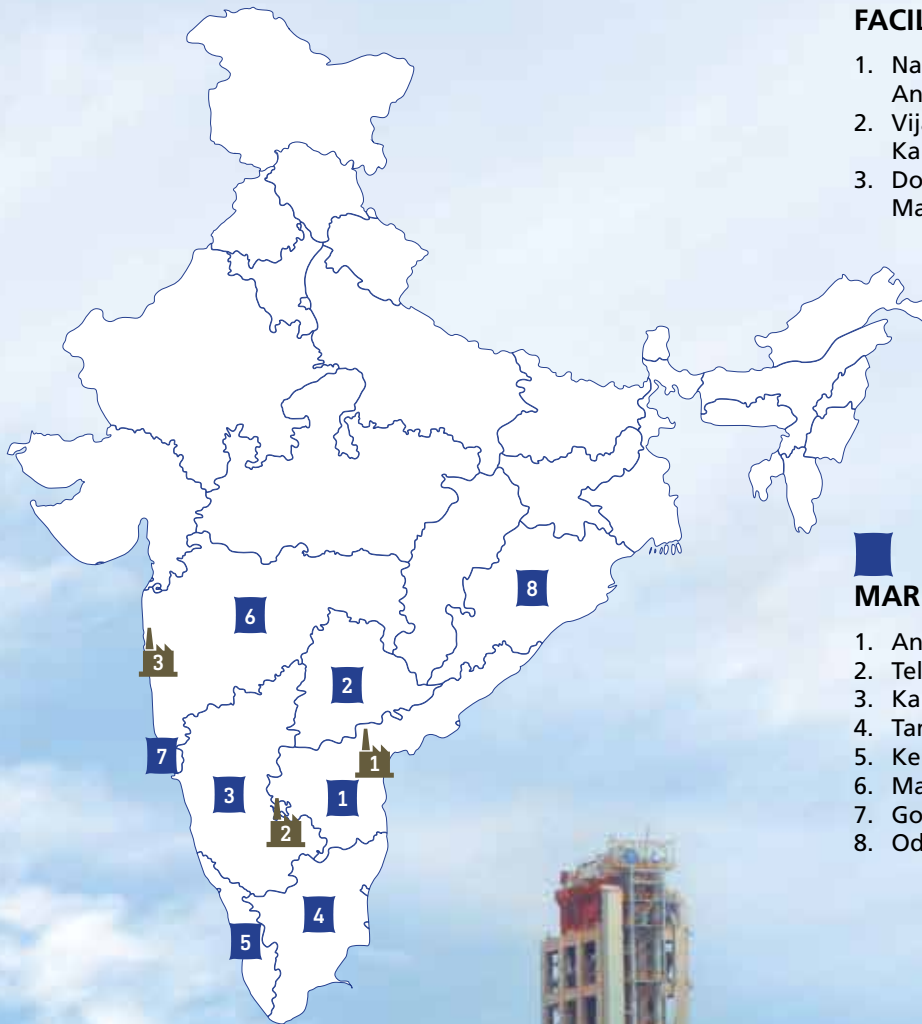
Production	Sales
2015-16	2015-16
2.24 MT	2.23 MT
2014-15	2014-15
1.78 MT	1.75 MT

GGBS

Production	Sales
2015-16	2015-16
1.38 MT	1.38 MT
2014-15	2014-15
0.78 MT	0.77 MT

OPC

Production	Sales
2015-16	2015-16
0.04 MT	0.04 MT
2014-15	2014-15
0.17 MT	0.17 MT



FACILITIES

1. Nandyal, Andhra Pradesh
2. Vijayanagar, Karnataka
3. Dolvi, Maharashtra



MARKETING PRESENCE

1. Andhra Pradesh
2. Telangana
3. Karnataka
4. Tamil Nadu
5. Kerala
6. Maharashtra
7. Goa
8. Odisha



FINANCIAL **PERFORMANCE**



18.29%

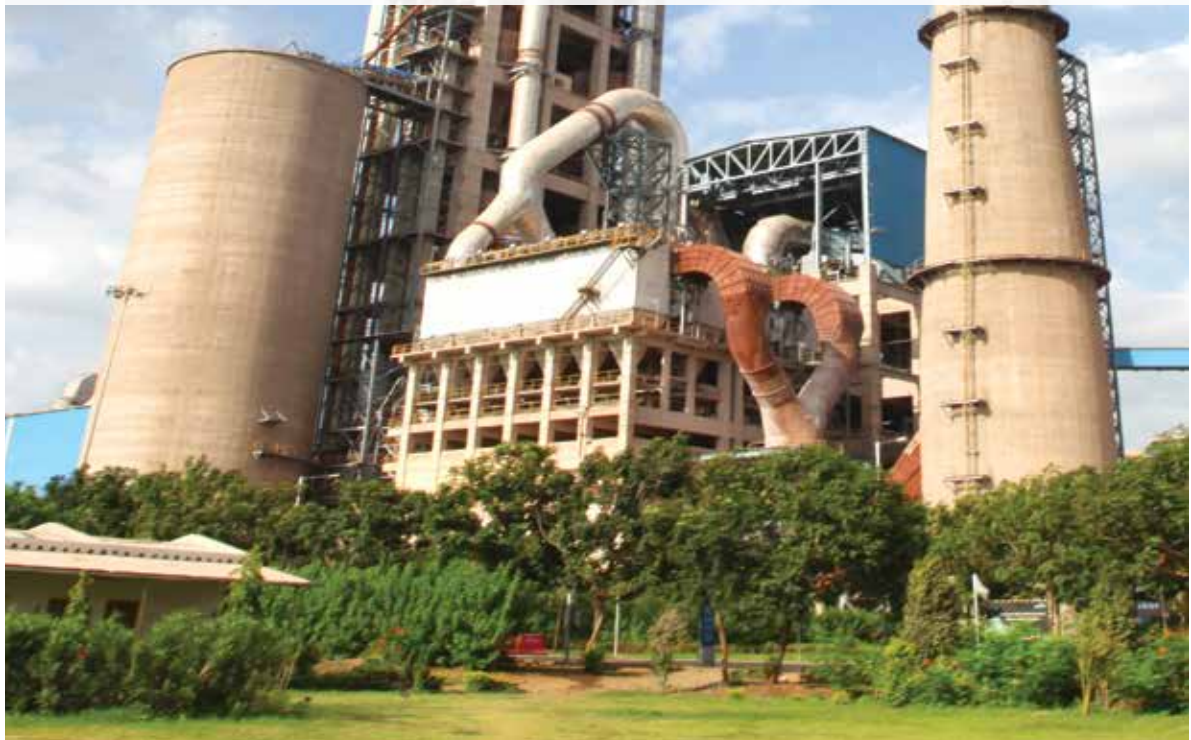
Increase in overall
cement sales volume

79.22%






Increase in GGBS sales
volume

27.43%

Increase in PSC sales
volume








Gross Turnover (₹ in crore)

2015-16		1,435.38
2014-15		1,056.16
2013-14		836.87
2012-13		762.42
2011-12		291.69






5-year CAGR **53.40%** 

Gross Block (₹ in crore)

2015-16		1,552.55
2014-15		1,523.40
2013-14		1,410.48
2012-13		1,382.24
2011-12		185.39






5-year CAGR **59.00%** 

EBITDA (₹ in crore)

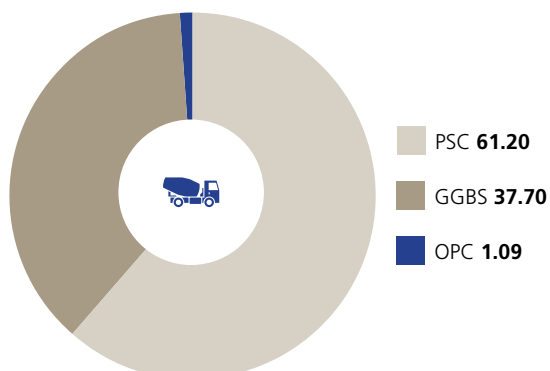
2015-16		309.15
2014-15		166.70
2013-14		28.74
2012-13		57.14
2011-12		86.65

5-year CAGR **39.00%** 

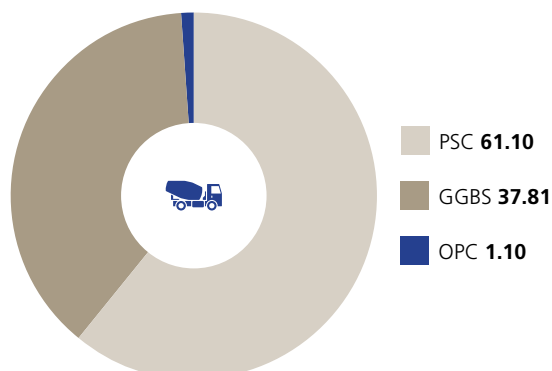
EBITDA Margin (%)

2015-16		23.97
2014-15		17.98
2013-14		3.88
2012-13		8.13
2011-12		31.51

Production (%)



Sales (%)



CHAIRMAN'S **MESSAGE**



AMID GLOBAL UNCERTAINTY, THE INDIAN ECONOMY CONTINUED TO RESTORE ITS MACROECONOMIC STABILITY DURING FY 2015-16. THE COUNTRY'S GDP GREW BY 7.6% DURING THE YEAR, MAKING IT ONE OF THE FASTEST GROWING MAJOR ECONOMIES IN THE WORLD. INFLATION REMAINED UNDER CONTROL AND FISCAL AND CURRENT ACCOUNT DEFICITS CONTINUED TO REMAIN MODERATE. BESIDES, THE REDUCTION OF CRUDE OIL PRICES ALSO FAVOURED THE NATION. THE GOVERNMENT OF INDIA'S STRONG COMMITMENT TO FISCAL TARGETS, FOCUS ON INFRASTRUCTURE CREATION AND THE EASE OF DOING BUSINESS BOLSTERED THE CONFIDENCE OF ENTREPRENEURS AND INVESTORS.



OUR ENDEAVOUR IS TO UPGRADE THE PRODUCTION CAPACITY TO 30 mtpa BY 2020, MAKING US COUNT AMONG THE TOP FIVE INDUSTRY PLAYERS.

Coming to the cement industry, it is witnessing an upsurge in demand with the Government initiatives to drive the infrastructure sector's growth. Initiatives like Make in India, 100 Smart Cities by 2022 and the development of roads both in urban and rural India augur well for our industry. Housing for All scheme, with a special focus on affordable housing will accelerate the demand for real estate. Besides, with a push towards initiatives like Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Gram Sadak Yojana, the cement industry is well prepared to strengthen its foothold.

At JSW Cement, with the aim to leverage present opportunities, we are concentrating on expansion – both organic and inorganic. Besides, we have commissioned a grinding unit facility of 0.36 mtpa capacity in Dolvi. Our endeavour is to upgrade the production capacity to 30 mtpa by 2020, making us count among the top five industry players.

We are one of the largest manufacturers of Portland Slag Cement (PSC) in the western and southern parts of India and the market leader in production of Ground Granulated Blast Furnace Slag (GGBS). Being part of the JSW Group, we use slag produced by JSW Steel to manufacture PSC and GGBS. We increased slag consumption to 52.07% against 43.80% in the previous year. PSC is gaining importance across geographies as it reduces the consumption of natural raw materials, water and energy, resulting in a more sustainable construction material. It has reduced our carbon footprint by converting industrial by-product



WE AIM AT DIMINISHING PERSISTENT CHALLENGES IN THE REALMS OF EDUCATION, HEALTHCARE, COMMUNITY UPLIFTMENT AND ENVIRONMENT.

into a useful product. Our PSC sales volume increased by 27% and GGBS sales volume surged by 79% over the last year.

Going forward, we aim to enhance our capacity by setting up grinding units in Tamil Nadu, West Bengal, Odisha, Maharashtra and Karnataka. Besides, we plan to install a 500 MT GGBS bulk loading facility at Nandyal and intend to construct railway siding and bulk cement loading facility at Panyam.

While expanding our business and strengthening our position in the industry, we are consistently fulfilling our social commitments. We conduct several community outreach and socio-economic development programmes to help enhance the quality of life of many. We aim at diminishing persistent challenges in the realms of education, healthcare, community upliftment and environment.

On behalf of the entire leadership team, I would like to convey my gratitude to our employees for their remarkable contribution in the Company's success. I thank my shareholders for their co-operation and support. I seek the encouragement and further support of all stakeholders to create a more sustainable future.

Best wishes,

Nirmal Kumar Jain
Chairman

CORPORATE SOCIAL RESPONSIBILITY

AT JSW CEMENT, OUR COMMUNITY INITIATIVES ARE PART OF OUR OVERRIDING OBJECTIVE TO ENHANCE SOCIAL ENGAGEMENT. WE UNDERTAKE VARIOUS INITIATIVES TO PROMOTE HEALTHCARE, EDUCATION AND SOCIAL UPLIFTMENT ACROSS OUR OPERATING AREAS.



Educational initiatives

Digital classroom

During the year, we inaugurated digital classroom to provide smart class facility in five government schools of Bilakalaguduru, Bujunur and Gadivemula. Our aim is to introduce advanced learning techniques in schools and assist teachers in strengthening the conceptual understanding of students. It enables students to learn difficult and abstract curriculum by watching engaging visuals and animations, thereby improving their academic performance.

Free bicycles

We initiated a free bicycle programme for girl students studying in 8th, 9th and 10th standards of high school at Gadivemula and coming from Bilakalaguduru and Bujunur villages. It aimed to encourage students to continue education, who were dropping out due to the huge distance between their villages and high school.

Healthcare programmes

Eye screening

During the year, we organised an eye screening camp in 10 schools of Bilakalaguduru, Bujunur, Gadivemula and Allagadda. This initiative was taken in collaboration with Shanthiram Medical College/General Hospital, Nandyal. The programme's objective was to spread awareness about eye disorders through early detection of refractive errors among school children. Besides, we distributed spectacles to students with refractive errors.

Renovation of primary health centre (PHC)

We renovated the maternity department and laboratory of PHC, Gadivemula to enhance mother and child health care services. Besides, we provided lab equipment, fully automated haematology analyser and semi-automated biochemistry analyser to the PHC. We also engaged more gynaecologists, lab technicians and staff nurse for better service.



Community development measures

Distribution of artificial limbs

In collaboration with Mobility India (MI), Bengaluru and Mariyanilayam Social Service Society (MSSS), Kurnool, we provided artificial limbs to people with disability in Gadivemula Mandal. While MSSS did the base line survey, MI supported in assessing, manufacturing and fitting the artificial limbs to the beneficiaries.

Reverse Osmosis (RO) plant

We believe, safe drinking water is fundamental to healthy lives and prosperous communities. In line with this, we established a drinking water plant at Bilakalaguduru village to reduce water borne diseases and their impact in the surrounding villages of the plant. The plant has the capacity to purify and provide 2000 litres of RO water per hour.



Gas connections with stoves

As per Integrated Child Development Scheme, anganwadi centres provide supplementary nutrition to children between 3-6 years of age. The anganwadi workers used firewood to cook, which was expensive and produced harmful smoke, affecting human health. To save anganwadi workers and anganwadi helpers from the harmful exposure of smoke, JSW Cement Ltd., Bilakalaguduru provided gas connection along with stove to all anganwadi centres of Direct Influence Zone (DIZ) villages.

AWARDS AND ACCOLADES

We received the following awards during FY 2015-16:



- We received the 'Golden Peacock Innovation Management Award' from Institute of Directors, Golden Peacock Award Council, New Delhi in October, 2015. The award ceremony was held at London. It recognised our team's efforts towards successfully operating cement mill in finish mode.
- We were bestowed with the Rastra Vibhushan Award by the Foundation for Accelerated Community Employment (FACE), New Delhi. It acknowledged our outstanding contribution towards the preservation of environment. We reduced GHG emission as well as consumption of natural resources like water and energy, besides implementing innovative measures to prevent pollution.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. NIRMAL K. JAIN

Chairman

MR. ANILKUMAR PILLAI

Director & CEO

MR. KANTILAL N. PATEL

Director

MR. PANKAJ R. KULKARNI

Director

MS. TARINI JINDAL*

Additional Director

MR. JUGAL KISHORE TANDON

Independent Director

MR. JAIPRAKASH NARAIN LAL

Independent Director

MR. BISWADIP GUPTA**

Additional Director

MS. SUTAPA BANERJEE***

Additional Director (Independent)

*Resigned w.e.f April 21, 2016

**Appointed w.e.f February 9, 2016

***Appointed w.e.f April 22, 2016

CHIEF FINANCIAL OFFICER

Mr. Narinder Singh Kahlon

COMPANY SECRETARY

Mr. Rahul Dubey

STATUTORY AUDITORS

M/s. Shah Gupta & Co.,
Chartered Accountants, Mumbai

COST AUDITORS

M/s. R. Nanabhoy & Co.,
Cost Accountants, Mumbai

SECRETARIAL AUDITORS

M/s. S. K. Jain & Co.,
Company Secretaries

BANKERS

Axis Bank
Indian Bank
Punjab National Bank
Syndicate Bank
South India Bank
Exim Bank
Yes Bank Limited
Oriental Bank of Commerce

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing
Complex, 2nd Floor, Sakinaka
Telephone Exchange Lane,
Sakinaka, Andheri (E),
Mumbai - 400 072
Tel.: 022-6772 0329/354
Fax: 022-2850 8927

REGISTERED OFFICE

JSW Centre,
Bandra Kurla Complex,
Opp. MMRDA Ground,
Bandra (East), Mumbai 400 051
Tel.: 022-4286 1000
Fax: 022-2650 2001
Website: www.jswcement.in
CIN No – U26957MH2006PLC160839

WORKS:

VIJAYANAGAR WORKS:

P. O. Vidyanagar, Toranagallu
Village,
Sandur Taluk, Bellary District,
Karnataka - 583 275
Tel.: 08395-241001

NANDYAL WORKS:

Village Bilakalaguduru,
Gadivemula Mandal,
Nandyal, Dist. Kurnool
Andhra Pradesh - 518 508
Tel.: 08514-202304/05

DOLVI WORKS:

Unit-1

Survey No. 96/1, 96/2, 97/0
Village Khar Karavi, Dolvi,
Taluka - Pen, District - Raigad,
Maharashtra - 402 107

Unit-2

Survey No. 107/B, 109, 114-118
Village Khar Karavi, Dolvi,
Taluka - Pen, District - Raigad,
Maharashtra - 402 107
Tel.: 02143-277601/02/03
Fax: 02143-277725

NOTICE

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **JSW CEMENT LIMITED** will be held on Wednesday, September 28, 2016 at 3.00 p.m. at the Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Opp. MMRDA Ground, Bandra (East), Mumbai - 400 051 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj R. Kulkarni (DIN-00725144), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Auditors of the Company and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the first proviso to section 139(1) of the Companies Act, 2013, read with the first proviso to rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration Number 109574W) as Statutory Auditors of the Company to hold office from the conclusion of the 10th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 160, 161 and any other applicable

provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Biswadip Gupta (DIN-00048258), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 9, 2016 and who holds office up to the date of this Annual General Meeting in terms of section 161(1) of the Companies Act, 2013, in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013, from a member signifying its intention to propose Mr. Biswadip Gupta as candidate as the office of Director of the Company, be and is hereby appointed as a Director of the company liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Ms. Sutapa Banerjee (DIN-02844650), who was appointed as an Additional Director in the category of Independent Director by the Board of Directors with effect from April 22, 2016 and who holds office up to the date of this Annual General Meeting in terms of section 161(1) of the Companies Act, 2013, in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013, from a member signifying its intention to propose Ms. Sutapa Banerjee as candidate as the office of Director of the Company, be and is hereby appointed as Director of the Company in the category of Independent Director to hold office for a period of 5 consecutive years i.e. up to April 21, 2021 and that she shall not be liable to retire by rotation."

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary be

and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of sections 2(54), 196, 197, 198, 203 read with schedule V and rules made thereunder including all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of the Central Government, if applicable, and such other consent and permissions, as may be necessary, and subject to such modification and variation as may be approved and acceptable to the appointee, the consent of the Company be and is hereby accorded to the appointment of Mr. Parth Sajjan Jindal (DIN-06404506) as Managing Director of the Company for a period of 5 (five) years from 20.06.2016 to 19.06.2021 upon such terms and conditions as are set out in the resolution and/or agreement, after the consideration and recommendation of the Nomination and Remuneration Committee, and with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed maximum limit of ₹ 50,00,000 (Rupees fifty lakh only) per month.

RESOLVED FURTHER THAT the others terms and conditions be and is hereby approved are as under: -

- 1) Basic Salary:** ₹ 8,50,000/- (Rupees eight lakh fifty thousand only) per month.

Subject to revision from 1st April each year and the revision will be decided by the Board taking into account the recommendations of the Nomination and Remuneration Committee.

- 2) Commission:** @ 1% of the Net Profit of the Company as determined under section 198 of the Companies Act, 2013.

3) Perquisites and Allowances:

- i) In addition to the salary payable, he will also

be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; performance incentive, medical reimbursement, club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Parth Sajjan Jindal. The perquisites and allowances together with the Basic Salary will be subject to a maximum ceiling of ₹ 50 (fifty) lakh p.m.

- ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
- iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:
- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of Service); and
- c) Encashment of leave at the end of tenure

RESOLVED FURTHER THAT Notwithstanding anything stated hereinabove, where in any

financial year during the currency of tenure of Mr. Parth Sajjan Jindal, the Company incurs loss or its profits are inadequate, the Company shall pay to Mr. Parth Sajjan Jindal, remuneration by way of salary and perquisites and allowances as specified above, subject to conditions specified in Schedule V to the Companies Act, 2013 or any amendments thereto.

FURTHER RESOLVED THAT the Powers, Duties & Functions of Mr. Parth Sajjan Jindal shall have general control, management and superintendence of the business of the Company in the ordinary course of business and shall exercise and perform all such powers and duties, which in the ordinary course of business may be considered necessary, proper and in the interest of the Company, subject to directions or restrictions as given or imposed by Board of Directors from time to time and by law for time being in force.

RESOLVED FURTHER THAT the certified true copy of the aforesaid resolution be forwarded to whomsoever concerned under the signature of any one of Director, CFO or the Company Secretary."

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of sections 160, 161 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Parth Sajjan Jindal (DIN-06404506), who was appointed as an Additional Director with effect from June 20, 2016 on the

Board of the Company in terms of section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member signifying its intention to propose Mr. Parth Sajjan Jindal as candidate as the office of Director of the Company, be and is hereby appointed as a Director and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect this resolution."

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

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 2,00,000 (Two lakh only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses to be paid to M/s R. Nanabhoy & Co, Cost Auditors of the Company, for the financial year 2016-17, as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.

Shareholders are requested to make it convenient to attend the Meeting.

By Order of the Board
For **JSW Cement Limited**

Place : Mumbai

Date : August 1, 2016

Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the business under Item No. 4 to 8 set out with reasons proposing the resolutions as stated in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument(s) appointing the Proxy, if any, shall be deposited at the Registered Office of the Company at JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra (East), Mumbai 400 051 not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of Proxy shall be treated as invalid. Proxies shall not have any right to speak at the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.

4. Members are requested to intimate the Registrar and Share Transfer Agent of the Company, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 immediately of any change in their mailing address or email address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
5. Members desirous of having any information regarding Accounts are requested to address their queries to the Chief Financial Officer at the Registered Office of the Company at least seven

days before the date of the Annual General Meeting, so that the requisite information can be made available at the Annual General Meeting.

6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days of the Company, during office hours, upto the date of the Annual General Meeting.
7. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

ANNEXURE TO NOTICE**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The statement pursuant to section 102(1) of the Companies Act, 2013 for Item Nos. 4 to 8 of the accompanying notice is as under:

Item No. 4:

Mr. Biswadip Gupta (DIN-00048258) was appointed as Additional Director of the Company with effect from February 9, 2016 pursuant to section 161 of the Companies Act, 2016 read with Article 116 of the Article of Association of the Company.

Mr. Biswadip Gupta is a Metallurgical Engineer and an MBA in Marketing with over 35 years' of experience in the Steel and Ceramic industry. He is a professional with sharp business acumen and exemplary leadership qualities. He is experienced in setting up Steel, Power and Cement Plant. Presently, He is:

- a) The President – Corporate Affairs of JSW Steel Ltd.
- b) Directors of various other Corporate Bodies, Corporate welfare and charitable Trust
- c) Member of ASSOCHAM and
- d) Chairman of Western Region, Indian Chamber of Commerce.

Prior to this, he was the Managing Director of Vesuvius India Ltd., a MNC. In 2007, he was awarded the coveted “Banga Ratna” award by the Rotary Club. He was also associated with:

- a) The Bengal Chamber of Commerce & Industry as a President
- b) Confederation of Indian Industry, Eastern Region as a Chairman
- c) The Bengal Club Limited as President
- d) The Indian Institute of Information Technology, Kalyani
- e) IIT's Vinod Gupta School of Management
- f) Indian Institute of Management, Kolkata
- g) The Institute of Chartered Financial Analysts of India
- h) The Indian Institute of Social Welfare & Business Management (IISWBM) and many other B schools

Pursuant to provisions of section 161 of the Companies Act, 2013, Mr. Biswadip Gupta will hold office upto date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with deposit of Rs. 1,00,000 proposing the candidature of Mr. Biswadip Gupta for the office of Director.

Except Mr. Biswadip Gupta, none of the Directors and/ or Key Managerial Personnel of the Company and their relatives is concerned and interested, financially or otherwise, in the resolution set out in item no-4.

The Board recommend the resolution set out at Item No. 4 of the notice for your approval.

Item No- 5

Ms. Sutapa Banerjee (DIN-02844650) was appointed as Additional Director in the category of Independent Director of the Company with effect from April 22, 2016 pursuant to section 161 of the Companies Act, 2016 read with Article 116 of the Article of Association of the Company.

Ms. Sutapa Banerjee is BSc (Economics Hons.) and PGDPM from XLRI, Jamshedpur with 23 years of experience in the financial services industry across 2 multinational banks and a boutique Indian Investment bank. She was having 16 years in senior leadership roles including two private banking. She is having Proficiency in start-ups, writing the business case, creating the business model,

operating model, processes and client propositions. She was appointed as Nominee Director of the ISIS Fund promoted by the New York based Women's World Banking (WWB) and the Netherlands based Triodos, and is also on the Board of the NBFC Ananya Finance which pioneered lending to microfinance companies (MFIs) in India.

Pursuant to provisions of section 161 of the Companies Act, 2013, Ms. Sutapa Banerjee will hold office upto date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with deposit of Rs. 1,00,000 proposing the candidature of Ms. Sutapa Banerjee for the office of Independent Director pursuant to section 149 of the Companies Act, 2013.

Except Ms. Sutapa Banerjee none of the Directors and/ or Key Managerial Personnel of the Company and their relatives is concerned and interested, financially or otherwise, in the resolution set out in item no-5.

The Board recommend the resolution set out at Item No. 5 of the notice for your approval.

Item No- 6 & 7

The Company is on the path of progress and has drawn ambitious growth plans. The Company is planning to set up grinding units in the States of Tamil Nadu, West Bengal, Odisha, Karnataka and Maharashtra to increase its existing capacity from 6 mtpa to 20 mtpa over the next 3 years. The proposed capacities are expected to come up at Greenfield locations in Tamil Nadu, West Bengal and Odisha. Brownfield expansion at existing locations at Dolvi and Vijayanagar has also been planned during the next 3 years. Towards this goal, it is imperative to further develop and strengthen the top management of the Company.

Considering the above, Mr. Parth Sajjan Jindal (DIN-06404506) was appointed as Additional Director of the Company with effect from June 20, 2016 pursuant to section 161 of the Companies Act, 2016 read with Article 116 of the Article of Association of the Company.

Mr. Parth Sajjan Jindal has Bachelor's degree in Economics and Political Science from Brown University, USA. He has also done his MBA from the Harvard Business School, USA. He joined the JSW Group in 2012 and has worked as an Economic Analyst. Before joining the JSW Group, Mr. Parth Jindal has worked with JFE Steel in Tokyo, Japan's second largest and the world's fifth largest integrated steel manufacturing company.

Further, the Board, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Parth Sajjan Jindal (DIN- 06404506) as Managing Director of the Company for a period of five years with effect from June 20, 2016 pursuant to the provisions of sections 2(54), 196, 197, 198, 203 of the Companies Act, 2013 read with schedule V and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013. The said appointment is subject to the approval of the members in Annual General Meeting.

The main terms and conditions of appointment of Mr. Parth Sajjan Jindal as Managing Director are as follows:

- 1) Tenure of appointment: period from June 20, 2016 to June 19, 2021.
- 2) Nature of Duties: The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and its subsidiaries, if any.
- 3) Remuneration: the terms and condition of the remuneration payable to him are as under:
 - a) Basic Salary: ₹ 8,50,000/- (Rupees eight lakh fifty thousand only) per month.
Subject to revision from 1st April each year and the revision will be decided by the Board taking into account the recommendations of the Nomination and Remuneration Committee.
 - b) Commission: @ 1% of the Net Profit of the Company as determined under section 198 of the Companies Act, 2013.
 - c) Perquisites and Allowances:
 - i) In addition to the salary payable, he will also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; performance incentive, medical reimbursement, club fees and leave travel concession for himself

and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Parth Sajjan Jindal.

- ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
- iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:
 - (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - (b) Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of Service); and
 - (c) Encashment of leave at the end of tenure
- d) Maximum Remuneration: The perquisites and allowances together with the Basic Salary will be subject to a maximum ceiling of ₹ 50 (fifty) lakh p.m during his tenure of appointment without further approval of the shareholders.
- e) Limit of remuneration: The remuneration paid to Managerial Personnel is within the limit as prescribed pursuant to provisions of the Companies Act, 2013, not exceeding 10% of the Net Profit of the Companies calculated pursuant to provisions of section 198 of the Companies Act, 2013.
- f) The Managing Director is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of section 167(1) of the Act. He shall not be liable to retire by rotation.

- g) The terms and conditions of appointment of Managing Director also include clauses pertaining to adherence to the Code of Conduct, non-competition, no conflict of interest with the Company and Maintenance of confidentiality.
4. The bonus shall be payable as per the policy of the Company.
 5. The Managing Director shall not be eligible for any sitting fees for attending the Company's Board and Committees meetings.
 6. The Managing Director shall also be entitled to reimbursement of all expenses, including expenses related to clubs, actually and properly incurred by him for the business of the Company or the performance of his duties.

The above remuneration payable to the Managing Director shall be subject to the limits of 5% and / or 10% of the Net Profits of the Company, as the case may be, as laid down in section 198 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the overall limit of 11% of the Net Profits of the Company as laid down in section 198(1) of the said Act.

The copy of the agreement to be entered with Managing Director will be open for inspection for the members of the Company pursuant to the provisions of the Companies Act, 2013. The agreements includes all terms and conditions of the appointment of the Managing Director as well as all power and duties as exercised by Managing Director in ordinary course of business subject to provisions of the Companies Act, 2013 or any amendment thereto. The power of the Managing Director shall also include the power to delegate.

Pursuant to provisions of section 161 of the Companies Act, 2013, Mr. Parth Sajjan Jindal will hold office upto date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with deposit of ₹ 1,00,000 proposing the candidature of Mr. Parth Sajjan Jindal for the office of Director of the Company.

In compliance with the provisions of sections 196, 197 and other applicable provisions of the Act, read with

Schedule V to the Act, the approval of the members is sought for the appointment and terms of remuneration of Mr. Parth Sajjan Jindal as Managing Director as set out above.

Except Mr. Parth Sajjan Jindal, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned and interested, financially or otherwise, in the resolution set out in item no-6 & 7.

The Board recommend the resolution set out at Item No. 6 & 7 of the notice for your approval.

Item No- 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on April 22, 2016, has considered and approved the appointment of M/s R. Nanabhoy & Co, Cost Accountant as Cost Auditor of the Company for the financial year 2016-17 at a remuneration of ₹ 2,00,000 (Two lakh) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to section 148(3) of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned and interested, financially or otherwise, in the resolution set out in item no-8 for approval and ratification by the members.

The Board recommend the resolution set out at item No. 8 of the notice for your approval.

By Order of the Board
For **JSW Cement Limited**

Place : Mumbai
Date : August 1, 2016

Company Secretary

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Serial No-1

Name of the Director	Mr. Pankaj R. Kulkarni
Date of Birth	December 7, 1957
Relationship with other Directors Interse	None
Date of Appointment	February 2, 2012
Qualification	M.Tech., M.F.M.
Expertise in specific functional areas	<p>Mr. Kulkarni began his career in 1981 with M/s. M. N. Dastur & Co., premier engineering firm in India. Thereafter, he worked in various capacities with Essar Group and was responsible for 10 million ton expansion of their Hazira Works. He was with JSW Group from Feb 2008 to March 2016. His responsibilities in JSW Group included development and operation of iron ore mine in Chile, scouting for natural resources in Latin America & Africa, and operations of JSW Cement. He was board member of Santa Fe Mining, Chile; JSW Steel East Africa Ltd., Kenya; and JSW Cement Ltd., India.</p> <p>Mr. Kulkarni has implemented and operated large projects in India, Indonesia, Korea and Chile. He is widely traveled and exposed to cross-cultural business practices. He lives with his family in Mumbai.</p>
Directorship in other Indian Companies as on 31.03.2016	Nil
Number of Shares held in the Company	Nil

Serial No-2

Name of the Director	Mr. Biswadip Gupta
Date of Birth	December 25, 1950
Relationship with other Directors Interse	None
Date of Appointment	February 9, 2016
Qualification	Metallurgical Engineer and an MBA in Marketing
Expertise in specific functional areas	<p>Mr. Biswadip Gupta is a Metallurgical Engineer and an MBA in Marketing with over 35 years' of experience in the Steel and Ceramic industry. He is a professional with sharp business acumen and exemplary leadership qualities. He is experienced in setting up Steel, Power and Cement Plant. Presently, He is:</p> <ol style="list-style-type: none"> The President – Corporate Affairs of JSW Steel Ltd. Directors of various other Corporate Bodies, Corporate welfare and charitable Trust Member of ASSOCHAM and Chairman of Western Region, Indian Chamber of Commerce.

Name of the Director	Mr. Biswadip Gupta
	<p>Prior to this, he was the Managing Director of Vesuvius India Ltd., a MNC. In 2007, he was awarded the coveted "Banga Ratna" award by the Rotary Club. He was also associated with:</p> <ol style="list-style-type: none"> The Bengal Chamber of Commerce & Industry as a President Confederation of Indian Industry, Eastern Region as a Chairman The Bengal Club Limited as President The Indian Institute of Information Technology, Kalyani IIT's Vinod Gupta School of Management Indian Institute of Management, Kolkata The Institute of Chartered Financial Analysts of India <p>The Indian Institute of Social Welfare & Business Management (IISWBM) and many other B schools.</p>
Directorship in other Indian Companies as on 31.03.2016	<ol style="list-style-type: none"> Barbil Beneficiation Company Limited JSW Energy (Bengal) Limited Vesuvius India Limited Nicco Engineering Services Limited Dishergarh Infrastructure Private Limited Descon Limited Nicco Ventures Limited Gourandih Coal Limited JSW Natural Resources India Limited JSW Natural Resources Bengal Limited JSW Bengal Steel Limited
Number of Shares held in the Company	Nil

Serial No-3

Name of the Director	Ms. Sutapa Banerjee
Date of Birth	March 24, 1965
Relationship with other Directors Interse	None
Date of Appointment	April 22, 2016
Qualification	BSc (Economics Hons.) and PGDPM from XLRI, Jamshedpur
Expertise in specific functional areas	<p>Ms. Sutapa Banerjee is BSc (Economics Hons.) and PGDPM from XLRI, Jamshedpur with 23 years of experience in the financial services industry across 2 multinational banks and a boutique Indian Investment bank. She was having 16 years in senior leadership roles including two private banking. She is having Proficiency in start-ups, writing the business case, creating the business model, operating model, processes and client propositions. She was appointed as Nominee Director of the ISIS Fund promoted by the New York based Women's World Banking (WWB) and the Netherlands based Triodos, and is also on the Board of the NBFC Ananya Finance which pioneered lending to microfinance companies (MFIs) in India.</p>

Name of the Director	Ms. Sutapa Banerjee
	<p>She was:</p> <ul style="list-style-type: none"> • Shortlisted in the “50 most Powerful Women in India” by Fortune India in 2012. • Selected as one of the “Top 20 Global Rising Stars of Wealth Management” by Institutional Investors Group (part of Euro money) in 2007. • The only Indian and one of 2 winners from Asia Well recognized as a thought leader in the wealth management industry in India and overseas
Directorship in other Indian Companies as on 31.03.2016	<ol style="list-style-type: none"> 1. JSW Holdings Limited 2. Ananya Finance For Inclusive Growth private Limited 3. ISSI Market Services Limited 4. IL&FS Securities Services Limited 5. Oxfam India
Number of Shares held in the Company	Nil

Serial No-4

Name of the Director	Mr. Parth Sajjan Jindal
Date of Birth	May 19, 1990
Relationship with other Directors Interse	None
Date of Appointment	June 20, 2016
Qualification	Bachelor’s degree in Economics and Political Science from Brown University, USA and MBA from the Harvard Business School, USA.
Expertise in specific functional areas	Mr. Parth Sajjan Jindal has Bachelor’s degree in Economics and Political Science from Brown University, USA. He has also done his MBA from the Harvard Business School, USA. He joined the JSW Group in 2012 and has worked as an Economic Analyst. Before joining the JSW Group, Mr. Parth Sajjan Jindal has worked with JFE Steel in Tokyo, Japan’s second largest and the world’s fifth largest integrated steel manufacturing company.
Directorship in other Indian Companies as on 31.03.2016	<ol style="list-style-type: none"> 1. JSW Tech Labs Private Limited 2. Jindal South West Sports Private Limited 3. H.E.A.L. Institute Private Limited 4. JSW Bengaluru Football Club Private Limited 5. JSW Recharge Sports Private Limited
Number of Shares held in the Company	Nil

DIRECTORS' REPORT

To the Shareholders,

Your Directors are pleased to present tenth Annual Report and Audited Financial Statements of JSW CEMENT LIMITED ("the Company") for the financial year ended March 31, 2016.

1. Financial Performance

The key highlights of financial performance of your Company for the Financial Year ended March 31, 2016 is summarized below.

(₹ crore)

Particulars	FY 2015-16	FY 2014-15
Gross Turnover	1,429.31	1,051.17
Less: Excise Duty	163.37	134.25
Net Turnover	1,265.94	916.92
Add: Other operating revenues	6.07	4.99
Revenue from operations	1,272.01	921.91
Operating EBIDTA	291.35	161.63
Add: Other Income	17.80	5.07
Less: Finance Cost	132.55	144.75
Less: Depreciation and Amortization	56.93	45.42
Profit/ (Loss) Before Tax	119.67	(23.47)
Less: Tax expense	30.42	-
Profit/ (Loss) After Tax (PAT)	89.25	(23.47)
Add: Profit/(Loss) brought forward from previous year	(117.45)	(93.54)
Less: Depreciation adjustment(net of deferred tax adjustment)	-	(0.44)
Profit/ (Loss) carried to Balance Sheet	(28.20)	(117.45)

2. Highlights of Performance

Despite the subdued demand and surplus supply of cement in target markets, the Company has achieved remarkable volume growth during the year under review. Thrust on Portland Slag Cement ("PSC"), incremental net sales realization of cement and rationalization of input costs have significantly resulted into improved financial performance of the Company. Our total production of Portland Slag Cement ("PSC"), Ordinary Portland Cement ("OPC") and Ground Granulated Blast Furnace Slag ("GGBS") during the year under review was 3.66 mtpa (PSC 2.24 mtpa, OPC 0.04 mtpa and GGBS 1.38 mtpa) as compared to 2.73 mtpa (PSC 1.78 mtpa, OPC 0.17 mtpa and GGBS 0.78 mtpa) in the previous year, recording a notable increase of 34.1 % over previous year. Our total sales of PSC, OPC and GGBS during the year under review was 3.65 mtpa (PSC 2.23 mtpa, OPC 0.04 mtpa and GGBS 1.38 mtpa) as compared to sales of 2.69 mtpa (PSC

1.75 mtpa, OPC 0.17 mtpa and GGBS 0.77 mtpa) in previous year, recording a notable increase of 35.7% over previous year.

3. Transfer to Reserves

No amount is proposed for transfer to reserves.

4. Dividend

The Board of Directors has not recommended any dividend for the financial year ended March 31, 2016.

5. Economic Outlook

Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) registering a growth rate of 7.3 per cent.

The Government of India has an ambitious plan to make India as an attractive hub for foreign investments in the manufacturing sector by launching initiatives like "Make in India" and "Digital India". The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and will revive the Indian capital goods business. With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

The worldbank reported that, the latest India Development update expects India's economic growth to be at 7.5% in 2015-16, followed by a further acceleration to 7.8% in 2016-17 and 7.9% in 2017-18,"

6. Cement Industry Outlook and Opportunities

India is the second largest producer of cement in the world. India's cement industry is a vital part of its economy and has a direct linkage with the nation's health and growth. Despite the economy clocking growth at over 7% in 2015, Cement demand remained weak primarily due to low consumption from end-user sectors and procedural delays in clearances for industrial and infrastructure projects.

The cement sector plays a vital role in the economic growth of the country, and in its journey towards the inclusive growth. Cement is an essential item for the construction sector and for all infrastructural projects. With the growing infrastructure expenditure and increasing industrial base, India is set to witness significant growth in its Gross Domestic Product (GDP) resulting in favorable outcome for cement industry in the coming years. Thus, the cement sector is expected to witness positive growth in the coming years, with

consumption set to increase at a CAGR of around 9% during FY 2017- FY 2020.

The housing sector is the biggest demand driver of cement due to various proposed incentive schemes and will accounts for about 67 per cent of the total consumption in India. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at nine per cent. Further, the Government initiative to amend the Mines and Minerals Development and Regulation (MMDR) Act will enable companies to transfer captive mines leases which is expected to lead to increased Mergers and Acquisitions (M&A) of cement companies.

With help from the government in terms of friendlier laws, lower taxation, and increased infrastructure spending, the sector will grow and take India's economy forward along with it. Your Company intends to tap this opportunities to become one of the top tier cement companies with plan to expand in the eastern and western markets.

7. Capital Expenditure and New Projects

The Company is currently having presence in the Southern States and Maharashtra. As a part of growth strategy, the company is continuously evaluating organic and inorganic opportunities with an aim to have strong foothold across the country. The major projects initiated by the Company across its plants to serve its customer in a more cost effective, reliable and environment friendly manner are as under:

Dolvi, Maharashtra

- a) Commissioned 0.36 mtpa grinding unit adjacent to existing cement plant at Dolvi, Maharashtra.
- b) Entered into long term agreements with JSW Steel for supply of slag and BF/Coke Oven Gas on coal equivalent basis.

Nandyal, Andhra Pradesh

- a) Installation of 500 MT GGBS Bulk Loading facility is under execution which would enable

Company to sale GGBS with different blains based on market demand.

- b) Addition of 6 bays of truck loading system is under progress which would increase the rate of packing capacity and dispatches.
- c) Plan to install duct line from Pyro Cooler to Slag Mill to use unutilized heat available at Cooler for grinding of slag which would reduce the coal consumption in slag grinding.
- d) Plan to construct railway siding and bulk cement loading facility at Panyam in four phases. Presently in the first phase, 1,200 mtrs of railway line and platform is under execution.
- e) Construction of 85 metres of Coal Shed is completed in compliance with APCB.
- f) Plan to install Coal Dust Cyclones to stabilize kiln combustion process which should result into increased efficiency.

Gulbarga, Karnataka

Letter of Intent (LOI) granted by Govt. of Karnataka for mining lease is valid up to 12th January 2017. Documentation for conversion of agricultural land into non-agricultural land as per rule 95 of Land Revenue Act, 1964 is in process.

The Company has submitted Environmental Impact Assessment (EIA) Report along with the application to Karnataka State Pollution Control Board (KSPCB) to conduct Public Hearing. Public Hearing will be conducted in the first quarter of FY 2016-17.

Other Locations

The Company plans to commission an additional 9.6 mtpa of grinding capacity over the next 2 years at the following locations.

a) Vijaynagar, Karnataka

Brownfield expansion project is in progress at Vijayanagar to enhance the plant capacity from existing 0.6 Mtpa to 3.0 Mtpa. Bhoomi pooja was performed at site on 16th August 15 and the commissioning is scheduled in November

2016. As on 31st March 16, almost 70% of the civil work has been completed and mechanical erection activities have also been started.

b) Salboni, West Bengal

A cement grinding unit with capacity of 2.40 Mtpa at Salboni, Bengal is under progress. JSW Bengal Steel Limited (JSWBSL) has assigned 133.20 acres of land to the Company for setting up cement grinding unit at Salboni, West Bengal. Ground breaking ceremony were conducted on 6th January 2016 and Civil activities are in progress. The Commissioning is scheduled in March 2017.

c) Jajpur, Odisha

Plan to set-up a cement grinding capacity of 1.20 Mtpa at Jajpur, Odisha. Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) has allotted 15 acres of land in favour of the Company within the premises of JSL complex at Kalinganagar Industrial Estate, Jajpur. A MOU has been signed between Jindal Stainless Limited (JSL) and the Company for lease of land, to access the facilities of railway siding, right of way to conveyor system and supply of fly ash, slag, water and Power. TOR (Terms of reference) approval has been received and in the process of submitting EIA(Environmental Impact Assessment) Report to State Pollution Control Board.

d) Salem, Tamilnadu

A cement grinding capacity of 1.2 Mtpa at Salem, Tamilnadu is in progress. A MOU has been signed between JSW Steel Limited (JSWSL) and the Company for lease of land, to access the facilities of railway siding, right of way to conveyor system and supply of slag and water subject to requisite approval from various authorities. IEM (Industrial Entrepreneur Memorandum) has been received. TOR (Terms of reference) application has been submitted to SEIAA (State Level Environment Impact Assessment Authority) Chennai. Layout preparation within the allotted area is under progress. The expected commissioning date is February, 2018.

e) Dolvi,, Maharashtra

Plan to put up additional cement grinding facility with capacity of 1.2 Mtpa at existing Dolvi location. The final layout for setting up cement grinding unit has been submitted by the consultant.

8. Holding and Subsidiary Company

The Company continues to be the Subsidiary of JSW Investment Private Limited. Presently, the Company is not having any subsidiary or associate company or joint venture. Hence, disclosure under section 129(3) is not required.

9. Credit Rating

Credit Analysis and Research Limited has rated the Company with BBB (Triple B) for long term bank facilities and A3 (A Three) for short term bank facilities.

10. Fixed Deposit

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

11. Directors and Key Managerial Personnel

The Company has a balanced mix of Executive, Non-Executive Directors and Independent Director. As at March 31, 2016, the Board of Directors comprises of 8 Directors, of which one is Executive Director and seven are Non-Executive Directors including 2 Independent Directors. All the Directors are persons of eminence and bring a wide range of expertise and experience to the Board, thereby ensuring the best interest of stakeholders and the Company.

None of the Directors are related to any other Director on the Board in terms of the definition of "relative" as defined in section 2(77) of the Companies Act, 2013.

During the year under review, Ms. Tarini Jindal (DIN-00506432) and Mr. Biswadip Gupta (DIN-00048258) have been appointed as Additional Director of the Company with effect from April 10,

2015 and February 9, 2016, respectively and Mrs. Ranjana V. Paranjape (DIN-06646483), Nominee Director, has resigned from the Directorship with effect from October 8, 2015.

Ms. Sutapa Banerjee (DIN-02844650) has been appointed as Additional Director in category of Independent Director with effect from April 22, 2016. The Company has received declarations from Ms. Sutapa Banerjee, appointed as Additional Director in category of Independent Director, under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence laid down in section 149(6) of the Companies Act, 2013.

In terms of section 161 of the Companies Act, 2013 an Additional Director appointed by the Board would hold office upto the date of the ensuing Annual General Meeting. Your Company has received a notice under section 160 of the Companies Act, 2013 from a shareholder of the Company signifying its intention to propose Mr. Biswadip Gupta, as Director and Ms. Sutapa Banerjee as Independent Director of the Company.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pankaj R. Kulkarni (DIN-00725144), is liable to retire by rotation and being eligible, has offered himself for reappointment. The Board has recommended his re-appointment as Director.

There are no changes in Key Managerial Personal during the year under review.

The Board met four times during the year under review on April 20, 2015; July 30, 2015; October 24, 2015 and February 09, 2016.

12. Share Capital

There was no change in the authorized share capital of the company during the year under review.

The Company has issued and allotted 1,90,00,000 (One crore ninety lakh) equity shares of ₹ 10 (ten) each to JSW Logistics Infrastructure Private Limited during the year under review.

The issued, subscribed and paid up share capital of the Company as on March 31, 2016 was ₹ 4,50,51,17,000/-, comprising of 45,05,11,700 Equity shares of ₹ 10/- each.

13. Disclosure under section 149(7) of the Companies Act, 2013

Mr. Jugal Kishore Tandon and Mr. Jaiprakash Narain Lal, appointed as Independent Directors of the Company w.e.f March 31, 2015 have given their declaration under section 149(7) of the Companies Act, 2013.

14. Disclosure under section 43(a)(ii) of the Companies Act, 2013

The Company has not issued any shares with differential rights and hence, no information pursuant to section 43(a)(ii) of the Companies Act, 2013 read with rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

15. Disclosure under section 54(1)(d) of the Companies Act, 2013

The Company has not issued sweat equity shares during the year under review and hence, no information as pursuant to section 54(1)(d) of the Companies Act, 2013 read with rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

16. Employees Stock Ownership Plan

The Board of Directors of the Company at its meeting held on February 9, 2016 formulated the JSWCL Employees Stock Ownership Plan-2016 (ESOP Plan) with an objective to attract and retain talented human resources by offering then an 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.

During the year under review, requisite special resolution was passed on March 29, 2016 pursuant to provision of section 62(1)(b) and 67(3), read with rules made thereunder, of the Companies Act, 2013 for the implementation of the ESOP Plan. However

the disclosure, if any required, pursuant to the said provisions is not applicable and required for the financial year under review.

17. Evaluation of Board, Committees and Board Members pursuant to provisions of the Companies Act, 2013

Good Governance requires Boards to have effective processes to evaluate their performance. The evaluation process is a constructive mechanism for improving Board effectiveness, maximising strengths and tackling weaknesses, leading to an immediate improvement in performance throughout the organization.

Evaluation by Independent Director

In terms of the Code for Independent Directors (Schedule IV), the Independent Director(s) on the Board of the Company shall evaluate the performance of Non-Independent Director(s), Board as a whole and review the performance of the Chairperson. The broad parameters for reviewing the performance are based on structured questionnaires related to composition of the Board, function of the Board, meeting attended by the Board Members, conflict of the interest, participation in discussion, time contribution, governance and ethical problem etc.

Evaluation by Nomination and Remuneration (NRC) Committee

Nomination and Remuneration committee constituted under section 178 of the Companies Act, 2013 has been made responsible for carrying out evaluation of every Director's performance. The evaluation of individual director focuses on contribution to the work of the Board. The performance of individual director is assessed against range of criteria including ability of the director to contribute his knowledge and experience towards growth of the Company and for creating Shareholder' value.

Evaluation by Board

The purpose of the Board Evaluation is to achieve persistent and consistent improvement in the

governance of the Company at the Board level with an intention to establish and follow best practices in Board Governance in order to fulfill fiduciary obligation to the Company. The Board believes, the evaluation will lead to a working relationship among the Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as governing body. A structured questionnaire was prepared covering all aspects of the Board's and Committee's function, for the evaluation of the Board and Committees. The evaluation of the Independent Directors was based on the range of the criteria like independent judgment strategy, performance and risk management; skill, knowledge and Familiarity about the company, professional advice, attendance in Board and Committee meeting, adherence of the code of conduct etc.

18. 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").

The Company believes in adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The policy has been framed to provide a mechanism for the employees and directors of the company to freely communicate their concern about unethical behavior and actual or suspected fraud to the Vigilance and Ethics Officer and/or Chairman of Audit Committee. The policy provides for adequate safeguards against victimization or unfair treatment of employees who avail the vigil mechanism.

19. Corporate Social Responsibility (CSR) Policy

Pursuant to the section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted the CSR Policy. As per the policy, the Company is to focus inter alia on the complete life cycle approach where women shall be empowered in such a way that they become strong positive force of change. Specific interventions recommended are as below:

- a) Efficient maternal and child health care services;
- b) Enhance access to improved nutrition services;
- c) Early childhood education/pre-primary education;
- d) Completion of primary and secondary education;
- e) Access to adolescent reproductive and sexual health and rights;
- f) Enhancing the output of present occupation;
- g) Employability and vocational education;
- h) Responsible parenthood

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 be expanded beyond this geographical preview and up-scaled, defined as Indirect Influence Zone (IIZ). CSR Activities/ Initiatives under taken by the Company pursuant to provisions of the Companies Act, 2013 are given in "Annexure-A" to this report.

20. Company's policy on appointment and remuneration

The Company has framed a Nomination policy for appointment of the Directors, Key Managerial Personnel (KMP) and Senior Management and a Remuneration policy to decide their remuneration.

Nomination Policy:

The primary objective of the Nomination Policy is to provide a frame work and set standards that are consistent with the provisions of sections 149, 178 and other applicable provisions of the Companies Act, 2013 for the appointment of persons to serve as Director on the Board of the Company and for the appointment of the KMP/Senior Management of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

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 accessed on the basis of the merit, related skills and competencies. There shall be no discrimination on the basis of religion, caste, creed or sex.

Remuneration Policy:

In terms of section 178 of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration committee shall recommend to the Board a policy relating to the Remuneration of Directors, Key Managerial Personnel and other Employees with following broad objectives:

- 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.

The Executive Directors' (EDs) compensation is based on the appraisal system where their individual goals are linked to the organization goal. EDs are paid compensation as per the agreement entered into between them and the Company subject to approval of the Board and of the members of the Company in General Meeting and such other approval as the case may be.

The Non-Executive Directors are paid remuneration by way of sitting fees.

21. Auditors

a. Statutory Auditors

At the Company's Eighth Annual General Meeting (AGM) held on September 29, 2014, M/s. Shah Gupta and Co., Chartered Accountants were appointed as Company's Statutory

Auditors from the conclusion of the 10th AGM till the conclusion of the 11th AGM.

In terms of section 139(1) of the Companies Act 2013, the appointment of statutory auditors, to hold office for a period of three years i.e. up to Financial Year 2016-17, is placed for the ratification.

The Auditors Report to the shareholders for the year under review does not contain any qualification.

No fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 requiring disclosure in Board's Report.

b. Cost Auditor

Pursuant to section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to get cost accounting records audited by a Cost Auditor.

Accordingly, the Board at its meeting held on April 22, 2016, has on the recommendation of Audit Committee, re-appointed M/s R. Nanabhoy & Co., Cost Accountants as Cost Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2016-17 on a remuneration of Rs 2 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration paid to Cost Auditors is subject to the ratification of the members of the company in terms of section 148 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for ratification.

The Cost Audit Report for the financial year 2014-15, on audit of cost accounting records by the Cost Auditor, was filed on September 29, 2015.

c. Secretarial Auditor

Pursuant to section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S. K. Jain & Co., a firm of Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report issued by Secretarial Auditor in Form MR-3 for the financial year 2015-16 forms part of this report and marked as "Annexure-B".

The Secretarial Auditor made an observation regarding fatal accident at Vijayanagar, Bellary, Karnataka resulting death of workman of Bulker Loader at Company premises. The matter is in knowledge of Deputy Director of Factories, Bellary and the Company is in process of paying the compensation as per applicable law.

The Board in its meeting held on April 22, 2016 has re-appointed M/s . S. K. Jain & Co., Practicing Company Secretary as Secretarial Auditor to issue Secretarial Audit Report for the financial year 2016-17.

22. Related Party Transactions

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

The disclosure of material Related Party Transactions is required under section 134 (3)(h) read with section 188(1) of the Companies Act, 2013 in Form AOC-2. Accordingly, Related Party Transactions, that, individually or taken together with previous transactions during a financial year, exceed

ten percent of the annual turnover as per last audited financial statements, which were entered into during the year by the Company is given in "Annexure-C" to this report.

23. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a policy on Prevention of *Sexual Harassment* at workplace. The policy has been framed as per "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and an internal Committee has been constituted for redressal of the complaints.

24. Particulars of Loans, Guarantees, Investments and Securities:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to financial statements. During the year under review, the Company has passed a resolution on October 24, 2015 for grant of loan of ₹ 4.01 crore to JSW Global Business Solution Limited (JSW GBS).

25. 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 the end of the financial year of the Company and the date of the report.

26. Significant and material orders passed by the regulators

There are no significant material order passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

27. Extract of Annual Return

In accordance with the provisions of section 134(3) (a) of the Companies Act, 2013, the extract of

the annual return in Form No MGT-9 is given in “Annexure-D” and forms part of this report.

28. Risk Management and areas of concern

The Board of Directors of the Company has framed a Risk Management Policy to identify and evaluates business risk and opportunities and mechanism to manage and mitigate risk to protect its stakeholder's interest. The overall objective of the policy is to create awareness among the employees to access risk on continuous basis and to develop risk mitigation plans in the interest of the Company. The details of the key risk areas have been explained in Management Discussion and Analysis Report.

29. Awards and Recognition

The Company has received awards and accolades from the Government and Non-governmental organizations/associations as detailed hereunder:-

- a) Golden Peacock Innovation Management Award, 2015 by Institute of Directors, New Delhi. The award was given in recognition of Company's team efforts towards successfully operating Cement Mill in finish mode for Nandyal Unit.
- b) Rastra Vibhushan Award 2015 by Foundation for Accelerated Community Employment (FACE) New Delhi for company's outstanding contribution towards preservation of Environment, significant reduction in GHG emission, water, energy and natural resources consumption and for implementing innovative measures towards pollution prevention for Nandyal Unit.
- c) Greentech Safety Gold Award, 2015 by GreenTech Foundation, New Delhi, for implementing noteworthy safety innovations and mistake proofing measures to prevent human exposure to workplace hazards and associated risks for Nandyal Unit.
- d) Unnatha Suraksha Puraskara award, 2015 by National Safety Council, Karnataka Chapter for Vijayanagar Unit.

30. Human Resource

JSW Cement values its employees as “Human Capital” and considers them the most important assets of the Organization.

Despite the downturn in Cement industry, encouraging business results have been achieved due to enhanced effectiveness of Human Capital. The Company always puts its people first and empowers them by giving responsibilities and support mechanisms to deliver. The company fosters a healthy working environment where each individual is treated with respect.

The Company follows a sustainable model of growth that links people to strategy and operations. People with the right mix of executive skills, experience and competencies are chosen to champion initiatives and business plans. Strategies have been created to achieve ambitious yet realistic goals and operations are designed to complement people and strategy.

New HR employee engagement initiatives viz., blow up candles, employee get-togethers, family day celebrations and introduction of employee reward and recognition schemes viz., Exceptional performance awards scheme for Plant and Support Services have significantly enhanced employee motivation. Structured leadership training, learning and development programs have helped the employees in building capability to face the current and future challenges of the business. The achievement of the Company includes:

- Marked best Employee Engagement score in Great Places to Work Survey among JSW Group Companies
- Achieved manpower productivity of 6209 TPA, 3% higher than the last financial year
- Creation of Strategic Planning Cell for tactical insights
- Recruited and deployed experienced sales force Pan India contributing to enhanced sale of PSC and GGBS

- Enhanced Customer Service through expansion of Technical Services team

31. Sustainability and Environment

The Company is committed to the path of corporate sustainability, efficient utilization of all available resources and focuses tirelessly on the preservation and effective utilization of natural resources. The Company's sustainability initiatives are:

- Utilizing industrial by-products such as slag, flue dust, pet coke etc. to make eco-friendly Cement,
- GHG emission inventorisation by 3rd party and regular monitoring to ensure that we are positively contributing to reversing the adverse effects of Global warming and Climate Change.
- Extensive rain water harvesting and groundwater recharge helped the Company to become a net water positive entity, i.e. the Company gives back more than it abstracts from the groundwater aquifer.
- Increased efficiency in the utilization of raw material, fuel and energy, water and other resources.
- Continuous emission monitoring systems at all the stacks and continuous ambient air quality monitoring is ensuring a foot forward towards prevention of pollution and preservation of environment.

The Company's products are environment friendly (certified Green Products) and engineered for better strength, greater durability and longer life which in turn helps to further reduce life-cycle costs, lower maintenance costs and makes concrete more sustainable. In this way, the Company is a stellar example of a sustainable business practice.

32. Occupational Health & Safety (OH&S)

The Company's primary objective is to achieve OH&S by providing training to its employees through

- Best practices like folding platform with lifeline for safe approaching on Cement bulker tanker top for safe opening and closing of door.
- Reduced gap between conveyor belt and tongue plate of truck loader for avoiding of loader figure entry & injury.
- Implemented PPEs to all drivers
- Conducting daily walk through observation and correcting of all unsafe acts and conditions.
- Conducting internal and external training programs like tool box talk, road safety awareness program, adverse effects of smoking and alcohol consumption, basic life safety, firefighting awareness, conveyor belt safety, near miss reporting, confined space entry and working at height for increasing of awareness.
- Displayed safety sign board, standard operating procedures for improving safety awareness at various places.
- Smart teams developed for improving safety in all the plant operations and maintenance.
- Implementation of 5S system for better housekeeping and safety,
- Strengthening of LOTOTO (Lock out Tag out and Try out) system for better electrical safety.
- Conducting the Mock drills for effective emergency preparedness.
- Conducting monthly gate meeting to communicate plant safety performance and awarding "Safe worker of the month" for identified workers.
- Successfully conducted the Electrical Safety, Road safety and LPG safety campaigns for the surrounding villagers for enhancing their awareness.
- 48 hours Road Safety campaign conducted for the truck drivers with handouts.

- Imparted behavioral training to contractual women workers to enhance their effective management of working time.
- Extended the fire hydrant system throughout the plant for better emergency preparedness.
- Provided safety platforms in the necessary areas of the plant to reduce the unsafe conditions and safe and quick completion of maintenance jobs.
- Conducted internal and external safety audits and complied all the observations for strengthening the safety systems.

33. 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 the preparation of the annual accounts, 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 and loss of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 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; 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.

34. Particulars of Employees

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration) Rules, 2014, are given in "**Annexure-E**" to this report.

35. 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-F1 & F2**" and forms part of this report.

36. Foreign exchange earnings and Outgo

The details of foreign exchange outgo and earnings are furnished in the notes to accounts.

37. Appreciation

The Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Government Authorities, Banks, Vendors, customers and shareholders during the year under review.

Directors also wish to place on record their deep sense of appreciation of the devoted and dedicated services rendered by all employees of the Company.

For and on behalf of the Board
JSW Cement Limited

Date: April 22, 2016
Place: Mumbai

Chairman

Annexure 'A' to Directors' Report

REPORT ON CSR ACTIVITIES/ INITIATIVES [Pursuant to section 135 of the Companies Act & rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of the projects or programs undertaken.

The brief outline of the CSR policy has been mentioned elsewhere in the report. The Company has voluntary spent ₹ 250.06 lakh including ₹ 41.80 lakh under execution on various CSR initiatives during the FY 2015-16. CSR initiatives undertaken by the Company are as under:

a) Improving Living Conditions: The Company has incurred ₹ 50.85 lakh for improving the living conditions of inhabitants around the plant. The activities undertaken to improving living conditions are as under:

- Conducted 205 mobile health camps and special health camps for ENT, dental, hypertension and diabetes, ophthalmology in which 114 units of blood were donated. The Camp covering 12,503 villagers of 12 villages.
- Delivery Room and Pathology Lab of PHC, Gadivemula has been renovated and Gynecologist related equipment has been provided for the benefit of pregnant women's, women and their children.
- Healthy Baby Competition has been organized and prize has been distributed to eliminate malnourishment amongst the children below 5 years.
- HIV/AIDS prevention program has been organized with the help of Boruka Charitable Trust for the benefit drivers and other villagers.
- An awareness campaign has been organized in Direct Influence Zone (DIZ) villages for personal hygiene, sanitation, Breastfeeding and Malnourishment.
- Artificial Limb Transplant has been organised in association with Mobility India and 40 people were benefitted.

- Two Reverse Osmosis (RO) plant has been installed for providing safe drinking water to 4500 population at Bilakalagudur and 4000 population at Mahanandi.
- Twenty five breeding rams has been distributed to shepherds in Direct Influence Zone.

b) Promoting Social Development: The Company has incurred ₹ 117.70 lakh for promoting social development. The activities undertaken for promoting social development are as under:

- Infrastructure facilities i.e. drinking water, solar based fans & solar lights and benches has been provided to Government schools of Direct Influence Zone.
- Two classrooms at ZPH School, Gadivemula have been constructed and class rooms & compound walls of Ten Government primary schools have been renovated.
- Distribution of eggs to 1,884 students of 19 schools thrice in a week under Government mid-day meal program.
- Distribution of fifty four bicycles to girls to encourage girl child education.
- Established Ten digital classrooms in five Government schools of Direct Influence Zone to improve the quality of the education and to develop strong conceptual understanding in the students.
- Operated three computer aided learning centers to impart computer education and two tutors were engaged to teach Physical Science and Social Studies in Urdu in the schools of Direct Influence Zone.
- Distributed scholarships to 60 meritorious students among four high schools and four primary schools for promoting secondary education and to reduce dropout rate in upper primary and primary sections.

- Organized Eye and Dental screening camp at Government schools to spread awareness on eye disorders/refractive errors and to maintain dental hygiene. The spectacles have been distributed to 98 students having refractive errors and dental kit to 1100 students.
 - Distributed sanitary napkins to 272 girl students of 7th to 10th class to promote menstrual hygiene.
 - Initiated Mid-day meal program on pilot basis with 2 schools to provide nutritious and balanced diet.
 - Established tailoring centers in Bilakalagudur, Bujunur, Gadivemula and Peddakunta Thanda where currently 83 women are availing training on stitching of clothes, Saree Painting, Wire Works and Mirror Works.
 - Trained 43 women on Phenyl and Acid making.
 - Distributed smokeless stoves to 30 women in order to prevent respiratory infections among the women.
 - Distributed Gas Stoves with Gas connections to 13 Anganwadi centers to save children and women from the harmful smoke.
- c) Addressing Environmental issues:** The Company has incurred ₹ 1.19 lakh for addressing social inequalities and the activities undertaken are as under:
- Planted 250 trees in DIZ villages.
 - Replaced the solar batteries of 15 solar street lights of the villages.
- d) Rural Development:** The Company has incurred ₹ 10.76 lakh for rural development and the activities undertaken are as under:
- Laid Regadagudur Road and Velpanur Rood at Bilakalagudur.
 - Constructed a parking shed at Gadivemula
- e) Swachh Bharath Mission:** The Company has incurred ₹ 27.23 lakh for Swachh Bharath Mission and the activities undertaken are as under:
- Construction of household toilets for BPL families in Bilakalaguduru and Bujunor villages.
 - Organised Swachh Village Program with the participation of employees for cleaning streets, removing roadside bushes and dirt at Bilakalagudur & Bujunur.
 - Constructed/repared 9 toilet blocks with proper water and sanitation in the social welfare hostels of Gadivemula and Nandikotkur Mandals.
- f) Expenditure incurred towards other administrative and capacity building expense:** ₹ 1.10 lakh
- 2. The composition of the CSR Committee:**
- The CSR Committee comprises of 3 Directors Mr. K. N. Patel - Chairman, Mr. Anil Kumar Pillai- Member and Mr. J. K. Tandon – Member.
- 3. Average Net Profit of the company for last 3 financial years:** ₹ (31.53) crore
- 4. Prescribed CSR expenditure (2% of amount):** NIL, The Company has voluntary proposed 2.5 crore for CSR Activity.
- 5. Details of CSR activities/projects undertaken during the year:**
- total amount to be spent for the financial year: ₹ 208.80 lakh and activities for ₹41.80 lakh are under execution
 - amount un-spent, if any: Nil
 - manner in which the amount spent during financial year, is detailed below:

(₹ lakh)

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
			1. Local area/ others- 2. specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Sub-heads: 1. Direct expenditure on project/ programme, 2. Overheads			
1.	Improving Living Conditions	Promoting Health Care Livestock Management Safe Drinking Water	Village-Bilakalaguduru, Bujunur and Gadvimulla District-Kurnool	50.85	Direct Expenses- 215.40	50.85	Direct/ implementing agency
2.	Promoting Social Development	Formal educational institution infrastructure & Development Vocational educational institution infrastructure & Development (Tailoring Center, Jute Unit and Promotion/Training/Supporting SHGs)	Village-Bilakalaguduru and Bujunur and Gadvimulla District-Kurnool	117.70	Overheads 1.08	168.55	Direct/ implementing agency
3.	Addressing Environmental Issues	Promoting use of Renewable energy (Solar street lights) Plantation	Village-Bilakalaguduru and Bujunur and Gadvimulla District-Kurnool	1.19		169.71	Direct/ implementing agency
4.	Rural Development	Infrastructure facilities in Rural area	Village-Bilakalaguduru, District-Kurnool	10.76		180.47	Direct/ implementing agency
5.	Swachha Bharat Abhiyan	Sanitation - Construction, Maintenance & upgradation of toilets	Village-Bilakalaguduru and Bujunur and Gadvimulla District-Kurnool	27.23		207.70	
6.	Administration & Capacity Building expenditures	Administration & Capacity Building expenses		1.10		208.80	Direct

We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company. The Company has voluntary proposed ₹ 2.5 crore for CSR activity.

Date: 22nd April 2016

Place: Mumbai

K. N. PatelChairman-CSR Committee
(DIN- 00725144)**Anil Kumar Pillai**Member- CSR Committee
(DIN- 06814022)

Annexure 'B' to Directors' Report

Form No-MR3

SECRETARIAL AUDIT REPORT

FOR THE FINANACIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
JSW Cement Limited.
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Cements Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s JSW Cement Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by JSW Cement Limited as given in 'Annexure I' for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and rules notified and came into effect from 1st April, 2014;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder. (This

Act is not applicable as the Company has not issued any marketable Securities)

- iii. The Depositories Act, 1996 and the regulations and bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company as the Company has not availed any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)
- v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(Not Applicable since it is an Unlisted Public Company)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(Not Applicable since it is an Unlisted Public Company)
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(Not Applicable since it is an Unlisted Public Company)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(Not Applicable since it is an Unlisted Public Company)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(Not Applicable since it is an Unlisted Public Company)

- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(Not Applicable since it is an Unlisted Public Company)

- g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(Not Applicable since it is an Unlisted Public Company)

- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(The Company had appointed Sharepro Services (India) Pvt. Ltd as their Share Transfer Agent. The Company is in process of appointing another SEBI registered Registrar to an Issue and Share Transfer Agent as SEBI vide Order dated 22/03/2016 has inter-alia restrained Sharepro Services (India) Pvt. Ltd from buying, selling and dealing in the Securities market or associating themselves with Securities market, either directly or indirectly in any manner till further directions and its Clients have been advised to carry out/switchover their activities related to Registrar to an Issue and Share Transfer Agent either in-house or to another Registrar to an Issue and Share Transfer Agent registered with SEBI.)

- vi. Other laws specifically applicable to the Company are:

- a. The Mines Act, 1952;
- b. The Mines and Minerals (Regulation and Development) Act, 1957;
- c. The Limestone & Dolomite Mines Labour Welfare fund Act, 1972;

- d. The Explosives Act, 1884:

- e. The Batteries (Management and Handling) Rules, 2011;

I have also examined Compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the Audit period following observations were made:

- 1) A Fatal accident occurred on 02/11/2015 at around 6:50 a.m. at Silo-2 OPC Bulker unloading point of the Company's factory at Vidyanagar, Toranagallu Village, Sandur District, Bellary, Karnataka State which resulted in death of one workman of bulker transporter.

I have also examined the books, papers and returns filed and other records maintained by JSW Cement Limited for the Financial Year ended on 31st March, 2016 according to the provisions of various Labour Laws and other Laws applicable, including the rules made thereunder and amended from time to time, to the Company, as informed by the Company, details of which are mentioned in **'Annexure II'**:

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period the Company has the following specific events:

1. Board of Directors of the Company has appointed Mr. Jugal Kishor Tandon (DIN- 01282681) and Jaiprakash Narayan Lal as Additional Directors designated as Independent Directors by passing Resolution in Board Meeting dated 20/04/2015 to comply with the requirement of appointment of independent directors on the Board of the Company u/s 149(4) to form majority in the audit committee u/s 177(2) and in nomination and remuneration committee u/s 178(1) of the Companies Act, 2013.

2. Ms. Tarini Jindal (DIN-00506432) was appointed as Additional Director designated as Non-Executive Directors on April 10, 2015 by a resolution passed through circulation and noted in Board meeting held on April 20, 2016 and Mr. Biswadip Gupta (DIN-00048258) appointed as Additional Directors designated as Non-Executive Directors by passing a resolutions in the Board Meeting held on February 09, 2016.

3. The Company had allotted 1,90,00,000 Equity Shares of ₹ 10/- each to JSW Logistics Infrastructure Private Limited by way of Private Placement in the meeting of Finance Committee held on 27/05/2015 pursuant to approval given by Shareholders at the Extra Ordinary General Meeting held on 16/05/2015. The Company has filed Form PAS-3 with Forms PAS-4 and PAS-5 as attachments thereto. The Company has made Compliance of the provisions of section 62 read with section 42 of the Companies Act, 2013 and rules made thereunder.

The details of registered and Corporate Office and location of the Plants of JSW Cement Ltd are given in **'Annexure-III'**.

Dr. S. K. Jain

Practicing Company Secretary

Place: Mumbai

FCS No.:1473

Date: 13/04/2016

C P No.: 3076

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2015.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, CSR (Corporate Social Responsibility) Committee, Nomination & Remuneration Committee and Finance Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors/Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

ANNEXURE - II

List of applicable laws to the Company

- i. The Factories Act, 1948;
- ii. The Industrial Disputes Act, 1947
- iii. The Payment of Bonus Act, 1965
- iv. The Payment of Gratuity Act, 1972
- v. The Minimum Wages Act, 1948
- vi. The Payment of Wages Act, 1936
- vii. The Sexual Harassment Act, 2013
- viii. The Maternity Benefits Act, 1961
- ix. The Industrial Employment (Standing Orders) Act, 1946
- x. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- xi. The Contract Labour (Regulation and Abolition) Act, 1970;
- xii. The Workmen's Compensation Act, 1923;
- xiii. The Equal Remuneration Act, 1976 The Air (Prevention and Control of Pollution) Act, 1981;
- xiv. The Water (Prevention and Control of Pollution) Act, 1974;
- xv. The Water (Cess Act), 1977;
- xvi. The Environment (Protection) Act, 1986;
- xvii. The Standard of Weights and Measure Enforcement Act, 1985
- xviii. The Bureau of Indian Standard Act, 1986
- xix. The Motor Vehicles Act, 1988
- xx. The Karnataka Welfare Fund Act, 1965
- xxi. The Professional Tax Act, 1975

xxii. The Hazardous Waste (Management and Handling) Rules, 1989;

xxiii. The Manufacture, Storage and Import of Hazardous Chemicals Rules; 1989

xxiv. The Gas Cylinder Rules, 1981;

ANNEXURE - III

Registered & Corporate Office:

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Mills:

Vijayanagar Works:
P.O. Vidyanagar, Torangallu Village,
Sandur Taluk, Bellary District,
Karnataka- 583275
Tel: 08395 - 241001

Nandyal Works:

Village Bilakalaguduru,
Gadivemula Mandal,
Nandyal, Dist. Kurnool
Andhra Pradesh-518508
Tel: 08514-202304-05

Dolvi Works:

Unit 1

Survey No. 96/1, 96/2, 97/0
Village Khar Karavi, Dolvi,
Taluka-Pen,
District-Raigad,
Maharashtra- 402107

Unit 2

Survey No. 107/B, 109, 114-118
Village Khar Karavi, Dolvi,
Taluka-Pen, District- Raigad,
Maharashtra- 402107
Tel.: 02143-277601/02/03
Fax: 02143-277725

Dr. S. K. Jain

Practicing Company Secretary

Place: Mumbai

FCS No.:1473

Date: 13/04/2016

C P No.: 3076

Annexure 'C' to Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies 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

- 1. Details of contracts or arrangements or transactions not at arm's length basis-** Not Applicable
- 2. Details of material contracts or arrangement or transactions at arm's length basis-** For details of transactions during the year refer note 27(h) of the financial statements. The materials transactions are as under:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
JSW Steel Ltd. Promoter Group Company	Purchase of Slag, LD Slag, Coal Fine, Steam Coal, Fly Ash, Flue Dust, TMT/Plate Corex Sludge	5 years to 15 years	Quantity purchased based on the requirement of the company throughout the year and as per quality specification mention in the agreement. The price shall be fixed mutually based on price nearer to the areas where product being purchased. The prices are exclusive of all taxes, duties and levies.	Approved in Audit Committee meeting and noted on Board Meeting	-
	Payment of lease license agreement	3 to 29 years depending upon the agreements for different places	Rent payable as per the agreements	-	-
	Reimbursement of expenses	Based on transactions	Reimbursement on actual basis	-	-
	Purchase of Asset on itemised sale basis	Agreement for sale of assets	Transaction value is based on Valuation Report	Board Meeting held on November 14, 2014 and shareholder approval in General Meeting held on December 24, 2014	-
	Sale of Cement (Clinker &PSC)	1-3 Months	Quantity sold as per monthly/ quarterly requirement based on prevailing market price.	Not Applicable	-

For and on behalf of the Board
JSW Cement Limited

J. K. Tandon
Chairman
(DIN-1282681)

Date: April 22, 2016
Place: Mumbai

Annexure 'D' to Directors' Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As at Financial Year ended on 31.03.2016

(Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1. CIN	U26957MH2006PLC160839
2. Registration Date	29/03/2006
3. Name of the Company	JSW Cement Limited
4. Category/Sub-category of the Company	Public Limited Company
5. Address of the Registered office & contact details	JSW Centre, Opp. MMRDA Ground, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel.: 022 - 4286 1000 Fax: 022 - 2650 2001 Website : www.jswcement.in
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (E), Mumbai- 400 072 Tel.: 022-6772 0329/354 Fax: 022-2850 8927

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Portland Slag Cement	3743000	79.88
2	Ground Granulated Blast Furnace Slag (GGBS)	3743000	18.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding, Subsidiary and Associate Companies	% of shares held	Applicable section
1	JSW Investment Pvt Ltd. JSW Centre, Bandra Kurla Complex, Bandra (East), Opp. MMRDA Ground, Mumbai, Maharashtra	U65993MH2005PTC152325	Holding Company	71.74	2

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	431,436,450	75,250	431,511,700	100	450,436,450	75,250	450,511,700	100	4.40
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	431,436,450	75,250	431,511,700	100	450,436,950	75,250	450,511,700	100	4.40
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	431,436,450	75,250	431,511,700	100	450,436,950	75,250	450,511,700	100	4.40

B) Shareholding of Promoter-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	JSW Investments Pvt. Ltd.	323,191,996	74.90	18.16	323,191,996	71.74	-	-3.16
2	JSW Logistics Infrastructure Pvt. Ltd.	56,550,000	13.11	-	75,550,000	16.77	-	3.66
3	Sapphire Technologies Ltd.	74,750	0.02	-	74,750	0.02	-	-
4	Mr. Seshagiri Rao*	100	0.00	-	100	0.00	-	-
5	Mr. K N Patel*	100	0.00	-	100	0.00	-	-
6	Mr. P K Kedia*	100	0.00	-	100	0.00	-	-
7	Mr. Jayant Acharya*	100	0.00	-	100	0.00	-	-
8	Mr. Balwant Ranka*	100	0.00	-	100	0.00	-	-
9	Glebe Trading Pvt. Ltd.	20,642,340	4.78	-	20,642,340	4.58	-	-0.20
10	Danta Enterprises Pvt. Ltd	26,000,000	6.02	-	26,000,000	5.77	-	-0.25
11	JSL Limited	5,052,114	1.17	-	5,052,114	1.12	-	-0.05
	Total	431,511,700	100	18.16	450,511,700	100		

* Nominee Shareholders of JSW Investment Private Limited

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/Decrease in shareholding during the year			
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	Date	Transfer	Allotment	No of shares at the end of year
1	JSW Investments Pvt. Ltd.	323,191,996	74.90	323,191,996	71.74			No Change	
2	JSW Logistics Infrastructure Pvt. Ltd.	56,550,000	13.11	75,550,000	16.77	27-05-2015	-	19,000,000	75,550,000
3	Glebe Trading Pvt. Ltd.	20,642,340	4.78	20,642,340	4.58				
4	Danta Enterprises Pvt. Ltd.	26,000,000	6.02	26,000,000	5.77				
5	JSL Limited	5,052,114	1.17	5,052,114	1.12			No Change	
6	Sapphire Technologies Limited	74,750	0.02	74,750	0.02				

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-	-	-	-

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. K. N. Patel - Nominee of JSW Investment Pvt. Ltd. (no change)	100	0.00	100	0.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1122.2	31.87	-	1154.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.96	1.72	-	3.68
Total (i+ii+iii)	1124.16	33.59	-	1157.75
Change in Indebtedness during the financial year				
* Addition	871.47	8	-	879.47
* Reduction	-879.74	-31.25	-	-910.99
Net Change	-8.51	-23.25	-	-31.76
Indebtedness at the end of the financial year				
i) Principal Amount	1114.68	10.32	-	1125.00
ii) Interest due but not paid	0.97	0.02	-	0.99
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1115.65	10.34	-	1125.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹)
		Mr. Anil Kumar Pillai (Whole Time Director & CEO) (₹)	
1	Gross salary (₹)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,60,54,759	1,60,54,759
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,86,985	2,86,985
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	1,63,41,744	1,63,41,744
	Ceiling as per the Act (with approval of shareholders)	2,40,00,000	2,40,00,000

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. J. K. Tandon	Mr. JPN Lal			
1	Independent Directors					
	Fee for attending board committee meetings	2,40,000	1,80,000	-	-	4,20,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,40,000	1,80,000	-	-	4,20,000
2	Other Non-Executive Directors	Mr. N. K. Jain	Mr. K. N. Patel	Mr. Pankaj Kulkarni	Mrs. Ranjana Paranjpey	
	Fee for attending board committee meetings	1,60,000	-	-	30000	1,90,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1,60,000	-	-	30000	1,90,000
	Total (B)=(1+2)					6,10,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,66,471	63,13,900	83,80,371
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	21,940	21,940
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	20,66,471	63,35,840	84,02,311

XII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: there were no penalties / punishment / compounding of offences during the year ended March 31, 2016.

Annexure 'E' to Directors' Report

Section 197 of the Companies Act, 2013

a) Employed throughout the financial year and in receipt of remuneration aggregating ₹ 60.00 Lac or more per annum.

Sr. No.	Name	Designation	Remuneration (₹) P.A.	Qualification	Total Experience (No. of years)	Age (years)	Date of commencement of employment	Previous employment (Designation)
1	Mr. Rajendra Parasad	Associate Vice President	7445988	BE (Mech)	34	59.05	03-MAR-2008	VP (Projects)
2	Mr. Vachaspathi Pillalamari	Vice President	8089536	PGDPM	34	59.05	05-FEB-2003	GM (HR & Admn.)
3	Mr. Sandeep Singh Sandhu	Associate Vice President	7296144	B A(Eco), PG in Eco & IB	29.5	53.07	06-AUG-2010	AVP (Mktng)
4	Mr. Anil Kumar Pillai	Director and CEO	18123120	B. Tech (Chem)	32	55.1	06- Feb-2014	Director & CEO

b) Employed for part of the financial year and in receipt of remuneration aggregating ₹ 5.00 Lac or more per month

Sr. No.	Name	Designation	Remuneration (₹) P.M.	Qualification	Total Experience (No. of years)	Age (years)	Date of commencement of employment	Previous employment (Designation)
1	Mr. Pushp Raj Singh	Chief Marketing Officer	963376	MBA, PGDM (Marketing)	20.08	44.8	29-June-2015	Chief Marketing Officer
2	Ms. Lopamudra Sengupta	Vice President	579452	B.Tech., MBA	23	45.3	04-Feb-2016	Vice President

Notes:

- Remuneration includes salary, bonus, house rent allowance, monetary value of perquisites, if any, leaves travel allowance, medical reimbursement, commission and Company's contribution to Provident fund but does not include leave encashment and Provision for gratuity. The monetary value of perquisites is calculated in accordance with the Provisions of the Income Tax Act, 1961 and rules thereunder.
- All the employees have adequate experience to discharge the responsibility assigned to them.

Annexure 'F-1 & F2' to Directors' Report

(I) Annexure F-1

Disclosure of Particulars with respect to Conservation of Energy

Particulars	2015-16	2014-15
A. Power and Fuel consumption		
1. Electricity		
a] Purchased		
Unit (kwh) (in crore)	20.812	18.35
Total Amount (₹ in crore)	127.21	111.97
Rate/unit (₹)	6.11	6.10
b] Own generation		
(i) Through diesel generator	-	-
Unit	-	-
Unit per litre of diesel	-	-
Diesel Cost/unit	-	-
(ii) Through steam turbine/generator		
Units	-	-
Units per litre of fuel oil/gas	-	-
Cost/Unit	-	-
2. Coal +Pet Coke		
Quantity (tonnes)	1,22,143.41	1,47,277.88
Total Cost (₹ in crore)	78.21	105.02
Average Rate (₹ per tonne)	6403.13	7,130.74
3. Furnace Oil		
Quantity (kilo litres)	-	-
Total Amount (₹ in crore)	-	-
Average rate (₹ per litre)	-	-
4. Light Diesel Oil/High Speed Diesel		
Quantity (Kilo liters)	1516.92	38.48
Total cost (₹ in crore)	6.65	0.25
Rate/unit (₹ per litre)	43.85	64.97
5. Blast Furnace Gas		
Quantity (Nm ³ in cr)	4.75	1.36
Total cost (₹ in crore)	3.69	1.08
Rate/Unit ((₹ in Nm ³)	0.78	0.80
6. CO Gas		
Quantity (Km ³ in cr)	0.8	-
Total cost (₹ in crore)	3.4	-
Rate/Unit ((₹ in Km ³)	4.25	-

Particulars	2015-16	2014-15
B. Consumption per unit of production		
1) Clinker		
Electricity (Kwh per tonne)	53.31	56.24
Light Diesel Oil (Litre per tonne)	0.15	0.13
Coal (tonne per tonne)	0.11	0.11
2) OPC		
Electricity (Kwh per tonne)	85.05	92.97
3) Ground Granulated Blast Furnace Slag		
Electricity (Kwh per tonne)	41.11	42.00
Light Diesel Oil (Litre per tonne)	0.39	0.13
Coal (tonne per tonne)	0.01	0.06
4) Portland Slag Cement		
Electricity (Kwh per tonne)	48.89	36.58
Light Diesel Oil (Litre per tonne)	0.21	0.03

(II) Annexure F-2

A. VIJAYANAGAR

- 1) Bio Gas Plant has already been commissioned.
- 2) Development & use of waste sludge oil (waste oil produced in JSW Steel) for firing in hot air generator resulting in reduction of coal consumption.
- 3) Use of slag as replacement of sand in various civil works in plant.

B. NANDYAL

- 1) Cement mill operation has been optimized to run in FINISH MODE (by stopping Ball Mill & running Roller press) to achieve high grinding efficiency there by reduced power consumption by 1.5kw per MT.
- 2) Pyro cooler heat recuperation efficiency increased by doing modifications in Static grate of Cooler there by heat consumption reduced by 10Kcal per Kg of Clinker.
- 3) Raw Mill operation optimized by providing Pre-bin with gate control and achieved saving of power consumption 0.44kw per MT.
- 4) Optimization of Packing Plant operation and controlled the idle running by providing interlocks and reduced power consumption by 0.52kw per MT.
- 5) Replacement of 200 nos 70W Metal Halide lamps with 32W LED fittings to achieve energy savings.
- 6) 48 nos. of Packer spout motors converted from Delta to Star connection to reduce power consumption.
- 7) Reduction of Contract Maximum Demand from 40MW to 36MW there by reduced fixed cost.

1. Global Economy

Uncertainty and pessimism have dominated the economic and business scenario in the recent months. While at face value the mood seems justified as many negative factors (China's financial gyrations, volatility in oil prices, and the further weakening of the US economy) are colluding, the recent developments by themselves do not yet signal an imminent global economic recession. Global growth disappointed again in 2015, slowing to 2.4%; and is expected to recover at a slower pace than previously envisioned. Growth is projected to reach 2.9% in 2016, as a modest recovery in advanced economies continues and activity stabilises among major commodity exporters. A more protracted slowdown across large emerging markets could have substantial spillovers to other developing economies, and eventually hold back the recovery in advanced economies. A broad-based slowdown across developing countries could pose a threat to hard-won gains in raising people out of poverty. This is because, more than 40% of the world's poor live in the developing countries where growth slowed in 2015.

Global emerging markets are facing demographic challenges too, especially China. The Country's population will probably peak at the end of this decade, where working-age population is already declining. Commodity exporters and others faced with income losses and currency depreciation have reduced their imports.

UBS Investment Banking expects the global economy to grow 3.4% during FY 2016-17 vis-à-vis an estimated 3.1% this year. This is roughly consensus. While the US and Europe appear to be set for modestly stronger growth; Asia, led by China, seems to be headed for weaker growth. The big difference between these regions is the degree to which private sector balance sheets have deleveraged. Deleveraging is a necessary condition for credit cycles to accelerate and lift domestic demand.

2. Indian Economy

World Bank has predicted that India will outpace China to become the fastest growing economy

in the world in the next three years. According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5% in 2016. The Government initiatives like 'Make in India' and 'Digital India' will play a vital role in driving the Indian economy. While the Make in India initiative aims to boost the manufacturing sector of Indian economy, the digital initiative focuses on three core components – creating digital infrastructure, delivering services digitally and increasing digital literacy. The Government of India has launched a digital employment exchange, which will allow the industrial enterprises to find suitable workers and provide employment to job-seekers. The Kendriya Vidyalaya Sangthan's (KVS) e-initiative 'KV Shaala Darpan' is aimed at providing information about students electronically on a single platform. The Government of India's initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which will consist of modern infrastructure, will be digitally connected.

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5% in 2016 due to improved investor confidence, lower food prices and proactive policy reforms. Besides, according to the mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.7% in 2016.

3. Indian Cement Industry

India is the second-largest producer of cement in the world. The country's cement industry is a crucial part of its economy, providing employment to more than a million people, directly or indirectly. Cement demand in India is expected to increase due to the Government's push for large infrastructure projects and smart cities. This will lead to 45 million tonnes of cement demand in the next three to four years.

The cement production in India grew by 9 percent in FY15 to 316.6 mtpa as compared to 290.4 mtpa in FY14. The domestic consumption of cement in 2015 was ~271 million tonnes and is expected to reach ~550-600 million tonnes per annum (mtpa) by 2025.

The housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption in India. The other major consumers of cement include infrastructure at 13%, commercial construction at 11% and industrial construction at 9%.

To meet the rise in demand, cement companies are expected to add 56 million tonnes (MT) capacity over the next three years. The cement capacity in India is expected to register a 8% growth by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT by the end of 2017. The country's per capita cement consumption stands at around 190 kg.

4. Company Status and Performance

The Company commenced operations in March 2009 with grinding facility of 0.60 mtpa at Vijayanagar, Karnataka for production of Ground Granulated Blast Furnace Slag (GGBS) and Portland Slag Cement (PSC). At present, it has 6.40 mtpa cement manufacturing capacity with manufacturing facilities at Nandyal (Andhra Pradesh), Vijayanagar (Karnataka) and Dolvi (Maharashtra). The Company's unit-wise capacities are as under:

1. Nandyal, Andhra Pradesh - integrated cement unit with clinker capacity of 2.20 mtpa and cement manufacturing capacity of 4.80 mtpa;
2. Vijayanagar, Karnataka – grinding unit with capacity of 0.60 mtpa; and
3. Dolvi, Maharashtra – grinding unit with capacity of 0.97 mtpa.

4.1 Review of Operations

Highlights of 2015-16

1. PSC sale volume has increased by 29% and overall cement sales volume increased by 19% compared to FY 14-15.
2. GGBS sales volume increased by 79% compared to FY 14-15.

3. Commissioned grinding unit facility of 0.36 mtpa capacity in Dolvi pending operation.

Way Forward

1. Plan to increase capacity by setting up cement grinding facilities:
 - 2.40 mtpa grinding facility at Vijayanagar, Karnataka
 - 2.40 mtpa grinding facility at Salboni, West Bengal
 - 1.20 mtpa grinding facility at Dolvi, Maharashtra
 - 1.20 mtpa grinding facility at Jajpur, Odisha
2. Plan to install 500 MT GGBS bulk loading facility at Nandyal for grinding GGBS with different blaines, based on market demand,
3. Plan to construct railway siding and bulk cement loading facility at Panyam for debottlenecking packing

4.2 Financial Performance

Highlight FY 2015-16

Particulars	FY 2015-16	FY 2014-15	Growth
Gross turnover	1,435.38	1,056.16	35.91%
Net turnover	1,272.01	921.91	37.98%
EBIDTA	309.15	166.70	85.45%
PAT	89.25	(23.47)	-
EBIDTA margin (%)	23.97%	17.98%	33.31%
Net Debt gearing ratio	2.53	3.55	

Gross turnover and net turnover for FY 2014-15 stood at ₹ 1,435.38 crore and ₹ 1,272.01 crore, respectively, registering 36% and 38% growth on Y-o-Y basis. The growth was primarily on account of an increase in sales volume and better sales realisation.

The Company's EBITDA improved to ₹ 309.15 crore from ₹ 166.70 crore, reporting a 85% growth on Y-o-Y basis. The improvement was mainly due to an increase in sales volume, change in product mix and better sales realisation.

Other Income

Other Income for the year increased to ₹ 17.80 crore from ₹ 5.07 crore, registering an increase of 251%. It was largely due to the recognition of government incentive receivable and insurance claim.

Material Cost

The Company's expenditure on raw material for FY 2015-16 increased to ₹ 197.34 crore from ₹ 99.11 crore in FY 2014-15. The increase was primarily due to increase in volume, slag price and higher procurement of clinker from external sources, while reduction of cost was primarily attributable to improved consumption parameter.

Employee benefits expense

Employee benefits expense increased by 49% to ₹ 69.44 crore from ₹ 46.56 crore in FY 2014-15. The increase was primarily due to ESOP and rise in marketing and sales manpower as per business requirement, allocation of group common resources expense.

Power and fuel cost

Power and fuel cost has decreased by 6% to ₹ 214.83 crore from ₹ 228.96 crore in FY 2014-15. The decrease was primarily due to softening of fuel price and reduction in specific heat consumption, offset by an increase in consumption due to a surge in production volume.

Freight and handling expenses

Freight and handling expenses have increased by 22% to ₹ 302.46 crore from ₹ 247.10 crore in FY 2014-15. This increase was primarily

driven by an increase in volumes handled and lead distance.

Other expenses

Other expenses increased by 33% to ₹ 195.44 crore from ₹ 147.50 crore in FY 2014-15. The increase was primarily owing to an escalation in the expenditure on advertisement; a rise in distribution cost owing to the expansion of distribution network to handle higher volume; a surge in CSR expenditure spares and packaging cost due to more volumes produced and sold during the year.

Finance Cost

The Company's finance cost decreased by 8% to ₹ 132.55 crore from ₹ 144.75 crore in FY 2014-15. The reduction is primarily due to lower borrowing cost due to refinancing of rupee term loan and reduction in rupee term interest rate due to reduction in base rate of various banks.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 25% to ₹ 56.93 crore from ₹ 45.42 crore. There was an increase of ₹ 5.36 crore primarily driven by full year depreciation on grinding unit acquired/capitalised in FY 2014-15 and ₹ 6.15 crore due to implementation of component base depreciation with effect from April 1, 2015.

4.3 Market Developments

The Company's sales in FY 2015-16 grew by 35.7% to 3.65 mtpa vis-à-vis 2.69 mtpa in FY 2014-15.

In the south region, the Company's sales grew by 18.1 % to 2.87 mtpa in FY 2015-16 as compared to 2.43 mtpa in FY 2014-15.

In the west region, the Company's sales grew by 200% to 0.78 mtpa in FY 2015-16 as against 0.26 mtpa in FY 2014-15.

4.4 Distribution network

Our products - Cement & GGBS - is marketed through a network of sales units, area offices, technical service officers and sales promoters via the trade and direct party distribution channels. The trade channel has seen significant growth in the southern states of Tamil Nadu & Kerala (17%). Our customer base in the GGBS segment has almost doubled (91% growth) during the course of the year.

We have also strengthened our presence in Maharashtra increasing our supplies to the builder segment largely through sales promoters. Over the year the company has also been able to establish PSC cement as a category different from the fly-ash based cements which was largely present in the south markets.

In the process of establishing this market our company has also won bronze for its first ever campaign at the Indian Effies with its **Banao Pyar Se** campaign which has been widely appreciated by our customers and the brand & advertising space.

The company continues to reward its dealers for their performance by way of attractive incentive schemes which continues to be well appreciated by our dealers across all states.

4.5 Cost mitigation measures/efficiency improvement initiative

To minimise the energy cost, the Company has entered into an agreement with JSW Energy Limited to ensure uninterrupted power supply. Besides, the Company has signed an agreement with JSW Steel Limited for the supply of slag and BF/coke oven gas.

To reduce the power cost, the Company intends to enter into a PPA with JSW Energy Ltd. for the supply of power under captive route from unit 3 and 4 of their Ratnagiri Plant.

5. Company Growth Strategy

The Company has plans to increase its capacity from 6.4 mtpa to 30.0 mtpa by setting up grinding units in Tamil Nadu, West Bengal, Odisha, Maharashtra and Karnataka. For Tamil Nadu, West Bengal and Odisha locations, the Company will import clinker, and slag will be sourced locally; and for Maharashtra and Karnataka, slag will be obtained from the Group's steel business.

6. Risk and areas of concern

Risks are events, situations or circumstances which may lead to negative consequences on a company's business. Managing and mitigating these risks is essential in this rapidly changing economic environment. Leading a business successfully involves proper identification and prudent management of risks. In line with new regulatory requirement, the Company has framed a Risk Management Policy to identify and access the key risks areas and monitor those areas to take corrective measure at the appropriate time. The key risk areas considered by Company are as follows.

6.1 Business dynamics: It refers to variance in the demand and supply of products in various areas. Based on the experience gained from the past, followed by market dynamics, the Company is able to predict the demand and accordingly plan and adjust the supply.

6.2 Business Operations Risks: These risks broadly relate to planning, monitoring and reporting systems in the day-to-day operations.

The business operation risks can be mitigated by well-defined organisation structure, flow of information and creation of second-level position.

6.3 Liquidity Risks: It refers to borrowing limits, financial solvency and cash management risks.

The liquidity risks can be mitigated by proper financial planning of daily and monthly cash flows; annual and quarterly budgets; foreign exchange supported by LCs & bank guarantees; and steps to protect undue fluctuations in rates.

- 6.4 Credit Risks:** It includes risks in settlement of dues by dealers/customers and provision for bad and doubtful debts.

The mitigation measures are assessment of creditworthiness of dealers/customers and appropriate recovery mechanism.

- 6.5 Logistics Risks:** It includes the use of outside transport sources and can be minimised by well-defined combination of transportation through road/rail along with allocation of vehicles, based on priorities and time aspects.

- 6.6 Raw Material:** It refers to the procurement of manufacturing inputs at the right price, time and quantity. The raw materials risk can be mitigated by having sufficient reserves of manufacturing inputs.

- 6.7 Availability of Energy:** Energy is one of the major expenses faced by the cement industry. Coal price escalations, stressed supplies and faltering quality continue to remain a major area of concern.

Risk mitigation measures are undertaken to ensure continuous availability of quality coal at reasonable prices. The Company clubs its coal requirement with JSW Group's need. The Company has entered into an agreement for the supply of captive power at lower rates.

- 6.8 Market Risks/Industry Risks:** It includes demand and supply risks, quantities, qualities, suppliers, lead time, interest rate risks, raw material rates and interruption in the supply of raw material. This risk can be mitigated by procuring raw materials from different sources, proper inventory control and on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of the Company's products.

- 6.9 Human Resource Risks:** It includes labour turnover risks and risks of labour unrest due to strikes and lockouts. It can be mitigated by proper recruitment policy & appraisal system, upgradation of employee skills and relevant employee welfare schemes.

- 6.10 System Risks:** It includes system capability, system reliability, data integrity risks and coordinating and interfacing risks. It can be minimised through using licensed software, data security, and providing proper training in software and hardware.

- 6.11 Legal Risks:** It comprises contract risks, contractual liability, frauds, judicial risks and insurance risks. This risk can be mitigated by proper vetting of legal and contractual documents, proper insurance policies, timely payment of insurance premium, proper internal control and proper advice by legal professionals.

7. Internal control system and their adequacy

Internal Control

The Company has an adequate system of internal control in place commensurate with its size, scale and complexity of operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place, which have been designed to provide reasonable assurances with regard to safeguarding the Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions.

Internal Audit

JSW Group has its own Internal Audit Department. The Department submits reports to the Audit Committee on a quarterly basis. The internal audit process also keeps track of the implementation of suggestions for improvement and monitor their progress.

Internal Control over Financial Reporting (ICFR)

The Company has developed and implemented a framework for ensuring internal control over financial reporting. The frame work includes risks and control matrix covering entity level controls, process and operating level controls and IT General controls.

The entity level policies includes Anti Bribery and Anti-Corruption Policy, Whistle Blower Policy, HR

Policy, IT Policy and Treasury Policy. The Company is in process to further strengthen the internal control over financing reporting by preparing a Standard Operating Process of the key function like Marketing and Logistic.

8. Green Initiative

Green cement is a cementitious material that meets or exceeds the functional performance capabilities of Ordinary Portland Cement by incorporating and optimising recycled materials. Therefore, it reduces the consumption of natural raw materials, water and energy, resulting in a more sustainable construction material. Portland cement generates about one ton of CO₂ for each ton of portland cement produced. However, the manufacturing process for green cement succeeds in reducing, and even eliminating, the production and release of damaging pollutants and greenhouse gasses, particularly CO₂.

With the rise in awareness of environmental issues and diminishing natural resources, the Company has shifted towards eco-friendly materials and technologies. At present, the Company uses by-products like ground granulated blast furnace slag, which are effective not only in pollution management but also in natural resource conservation. The use of slag in concrete has partially replaced Ordinary Portland Cement (OPC). As a common practice, ground granulated blast furnace slag is incorporated in portland cement production for environmental, technical and economic benefits. It has reduced the Group's carbon footprint by converting industrial by-product into a useful product. Portland Slag Cement (PSC) is the most suitable cement for infrastructure projects because of its high flexural strength, low risk of cracking, improved workability and superior finish.

9. Conclusion

Heading into 2016, India's growth prospects remain favourable. The decline in the current account deficit has lowered the country's external risks, while lower than normal inflation has created space for a more accommodative monetary policy. As an emerging economy, India will greatly benefit from key structural reforms in different sectors such as agriculture, housing, infrastructure, energy and mining. Besides, interest rate cuts by the Reserve Bank of India brought down the cost of capital and increased the purchasing power of the consumers. This will ensure that the country's economy remains robust over the medium term. India is expected to lead the charge for developing nations. This is especially important given the end of runaway growth in China.

With the Government of India's initiatives, structural reforms, economic growth policy and other consistent efforts, India will emerge as the fastest growing economy in the world in the next three years, outpacing China.

10. Forward Looking and Cautionary Statements

The Directors' Report and the Management Discussion and Analysis are describing the Company's objectives, expectations or predictions, which involve a number of risks and uncertainties. Actual results may differ materially from those expressed in the statement. Important risks and uncertainties that could influence the Company's operations include: domestic demand and supply, conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

Report on Corporate Governance for the Year 2015-16

1. Company's Governance Philosophy:

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective of Corporate Governance is to meet stakeholders' aspirations and societal expectations. Good Governance Practices stem from the dynamic culture and positive mindset of the organisation.

Your Company believes that the essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The sound corporate governance is a key element for enhancing and retaining the trust of investors. As a responsible corporate citizen, the Company has evolved best practices which are structured to institutionalise policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity. These practices define the way business is conducted and value is generated.

2. Board of Directors:

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of stakeholders. We believe that an active, well-informed and independent Board

is necessary to ensure the highest standards of corporate governance.

2.1 Appointment and Tenure:

The Company policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. Currently, the Board consists of eight members, one of whom is Whole-time Director (Executive Director), five are Non-Executive Directors (NED) including a Woman Director and two are Independent Directors. The Board periodically evaluates the need for change in its composition and size.

All Directors, except Whole Time Director, Nominee Director and Independent Directors, are subject to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-appointment, in accordance with the provisions of section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company. The Executive Director on the Board serves in accordance with the terms of their contract of service with the Company.

2.2 Size and Composition of the Board:

The size and composition of the Board during the financial year 2015-16 along with the number of other directorship held by the Directors in other Companies are given below:

Category	Name of Director	Position	Attendance at		No. of other Directorships
			Board Meetings	9 TH AGM held on 30th September 2015	
Executive Director	Mr. Anil Kumar Pillai	Whole Time Director and CEO	4	-	-
Non-Executive	Mr. Nirmal K. Jain	Chairman	4	Present	11
	Mr. Kantilal N. Patel	Director	4	Present	12
	Mr. Pankaj R. Kulkarni	Director	4	Present	-
	Ms. Tarini Jindal	Director	2	-	7
	Mr. Biswadip Gupta	Additional Director	-	-	11
Nominee Director	Mrs. Ranjana V. Paranjape	Director	2	-	-
Independent Director	Mr. Jugal K. Tandon	Director	4	-	7
	Mr. Jaiprakash Narain Lal	Director	4	-	-

Notes:

1. During the Financial Year 2015-2016, four Board Meetings were held and the gap between two meetings did not exceed 120 days. Board meetings were held on April 20, 2015, July 30, 2015, October 24, 2015 and February 09, 2016.
2. Ms. Tarini Jindal has been appointed w.e.f April 10, 2015 and Mrs. Ranjana V. Paranjape has resigned w.e.f October 10, 2015.
3. Mr. Biswadip Gupta has been appointed as Additional Director of the Company w.e.f February 09, 2016.
4. There are no inter-se relationships between the Board Members.

2.3 Board Meetings, Board Committee Meetings and Procedures:

A. Institutionalised decision making process:

Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company. As per the provisions of the Companies Act, 2013 certain matters require the approval of the shareholders of the Company in General Meeting. The Board of Directors is accountable to the shareholders of the Company, which is the ultimate authority of a Company.

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/decisions by the Board, the Board has constituted various committees and defined their roles and responsibilities. These roles and responsibilities

systematize the decision making process during the meetings of the Committees, in an informed and efficient manner. The day-to-day management of the Company is entrusted to the Whole Time Director of the Company.

The Board has constituted six Committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee, Executive Committee and Employee Stock Option Plan (ESOP) Committees. The Board may constitute additional functional Committees from time to time depending on the business needs.

B. Scheduling and selection of Agenda Items for Board Meetings:

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual

General Meeting (AGM) of the shareholders. Additional meetings are held, when necessary. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Committees of the Board usually meet before the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting. The meetings are usually held at the Company's Registered Office at JSW Centre, Bandra -Kurla Complex, Bandra (East) Mumbai – 400 051.

The Company's various business heads / service heads are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at Board/Committee meetings. Such matters are communicated by them to the Company Secretary in advance so that they are included in the agenda for Board/Committee meetings.

The Board is given presentations covering Company's Financials, Performance, Outlook and Business Plan and strategy. The Board is also provided with the Audit Committee's observations on the Company's Financials and internal audit findings.

C. Distribution of Board Agenda Material:

Agenda papers are generally circulated at least seven days prior to the Board meeting. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings of Board and Committee Meetings:

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated within 15 days to Board/Board Committee members for their comments. The minutes are approved and signed by the chairman of the meeting or chairman of the next succeeding meeting. The signed minutes are also circulated to the Board members within 15 days of signing.

E. Post Meeting Follow-up Mechanism:

The Governance processes in the Company has an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/divisions.

F. Compliance:

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, pursuant to the Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

2.4 Independent Directors Meeting

The Independent Directors (IDs) met on 29 March, 2016 in the absence of Non-Independent Directors and members of the Management. At this meeting, the IDs *inter alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

3. Committee of the Board:

A. Audit Committee

The Audit Committee was reconstituted on April 20, 2015 and comprises of three Non-Executive Directors, two of whom are Independent Directors. The Committee's composition meets with requirements of section 177 of the Companies Act, 2013 and the Members of the Audit Committee possess financial / accounting expertise / exposure.

The Board has approved the role and responsibilities for the functioning of Audit Committee which *inter alia* includes:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- b) to review and monitor the auditor's independence & performance and effectiveness of audit process.
- c) examination of the financial statements and the auditors' report thereon.
- d) approval or any subsequent modification of transactions of the company with related parties.
- e) scrutiny of inter-corporate loans and investments.
- f) valuation of undertakings or assets of the company, wherever necessary.
- g) evaluation of internal financial controls and risk management systems.
- h) monitoring the end use of funds raised through public offers and related matters.

The powers of Audit Committee *inter alia* include:

- a) to discuss any related issues with the internal and statutory auditors and the management of the company.
- b) to call comments of the auditors on the internal control systems, the scope of audit, including their observations and review of financial statement before submission to the Board.
- c) to investigate into any matter in relation to items specified in roles and responsibilities and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

During the year under review, the Committee had met four times on April 20, 2015; July 30, 2015; October 24, 2015 and February 09, 2016. The Chief Financial Officer, GM (Finance and Accounts) and Head of Internal Audit Department have attended the meetings. The Statutory Auditors have

also been invited in the Audit Committee Meeting for finalization of Annual Accounts. The Company Secretary acts as the Secretary of the Committee.

The composition of the Committee and the attendance details of the members are given below:

Name of Members	Category	No. of Meetings attended
Mr. J. K. Tandon - Chairman	Independent Director	4
Mr. J.P.N. Lal - Member	Independent Director	4
Mr. N. K. Jain - Member	Non-Executive Director	4

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee was reconstituted on April 20, 2015 and comprises of four Non-Executive Directors, two of whom are Independent Directors. The Committee's composition meets with requirements of section 178 of the Companies Act, 2013.

The Board has approved the roles and responsibilities for the functioning of the Nomination and Remuneration Committee which *inter alia* includes:

- a) to formulate the policy for determining qualifications, positive attributes, remuneration and independence of a director, Key Managerial Personnel (KMP), senior management and other employees.
- b) to ensure, while formulating the policy, that:
 - i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors & KMP.
 - ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii) remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives of the company.

- c) to identify persons who are qualified to become directors, KMP and senior management.
- d) to recommend to the Board their appointment and removal.
- e) to lay down criteria to carry out evaluation of performance.
- f) to attend the General Meetings of the Company.

During the year under review, the Committee had met on March 29, 2016. The Company Secretary acts as the Secretary of the Committee. The composition of the Committee and the attendance details of the members are given below:

Name of Members	Category	No. of Meetings attended
Mr. J. K. Tandon - Chairman	Independent Director	1
Mr. J.P.N. Lal - Member	Independent Director	1
Mr. N. K. Jain - Member	Non-Executive Director	1
Mr. K. N. Patel - Member	Non-Executive Director	1

C. Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of one Executive Director and two Non-Executive Directors, one of whom is an Independent Director. The Committee's composition meets with requirements of section 135 of the Companies Act, 2013.

The broad terms of reference of CSR Committee are:

- a) formulate and recommend a Corporate Social Responsibility Policy to the Board in line with the activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- b) the policy shall include the activities to be undertaken by the company as specified in Schedule VII.
- c) undertake CSR activities through a registered trust or a registered society or a company

established by the company or its holding or subsidiary or associate company under section 8 of the Act. Trust, Society or Company which is not established by the company or its holding or subsidiary or its associate company, shall have an established track record of three years in undertaking similar programs or projects.

- d) collaborate with another company for undertaking projects or programs or CSR in a manner that respective companies will report separately on such projects or programs.
- e) recommend the amount of expenditure to be incurred on the activities.
- f) monitoring and reporting mechanism for utilization of funds on such projects and programs.
- g) institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
- h) monitoring and reporting mechanism for utilization of funds on such projects and programs.
- i) institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

During the year under review, the Committee had met four times on April 20, 2015; July 30, 2015; October 24, 2015 and February 09, 2016. The Company Secretary acts as the Secretary of the Committee. The composition of the Committee and the attendance details of the members are given below:

Name of Members	Category	No. of Meetings attended
Mr. K. N. Patel - Chairman	Non-Executive Director	4
Mr. Anilkumar Pillai - Member	Executive Director	4
Mr. J. K. Tandon - Member	Independent Director	4

D. Finance Committee

The Finance Committee comprise of one Executive Director and three Non-Executive Directors was reconstituted on July 30, 2015 to modify the roles and responsibilities. The roles and responsibilities approved by the Board, for the functioning of Finance Committee, *inter alia* include:

- a) To avail credit/financial facilities of any description including refinancing (hereinafter called as "Facilities") from Banks/Financial Institutions/Bodies Corporate (hereinafter referred to as 'Lenders') upon such security as may be required by the Lenders and agreed to by the Committee including any alteration of sanction terms, provided however that, the aggregate amount of such credit/financial facilities to be availed by the Committee shall not exceed ₹ 2,500 crore.
- b) To alter/vary terms, conditions, repayment schedules including premature payments of the credit/financial facilities availed from Lenders, with or without premium on such payments.
- c) To hypothecate/pledge/create charge on movable and immovable properties/assets of the Company and to sign, execute necessary deeds, documents, agreements, writings etc. to avail the said facilities, loans etc.
- d) To invest and deal with any monies of the Company upon such security (not being shares of the Company) or without security in such manner as the Committee may deem fit, and from time to time to vary or realize such investments, provided that all investments shall be made and held in the Company's name and provided further that monies to be invested and dealt with as aforesaid by the Committee shall not exceed ₹ 500 crore and decide the authorized persons to invest, redeem, and take all necessary actions in that regard.
- e) To make loans to Individuals/Bodies Corporate and/or to place deposits with other Companies/ Firms upon such security or without security in such manner as the Committee may deem fit and from time to time vary/recover such loans/ deposits, provided however, that the aggregate amount of such loans/deposits shall not at any time exceed ₹ 200 crore.
- f) To open Current Account(s), Collection Account(s), Operation Account(s), invest/renew/withdraw fixed deposits/time deposits/ margin money deposits or any other deposits as per requirement, or any other Account(s) with Banks whether in Indian Rupees or in Foreign Currencies, whether in India or abroad, and also to close such accounts, which the Committee may consider necessary and expedient and to decide/appoint/change/remove the authorized signatories and mode of operation of the bank accounts; to authorize persons for internet banking and modifications in the signatories and mode of operation from time to time.
- g) To avail guarantees/letter of credits/enter into bill purchase schemes with any of the banks/ institutions.
- h) To appoint / replace Credit Rating Agencies and to apply, review and accept Credit Ratings.
- i) To closely monitor the progress of the projects, project cost and implementation schedules, with the objectives of timely project completion within the budgeted project outlay and to report deviations, if any, with a comprehensive note detailing the reasons for such deviation and its impact on viability parameters to Board for approval.
- j) To authorise officers or any other persons to enter into / sign on behalf of the Company various project contracts viz. appointment of project consultants, supply of plant and machinery, civil works, supervision etc.
- k) To authorise officers or any other persons to sign and execute Letter of Indemnity (LOI) on behalf of the Company, for all export & import documentation purpose, including for releasing cargo without original Bills of Lading, for clean Bills of Lading, any changes required to be made in Bills of Lading and any changes required to be made in discharge port as against what is declared in Bills of Lading.

- l) To allot shares of the Company to promoter(s) and/or non-promoter(s) and/or any individuals, body corporate, any other incorporated or unincorporated entities whether resident or non-resident within the maximum limits laid down by the Shareholders from time to time.
- m) To allot/redeem Non-Convertible Debentures (NCDs), to change/modify/alter the terms of issued NCDs/to create security/additional securities/modification in security created for allotment of debentures, to delegate power for creation of security viz signing of Debenture Trust Deed, other Documents and relevant papers, to appoint R & T agents, to appoint Depository(s) and to delegate powers for signing agreements in relation to the Depository, to issue debenture certificates or allotment of debentures in demat mode and to do all other acts and deeds incidental thereto allot/redeem debentures, to change/modify/alter the terms of issues.
- n) To authorize officers or other persons for the purpose of acquisition of land, dealing and registration with the statutory authorities such as Excise, Service Tax, Customs, Income Tax, Profession Tax, Commercial Tax, State & Central Sales tax, VAT authorities and such other State and Central Government authorities, on such terms and conditions and limitations as the said Committee shall determine.
- o) To authorise officers or any other persons to issue, sign and give indemnities, bonds, guarantees or documents of similar nature having financial exposure to the State and Central Government Authorities and also to accept, enter into and sign any compromise in relation to the direct or indirect tax matters.
- p) To issue power of attorneys, open/close branch offices, authorize persons for signing Vakalatnama, authorize persons to attend meeting pursuant to section 113 of the Companies Act, 2013, affixation of Common seal.
- q) To do all acts, deeds and things as the Committee deem fit and consider necessary by exercising the powers of the Board which the

Committee may lawfully exercise by virtue of the powers hereinabove conferred.

- r) To exercise such powers as may be delegated by the Board of Directors from time to time.

During the year under review, the Committee had met on May 27, 2015; August 3, 2015; October 15, 2015 and March 3, 2016. The Company Secretary acts as the Secretary of the Committee. The composition of the Committee and the attendance details of the members are given below:

Name of Members	Category	No. of Meetings attended
Mr. N. K. Jain - Chairman	Non-Executive Director	4
Mr. Anil Kumar Pillai - Member	Executive Director	4
Mr. K. N. Patel - Member	Non-Executive Director	4
Mr. Pankaj R. Kulkarni - Member	Non-Executive Director	4

E. Executive Committee

The Executive Committee comprises of one Executive Director and two Non-Executive Directors. The broad terms of reference of Executive Committee are:

- a) to review and recommend on bidding and tendering process issued by Government of India for the Coal, Limestone and other Mining Blocks;
- b) to authorize any person to initial, sign, execute documents and instruments with relation to the bidding and tendering process;
- c) to recommend for issuance of bank guarantee, power of attorney or any other documents and instruments whatsoever in nature as required for the bidding and tendering process issued by Government of India;
- d) to do all such acts, deeds as specified in tender documents; and
- e) to exercise such powers as may be delegated by the Board of Directors from time to time.

The Committee has not met during the year under review. The Company Secretary acts as the Secretary of the Committee.

Name of Members	Category
Mr. Anil Kumar Pillai - Member	Executive Director
Mr. K. N. Patel - Member	Executive Director
Mr. Pankaj R. Kulkarni - Member	Non-Executive Director

F) Employee Stock Ownership Plan (ESOP) Committee

The ESOP Committee was constituted on October 24, 2015 and comprises of one Executive Director and four Non-Executive Directors, one of whom is an Independent Director. The broad terms of reference of ESOP Committee are:

- a) determine the employees eligible for participation in the Plan in compliance of the proposed Scheme.
- b) determine the performance parameters for Grant and/or Vesting of Options granted to an Employee under the Plan.
- c) determine the number of Options to be Granted, to each employee and in the aggregate, and the time at which such Grant shall be made.
- d) determine the vesting and/or lock in period of the Grant made to any employee and/or any conditions subject to which such vesting may take place.
- e) modify the current Grant/Exercise price, if need be and also to fix/modify the Grant/Exercise price in respect of the subsequent grants.
- f) lay down the conditions under which Options vested in Employees may lapse in case of termination of employment for fraud, misconduct or where an Employee joins competition etc.

- g) determine the Exercise Period within which the Employees should exercise the Options and that Options would lapse on failure to exercise the Option within the Exercise Period.
- h) specify time period within which the Employees shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- i) lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in the Capital Structure and/or Corporate Action.
- j) provide for the right of an Employees to exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- k) decide the number of Shares of Common Stock which may be issued under each Option.
- l) lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares.
- m) lay down the procedure for cashless exercise of Options, if any.
- n) provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other company or who have joined the Holding company or a Subsidiary or an Associate company at the instance of the Employer Company, and
- o) generally exercise such powers as may be necessary or expedient in connection of the implementation or administration of the Plan.

The Committee had not met during the year under review. The Company Secretary acts as the Secretary of the Committee. The compositions of the Committee are given below:

Name of Members	Category
Mr. N. K. Jain - Member	Non-Executive Director
Mr. Anil Kumar Pillai - Member	Executive Director
Mr. K. N. Patel - Member	Non-Executive Director
Mr. Pankaj R. Kulkarni - Member	Non-Executive Director
Mr. J. K. Tandon	Independent Director

4. General Meetings:

a) Annual General Meetings:

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

AGM	Date	Time	Venue	
9th	September 30, 2015	3.00 P.M.	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	Nil
8th	September 29, 2014	11.00 A.M.	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	a) To approve of Borrowing Powers of the Company b) To approve creation of Security(ies) pursuant to section 180(1)(a) of the Companies Act, 2013 up to an amount not ₹ 3,000 crore c) To approve payment of Royalty to JSW Investment Pvt. Limited
7th	August 27, 2013	11.00 A.M.	Jindal Mansion, 5A, Dr G. Deshmukh Marg, Mumbai - 400 026	a) To approve re-appointment of Mr R. C. Sodani as Whole Time Director of the Company including the remuneration b) Preferential issue of up to 2,00,00,000 Preference Shares of face value ₹ 100/- each c) Preferential issue of up to 15,00,00,000 Equity Shares of face value ₹ 10/- each

b) Extra-ordinary General Meeting:

The details of date, time and venue of Extra-ordinary General Meetings (EGMs) of the Company held during the preceding three years and the special resolutions passed thereat are as under:

EGM	Date	Time	Venue	
	May 16, 2015	11.00	JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	a) Private placement of three crore equity shares of ₹ 10/- each b) Approval of PAS-4
	March 23, 2015	12.00	JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	a) To re-adopt Articles of Association of the Company b) Private placement of three crore equity shares of ₹ 10/- each
	December 24, 2014	11.00	JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	To acquire movable assets of cement division of JSW Steel Limited on itemised sale basis
	March 27, 2014	11.00	JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	To approve appointment of Mr Anil Kumar Pillai as Whole Time Director of the Company including his remuneration

5. Disclosures:

- 5.1** There were no materially significant related party transactions, i.e. transaction of the Company with its Promoters, Directors or the Management or relatives etc., that conflict with the interests of the Company.
- 5.2** The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- 5.3** The Company has laid down procedures to inform Board members about the risk assessment and minimisation process which are periodically reviewed.
- 5.4** There are no Inter-se relationships between Directors of the Company.

6. Means of Communications:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance.

- 6.1** Annual Report: The Annual Report containing, *inter alia*, Audited Annual Accounts, Directors' Report, Corporate Governance Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's

Discussion and Analysis (MD&A) Report forms part of the Annual Report.

- 6.2** Chairman's Communique: Printed copy of the Chairman's Speech is distributed to all the Shareholders at the Annual General Meeting.

7. General Shareholders Information:

7.1 Annual General Meeting:

Date and Time : Wednesday, September 28, 2016 at 3.00 p.m.

Venue : JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai - 400 051

7.2 Corporate Identity Number (CIN):

U26957MH2006PLC160839

7.3 ISIN number: INE718I01012

7.4 Registrar & Share Transfer Agents:

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex
2nd Floor, Sakinaka Telephone Exchange Lane
Sakinaka, Andheri (E), Mumbai - 400 072
Tel.: 022-6772 0329/354
Fax: 022-2850 8927

7.5 Shareholding pattern of the Company as on March 31, 2016

Sr. No.	Name of the Shareholder	No. of shares & % of holding	
1	JSW Investments Pvt. Ltd. Including shares held by Nominee shareholders	32,31,92,496	71.74%
2	Glebe Trading Pvt. Ltd.	2,06,42,340	4.58%
3	Danta Enterprises Pvt. Ltd.	2,60,00,000	5.77%
4	JSL Limited	50,52,114	1.12%
5	JSW Logistics Infrastructure Pvt. Ltd.	7,55,50,000	16.77%
6	JSW Global Business Solutions Limited (formerly known as Sapphire Technologies Ltd.)	74,750	0.02%
TOTAL		45,05,11,700	100.00%

7.6 Green Initiative for Paperless Communications:

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, to shareholders at their e-mail address previously registered with the DPs/Company/RTAs. To support the "Green Initiative" taken by the MCA and to contribute towards greener environment, The Company is sending Notices and Agenda to Directors through email and after meeting circulating compliance related documents through e-mail. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs and forward the same to Company's Registrar in the event they have not done so earlier for receiving notices/documents through Electronic mode.

Shareholders who hold shares in physical form are requested to register their e-mail addresses with Company, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

7.7 Registered Office:

JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

7.8 Plant Locations:

P. O. Vidyanagar, Toranagallu Village, Sandur Taluk, Bellary District – 583 123, Karnataka.

Village Bilakalaguduru, Gadivemula Mandal, Nandyal, Dist. Kurnool, Andhra Pradesh - 518 508.

Survey No. 96/1, 96/2, 97/0, Village Khar Karavi, Dolvi, Taluka - Pen, District – Raigad Maharashtra - 402 107.

Survey No. 107/B, 109, 114-118, Village Khar Karavi, Dolvi, Taluka - Pen, District – Raigad Maharashtra - 402 107.

8. Corporate Ethics:

The Company adheres to the highest standards of the business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Internal Checks and Balances.

The Company has an Internal Audit Cell besides external firms acting as independent internal auditors that reviews internal controls and operating systems and procedures. The Board and the Management periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Company also ensures that the Company conducts its business with high standards of legal, statutory and regulatory compliances.

At the heart of our processes is the extensive use of technology. This ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF JSW CEMENT LIMITED

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of JSW Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under sub-section 10 of section 143 of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of section 143 of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section 2 of section 164 of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27(a) to the financial statements;
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2016 for which there were any material foreseeable losses; and
 - iii. As at March 31, 2016 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No.114103

Place: Mumbai
Date : April 22, 2016

INDEPENDENT **AUDITOR'S REPORT**

Annexure A

Annexure Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in the phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and the records examine by us and based on the examination of the registered sale deed/ transfer deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made under section 186.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under the provisions of clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues applicable to it. According to information and explanation given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following are the particulars of disputed amounts payable in respect of income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable as at March 31, 2016:

Name of the Statute	Nature of the Dues	Amount (₹ In crs)	Period to which the amount relates	Forum where dispute is pending
Central Excise	Cenvat Credit, Penalty and Interest on	7.05	2008-09	Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Tirupati, Kurnool, Bengaluru & Belgam
		1.43	2009-10	
		2.21	2011-12	
		0.07	2012-13	
		1.73	2013-14	
		0.02	2014-15	

Name of the Statute	Nature of the Dues	Amount (₹ In crs)	Period to which the amount relates	Forum where dispute is pending
Building & Other Construction Workers [Regulation of Employment & Conditions of Service] Act, 1996	Cess	1.00	2008-09	Commissioner of Labour [Appeals], Kurnool
Customs	Classification of imported Coal	22.50	2012-13	Commissioner of Customs [Imports] Guntur & Chennai
Sales Tax	VAT on sale to SEZ units	0.23	2012-13, 2013-14 & 2014-15	Appellate Deputy Commissioner, Kurnool
Income Tax	Disallowance under rule 14A	1.56	2010-11	Income Tax Appellate [ITAT], Mumbai

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks. The Company has not taken any loan from the financial institutions, government or by way of issue of debentures.
- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of term loans have been applied for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has neither raised any money by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officer or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) During the year, the requirements of section 42 of the Act has been complied with in respect of preferential allotment / private placement of shares made by the Company and the amount raised pursuant to such issue have been used for the purposes for which the funds were raised. Apart from above, the Company has not made any preferential allotment / private placement of fully or partly convertible debentures during the year.
- (xv) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting under the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SHAH GUPTA & CO.,**

Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : April 22, 2016

INDEPENDENT **AUDITOR'S REPORT**

Annexure B

Annexure to the independent auditors' report of even date on the standalone financial statements of JSW CEMENT LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JSW CEMENT LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and specified under sub-section 10 of section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**

Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : April 22, 2016

BALANCE SHEET

₹ crore

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	450.51	431.51
Reserves and surplus	3	(28.20)	(117.45)
		422.31	314.06
Share application money pending allotment		-	19.00
Non-Current Liabilities			
Long-term borrowings	4	968.12	883.05
Other Long-term liabilities	5	25.20	25.20
Long-term provisions	6	3.79	2.20
		997.11	910.45
Current Liabilities			
Short-term borrowings	7	33.55	9.92
Trade payables	8		
Total outstanding dues of micro and small enterprises		0.21	0.67
Total outstanding dues of creditors other than micro and small enterprises		262.26	259.81
Other current liabilities	9	293.06	336.87
Short-term provisions	10	4.32	2.83
		593.40	610.10
TOTAL		2,012.82	1,853.61
ASSETS			
Non-Current Assets			
Fixed assets	11		
Tangible assets		1,297.60	1,322.78
Intangible assets		0.49	2.48
Capital work-in-progress		239.49	86.62
Non-current investments	12	2.42	2.42
Deferred tax assets (net)		42.64	73.06
Long-term loans and advances	13	77.78	31.50
Other non-current assets	17	-	0.57
		1,660.42	1,519.43
Current Assets			
Inventories	14	137.26	138.92
Trade receivables	15	81.12	77.99
Cash and bank balances	16	17.98	39.11
Short-term loans and advances	13	97.84	75.00
Other current assets	17	18.20	3.16
		352.40	334.18
Total		2,012.82	1,853.61
Significant accounting policies & other notes	1 & 27		-

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **Shah Gupta & Co.**

Chartered Accountants

F.R.N. 109574W

For and on behalf of the Board of Directors

Heneel K Patel

Partner

Membership No.: 114103

Anilkumar Pillai

Director & CEO

Pankaj Kulkarni

Director

Place: Mumbai

Date: 22nd April, 2016

Rahul Dubey
Company Secretary

Narinder Singh Kahlon
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

₹ crore

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Income			
Revenue from operations (gross)	18	1,435.38	1,056.16
Less: Excise duty		(163.37)	(134.25)
Revenue from operations (net)		1,272.01	921.91
Other income	19	17.80	5.07
Total revenue		1,289.81	926.98
Expenses			
Cost of raw material consumed	20	197.34	99.11
Purchases of traded goods	21	0.38	0.82
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	4.46	(9.16)
Employee benefits expense	23	69.44	46.56
Power and fuel		214.83	228.96
Freight and handling expenses		302.46	247.10
Other expenses	26	195.44	147.50
		984.35	760.89
Less: Captive consumption (net of excise duty of ₹ 0.46 crore; previous year ₹ 0.08 crore)		(3.69)	(0.61)
Total Expenses		980.66	760.28
Earnings before interest, tax, depreciation and amortisation (EBITDA)		309.15	166.70
Finance costs	24	132.55	144.75
Depreciation and amortization expense	25	56.93	45.42
Profit/(Loss) before tax		119.67	(23.47)
Tax expenses	27(k)		
Current tax		16.88	-
Deferred tax		30.42	-
Less: Minimum Alternate Tax Credit Entitlement		(16.88)	-
Total tax expenses		30.42	-
Profit / (Loss) for the year		89.25	(23.47)
Earnings per equity share (face value of ₹ 10/- each)	27(j)		
- Basic		1.99	(0.69)
- Diluted		1.99	(0.69)
Significant accounting policies & other notes	1 & 27		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **Shah Gupta & Co.**

Chartered Accountants

F.R.N. 109574W

Heneel K Patel

Partner

Membership No.: 114103

Place: Mumbai

Date: 22nd April, 2016

For and on behalf of the Board of Directors

Anilkumar Pillai

Director & CEO

Pankaj Kulkarni

Director

Rahul Dubey

Company Secretary

Narinder Singh Kahlon

Chief Financial Officer

CASH FLOW STATEMENT

₹ crore

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT (+)/LOSS (-) BEFORE TAX	119.67	(23.47)
Adjustments for:		
Interest income	(3.63)	(3.17)
Dividend on long-term investments	(0.31)	(0.31)
Gain on sale of current investments	(0.49)	(1.53)
Loss on sale of fixed assets	0.00	0.16
Write back of excess provision	(0.04)	0.00
Unrealised foreign loss (net)	0.74	0.61
Depreciation and amortisation	56.93	44.79
Interest costs on borrowings	132.55	144.75
Operating Profit Before Working Capital Changes	305.42	161.83
Movements in Working Capital:		
(Increase) / Decrease in Trade receivables	(3.13)	(37.45)
(Increase) / Decrease in Inventories	1.66	(35.48)
(Increase) / Decrease Loans & advances*	(15.47)	(2.23)
(Increase) / Decrease Other assets*	1.86	
Increase / (Decrease) in Trade payables	1.28	67.03
Increase / (Decrease) Other liabilities*	25.63	24.66
Cash used in Operations	317.25	178.36
Direct taxes paid (net)	(17.24)	(0.60)
NET CASH GENERATED FROM OPERATING ACTIVITIES	300.01	177.76
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and capital advances	(172.77)	(92.48)
Proceeds from sale of fixed assets	0.04	0.12
Interest received	2.73	1.68
Dividend on long-term investments	0.31	0.31
(Purchase)/sales of current investment	19.47	(17.47)
Loan given to related party [Refer Note 27 (h)]	(1.75)	-
NET CASH USED IN INVESTING ACTIVITIES	(151.97)	(107.84)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity share capital	-	30.00
Proceeds from share application money received	-	19.00
Proceeds from long-term borrowings	811.53	191.01
Proceeds from short-term borrowings	23.64	-
Repayment of long-term borrowings	(849.51)	(173.15)
Interest paid on borrowings	(135.85)	(142.36)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(150.19)	(75.50)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2.15)	(5.58)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20.11	25.69
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17.96	20.11
[Refer Note 16]		

* Includes current/non-current

As per our attached report of even date
For **Shah Gupta & Co.**
Chartered Accountants
F.R.N. 109574W

Heneel K Patel
Partner
Membership No.: 114103
Place: Mumbai
Date: 22nd April, 2016

For and on behalf of the Board of Directors

Anilkumar Pillai
Director & CEO

Pankaj Kulkarni
Director

Rahul Dubey
Company Secretary

Narinder Singh Kahlon
Chief Financial Officer

1. SIGNIFICANT ACCOUNTING POLICIES

Overview of the Company

The Company is engaged in the business of manufacture and sale of cement, ground granulated blast furnace slag and clinker and trading of allied products. The Company is operating ~4.80 million tonne per annum green field cement manufacturing unit at Bilkalaguduru village near Nandyal, Andhra Pradesh, ~ 0.60 million tonne per annum grinding unit at Vijayanagar, Karnataka and ~ 0.60 million tonne per annum grinding unit at Dolvi, Maharashtra.

a. Basis of Accounting

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP"). These financial statements are prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 ("the Act"), read together with rule 7 of the Companies (Accounts) Rules 2014. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

b. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for that year. Actual results can differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Inventories

Inventories are valued after providing for obsolescence as follows:

- i. Raw material, stores & spares, packing material and fuels are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on the weighted average basis.

- ii. Work-in-progress and Finished goods are valued at lower of cost and net realisable value. Cost of inventory comprises of costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Excise duty related to finished goods is included under changes in inventories of finished goods, work-in-progress and stock-in-trade. Cost is determined on weighted average basis.

- iii. Waste/Scrap inventory is valued at net realisable value.

- iv. Obsolete, defective and unserviceable stock is duly provided for wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

d. Fixed Assets

Fixed Assets (tangibles/intangibles) are stated at their cost of acquisition or construction less accumulated depreciation/amortisation/impairment losses, if any. Cost comprises the purchase price, any other applicable cost and also includes borrowing cost as estimated to be attributable to the acquisition and construction of fixed assets upto the date of commencement of commercial production.

Spares parts, servicing equipment and standby equipment which can be used only in connection with a particular Plant & Equipment and use is expected to be regular, are capitalised at cost.

Losses/Gain arising from retirement/disposal of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

e. Capital Work-in-Progress

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as Capital Work-in-progress ("CWIP") for capitalisation. Expenditure attributable to fixed assets are identified and allocated on a systematic basis to the cost of related assets. Interest during construction and expenditure (net) allocated to

NOTES TO **FINANCIAL STATEMENTS**

construction are apportioned to CWIP on the basis of the closing balance of specific assets or part of asset being capitalised. The balance if any, left after such capitalisation is kept as a separate item under CWIP schedule. Claims for price variation/escalation in case of contracts are accounted for on acceptance of claims. Any other expenditure which is not directly or indirectly attributable to the construction of the project / fixed asset is charged off to the statement of profit and loss in the year in which they are incurred.

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalized as part of the construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.

f. Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Sr. No.	Nature of Assets	Useful life of assets (years)
1	Main Plant and Machinery	15 to 40
2	Factory Building	65
3	Non-Factory Building	65

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of installation and in the case of a new project from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on pro-rata basis upto the date of deduction/disposal.

Spares, servicing equipment and standby equipment, which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to statement of profit and loss, on issue for consumption.

Leasehold land is amortised on straight line basis over the period of the lease.

Capital assets whose ownership does not vest with the Company are amortised based on the estimated useful life as follows [Refer note 27(e)]:

Switching substation - over a period of 35 years,

Railway siding - over a period of 15 years and

Road - over a period of 30 years

Expenditure on software is amortised on Straight Line Method over the period of three years from the date it is put to use.

g. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of sales tax, discounts and returns, as applicable. Sales exclude self consumption. Excise duty paid is presented as a reduction from the gross turnover.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when right to receive the same is established.

h. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are stated at

year end rates. Non-monetary foreign currency items are carried at cost. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation, including premium/discount on forward exchange contracts is recognised in the statement of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed asset, in which case, they are adjusted to the carrying cost of such assets.

i. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Capital Incentive Subsidy received from Government for specific fixed assets are deducted from the gross value of the respective fixed assets.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

j. Investments

Investments are classified as current or long-term in accordance with Accounting Standard-13 on "Accounting for Investments". Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are stated at cost. Provision is made for diminution other than temporary in the value of such investments.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments

in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Statement of Profit and Loss.

k. Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered or as and when they are incurred.

Employee benefits under defined benefit plans, such as gratuity and other long-term benefits such as compensated absences, which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, wherever applicable.

Actuarial gains and losses are immediately taken to statement of the profit and loss account and are not deferred.

Long-term and short-term portion of the obligations under defined benefit plans and other long-term benefits are presented on the basis of actuary's report.

l. Borrowing Costs

Borrowing costs attributable to the acquisition and construction of qualifying assets, are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially

NOTES TO **FINANCIAL STATEMENTS**

all activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are expensed in the year in which they are incurred.

m. Operating Lease

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

n. Earnings Per Share

The Company reports basic and diluted Earnings Per Share ("EPS") in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

o. Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carried forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

p. Impairment of assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets, when at Balance Sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount i.e. the higher of the asset's net selling price and value in use. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

Impairment loss recognised in prior years is reversed when there is an indication that the impairment loss recognised for the asset no longer exists and has decreased.

q. Financial hedging transactions

In respect of forward contracts, gains / losses on settlement and losses on restatements are recognized in statement of profit and loss except in case where they relate to the acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets.

r. Provisions and Contingencies

Provisions are recognised for the liabilities that can be measured only by using a substantial degree of estimation, if

- i. the company has a present obligation as a result of a past event;
- ii. the probable outflow of resources is expected to settle the obligation; and
- iii. the amount of the obligation can be reliably estimated.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- i. a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.
- ii. a possible obligation, unless the probability of outflow of resources is remote.

NOTES TO FINANCIAL STATEMENTS

2. SHARE CAPITAL

Particulars	₹ crore	
	As at 31st March, 2016	As at 31st March, 2015
Authorised Capital		
1,000,000,000 (Previous year 1,000,000,000) Equity shares of ₹10 each	1,000.00	1,000.00
50,000,000 (Previous year 50,000,000) Preference shares of ₹ 100 each	500.00	500.00
Issued, Subscribed & Fully Paid-up Capital		
450,511,700 (Previous year 431,511,700) Equity shares of ₹10 each fully paid-up	450.51	431.51
	450.51	431.51

2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at	
	31st March, 2016	31st March, 2015
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	431,511,700	301,511,700
Add: Conversion of Preference Share	-	100,000,000
Add: Fresh issue of shares during the year	19,000,000	30,000,000
Equity shares at the end of the year	450,511,700	431,511,700
Preference shares at the beginning of the year	-	10,000,000
Add: Fresh issue of shares during the year	-	-
Less: Converted into Equity shares	-	(10,000,000)
Preference shares at the end of the year	-	-

2.2 Terms & rights attached to shares

Equity Shares: The Company has a single class of ordinary equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

During the year the Company has issued and allotted 19,000,000 equity shares of ₹10 each (at par) to JSW Logistics Infrastructure Private Limited as approved by Board of Directors in their meeting held on 20th April 2015 and by Shareholders in its meeting held on 16th May 2015. The equity shares has been allotted by Finance Committee in its meeting held on 27th May, 2016.

2.3 Details of aggregate shareholding by holding company, subsidiary of holding company or associate of holding company

Particulars	₹ crore	
	As at 31st March, 2016	As at 31st March, 2015
JSW Investment Private Limited - Holding company alongwith its nominee shareholders		
323,191,996 (Previous year 323,191,996) Equity shares of ₹10 each	323.19	323.19

2.4 Shareholders holding more than 5% of aggregate share in the company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shareholding				
JSW Investment Private Limited - Holding company alongwith its nominees	323,192,496	71.74%	323,192,496	74.90%
JSW Logistics Infrastructure Private Limited	75,550,000	16.77%	56,550,000	13.11%
Danta Enterprises Private Limited	26,000,000	5.77%	26,000,000	6.03%

NOTES TO FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Deficit in statement of profit and loss		
Balance as per last Balance sheet	(117.45)	(93.54)
Less: Depreciation adjustment (net of deferred tax adjustment)	-	(0.44)
Add: Transfer from Share Option		
Add: Deferred tax adjustment on account of depreciation adjustment		
Add: Profit / (Loss) for the year	89.25	(23.47)
Balance as at the end of the year	(28.20)	(117.45)

4. LONG-TERM BORROWINGS

₹ crore

Particulars	Non-Current		Current Maturities	
	As at	As at	As at	As at
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Term Loans				
Secured				
From banks	968.12	883.05	50.10	173.15
	968.12	883.05	50.10	173.15

4.1 Details of Security

- Term Loans of ₹ 728.22 crore are secured on pari passu basis by way of equitable mortgage on present and future immovable fixed assets of the company and by way of deed of hypothecation on present and future moveable fixed assets of the company.
- Term Loans of ₹ 290.00 crore are secured on pari passu basis by way of equitable mortgage on present and future immovable fixed assets of the company and by way of deed of hypothecation on present and future moveable fixed assets of the company.

4.2 Terms of Repayment

- ₹ 728.22 crore is repayable as under
 - 21 quarterly instalments of ₹ 11.44 crore from 1st July 2016 - 1st July 2021
 - 4 quarterly instalments of ₹ 13.34 crore from 1st October 2021 - 1st July 2022
 - 4 quarterly instalments of ₹ 30.50 crore from 1st October 2022 - 1st July 2023
 - 4 quarterly instalments of ₹ 38.13 crore from 1st October 2023 - 1st July 2024
 - 4 quarterly instalments of ₹ 40.03 crore from 1st October 2024 - 1st July 2025
- ₹ 290 crore is repayable as under
 - 4 quarterly instalments of ₹ 4.35 crore from 14th January 2017 - 14th October 2017
 - 4 quarterly instalments of ₹ 7.25 crore from 14th January 2018 - 14th October 2018
 - 4 quarterly instalments of ₹ 14.50 crore from 14th January 2019 - 14th October 2019
 - 10 quarterly instalments of ₹ 18.56 crore from 14th January 2020 - 14th April 2022

5. OTHER LONG-TERM LIABILITIES

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Creditors for capital expenditure [Refer Note 27 (h)]	25.20	25.20
	25.20	25.20

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM PROVISIONS

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Provision for employee benefits		
Gratuity	1.62	0.73
Leave encashment	2.56	1.61
	4.18	2.34
Less: Transferred to other current liabilities [Refer Note 9]	(0.39)	(0.14)
	3.79	2.20

7. SHORT-TERM BORROWINGS

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Secured loans		
Working capital loan from banks (secured)		
Rupee Loan	33.55	9.92
	33.55	9.92

7.1 Details of security

Working capital loan obtained from bank is secured by pari passu first charge by way of hypothecation of Stocks of Raw Materials, Finished Goods, Work-in-Progress, Consumable Stores and Spares and Trade Receivables of the Company, both present and future.

8. TRADE PAYABLES

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Acceptances	35.76	87.97
Micro ,Small and Medium Enterprises [Refer note 27 (p)]	0.21	0.67
Others [(Refer note 27 (h))]	226.50	171.84
	262.47	260.48

9. OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Current maturities of long-term debt [Refer note 4.1 and 4.2]	50.10	173.15
Current dues of long-term employee benefits [Refer Note 6]	0.39	0.14
Interest accrued but not due on borrowings	3.93	3.68
Creditors for capital expenditure [Refer note 27(h)]	67.19	48.19
Security Deposit from customers	47.96	38.64
Advances from customers	17.40	21.07
Statutory liabilities	24.94	22.76
Other Payables*	81.15	29.24
	293.06	336.87

(*) Others include Del Credere Finance payable ₹ 40.04 crore (Previous year ₹ 25.26 crore) and Acceptances for capital creditors ₹ 37.46 crore (Previous year Nil).

10. SHORT-TERM PROVISIONS

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Provision for employee benefits	4.32	2.83
	4.32	2.83

NOTES TO FINANCIAL STATEMENTS

Note 11 FIXED ASSETS

Particulars	Gross block (at cost)			Depreciation and amortisation			Net block	
	As at	Additions	Adjustment/ Deductions	As at	Depreciation for	Adjustment/ Deductions	As at	As at
	1st April, 2015	2015		31st March, 2016	the year	31st March, 2016	31st March, 2016	31st March, 2015
Tangible Assets								
Freehold land	31.15	-	-	31.15	-	-	-	31.15
	28.69	2.46	-	31.15	-	-	-	31.15
Leasehold land	6.43	-	-	6.43	1.95	0.32	2.27	4.16
	6.37	0.06	-	6.43	1.63	0.32	1.95	4.48
Buildings	224.59	13.93	-	238.52	17.25	3.43	20.68	217.84
	219.15	5.44	-	224.59	14.00	3.25	17.25	207.34
Plant & machinery	1,222.39	18.04	(4.73)	1,235.70	168.11	49.18	216.67	1,019.03
	1,120.24	103.63	(1.48)	1,222.39	130.37	37.74	168.11	1,054.28
Furniture and fixture	1.47	0.55	-	2.02	0.69	0.19	0.88	1.14
	1.50	0.04	(0.07)	1.47	0.57	0.15	0.69	0.78
Computers	2.51	0.38	(0.01)	2.88	2.20	0.23	2.42	0.46
	2.27	0.25	(0.01)	2.51	1.34	0.86	2.20	0.31
Office equipment	1.68	0.33	-	2.01	1.09	0.25	1.34	0.67
	1.50	0.19	(0.01)	1.68	0.28	0.81	1.09	0.59
Vehicle	1.13	0.56	(0.06)	1.63	0.30	0.16	0.45	1.18
	0.90	0.59	(0.36)	1.13	0.28	0.15	0.30	0.83
220 KV Switching station	18.16	-	-	18.16	1.29	0.53	1.82	16.34
	18.16	-	-	18.16	0.93	0.36	1.29	16.87
Railway siding	7.44	-	-	7.44	1.25	0.52	1.77	5.67
	7.44	-	-	7.44	0.88	0.37	1.25	6.19
Total	1,516.95	33.79	(4.80)	1,545.94	194.13	54.81	248.30	1,297.64
Previous year	1,406.22	112.66	(1.93)	1,516.95	150.28	44.01	194.13	1,322.82
Software	6.47	0.14	-	6.61	3.99	2.13	6.12	0.49
Total	6.47	0.14	-	6.61	3.99	2.13	6.12	0.49
Previous year	4.28	2.19	-	6.47	1.92	2.07	3.99	2.48
Total	1,523.42	33.93	(4.80)	1,552.55	198.12	56.94	254.42	1,298.13
Previous year	1,410.50	114.85	(1.93)	1,523.42	152.20	46.08	198.12	1,325.30
Capital Work-in-progress								
								86.62

11.1 Leasehold Land is amortised over the lease period of 20 years.

11.2. a. Asset include Gross Block of ₹ 158.59 crore (Previous year ₹ 158.59 crore) constructed on lease land under sub-lease agreements with JSW Steel Limited, for 150 acres of land situated at Tornagallu village, District Bellary Karnataka at an annual rent of ₹ 40,000 per acre. The sub-lease for 55 acres is for a period of 10 years starting from 12th December, 2007 and sub-lease for 95 acres is for a period of 8 years starting from 15th May, 2009. Both the above sub-lease agreements are renewable after the expiry of the aforesaid period.

b. Asset include Gross Block of ₹ 105.64 crore (Previous year ₹ 104.81 crore) constructed on lease land under lease agreements with JSW Steel Limited, for 20.55 Acres of land situated at Dolvi, District Raigad, Maharashtra at an annual rent of ₹ 2.13 crore (including duties & taxes). The lease for 16.60 acres is for a period of 3 years starting from 5th February, 2015 and 3.95 acres is for a period of 29 years starting from 31st December 2012. The above lease agreements are renewable after the expiry of the aforesaid period.

11.3 Additions to Plant & Machinery includes adjustment of ₹ 1.91 crore (Previous year ₹ 1.48 crore) on account of foreign exchange fluctuation loss

11.4 CWIP includes expenditure incurred on following assets, the ownership of which does not vest with the company.

a) Road development ₹ 71.33 crore (Previous year ₹ 64.44 crore)

NOTES TO FINANCIAL STATEMENTS

12. NON-CURRENT INVESTMENTS

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Trade investments		
Investment in Equity Instruments (Long-Term - Fully paid up & valued at cost)	2.42	2.42
Quoted:		
JSW Energy Limited		
15,59,610 (Previous year 15,59,610) of ₹ 10 each fully paid-up		
Investment in government or trust securities (Unquoted - valued at cost)		
National Saving Certificate - Pledged with Commercial Taxes Department ₹ 3,000 (Previous year ₹ 3,000)	-	-
	2.42	2.42
Aggregate value of quoted investments	2.42	2.42
Market value of quoted investments	10.84	18.47

13. LOANS AND ADVANCES

₹ crore

Particulars	Non-Current		Current Maturities	
	As at	As at	As at	As at
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Unsecured considered good				
Capital advances	47.37	13.26	-	-
Security deposits	24.74	15.67	-	-
Advance recoverable from ESOP Trust			9.28	9.65
Loans and advances to related parties [Refer note 27(h)]*	-	-	21.75	20.00
Advance to suppliers	-	-	16.32	14.88
Other loans and advances:				
Advance tax and Tax Deducted at Source (net)	5.67	2.57	18.41	4.28
Cenvat receivable	-	-	31.01	24.86
Prepaid expenses	-	-	0.89	1.10
Other advances	-	-	0.18	0.23
	77.78	31.50	97.84	75.00
* Loans and advances to related parties includes;				
JSW Global Business Solutions Ltd.			1.75	-
JSW Techno Projects Management Ltd.	-	-	20.00	20.00

14. INVENTORIES

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Raw materials [includes stock in transit ₹ 11.98 crore (previous year ₹ 0.79 crore)]	22.62	24.69
Semi finished goods	19.71	14.73
Finished goods	11.62	23.23
Stores and spares [includes stock in transit ₹ 0.11 crore (Previous year ₹ 0.65 crore)]	63.57	56.70
Fuel [includes stock in transit Nil (Previous year ₹ 8.15 crore)]	19.74	19.57
	137.26	138.92

Refer Note 1(c) for mode of valuation

NOTES TO FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

₹ crore

Particulars	As at	
	31st March, 2016	31st March, 2015
Unsecured considered good		
Outstanding for a period exceeding six months from the date they are due for payment	4.80	0.64
Others [Refer note 27(h)]	76.32	77.35
	81.12	77.99

16. CASH AND BANK BALANCES

₹ crore

Particulars	Non-Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents				
Balances with banks	-	-	17.92	20.04
Cash on hand	-	-	0.04	0.07
	-	-	17.96	20.11
Other bank balances				
Term deposit with original maturity of more than 3 month but less than 12 months	-	-	0.02	19.00
Term deposit with original maturity for more than 12 months at inception	-	0.57	-	-
	-	0.57	0.02	19.00
Amount disclosed under non-current assets [Refer note 17]	-	(0.57)	-	-
	-	-	0.02	19.00
	-	-	17.98	39.11

Cash and cash equivalents as on March 31, 2016 and March 31, 2015 include restricted cash and bank balances of Nil and ₹ 0.57 crore respectively. The restrictions are primarily on account of cash and bank balances of Nil (March 31, 2015 ₹ 0.57 crore) of fixed deposit against guarantees.

17. OTHER ASSETS

₹ crore

Particulars	Non-Current		Current	
	As at 31st Mar, 2016	As at 31st March, 2015	As at 31st Mar, 2016	As at 31st March, 2015
Non-Current bank balances [Refer note 16]	-	0.57	-	-
Interest receivable on loan to related party [Refer note 27(h)]	-	-	3.18	2.43
Interest receivable others	-	-	0.78	0.62
Claims receivable	-	-	14.24	0.11
	-	0.57	18.20	3.16

18. REVENUE FROM OPERATIONS

₹ crore

Particulars	For the year ended	
	31st March, 2016	31st March, 2015
Sale of Products		
Finished goods	1,428.23	1,047.49
Traded	1.08	3.68
	1,429.31	1,051.17
Other operating income	6.07	4.99
Revenue from operations (gross)	1,435.38	1,056.16

NOTES TO FINANCIAL STATEMENTS

18.1 Details of products sold		₹ crore
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Finished goods		
Portland Slag Cement	1,140.89	801.40
Ordinary Portland Cement	18.27	88.02
Ground Granulated Blast Furnace Slag	257.01	133.90
Clinker	12.06	24.17
	1,428.23	1,047.49
Traded		
Granulated Blast Furnace Slag	1.08	3.22
Others	-	0.46
	1.08	3.68

19. OTHER INCOME		₹ crore
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest income from loan to Related party [Refer note 27(h)]	2.44	2.70
Interest income from Others	1.19	0.48
Dividend income from long-term investments	0.31	0.31
Profit on sale of current investments	0.49	1.53
Government Incentive	11.41	-
Miscellaneous receipts	1.96	0.05
	17.80	5.07

20. COST OF RAW MATERIAL CONSUMED		₹ crore
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Inventory at the beginning of the year	24.69	10.26
Add : Purchases	195.27	113.54
Less: Inventory at the end of the year	22.62	24.69
Cost of raw material consumed	197.34	99.11

20.1 Details of raw material consumed		₹ crore
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Clinker	47.70	7.01
Limestone	28.87	23.57
Granulated Blast Furnace Slag	49.67	20.21
Iron Ore & Laterite	14.47	20.58
Gypsum	10.68	13.83
Material Shifting Charges	8.20	4.91
Ordinary Portland Cement (OPC)	37.75	9.00
	197.34	99.11

NOTES TO FINANCIAL STATEMENTS

20.2 Details of inventory

₹ crore

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
Granulated Blast Furnace Slag	1.13	0.48
Gypsum	3.22	4.85
Iron Ore/ Laterite	2.41	2.85
Ordinary Portland Cement (OPC)	0.01	5.10
Clinker	15.17	10.22
Others	0.68	1.19
	22.62	24.69

21. PURCHASES OF TRADED GOODS

₹ crore

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
Granulated Blast Furnace Slag	0.38	0.82
	0.38	0.82

22. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

₹ crore

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
Inventories at the beginning of the year		
Finished goods	23.23	18.77
Work-in-progress	14.72	7.95
	37.95	26.72
Trial run stock		
Finished goods	-	0.03
Work-in-progress	-	-
	-	0.03
Inventories at the end of the year		
Finished goods	11.62	23.23
Work-in-progress	19.71	14.72
	31.33	37.95
	6.62	(11.20)
Excise duty on finished goods (net)	(2.16)	2.04
	4.46	(9.16)

23. EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
Salaries, wages and bonus	64.77	43.30
Contributions to provident fund and other funds	2.32	1.68
Gratuity expense [Refer note 27(f)]	0.85	0.74
Staff welfare expenses	1.50	0.84
	69.44	46.56

NOTES TO FINANCIAL STATEMENTS

24. FINANCE COSTS

Particulars	₹ crore	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest expenses	121.52	132.82
Other finance charges	11.03	11.93
	132.55	144.75

25. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	₹ crore	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation on Tangible assets	53.76	43.26
Amortization of Asset constructed on property not owned by company	1.04	0.73
Amortization of Intangible assets	2.13	2.06
	56.93	46.05
Less: Adjusted against reserve and surplus	-	0.63
	56.93	45.42

26. OTHER EXPENSES

Particulars	₹ crore	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Consumption of stores and spares	25.22	14.32
Packing Cost	42.68	39.71
Repairs and maintenance expenses:		
Repairs to buildings	0.86	0.94
Repairs to machinery	18.31	12.62
Others	2.70	2.06
Rent	3.97	6.29
Rates and taxes	4.72	0.76
Insurance	0.84	1.27
Legal & professional	3.12	3.13
Advertisement & publicity	17.96	12.91
Commission on sales	16.82	3.25
Rebates & discounts	9.79	8.51
Selling & Distribution expenses	27.68	25.45
Auditors remuneration [Refer Note 27 (I)]	0.20	0.18
Postage & telephone	0.86	0.71
Printing & stationery	0.27	0.19
Travelling expenses	5.72	4.63
Software and IT related expenses	0.47	0.73
General expenses	13.25	9.84
	195.44	147.50

NOTES TO FINANCIAL STATEMENTS

27. OTHER NOTES

a) Contingent liabilities not provided for in respect of disputed claims/ levies:

₹ crore

Sr. No.	Particulars	As at	As at
		31st March, 2016	31st March, 2015
i)	Differential Custom duty in respect of Import of Steam Coal	22.50	22.32
ii)	Excise Duty & Service tax credit in respect of capital goods and input services	12.51	12.24
iii)	Cess under the Building and other Constructions Workers Act, 1946	1.00	2.00
iv)	VAT exemption on sales made to SEZ unit	0.23	-
v)	Income Tax	1.56	4.48

b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 351.86 crore (Previous year ₹ 34.52 crore).

c) In the opinion of the Management, the current assets, loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet in the ordinary course of business. Provisions are for all known liabilities and same is adequate and not in excess of what is required.

d) The Company is yet to receive balance confirmations in respect of certain sundry creditors, advances and debtors. The management does not expect any material difference affecting the amount at which they are stated.

e) Derivatives

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments.

i) The forward exchange contracts entered into by the company and outstanding are as under:

As at	No. of Contracts	Type	EURO equivalent (million)	USD equivalent (million)	₹ crore equivalent
31st March, 2016	0	Buy	-	-	-
31st March, 2015	10	Buy	-	6.74	43.54

ii) The foreign currency exposures that have not been hedged by derivative instruments or otherwise as at Balance Sheet date as given below:

Sr. No.	Particulars	EURO equivalent (million)	USD equivalent (million)	₹ crore equivalent
a)	Pending Capital Commitments			
	As at 31st March, 2016	0.52	2.66	20.07
	(As at 31st March, 2015)	(0.98)	-	(6.64)
b)	Import of Raw Material & Fuel			
	As at 31st March, 2016	-	3.50	23.20
	(As at 31st March, 2015)	-	-	-
c)	Supplier's/ Buyers' Credit			
	As at 31st March, 2016	-	2.06	13.71
	(As at 31st March, 2015)	-	(1.30)	(8.15)
d)	Interest Accrued but not due on Suppliers'/ Buyers' Credit			
	As at 31st March, 2016	-	0.01	0.05
	(As at 31st March, 2015)	-	(0.01)	(0.06)

NOTES TO FINANCIAL STATEMENTS

iii) The foreign currency exposures that have been hedged by derivative instruments or otherwise as at Balance Sheet date are:

Sr. No.	Particulars	EURO equivalent (million)	USD equivalent (million)	₹ crore equivalent
a)	Suppliers'/ Buyers' Credit			
	As at 31st March, 2016	-	-	-
	(As at 31st March, 2015)	-	(6.74)	(43.54)
b)	Interest Accrued but not due on Suppliers'/ Buyers' Credit			
	As at 31st March, 2016	-	-	-
	(As at 31st March, 2015)	-	-	-

f) Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 1.58 crore (Previous year ₹ 1.24 crore).

ii) Defined Benefit Plans – Gratuity:

Particulars	As at 31st March, 2016 Funded	As at 31st March, 2015 Funded
a. Changes in Present Value of obligations:		
Opening Balance of present value of obligation	1.72	1.27
Acquisition adjustment	0.86	-
Service Cost	0.66	0.35
Interest Cost	0.15	0.12
Actuarial (gain)/loss on obligation	0.23	0.22
Benefits paid	(0.13)	(0.24)
Closing Balance	3.49	1.72
b. Changes in Fair Value of assets:		
Opening Balance of Fair Value of Plan Assets	1.14	0.97
Expected Return on Plan assets less loss on investments	0.09	0.08
Actuarial gain / (loss) on Plan Assets	0.03	0.02
Employers' Contribution	0.73	0.31
Benefits paid	(0.13)	(0.24)
Closing Balance	1.86	1.14
c. Net Asset/(Liability) recognised in the Balance Sheet:		
Present Value of obligations	(3.49)	(1.72)
Fair Value of plan asset	1.86	1.14
Net Asset/(Liability) recognised in the Balance Sheet	(1.63)	(0.58)
d. Expenses during the year:		
Service cost	0.66	0.35
Interest cost	0.15	0.12
Expected Return on Plan assets	(0.09)	(0.09)
Actuarial (Gain)/Loss	0.04	0.36
Total	0.76	0.74

NOTES TO FINANCIAL STATEMENTS

₹ crore

Particulars	As at	As at
	31st March, 2016 Funded	31st March, 2015 Funded
e. Break up of Plan Assets as a percentage of total plan assets:		
Insurer Managed Funds – Value (100%)	1.86	1.14
f. Principal actuarial assumptions:		
Rate of Discounting	8.00% p.a.	7.96% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.
Expected rate of return on plan assets	8.50% p.a.	7.96% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC Ultimate Tables 2006-08.

The Company has created irrevocable trust named "JSW Cement Employees' Gratuity Trust" for providing gratuity benefits to the employees and current year contribution to the trust is ₹ 0.73 crore (Previous year ₹ 0.31 crore).

iii) Other Disclosures:

(₹ crore)

Particulars	As at	As at	As at	As on	As on
	31st March, 2016 Funded	31st March, 2015 Funded	31st March, 2014 Funded	31st March, 2013 Funded	31st March, 2012 Funded
Defined Benefit Obligation	3.49	1.72	1.27	1.18	0.90
Plan Assets	1.86	1.14	0.97	0.75	0.38
Deficit	(1.63)	(0.58)	(0.30)	(0.43)	(0.52)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	0.09	0.15	0.03	0.11	0.40
Experience Adjustments on Plan Assets – Loss/(Gain)	0.03	0.01	-	0.02	0.01

g) Segment reporting:

The primary segment of the Company is Cement and Other Segments are below the required reportable levels as per the Accounting Standard-17.

h) Related parties disclosure as per Accounting Standard 18:

A) List of Related Parties

1. Holding Company

JSW Investments Pvt. Ltd.

2. Fellow Subsidiary

JSW Infrastructure Ltd.

JSW Jaigarh Port Ltd.

JSW Dharamtar Port Pvt. Ltd.

JSW Global Business Solutions Ltd. (formerly known as Sapphire Technologies Ltd.)

JSW Projects Ltd.

South-West Mining Ltd.

NOTES TO FINANCIAL STATEMENTS

3. Enterprises under common control/ exercising significant influence with whom the company has entered into transactions during the year

JSW Steel Ltd.
 JSW Energy Ltd.
 JSW Severfield Structures Ltd.
 Jsoft Solutions Ltd.
 JSW Power Trading Co. Ltd.
 JSW Steel Coated Products Ltd.
 JSW Techno Projects Management Ltd.
 Amba River Coke Ltd.
 JSW Logistics Infrastructure Pvt. Ltd.
 Dolvi Coke Project Ltd
 JSW International Tradecorp Pte. Ltd.
 JSW Bengal Steel Ltd
 JSW MI Steel Services Center Pvt. Ltd.
 JSW Steel (Salav) Ltd.

4 Key Managerial Personnel

Mr. Anilkumar Pillai (Whole Time Director & CEO)
 Mr. Narinder Singh Kahlon (CFO)
 Mr. Rahul Dubey (CS)

B) Nature of transactions*:

	(₹ crore)	
Transactions during the year	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Purchase of Goods/ Power & Fuel/ Services:		
JSW Steel Ltd.	61.05	39.64
JSW Energy Ltd.	21.32	10.96
JSW Steel Coated Products Ltd.	0.17	-
Jsoft Solutions Ltd.	1.36	1.61
South West Mining Ltd.	7.88	9.45
JSW International Tradecorp PTE Ltd.	29.13	30.28
JSW Techno Projects Management Ltd.	-	0.28
JSW Power Trading Co. Ltd.	-	0.98
JSW Dharamtar Port Pvt. Ltd.	2.15	-
Amba River Coke Ltd.	3.83	-
JSW Steel (Salav) Ltd.	0.53	-
	127.42	93.20
Lease rent paid:		
JSW Steel Ltd.	2.85	1.13
JSW Bengal Steel Ltd.	0.02	-
	2.87	1.13
Purchase of Assets:		
JSW Steel Ltd.	-	117.81
	-	117.81
Reimbursement of expenses:		
JSW Steel Ltd.	7.33	17.08
JSW Bengal Steel Ltd.	0.13	-
	7.26	17.08

NOTES TO FINANCIAL STATEMENTS

(₹ crore)

Transactions during the year	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Sales of Goods / Other Income:		
JSW Steel Ltd.	55.29	35.66
JSW Steel Coated Products Ltd.	0.52	1.25
JSW Energy Ltd.	2.08	1.91
Amba River Coke Ltd.	0.10	-
Dolvi Coke Project Limited	6.53	11.10
JSW Dharamtar Port Pvt. Ltd.	2.44	0.33
JSW Jaigarh Port Ltd.	-	8.64
JSW Infrastructure Ltd.	-	0.01
JSW Severfield Structures Ltd.	-	0.02
JSW Techno Projects Management Ltd.	2.62	-
JSW MI Steel Services Center Pvt. Ltd.	0.01	-
JSW Steel (Salav) Ltd.	0.04	-
	69.63	58.92
Interest income on Loan given to		
JSW Techno Projects Management Ltd.	2.41	2.70
JSW Global Business Solutions Ltd.	0.03	-
	2.44	2.70
Subscription to Equity Share Capital by:		
JSW Logistics Infrastructure Pvt. Ltd.	19.00	30.00
	19.00	30.00
Loan given		
JSW Global Business Solutions Ltd.	1.75	-
	1.75	-
Financial Charges paid to		
JSW Investments Pvt. Ltd.	1.59	1.33
	1.59	1.33
Remuneration to		
Mr. Anilkumar Pillai	1.63	0.95
Mr. Narinder Singh Kahlon	0.63	0.34
Mr. Rahul Dubey	0.20	0.15
	2.46	1.44

* Amount includes duties and taxes

NOTES TO FINANCIAL STATEMENTS

C) Closing balances:

Particulars	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
Trade Payables:		
JSW Steel Ltd.	48.12	41.82
JSW Steel Coated Products Ltd.	-	0.09
JSW Energy Ltd.	1.97	2.08
Jsoft Solutions Ltd.	0.66	0.13
South West Mining Ltd.	1.05	1.08
JSW International Tradecorp Pte Ltd	-	8.42
Amba River Coke Ltd.	3.89	0.11
JSW Power Trading Co. Ltd.	-	0.01
JSW Steel (Salav) Ltd.	0.53	-
	56.22	53.74
Trade Receivables:		
JSW Steel Ltd.	-	6.11
JSW Steel Coated Products Ltd.	0.04	0.13
JSW Projects Ltd.	-	0.03
JSW Energy Ltd.	0.15	0.03
JSW Jaigarh Port Ltd.	0.10	2.50
Dolvi Coke Project Ltd.	0.02	6.37
JSW Dharamtar Port Pvt. Ltd.	0.62	0.33
JSW Techno Projects Management Ltd.	0.20	-
	1.13	15.50
Creditors for Capital Expenditure		
JSW Steel Ltd.	25.20	49.81
JSW Techno Projects Management Ltd.	-	0.26
	25.20	50.07
Investments held by the Company		
JSW Energy Ltd.	2.42	2.42
	2.42	2.42
Capital Advance given		
JSW Bengal Steel Ltd.	0.25	-
JSW Steel Limited	0.92	-
	1.17	-
Loan given		
JSW Techno Projects Management Ltd.	20.00	20.00
JSW Global Business Solutions Ltd.	1.75	-
	21.75	20.00
Interest receivable on Loan given		
JSW Techno Projects Management Ltd.	2.99	2.43
JSW Global Business Solutions Ltd.	0.02	-
	3.01	2.43

NOTES TO FINANCIAL STATEMENTS

i) Operating Lease:

Lease rentals charged to Statement of Profit and Loss for right to use following assets are:

(₹ crore)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Office premises, residential flats etc.	4.65	5.31
Total	4.65	5.31

The Company has executed agreements with renewable clause for a period of one to two years and has provision for termination at will by either party giving a prior notice period of 1 to 3 months.

j) Earnings Per Share ("EPS"):

Particulars	For the Year ended 31st March, 2016	For the year ended 31st March, 2015
Net Profit after tax for equity shareholders – Basic and Diluted (₹ crore) [A]	89.25	(23.47)
Weighted average number of equity shares for basic & diluted EPS (Nos.) [B]	44,76,48,686	33,94,02,111
Earnings per share – Basic & Diluted [A/B]	1.99	(0.69)
Nominal value per share (₹)	10.00	10.00

k) i) Provision for Taxation includes:

(₹ crore)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Tax	16.88	-
Deferred Tax (Asset) / Liability	30.42	-
Minimum Alternate Tax Credit Entitlement	(16.88)	-
Total	30.42	-

ii) Deferred Tax comprises of timing differences on account of :

(₹ crore)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liabilities		
Depreciation	(201.50)	(162.80)
	(201.50)	(162.80)
Deferred Tax Assets		
Expenses allowable on payment basis	0.89	0.50
Provision for doubtful debts	0.16	-
Unabsorbed Depreciation and Business Loss	243.09	235.36
	244.14	235.86
Deferred Tax Asset / (Liability) (net)	42.64	73.06

NOTES TO FINANCIAL STATEMENTS

l) Remuneration to Auditors

(₹ crore)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Audit Fees		
Statutory Audit	0.17	0.13
Tax Audit	0.01	0.01
Out of pocket expenses	0.01	0.04
Total	0.19	0.18

m) Details of loans, guarantees and investments covered under the provisions of section 186 of the Act

Particulars	Party	Amount (₹ crore)	Purpose
Loan given	JSW Techno Projects Management Ltd.	20.00	General corporate
Loan given	JSW Global Business Solutions Ltd.	1.75	General corporate
		21.75	

Details of investment made by the Company are given under note 12.

n) Quantitative Information:

i) Inventory:

Class of Products	As at 31st March, 2016		As at 31st March, 2015	
	Tones	₹ crore	Tones	₹ crore
Ground Granulated Blast Furnace Slag	14,026.32	1.18	15,861.11	1.15
Clinker	72,385.13	14.75	37,015.83	8.61
Portland Slag Cement	46,418.10	11.67	6,0147.69	18.86
Ordinary Portland Cement	7,732.19	2.05	16,956.87	5.18
Others		1.68	-	4.16

ii) Consumption of Materials:

Description	UOM	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
		Quantity	₹ crore	Quantity	₹ crore
Slag	MT	2,602,483.29	49.67	1,607,159.79	20.21
Limestone	MT	1,360,895.24	28.88	1,681,758.29	23.57
OPC	MT	238,601.00	37.75	19,264.36	9.00
Laterite, iron ore and additives	MT	78,715.58	14.47	118,727.78	20.58
Clinker	MT	141,709.87	47.70	21,091.28	7.01
Coal	MT	122,215.71	81.49	163,525.00	113.93
Gypsum	MT	52,775.10	10.68	55,156.71	13.83
Furnace Oil	KL	55.01	0.16	-	-
LDO/HSD	Litres	1,541,935.64	6.06	73,611.00	0.45
Total			276.85		208.58

Note: Includes captive consumption of Cement ₹ 3.69 crore (Previous year ₹ 0.61 crore)

NOTES TO FINANCIAL STATEMENTS

iii) Value of consumption of imported and indigenously obtained raw materials and stores and spares and the percentage of each to total consumption:

Description	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
	₹ crore	% of Total Value	₹ crore	% of Total Value
Raw Materials				
Indigenous	170.58	86.15%	92.83	93.66%
Imported	27.43	13.85%	6.28	6.34%
Total	198.01	100%	99.11	100%
Stores and Spares				
Indigenous	24.10	95.56%	13.97	97.56%
Imported	1.12	4.44%	0.35	2.44%
Total	25.22	100%	14.32	100%

o) Expenditure/ Earning in foreign currency:

i) Value of Imports (on CIF Basis):

(₹ crore)

Description	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Capital goods	6.37	-
Raw Materials and Fuel	101.34	114.91

ii) Expenditure in foreign currency:

(₹ crore)

Description	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Import of components and spare parts	5.60	5.71
Consultancy	0.03	-
Import Advances	10.49	0.08
Travelling Expenses	-	0.05
Interest	0.37	1.52
Freight/ Dispatch/ Demurrage	3.52	-

iii) Earning in Foreign currency:

(₹ crore)

Description	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Export of goods on FOB	2.21	0.18
Others – Dispatch on Coal import	-	0.01

NOTES TO **FINANCIAL STATEMENTS**

p) Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

(₹ crore)

Sr. No.	Particulars	As on 31st March, 2016	As on 31st March, 2015
1	Principal amount due outstanding as at 31st March	0.20	0.67
2	Interest due on (1) above and unpaid as at 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

q) Previous year figures have also been reclassified/regrouped, wherever necessary, to conform to current year's classification.

For and on behalf of the Board of Directors

Anilkumar Pillai
Director & CEO

Pankaj Kulkarni
Director

Place: Mumbai
Date : 22nd April, 2016

Rahul Dubey
Company Secretary

Narinder Singh Kahlon
Chief Financial Officer



Regd. Office: JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai 400 051

ATTENDANCE SLIP

Regd. Folio No.

**DP ID.

**Client ID

TENTH ANNUAL GENERAL MEETING

I certify that I am a shareholder/proxy for the shareholder of the Company.

I hereby record my presence at the **Tenth Annual General Meeting** of the Company held on Wednesday, September 28, 2016 at 3.00 p.m. at JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai 400 051.

* Shareholder's/Proxy's Name in Block Letters

*Shareholder's/Proxy's Signature

Notes:

1. Shareholder/Proxy must bring the Attendance slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The copy of the Notice may please be brought to the Meeting Hall.

*** Strike out whichever is not applicable**

..... (Tear Here)



Regd. Office: JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai 400 051

PROXY FORM

Regd. Folio No.

**DP ID.

**Client ID

TENTH ANNUAL GENERAL MEETING

I/We _____

of _____

being a shareholder/shareholders of JSW Cement Limited, hereby appoint _____ of _____

or failing him/her _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the **Tenth Annual General Meeting** of the Company to be held on Wednesday, September 28, 2016 at 3.00 p.m. at JSW Centre, Bandra-Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai 400 051 and at any adjournment thereof.

Signed this day of 2016

Affix
Revenue
Stamp

Notes:

1. Proxy need not be a shareholder
2. Proxy form, complete in all respects, should reach the Company's Registered Office at JSW Centre, Bandra Kurla Complex, Opp. MMRDA Ground, Bandra East, Mumbai 400 051, not less than 48 hours before the scheduled time of the meeting.

Signature _____

** Applicable only in case of investors holding shares in Electronic form.



If undelivered please return to

JSW Cement Limited
JSW Centre,
Bandra Kurla Complex,
Opp. MMRDA Ground,
Bandra (East), Mumbai - 400 051
Tel.: 022 - 4286 1000
Fax: 022 - 2650 2001
Website: www.jswcement.in
CIN No: U26957MH2006PLC160839

