

**START STRONG.
GROW STRONGER.**

OUR SOURCE OF INSPIRATION OUR PILLAR OF STRENGTH



Shri O.P. Jindal | 7th August, 1930 - 31st March, 2005
Founder and Visionary, O. P. Jindal Group

A visionary with impeccable business excellence,
who envisioned the dream of a self-reliant India.

His journey from humble beginnings to being amongst the
most successful self-made industrialists of his times.

A philanthropist and a social change maker,
will continue to be a source of inspiration for generations to come.

We are committed to keep his legacy alive and carrying it forward to newer heights.

START STRONG. GROW STRONGER.

The USD 12 billion conglomerate, JSW, a part of the O.P. Jindal Group, is a market leader in several of India's core economy sectors. Having a substantial presence across steel, energy, infrastructure and cement, since its inception, the group has witnessed exponential growth in the last three decades. Founded in 2009 and one of the group's most recent successes, JSW Cement began with a vision to ensure a sustainable future for the country by producing eco-friendly cement, using industrial by-products such as slag.

JSW Cement's plants at Vijayanagar in Karnataka, Nandyal in Andhra Pradesh and Dolvi in Maharashtra utilize slag from JSW Steel plants to produce green cement. By converting industrial by-products into something useful, the company has helped in significantly reducing the carbon footprint of the group. The JSW Cement model not only ensures optimal utilization of resources but also saves India's ecological risk of industrial by-product dumping. The company produces Portland Slag Cement and Ground Granulated Blast-furnace Slag. With key markets in Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Maharashtra, Goa, and a planned entry into Eastern India very soon, JSW Cement delivers high-quality products to retail consumers and several large prestigious infrastructure projects in all parts of the country.

₹1,413 crores

Net Turnover

₹400 crores

EBITDA

Forward-looking statements

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.

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MESSAGE FROM CHAIRMAN'S DESK



Our operating performance was equally excellent and despite being new in the business, our EBITDA grew to ₹400 crores, which is a feat to celebrate.

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company in 2016-17. I am happy to share that FY 2016-17 has been the best year for us, in spite of the challenging headwinds faced by the economy. We were successful in recording business growth to the volume of 4.27 mtpa. Our operating performance was equally excellent and despite being new in the business, our EBITDA grew to ₹400 crores, which is a feat to celebrate. We were able to achieve this as a result of an effective strategic framework we put in place which helped in strengthening the core, creating the portfolio of the future, managing costs and investing in people and process capability ahead of the growth curve.

At the global level, it was yet another difficult year for the economy due to subdued growth and geopolitical uncertainties. Financial Year 2016-17 was an eventful year with Brexit, Donald Trump's victory in the US Presidential Elections, demonetisation of the Indian currency and results of the largest state elections in the country. In India, rural demand continued to be sluggish in the early part of the year on the back of two consecutive poor monsoons. The overall market was recovering by the latter half of the year, but faced a temporary slowdown due to demonetisation. Even as the world economy slows, India continues to deliver a standout performance and emerged as the strongest among the G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017.

Indian economy has sustained a macroeconomic environment of relatively lower inflation, fiscal discipline and a moderate current account deficit coupled with broadly stable rupee-dollar exchange rate. The government has made significant progress on important economic reforms to support strong and sustainable growth. The long-awaited implementation of the Goods and Services Tax (GST) will enhance the efficiency of production and movement of goods and services across Indian states. During the year, demonetisation resulted in lesser returns on business, but in the long-term it will prove to be beneficial. It would also help to reduce the fiscal deficit, enhance bank liquidity and promote greater financial inclusion.

Eastern India is a big market for the cement industry, and we will be establishing the biggest cement capacity at Salboni in West Bengal, with 2.4 mtpa manufacturing capacity.

2016-17 has been a tremendous year of growth and expansion for your Company. Your company acquired Shiva Cement, a listed company based in Rourkela, Odisha. We are also making our debut in the international market with plan to set up our first clinkerisation unit at Fujairah in UAE. At Fujairah, clinker would be manufactured for exporting to India, thereby ensuring raw material security. Your Company is increasingly investing towards capacity expansion. Eastern India is a big market for the cement industry, and we will be establishing the biggest cement capacity at Salboni in West Bengal, with 2.4 mtpa manufacturing capacity. Launching in West Bengal will give us a wide platform to showcase our eco-friendly products across the biggest markets in the east zone. Similarly, your Company is revamping the Vijayanagar unit in Karnataka and increasing its capacity to 3.2 mtpa from 0.8 mtpa.

JSW Cement is committed towards increasing its capacity to 20 mtpa in the coming years. Your Company is also committed towards uplifting the living conditions of people of the country, along with the betterment of the environment. Our corporate social responsibility department does a splendid job in making sure that areas around our units get clean drinking water, sanitation, greener areas and have a good living condition. The teams also ensure that no child is deprived of education and to facilitate higher education your company have sponsorship programmes as well. Your company also believe in giving women the power of earning and hence, conduct training sessions on sewing, mirror works, wire works and much more. Your Company also invests in healthcare services, rural development and is aligned to the governments mission of Swachh Bharat Abhiyan.

JSW Cement is committed towards increasing its capacity to 20 mtpa in the coming years.

Our vision for the future is to continue to strive hard to fulfil JSW Cement's mission of being the global leader in the cement sector and aims to make India an infrastructural force to reckon with. We will continue to work with our stakeholders to propel strong yet sustainable growth.

Finally, I would like to thank your Company's employees, partners and all other stakeholders for their consistent commitment, engagement, support and encouragement in our journey. I want to express my gratitude for your continued trust and support and for being an important part in our journey.

Regards,
Nirmal Kumar Jain
Chairman

MESSAGE FROM MANAGING DIRECTOR'S DESK

Dear Shareholders,

It gives me great pleasure to share with you JSW Cement's operational performance in FY 2016-17. I am delighted to say that this year your Company recorded its highest ever production, sales, consolidated EBITDA and profit after tax. We are less than a decade old in the Indian cement industry and yet in our constant pursuit of excellence, I am proud to say that we have come a long way in emerging as one of India's leading manufacturers of eco-friendly 'green cement'.

A Good Year Gone By

Your company reported our all-time best results this year. Our production volumes grew by 18% and our consolidated sales grew by 17%, with cement growing at 11% and Ground Granulated Blast Furnace Slag (GGBS) growing at over 28%.

Your Company's EBITDA improved by 29% year-on-year from ₹309 crores in FY16 to ₹400 crores in FY17. This was possible due to a host of factors including a boost in our sales, reduction in production costs, useful changes in our product mix and better net sales realisations. Our gross revenue and net revenue stood at ₹1,584 crores and ₹1,413 crores, respectively, registering a healthy growth of 10% and 11%, respectively, on a year-on-year basis. Our profit after tax numbers also increased by 30%, reaching ₹116 crores as compared to ₹89 crores last year.

Your Company successfully launched an innovative new green cement across markets – Concreel HD. Concreel HD has been specially designed for all concrete based construction requirements and provides exceptional early and final strength along with quick setting, thus making it ideal for strength bearing applications such as beams, columns, slabs and foundations. In many markets we have been able to position and price it at par with several 'A category' cement brands.

Although production and sales concerns continued to plague the cement industry in the Southern States of India, your Company was still able to do well in challenging markets due to excellent market acceptance of our GGBS as a product. In this region, your Company's sales grew by a noteworthy 18% as compared to the previous year.



Our production volumes grew by 18% and our consolidated sales grew by 17%, with cement growing at 11% and Ground Granulated Blast Furnace Slag (GGBS) growing at over 28%.

Capacity Building

We dedicated significant time and resources in the year gone by in capacity building and strengthening JSW Cement's market position. We made investments worth ₹651 crores to increase our footprint across Southern and Eastern India and also to expand our product portfolio. On the organic growth side, our brownfield expansion project at Vijaynagar, Karnataka to increase capacity from 0.8 mtpa to 3.2 mtpa is part completed and this project is expected to be completed very soon. Further, we made important progress on our greenfield expansion with our 2.4 mtpa capacity project also nearing completion at Salboni in West Bengal. Other than these projects, an additional capacity of 1.2 mtpa is also expected to be generated at our Dolvi plant in Maharashtra during the upcoming financial year.

On the inorganic expansion side, we acquired Shiva Cement Ltd., a BSE listed company based in Rourkela, Odisha. Shiva is now our only location other than Nandyal, Andhra Pradesh where we have our own limestone mines. Shiva and Salboni mark our foray into the Eastern India market and will serve as crucial business units in our Company's growth trajectory. With these expansions, our total installed capacity will stand at 8.0 mtpa, a significant growth of over 33% from last financial year.

Efforts to Strengthen Our Internal Processes and Vision 2020

As your Company matures, I believe our highest potential lies in us believing that we are all part owners of what we create. Our finance and strategy teams have worked to grant employees shares in JSW Cement in the form of employee stock options ('ESOPs'). These ESOPs demonstrate and acknowledge employee efforts to develop and build your Company and will one day ripen for those who stay with the Company until we list our shares publicly.

World over technology is making advancements and IT systems are being leveraged by organisations as enablers for augmented growth. While our Company expands, it is crucial that we leverage technology not only to manage growth, but also to achieve efficiencies across all our business processes. In the recent months we have started several key initiatives for IT enablement such as sales force automation, dealer portal, discount automation, e-Note for Approval, e-Auction, and online Daily Production Report to name a few. We are also starting new activities such as end-to-end logistics management, business intelligence, employee collaboration portal and supplier portal. These steps will allow our customers and suppliers to engage with us more effectively and improve their experience with your Company.

As we continue to grow and expand, our goal remains to be a leading cement player in India in terms of EBITDA per tonne numbers. All our efforts remain focussed toward designing and implementing effective tools and strategies to achieve our quarterly and annual production and sales targets. Our vision is to increase our capacity to 20 mtpa in the near future and be a key player in three out of the five

sales zones in India, namely South, East and West. With this plan in mind, we hope to achieve financial, production and sales stability to list publicly in the coming years. Thereafter, we plan further organic and inorganic growth to take us to 30 mtpa and then to 50 mtpa and beyond.

Outlook for the Next Year

FY 2017-18 will be a crucial year for your Company and we have set aggressive targets for each quarter. Our Business Plan envisages substantial growth in both our products, i.e. PSC and GGBS. Looking ahead, with the completion of our Salboni project in Bengal by mid 2017, Eastern India becomes one of our most crucial markets where we will be challenged to provide our best products and services from the day we begin. In other geographies, we will continue to increase our market shares with expected growth in both cement and GGBS sales. In FY18 one of our most important initiatives will also be to increase our cement prices such that we can make positive inroads to make JSW Cement an A category player across important markets.

At JSW Cement, sustainable value-creation is the cornerstone of our strategy. The Indian Government's continued focus on public infrastructure, manufacturing and rural development is expected to lead to an increased momentum in investment in the cement sector. To meet this growing demand, we are deepening our network penetration to cater to expanding urban and rural markets. Adequate measures are being taken for promoting our brand through advertisements. We have also designed attractive incentive schemes to keep our dealer community energised, motivated and committed to providing us support as we continue to expand.

I am confident that our efforts will translate into great success in the year to come. As we strive to grow from strength to strength, I am grateful to all our team members and other stakeholders for their tireless efforts in making JSW Cement a leading Indian cement company.

I look forward to an exciting year ahead.

Sincerely,
Parth Jindal
 Managing Director

BOARD OF DIRECTORS



Mr. Nirmal Kumar Jain
Chairman



Mr. Parth Jindal
Managing Director



Mr. Kantilal Naraindas Patel
Non-Executive Director



Mr. Biswadip Gupta
Non-Executive Director



Mr. Pankaj Rajabhau Kulkarni
Non-Executive Director



Mr. Jugal Kishore Tandon
Independent Director



Mr. Jai Prakash Narain Lal
Independent Director



Ms. Sutapa Banerjee
Independent Director

AWARDS AND RECOGNITIONS



National Energy Conservation Award, 2016

Bureau of Energy Efficiency, Ministry of Power, Government of India awarded Nandyal unit for its outstanding performance in energy conservation during the year 2015-16.



Greentech Safety Gold Award

Nandyal unit awarded for its outstanding performance in safety management during 2016.



'The Best Enterprise Award' at Europe Business Assembly

Europe Business Assembly is an international organisation working towards promoting collaboration, innovation and development for business and education worldwide. They conferred JSW Cement with the award in Germany for its initiatives towards society and education.



Excellent Energy Efficient Unit

Under '17th National Award for Excellence in Energy Management 2016', instituted by Confederation of Indian Industries (CII), Nandyal unit was conferred with the award for its outstanding performance in energy conservation and energy management during the year 2015-16.

INTRODUCING JSW CEMENT LIMITED



AT A GLANCE

JSW Cement began its journey in 2009 and today is India's largest manufacturer of Portland Slag Cement (PSC) - an environment friendly and globally popular variant of blended cement.

We started operations producing Portland Slag Cement (PSC) and Ground Granulated Blast Furnace Slag (GGBS) and have expanded our product portfolio to include Ordinary Portland Cement (OPC) and Concreel HD.

Backed by a strong distribution network of over 2,000 dealers, 100+ warehouses and manufacturing facilities across Andhra Pradesh, Karnataka, Maharashtra and Odisha, we are well equipped to cater to the key markets of eastern, western and southern India.

In a short span of time we have become India's largest manufacturer of green cement and have been recognised for our energy efficient systems and processes.

We are expanding our footprint in the national and international markets and aim to grow our capacities rapidly in the coming years.

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.

JSW Cement plans to become a global leader in the cement sector and aims to make India an infrastructural force to reckon with. It is committed to its vision and values.

FACTS AND FIGURES**PSC**

Production	Sales
2016-17	2016-17
2.36 mtpa	2.35 mtpa

2015-16	2015-16
2.24 mtpa	2.23 mtpa

GGBS

Production	Sales
2016-17	2016-17
1.76 mtpa	1.76 mtpa

2015-16	2015-16
1.38 mtpa	1.38 mtpa

OPC

Production	Sales
2016-17	2016-17
0.13 mtpa	0.11 mtpa

2015-16	2015-16
0.04 mtpa	0.04 mtpa

Concreel HD

Production	Sales
2016-17	2016-17
0.07 mtpa	0.05 mtpa

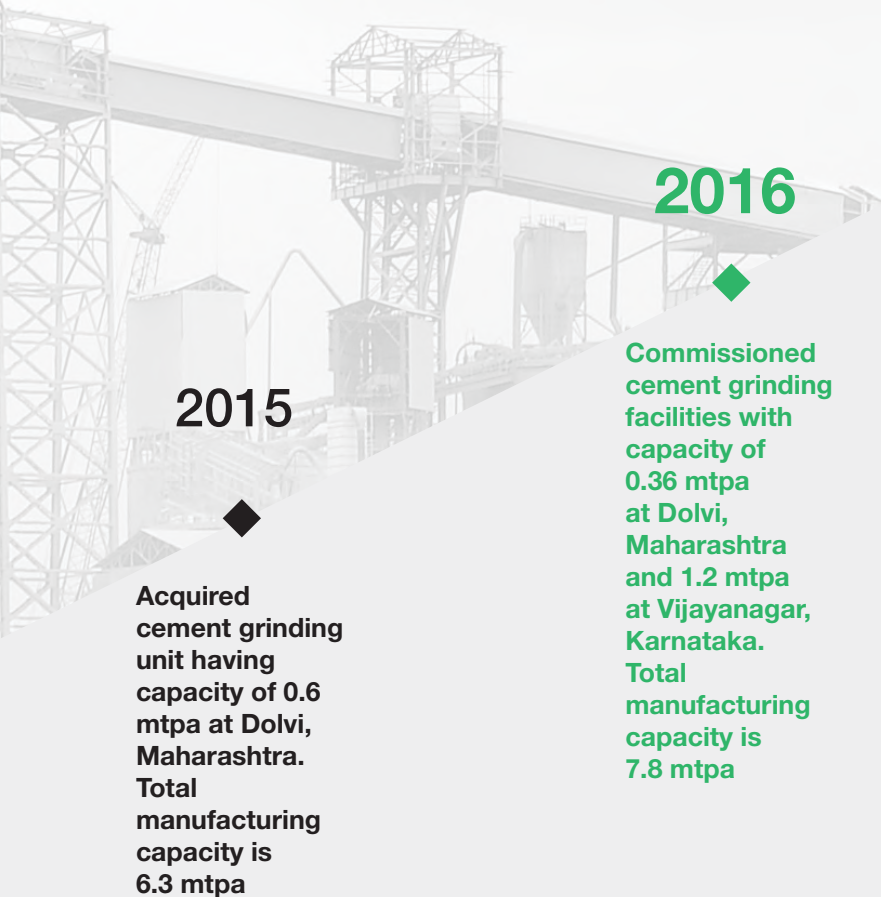
LANDMARK YEARS

2006
Incorporated

2009
Vijayanagar, Karnataka unit commissioned with a manufacturing capacity of 0.8 mtpa

2012
Nandyal, Andhra Pradesh unit commissioned with a manufacturing capacity of 4.8 mtpa. Total manufacturing capacity is 5.6 mtpa

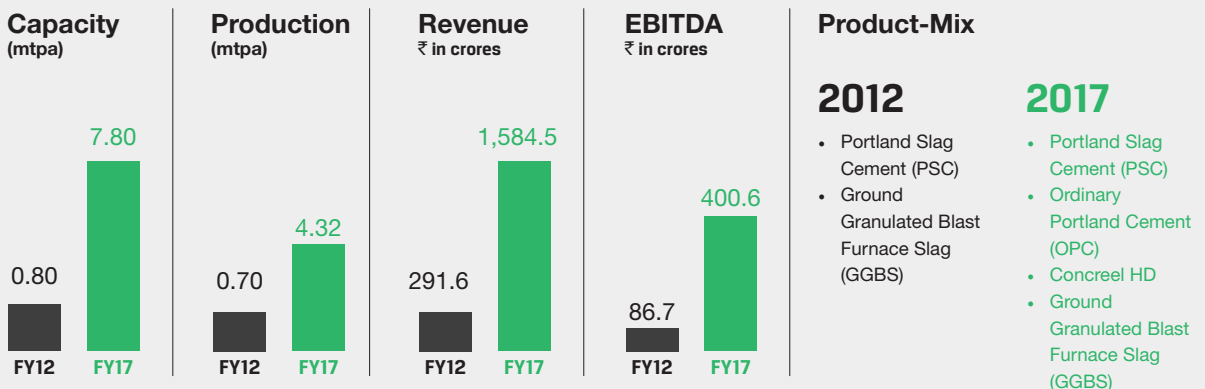
2014
Dolvi, Maharashtra facility acquired and commissioned having capacity of 0.06 mtpa. Total manufacturing capacity is 5.7 mtpa



2017

Acquired Shiva Cement Ltd., a Listed Company having clinkerisation capacity of 0.10 mtpa and cement grinding capacity of 0.20 mtpa. Total manufacturing capacity is 8.0 mtpa

Evolution from FY 2012 to FY 2017



PRODUCT PORTFOLIO

JSW Cement is the leading manufacturer of 'green cement', enhancing pollution management capabilities along with natural resource conservation.

Portland Slag Cement (PSC)

The most suitable cement for infrastructure projects due to its high-flexural strength and low-risk of cracking. It is a blended, non-metallic cement with improved workability and superior finish.



Additional Features:

- Provides ultimate compressive strength
- Provides excellent resistance to Chloride and Sulphate attacks
- Offers better compatibility with all types of admixtures
- Provides ease of pumping
- Offers better resistance against alkali-silica reaction

Concreel HD - One Cement Six Strengths

This is the next generation cement specially designed for concrete based construction requirements. Concreel HD provides high early and high long-term strength along with quick setting, thus making it ideal for strength bearing applications such as beams, columns, slabs, and foundations.



Additional Features:

- Being a green product, it aids conservation of natural resources, reduction of carbon dioxide emission by 35%, and reduction in energy usage (fuel and electricity)
- Provides improved protection from chemicals and water, increasing structure life
- Being chemical resistant, it provides protection from corrosion
- Provides superior cohesion resulting in minimum water requirement and lesser bleeding of concrete

Ordinary Portland Cement (OPC)

OPC is most common cement used in general concrete construction works. JSW cement is manufacturing high quality Ordinary Portland cement conforming to IS:269-2015.



Additional Features:

- This can be used wherever very high early strength and fast setting is required. Along with this OPC, mineral admixtures such as flyash and GGBS can be blended at site or batching plant, for enhanced properties and improved concrete performance.
- The OPC can be used for following applications:
 - General Civil Engineering construction work
 - RCC works
 - Pre-cast items such as blocks, tiles, pipes etc
 - Asbestos products such as sheets and pipes

Ground Granulated Blast Furnace Slag (GGBS)

A unique supplementary cementitious material designed for concrete construction requiring high durability from sulphates, chlorides, carbonation etc., provides longer strength and durability, due to both hydraulic and pozzolanic reaction.



Additional Features:

- Concrete made with GGBS has better particle packing due to particle shape and improved hydration
- Reduced heat of hydration resulting into reduced likelihood of thermal cracking
- Long-term strength development with time
- Contributes towards sustainable concrete construction

OUR PROJECTS

Approval secured from government bodies and major projects for PSC and GGBS

Karnataka

- Bengaluru Metro Rail Corporation
- Brihat Bengaluru Mahanagar Palika
- Bengaluru Water Supply and Sewage Board
- BIOCON
- Confederation of Real Estate Developer's Associations of India (CREDAI)
- Hubli Dharwad Municipal Corporation
- Slum Clearance Board
- National Highways Authority of India (NHA) Projects

Tamil Nadu

- Tamil Nadu Water and Drainage Board
- Tamil Nadu Police Board
- Irrigation Department
- Tamil Nadu Cement Corporation
- National Thermal Power Corporation
- Chennai Port Trust
- Tamil Nadu Minerals Ltd.

Maharashtra

- Mumbai Municipal Corporation
- Mumbai Metro Rail Corporation - LINE 3
- Mumbai Port Trust
- Mumbai Metropolitan Region Development Authority (MMRDA) – Mumbai Metro Rail

Kerala

- Kochi Metro Rail Corporation Ltd.
- Kerala Industrial and Technical Consultancy Organisation Ltd.
- Public Works Department (PWD) - Kerala

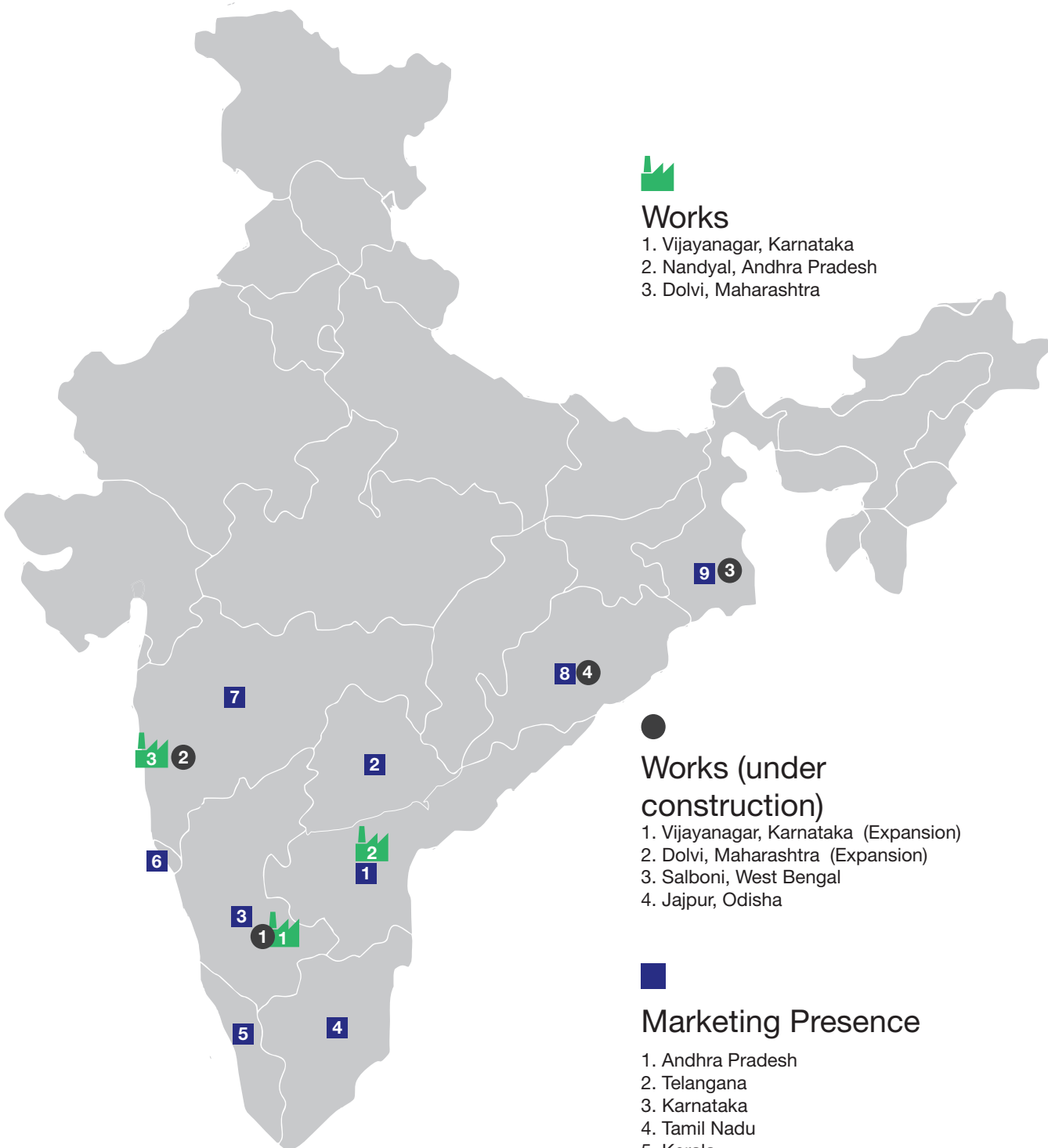
Andhra Pradesh

- AP Power Generation Company Limited (AP GENCO)
- AP Housing
- Irrigation Department

Telangana

- Telangana Police Housing Corporation
- Panchayat Raj Department, Govt. of Telangana
- Irrigation Department

OUR PRESENCE



Works

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



Works (under construction)

- 1. Vijayanagar, Karnataka (Expansion)
- 2. Dolvi, Maharashtra (Expansion)
- 3. Salboni, West Bengal
- 4. Jajpur, Odisha



Marketing Presence

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

Map not to scale

MANUFACTURING CAPABILITIES



Vijayanagar, Karnataka

- In FY 2016-17 the capacity of the grinding unit was expanded from 0.8 mtpa to 2.0 mtpa. Low logistics cost and increased profitability were the key factors resulting in expansion, along with increase in share price of GGBS in Karnataka as a state
- The unit produces both Portland Slag Cement (PSC) and Ground Granulated Blast Furnace Slag (GGBS)
- An eco-friendly campus, majorly covered by trees and plants
- The unit is well connected by rail and has automated rail loading facility
- The unit is well-equipped to augment its market presence in Karnataka, Goa and Kerala



Nandyal, Andhra Pradesh

- First state-of-the-art technology cement plant in India with Combi-Complex technology and multiple systems for controlling air and dust pollution
- Produces Portland Slag Cement (PSC), Ground Granulated Blast Furnace Slag (GGBS) and Ordinary Portland Cement (OPC)
- The unit has unique automatic packing and truck loading system helping in reducing air pollution
- The unit consumes lesser amount of limestone as compared to conventional cement plants
- The unit utilises slag as a raw material and is strong on water conservation



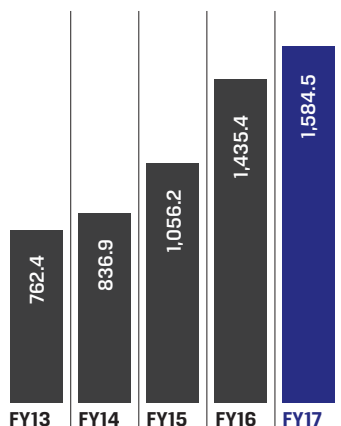
Dolvi, Maharashtra

- Dolvi Works is a highly efficient facility with a production capacity of 1.0 mtpa
- The unit manufactures Portland Slag Cement (PSC) and Ground Granulated Blast Furnace Slag (GGBS)
- The unit is located on the west-coast of India and is well-connected by road, rail, and water-ways
- The unit concentrates on customer satisfaction, timely delivery, superior quality and consistency

KEY PERFORMANCE INDICATORS

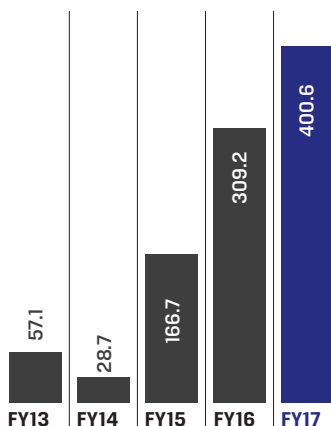
Gross Revenue ₹ in crores

5-years CAGR **53%**



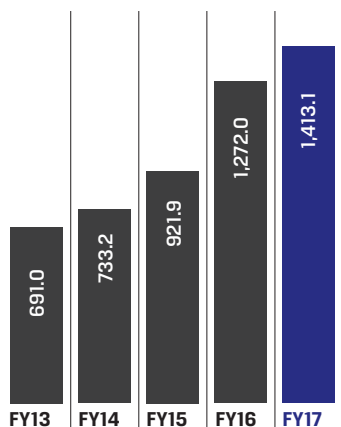
EBITDA ₹ in crores

5-years CAGR **39%**



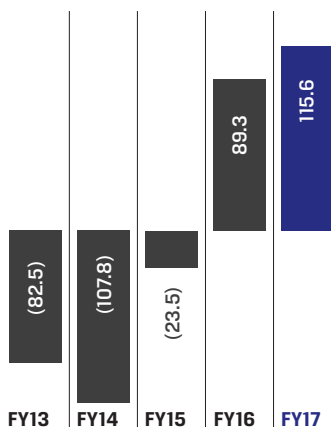
Net Revenue ₹ in crores

5-years CAGR **51%**



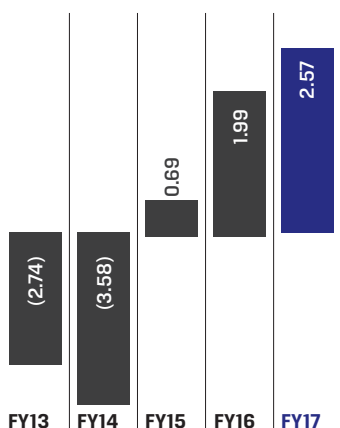
Profit After Tax (PAT) ₹ in crores

5-years CAGR **26%**

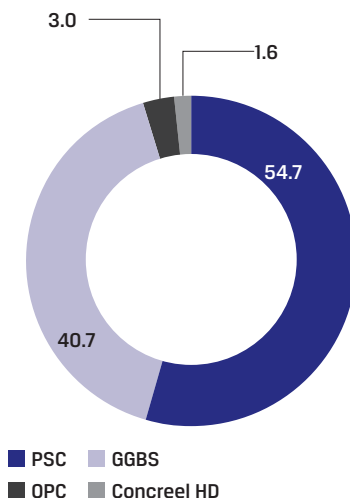


Earnings per Share ₹

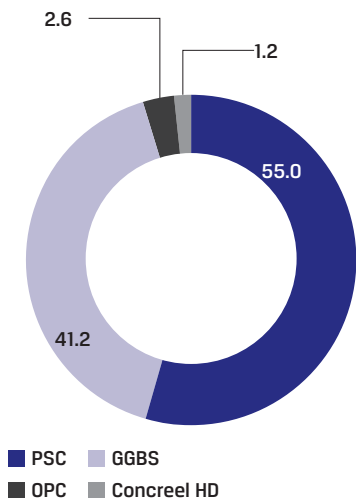
5-years CAGR **11%**



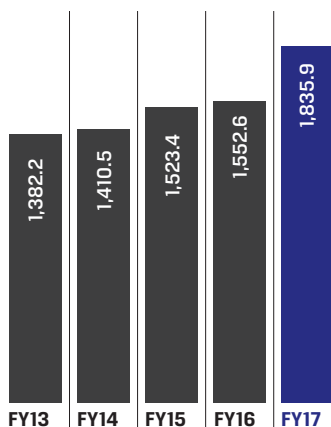
Production %



Sales Turnover by Product %



Gross Block ₹ in crores



10.57%

Increase in overall cement sales volume

27.54%

Increase in GGBS sales volume

CORPORATE INITIATIVES

FY 2016-17 has been an eventful year packed with activities, events and exhibitions. With business expansion on our minds, we went out to bond and connect with people, influencers, dealers and potential JSW Cement loyalists. The collaborations and associations we worked upon in this year has been a stepping stone towards our motto of creating a sustainable nation.

Earth Friendly Concrete (EFC)

JSW Cement, in collaboration with Wagner's Group of Australia, promoted the concept and usage of Earth Friendly Concrete (EFC) and its allied products in India. EFC is an environment-friendly, CEMENT FREE concrete with unique value proposition that utilises industrial by-products. Focusing on resource conservation, energy savings and durable products with highest level of sustainability, JSW Cement seeks to introduce EFC products in its product portfolio, for the Indian Market, over the next year, post regulatory requirements.

Digitisation - SFDC (Sales Force Dotcom)

We have adopted digitisation with Sales Force Dotcom (SFDC), our new portal for internal workforces and dealers. SFDC was launched in February 2017 to simplify and improve the overall functioning, empowering the sales and technical team with real-time data, dealer information, market potential, outstanding payments, credit limits and much more. It also allows dealers to review and improve their performance along with being updated on products, offers, engagement programmes.

Annual Dealer Conference 2016

To strengthen the bond with our dealers, we continued with our new ritual of conducting Annual Dealer Conference. The 2nd Annual Dealer Conference was a successful event with over 300 dealers, plus more than 100 potential dealers in attendance. The conference, held in Thailand, served as a platform to share information on the Company's policies and latest developments.



JSW Cement Heroes Club – Influencer Connect Initiative

The JSW Cement Heroes Club is an influencer connect initiative launched to reward loyal customers and influencers. The loyalty programme allows masons/engineers to collect points for every bag of JSW Cement they recommend which can be redeemed for gifts.

Divided into categories, namely, Heroes Club Premier – (for Masons and Contractors) and Heroes Club Elite (for engineers), this initiative has been highly appreciated by both internal and external stakeholders.





Brand Awareness Initiatives

We believe in actively participating in activities which give us a platform to showcase our brand value, connect with people and build our network of dealers, influencers, workforce etc. In FY 2016-17, we were present at various events, exhibitions and conferences to increase our brand awareness:

- IIA Cochin Centre: Living Monsoon Design Talk
- My City My Way at The Oxford, Bengaluru for Architects
- Hubli – Vijayavani Property and Interior Expo
- MCHI – Confederation of Real Estate Developer's Associations of India (CREDAI) BIZNET 2016, Mumbai
- Confederation of Real Estate Developer's Associations of India (CREDAI) Property Show – Kurnool and Tirupathi
- Wecan – 'Women Engineers' Conference and Network' Bengaluru
- ICI Seminar – Bengaluru
- Momentum Jharkhand
- Make in Odisha
- MET Expo 2016, Mumbai
- The Big 5 Construct India, Mumbai
- IA&B – Architecture and City Conference, Bengaluru
- IGBC Conference – 2016, Mumbai
- Ace Tech Exhibition – Mumbai and Bengaluru
- Concrete Show – Mumbai
- Mathrubhumi Mastercraft – Architect of the Year Award



CORPORATE SOCIAL RESPONSIBILITY

We are passionate about our community initiatives, which help us achieve our objective of enhancing social engagement. We undertake initiatives to promote healthcare, education and social upliftment across our operating areas. The Company spent ₹252.26 lakhs on various CSR initiatives during the financial year 2016-17.



Improving Living Conditions

JSW Cement is not only concerned about uplifting the living conditions of our workforce, but we also take care of the people living in and around our plants. Last year, the Company spent ₹45.37 lakhs towards the cause.

186 mobile and special health camps were installed across 12 villages, benefitting 12,503 villagers. Under our Mother and Child programme, we engaged the services of gynaecologists, lab technicians and staff nurses for check-ups and other healthcare services. We are happy that we could help 15,000 women and children get a healthy living. We also conducted HIV AIDS prevention programme for the truckers, in association with Boruka Charitable Trust.



Personal hygiene, sanitation and clean-living camps were organised in Direct Influence Zone (DIZ) villages. The Company also works towards providing safe and clean drinking water and has two RO water plants, in Bilakalagudur and Bujunur, respectively.

Promoting Social Development

We believe in the power of education and are committed towards providing early and higher education opportunities along with a healthy living to children. In FY 2016-17, the Company spent ₹109.34 lakhs for promoting social development and education.



Encouraging education, the Company gave 82 bicycles to girl students pursuing secondary education. We also provided scholarships to 69 merit students from four high schools and four primary schools for promoting secondary education, and to reduce dropout rate in upper primary and primary sections. Computer aided learning centres, digital classes, free note-books, uniforms and other study materials were provided to children across villages.

Our mid-day meal programmes have also benefitted students. We supplemented Government mid-day meal programme for 1,957 students in 19 schools by providing eggs thrice a week.

We have also ensured regular health check-ups for children of all age groups. Organised eye and dental screening camps at government schools to spread awareness on eye disorders/refractive errors and to maintain dental hygiene. In the last year, we gave spectacles to 27 students.

Promoting personal hygiene for girls, the Company provided sanitary napkins to 271 girl students between XIIth and Xth standard. Further, promoting menstrual hygiene, incinerators were installed at schools for safe disposal of sanitary napkins.

Similarly, awareness camps were created for rural women about personal/menstrual hygiene and were given sanitary napkins. The Company also established tailoring centres in Bilakalagudur, Bujunur and Gadivemula where 63 women are availing training on stitching of clothes, saree painting, wire works and mirror works. 23 women were trained on phenyl and acid making.



Addressing Environmental Issues

Creating a greener, cleaner and healthier environment is a mission of the Company and the Company spent ₹11.30 lakhs towards addressing social inequalities. Over 500 trees were planted in Direct Influence Zone villages. We also installed 40 solar street lights in these villages.

Rural Development

The Company spent ₹26.90 lakhs for road and rural development in villages. Laid Regadagudur Road and Vadala Road at Bilakalagudur and internal Road at Peddapadu village benefitting approximately 5,000 and 2,000 people, respectively.

The Company also undertook the onus of elevating hygiene and sanitation factors in the villages. 400 individual household toilets were constructed in DIZ villages, in association with government Rural Water Supply and Sanitation (RWS) department along with two toilet blocks at Govt. Girls Jr. College in Nandyal. The Company also engaged services of scavengers at 38 government schools of Gadivemula mandal for cleanliness of toilet blocks at schools.

Cleaning of roads, streets and surrounding areas were also done at Bilakalagudur and Bujunur. The Company spent ₹3.55 lakhs towards betterment of other administrative and capacity building activities.



MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Status and Performance

JSW Cement at its plants at Vijayanagar (Karnataka), Nandyal (Andhra Pradesh) and Dolvi (Maharashtra) produces two product lines – three varieties of Cement i.e. Portland Slag Cement (PSC), Ordinary Portland Cement (OPC) and Concreel HD, and Ground Granulated Blast Furnace Slag (GGBS). JSW Cement utilises slag from JSW Steel's plants to produce green cement and GGBS. GGBS is used in concrete industry as mineral admixture.

JSW Cement's flagship plant in Nandyal uses world-class technology (including the advanced Combi Finish Mode Roller Press Circuit and automated loading system) to manufacture cement. It also won prestigious awards for its energy-saving processes. With key markets in Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Maharashtra, Orissa and Goa. JSW Cement has been delivering high-quality products to several prestigious and large infrastructural projects in the southern and western regions of the country.

The Company's current production capacity is 7.8 mtpa. Commissioning of another 1.2 mtpa capacity is under progress at Vijayanagar plant and is expected to be achieved by August, 2017. Greenfield expansion with 2.4 mtpa capacity is under progress at Salboni and will be completed in FY 2018. Additional capacity of 1.2 mtpa is expected to come up at Dolvi Plant during FY 2018 work on which is under progress. The Company has made a strategic investment in Shiva Cement Limited, a listed entity, during the year. This acquisition in Odisha will increase the footprint of the Company in the fastest growing cement market in Eastern parts of the country apart from giving access to quality limestone deposit.

The Company has further plans to add 1.2 mtpa grinding capacity at Jajpur, Odisha. Blast furnace slag from nearby steel plants as well as flyash from Jindal

Stainless steel's plant will be sourced for manufacture of PSC and PPC at Jajpur. The Company also has plans to set up a Clinker manufacturing facility at Fujairah, UAE. The clinker from Fujairah will be imported into India to meet the clinker requirements of Dolvi plant primarily.

The main thrust of the Company is to produce Green Cement, i.e. Portland Slag Cement (PSC) which is engineered for strength and durability. By converting industrial by-product (Blast furnace slag) into a useful product, it has reduced the carbon footprint of the Group.

2. Global Economy

As per the World Economic Outlook (WEO) report, global economy is expected to rise from 3.1% in 2016 to 3.5% in 2017 to 3.6% in 2018. This year, economic activity in advanced economies eased moderately compared to the previous year, with sluggish performance by the US, it being the major contributor. Meanwhile, emerging economies performed relatively better. With world GDP growing by 7% y-o-y in the quarter ended December 2016, India emerged as the strongest among the G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017.

The world economy gained speed in the fourth quarter of 2016 and the momentum is expected to persist. Activity is projected to pick up markedly in emerging market and developing economies, at a healthy 4.5% in 2017, with the major support coming from recovery in Russia and Brazil, coupled with resilient India and to some extent China. In advanced economies, the pick up is primarily driven by higher projected growth in the United States, where activity was held back in 2016 by inventory adjustment and weak investment.

Japan recovered during the first quarter of this year, against the backdrop of strong exports and investments related to the Tokyo 2020 Olympics. Meanwhile, decline in unemployment and improving dynamics of factory output suggests Euro area is also gaining momentum. Overall, growth in advanced economies is projected to come in at 2% in 2017. Nonetheless, rising protectionist policies, oil price dynamics, geopolitical tensions represent the downside risks to growth outlook.

Since the U.S. election, expectations of looser fiscal policy in the United States have contributed to

This acquisition in Odisha will increase the footprint of the Company in the fastest growing cement market in Eastern parts of the country apart from giving access to quality limestone deposit.

a stronger dollar and higher U.S. Treasury interest rates, pushing up yields elsewhere as well. Market has generally been strong, with notable gains in equity markets in both advanced and emerging market economies. Going forward, stronger activity and expectations of more robust global demand coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs of early 2016.

Growth remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favour of leaving the European Union (Brexit). China's growth remained strong, reflecting continued policy support, activity has slowed in India because of demonetisation as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and non-fuel commodity exporters, while geopolitical factors held back growth in parts of the Middle East and Turkey.

3. Indian Economy

The Economic Survey, conducted by the Government of India, states that despite global sluggishness, the domestic economy has sustained a macroeconomic environment of relatively lower inflation, fiscal discipline and a moderate current account deficit coupled with broadly stable rupee-dollar exchange rate. According to the survey, India's real GDP growth is projected at 7.1% for 2017, and could reach 6.75–7.5% in 2018. This further projects India as one of the fastest growing countries in lieu of a submissive and uncertain global economy.

India's forex reserves stand at USD 383 billion up from USD 295 billion five years ago. The fiscal deficit at 3.5% of GDP is down from 3.9% five years ago. Consumer Price Inflation (CPI) is low and hovers around 3.8%. This works as a positive outlook towards India's future. Even the Indian government is expected to meet its fiscal deficit target of 3.5% of GDP in 2017, as tax revenues are anticipated to increase post the launch of income disclosure schemes in 2017. Moreover, consumer inflation moderated to 4.5% in 2017 vis-à-vis 4.9% in 2016; and is expected to remain below 5% in 2018. Due to moderation in inflation and normal monsoons, RBI reduced the repo rate by 50 bps during 2017.

The government has made significant progress on important economic reforms to support strong and sustainable growth. The much awaited implementation of the Goods and Services Tax (GST) will enhance the efficiency of production and movement of goods and services across Indian states. During the year, the demonetisation of highest currency led to lower growth, but it holds long-term benefits. It presents an



opportunity to broaden the financial intermediation in the longer term and support a widening of the tax base. It would also help to reduce the fiscal deficit, enhance bank liquidity and promote greater financial inclusion.

The agriculture sector witnessed an increase in growth rate, while the industrial and services sector observed a subdued growth. In the backdrop of lower growth in the industrial and services sector, the employment levels across these sectors also witnessed a decline. In FY 2016, India surpassed China to become the fastest growing large economy with a GDP growth rate of 7.6%.

India also continues to be the third largest start-up base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. The government opted to focus on fine-tuning and further incentivising its ongoing flagship initiatives, like 'Make in India', 'Smart Cities Mission', 'Power for All', 'Start-Up India' and 'Skill India'. Some of these measures include setting-up of a fund of funds under 'Start-Up India' in June 2016, launching of the 'Make in India Action Plan' dashboard in April 2016 and granting approvals for the construction of 1.1 million houses under the 'Pradhan Mantri Awas Yojana'.



The move towards a digital economy has also been one of the key focus areas for the government during FY 2017. India is currently ranked 130 in the World Bank's 'Ease of Doing Business' rankings. The government has undertaken several measures towards achieving its stated aim of attaining a rank amongst the top-50 nations. Some of the major decisions taken to improve India's ranking are in the domain of obtaining credit, enforcing contracts, implementation of bankruptcy code and formation of single-window platforms for accessing services offered by multiple government departments.

India's growth momentum could get a boost from higher spending by the government and private players towards infrastructure development and capacity expansion, to revitalise demand in the near future.

4. Cement Industry in India

India is the 2nd largest producer as well as consumer of cement in the world, led by the enormous growth in the infrastructure and construction sector for the last two decades. It is also one of the largest industries in the country providing employment opportunities to more than a million people, making it crucial for the growth of the nation's economy.

In FY 2016, cement production grew by 4.7% y-o-y as compared with 5.6% in FY 2015 and 3.1% in FY 2014. Slower infrastructural activity, weakness in rural demand due to subdued monsoon and slowdown in real estate activity in large cities had impacted the growth rates of the industry in the past few years. This along with surplus supply situation in the industry had impacted the capacity utilisation rate adversely. Bouts

of recovery were witnessed till October 2016 with cement production increasing by 4.8% for the period of April-October 2016 as against 2.9% for the same period last year. Relatively better and widespread monsoon was expected to have favourable impact on cement demand starting H2 - FY 2017. However, the ban on high currency denomination notes in November 2016 impacted the demand growth of the industry.

In FY 2016, sharp decline in real estate demand, floods in Tamil Nadu and a lower government spending led to a decline in cement sector in the southern region. Northern region witnessed lower demand due to excess of real estate inventories. But, there was a huge government spending witnessed in north eastern states backed by allocation of funds in Union Budget. This led to an increase in demand for cement in this region.

Cement industry in India has displayed an upward growth trend, despite slow business and challenging situations. As per the 12th Five Year Plan, production of cement is expected to reach 407 million tonnes by FY 2017. Digitisation in the sector has enabled production of eco-friendly, blended cement which is more cost efficient to produce.

With the situation coming back to normal after demonetisation, construction activities were seen to be picking up in the month of January 2017. Due to this, demand for cement is expected to see gradual improvement in the coming months. Currently, India has 210 large cement plants across states and is among the top ten exporters both by value and volume.

5. Financial Performance (Standalone)

Highlights of FY 2016-17

Particulars	FY 2016-17	FY 2015-16	Growth %
Gross revenue	1,584.48	1,435.38	10.4
Net revenue	1,413.14	1,272.01	11.1
EBITDA	400.58	309.15	29.6
EBITDA margin (%)	28.40	24.30	16.9
Depreciation and amortisation	54.59	56.93	(4.1)
Finance cost	129.71	132.55	(2.1)
Profit before exceptional items	216.28	119.67	80.7
Exceptional items	2.96	-	-
PAT	115.65	89.25	29.6
Earnings per share (diluted) (₹)	2.57	1.99	29.1
ROCE (%)	22.50	22.00	2.30
Net Debt gearing ratio	2.65	2.37	11.8

Gross revenue and net revenue for FY 2016-17 stood at ₹1,584.48 crores and ₹1,413.14 crores, respectively, registering a growth of 10.4% and 11.1%, respectively, 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 ₹400.58 crores from ₹309.15 crores, reporting a 29.6% 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 is up at ₹91.12 crores as compared to ₹17.80 crores in previous year. The increase is mainly due to recognition of Government incentive for the previous financial years.

Material cost

The Company's expenditure on raw material for FY 2017 decreased to ₹180.61 crores from ₹199.88 crores in FY 2016. The decrease is primarily due to change in product sales mix, decrease in slag price at Dolvi unit and increase in the slag addition in PSC production.

Employee benefits expense

Employee benefits expense increased in FY 2016-17 by 31.2% to ₹91.13 crores from ₹69.44 crores in FY 2015-16. The increase was primarily due to an increase in the annual salary of existing employees, rise in marketing and sales manpower as per business requirement and impact of ESOP grant given in FY 2016-17.

Power and fuel cost

Power and fuel cost has increased in FY 2016-17 by 12.8% to ₹242.33 crores from ₹214.83 crores in

FY 2015-16. The increase was due to an increase in production volume and in fuel prices which was offset by reduction in specific heat consumption.

Freight and handling expenses

Freight and handling expenses has increased in FY 2016-17 by 15.3% to ₹370.98 crores from ₹321.76 crores in FY 2015-16. This increase was on account of an increase in diesel prices, increase in volumes handled and supplies made to the markets far away from production facilities.

Other expenses

Other expenses have increased in FY 2016-17 by 23.6% to ₹214.55 crores from ₹173.60 crores in FY 2016 driven by escalation in the expenditure on advertisement and branding; increase in travelling expense and professional fees for market research exercise carried out by the Company during the year.

Finance cost

The Company's finance cost has decreased in FY 2016-17 by 2.1% to ₹129.71 crores from ₹132.55 crores in FY 2015-16 mainly due to reduction in interest rate.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased in FY 2016-17 by 4.1% to ₹54.59 crores from ₹56.93 crores in FY 2015-16.

Gross revenue and net revenue for FY 2016-17 stood at ₹1,584.48 crores and ₹1,413.14 crores, respectively, registering a growth of 10.4% and 11.1%, respectively, on Y-o-Y basis.

Fixed asset

	2016-17	2015-16	₹ crores Change
Tangible assets	1,513.58	1,297.60	215.98
Intangible assets	13.45	0.49	12.96
Capital work-in-progress	651.77	239.27	412.5
Intangible asset under development	1.60	0.22	1.38

Fixed Assets increased during the year primarily due to capitalisation of Grinding unit at Dolvi and Vijayanagar. The increase in Intangible Assets is mainly due to recognition of mines restoration as required by AS-10 Property, Plant and Equipment.

Loans and advances

	2016-17	2015-16	₹ crores Change
Long-term loans and advances	71.73	77.95	(6.22)
Short-term loans and advances	199.62	97.67	101.95
Other non-current assets	50.43	-	50.43
Other current assets	125.48	18.20	107.28

Short-term loans and advances increased by ₹101.95 crores primarily due to increase in MAT credit, Cenvat Credit on capital goods. Other Non-current assets have increased by ₹50.43 mainly due to margin maintained with bank. Other current assets have increased by ₹107.28 crores primarily due Government subsidy receivable and inter-corporate loan given.

Inventories

	2016-17	2015-16	₹ crores Change
Raw materials	21.57	22.62	(1.05)
Semi-finished goods	28.05	19.71	8.34
Finished goods	18.16	11.62	6.54
Stores and spares	60.34	63.57	(3.23)
Fuel	29.66	19.74	9.92
	157.78	137.26	20.52

The average inventory holding in terms of number of days as on 31.03.2017 is 52 days vis-à-vis 51 days in 31.03.2016. However, the inventory in terms of value has increased due to increase in stock of coal, finished and semi-finished goods held as on 31.03.2017.

Trade receivables

	2016-17	2015-16	₹ crores Change
Trade receivables	128.98	81.12	47.86

The average debtors in terms of number of days as on 31.03.2017 is 30 days as compared to 21 days in 31.03.2016

Borrowings

	2016-17	2015-16	₹ crores Change
Borrowings	1,789.36	1,051.77	737.59

Borrowings increased by ₹737.59 crores during the year. The increase was primarily due to a drawal of loan for the capacity expansion projects at Vijayanagar and Salboni.

Trade payables

	2016-17	2015-16	₹ crores Change
Trade payables	333.42	262.47	70.95

Trade payables increased by 27.0% mainly due to increase in acceptances and due to extended credit period availed from vendor.

Liabilities and provisions

	2016-17	2015-16	₹ crores Change
Other long-term liabilities	65.83	25.20	40.63
Other current liabilities (excluding current maturities of long-term debt)	363.49	240.63	122.86
Long-term provisions	17.57	3.79	13.78
Short-term provision	9.60	6.65	2.95

Other long-term liabilities and Other current liabilities have primarily increased due to increase in capital creditors and acceptances liability for capital goods. Long-term provisions have increased due to provisions made for mines restoration liability as per AS-10 Property, Plant and Machinery

Short-term provisions increase is related to employee related expenses.

Capital employed

Total capital employed has increased to ₹2,113.41 crores in FY 2016-17 from ₹1,440.53 crores in FY 2015-16.

Average return on capital employed is 22.50% vis-à-vis 22.0% in 2015-16.

Own funds

Net worth increased to ₹546.47 crores in FY 2016-17 vis-à-vis ₹422.31 crore in 2015-16.

Consolidated

The Company has reported a consolidated gross turnover, net turnover, EBITDA and profit after tax of ₹1,584.48 crores, ₹1,413.14 crores, ₹400.55 crores and ₹111.46 crores respectively. The Company's consolidated financial statements include the financial performances of the following subsidiary and associate.

Subsidiary

JSW Cement FZA, Fujariah, UAE

Associate

Shiva Cement Limited, Rourkela, Odisha

5.1 Market Developments

In FY 2016-17, the total sales grew by 17% over the previous year. The Company also launched a new product namely Concreel HD.

In the south region, cement sales of the Company grew by 15% to 2.13 mtpa in year 2016-17 as compared to 1.85 mtpa in 2015-16.

5.2 Distribution Network

Our product is marketed through a network of sales units, area office and warehouses backed by a distribution network of around 2,000 dealers and 100+ warehouses. The network penetration helps the Company to cater to rural and semi urban markets in Southern, Western and Eastern India. The Company has also been promoting 'JSW Cement' by way of aggressive advertisement and sales promotion activities. The Company also rewards its dealers for their performance by way of attractive incentive schemes.

5.3 Cost mitigation measures/Efficiency improvement initiative

To minimise the energy cost, the Company had entered into an agreement with JSW Energy Limited for supply of un-interrupted power supply. The Company had also entered with agreement with JSW Steel Limited for supply of Slag, Blast Furnace Gas and Coke-Oven Gas.

6. Company Growth Strategy

The Company has plans to increase its capacity from 7.8 mtpa by setting up grinding units in West Bengal, Odisha, Maharashtra and Karnataka. For West Bengal and Odisha locations, clinker will be imported and slag will be sourced locally. For Maharashtra and Karnataka locations, slag will be obtained from group steel business.

7. Risk and areas of concern

The Company has a comprehensive framework of risk management covering financial, business and sustainability related risks. Leading a business successfully involves proper identification and



prudent management of the risks. Managing and mitigating these risks is very essential in rapidly changing economic environment. The Company has framed Risk Management Policy to identify and access the key risks areas, monitor and report compliance and effectiveness of the policy and procedure in line with the regulatory requirements.

The Key Risk area which has been considered by Company is as under.

- 7.1 Business Operations Risks:** These risks broadly relate to planning, monitoring and reporting systems in the day-to-day operation. The Business Operation Risks can be mitigated by well-defined organisation structure, flow of information, creation of second level position.
- 7.2 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.
- 7.3 Logistics Risks:** It includes 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.
- 7.4 Raw Material:** It refers 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.

- 7.5 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.

The risk mitigation measures are 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 agreement for supply of captive power at lower rates.
- 7.6 Human Resource Risks:** It includes labour turnover risks and unrest risks due to strikes and lockouts and can be mitigated by proper recruitment policy and appraisal system upgradation of skill, employees' welfare scheme.
- 7.7 System Risks:** It includes system capability, system reliability, data integrity risks and coordinating and interfacing risks and can be minimised through use of licensed software, data security, and providing proper training in software and hardware.
- 7.8 Legal Risks:** These risks relate to contract risks, contractual liability, frauds, judicial risks and insurance risks and the risk can be mitigated by proper vetting of legal and contractual documents, proper insurance policies and timely payment of insurance premium, proper internal control and proper advice by legal professionals.

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, thereby reducing consumption of natural raw materials, water and energy, resulting in a more sustainable construction material. Portland cement generates about one tonne of CO₂ for each tonne 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, your Company has shifted towards eco-friendly materials and technologies. The environmental causes have motivated to use by-products like blast furnace slag, which are effective not only in pollution management but also in natural resource conservation. The use of slag in concrete has replaced partially the Ordinary Portland Cement (OPC). As a common practice, blast furnace slag is incorporated in Portland cement production for environmental, technical and economic benefits. By converting industrial by-product into a useful product, it has reduced the carbon footprint of the Group. Portland Slag Cement (PSC) is the most suitable cement for Infrastructure Projects because of

Portland Slag Cement (PSC) is the most suitable cement for Infrastructure Projects because of its high flexural strength, maximum strength, low risk of cracking, improved workability and superior finish.

its high flexural strength, maximum strength, low risk of cracking, improved workability and superior finish.

9. Forward-looking and Cautionary Statements

The Director's 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nirmal Kumar Jain
Non-Executive Chairman

Mr. Parth Jindal
Managing Director

Mr. Kantilal Naraindas Patel
Non-Executive Director

Mr. Pankaj Rajabhau Kulkarni
Non-Executive Director

Mr. Biswadip Gupta
Non-Executive Director

Mr. Jugal Kishore Tandon
Independent Director

Mr. Jaiprakash Narain Lal
Independent Director

Ms. Sutapa Banerjee
Independent Director

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

- Andhra Bank
- Axis Bank
- Canara Bank
- Dena Bank
- Exim Bank
- Indian Bank
- IndusInd Bank
- Oriental Bank of Commerce
- Punjab National Bank
- RBL Bank Limited
- Syndicate Bank
- The South Indian Bank
- United Bank of India
- Yes Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computer Share
Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel: 040 - 6716 1500
Fax: 040 - 2300 1153
Toll Free No.: 1800 345 4001
Email: einward.ris@karvy.com

REGISTERED OFFICE

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
CIN No.:
U26957MH2006PLC160839

WORKS

Vijayanagar Works

P. O. Vidyannagar, Toranagallu
Village, Sandur Taluk, Bellary
District, Karnataka - 583 275
Tel: 08395 - 250120 - 130
Fax: 08395 - 241003 / 241030

Nandyal Works

Village Bilakalaguduru,
Gadivemula Mandal,
Nandyal, Dist. Kurnool
Andhra Pradesh - 518 501
Tel: 08514 - 202301 - 08

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 - 402107

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it gives a great pleasure to present the 11th Annual Report and Audited Financial Statements of JSW CEMENT LIMITED ("the Company") for the financial year ended March 31, 2017.

1. Financial Performance-Standalone

The key highlights of financial performance for the Company as reflected by its Audited Financial Statements for the Financial Year ended March 31, 2017 is summarized below.

₹ crores

Particulars	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Gross Revenue	1584.48	1435.38	1584.48	1435.38
Less: Excise Duty	171.34	163.37	171.34	163.37
Revenue from operations	1,413.14	1,272.01	1,413.14	1,272.01
EBIDTA	400.58	309.15	400.55	309.15
Less: Finance Cost	129.71	132.55	129.72	132.55
Less: Depreciation and amortization	54.59	56.93	54.59	56.93
Profit before exceptional Items and tax	216.28	119.67	216.24	119.67
Less: Exceptional Items	2.96	-	2.96	-
Profit before taxation (PBT)	213.32	119.67	213.28	119.67
Less: Tax expense	97.67	30.42	97.67	30.42
Profit after taxation, but before share of loss of associates	115.65	89.25	115.61	89.25
Less: Share of loss from associates	-	-	4.15	-
Profit after tax	115.65	89.25	111.46	89.25

2. Highlights of Performance

The total production of Portland Slag Cement ("PSC"), Ordinary Portland Cement ("OPC") Concreel HD and Ground Granulated Blast Furnace Slag ("GGBS") during the year under review was 4.32 MTPA (PSC 2.36 MTPA, OPC 0.13 MTPA, Concreel HD 0.07 MTPA and GGBS 1.76 MTPA) as compared to production of 3.66 MTPA (PSC 2.24 MTPA, OPC 0.04 MTPA and GGBS 1.38 MTPA) in the previous year, recording significant/notable increase of 17.5% over previous year.

The total sales of PSC, OPC and GGBS during the year under review was 4.27 MTPA (PSC 2.35 MTPA, OPC 0.11 MTPA, Concreel HD 0.05 MTPA and GGBS 1.76 MTPA) as compared to sales of 3.65 MTPA (PSC 2.23 MTPA, OPC 0.04 MTPA and GGBS 1.38 MTPA) in previous year

recording significant/notable increase of 16.3% over previous year.

3. Transfer to Reserves

No amount is proposed to be transferred to reserves.

4. Dividend

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

5. Economic Outlook

Economic growth is projected to remain strong and India will remain the fastest growing economy. Private investment will recover gradually as excess capacity diminishes and the Goods and Services Tax and other measures to improve the ease of doing business are being

implemented. A key concern is the health of the banking system, which is still dealing with a large amount of bad loans and also heightened corporate vulnerabilities in several key sectors of the economy.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, the implementation of the Goods and Services Tax, which has been in the making for over a decade, will help raise India's medium-term growth to above 8 percent, as it will enhance the efficiency of production and movement of goods and services across Indian states.

6. Cement Industry Outlook and Opportunities

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. 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 Government has provided incentives for rural development and also allowed 100% FDI in the construction and industrial parks. Overall, cement demand growth is expected to further grow in the next fiscal on account of higher government expenditure on various initiatives as announced in the Union Budget along with incentives for affordable housing by providing it with 'Infrastructure Status'. This is likely to boost the demand for cement.

7. Capital Expenditure and New Projects

The Company at present has its presence in Maharashtra and Southern States. As a part of its 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 to serve its customers in a more cost effective, reliable and environment friendly manner are given as under:

1. Nandyal, Andhra Pradesh

- Additional 6 bays of truck loading system have been completed which

would increase the rate of dispatch from the plant.

- Installation of hot air duct from Cooler to Slag Mill is under execution and is expected to be completed by July 2017, which will utilize the heat available from cooler for drying of slag thereby reducing coal consumption and resulting in increased energy efficiency.
- Completed construction of 1.2 km of railway line and platform at Panyam siding. Detailed Project Report (DPR) has been submitted to Railway Authorities for approval to connect it to the main line. This would streamline operations for rail dispatches.
- Covered shed for coal yard has been completed for 85 meters in compliance with APCB (Andhra Pradesh Pollution Control Board) and further 85 meters of shed is to be constructed in the financial year 2017-18.
- Coal Dust Cyclones have been installed to increase efficiency of kiln combustion process.
- Green Belt Development is under execution and expected to be completed by July 2017.
- It is proposed to install 2 x 18 MW Captive power plant (CPP). This would make the plant self-sufficient for power requirement and also would help reduce the energy cost and thereby manufacturing cost of cement.

2. Vijayanagar, Karnataka

- Brownfield expansion project is in progress at Vijayanagar site to enhance the plant capacity from existing 0.8 MTPA to 3.2 MTPA. This comprises of 2 numbers Roller Presses supplied by KHD, each of 180 TPH capacity. The Company has successfully commissioned one unit of 180 TPH in March, 2017 thereby increasing the plant capacity to 2.0 million MT. This would help the company increase its market share of GGBS & PSC in the states of Karnataka, TN, & Kerala.
- The erection of second unit of 180 TPH is in progress and scheduled to be commissioned by August, 2017.

- Company also plans to install state-of-the-art mechanized wagon loading system, which would be cost efficient and environment friendly. This would be commissioned by July, 2017.
- A new railway line is proposed to transfer slag from JSW Steel Blast furnace to the cement plant, which would simplify the logistics and also would be environment friendly. This is expected to be completed by September, 2017.

3. Salboni, West Bengal

- A new plant of 2.4 million MTPA capacity is being installed at Salboni, West Bengal. This would help the company foray into eastern cement market which is growing at the best CAGR amongst all regions in India. The plant comprises 2 numbers of Roller Presses of 180 TPH each of KHD make. The plant is designed for making slag cement based on the imported clinker and is done at very low per MT capital cost. The first set shall be commissioned by July' 2017 and the second set will be commissioned by Oct' 2017.
- The new plant will have its own railway siding to receive raw materials viz. Imported clinker and slag by rail, and also mechanized wagon loading system to cover wider market in Orissa, West Bengal and Jharkhand.
- It is proposed to install 2 x 18 MW Captive power plant (CPP). This would make the plant self-sufficient for power requirement and also would help reduce the energy cost and thereby manufacturing cost of cement.

4. Dolvi, Maharashtra

- Company is setting up a new 1.2 MTPA grinding unit at Dolvi site to enhance production capacity from existing 1.0 MTPA to 2.2 MTPA. The commissioning of the plant is scheduled by December 2017. This would allow company to strengthen its market in west region.
- Company also plans to further increase cement capacity in line with the increased availability of slag from JSW

Steel. For this a feasibility report is being prepared and master plan would be completed by September, 2017.

5. Shiva Cement, Rourkela, Orissa

- The Company has acquired Shiva Cement Limited having 300 TPD clinkerisation unit at Rajgangpur, Rourkela. Leading Consultant has been appointed to study the plant health and to suggest areas for improvement to increase plant availability and quality of product as a short term measure. The corrective measures will be completed within 3 months. The study has been completed and work has been initiated.
- It has been planned to upgrade existing clinkerisation capacity from 300 TPD to 1350 TPD and to install a new 1.05 MTPA cement grinding mill as a medium term measure.
- It has also been planned to install a new clinkerisation unit of 1.5 MTPA to cater to the requirements of Salboni and Jajpur grinding units, to de-risk against the volatility in the imported clinker prices.

6. Jajpur, Orissa

- It is planned to setup a 1.2 MTPA Grinding Unit at Jajpur, Orissa within the premises of Jindal Stainless Limited (JSL) Kalinganagar Industrial Estate, Jajpur. Industrial Development Corporation of Odisha (IDCO) will allot 15 acres of land to the Company within the premises of JSL Complex. The plant is expected to be commissioned by September, 2018. This capacity would allow the company to expand and grow its market in the state of Orissa.

7. Fujairah, UAE

- As a part of growth strategy, management is in the process of setting up clinkerization plant at Fujairah, UAE. Lime stone will be crushed at the site and high grade will be sold locally or exported while low grade screen rejects will be utilised for the production of Clinker. A clinkerisation unit of 1.65 MTPA has been planned to be set up close to the mines and clinker will be exported to India.

8. Gulbarga, Karnataka

- Environmental Impact Assessment (EIA) report was submitted to Karnataka State Pollution Control Board (KSPCB) and Public hearing was conducted during the last financial year.
- A Writ Petition, Mandamus, was filed in the High Court of Karnataka and an Interim Order was obtained against State Government, wherein the court has stated that mining lease should be granted to the Company, the final order is expected to be in the favour of the Company.
- Ministry of Commerce & Industries Department-(Mines) issued an endorsement dated 11.01.2017 stating that there were irregularities in the proceedings filed by the Company and the prayer of the Company should not be considered. The Company had filed an Interlocutory Application (IA) before the High Court of Karnataka, challenging the Endorsement dated 11.01.2017 of the Government of Karnataka and sought to modify the prayers of the writ petition in light of the endorsement. The Court after considering the prayer and objection submitted by the Government of Karnataka passed an interim order to modify the prayer in the writ Petition in light of the IA.

8. Holding and Subsidiary Company:

During the year under review, JSW Investment Private Limited and JSW Logistics Infrastructure Private Limited have transferred 28,16,77,020 equity shares and 7,55,50,000 equity shares respectively, to Adarsh Advisory Services Private Limited on 23rd January 2017. Presently, Adarsh Advisory Services Private Limited holds 79.29% of equity shares of the Company. The Company is now a Subsidiary of Adarsh Advisory Private Limited.

During the year under review, M/s Shiva Cement Limited became an Associate of the Company, as the Company has acquired 49.40% of equity shares of M/s Shiva Cement Limited.

9. Internal Controls, Audit & Internal Financial Controls:

Overview

A robust system of internal control, commensurate with the size and nature of its business, forms

an integral part of the Company's governance policies.

Internal Control

The Company has proper and adequate system of internal control to commensurate with the size and nature of its business. Internal Control Systems are integral to Company's corporate governance framework. Some significant features of internal control system are:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions.
- Deployment of an ERP system which covers most of its operations and is supported by a defined online authorization protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the integrity of the accounting system; proper and authorized recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring reliability of all financial and operational information.
- Audit Committee of Board of Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards etc.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

Internal Audit

The Company has an internal audit function which inculcates global best standards and practices. The Company has a strong internal audit team which assesses opportunities for improvement in the business processes designed to add value to the organization and follows up on the implementation of corrective actions and

improvements in the business processes after review by the Audit Committee.

Internal Financial Controls

As per section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This framework provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The framework ensures that the Company has policies and procedures for ensuring orderly and efficient conduct of the business, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Company has devised appropriate systems and framework including proper delegation of authority, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

The Company has also developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes a risks and control matrix covering entity levels controls, process & operating level controls and IT general controls.

The entity policies include anti-fraud such as conflict of interest, confidentiality and whistle blower policy and other policies like HR Policy, IT Security policy, Treasury Policy.

The Company has also prepared Standard Operating Procedures (SOP) for each of its key processes like sales & distribution and logistics.

During the year under review, controls were tested and no reportable material weakness in design and effectiveness was observed.

10. Credit Rating:

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

11. Fixed Deposit:

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

12. Directors and Key Managerial Personnel:

The Company has a balanced mix of Executive, Non-Executive and Independent Directors. As at March 31, 2017, the Board comprises of 8 Directors of which one is an Executive Director and seven are Non-Executive Directors including three 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. Sutapa Banerjee (DIN-02844650) has been appointed as Independent Director with effect from April 22, 2016 and Mr. Parth Jindal (DIN-06404506) has been appointed as Managing Director with effect from June 20, 2016. Further, Mr. Anilkumar Pillai (DIN-06814022), Whole Time Director & CEO, has resigned with effect from February 13, 2017. Due to his resignation, resolution passed by the Board for his re-appointment as Whole Time Director and CEO has not been placed in forthcoming Annual General Meeting for members approval.

According to provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Nirmal Kumar Jain (DIN- 00019442), is liable to retire by rotation and being eligible, he has offered himself for re-appointment. The Board has recommended his re-appointment as Director.

The Board met eight times during the year under review on April 22, 2016, June 13, 2016, July 29, 2016, November 8, 2016, November 28, 2016, January 10, 2017, January 25, 2017, and February 15, 2017.

13. Share Capital:

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

The issued, subscribed and paid up share capital of the Company as on March 31, 2017 was ₹4,50,51,17,000/-, comprising of 45,05,11,700 Equity shares of ₹10/- each.

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

Mr. Jugal Kishore Tandon, Ms. Sutapa Banerjee and Mr. Jaiprakash Narain Lal, the Independent Directors of the Company have given their declarations under section 149(7) of the Companies Act, 2013.

15. 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.

16. 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.

17. Disclosure under Employee Stock Option Plan and Scheme:

The shareholders of the Company in their meeting held on March 30, 2016 formulated the JSW Cement Employee Stock Ownership Plan - 2016 ('ESOP Plan') to be implemented through the JSW Cement Employees ESOP Trust ('Trust') with an objective of enabling the company to attract and retain talented human resources by offering them the opportunity to acquire equity interest in the company which will reflect their efforts in building the growth and profitability of the Company.

The JSW Cement Employee Stock Ownership Plan - 2016 ('ESOP Plan') was amended by the shareholders in their Extra-Ordinary General Meeting held on May 21, 2016. The maximum number of options available for grant under the scheme is 2 crores during the period of five years subject to applicable laws.

As per the provisions of section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 following are the details on Employees Stock Option Scheme during the year under review:

Options granted	56,20,950
Options Vested	49,53,159
Total number of shares arising as a result of exercise of option	Nil
Options lapsed	6,67,791
Exercise Price	₹68.70/-
Variation of terms of options	Terms of options are similar for all employees
Money realized by exercise of options	Nil
Total number of options granted to:	

i. Key Managerial Personnel	2,72,803 (1,70,975 Options granted to Mr. Anilkumar Pillai have lapsed due to his resignation during the year)
ii. Employees granted option during one year equal to or exceeding one percent of issued capital (excluding outstanding warrant and conversions) of the company at the time of grant	Nil

18. Disclosure under section 67(3) of the Companies Act, 2013

The Company has not passed any special resolution pursuant to Section 67(3) of the Companies Act, 2013 hence no disclosure is required to be made.

19. 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 effectiveness of Board, maximizing strengths and tackling weaknesses which leads 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.

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 etc.

20. 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.

21. 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 focuses 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.

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

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 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.

23. Auditors:

23.1 Statutory Auditors:

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2017 read with the explanatory notes therein are self-explanatory and therefore do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act 2013.

M/s Shah Gupta & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company are due to retire at the conclusion of the ensuing Annual General Meeting and have expressed their re-appointment, if made, would be in conformity with the provisions of Section 139 & 141 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and provided a declaration to this effect.

Hence, in terms of Section 139(1) of the Companies Act 2013, M/s Shah Gupta & Co., Chartered

Accountants, be re-appointed, to hold office for a period of one year i.e. for Financial Year 2017-18, subject to approval of shareholders in AGM.

23.2 Cost Auditors:

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 26, 2016, has on the recommendation of the Audit Committee, re-appointed M/s R. Nanabhoy & Co., Cost Accountants as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year 2017-18. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2015-16, on audit of cost accounting records by the Cost Auditor, was filed on August 17, 2016.

23.3 Secretarial Auditor:

Pursuant to section 204 of the Companies Act, 2013 and rules made there under, the Board had appointed M/s. S. K. Jain & Co., Practicing Company Secretary as Secretarial Auditor to issue Secretarial Audit Report for the financial year 2016-17. The Secretarial Audit Report issued by Secretarial Auditor in Form MR-3 for the financial year 2016-17 forms part of this report and marked as "Annexure-B".

24. Related Party Transactions:

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

The contracts or arrangements with related parties referred to section 188(1) of the Companies Act, 2013 are required to be disclosed in pursuance of section 134 (3)(h), the Companies Act, 2013 in Form AOC-2. Accordingly, Related Party Transactions which were entered into during the year under review by the Company are given in "Annexure-C" to this report.

25. 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.

26. 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 special resolution in Extra-Ordinary General Meeting dated December 26, 2016 wherein the Board has been authorized to (a) give any loan to anybody corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to anybody corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate for an amount not exceeding ₹1000 crores (Rupees one thousand crores) outstanding at any point of time.

Further, during the year under review, the Company has passed the following resolution under 186 of the Company Act, 2013:

- a) to grant loan to Monnet Ispat & Energy Limited for the amount not exceeding ₹27 crores.
- b) To deposited with Yes Bank Limited an amount of not exceeding ₹50.25 crores as fixed deposit to issue performance guarantee and corporate/bank guarantee to Monnet Ispat & Energy Limited.
- c) to grant loan for the the amount not exceeding ₹12 as inter corporate loan to Reynold Traders Private Limited.
- d) to grant loan for the the amount not exceeding ₹50 as inter corporate loan to Shiva Cement Limited.

27. Material Change and Commitments:

In terms of section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the company's financial

position have occurred between March 31, 2017 and the date of the report.

28. Significant and material orders passed by the regulators:

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

29. 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.

30. Risk Management and Areas of Concern:

The Board of Directors of the Company have framed a Risk Management Policy to identify and evaluate 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.

31. Awards and Recognition

The Company has received awards and accolades from the Government and Non-Governmental Organizations / Associations detailed as hereunder: -

- a) 1st prize in National Energy Conservation Award, 2016 given by Bureau of Energy Efficiency, Ministry of Power, an agency of Government of India on December 14, 2016. The award was given to the Company's Nandyal unit for its outstanding performance in energy conservation during the year 2015-16.
- b) 'Excellent Energy Efficient Unit' award was given in the '17th National Award for Excellence in Energy Management 2016, instituted by Confederation of Indian Industries (CII), in a ceremony held on August 24, 2016 at CII GBC Campus, Hyderabad.
- c) Greentech Safety Gold Award, 2016 by Greentech Foundation for outstanding performance of the Company in Safety Management during the year 2016.

32. Human Resource:

At JSW Cement, it is believed in empowering the employees of the Company. The same is

achieved by ensuring that the employees have the right environment to work, the best of facilities to produce results and respect & recognition of their peers.

The Company also promotes a culture of entrepreneurship, where employees take ownership of their tasks, business activities and work as a team to deliver results.

The Company identifies the current and future human resource requirement based on the needs of organization to achieve the goals set by the organization.

The culture is to provide employees with opportunities to exercise their responsibility, integrity and creativity while growing themselves, their careers and the Company's business. We create a culture that make employees feel that they are an important part of the business by providing them with clear expectations so that they understand the work related goals set for them and are able to achieve the same.

New HR employee engagement initiatives viz., blow up candles, employee get-togethers, family day celebrations, new year celebration and introduction of employee reward & recognition schemes viz., exceptional performance awards scheme for plant & support services and special incentive schemes for sales & marketing have significantly enhanced employee motivation. Structured leadership training, learning & 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 conducted among JSW Group Companies.
- Recruited & deployed experienced sales force Pan India contributing to enhanced sale of PSC & GGBS
- Recruited Long Armed Technical Force (LATF) & Long Armed Sales Force (LASF)
- Enhanced Customer Service through expansion of Technical Services team
- Empowerment of women by recruitment of women employees
- ESOP scheme introduced for the benefit of employees

33. Occupational Health & Safety (OH&S)

The Company's primary objective is to achieve OH&S by providing training to its employees through various training programs. Presently, the Company is conducting various internal and external training programs like tool box talk, firefighting awareness class, implementation of 5S technique for improvement in housekeeping & safety, strengthening of LOTO (Lock out and Tag out) system by providing lock & tags, mock drill on medical emergency, gate meeting, etc.

The number of days worked without lost time incident is as under:

- a. Nandyal-1702 days
- b. Vijaynagar-514 days
- c. Dolvi -2623 days.

34. 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:

- (a) in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) the directors have prepared the annual accounts for the year under review on a going concern basis; and
- (e) 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.

35. 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.

36. Conservation of energy, technology absorption and innovation:

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

37. Foreign exchange earnings and Outgo:

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

38. Appreciation:

The Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their departments and the local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the JSW Cement family.

For and on behalf of the Board

JSW Cement Limited

Date: 26.04.2017

Place: Mumbai

Chairman

ANNEXURE TO 'A' DIRECTOR'S REPORT

REPORT ON CSR ACTIVITIES / INITIATIVES [Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR

policy, including overview of the projects or programmes undertaken.

The brief outline of the CSR policy has been mentioned elsewhere in the report. The Company has spent ₹252.26 lakhs on various CSR initiatives during the FY 2016-17. CSR initiatives undertaken by the Company are as under:

a) Improving Living Conditions: The Company has incurred ₹45.37 lakhs for improving the living conditions of inhabitants around the plant and the details of activities undertaken are as under:

- Conducted 186 mobile health camps and special health camps for dental, hypertension & diabetic, chest, nephrology, ophthalmic and blood donation camp for donation of 146 units of blood, covering 12 villages and 12503 villagers benefitted
- Engaged the services of Gynecologist, Lab technician and Staff nurse for strengthening Mother & Child health services at Primary Health Centre, Gadivemula. 15000 women & children are the beneficiaries.
- Implementing HIV/AIDS prevention program among the truckers in association with Bhoruka Charitable Trust.
- Fogging for anti-malaria and awareness campaigns on personal hygiene, sanitation, in Direct Influence Zone (DIZ) villages.
- Maintenance of 2 RO water plants - one at Bilakalagudur and the other at Bujunur to provide safe drinking water to 5000 & 3000 population respectively.

b) Promoting Social Development: The Company has incurred ₹109.34 lakhs for

promoting social development and the activities undertaken are as under:

- Initiated Mid-day Meal Program on pilot basis in 2 schools & 2 modular kitchens were established to provide nutritious and balanced diet.
- Renovated class rooms in 2 primary schools.
- Supplemented Government midday meal program for 1957 students in 19 schools by providing eggs thrice a week.
- To encourage girl child education 82 bicycles have been given to girl students pursuing secondary education.
- Established 10 digital classes in 7 more government schools of direct influence zone to improve the quality of the education and to build strong conceptual understanding.
- Three computer aided learning centers were operated to impart computer education and one tutor is engaged to teach social studies (Urdu medium) in the Government High School, Gadivemula.
- Provided scholarships to 69 merit students from four high schools & four primary schools for promoting secondary education and to reduce dropout rate in upper primary & primary sections.
- Provided Uniforms & Notebooks to primary & upper primary students and study material to 10th class students. Total 565 students are benefitted.
- Organized Eye & Dental screening camp at government schools to spread awareness on eye disorders/refractive errors and to maintain dental hygiene.
- Distributed spectacles to 27 students those having refractive errors.

- Provided sanitary napkins to 271 girl students of 7th to 10th class to promote menstrual hygiene and incinerators is installed at schools for safe disposal of sanitary napkins.
 - Created awareness for rural women about personal/menstrual hygiene and distributed sanitary napkins.
 - Established Tailoring centers in Bilakalagudur, Bujunur and Gadivemula where 63 women are availing training on stitching of clothes, Saree Painting, Wire Works and Mirror Works.
 - 23 women were trained on Phenyl & Acid making.
- c) **Addressing Environmental issues:** The Company has incurred ₹11.30 lakhs for addressing social inequalities and the activities undertaken are as under:
- 500 trees were planted in DIZ villages
 - Installed 40 solar street lights in DIZ villages
- d) **Rural Development:** The Company has incurred ₹26.90 lakhs for rural development and the activities undertaken are as under:
- Laid Regadagudur road and Vadala road at Bilakalagudur. Approximate 5000 people are benefitted.
 - Laid internal road at Peddapadu village. Approximate 2000 people are beneficiaries.
- e) **Swachh Bharath Mission:** The Company has incurred ₹55.80 lakhs for Swachh Baharat Mission and the activities undertaken are as under:
- Constructed 400 individual household toilets in DIZ villages in association with government Rural Water supply & Sanitation (RWS) department.
 - Conducted Swachh village program with the participation of employees by cleaning streets, removing roadside bushes & dirt at Bilakalagudur & Bujunur.
 - Constructed two toilet blocks at Govt. Girls Jr. College, Nandyal.
 - Engaged services of scavengers at 38 government schools of Gadivemula mandal for cleanliness of toilet blocks at schools.
- f) **Expenditure incurred towards other administrative and capacity building expense:** ₹3.55 lakhs
2. **The composition of the CSR Committee:**
- The CSR Committee comprised of 4 Directors: Mr. Kantilal Naraindas Patel – Chairman; Mr. Jugal Kishore Tandon - Member, Mr. Anil Kumar Pillai - Member (Resigned w.e.f February 13, 2017) and Ms. Sutapa Banerjee - Member.
3. Average Net Profit of the company for last 3 financial years: ₹(31.53) crores
4. Prescribed CSR expenditure (2% of amount): NIL, The Company has voluntary proposed ₹2.5 crores for CSR Activity.
5. **Details of CSR activities/projects undertaken during the year:**
- a) total amount spent for the financial year: ₹252.26 lakhs
 - b) amount un-spent, if any: Nil
 - c) manner in which the amount spent during financial year, is detailed below:

		3		4		5		6		7		8	
1	2	3		4		5		6		7		8	
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered		Projects/Programmes 1.Local area/others- 2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken		Amount outlay (budget) project/ programme wise		Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads		Cumulative spend upto to the reporting period		Amount spent: Direct/ through implementing agency*	
1	Improving Living Conditions	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making availability of safe drinking water.		Village-Bilakalagaduru, Bujunur and Gadvimulla District-Kurnool		45.37		Direct Expenses- 248.71 Overheads 3.55		45.37		Direct/ implementing agency	
2	Promoting Social Development	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects		Village-Bilakalagaduru and Bujunur and Gadvimulla District-Kurnool		109.34				154.71		Direct/ implementing agency	
3	Addressing Environmental Issues	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water		Village-Bilakalagaduru and Bujunur and Gadvimulla District-Kurnool		11.30				166.01		Direct/ implementing agency	
4	Rural Development	Rural development projects		Village-Bilakalagaduru, District-Kurnool		26.90				192.91		Direct/ implementing agency	
	Swachcha Bharat Abhiyan	Sanitation		Village-Bilakalagaduru and Bujunur and Gadvimulla District-Kurnool		55.80				248.71			
5	Administration & Capacity Building Expenses	Administration & Capacity Building Expenses				3.55				256.26		Direct	

*CSR activities have been carried out directly and through several other private Non-Governmental Organization and Charitable institutions.

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

Nirmal Kumar Jain
Chairman
(DIN - 00019442)

Kantilal Naraindas Patel
Chairman-CSR Committee
(DIN - 00725144)

Date: 26.04.2017
Place: Mumbai

ANNEXURE TO 'B' DIRECTOR'S REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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 **M/s 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 the Company'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, agents 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 2017** 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, 2017 according to the provisions of:
 - i. The Companies Act, 2013 and the Rules made thereunder;
 - 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; (The Company has not availed any Foreign Direct Investment and External Commercial Borrowings during the period under review. The Company has complied with Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 The Company has made Overseas Direct Investment in its Wholly owned Subsidiary JSW Cement FZE in Fujairah UAE. The Company had Remitted AED 56,50,500 through Authorised Dealer to its said wholly owned subsidiary till 31st March 2017, the said wholly owned subsidiary has issued 1000 Equity Shares of AED 150 each aggregating to AED 150000 and has also issued Share Certificates which have been received by the Company. The Company has complied with Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 vide Notification No. FEMA.120/RB-2004 dated 07/07/2004. The balance AED 54,00,563 is the investment made by the Company in its wholly owned subsidiary and show as share application money as on 31st March,2017)
- 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;
(Applicable as Company is in process of acquire a Listed 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 the Company has not issued any debt securities)
 - 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;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(Not Applicable since it is an Unlisted Public Company)
- vi. Other laws specifically applicable to the Company are:
- a) The Mines Act, 1952;
 - b) The Mines and Minerals (Regulation and Development) Amendment Act, 2015;
 - 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 Directors, Non-Executive Director 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 Convene the Board and Committee 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:

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 2017**. According to the provisions of various Labour Laws and other Laws applicable, including the Rules made thereunder, and amended from time to time, 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. Ms. Sutapa Banerjee (DIN No. 02844650) has been appointed as an Additional Director under Section 161 of the Companies Act, 2013 in the Board Meeting held on 22/04/2016 and she holds Office till the ensuing Annual General Meeting. Ms Sutapa Benerjee had also been appointed as an Independent Director for a period of 5 Years from the date of her Appointment subject to the approval of Members at the ensuing Annual General Meeting. The Company in its Annual General Meeting held on September 28, 2016 has confirmed her appointment as regular Director designated as Independent Director.
2. Mr. Parth Jindal (DIN-06404506) has been appointed as Managing Director of the Company for a term of 5 Years w.e.f 20/06/2016 in the Board Meeting held on 13/06/2016 on terms and conditions including remuneration as set out in the Resolution and/or Agreement after consideration and Recommendation of Remuneration Committee.
3. Ms. Tarini Jindal (DIN- 00506432) has resigned as Director of the Company with effect from 21st April 2016 and Mr. Anilkumar Pillai (DIN-06814022) has resigned from the position of Whole Time Director and CEO with effect from 13th February 2017.
4. The Company has incorporated JSW Cement FZE in Fujairah UAE on 24/11/2016 as its Wholly Owned Subsidiary. The Company has Subscribed 1000 Shares of AED 150 each aggregating to AED 150,00,000 equivalent. The Company has received share Certificate from JSW Cement FZE within a Period of 6 months.
5. On 10/01/2017 the Company has entered into a Share Purchase Agreement (1st SPA) with the Promoters of Shiva Cement Limited (Target Company) agreeing to Acquire 6,94,53,817 Equity Shares of Rupees 2/- each at a price of ₹14/- per Equity Share representing 35.62 % of emerging capital of the Target Company. The Company made Public Announcement on January 11, 2017 in Business Standard all edition (English & Hindi)/ Navshakti Mumbai (Marathi); Kalanter Patrika Kolkatta (Bengali).
 - i. The Company entered into another Share Purchase Agreement (2nd SPA) on 16/02/2017 with ACC limited agreeing to acquire 2,36,50,000 equity share of ₹2/- each at a price of ₹16.35/- per equity share representing 12.13 % of the emerging capital of the Target Company.
 - ii. The Company and M/s Reynold Traders Pvt Ltd, Person Acting in concert purchased in aggregate 50,33,989 equity share of ₹2/- each representing 2.58 % of the emerging capital of the Target Company on various dates by way of open market purchases as per table given in the table below:

Buyer	Date of Acquisition	No of Shares	Mode of Acquisition	Price at Which Acquired	Representing % of the Emerging Capital of Target Company
JSW Cement Limited	30/01/2017	900000	Open Market Purchases	15.58 per share	0.46
Reynold Traders Pvt Ltd (PAC)	30/01/2017	900000	Open Market Purchases	15.58 per share	0.46
JSW Cement Limited	31/01/2017	900000	Open Market Purchases	15.58 per Share	0.46
JSW Cement Limited	01/02/2017	78989	Open Market Purchases	16.35 per Share	0.41
Reynold Traders Pvt Ltd (PAC)	01/02/2017	900000	Open Market Purchases	16.35 per Share	0.46
JSW Cement Limited	21/02/2017	240000	Open Market Purchases	16.25 per Share	0.12
JSW Cement Limited	22/02/2017	410000	Open Market Purchases	16.20 Per Share	0.21

- | | |
|--|---|
| <p>iii. The Company has published Detailed Public Statement (DPS) on 17/01/2017 and Corrigendum, 1,2,3,4,5 on 31/01/2017, 02/02/2017, 16/02/2017, 02/03/2017 & 11/03/2017 in Business Standard all edition/ Navshakti Mumbai; Kalanter Patrika Kolkata.</p> <p>iv. The Company had made Disclosures under Regulation 18(6) of SEBI (SAST) Regulations 2011, on 31/01/2017, 01/02/2017, 02/02/2017, 22/02/2017 & 23/02/2017 for Shares / Voting Rights acquired during the offer period by the Company and Reynold Traders Pvt. Ltd., person acting in concert.</p> <p>v. Mr. Narinder Singh Kahlon and Mr. Manoj Kumar Rustagi, representing the Company (Acquirer) were appointed as Additional Director of the Shiva Cement Ltd. (target Company) w.e.f 28/02/017.</p> <p>vi. The Member of the Company at the EOGM held on 26/12/2016 have passed Resolutions under Section 186, 180(1) (a), 180 (1) (c) of the Companies Act, 2013.</p> <p>6. The Members of the Company at EOGM held on 21/05/2016 have passed the following Resolutions:</p> | <p>a. Accorded approval to amended JSWCL Employees Stock Ownership Plan – 2016</p> <p>b. Accorded approval for pursuant to Rule 12(4)(b) of the Companies (Share Capital and Debentures) Rule, 2014, Grant of Options to employees during any one year equal to or exceeding one percent of issued capital of the Company at the time of grant of options.</p> <p>c. Accorded approval for grant of options to Retired Employees, Employees retired in the year of the grant of options</p> <p>7. The Members of the Company at EOGM 30/03/2017 had passed the Resolution for Approval of Inter Corporate Loan under Section 186 of the Companies Act, 2013.</p> <p>8. The details of registered and Corporate Office and location of the Plants of JSW Cement Ltd are given in ‘Annexure-III’.</p> |
|--|---|

Dr. S. K. Jain
 Practicing Company Secretary
 FCS No.:1473
 C P No.: 3076

Place: Mumbai
 Date: 20/04/2017

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2016.
3. Minutes of the Meetings of the Board of Directors, Audit Committee and Nomination & Remuneration 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 Industrials 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.
- xiv. The Air (Prevention and Control of Pollution) Act, 1981;
- xv. The Water (Prevention and Control of Pollution) Act, 1974;
- xvi. The Water (Cess Act), 1977;
- xvii. The Environment (Protection) Act, 1986;
- xviii. The Standard of Weights and Measure Enforcement Act, 1985
- xviii. The Bureau of Indian Standard Act, 1986
- xx. The Motor Vehicles Act, 1988
- xxi. The Karnataka Welfare Fund Act, 1965
- xxii. The Professional Tax Act, 1975
- xxiii. The Hazardous Waste (Management and Handling) Rules, 1989;
- xxiv. The Manufacture, Storage and Import of Hazardous Chemicals Rules; 1989
- xxv. 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: 08395-250120-130

Fax: 08396-241003/241030

Nandyal Works:

Village Bilakalaguduru,
Gadivemula Mandal,
Nandyal, Dist. Kurnool

Andhra Pradesh-518501

Tel: 08514-202301-08

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

ANNEXURE 'C' TO DIRECTOR'S REPORT

Form No. AOC-2

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

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

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(i) 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	-

Nirmal Kumar Jain
Chairman
(DIN- 00019442)

Jugal Kishore Tandone
Chairman Audit Committee
(DIN- 01282681)

Date: 26.04.2017
Place: Mumbai

ANNEXURE 'D' TO DIRECTOR'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As at Financial Year ended on 31.03.2017

(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.	Karvy Computer Share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel.: +91-40-67162222 / 33211000

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)

Sr. 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	
2.	Ground Granulated Blast Furnace Slag (GGBS)	3743000	

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.	Adarsh Advisory Services Pvt. Ltd. JSW Centre, Bandra Kurla Complex, Bandra (East), Opp. MMRDA Ground, Mumbai, Maharashtra	U74140MH2014PTC251934	Holding Company	79.29	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 end of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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.	450,436,450	75,250	450,511,700	100	450,511,200	500	450,511,700	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	450,436,450	75,250	450,511,700	100	450,511,200	500	450,511,700	100	-
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 lakhs	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakhs	-	-	-	-	-	-	-	-	-
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)	450,436,450	75,250	450,511,700	100	450,511,200	500	450,511,700	100	-

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.	Adarsh Advisory Services Pvt. Ltd.	-	-	-	35,72,27,020	79.29	-	79.29
2.	JSW Investments Pvt. Ltd.	323,191,996	71.74	-	4,15,89,726	9.23	-	-62.51
3.	JSW Logistics Infrastructure Pvt. Ltd.	75,550,000	16.77	-	-	-	-	-16.77
4.	Sapphire Technologies Ltd.	74,750	0.02	-	-	-	-	-0.02
5.	Mr. Seshagiri Rao*	100	0.00	-	100	0.00	-	-
6.	Mr. K N Patel*	100	0.00	-	100	0.00	-	-
7.	Mr. P K Kedia*	100	0.00	-	100	0.00	-	-
8.	Mr. Jayant Acharya*	100	0.00	-	100	0.00	-	-
9.	Mr. Balwant Ranka*	100	0.00	-	100	0.00	-	-
10.	Glebe Trading Pvt. Ltd.	20,642,340	4.58	-	20,642,340	4.58	-	-
11.	Danta Enterprises Pvt. Ltd.	26,000,000	5.77	-	26,000,000	5.77	-	-
12.	JSL Limited	5,052,114	1.12	-	5,052,114	1.12	-	-
	Total	450,511,700	100		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.	Adarsh Advisory Services Pvt. Ltd.	-	-	-	-	23-01-2017	35,72,27,020	-	35,72,27,020
2.	JSW Investments Pvt. Ltd.	323,191,996	71.74	323,191,996	71.74	23-01-2017	281,602,270	-	41,589,726
3.	JSW Logistics Infrastructure Pvt. Ltd.	75,550,000	16.77	75,550,000	16.77	23-01-2017	75,550,000	-	-
4.	Glebe Trading Pvt. Ltd.	20,642,340	4.78	20,642,340	4.58	No Change			
5.	Danta Enterprises Pvt. Ltd.	26,000,000	5.77	26,000,000	5.77	No Change			
6.	JSL Limited	5,052,114	1.12	5,052,114	1.12	No Change			
7.	Sapphire Technologies Limited	74,750	0.02	74,750	0.02	14-09-2016	74,750	-	-

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
1.	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 (no change)	100	0.00	100	0.00

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

(₹ crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,114.68	10.32	-	1,125.00
ii) Interest due but not paid	0.97	-	-	0.97
iii) Interest accrued but not due	-	0.02	-	0.02
Total (i+ii+iii)	1,115.65	10.34	-	1,125.99
Change in Indebtedness during the financial year				
* Addition	738.39	194.70	-	933.09
* Reduction	(69.29)	(0.02)	-	(69.31)
Net Change	669.10	194.68	-	863.78
Indebtedness at the end of the financial year				
i) Principal Amount	1,782.16	205.02	-	1,987.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.59	0	-	2.59
Total (i+ii+iii)	1,784.75	205.02	-	1989.77

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. Parth Jindal (Managing Director)	Mr. Anilkumar Pillai (Whole Time Director & CEO)	
1.	Gross salary (₹)			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,19,90,271.00	1,88,43,106.00	3,08,33,377.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	39,600.00	39,600.00
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	1,70,975*	1,70,975
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	1,19,90,271.00	1,88,82,706.00	3,08,72,977.00
	Ceiling as per the Act (with approval of shareholders) 10% of Net Profit	-	-	12.11 crores

* Options expire due to his resignation during the year of grant.

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. J. K. Tandon	Mr. JPN Lal	Ms. Sutapa Banerjee		
1	Independent Directors					
	Fee for attending board committee meetings	11,90,000	8,10,000	7,50,000	-	27,50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	Mr. N. K. Jain	Mr. K. N. Patel	Mr. Pankaj Kulkarni	Mr. Biswadip Gupta	27,50,000
	Fee for attending board committee meetings	10,50,000	-	7,70,000	80,000	19,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)					19,00,000
	Total (B)=(1+2)					46,50,000
	Total Managerial Remuneration (excluding sitting fee)					3,08,72,977
	Overall Ceiling as per the Act (11% of Net Profit)	-	-	-	-	13.32 crores

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	21,72,450.00	80,01,497.00	1,01,73,947.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		44,384.00	44,384.00
(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	21,72,450.00	80,45,881.00	1,02,18,331.00

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

there were no penalties / punishment / compounding of offences during the year ended March 31, 2017.

ANNEXURE 'E' TO DIRECTOR'S REPORT

Section 197 of the Companies Act, 2013

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

Sr. No.	Name	Designation	Remuneration (₹ lakhs) P.A.	Qualification	Total Experience (No.of years)	Age (years)	Date of commencement of employment	Previous employment (Designation)
1.	Mr. Narinder Singh Kahlon	Vice President - Projects	80.46	CA	21	50	6th June 2014	JSW Infrastructure Limited
2.	Mr. Manoj Rustagi	Vice President - Projects	72.86	BE	24	46	25th July 2011	JSW Steel Limited
3.	Mr. Sandeep Singh Sandhu	Vice President – Sales & Marketing	81.23	MBA (Marketing)	31	55	08th June 2010	Andhra Cement (Head Marketing)
4.	Mr. Rahul Akkara	Vice President – Branding	74.07	PGDM(Mktg)	19	43	06th Feb 2014	Pidilite Industries (Branding Head)
5.	Mr. Pushpraj Singh	CMO	127	M/B/A (Marketing)	21	46	29th June 2015	Prism Cement (Marketing Head)
6.	Ms. Lopamundra Sengupta	Vice President – Tech. Services	74.46	BE – Civil Eng	23	47	04th Feb 2016	Lafarge Cement – (Business Head)

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

Sr. No.	Name	Designation	Remuneration (₹ lakhs) P.A.	Qualification	Total Experience (No.of years)	Age (years)	Date of commencement of employment	Previous employment (Designation)
1.	Mr. Parth Jindal	Managing Director	119.90	MBA-Harvard Business School, USA	4	26	20th June 2016	JSW Steel Limited
2.	Anilkumar Pillai	Whole Time Director and CEO	188.82	B.Tech (Chemical Engineering)	37	57	6th Feb 2014	Director and CEO
3.	Mr. Vachaspathi Pillalamari	Vice President – HR &CSR	91.05	PGD(Per/ Mgt)	35	60	05th Feb 2003	Hindalco Industries (GM – HR)
4.	Mr Rajendra Parasad	Ass. Vice President – Operations	80.42	BE - Mechanical	35	60	03rd March 2008	Deccan cement (GM – Operation)
5.	Mr. Chetan Deshpande	VP – HR & Admin	80.16	BE- Mechanical Eng	18	41	01st July 2016	Gabriel india (Head HR)

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' TO DIRECTOR'S REPORT

Conservation of energy, technology absorption, adoption or innovation

A. VIJAYANAGAR

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

B. NANDYAL

- 1) 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.
- 2) Raw Mill operation optimized by providing Pre-bin with gate control and achieved saving of power consumption 0.44kw per MT.
- 3) Optimization of Packing Plant operation and controlled the idle running by providing interlocks and reduced power consumption by 0.52kw per MT.
- 4) Replacement of 200nos 70W Metal Halide lamps with 32W LED fittings to achieve energy savings.
- 5) 48 nos. of Packer spout motors converted from Delta to Star connection to reduce power consumption.

C. DOLVI:

- 1) Power: - Due to usage of Old Slag, resulted in low Output and high Blain GGBS Grinding.
- 2) Fuel: -
 - a) Non availability of BF Gas & CO Gas.
 - b) Low pressure of BF Gas & CO Gas.
 - c) Usage of old Slag having high moisture.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the Year 2016 – 2017

1. Company's Governance Philosophy:

The Company believes that good Corporate Governance emerges from the application of best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. "Corporate Social Responsibility" initiatives play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth.

2. Board of Directors:

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from various fields. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic

issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

2.1 Appointment and Tenure:

The Company believes to have a suitable mixture of Executive, Non-Executive and Independent Directors to maintain the neutrality of the Board and separate its functions of governance and management. Currently, the Board consists of eight members, one of whom is Managing Director (Executive Director), four are Non-Executive Directors (NED) and three are Independent Directors including a Woman Director. The Board periodically evaluates the need for change in its composition and size.

All Non-Executive 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-election, in accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company. The Executive Director on the Board serves in accordance with the terms of his 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 2016-17 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	10 th AGM held on 28th September 2016	
Executive Director	Mr. Parth Jindal	Managing Director	6	-	5
	Mr. Anilkumar Pillai	Whole Time Director and CEO	7	Present	-

Category	Name of Director	Position	Attendance at		No. of other Directorships
			Board Meetings	10 th AGM held on 28th September 2016	
Non-Executive	Mr. Nirmal Kumar Jain	Chairman	8	Present	Other Directorships in Indian Companies# (inserted after declaration received by Directors)
	Mr. Kantilal Naraindas Patel	Director	8	Present	11
	Mr. Pankaj Rajabhau Kulkarni	Director	8	Present	12
	Mr. Biswadip Kishore Gupta	Director	7	-	1
Independent Director	Mr. Jaiprakash Narain Lal	Director	7	Present	11
	Mr. Jugal Kishore Tandon	Director	8	Present	1
	Ms. Sutapa Banerjee	Director	6	Present	9

Notes:

- During the Financial Year 2016-2017, eight Board Meetings were held and the gap between two meetings did not exceed 120 days. Board meetings were held on April 22, 2016, June 13, 2016, July 29, 2016, November 8, 2016, November 28, 2016, January 10, 2017, January 25, 2017, and February 15, 2017.
- Mr. Parth Jindal has been appointed w.e.f June 20, 2016 and Mr. Anilkumar Pillai has resigned w.e.f February 13, 2017.
- Mrs. Sutapa Banerjee has been appointed as Independent Director of the Company w.e.f April 22, 2016.
- There are no inter-se relationships between the Board Members.

2.3 Board Meetings, Board Committee Meetings and Procedures:**A. Institutionalised decision making process:**

The Board provides and evaluates the strategic direction of the company, management policies, and their effectiveness and ensures that the long term interests of the shareholders are served. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the company ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its members and other stakeholders.

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

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

A minimum of four meetings are held every year. Additional meetings are held as and when necessary. Dates for the Board Meetings in the ensuing quarters are decided well in advance and communicated to the Directors. 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.

All departments/divisions of the company are advised to schedule their work plan well in advance with regards to matter requiring discussion/approval at Board/Committee meetings.

The Board is given presentations covering Company's Financial Performance 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 well in advance to the Board Members. All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents 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.

For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for noting.

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/ Committee members for their comments. The minutes are approved and signed by the Chairman of the meeting. The signed minutes are also circulated to the Board members within 15 days of signing.

E. Post Meeting Follow-up Mechanism:

The Governance process in the Company has an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees. All important decisions taken at the meeting are communicated to the concerned officials and departments.

F. Compliance:

During the preparation of agenda, notes on agenda and minutes of the meeting(s), Company Secretary 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:

A meeting of the Independent Directors of the Company was held without the presence of Non-Independent Directors and management of the Company on 21st March, 2017. The Independent Directors discussed and 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 22, 2016. The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and the Members of the Audit Committee possess financial / accounting expertise / exposure. Presently, the Audit Committee comprises of following members:

Mr. Nirmal Kumar Jain	- Member
Mr. Jugal Kishore Tandon	- Member
Ms. Sutapa Banerjee	- Member
Mr. Jaiprakash Narain Lal	- Member

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

- reviewing with the management, the annual financial statement and auditors report thereon.
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- review and monitor the auditor's independence & performance and effectiveness of audit process.
- approval or any subsequent modification of transactions of the company with related parties.
- scrutiny of inter-corporate loans and investments.

- valuation of undertakings or assets of the company, wherever necessary.
- evaluation of internal financial controls and risk management systems.
- monitoring the end use of funds raised through public offers and related matters.

The powers of the Audit Committee inter alia include:

- to discuss any related issues with the internal and statutory auditors and the management of the company.
- 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.
- 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 five times on April 22, 2016; July 28, 2016; November 7, 2016, November 28, 2016 and January 24, 2017. The Chief Financial Officer, GM (Finance and Accounts) and Head of Internal Audit Department have attended the meetings of Audit Committee. The Statutory Auditors have also been invited in the Audit Committee Meetings for finalization of Annual Accounts. The Company Secretary acts as the Secretary of the Committee.

The attendance details of the members are given below:

Name of Members	Category	No of Meetings attended
Mr. Jugal Kishore Tandon – Chairman	Independent Director	5
Mr. Jaiprakash Narain Lal – Member	Independent Director	4
Ms. Sutapa Banerjee	Independent Director	4
Mr. Nirmal Kumar Jain - Member	Non-Executive Director	5

b. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee comprises of four Non-Executive Directors, two of whom are Independent Directors. The Committee's composition meets the 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:

- to formulate the policy for determining qualifications, positive attributes, remuneration and independence of a director, Key Managerial Personnel (KMP), senior management and other employees.
- to ensure, while formulating the policy, that:
 - ❖ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors & KMP.
 - ❖ relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - ❖ remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives of the company.
- to identify persons who are qualified to become directors, KMP and senior management.
- to recommend to the Board their appointment and removal.
- to lay down criteria to carry out evaluation of performance.
- to attend the General Meetings of the Company.

During the year under review, the Committee had met three times on April 22, 2016, June 13, 2016 and January 24, 2017. 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. Jugal Kishore Tandon - Chairman	Independent Director	3
Mr. Jaiprakash Narain Lal - Member	Independent Director	3
Mr. Nirmal Kumar Jain - Member	Non-Executive Director	3
Mr. Kantilal Naraindas Patel - Member	Non-Executive Director	2

c. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee was reconstituted on April 22, 2016 and comprises of one Executive Director and three Non-Executive Directors, two of whom are Independent Directors. The Committee’s composition meets with the requirements of Section 135 of the Companies Act, 2013.

The broad terms of reference of CSR Committee are:

- 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.
- the policy shall include the activities to be undertaken by the company as specified in Schedule VII.
- 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.
- 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.
- recommend the amount of expenditure to be incurred on the activities.

- monitoring and reporting mechanism for utilization of funds on such projects and programs.
- institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
- monitoring and reporting mechanism for utilization of funds on such projects and programs.
- 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 22, 2016; July 28, 2016; November 7, 2016 and January 24, 2017. 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. Kantilal Naraindas Patel - Chairman	Non-Executive Director	3
*Mr. Anilkumar Pillai - Member	Executive Director	3
Mr. Jugal Kishore Tandon – Member	Independent Director	4
Ms. Sutapa Banerjee	Independent Director	3

*Mr. Anil Kumar Pillai has resigned w.e.f February 13, 2017.

d. Finance Committee:

The Finance Committee comprises of one Executive Director and three Non-Executive Directors. The roles and responsibilities approved by the Board, for the functioning of Finance Committee, inter alia include:

- 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 ₹3,000 crores.
- 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 crores 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 crores.
- 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 met on August 25, 2016

and November 28, 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. Nirmal Kumar Jain - Chairman	Non-Executive Director	2
Mr. Anilkumar Pillai - Member	Executive Director	1
Mr. Kantilal Naraindas Patel - Member	Non-Executive Director	2
Mr. Pankaj Rajabhau Kulkarni- Member	Non-Executive Director	2

*Mr. Anilkumar Pillai has resigned w.e.f February 13, 2017.

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:

- to review and recommend on bidding and tendering process issued by Government of India for the Coal, Limestone and other Mining Blocks;
- to authorize any person to initial, sign, execute documents and instruments with relation to the bidding and tendering process;
- 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.
- to do all such acts, deeds as specified in tender documents, and
- 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 Executive Committee comprises of following members:

Name of Members	Category
Mr. Anilkumar Pillai - Member	Executive Director
Mr. Kantilal Naraindas Patel - Member	Non-Executive Director
Mr. Pankaj Rajabhau Kulkarni- Member	Non-Executive Director

*Mr. Anilkumar Pillai has resigned w.e.f. February 13, 2017.

f. Employee Stock Ownership Plan (ESOP) Committee:

The ESOP Committee 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:

- determine the employees eligible for participation in the Plan in compliance of the proposed Scheme.
 - determine the performance parameters for Grant and/or Vesting of Options granted to an Employee under the Plan.
 - 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.
 - 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.
 - modify the current Grant/Exercise price, if need be and also to fix/modify the Grant/Exercise price in respect of the subsequent grants.
 - 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.
 - 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.
 - specify time period within which the Employees shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- 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.
 - 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.
 - decide the number of Shares of Common Stock which may be issued under each Option.
 - lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares.
 - lay down the procedure for cashless exercise of Options, if any.
 - 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
 - generally exercise such powers as may be necessary or expedient in connection of the implementation or administration of the Plan.

The Committee had met two times during the year under review on April 22, 2016 and July 28, 2016. The Company Secretary acts as the Secretary of the Committee. The compositions and attendance details of members of the Committee are given below:

Name of Members	Category	No of Meetings attended
Mr. Nirmal Kumar Jain - Chairman	Non-Executive Director	2
Mr. Anilkumar Pillai - Member	Executive Director	2
Mr. Kantilal Naraindas Patel - Member	Non-Executive Director	2
Mr. Pankaj Rajabhau Kulkarni- Member	Non-Executive Director	2
Mr. Jugal Kishore Tandon	Independent Director	2

*Mr. Anilkumar Pillai has resigned w.e.f February 13, 2017.

g. Project Review Committee:

The Project Review Committee was constituted on April 22, 2016 and comprises of five Non-Executive Directors, two of whom are Independent Directors.

The broad terms of reference of Project Review Committee are:

- a) To closely monitor the progress of the projects.
- b) To ensure the project will be completed on time and within the budget allocated by the Board.
- c) To review new strategic initiatives.
- d) 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 four times on July 28, 2016; November 7, 2016, November 28, 2016 and January 24, 2017. 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. Jugal kishore Tandon - Chairman	Independent Director	4
Mr. Nirmal Kumar Jain-Member	Non-Executive Director	4
Mr. Biswadip Gupta – Member	Non-Executive Director	3
Mr. Pankaj Rajabhau Kulkarni - Member	Non-Executive Director	4
Mr. Jaiprakash Narain Lal- Member	Independent Director	3

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	Special Resolution
10th	September 28, 2016	3.00 P.M.	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	Appointment and fixation of remuneration of Managing Director of the Company
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) Approval of Borrowing Powers of the Company under Section 180(1)(c) of the Companies Act. b) Approval for creation of Security(ies) pursuant to section 180(1)(a) of the Companies Act, 2013. c) Approval for payment of Royalty to JSW Investment Private Limited.

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	Particulars
	March 30, 2017	11:00 A.M	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	Inter Corporate Loan to Shiva Cement Limited.
	December 26, 2016	11:00 A.M	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	a) Loan and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013.

EGM	Date	Time	Venue	Particulars
				<ul style="list-style-type: none"> b) Borrowing powers of the Company in terms of provisions of Section 180(1)(c) of the Companies Act, 2013. c) Creation of Security(ies) in terms of provisions of Section 180(1)(a) of Companies Act, 2013. d) Performance Guarantee and Corporate/Bank Guarantee to Monnet Ispat & Energy Limited (MIEL) e) Inter Corporate Loan to Monnet Ispat & Energy Limited (MIEL) f) Inter Corporate Loan to Reynold Traders Private Limited.
	May 21, 2016	11:00 A.M	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	<ul style="list-style-type: none"> a) Approval of amended JSWCL Employees Stock Ownership Plan - 2016. b) Approval pursuant to Rule 12(4)(b) of the Companies (Share Capital and Debentures) Rule, 2014, Grant of options to employees during any one year equal to or exceeding one percent of issued capital of the Company at the time of grant of options. c) Grant of options to Retired Employees, Employees retired in the year of the grant of options.
	March 30, 2016	11.00 A.M.	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	<ul style="list-style-type: none"> a) JSWCL Employees Stock Ownership Plan – 2016 b) Provision of money by the Company for purchase of its own shares by the Trust / Trustees for the benefit of eligible employees under the “JSWCL Employees Stock Ownership Plan - 2016” (hereinafter referred to as the “ESOP Scheme-2016”)
	May 16, 2015	11.00 A.M	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	<ul style="list-style-type: none"> a) Private placement of three crores equity shares of ₹10/- each. b) Approval of e-form PAS-4.
	March 23, 2015	12.00 A.M	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051	<ul style="list-style-type: none"> a) To re-adopt Articles of Association of the Company. b) Private placement of three crores equity shares of ₹10/- each.
	December 24, 2014	11.00 A.M	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.

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, *interalia*, 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:

Day and Date: Monday, September 25, 2017

Time: 3.00 pm

Venue: JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400 051

7.2 Corporate Identity Number (CIN): U26957MH2006PLC160839

7.3 ISIN number: INE718I01012

7.4 Registrar & Share Transfer Agents:

Karvy Computer Share Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad-500032

7.5 Shareholding pattern of the Company as on March 31, 2017.

Sr. No.	Name of the Shareholder	No. of shares & % of holding	
1	Adarsh Advisory Services Pvt. Ltd.	35,72,27,020	79.29
2	JSW Investments Pvt. Ltd.	4,15,89,726	9.23
3	Glebe Trading Pvt. Ltd.	2,06,42,340	4.58%
4	Danta Enterprises Pvt. Ltd.	2,60,00,000	5.77%
5	JSL Limited	50,52,114	1.12%
6	Mr. Seshagiri Rao*	100	0.00%
7	Mr. K N Patel*	100	0.00%
8	Mr. P K Kedia*	100	0.00%
9	Mr. Jayant Acharya*	100	0.00%
10	Mr. Balwant Ranka*	100	0.00%
	TOTAL	45,05,11,700	100.00%

*Nominees of JSW Investment Private Limited

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 e-mail 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, District Bellary, Karnataka - 583 123.

Village Bilakalaguduru, Gadivemula Mandal, Nandyal, Dist. Kurnool, Andhra Pradesh - 518 501.

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 (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the 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 Standalone 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.

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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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 and the Order under sub-section 11 of Section 143 of the Act.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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, 2017, 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.
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 standalone financial statements - Refer Note 29 (a) of the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017 for which there were any material foreseeable losses;
- iii. As at March 31, 2017 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 29(r) to the standalone financial statements.

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

Heneel K. Patel
Partner
M. No.114103

Place: Mumbai
Date: April 26, 2017

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 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 been substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, 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.
- (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 and, hence, reporting under the provisions of clause 3 (v) of the Order is not applicable.
- (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 generally regular in depositing with the appropriate authorities 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 and other material statutory dues applicable to it. According to information and explanations 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.
- (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, 2017.

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where Dispute is pending
Central Excise	CENVAT Credit, Penalty and Interest	6.08 1.43 0.83 0.07 1.73 0.03 1.11	2008-09 2009-10 2011-12 2012-13 2013-14 2014-15 2015-16	Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Tirupati, Kurnool, Bengaluru & Belgaum
Building & Other Construction Workers (Regulation of employment & Conditions of Service) Act, 1996	Cess	1.00	2008-09	Commissioner of Labour, Kurnool
Customs	Classification of Imported Coal	22.50	2012-13	Commissioner of Customs (Import), Guntur and Chennai
Sales Tax	VAT on sale to SEZ units	0.23	2012-13 & 2015-16	Appellate Deputy Commissioner, Tirupati
Income Tax	Disallowance of addition to Fixed Assets	0.25	2008-09	Case Redirected to Assessing Officer

- (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 a financial institution, 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 or 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) The Company is not a Nidhi Company and, hence, reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is
- in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 is not applicable.

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

Heneel K. Patel
Partner
M. No.114103

Place: Mumbai
Date: April 26, 2017

ANNEXURE B

Annexure to the independent auditor's 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, 2017, 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 standalone 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls 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 standalone 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; (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 standalone 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 controls 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, 2017, 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 26, 2017

BALANCE SHEET

Particulars	Note no.	₹ crores	
		As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	450.51	450.51
Reserves and surplus	3	95.96	(28.20)
		546.47	422.31
Non-Current Liabilities			
Long-term borrowings	4	1,493.61	968.12
Deferred tax liabilities (net)	13	55.03	-
Other Long-term liabilities	5	65.83	25.20
Long-term provisions	6	17.57	3.79
		1,632.04	997.11
Current Liabilities			
Short-term borrowings	7	222.42	33.55
Trade payables	8		
Total outstanding dues of micro, small and medium enterprises		4.09	0.21
Total outstanding dues of creditors other than micro, small and medium enterprises		329.33	262.26
Other current liabilities	9	436.82	290.73
Short-term provisions	10	9.60	6.65
		1,002.26	593.40
TOTAL		3,180.77	2,012.82
ASSETS			
Non-Current Assets			
Fixed assets	11		
Tangible assets		1,513.58	1,297.60
Intangible assets		13.45	0.49
Capital work-in-progress		651.77	239.27
Intangible asset under development		1.60	0.22
Non-current investments	12	145.77	2.42
Deferred tax assets (net)	13	-	42.64
Long-term loans and advances	14	71.23	77.95
Other non-current assets	18	50.43	-
		2,447.83	1,660.59
Current Assets			
Inventories	15	157.78	137.26
Trade receivables	16	128.98	81.12
Cash and cash equivalent	17	121.08	17.98
Short-term loans and advances	14	199.62	97.67
Other current assets	18	125.48	18.20
		732.94	352.23
Total		3,180.77	2,012.82
Significant accounting policies & other notes	1 & 28		

The accompanying notes are integral part of the financial statements

As per our report of even date

FOR SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

HENEEL K PATEL

Partner

M. No. 114103

NIRMAL KUMAR JAIN

Chairman

DIN : 00019442

RAHUL DUBEY

Company Secretary

For and on behalf of the Board of Directors

PARTH SAJJAN JINDAL

Managing Director

DIN : 06404506

NARINDER SINGH KAHLON

Chief Financial Officer

Place: Mumbai

Date: 26th April, 2017

STATEMENT OF PROFIT AND LOSS

Particulars	Note no.	₹ crores	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations (gross)	19	1,584.48	1,435.38
Less: excise duty		171.34	163.37
Revenue from operations (net)		1,413.14	1,272.01
Other income	20	91.12	17.80
Total revenue		1,504.26	1,289.81
EXPENSES			
Cost of raw material consumed	21	180.61	199.88
Purchases of traded goods	22	21.39	0.38
(Increase)/ decrease in inventories of finished goods, semi finished goods and traded goods	23	(10.31)	4.46
Employee benefits expense	24	91.13	69.44
Power and fuel		242.33	214.83
Freight and handling expense		370.98	321.76
Other expenses	25	214.55	173.60
		1,110.68	984.35
Less: Captive consumption (net of excise duty of ₹0.88 crores; previous year ₹0.46 crores)		(7.00)	(3.69)
Total Expenses		1,103.68	980.66
Earnings before interest, tax, depreciation and amortisation (EBITDA)		400.58	309.15
Finance costs	26	129.71	132.55
Depreciation and amortization expense	27	54.59	56.93
Profit before exceptional items and tax		216.28	119.67
Exceptional Items	28(d)	2.96	-
Profit before tax		213.32	119.67
Less: Tax expenses	28(m)	97.67	30.42
Profit for the year		115.65	89.25
Earnings per equity share (face value of ₹10/- each)	28(l)		
- Basic		2.57	1.99
- Diluted		2.57	1.99
Significant accounting policies & other notes	1 & 28		

The accompanying notes are integral part of the financial statements

As per our report of even date

FOR SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

HENEEL K PATEL

Partner

M. No. 114103

NIRMAL KUMAR JAIN

Chairman

DIN : 00019442

RAHUL DUBEY

Company Secretary

For and on behalf of the Board of Directors

PARTH SAJJAN JINDAL

Managing Director

DIN : 06404506

NARINDER SINGH KAHLON

Chief Financial Officer

Place: Mumbai

Date: 26th April, 2017

CASH FLOW STATEMENTS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT BEFORE TAX	213.32	119.67
Adjustments for:		
Interest income	(7.94)	(3.63)
Dividend on long-term investments	(0.31)	(0.31)
Gain on sale of current investments	(0.54)	(0.49)
Loss / (Profit) from sale of fixed asset	0.06	0.00
Write back of excess provision	(1.37)	(0.04)
Government incentive	(77.73)	(11.41)
Unrealised foreign loss (net)	(2.92)	0.74
Depreciation	54.59	56.93
Interest costs on borrowings	129.71	132.55
Operating Profit Before Working Capital Changes	306.87	294.01
Adjustment for:		
(Increase) / Decrease in Trade receivables	(48.06)	(3.13)
(Increase) / Decrease in Inventories	(20.53)	1.66
(Increase) / Decrease Loans & advances	5.24	(4.06)
(Increase) / Decrease Other assets	(76.80)	1.86
Increase / (Decrease) in Trade payables	75.24	1.28
Increase / (Decrease) Other liabilities	50.27	25.63
Cash used in Operations	292.23	317.25
Direct taxes paid (net of refund)	(38.89)	(17.24)
NET CASH USED IN OPERATING ACTIVITIES	253.34	300.01
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and capital advances	(611.68)	(172.77)
Proceeds from sale of fixed assets	0.14	0.04
Interest received	4.76	2.73
Investment in associate & subsidiary	(143.35)	-
Term Deposit	(102.02)	-
Dividend on long-term investments	0.31	0.31
Income from sale of current investment	0.54	19.47
Loan to related party [Refer Note 28 (j)]	(7.52)	(1.75)
NET CASH USED IN INVESTING ACTIVITIES	(858.82)	(151.97)

CASH FLOW STATEMENTS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	599.73	811.53
Proceeds from short-term borrowings	188.88	23.64
Repayment of long-term borrowings	(51.01)	(849.51)
Interest paid on borrowings	(131.04)	(135.85)
NET CASH GENERATED FROM FINANCING ACTIVITIES	606.56	(150.19)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1.08	(2.15)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17.96	20.11
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Refer Note 17]	19.04	17.96

Notes:

- The Cash Flow Statement has been prepared under the "indirect method" as set out in Accounting Standard (AS) 3 on Cash Flow Statements notified under the relevant provisions of The Companies Act, 2013.
- Previous year's figures have been regrouped/rearranged wherever necessary, to conform to current year's classification.

As per our report of even date
FOR SHAH GUPTA & CO.
 Chartered Accountants
 Firm Registration No : 109574W

For and on behalf of the Board of Directors

HENEEL K PATEL
 Partner
 M. No. 114103

NIRMAL KUMAR JAIN
 Chairman
 DIN : 00019442

PARTH SAJJAN JINDAL
 Managing Director
 DIN : 06404506

Place: Mumbai
 Date: 26th April, 2017

RAHUL DUBEY
 Company Secretary

NARINDER SINGH KAHLON
 Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

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 ~ 0.70 million tonne per annum grinding unit at Vijayanagar, Karnataka and ~ 4.40 million tonne per annum green field cement manufacturing unit at Bilkalguduru village near Nandyal, Andhra Pradesh and ~ 1.00 million tonne per annum grinding unit at Dolvi Maharashtra.

a. Basis of Accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 read with amendment rules and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis except dividend, which is accounted when the right to receive the same is established, and those with significant uncertainties and in accordance with the applicable accounting standards.

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 and excise duty. 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. Property, Plant and Equipment

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 of the Company and use is expected to be regular, are capitalised at cost.

NOTES TO FINANCIAL STATEMENTS

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

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 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.

e. 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 as under 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
1	Plant and Machinery	25 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:

Switching substation - over a period of 35 years,
 Railway siding - over a period of 15 years and
 Road - over a period of 30 years

NOTES TO FINANCIAL STATEMENTS

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

f. 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 recovered 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.

g. 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.

h. 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.

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.

i. 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.

NOTES TO FINANCIAL STATEMENTS

j. 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.

k. Employee Share based payments

The compensation cost of stock options granted to employees is calculated using the fair value method of the stock options. The compensation expense is amortized uniformly over the vesting period of the option in accordance with the Guidance note on Share based payments issued by the Institute of Chartered Accountants of India

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 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.

NOTES TO FINANCIAL STATEMENTS

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. Minimum Alternate Tax (MAT)

MAT under the provisions of Income tax Act, 1961, where applicable, is recognised as current tax in the statement of Profit and Loss. The credit available under the Income Tax Act, 1961 is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

q. Mines Reclamation Expenses

The Company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

r. 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.

s. 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.

t. 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.

NOTES TO FINANCIAL STATEMENTS

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	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
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
	1,500.00	1,500.00
Issued, Subscribed & Fully Paid Up Capital		
450,511,700 (Previous year 450,511,700) Equity shares of ₹10 each fully paid up	450.51	450.51
	450.51	450.51

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	450,511,700	450,511,700
Add: Fresh issue of shares during the year	-	-
Equity shares at the end of the year	450,511,700	450,511,700

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.

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Adarsh Advisory Services Private Limited - Holding Company		
357,227,020 (Previous year NIL) Equity Shares of ₹10 each	357.23	-
JSW Investment Private Limited alongwith its nominee shareholders		
41,590,226 (Previous year 323,191,996) Equity Shares of ₹10 each	41.59	323.19

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	% of holding shares	Number of shares	% of holding shares
Equity shareholding				
Adarsh Advisory Services Private Limited - Holding company	357,227,020	79.29%	-	-
JSW Investment Private Limited alongwith its nominees	41,590,226	9.23%	323,192,496	71.76%
Danta Enterprises Private Limited	26,000,000	5.77%	26,000,000	5.77%
JSW Logistics Infrastructure Private Limited	-	-	75,550,000	16.77%

NOTES TO FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

₹ crores

Particulars	As at	
	31st March, 2017	31st March, 2016
a. Surplus/(Deficit) in statement of profit and loss		
Balance as per last Balance sheet	(28.20)	(117.45)
Add: Profit for the year	115.65	89.25
Balance as at the end of the year	87.45	(28.20)
b. Share option outstanding account		
Balance as per last Balance sheet	-	-
Add: Share option granted	8.51	-
Balance as at the end of the year	8.51	-
	95.96	(28.20)

4. LONG-TERM BORROWINGS

₹ crores

Particulars	Non-Current		Current Maturities	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Term Loans				
Secured				
- From banks	1,493.61	968.12	73.33	50.10
	1,493.61	968.12	73.33	50.10

4.1 Details of Security

- Term Loans of ₹682.47 crores 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 ₹409.47 crores 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 ₹415.00 crores 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 ₹60.00 crores 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

- ₹682.47 crores is repayable as under:
 - 17 quarterly instalments of ₹11.44 crores from 1st July 2017 - 1st July 2021
 - 4 quarterly instalments of ₹13.34 crores from 1st October 2021 - 1st July 2022
 - 4 quarterly instalments of ₹30.50 crores from 1st October 2022 - 1st July 2023
 - 4 quarterly instalments of ₹38.13 crores from 1st October 2023 - 1st July 2024
 - 4 quarterly instalments of ₹40.03 crores from 1st October 2024 - 1st July 2025
- ₹409.47 crores is repayable as under:
 - 1 quarterly instalments of ₹7.19 crores on 14th April 17
 - 2 quarterly instalments of ₹6.22 crores from 14th July 2017 - 14th October 2017
 - 4 quarterly instalments of ₹10.37 crores from 14th January 2018 - 14th October 2018
 - 4 quarterly instalments of ₹20.74 crores from 14th January 2019 - 14th October 2019
 - 10 quarterly instalments of ₹26.54 crores from 14th January 2020 - 14th April 2022
- ₹415.00 crores is repayable as under:
 - 4 quarterly instalments of ₹10.39 crores from 30th September 2019 - 30th June 2020
 - 4 quarterly instalments of ₹11.41 crores from 30th September 2020 - 30th June 2021
 - 4 quarterly instalments of ₹13.51 crores from 30th September 2021 - 30th June 2022
 - 4 quarterly instalments of ₹15.58 crores from 30th September 2022 - 30th June 2023
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2023 - 30th June 2024
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2024 - 30th June 2025
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2025 - 30th June 2026
- ₹60.00 crores is repayable as under:
 - 6 quarterly instalments of ₹1.5 crores from 9th December 2017 - 9th March 2019
 - 20 quarterly instalments of ₹2.55 crores from 9th September 2019 - 9th March 2024

NOTES TO FINANCIAL STATEMENTS

5. OTHERS LONG-TERM LIABILITIES

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Creditors for capital expenditure [Refer note 28 (j)]	65.83	25.20
	65.83	25.20

6. LONG-TERM PROVISIONS

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Gratuity	1.20	1.62
Leave encashment	3.62	2.56
	4.82	4.18
Less: Transferred to other current liabilities [Refer note 9]	(0.35)	(0.39)
	4.47	3.79
Mines Restoration Expenditure	13.10	-
	17.57	3.79

7. SHORT-TERM BORROWINGS

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Secured loans		
Working capital loan from banks	38.42	25.55
Unsecured loans		
Term loan	180.00	-
Working capital loan from banks	4.00	8.00
	222.42	33.55

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-process, consumable stores and spares and trade receivables of the Company, both present and future.

8. TRADE PAYABLES

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Acceptances	64.09	35.76
Micro Small and Medium Enterprises [Refer Note 28 (r)]	4.09	0.21
Others (Refer note 28 (j))	265.24	226.50
	333.42	262.47

NOTES TO FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

₹ crores

Particulars	As at	
	31st March, 2017	31st March, 2016
Current maturities of long-term debt [Refer Note 4.1 and 4.2]	73.33	50.10
Current dues of long term employee benefits [Refer Note 6]	0.35	0.39
Interest accrued but not due on borrowings	2.59	3.93
Creditors for capital expenditure [Refer note 28(j)]	70.09	67.19
Security Deposit from customers	54.69	47.96
Advances from customers	9.76	17.40
Statutory liabilities	33.98	24.94
Other Payables*	192.03	78.82
	436.82	290.73

(* Others includes Del Credre Finance payable ₹56.12 crores (previous year ₹40.04 crores) and Acceptances for capital creditors ₹133.72 crores (previous year ₹37.46 crores)

10. SHORT-TERM PROVISIONS

₹ crores

Particulars	As at	
	31st March, 2017	31st March, 2017
Provision for employee benefits	7.35	6.65
Provision for taxation	2.25	-
	9.60	6.65

NOTES TO FINANCIAL STATEMENTS

11. FIXED ASSETS

Following are the changes in carrying value of fixed assets for the year ended 31 March, 2017

Description of Assets	₹ crores												
	Freehold Land	Leasehold Land	Building	Machinery	Plant & Furniture and Fixtures	Computers	Office Equipment	Vehicle	220 KV Switching station	Railway siding	Total Tangible Assets	Mining Rights*	Total Intangible Assets
I. Gross Block													
Balance as at 1 April, 2016	31.15	6.43	238.52	1,235.66	2.01	2.88	2.01	1.63	18.16	7.44	1,545.89	6.61	6.61
Additions	1.24	4.36	42.75	218.90	0.09	0.75	0.88	0.26	-	0.91	270.14	0.49	13.59
Other -Deductions/Adjustments	-	-	-	-	(0.01)	(0.04)	(0.02)	(0.29)	-	-	(0.36)	-	-
Balance as at March 31, 2017	32.39	10.79	281.27	1,454.56	2.09	3.59	2.87	1.60	18.16	8.35	1,815.67	7.10	20.20
II. Accumulated depreciation and impairment for the year 2016-2017													
Balance as at 1 April, 2016	-	2.27	20.68	216.65	0.87	2.41	1.39	0.46	1.80	1.76	248.29	6.12	6.12
Depreciation expense for the year	-	0.35	3.62	47.92	0.21	0.35	0.26	0.20	0.53	0.57	53.96	0.21	0.42
Eliminated on disposal of assets	-	-	-	-	(0.01)	(0.03)	(0.02)	(0.10)	-	-	(0.16)	-	-
Balance as at March 31, 2017	-	2.62	24.30	264.57	1.07	2.68	1.63	0.56	2.33	2.33	302.09	6.33	6.75
Net block (I-II)													
Balance as at 31 March, 2017	32.39	8.17	256.97	1,189.99	1.02	0.91	1.24	1.04	15.83	6.02	1,513.58	0.77	12.68
Balance as on 31st March 2016	31.15	4.16	217.94	1,018.99	1.14	0.46	0.67	1.18	16.34	5.67	1,297.60	0.49	0.49

Following are the changes in carrying value of fixed assets for the year ended 31 March, 2016

Description of Assets	₹ crores												
	Freehold Land	Leasehold Land	Building	Machinery	Plant & Furniture and Fixtures	Computers	Office Equipment	Vehicle	220 KV Switching station	Railway siding	Total Tangible Assets	Mining Rights*	Total Intangible Assets
I. Gross Carrying Value													
Balance as at 1 April, 2015	31.15	6.43	224.59	1,222.35	1.47	2.51	1.68	1.13	18.16	7.44	1,516.91	6.47	6.47
Additions	-	-	13.93	18.03	0.55	0.38	0.33	0.56	-	-	33.78	0.14	0.14
Other -Deductions/Adjustments	-	-	-	(4.73)	-	(0.01)	-	(0.06)	-	-	(4.80)	-	-
Balance as at March 31, 2016	31.15	6.43	238.52	1,235.65	2.02	2.88	2.01	1.63	18.16	7.44	1,545.89	6.61	6.61
II. Accumulated depreciation and impairment for the year 2015-2016													
Balance as at 1 April, 2015	-	1.95	17.25	168.11	0.69	2.20	1.09	0.30	1.29	1.25	194.13	3.99	3.99
Depreciation expense for the year	-	0.32	3.43	49.17	0.19	0.23	0.25	0.16	0.53	0.52	54.80	2.13	2.13
Eliminated on disposal of assets	-	-	-	(0.62)	-	(0.01)	-	(0.01)	-	-	(0.64)	-	-
Balance as at 31 March, 2016	-	2.27	20.68	216.66	0.88	2.42	1.34	0.45	1.82	1.77	248.29	6.12	6.12
Net block (I-II)													
Balance as at 31 March, 2016	31.15	4.16	217.94	1,018.99	1.14	0.46	0.67	1.18	16.34	5.67	1,297.60	0.49	0.49

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

11.2 (a) Asset include Gross Block of ₹164.51 crores (previous year ₹158.59 crores) constructed on lease land under sub-lease agreements with JSW Steel Limited, for 150 Acres of land situated at Tomagaluru 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 ₹162.91 crores (previous year ₹105.64 crores) 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 crores (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 (Deletions) to Plant & Machinery includes adjustment of ₹(0.59) crores (previous year ₹1.91 crores) on account of foreign exchange fluctuation loss

11.4 During the year company has recognised Mining Rights as required under AS 10 Property, Plant & Equipment for decommissioning liability to be incurred towards mines restoration expenditure, for deriving the cost of the asset company has discounted the value over the lease period of the mines.

NOTES TO FINANCIAL STATEMENTS

11.5 CAPITAL WORK-IN-PROGRESS

₹ crores

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Plant & Machinery and Civil Works - (A)	820.26	265.51
Pre-Operative Expenses (Pending Allocation) (B)		
Opening Balance	5.96	-
Stores & Spares	14.67	-
Power & Fuel	0.18	0.04
Rent	0.18	-
Rates & Taxes	7.54	-
Repairs & Maintenance	1.50	-
Insurance Charges	0.21	0.17
Consultancy Charges	3.60	0.09
Legal & Professional Charges	0.87	0.48
Travelling Expenses	1.50	0.22
Foreign Exchange Fluctuation	0.02	-
Employee benefits expense	5.00	0.41
Borrowing Cost	32.09	4.48
Finance Charges	4.25	-
Office Expense	0.27	0.07
Miscellaneous Expenses	10.36	-
Gain on unwinding of forward contract	0.14	-
Total	88.06	5.96
Grand Total (A + B)	908.32	271.47
Less: Amount transferred to Fixed Assets	(254.95)	(31.98)
Balance Carried forward	653.37	239.49

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

- A) Road development ₹84.87 crores (previous year ₹71.33 crores)

NOTES TO FINANCIAL STATEMENTS

12. NON-CURRENT INVESTMENTS		₹ crores
Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade investments		
Quoted:		
Investment in Equity Shares (Long-Term - Fully paid up & valued at cost)		
JSW Energy Limited	2.42	2.42
15,59,610 (Previous Year 15,59,610) of ₹10 each fully paid-up		
Non-Trade investments		
Quoted:		
Investment in Equity Shares - Associate		
Shiva Cement Limited	143.07	-
9,63,37,806 (Previous Year - Nil) of ₹10 each fully paid-up		
Unquoted		
Investment in Equity Shares - Subsidiary		
JSW Cement FZE	0.28	-
1000 (Previous Year - Nil) of AED 150 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)	-	-
	145.77	2.42
Aggregate value of quoted investments	145.49	2.42
Market value of quoted investments	194.61	10.84
13. DEFERRED TAX (LIABILITY) / ASSET (Net)		₹ crores
Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets:		
Provision allowed under tax on payment basis	1.25	0.89
Others	0.12	0.64
Unabsorbed depreciation / losses	179.35	243.08
Deferred Tax Liabilities:		
Depreciation and Amortisation differences	(235.75)	(201.97)
	(55.03)	42.64

NOTES TO FINANCIAL STATEMENTS

14. LOANS AND ADVANCES

₹ crores

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered good				
Capital advances	42.91	47.37	-	-
Security deposit	24.53	23.16	2.14	1.58
Advance recoverable from ESOP Trust	-	-	9.28	9.28
Advance towards equity [Refer note 28(j)]	-	-	10.12	-
Loans and advances to related parties [Refer note 28(j)]	3.54	1.75	25.73	20.00
Advance to suppliers	-	-	13.10	16.32
Other loans and advances				
Advance tax and Tax Deducted at Source (net)	0.25	5.67	-	1.53
MAT credit entitlement	-	-	62.72	16.88
Cenvat receivable	-	-	68.53	31.01
Prepaid expenses	-	-	6.74	0.89
Other advances	-	-	1.26	0.18
	71.23	77.95	199.62	97.67
* Loans and advances to related parties includes;				
JSW Global Business Solutions Pvt Ltd.	3.54	1.75	-	-
Shiva Cement Limited	-	-	5.73	-
JSW Techno Projects Management Ltd.	-	-	20.00	20.00

15. INVENTORIES

₹ crores

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw materials [includes stock in transit ₹ Nil (previous year ₹0.79 crores)]	21.57	22.62
Semi finished goods	28.05	19.71
Finished goods	18.16	11.62
Stores and spares [includes stock in transit ₹ Nil (previous year ₹0.65 crores)]	60.34	63.57
Fuel [includes stock in transit ₹ Nil (previous year ₹8.15 crores)]	29.66	19.74
	157.78	137.26

Refer Note 1(c) for mode of valuation

16. TRADE RECEIVABLES

₹ crores

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered good		
Outstanding for a period exceeding six months from the date they are due for payment	9.61	4.80
Others [Refer note 28(j)]	119.37	76.32
	128.98	81.12

NOTES TO FINANCIAL STATEMENTS

17. CASH AND CASH EQUIVALENT

₹ crores

Particulars	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Cash and cash equivalents				
Balances with banks	-	-	18.98	17.92
Cash on hand	-	-	0.06	0.04
	-	-	19.04	17.96
Other bank balances				
Term deposit with original maturity of more than 3 month but less than 12 months	-	-	0.02	0.02
Term deposit with original maturity for more than 12 month at inception	47.54	-	-	-
Balance in Escrow account	-	-	102.02	-
	47.54	-	102.04	0.02
Amount disclosed under non-current asset [Refer note 18]	(47.54)	-	-	-
	-	-	102.04	0.02
	-	-	121.08	17.98

Cash and cash equivalent as on March 31, 2017 and March 31, 2016 includes restricted cash and bank balances of ₹102.02 crores and Nil respectively.

18. OTHER ASSETS

₹ crores

Particulars	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Non-Current bank balances [Refer note 17]	47.54	-	-	-
Inter-corporate loan*	2.89	-	26.25	-
Interest receivable on loan to related party [Refer note 28(j)]	-	-	3.94	3.18
Interest receivable others	-	-	3.20	0.78
Rent receivable [Refer note 28(j)]	-	-	2.00	-
Claims receivable	-	-	90.09	14.24
	50.43	-	125.48	18.20
*Inter-corporate loan				
Reynold Traders	2.89	-	-	-
Monnet Ispat & Energy Limited	-	-	26.25	-

NOTES TO FINANCIAL STATEMENTS

19. REVENUE FROM OPERATIONS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations		
Sale of Products		
Finished goods	1,549.47	1,428.23
Traded	25.63	1.08
Other operating income	9.38	6.07
Revenue from operations (gross)	1,584.48	1,435.38
Less: Excise duty	171.34	163.37
Revenue from operations (net)	1,413.14	1,272.01

19.1 DETAILS OF PRODUCTS SOLD

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Finished goods		
Portland Slag Cement	1,139.70	1,140.89
Ordinary Portland Cement	51.82	18.27
Ground Granulated Blast Furnace Slag	319.95	257.01
Concreel HD	25.76	-
Clinker	12.24	12.06
	1,549.47	1,428.23
Traded		
Cement	6.77	-
Granulated Blast Furnace Slag	5.13	1.08
Clinker	13.38	-
Others	0.35	-
	25.63	1.08

20. OTHER INCOME

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest income from loan to Related party [Refer note 28(j)]	2.28	2.44
Interest income from Others	5.66	1.19
Dividend income from long term investments	0.31	0.31
Profit on sale of current investments	0.54	0.49
Write Back of excess provision	1.37	-
Government Incentives*	77.73	11.41
Miscellaneous receipts	3.23	1.96
	91.12	17.80

* [Refer Accounting Policy 1(h)]

NOTES TO FINANCIAL STATEMENTS

21. COST OF RAW MATERIAL CONSUMED		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventory at the beginning of the year	22.62	24.69
Add : Purchases	179.56	197.81
Less: Inventory at the end of the year	21.57	22.62
Cost of raw material consumed	180.61	199.88

21.1 DETAILS OF RAW MATERIAL CONSUMED		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Clinker	36.67	47.70
Lime Stone	19.98	28.87
Granulated Blast Furnace Slag	62.30	49.67
Iron Ore & Laterite	16.38	14.47
Gypsum	7.34	10.68
Ordinary Portland Cement (OPC)	23.81	37.75
Others	14.13	10.74
	180.61	199.88

21.2 DETAILS OF INVENTORY		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Granulated Furnace Slag	2.50	1.13
Gypsum	8.95	3.22
Iron Ore / Laterite	0.59	2.41
Ordinary Portland Cement (OPC)	1.48	0.01
Clinker	8.03	15.17
Others	0.02	0.68
	21.57	22.62

22. PURCHASE OF TRADED GOODS		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Granulated Blast Furnace Slag	7.92	0.38
Clinker	13.18	-
Packing Bag	0.29	-
	21.39	0.38

NOTES TO FINANCIAL STATEMENTS

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

₹ crores

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year		
Finished goods	11.62	23.23
Work-in-progress	19.71	14.72
	31.33	37.95
Inventories at the end of the year		
Finished goods	18.16	11.62
Work-in-progress	28.06	19.71
	46.22	31.33
	(14.89)	6.62
Excise duty on finished goods (net)	4.58	(2.16)
	(10.31)	4.46

24. EMPLOYEE BENEFITS EXPENSE

₹ crores

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, wages and bonus	76.73	64.77
Employee Stock Option Expense	8.51	-
Contributions to provident fund and other funds	2.75	2.32
Gratuity expense [Refer note 28(h)]	1.13	0.85
Staff welfare expenses	2.01	1.50
	91.13	69.44

NOTES TO FINANCIAL STATEMENTS

25. OTHER EXPENSES

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of stores and spares	22.34	25.22
Packing Cost	44.45	42.68
Repairs and maintenance expenses:		
Repairs to buildings	2.65	0.86
Repairs to machinery	18.16	18.31
Others	0.97	2.70
Rent	4.06	3.97
Rates and taxes	6.47	2.18
Insurance	1.01	0.84
Legal & professional	10.60	3.12
Advertisement & publicity	37.44	21.92
Commission on sales	21.12	16.82
Rebates & discounts	12.52	9.79
Selling & Distribution Expenses	4.23	4.41
Branding Fees	1.06	-
Director's Commission	1.71	-
Auditors remuneration [Refer Note 28 (n)]	0.32	0.20
Postage & telephone	1.27	0.86
Printing & stationery	0.28	0.27
Travelling expenses	9.00	5.72
Software and IT related expenses	3.99	0.47
General expenses	10.90	13.26
	214.55	173.60

26. FINANCE COSTS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest expenses	120.97	121.52
Other finance charges	8.74	11.03
	129.71	132.55

27. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation on Tangible assets	53.28	53.76
Amortization of Asset constructed on property not owned by company	1.10	1.04
Amortization of Intangible assets	0.21	2.13
	54.59	56.93

NOTES TO FINANCIAL STATEMENTS

28. OTHER NOTES

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

Sr. No.	Particulars	₹ crores	
		As at 31st March, 2017	As at 31st March, 2016
i)	Differential Custom duty in respect of Import of Steam Coal	22.50	22.50
ii)	Excise Duty & Service tax credit in respect of capital goods and input services	11.28	12.51
iii)	Cess under the Building and other Constructions Workers Act, 1946	1.05	1.00
iv)	VAT exemption on sales made to SEZ unit	0.23	0.23
v)	Income Tax	0.25	1.56
	Total	35.31	37.80

- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹312.58 crores (Previous Year ₹351.86 crores).
- 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) Exceptional item amounting ₹2.96 crores (Previous Year Nil) comprise of expense incurred towards due diligence carried out for evaluating potential opportunities to acquire business assets.
- e) 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.
- f) **Employee Share Based Payments:**

The Company has provided share-based payment schemes to its employees.

On 30th March 2016, the board of directors had approved the ESOP Scheme - 2016 for issue of stock options to its employees & whole-time directors of the Company. According to the Scheme, the employee selected by the ESOP committee from time to time will be entitled to options based upon the CTC/fixed pay, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 1 year. The other relevant terms of the grant are as follows:

Sr. No.	Particulars	ESOP Details
1	Date of Grant	1st April, 2016
2	Grants Outstanding as on 1st April, 2016	Nil
3	Grants given during the year	56,20,950
4	Grants forfeited during the year	6,67,791
5	Grants exercised during the year	Nil
6	Grants outstanding as on 31st March, 2017	49,53,159
7	Vesting period	One year
8	Method of settlement	Cash
9	Exercise Price (₹ per share)	68.70

The Company measures the cost of ESOP using the fair value method calculated by EBITDA multiple for top 5 cement companies and the number of options per employee has been derived using Black Scholes Model.

Expenses arising from Employees' Share based payment plans debited to Profit & Loss Account ₹8.51 crores (Previous Year Nil)

- g) **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)	₹ crores equivalent
31st March, 2017	3	Buy	-	5.50	35.99
31st March, 2016	0	Buy	-	-	-

NOTES TO FINANCIAL STATEMENTS

- 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)	₹ crores equivalent
a)	Pending Capital Commitments			
	As at 31st March 2017	11.57	2.66	97.39
	(As at 31st March 2016)	(0.52)	(2.66)	(20.07)
b)	Import of Raw Material & Fuel			
	As at 31st March 2017	-	1.59	10.29
	(As at 31st March 2016)	-	(3.50)	(23.20)
c)	Supplier's/ Buyers' Credit			
	As at 31st March 2017	-	1.14	7.40
	(As at 31st March 2016)	-	(2.06)	(13.71)
d)	Interest Accrued but not due on Suppliers'/ Buyers' Credit	0.01	-	0.07
	As at 31st March 2017	-	(0.01)	(0.05)
	(As at 31st March 2016)			

- 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)	₹ crores equivalent
a)	Suppliers'/ Buyers' Credit			
	As at 31st March 2017	-	1.81	12.06
	(As at 31st March 2016)	-	-	-
b)	Interest Accrued but not due on Suppliers'/ Buyers' Credit			
	As at 31st March 2017	-	3.69	23.93
	(As at 31st March 2016)	-	-	-

h) Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹1.88 crores (Previous Year ₹1.58 crores).

ii) Defined Benefit Plans – Gratuity:

Particulars	₹ crores	
	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded
a. Changes in Present Value of obligations:		
Opening Balance of present value of obligation	3.49	1.72
Acquisition adjustment	-	0.86
Service Cost	0.76	0.66
Interest Cost	0.28	0.15
Actuarial (gain)/loss on obligation	0.42	0.23
Benefits paid	(0.63)	(0.13)
Closing Balance	4.32	3.49
b. Changes in Fair Value of assets:		
Opening Balance of Fair Value of Plan Assets	1.86	1.14
Expected Return on Plan assets less loss on investments	0.16	0.09
Actuarial gain / (loss) on Plan Assets	0.10	0.03
Employers' Contribution	1.63	0.73
Benefits paid	(0.63)	(0.13)
Closing Balance	3.12	1.86

NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded
c. Net Asset/(Liability) recognised in the Balance Sheet:		
Present Value of obligations	(4.32)	(3.49)
Fair Value of plan asset	3.12	1.86
Net Asset/(Liability) recognised in the Balance Sheet	(1.20)	(1.63)
d. Expenses during the Year:		
Service cost	0.76	0.66
Interest cost	0.28	0.15
Expected Return on Plan assets	(0.16)	(0.09)
Actuarial (Gain)/Loss	0.32	0.04
Total	1.20	0.76
e. Break up of Plan Assets as a percentage of total plan assets:		
Insurer Managed Funds – Value (100%)	3.12	1.86
f. Principal actuarial assumptions:		
Rate of Discounting	7.4% p.a.	8.0% p.a.
Rate of increase in salaries	6.0% p.a.	6.0% p.a.
Expected rate of return on plan assets	8.0% p.a.	8.5% p.a.
Attrition Rate	2.0% p.a.	2.0% 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 ₹1.63 crores (Previous Year ₹0.73 crores).

Other Disclosures:

Particulars	₹ crores				
	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded	As at 31st March, 2015 Funded	As at 31st March, 2014 Funded	As on 31st March, 2013 Funded
Defined Benefit Obligation	4.32	3.49	1.72	1.27	1.18
Plan Assets	3.12	1.86	1.14	0.97	0.75
Deficit	(1.20)	(1.63)	(0.58)	(0.30)	(0.43)
Experience Adjustments on Plan Liabilities–Loss/(Gain)	0.15	0.09	0.15	0.03	0.11
Experience Adjustments on Plan Assets–Loss/(Gain)	(0.10)	0.03	0.01	-	0.02

i) Segment reporting:

The Company is primarily engaged in the business of manufacturing and sale of Cement and Cement related products. As per Accounting Standard-17 "Segment Reporting" specified under section 133 of the Companies Act, 2013, there are no other reportable business and geographical segment applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

j) Related parties disclosure as per Accounting Standard 18:

A) List of Related Parties

1. Holding Company

Adarsh Advisory Service Private Limited

2. Subsidiary Company

JSW Cement FZE

3. Associate Company

Shiva Cement Limited

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

JSW Steel Limited

JSW Energy Limited

JSoft Solutions Limited

JSW Severfield Structures Limited

JSW Power Trading Co. Limited

JSW Steel Coated Products Limited

JSW Techno Projects Management Limited

Amba River Coke Limited

JSW Logistics Infrastructure Private Limited

Dolvi Coke Project Limited

JSW International Tradecorp Pte Limited

JSW Bengal Steel Limited

JSW MI Steel Services Center Private Limited

JSW Steel (Salav) Limited

Descon Limited

JSW Investments Private Limited

JSW Dharamtar Port Private Limited

JSW Global Business Solutions Limited (formerly known as Sapphire Technologies Limited)

South-West Mining Limited

JSW IP Holdings Private Limited

5. Key Managerial Personnel

Mr. Parth Jindal (MD)

Mr. Anil Kumar Pillai (Whole time Director & CEO) (upto 13.02.2017)

B) Nature of transactions*:

Transactions during the Year	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Purchase of Goods/ Power & Fuel/ Services:		
JSW IP Holdings Private Limited	1.06	-
JSW Steel Limited	93.53	61.05
JSW Energy Limited	48.06	21.32
JSW Steel Coated Products Limited	1.50	0.17
Jsoft Solutions Limited	-	1.36
JSW Structural Metal Decking	0.42	--
South West Mining Limited	9.81	7.88
JSW International Tradecorp PTE Limited	24.75	29.13
JSW Dharamtar Port Private Limited	0.22	2.15
Amba River Coke Limited	0.27	3.83
JSW Power Trading Co. Limited	15.03	-
JSW Steel (Salav) Limited	-	0.53
JSW Global Business Solutions Limited	2.03	-
	196.68	127.42

NOTES TO FINANCIAL STATEMENTS

B) Nature of transactions*:	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Transactions during the Year		
Lease rent paid:		
JSW Steel Limited	2.49	2.85
JSW Bengal Steel Limited	0.79	0.02
Descon Limited	0.18	-
	3.46	2.87
Purchase of Assets:		
JSW Bengal Steel Limited	7.55	-
	7.55	-
Reimbursement of expenses:		
JSW Steel Limited	6.22	7.33
JSW Bengal Steel Limited	1.91	0.13
	8.13	7.46
Sales of Goods / Other Income:		
JSW Steel Limited	35.93	55.29
JSW Steel Coated Products Limited	3.07	0.52
JSW Energy Limited	1.66	2.08
Amba River Coke Limited	0.02	0.10
Dolvi Coke Project Limited	8.32	6.53
JSW Dharamtar Port Private Limited	3.50	2.44
JSW Techno Projects Management Limited	4.81	2.62
JSW MI Steel Services Center Private Limited	-	0.01
JSW Steel (Salav) Limited	0.05	0.04
	57.36	69.63
Interest income on Loan given to		
JSW Techno Projects Management Limited	2.29	2.41
JSW Global Business Solutions Limited	0.30	0.03
Shiva Cement Limited	0.05	-
	2.64	2.44
Subscription to Equity Share Capital by:		
JSW Logistics Infrastructure Private Limited	-	19.00
	-	19.00
Recovery of expenses:		
JSW Energy Limited	1.27	-
	1.27	-
Purchase of Equity Share:		
JSW Cement FZE	0.28	-
	0.28	-
Share Application Money:		
JSW Cement FZE	10.12	-
	10.12	-
Loan given		
JSW Global Business Solutions Limited	1.79	1.75
Shiva Cement Limited	5.73	-
	7.52	1.75
Financial Charges paid to		
JSW Investments Private Limited	-	1.59
	-	1.59
Remuneration to		
Mr. Parth Jindal	2.91	-
Mr. Anil Kumar Pillai	1.89	1.63
	4.80	1.63

* Amount includes duties and taxes

NOTES TO FINANCIAL STATEMENTS

C) Closing balances:	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Particulars		
Trade Payables:		
JSW Steel Limited	35.89	48.12
JSW Energy Limited	1.93	1.97
Jsoft Solutions Limited	0.66	0.66
South West Mining Limited	0.07	1.05
JSW International Tradecorp Pte Ltd	-	-
Amba River Coke Limited	1.56	3.89
JSW Power Trading Co. Limited	-	-
JSW Steel (Salav) Limited	-	0.53
JSW Bengal Steel Limited	2.25	-
JSW Global Business Solutions Limited	1.39	-
	43.75	56.22
Advance Paid		
JSW Steel Coated Products Limited	0.31	-
JSW Power Trading Company Limited	2.55	-
JSW International Tradecorp Pte Limited	12.69	-
	15.55	
Trade Receivables:		
JSW Steel Limited	5.02	-
JSW Steel Coated Products Limited	1.11	0.04
JSW Energy Limited	0.05	0.15
JSW Jaigarh Port Limited	-	0.10
Dolvi Coke Project Limited	4.66	0.02
JSW Techno Projects Management Limited	1.39	0.20
JSW Dharamtar Port Private Limited	1.01	0.62
	13.24	1.13
Advance received from Customer		
Amba River Coke Limited	0.03	-
	0.03	-
Creditors for Capital Expenditure		
JSW Steel Limited	25.20	25.20
	25.20	25.20
Investments held by the Company		
JSW Energy Limited	2.42	2.42
Shiva Cement Limited	143.07	-
JSW Cement FZE	0.28	-
	145.77	2.42
Share Application Money		
JSW Cement FZE	10.12	-
	10.12	-
Capital Advance given		
JSW Bengal Steel Limited	-	0.25
JSW Steel Limited	-	0.92
	-	1.17
Loan given		
JSW Techno Projects Management Limited	20.00	20.00
JSW Global Business Solutions Limited	3.54	1.75
Shiva Cement Limited	5.73	-
	29.27	21.75
Interest receivable on Loan given		
JSW Techno Projects Management Limited	3.34	2.99
JSW Global Business Solutions Limited	0.27	0.02
Shiva Cement Limited	0.01	-
	3.62	3.01

NOTES TO FINANCIAL STATEMENTS

k) **Operating Lease:**

Lease rentals charged to Statement of profit and loss for right to use following assets are:

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Office premises, residential flats etc.	4.13	4.65
Total	4.13	4.65

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 6 months.

l) **Earnings Per Share ("EPS"):**

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Profit after tax for equity shareholders – Basic and Diluted (₹ crores) [A]	115.65	89.25
Weighted average number of equity shares for basic & diluted EPS (Nos.) [B]	45,05,11,700	44,76,48,686
Earnings per share – Basic & Diluted [A/B]	2.57	1.99
Nominal value per share (₹)	10.00	10.00

m) i) **Provision for Taxation includes:**

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current Tax	45.52	16.88
Earlier year tax provision	0.31	-
Deferred Tax (Asset) / Liability	97.67	30.42
Minimum Alternate Tax Credit Entitlement	(45.83)	(16.88)
Total	97.67	30.42

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liabilities		
Depreciation	(235.75)	(201.50)
	(235.75)	(201.50)
Deferred Tax Assets		
Expense allowable on payment basis	1.25	0.89
Provision for doubtful debts	0.12	0.16
Unabsorbed depreciation and business loss	179.35	243.09
	180.72	244.14
Deferred Tax Asset/ (Liability) (net)	(55.03)	42.64

NOTES TO FINANCIAL STATEMENTS

n) Remuneration to Auditors

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Audit Fees		
Statutory Audit	0.23	0.17
Tax Audit	0.02	0.01
Certification & Out of pocket expenses	0.06	0.01
Total	0.32	0.19

o) Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act

₹ crores			
Particulars	Party	Amount	Purpose
Loan given	JSW Techno Projects Management Limited	20.00	General corporate
Loan given	JSW Global Business Solutions Private Limited	3.54	General corporate
Loan given	Shiva Cement Limited	5.73	General corporate
		29.27	

Details of investment made by the Company are given under note 14.

p) Quantitative Information:

i) Inventory:

Class of Products	As at 31st March, 2017		As at 31st March, 2016	
	Tons	₹ crores	Tons	₹ crores
Ground Granulated Blast Furnace Slag	27,265.33	2.28	14,026	1.18
Clinker	108,043.00	24.54	72,385	14.75
Portland Slag Cement	29,646.52	5.67	46,418	11.67
Ordinary Portland Cement	19,571.68	5.37	7,732	2.05
Concreel	17403.02	3.41		
Others		1.31		1.68
Total		42.58		31.33

ii) Consumption of Materials:

Description	UOM	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
		Quantity	₹ crores	Quantity	₹ crores
Slag	MT	3,255,946	62.30	2,602,483	49.67
Limestone	MT	1,644,058	19.98	1,360,895	28.87
OPC	MT	190,644	23.81	238,601	37.75
Laterite, iron ore and additives	MT	99,166	16.38	78,715	14.47
Clinker	MT	146,184	36.67	141,709	47.70
Coal	MT	122,946	90.38	122,215	81.49
Gypsum	MT	54,208	7.34	52,775	10.68
Furnace Oil	KL	-	-	55	0.16
LDO/HSD	Liters	388,510	1.24	1,541,935	6.06
Total			258.98		276.85

Note: Includes captive consumption of Cement ₹7 crores (Previous Year ₹3.69 crores)

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, 2017		For the Year ended 31st March, 2016	
	₹ crores	% of Total Value	₹ crores	% of Total Value
Raw Materials				
Indigenous	136.53	75.79%	172.45	86.28%
Imported	44.09	24.41%	27.43	13.72%
Total	180.61	100%	199.88	100%
Stores and Spares				
Indigenous	20.42	91.42%	24.10	95.56%
Imported	1.92	8.58%	1.12	4.44%
Total	22.34	100%	25.22	100%

- q) Expenditure/ Earning in foreign currency:

- i) Value of Imports (on CIF Basis):

₹ crores

Description	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Capital goods	44.44	6.37
Raw Materials and Fuel	185.29	104.86
Import of components and spare parts	41.55	5.60
Total	271.29	117.23

- ii) Expenditure in foreign currency:

₹ crores

Description	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Consultancy	1.71	0.03
Travelling Expenses	0.10	-
Finance Charges	0.87	0.37
Total	2.68	0.40

- iii) Earning in Foreign currency:

₹ crores

Description	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Export of goods on FOB	0.45	2.21
Total	0.45	2.21

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

₹ crores

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	Principal amount due outstanding as at 31st March	4.09	0.20
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	2.44	-
5.	Interest due and payable for the period of delay	-	-
6.	Interest accrued and remaining unpaid as at 31st March	0.05	-
7.	Amount of further interest remaining due and payable in succeeding year	-	-

NOTES TO FINANCIAL STATEMENTS

s) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Particulars	₹ crores		
	SBN	Other notes	Total
Balance as at 8 November 2016	0.05	0.05	0.10
Less : Paid for permitted transactions	-	0.09	0.09
Less : Deposited in bank accounts	0.06	-	0.06
Less : Paid for non-permitted transactions (if relevant)	-	-	-
Add : Receipts for permitted transactions	0.02	0.07	0.09
Add : Receipts for non-permitted transactions (if relevant)	-	-	-
Closing balance as at 30 December 2016	-	0.04	0.04

t) 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

NIRMAL KUMAR JAIN

Chairman
DIN : 00019442

RAHUL DUBEY
Company Secretary

PARTH SAJJAN JINDAL

Managing Director
DIN : 06404506

NARINDER SINGH KAHLON
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Cement Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JSW Cement Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the 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 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 consolidated financial statements are free from material misstatement,

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks or material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements of the associate noted below, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year then ended.

Other Matters

- a) The consolidated financial statements Includes the unaudited financial statements / financial information of the subsidiary for the period November 26, 2016 to March 31, 2017, whose financial statements/ financial information reflect total assets of ₹1024.00 lakhs as at March 31, 2017, total revenue of ₹Nil, and net cash flows amounting to ₹474.39 lakhs, for the period November 26, 2016 to March 31, 2017, which are considered in preparation of the consolidated financial statements. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements/ financial information.
- b) The consolidated financial statements Include the Group's share of loss of ₹415.00 lakhs for the year ended March 31, 2017, as considered in the consolidated financial statements in respect of associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors for the period ended March 31, 2017 whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and associate, as noted In the "Other Matters" paragraph, we report, to the extent applicable, 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 purposes of our audit or the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 or the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2017 from being appointed as a Director of that company in terms of subsection 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 A" 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statement disclose the Impact of pending litigations on the consolidated financial position of the Group - Refer Note 28(a) to the consolidated financial statements;
- ii. Provisions has been made in the consolidated financial statements, as required under the applicable law or accounting standards / for material foreseeable losses, If any, on long-term contracts Including derivative contracts;

- iii. There has been no delay In transferring amounts, required to be transferred to the investor Education and Protection Fund by the Holding Company and its subsidiary; and
- iv. The Group has provided requisite disclosures in Its consolidated financial statements as to Its holdings as well as dealing In Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation we report that the disclosures are In accordance

with the books of account maintained by the holding Company - Refer Note 28(p) to the consolidated financial statements.

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

Heneel K. Patel
Partner
M. No.114103

Place: Mumbai
Date: April 26, 2017

ANNEXURE A

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of JSW CEMENT LIMITED (“the Holding Company”) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). 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 respective 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 and the Standards on Auditing, issued by the ICAI 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 ICAI. 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 and the audit evidence obtained by the other auditor 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 to the best of our information and according to the explanations given to us, the Holding 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, 2017, 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 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 26, 2017

CONSOLIDATED BALANCE SHEET

Particulars	Note no.	₹ crores	
		As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	450.51	450.51
Reserves and surplus	3	91.33	(28.20)
		541.84	422.31
Non-Current Liabilities			
Long-term borrowings	4	1,493.61	968.12
Deferred tax liabilities (net)	13	55.03	-
Other Long-term liabilities	5	65.83	25.20
Long-term provisions	6	17.57	3.79
		1,632.04	997.11
Current Liabilities			
Short-term borrowings	7	222.42	33.55
Trade payables	8		
Total outstanding dues of micro, small and medium enterprises		4.09	0.21
Total outstanding dues of creditors other than micro, small and medium enterprises		329.33	262.26
Other current liabilities	9	437.14	290.73
Short-term provisions	10	9.60	6.65
		1,002.58	593.40
TOTAL		3,176.46	2,012.82
ASSETS			
Non-Current Assets			
Fixed assets	11		
Tangible assets		1,513.58	1,297.60
Intangible assets		13.45	0.49
Capital work-in-progress		657.15	239.27
Intangible asset under development		1.60	0.22
Non-current investments	12	141.33	2.42
Deferred tax assets (net)	13	-	42.64
Long-term loans and advances	14	71.35	77.95
Other non-current assets	18	50.43	-
		2,448.89	1,660.59
Current Assets			
Inventories	15	157.78	137.26
Trade receivables	16	128.98	81.12
Cash and cash equivalent	17	125.82	17.98
Short-term loans and advances	14	189.50	97.67
Other current assets	18	125.49	18.20
		727.57	352.23
Total		3,176.46	2,012.82
Significant accounting policies & other notes	1 & 28		

The accompanying notes are integral part of the financial statements

As per our report of even date

FOR SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

HENEEL K PATEL

Partner

M. No. 114103

NIRMAL KUMAR JAIN

Chairman

DIN : 00019442

RAHUL DUBEY

Company Secretary

For and on behalf of the Board of Directors

PARTH SAJJAN JINDAL

Managing Director

DIN : 06404506

NARINDER SINGH KAHLON

Chief Financial Officer

Place: Mumbai

Date: 26th April, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note no.	₹ crores	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations (gross)	19	1,584.48	1,435.38
Less: excise duty		171.34	163.37
Revenue from operations (net)		1,413.14	1,272.01
Other income	20	91.12	17.80
Total revenue		1,504.26	1,289.81
Expenses			
Cost of raw material consumed	21	180.61	199.88
Purchases of traded goods	22	21.39	0.38
(Increase) / decrease in inventories of finished goods, semi finished goods and traded goods	23	(10.31)	4.46
Employee benefits expense	24	91.13	69.44
Power and fuel		242.33	214.83
Freight and handling expense		370.98	321.76
Other expenses	25	214.58	173.60
		1,110.71	984.35
Less: Captive consumption (net of excise duty of ₹0.88 crores; previous year ₹0.46 crores)		(7.00)	(3.69)
Total Expenses		1,103.71	980.66
Earnings before interest, tax, depreciation and amortisation (EBITDA)		400.55	309.15
Finance costs	26	129.72	132.55
Depreciation and amortization expense	27	54.59	56.93
Profit before exceptional items and tax		216.24	119.67
Exceptional Items	28(d)	2.96	-
Profit before tax		213.28	119.67
Less: Tax expenses	28(m)	97.67	30.42
Profit after tax		115.61	89.25
Share of loss in Associate		(4.15)	-
Profit for the year		111.46	89.25
Earnings per equity share (face value of ₹10/- each)	28(l)		
- Basic		2.47	1.99
- Diluted		2.47	1.99
Significant accounting policies & other notes	1 & 28		

The accompanying notes are integral part of the financial statements

As per our report of even date

FOR SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

HENEEL K PATEL

Partner

M. No. 114103

NIRMAL KUMAR JAIN

Chairman

DIN : 00019442

RAHUL DUBEY

Company Secretary

For and on behalf of the Board of Directors

PARTH SAJJAN JINDAL

Managing Director

DIN : 06404506

NARINDER SINGH KAHLON

Chief Financial Officer

Place: Mumbai

Date: 26th April, 2017

CONSOLIDATED CASH FLOW STATEMENTS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT BEFORE TAX	213.09	119.67
Adjustments for:		
Interest income	(7.94)	(3.63)
Dividend on long-term investments	(0.31)	(0.31)
Gain on sale of current investments	(0.54)	(0.49)
Loss / (Profit) from sale of fixed asset	0.06	-
Write back of excess provision	(1.37)	(0.04)
Government incentive	(77.73)	(11.41)
Unrealised foreign loss (net)	(2.72)	0.74
Depreciation	54.59	56.93
Interest costs on borrowings	129.71	132.55
Operating Profit Before Working Capital Changes	306.84	294.01
Adjustment for:		
(Increase) / Decrease in Trade receivables	(48.06)	(3.13)
(Increase) / Decrease in Inventories	(20.53)	1.66
(Increase) / Decrease Loans & advances	15.36	(4.06)
(Increase) / Decrease Other assets	(76.80)	1.86
Increase / (Decrease) in Trade payables	75.24	1.28
Increase / (Decrease) Other liabilities	50.27	25.63
Cash used in Operations	302.32	317.25
Direct taxes paid (net of refund)	(38.89)	(17.24)
NET CASH USED IN OPERATING ACTIVITIES	263.43	300.01
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and capital advances	(617.30)	(172.77)
Proceeds from sale of fixed assets	0.14	0.04
Interest received	4.76	2.73
Investment in associate & subsidiary	(143.07)	-
Term Deposit	(102.02)	-
Dividend on long-term investments	0.31	0.31
Income from sale of current investment	0.54	19.47
Loan to related party [Refer Note 28 (j)]	(7.52)	(1.75)
NET CASH USED IN INVESTING ACTIVITIES	(864.16)	(151.97)

CONSOLIDATED CASH FLOW STATEMENTS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity share capital	-	-
Proceeds from share application money received	-	-
Proceeds from long-term borrowings	599.72	811.53
Proceeds from short-term borrowings	188.88	23.64
Repayment of long-term borrowings	(51.01)	(849.51)
Interest paid on borrowings	(131.04)	(135.85)
NET CASH GENERATED FROM FINANCING ACTIVITIES	606.55	(150.19)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+C)	5.82	(2.15)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17.96	20.11
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Refer Note 17]	23.78	17.96

Notes:

- The Cash Flow Statement has been prepared under the "indirect method" as set out in Accounting Standard (AS) 3 on Cash Flow Statements notified under the relevant provisions of The Companies Act, 2013.
- Previous year's figures have been regrouped/rearranged wherever necessary, to conform to current year's classification.

The accompanying notes are integral part of the financial statements

As per our report of even date

FOR SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

HENEEL K PATEL

Partner

M. No. 114103

Place: Mumbai

Date: 26th April, 2017

NIRMAL KUMAR JAIN

Chairman

DIN : 00019442

RAHUL DUBEY

Company Secretary

For and on behalf of the Board of Directors

PARTH SAJJAN JINDAL

Managing Director

DIN : 06404506

NARINDER SINGH KAHLON

Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

Overview of the Group

JSW Cement Limited (the Parent company), its Subsidiaries and an Associate collectively is referred to as 'the Group'. The Group is primarily engaged in the business of manufacture and sale of cement, ground granulated blast furnace slag and clinker and trading of allied products.

Note 1 Significant accounting policies followed by the Group:

a. Basis of preparation

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard (AS) 21-“Consolidated Financial Statements” and Accounting Standard (AS) 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”, prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

b. Principles of Consolidation

- i) The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements”. The financial statements of the Parent Company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits / losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Parent Company’s independent financial statements.

Associates are consolidated by adopting the equity method of accounting whereby the carrying amount of the investment is adjusted for the post acquisition change in the investor’s share of net assets of the investee.

As far as possible, the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

ii) Goodwill / Capital Reserve on Consolidation

The excess of cost to the Parent Company of its investment in Subsidiary Companies, Joint Ventures and Associate Companies over the Parent Company’s portion of equity, at the date on which investment in Subsidiaries and Associate Companies is made, is recognized as Goodwill in the Consolidated Financial Statements. When the cost to the Parent Company is less than the Parent Company’s portion of equity, the difference is recognized in the financial statements as Capital Reserve.

iii) Companies included in Consolidation

Particulars	Country of Incorporation	Shareholding either directly or through subsidiaries/ associates as at	
		31st March, 2017	31st March, 2016
On the basis of audited financial statements			
Associate			
Shiva Cement Limited	India	49.40%	-
On the basis of unaudited financial statements, certified by the Management			
Subsidiary			
JSW Cement FZE	United Arab Emirates	100%	-

c. General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.

- i) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

NOTES TO FINANCIAL STATEMENTS

- ii) The preparation of financial statements, are in conformity with generally accepted accounting principles (GAAP), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.
- iii) All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of Companies Act, 2013.

d. 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.

e. 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 and excise duty. 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.

f. Property, Plant and Equipment

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 of the Company 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.

g. 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 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

NOTES TO FINANCIAL STATEMENTS

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.

h. 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 as under 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
1	Plant and Machinery	25 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:

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.

i. 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

NOTES TO FINANCIAL STATEMENTS

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 recovered 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.

j. 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.

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, the income and expense items of the subsidiary company are translated at average exchange rates and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

k. 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.

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.

l. 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.

NOTES TO FINANCIAL STATEMENTS

m. 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.

n. Employee Share based payments

The compensation cost of stock options granted to employees is calculated using the fair value method of the stock options. The compensation expense is amortized uniformly over the vesting period of the option in accordance with the Guidance note on Share based payments issued by the Institute of Chartered Accountants of India

o. 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 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.

p. Operating Lease

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

q. 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.

r. 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

NOTES TO FINANCIAL STATEMENTS

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.

s. Minimum Alternate Tax (MAT)

MAT under the provisions of Income tax Act, 1961, where applicable, is recognised as current tax in the statement of Profit and Loss. The credit available under the Income Tax Act, 1961 is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

t. Mines Reclamation Expenses

The Company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

u. 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.

v. 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.

w. 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	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
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
	1,500.00	1,500.00
Issued, Subscribed & Fully Paid Up Capital		
450,511,700 (Previous year 450,511,700) Equity shares of ₹10 each fully paid up	450.51	450.51
	450.51	450.51

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	450,511,700	450,511,700
Add: Fresh issue of shares during the year	-	-
Equity shares at the end of the year	450,511,700	450,511,700

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.

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Adarsh Advisory Services Private Limited - Holding Company		
357,227,020 (Previous year NIL) Equity Shares of ₹10 each	357.23	-
JSW Investment Private Limited alongwith its nominee shareholders		
41,590,226 (Previous year 323,191,996) Equity Shares of ₹10 each	41.59	323.19

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	% of holding	Number of shares	% of holding
Equity shareholding				
Adarsh Advisory Services Private Limited - Holding company	357,227,020	79.29%	-	-
JSW Investment Private Limited alongwith its nominees	41,590,226	9.23%	323,192,496	71.76%
Danta Enterprises Private Limited	26,000,000	5.77%	26,000,000	5.77%
JSW Logistics Infrastructure Private Limited	-	-	75,550,000	16.77%

NOTES TO FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

₹ crores

Particulars	As at	As at
	31st March, 2017	31st March, 2016
a. Surplus/(Deficit) in statement of profit and loss		
Balance as per last Balance sheet	(28.20)	(117.45)
Add: Profit for the year	111.46	89.25
Balance as at the end of the year	83.26	(28.20)
b. Share option outstanding account		
Balance as per last Balance sheet	-	-
Add: Share option granted	8.51	-
Balance as at the end of the year	8.51	-
c. Foreign currency translation reserve		
Balance as per last Balance sheet	-	-
Add: Adjusted during the year	(0.44)	-
Balance as at the end of the year	(0.44)	-
	91.33	(28.20)

4. LONG-TERM BORROWINGS

₹ crores

Particulars	Non-Current		Current Maturities	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Term Loans				
Secured				
- From banks	1,493.61	968.12	73.33	50.10
	1,493.61	968.12	73.33	50.10

4.1 Details of Security

- Term Loans of ₹682.47 crores 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 ₹409.47 crores 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 ₹415.00 crores 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 ₹60.00 crores 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

- ₹682.47 crores is repayable as under:
 - 17 quarterly instalments of ₹11.44 crores from 1st July 2017 - 1st July 2021
 - 4 quarterly instalments of ₹13.34 crores from 1st October 2021 - 1st July 2022
 - 4 quarterly instalments of ₹30.50 crores from 1st October 2022 - 1st July 2023
 - 4 quarterly instalments of ₹38.13 crores from 1st October 2023 - 1st July 2024
 - 4 quarterly instalments of ₹40.03 crores from 1st October 2024 - 1st July 2025
- ₹409.47 crores is repayable as under:
 - 1 quarterly instalments of ₹7.19 crores on 14th April 17
 - 2 quarterly instalments of ₹6.22 crores from 14th July 2017 - 14th October 2017
 - 4 quarterly instalments of ₹10.37 crores from 14th January 2018 - 14th October 2018
 - 4 quarterly instalments of ₹20.74 crores from 14th January 2019 - 14th October 2019
 - 10 quarterly instalments of ₹26.54 crores from 14th January 2020 - 14th April 2022
- ₹415.00 crores is repayable as under:
 - 4 quarterly instalments of ₹10.39 crores from 30th September 2019 - 30th June 2020
 - 4 quarterly instalments of ₹11.41 crores from 30th September 2020 - 30th June 2021
 - 4 quarterly instalments of ₹13.51 crores from 30th September 2021 - 30th June 2022
 - 4 quarterly instalments of ₹15.58 crores from 30th September 2022 - 30th June 2023
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2023 - 30th June 2024
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2024 - 30th June 2025
 - 4 quarterly instalments of ₹17.62 crores from 30th September 2025 - 30th June 2026
- ₹60.00 crores is repayable as under:
 - 6 quarterly instalments of ₹1.5 crores from 9th December 2017 - 9th March 2019
 - 20 quarterly instalments of ₹2.55 crores from 9th September 2019 - 9th March 2024

NOTES TO FINANCIAL STATEMENTS

5. OTHERS LONG-TERM LIABILITIES

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Creditors for capital expenditure [Refer note 28 (j)]	65.83	25.20
	65.83	25.20

6. LONG-TERM PROVISIONS

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Gratuity	1.20	1.62
Leave encashment	3.62	2.56
	4.82	4.18
Less: Transferred to other current liabilities [Refer note 9]	(0.35)	(0.39)
	4.47	3.79
Mines Restoration Expenditure	13.10	-
	17.57	3.79

7. SHORT-TERM BORROWINGS

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Secured loans		
Working capital loan from banks	38.42	25.55
Unsecured loans		
Term loan	180.00	-
Working capital loan from banks	4.00	8.00
	222.42	33.55

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-process, consumable stores and spares and trade receivables of the Company, both present and future.

8. TRADE PAYABLES

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Acceptances	64.09	35.76
Micro Small and Medium Enterprises [Refer Note 28 (r)]	4.09	0.21
Others (Refer note 28 (j))	265.24	226.50
	333.42	262.47

NOTES TO FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long-term debt [Refer Note 4.1 and 4.2]	73.33	50.10
Current dues of long term employee benefits [Refer Note 6]	0.35	0.39
Interest accrued but not due on borrowings	2.59	3.93
Creditors for capital expenditure [Refer note 28(j)]	70.41	67.19
Security Deposit from customers	54.69	47.96
Advances from customers	9.76	17.40
Statutory liabilities	33.98	24.94
Other Payables*	192.03	78.82
	437.14	290.73

(*) Others includes Del Credre Finance payable ₹56.12 crores (previous year ₹40.04 crores) and Acceptances for capital creditors ₹133.72 crores (previous year ₹37.46 crores)

10. SHORT-TERM PROVISIONS

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2017
Provision for employee benefits	7.35	6.65
Provision for taxation	2.25	-
	9.60	6.65

NOTES TO FINANCIAL STATEMENTS

11. FIXED ASSETS

Following are the changes in carrying value of fixed assets for the year ended 31 March, 2017

Description of Assets	Freehold		Building	Plant & Machinery	Furniture and Fixtures	Computers	Office Equipment	Vehicle	220 KV Switching station	Railway siding	Total Tangible Assets	Software	Mining Rights*	Total Intangible Assets	
	Land	Leasehold													
I. Gross Block															
Balance as at 1 April, 2016	31.15	6.43	238.52	1,235.66	2.01	2.88	2.01	1.63	18.16	7.44	1,545.89	6.61	-	6.61	
Additions	1.24	4.36	42.75	218.90	0.09	0.75	0.88	0.26	-	0.91	270.14	0.49	13.10	13.59	
Other -Deductions/Adjustments	-	-	-	-	(0.01)	(0.04)	(0.02)	(0.29)	-	-	(0.36)	-	-	-	
Balance as at March 31, 2017	32.39	10.79	281.27	1,454.56	2.09	3.59	2.87	1.60	18.16	8.35	1,815.67	7.10	13.10	20.20	
II. Accumulated depreciation and impairment for the year 2016-2017															
Balance as at 1 April, 2016	-	2.27	20.68	216.65	0.87	2.41	1.39	0.46	1.80	1.76	248.29	6.12	-	6.12	
Depreciation expense for the year	-	0.35	3.62	47.92	0.21	0.30	0.26	0.20	0.53	0.57	53.96	0.21	0.42	0.63	
Eliminated on disposal of assets	-	-	-	-	(0.01)	(0.03)	(0.02)	(0.10)	-	-	(0.16)	-	-	-	
Balance as at March 31, 2017	-	2.62	24.30	264.57	1.07	2.68	1.63	0.56	2.33	2.33	302.09	6.33	0.42	6.75	
Net block (I-II)	32.39	8.17	256.97	1,189.99	1.02	0.91	1.24	1.04	15.83	6.02	1,513.58	0.77	12.68	13.45	
Balance as on 31st March 2016	31.15	4.16	217.84	1,018.99	1.14	0.46	0.67	1.18	16.34	5.67	1,297.60	0.49	-	0.49	

Following are the changes in carrying value of fixed assets for the year ended 31 March, 2016

Description of Assets	Freehold		Building	Plant & Machinery	Furniture and Fixtures	Computers	Office Equipment	Vehicle	220 KV Switching station	Railway siding	Total Tangible Assets	Software	Mining Rights*	Total Intangible Assets	
	Land	Leasehold													
I. Gross Carrying Value															
Balance as at 1 April, 2015	31.15	6.43	224.59	1,222.35	1.47	2.51	1.68	1.13	18.16	7.44	1,516.91	6.47	-	6.47	
Additions	-	-	13.93	18.03	0.55	0.38	0.33	0.56	-	-	33.78	0.14	-	0.14	
Other -Deductions/Adjustments	-	-	-	(4.73)	-	(0.01)	-	(0.06)	-	-	(4.80)	-	-	-	
Balance as at March 31, 2016	31.15	6.43	238.52	1,235.65	2.02	2.88	2.01	1.63	18.16	7.44	1,545.89	6.61	-	6.61	
II. Accumulated depreciation and impairment for the year 2015-2016															
Balance as at 1 April, 2015	-	1.95	17.25	168.11	0.69	2.20	1.09	0.30	1.29	1.25	194.13	3.99	-	3.99	
Depreciation expense for the year	-	0.32	3.43	49.17	0.19	0.23	0.25	0.16	0.53	0.52	54.80	2.13	-	2.13	
Eliminated on disposal of assets	-	-	-	(0.62)	-	(0.01)	-	(0.01)	-	-	(0.64)	-	-	-	
Balance as at 31 March, 2016	-	2.27	20.68	216.66	0.88	2.42	1.34	0.45	1.82	1.77	248.29	6.12	-	6.12	
Net block (I-II)	31.15	4.16	217.84	1,018.99	1.14	0.46	0.67	1.18	16.34	5.67	1,297.60	0.49	-	0.49	

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

11.2 (a) Asset include Gross Block of ₹164.51 crores (previous year ₹158.59 crores) 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 ₹162.91 crores (previous year ₹105.64 crores) 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 crores (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/(Deletions) to Plant & Machinery includes adjustment of ₹ (0.59) crores (previous year ₹1.91 crores) on account of foreign exchange fluctuation loss

11.4 During the year company has recognised Mining Rights as required under AS 10 Property, Plant & Equipment for decommissioning liability to be incurred towards mines restoration expenditure, for deriving the cost of the asset company has discounted the value over the lease period of the mines.

NOTES TO FINANCIAL STATEMENTS

11.5 CAPITAL WORK-IN-PROGRESS

₹ crores

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Plant & Machinery and Civil Works - (A)	820.26	265.51
Pre-Operative Expenses (Pending Allocation) (B)		
Opening Balance	5.96	-
Stores & Spares	14.67	-
Power & Fuel	0.18	0.04
Rent	0.18	-
Rates & Taxes	7.58	-
Repairs & Maintenance	1.50	-
Insurance Charges	0.21	0.17
Consultancy Charges	3.60	0.09
Legal & Professional Charges	6.20	0.48
Travelling Expenses	1.51	0.22
Foreign Exchange Fluctuation	0.02	-
Employee benefits expense	5.00	0.41
Borrowing Cost	32.09	4.48
Finance Charges	4.25	-
Office Expense	0.27	0.07
Depreciation	-	-
Miscellaneous Expenses	10.36	-
"Loss/ (Revenue) generated from trial run activity (Refer Note 10.9)"	-	-
Less: Gain on unwinding of forward contract	0.14	-
Total	93.44	5.96
Grand Total (A + B)	913.70	271.47
Less: Amount transferred to Fixed Assets	(254.95)	(31.98)
Balance Carried forward	658.75	239.49

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

- A) Road development ₹84.87 crores (previous year ₹71.33 crores)

NOTES TO FINANCIAL STATEMENTS

12. NON-CURRENT INVESTMENTS		₹ crores
Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade investments		
Quoted:		
Investment in Equity Shares (Long-Term - Fully paid up & valued at cost)		
JSW Energy Limited	2.42	2.42
15,59,610 (Previous Year 15,59,610) of ₹10 each fully paid-up		
Non-Trade investments		
Quoted:		
Investment in Equity Shares - Associate		
Shiva Cement Limited	45.43	-
9,63,37,806 (Previous Year - Nil) of ₹10 each fully paid-up		
Add: Goodwill on acquisition	97.63	-
Less: Share of loss for the year	(4.15)	-
	138.91	-
Investment in government or trust securities (Unquoted - valued at cost)		
National Saving Certificate - Pledged with Commercial Taxes Department ₹3,000 (Previous Year ₹3,000)	-	-
	141.33	2.42
Aggregate value of quoted investments	141.33	2.42
Market value of quoted investments	194.61	10.84
13. DEFERRED TAX (LIABILITY) / ASSET (Net)		₹ crores
Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets:		
Provision allowed under tax on payment basis	1.25	0.89
Others	0.12	0.64
Unabsorbed depreciation / losses	179.35	243.08
Deferred Tax Liabilities:		
Depreciation and Amortisation differences	(235.75)	(201.97)
	(55.03)	42.64

NOTES TO FINANCIAL STATEMENTS

14. LOANS AND ADVANCES

₹ crores

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered good				
Capital advances	42.91	47.37	-	-
Security deposit	24.58	23.16	2.14	1.58
Advance recoverable from ESOP Trust	-	-	9.28	9.28
Loans and advances to related parties [Refer note 28(j)]	3.54	1.75	25.73	20.00
Advance to suppliers	-	-	13.10	16.32
Other loans and advances				
Advance tax and Tax Deducted at Source (net)	0.25	5.67	-	1.53
MAT credit entitlement	-	-	62.72	16.88
Cenvat receivable	-	-	68.53	31.01
Prepaid expenses	0.07	-	6.74	0.89
Other advances	-	-	1.26	0.18
	71.35	77.95	189.50	97.67
* Loans and advances to related parties includes;				
JSW Global Business Solutions Pvt Ltd.	3.54	1.75	-	-
Shiva Cement Limited	-	-	5.73	-
JSW Techno Projects Management Ltd.	-	-	20.00	20.00

15. INVENTORIES

₹ crores

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw materials [includes stock in transit ₹ Nil (previous year ₹0.79 crores)]	21.57	22.62
Semi finished goods	28.05	19.71
Finished goods	18.16	11.62
Stores and spares [includes stock in transit ₹ Nil (previous year ₹0.65 crores)]	60.34	63.57
Fuel [includes stock in transit ₹ Nil (previous year ₹8.15 crores)]	29.66	19.74
	157.78	137.26

Refer Note 1(c) for mode of valuation

16. TRADE RECEIVABLES

₹ crores

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered good		
Outstanding for a period exceeding six months from the date they are due for payment	9.61	4.80
Others [Refer note 28(j)]	119.37	76.32
	128.98	81.12

NOTES TO FINANCIAL STATEMENTS

17. CASH AND CASH EQUIVALENT

Particulars	₹ crores			
	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Cash and cash equivalents				
Balances with banks	-	-	23.72	17.92
Cash on hand	-	-	0.06	0.04
	-	-	23.78	17.96
Other bank balances				
Term deposit with original maturity of more than 3 month but less than 12 months	-	-	0.02	0.02
Term deposit with original maturity for more than 12 month at inception	47.54	-	-	-
Balance in Escrow account	-	-	102.02	-
	47.54	-	102.04	0.02
Amount disclosed under non-current asset [Refer note 18]	(47.54)	-	-	-
	-	-	102.04	0.02
	-	-	125.82	17.98

Cash and cash equivalent as on March 31, 2017 and March 31, 2016 includes restricted cash and bank balances of ₹102.02 crores and Nil respectively.

18. OTHER ASSETS

Particulars	₹ crores			
	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Non-Current bank balances [Refer note 17]	47.54	-	-	-
Inter-corporate loan*	2.89	-	26.25	-
Interest receivable on loan to related party [Refer note 28(j)]	-	-	3.94	3.18
Interest receivable others	-	-	3.20	0.78
Rent receivable [Refer note 28(j)]	-	-	2.00	-
Claims receivable	-	-	90.10	14.24
	50.43	-	125.49	18.20
*Inter-corporate loan				
Reynold Traders	2.89	-	-	-
Monnet Ispat & Energy Limited	-	-	26.25	-

NOTES TO FINANCIAL STATEMENTS

19. REVENUE FROM OPERATIONS

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations		
Sale of Products		
Finished goods	1,549.47	1,428.23
Traded	25.63	1.08
Other operating income	9.38	6.07
Revenue from operations (gross)	1,584.48	1,435.38
Less: Excise duty	171.34	163.37
Revenue from operations (net)	1,413.14	1,272.01

19.1 DETAILS OF PRODUCTS SOLD

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Finished goods		
Portland Slag Cement	1,139.70	1,140.89
Ordinary Portland Cement	51.82	18.27
Ground Granulated Blast Furnace Slag	319.95	257.01
Concreel HD	25.76	-
Clinker	12.24	12.06
	1,549.47	1,428.23
Traded		
Cement	6.77	-
Granulated Blast Furnace Slag	5.13	1.08
Clinker	13.38	-
Others	0.35	-
	25.63	1.08

20. OTHER INCOME

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest income from loan to Related party [Refer note 28(j)]	2.28	2.44
Interest income from Others	5.66	1.19
Dividend income from long term investments	0.31	0.31
Profit on sale of current investments	0.54	0.49
Write Back of excess provision	1.37	-
Government Incentives*	77.73	11.41
Miscellaneous receipts	3.23	1.96
	91.12	17.80

* [Refer Accounting Policy 1(k)]

NOTES TO FINANCIAL STATEMENTS

21. COST OF RAW MATERIAL CONSUMED		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventory at the beginning of the year	22.62	24.69
Add : Purchases	179.56	197.81
Less: Inventory at the end of the year	21.57	22.62
Cost of raw material consumed	180.61	199.88

21.1 DETAILS OF RAW MATERIAL CONSUMED		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Clinker	36.67	47.70
Lime Stone	19.98	28.87
Granulated Blast Furnace Slag	62.30	49.67
Iron Ore & Laterite	16.38	14.47
Gypsum	7.34	10.68
Ordinary Portland Cement (OPC)	23.81	37.75
Others	14.13	10.74
	180.61	199.88

21.2 DETAILS OF INVENTORY		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Granulated Furnace Slag	2.50	1.13
Gypsum	8.95	3.22
Iron Ore / Laterite	0.59	2.41
Ordinary Portland Cement (OPC)	1.48	0.01
Clinker	8.03	15.17
Others	0.02	0.68
	21.57	22.62

22. PURCHASE OF TRADED GOODS		₹ crores
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Granulated Blast Furnace Slag	7.92	0.38
Clinker	13.18	-
Packing Bag	0.29	-
	21.39	0.38

NOTES TO FINANCIAL STATEMENTS

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

₹ crores

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year		
Finished goods	11.62	23.23
Work-in-progress	19.71	14.72
	31.33	37.95
Inventories at the end of the year		
Finished goods	18.16	11.62
Work-in-progress	28.06	19.71
	46.22	31.33
	(14.89)	6.62
Excise duty on finished goods (net)	4.58	(2.16)
	(10.31)	4.46

24. EMPLOYEE BENEFITS EXPENSE

₹ crores

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, wages and bonus	76.73	64.77
Employee Stock Option Expense	8.51	-
Contributions to provident fund and other funds	2.75	2.32
Gratuity expense [Refer note 28(h)]	1.13	0.85
Staff welfare expenses	2.01	1.50
	91.13	69.44

NOTES TO FINANCIAL STATEMENTS

25. OTHER EXPENSES		₹ crores	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Consumption of stores and spares	22.34	25.22	
Packing Cost	44.45	42.68	
Repairs and maintenance expenses:			
Repairs to buildings	2.65	0.86	
Repairs to machinery	18.16	18.31	
Others	0.97	2.70	
Rent	4.06	3.97	
Rates and taxes	6.47	2.18	
Insurance	1.01	0.84	
Legal & professional	10.60	3.12	
Advertisement & publicity	37.44	21.92	
Commission on sales	21.12	16.82	
Rebates & discounts	12.52	9.79	
Selling & Distribution Expenses	4.23	4.41	
Branding Fees	1.06	-	
Director's Commission	1.71	-	
Auditors remuneration [Refer Note 28 (n)]	0.32	0.20	
Postage & telephone	1.27	0.86	
Printing & stationery	0.28	0.27	
Travelling expenses	9.00	5.72	
Software and IT related expenses	3.99	0.47	
General expenses	10.93	13.26	
	214.58	173.60	
26. FINANCE COSTS		₹ crores	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Interest expenses	120.97	121.52	
Other finance charges	8.74	11.03	
	129.71	132.55	
27. DEPRECIATION AND AMORTIZATION EXPENSE		₹ crores	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Depreciation on Tangible assets	53.39	53.76	
Amortization of Asset constructed on property not owned by company	-	-	
Amortization of Intangible assets	0.21	2.13	
	54.60	55.89	

NOTES TO FINANCIAL STATEMENTS

28. OTHER NOTES

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

Sr. No.	Particulars	₹ crores	
		As at 31st March, 2017	As at 31st March, 2016
i)	Differential Custom duty in respect of Import of Steam Coal	22.50	22.50
ii)	Excise Duty & Service tax credit in respect of capital goods and input services	11.28	12.51
iii)	Cess under the Building and other Constructions Workers Act, 1946	1.05	1.00
iv)	VAT exemption on sales made to SEZ unit	0.23	0.23
v)	Income Tax	0.25	1.56
	Total	35.31	37.80

- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹312.58 crores (Previous Year ₹351.86 crores).
- 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) Exceptional item amounting ₹2.96 crores (Previous Year Nil) comprise of expense incurred towards due diligence carried out for evaluating potential opportunities to acquire business assets.
- e) 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.
- f) **Employee Share Based Payments:**

The Company has provided share-based payment schemes to its employees.

On 30th March 2016, the board of directors had approved the ESOP Scheme - 2016 for issue of stock options to its employees & whole-time directors of the Company. According to the Scheme, the employee selected by the ESOP committee from time to time will be entitled to options based upon the CTC/fixed pay, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 1 year. The other relevant terms of the grant are as follows:

Sr. No.	Particulars	ESOP Details
1.	Date of Grant	1st April, 2016
2.	Grants Outstanding as on 1st April, 2016	Nil
3.	Grants given during the year	56,20,950
4.	Grants forfeited during the year	6,67,791
5.	Grants exercised during the year	Nil
6.	Grants outstanding as on 31st March, 2017	49,53,159
7.	Vesting period	One year
8.	Method of settlement	Cash
9.	Exercise Price (₹ per share)	68.70

The Company measures the cost of ESOP using the fair value method calculated by EBITDA multiple for top 5 cement companies and the number of options per employee has been derived using Black Scholes Model.

Expenses arising from Employees' Share based payment plans debited to Profit & Loss Account ₹8.51 crores (Previous Year Nil)

- g) **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)	₹ crores equivalent
31st March, 2017	3	Buy	-	5.50	35.99
31st March, 2016	0	Buy	-	-	-

NOTES TO FINANCIAL STATEMENTS

- 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)	₹ crores equivalent
a)	Pending Capital Commitments			
	As at 31st March 2017	11.57	2.66	97.39
	(As at 31st March 2016)	(0.52)	(2.66)	(20.07)
b)	Import of Raw Material & Fuel			
	As at 31st March 2017	-	1.59	10.29
	(As at 31st March 2016)	-	(3.50)	(23.20)
c)	Supplier's/ Buyers' Credit			
	As at 31st March 2017	-	1.14	7.40
	(As at 31st March 2016)	-	(2.06)	(13.71)
d)	Interest Accrued but not due on Suppliers'/ Buyers' Credit	0.01	-	0.07
	As at 31st March 2017	-	(0.01)	(0.05)
	(As at 31st March 2016)			

- 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)	₹ crores equivalent
a)	Suppliers'/ Buyers' Credit			
	As at 31st March 2017	-	1.81	12.06
	(As at 31st March 2016)	-	-	-
b)	Interest Accrued but not due on Suppliers'/ Buyers' Credit			
	As at 31st March 2017	-	3.69	23.93
	(As at 31st March 2016)	-	-	-

h) Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹1.88 crores (Previous Year ₹1.58 crores).

ii) Defined Benefit Plans – Gratuity:

Particulars	₹ crores	
	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded
a. Changes in Present Value of obligations:		
Opening Balance of present value of obligation	3.49	1.72
Acquisition adjustment	-	0.86
Service Cost	0.76	0.66
Interest Cost	0.28	0.15
Actuarial (gain)/loss on obligation	0.42	0.23
Benefits paid	(0.63)	(0.13)
Closing Balance	4.32	3.49
b. Changes in Fair Value of assets:		
Opening Balance of Fair Value of Plan Assets	1.86	1.14
Expected Return on Plan assets less loss on investments	0.16	0.09
Actuarial gain / (loss) on Plan Assets	0.10	0.03
Employers' Contribution	1.63	0.73
Benefits paid	(0.63)	(0.13)
Closing Balance	3.12	1.86

NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded
c. Net Asset/(Liability) recognised in the Balance Sheet:		
Present Value of obligations	(4.32)	(3.49)
Fair Value of plan asset	3.12	1.86
Net Asset/(Liability) recognised in the Balance Sheet	(1.20)	(1.63)
d. Expenses during the Year:		
Service cost	0.76	0.66
Interest cost	0.28	0.15
Expected Return on Plan assets	(0.16)	(0.09)
Actuarial (Gain)/Loss	0.32	0.04
Total	1.20	0.76
e. Break up of Plan Assets as a percentage of total plan assets:		
Insurer Managed Funds – Value (100%)	3.12	1.86
f. Principal actuarial assumptions:		
Rate of Discounting	7.4% p.a.	8.0% p.a.
Rate of increase in salaries	6.0% p.a.	6.0% p.a.
Expected rate of return on plan assets	8.0% p.a.	8.5% p.a.
Attrition Rate	2.0% p.a.	2.0% 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 ₹1.63 crores (Previous Year ₹0.73 crores).

Other Disclosures:

Particulars	₹ crores				
	As at 31st March, 2017 Funded	As at 31st March, 2016 Funded	As at 31st March, 2015 Funded	As at 31st March, 2014 Funded	As on 31st March, 2013 Funded
Defined Benefit Obligation	4.32	3.49	1.72	1.27	1.18
Plan Assets	3.12	1.86	1.14	0.97	0.75
Deficit	(1.20)	(1.63)	(0.58)	(0.30)	(0.43)
Experience Adjustments on Plan Liabilities–Loss/(Gain)	0.15	0.09	0.15	0.03	0.11
Experience Adjustments on Plan Assets–Loss/(Gain)	(0.10)	0.03	0.01	-	0.02

i) Segment reporting:

The Company is primarily engaged in the business of manufacturing and sale of Cement and Cement related products. As per Accounting Standard-17 "Segment Reporting" specified under section 133 of the Companies Act, 2013, there are no other reportable business and geographical segment applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

j) Related parties disclosure as per Accounting Standard 18:

A) List of Related Parties

1. **Holding Company**
Adarsh Advisory Service Private Limited
2. **Subsidiary Company**
JSW Cement FZE
3. **Associate Company**
Shiva Cement Limited
4. **Enterprises under common control/ exercising significant influence with whom the company has entered into transactions during the year**
JSW Steel Limited
JSW Energy Limited
JSoft Solutions Limited
JSW Severfield Structures Limited
JSW Power Trading Co. Limited
JSW Steel Coated Products Limited
JSW Techno Projects Management Limited
Amba River Coke Limited
JSW Logistics Infrastructure Private Limited
Dolvi Coke Project Limited
JSW International Tradecorp Pte Limited
JSW Bengal Steel Limited
JSW MI Steel Services Center Private Limited
JSW Steel (Salav) Limited
Descon Limited
JSW Investments Private Limited
JSW Dharamtar Port Private Limited
JSW Global Business Solutions Limited (formerly known as Sapphire Technologies Limited)
South-West Mining Limited
JSW IP Holdings Private Limited
5. **Key Managerial Personnel**
Mr. Parth Jindal (MD)
Mr. Anil Kumar Pillai (Whole time Director & CEO) (upto 13.02.2017)

B) Nature of transactions*:	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Transactions during the Year		
Purchase of Goods/ Power & Fuel/ Services:		
JSW IP Holdings Private Limited	1.06	-
JSW Steel Limited	93.53	61.05
JSW Energy Limited	48.06	21.32
JSW Steel Coated Products Limited	1.50	0.17
Jsoft Solutions Limited	-	1.36
JSW Structural Metal Decking	0.42	-
South West Mining Limited	9.81	7.88
JSW International Tradecorp PTE Limited	24.75	29.13
JSW Dharamtar Port Private Limited	0.22	2.15
Amba River Coke Limited	0.27	3.83
JSW Power Trading Co. Limited	15.03	-
JSW Steel (Salav) Limited	-	0.53
JSW Global Business Solutions Limited	2.03	-
	196.68	127.42

NOTES TO FINANCIAL STATEMENTS

B) Nature of transactions*:	₹ crores	
Transactions during the Year	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Lease rent paid:		
JSW Steel Limited	2.49	2.85
JSW Bengal Steel Limited	0.79	0.02
Descon Limited	0.18	-
	3.46	2.87
Purchase of Assets:		
JSW Bengal Steel Limited	7.55	-
	7.55	-
Reimbursement of expenses:		
JSW Steel Limited	6.22	7.33
JSW Bengal Steel Limited	1.91	0.13
	8.13	7.46
Sales of Goods / Other Income:		
JSW Steel Limited	35.93	55.29
JSW Steel Coated Products Limited	3.07	0.52
JSW Energy Limited	1.66	2.08
Amba River Coke Limited	0.02	0.10
Dolvi Coke Project Limited	8.32	6.53
JSW Dharamtar Port Private Limited	3.50	2.44
JSW Techno Projects Management Limited	4.81	2.62
JSW MI Steel Services Center Private Limited	-	0.01
JSW Steel (Salav) Limited	0.05	0.04
	57.36	69.63
Interest income on Loan given to		
JSW Techno Projects Management Limited	2.29	2.41
JSW Global Business Solutions Limited	0.30	0.03
Shiva Cement Limited	0.05	-
	2.64	2.44
Subscription to Equity Share Capital by:		
JSW Logistics Infrastructure Private Limited	-	19.00
	-	19.00
Recovery of expenses:		
JSW Energy Limited	1.27	-
	1.27	-
Loan given		
JSW Global Business Solutions Limited	1.79	1.75
Shiva Cement Limited	5.73	-
	7.52	1.75
Financial Charges paid to		
JSW Investments Private Limited	-	1.59
	-	1.59
Remuneration to		
Mr. Parth Jindal	2.91	-
Mr. Anil Kumar Pillai	1.89	1.63
	4.80	1.63

* Amount includes duties and taxes

NOTES TO FINANCIAL STATEMENTS

C) Closing balances: Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Trade Payables:		
JSW Steel Limited	35.89	48.12
JSW Energy Limited	1.93	1.97
Jsoft Solutions Limited	0.66	0.66
South West Mining Limited	0.07	1.05
JSW International Tradecorp Pte Ltd.	-	-
Amba River Coke Limited	1.56	3.89
JSW Power Trading Co. Limited	-	-
JSW Steel (Salav) Limited	-	0.53
JSW Bengal Steel Limited	2.25	-
JSW Global Business Solutions Limited	1.39	-
	43.75	56.22
Advance Paid		
JSW Steel Coated Products Limited	0.31	-
JSW Power Trading Company Limited	2.55	-
JSW International Tradecorp Pte Limited	12.69	-
	15.55	
Trade Receivables:		
JSW Steel Limited	5.02	-
JSW Steel Coated Products Limited	1.11	0.04
JSW Energy Limited	0.05	0.15
JSW Jaigarh Port Limited	-	0.10
Dolvi Coke Project Limited	4.66	0.02
JSW Techno Projects Management Limited	1.39	0.20
JSW Dharamtar Port Private Limited	1.01	0.62
	13.24	1.13
Advance received from Customer		
Amba River Coke Limited	0.03	-
	0.03	-
Creditors for Capital Expenditure		
JSW Steel Limited	25.20	25.20
	25.20	25.20
Investments held by the Company		
JSW Energy Limited	2.42	2.42
Shiva Cement Limited	143.07	-
	145.49	2.42
Capital Advance given		
JSW Bengal Steel Limited	-	0.25
JSW Steel Limited	-	0.92
	-	1.17
Loan given		
JSW Techno Projects Management Limited	20.00	20.00
JSW Global Business Solutions Limited	3.54	1.75
Shiva Cement Limited	5.73	-
	29.27	21.75
Interest receivable on Loan given		
JSW Techno Projects Management Limited	3.34	2.99
JSW Global Business Solutions Limited	0.27	0.02
Shiva Cement Limited	0.01	-
	3.62	3.01

NOTES TO FINANCIAL STATEMENTS

k) **Operating Lease:**

Lease rentals charged to Statement of profit and loss for right to use following assets are:

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Office premises, residential flats etc.	4.13	4.65
Total	4.13	4.65

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 6 months.

l) **Earnings Per Share ("EPS"):**

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Profit after tax for equity shareholders – Basic and Diluted (₹ crores) [A]	115.65	89.25
Weighted average number of equity shares for basic & diluted EPS (Nos.) [B]	45,05,11,700	44,76,48,686
Earnings per share – Basic & Diluted [A/B]	2.57	1.99
Nominal value per share (₹)	10.00	10.00

m) i) **Provision for Taxation includes:**

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current Tax	45.52	16.88
Earlier year tax provision	0.31	-
Deferred Tax (Asset) / Liability	97.67	30.42
Minimum Alternate Tax Credit Entitlement	(45.83)	(16.88)
Total	97.67	30.42

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

Particulars	₹ crores	
	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liabilities		
Depreciation	(235.75)	(201.50)
	(235.75)	(201.50)
Deferred Tax Assets		
Expense allowable on payment basis	1.25	0.89
Provision for doubtful debts	0.12	0.16
Unabsorbed depreciation and business loss	179.35	243.09
	180.72	244.14
Deferred Tax Asset/ (Liability) (net)	(55.03)	42.64

n) **Remuneration to Auditors**

Particulars	₹ crores	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Audit Fees		
Statutory Audit	0.23	0.17
Tax Audit	0.02	0.01
Certification & Out of pocket expenses	0.07	0.01
Total	0.32	0.19

NOTES TO FINANCIAL STATEMENTS

o) Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act

₹ crores

Particulars	Party	Amount	Purpose
Loan given	JSW Techno Projects Management Limited	20.00	General corporate
Loan given	JSW Global Business Solutions Private Limited	3.54	General corporate
Loan given	Shiva Cement Limited	5.73	General corporate
		29.27	

Details of investment made by the Company are given under note 14.

p) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

₹ crores

Particulars	SBN	Other notes	Total
Balance as at 8 November 2016	0.05	0.05	0.10
Less : Paid for permitted transactions	-	0.09	0.09
Less : Deposited in bank accounts	0.06	-	0.06
Less : Paid for non-permitted transactions (if relevant)	-	-	-
Add : Receipts for permitted transactions	0.02	0.07	0.09
Add : Receipts for non-permitted transactions (if relevant)	-	-	-
Closing balance as at 30 December 2016	-	0.04	0.04

q) Additional Information as required Schedule III of the Companies Act, 2013

₹ crores

Name of entity	Net assets, i.e. total assets minus total liability		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
PARENT				
JSW Cement Limited	74.40	403.12	103.62	119.80
SUBSIDIARIES				
Foreign				
JSW CEMENT FZE	(0.04)	(0.19)	(0.03)	(0.04)
ASSOCIATES				
Indian				
Shiva Cement Limited	25.64	138.91	(3.59)	(4.15)
Total	100	541.84	100	111.50

r) 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

NIRMAL KUMAR JAIN
Chairman
DIN : 00019442

RAHUL DUBEY
Company Secretary

PARTH SAJJAN JINDAL
Managing Director
DIN : 06404506

NARINDER SINGH KAHLON
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2017

FINANCIAL HIGHLIGHTS - STANDALONE

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Accounts (₹ in crores)					
Gross Revenue	762.35	836.87	1,056.16	1,435.38	1,584.48
Net Revenue	691.02	733.16	921.91	1,272.01	1,413.14
EBIDTA	57.14	28.74	166.70	309.15	400.58
Depreciation & Amortisation	59.90	69.02	45.42	56.93	54.59
Finance Costs	87.47	133.95	144.75	132.55	129.71
Exceptional Items	-	16.75	-	-	2.96
Profit Before Taxes	(90.23)	(190.98)	(23.47)	119.67	213.32
Provision for Taxation	(7.73)	(83.17)	-	30.42	97.67
Profit After Taxes	(82.50)	(107.81)	(23.47)	89.25	115.65
Capital Accounts (₹ in crores)					
Gross Fixed Assets	1,382.24	1,410.48	1,523.40	1,552.55	1,835.87
Net Fixed Assets	1,298.73	1,258.26	1,325.26	1,298.09	1,527.03
Debt*	984.18	1,036.61	1,066.12	1,051.77	1,789.36
Net Debt	917.59	1,010.92	1,027.01	1,033.79	1,668.28
Equity Capital	301.51	401.51	431.51	450.51	450.51
Reserves & Surplus	14.27	(93.54)	(117.45)	(28.20)	95.96
Shareholders' Funds	315.78	307.97	314.06	422.31	546.47
Ratio					
Book Value Per Share (₹)	10.47	7.67	7.28	9.37	12.13
Earning per Share (Diluted) (₹)	(2.74)	(3.58)	0.69	1.99	2.57
Fixed Asset Turnover Ratio	0.53	0.58	0.69	0.98	0.92
EBIDTA Margin	8.3%	3.9%	18.1%	24.3%	28.4%
Interest Service Coverage Ratio	-0.35	-0.91	0.15	1.33	2.07
Net Debt Equity Ratio	2.91	3.28	3.27	2.45	3.05
Net Debt to EBIDTA	16.06	35.17	6.16	3.34	4.16

* Excluding Acceptances

FINANCIAL HIGHLIGHTS - CONSOLIDATED

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Accounts (₹ in crores)					
Gross Revenue	762.35	836.87	1,056.16	1,435.38	1,584.48
Net Revenue	691.02	733.16	921.91	1,272.01	1,413.14
EBIDTA	57.14	28.74	166.70	309.15	400.55
Depreciation & Amortisation	59.90	69.02	45.42	56.93	54.59
Finance Costs	87.47	133.95	144.75	132.55	129.72
Exceptional Items	-	16.75	-	-	2.96
Profit Before Taxes	(90.23)	(190.98)	(23.47)	119.67	213.28
Provision for Taxation	(7.73)	(83.17)	0	30.42	97.67
Profit After Taxes	(82.50)	(107.81)	(23.47)	89.25	115.61
Share of loss in Associate	-	-	-	-	4.15
Profit for the year	(82.50)	(107.81)	(23.47)	89.25	111.46
Capital Accounts (₹ in crores)					
Gross Fixed Assets	1,382.24	1,410.48	1,523.40	1,552.50	1,835.87
Net Fixed Assets	1,298.73	1,258.26	1,325.26	1,298.09	1,527.03
Debt*	984.18	1,036.61	1,066.12	1,051.77	1,789.36
Net Debt	917.59	1,010.92	1,027.01	1,033.79	1,663.54
Equity Capital	301.51	401.51	431.51	450.51	450.51
Reserves & Surplus	14.27	(93.54)	(117.45)	(28.20)	91.33
Shareholders' Funds	315.78	307.97	314.06	422.31	541.84
Ratio					
Book Value Per Share (₹)	10.47	7.67	7.28	9.37	12.03
Earning per Share (Diluted) (₹)	(2.74)	(3.58)	0.69	1.99	2.55
Fixed Asset Turnover Ratio	0.53	0.58	0.69	0.98	0.93
EBIDTA Margin	8.3%	3.9%	18.1%	24.3%	28.3%
Interest Service Coverage Ratio	(0.35)	(0.91)	0.15	1.33	2.06
Net Debt Equity Ratio	2.91	3.28	3.27	2.45	3.07
Net Debt to EBIDTA	16.06	35.17	6.16	3.34	4.15

* Excluding Acceptances

NOTICE

NOTICE is hereby given that the **11th ANNUAL GENERAL MEETING** of the Members of **JSW CEMENT LIMITED** will be held on Monday, 25th day of September 2017 at 3.00 p.m. at the Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Nirmal Kumar Jain (DIN-00019442), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re- appointment Statutory 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, M/s. Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration Number 109574W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the 11th Annual General Meeting until the conclusion of the 12th Annual General Meeting on such remuneration as decided by the Board of Directors of the Company.

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 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. Nilesh Narwekar (DIN-06908109), who was appointed as an Additional Director with effect from August 9, 2017 on the Board of the Company in terms of section 161 of the Companies Act, 2013 who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act, 2013 along with the requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation subject to approval of the shareholders.

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.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special 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 shareholders be and is hereby accorded for the appointment of Mr. Nilesh Narwekar (DIN-06908109) as Whole Time Director & CEO of the Company for a period of 3 (three) years from 09/08/2017 to 08/08/2020 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 not exceeding 30 lakhs per month during his entire tenure.

RESOLVED FURTHER THAT the details breakup of salary of Mr. Nilesh Narwekar is as under:

Particulars	₹ per month
Basic Salary	5,00,000
House Rent Allowance (HRA)	1,82,330
Notional Value of Company maintained Car with Driver	1,36,470
Special Pay	4,82,400
Medical Allowances	41,667
Bonus @ 20% of earned Basic	1,00,000
Leave Travel Allowance @ 8.33% of earned Basic	41,667
Provident Fund	60,000
Gratuity	24,000
Variable	5,14,808
Total per Month (CTC)	20,83,341
Total per Annum (CTC)	2,50,00,096

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove, where in any financial year during the currency of tenure of Mr. Nilesh Narwekar (DIN-06908109), the Company incurs loss or its profits are inadequate, the Company shall pay to Mr. Nilesh Narwekar (DIN-06908109), 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 Mr. Nilesh Narwekar (DIN-06908109) shall have general control and management of the 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.

FURTHER RESOLVED 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.”

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

“RESOLVED THAT pursuant to the provisions of section 186 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) and Articles of Association of the Company, the consent of the Members be and is hereby accorded to increase the limit of the Inter Corporate Loan granted to Shiva Cement Limited from the amount not exceeding ₹50,00,00,000 (Rupees Fifty crores only) to the amount not exceeding ₹150,00,00,000 (Rupees One Hundred Fifty crores only).

RESOLVED FURTHER THAT Mr. Parth Jindal, Managing Director and Mr. Narinder Singh Kahlon, CFO be and is hereby severally Authorised to negotiate, finalize and approve the terms and conditions to grant an Inter Corporate Loan for the amount not exceeding ₹150,00,00,000 crores (Rupees One Hundred Fifty crores only) to Shiva Cement Limited.

RESOLVED FURTHER THAT copies of the foregoing resolutions certified by any Director or Company Secretary or CFO of the Company to be true be furnished to the such person/parties as may be necessary and they be requested to act thereon.”

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

RESOLVED THAT

1. in consideration of IDBI Bank Ltd. (IDBI Bank) having agreed to advance/sanctioned term loan of ₹18.00 crores (existing), fresh term loan of ₹10 crores and working capital facilities aggregating to ₹22.00 crores (hereinafter referred to as the said loans) in the manner and to the extent set out and on the terms and conditions contained in the IDBI Bank Letter of Intent No. IDBI/CBG-II/BBSR/187 dated March 26, 2016 to Shiva Cement Limited (hereinafter referred to as the Borrower) and in further consideration of IDBI Bank having agreed to make disbursement(s)/interim disbursement(s) from out of the said loans for an amount not exceeding the amount of the said loans to the Borrower, the Members of the Company be and is hereby accorded approval to the Board to Pledge 1,05,00,000 number of Shares held in Shiva Cement Limited for securing the repayment of the said loans together with interest, costs, charges and all other moneys payable by the Borrower to IDBI Bank in terms of the agreement between the Borrower and IDBI Bank.

2. the draft of the Agreement for Pledge of Shares received from IDBI Bank to the Borrower along with its letter No IDBI/CBG-II/BBSR/187 dated March 26, 2016 copies of which were circulated to the Board members be and is hereby approved and the following persons, namely-

(i) Mr. Narinder Singh Kahlon, CFO (ii) Mr. Vinayak Nayak, GM F&A (iii) Mr. Sameer Agrawal, DGM F&A (hereinafter called as Authorized Signatory) be and are hereby severally authorized to initial, sign and execute the pledge agreement and to accept on behalf of the Company such modifications therein as may be acceptable to IDBI Bank.

3. the Common Seal of the Company, if required, be affixed to the fair stamped engrossment of the Agreement for Pledge of shares (with such modifications as may be agreed to by IDBI) as per the Article of the Association of the Company.

4. The Authorised Signatory be and are hereby severally authorised to sign and deposit the Shares Statements of Account, Copy of Form for Pledge of Shares, letter of Confirmation and Master Pledge Report issued by the Depository Participant to create the said pledge in favour of IDBI. Further the aforesaid Authorised Signatory be and are severally authorised to execute all deeds, instruments, Forms and other writings in favour of IDBI Bank as may be prescribed by any authority or required by IDBI Bank in connection with the said pledge and the said loans and any interim disbursement/s made/to be made by IDBI Bank out of the said loans from time to time.

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 ₹2,25,000 (Two lakhs Twenty-Five Thousands only) plus out of pocket expenses, travelling and other expenses (which would be reimbursable at actuals) plus taxes, wherever applicable, to be paid to M/s R. Nanabhoy & Co, Cost Auditors of the Company, for the financial year 2017-18, as approved by

the Board of Directors of the Company, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any Director of the Company or the Chief Financial Officer or the Company Secretary be and are hereby severally authorised to take all necessary actions including filing of forms with the Ministry of Corporate Affairs to give effect to this resolution.”

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

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

Place : Mumbai

Dated : 2017

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, 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, 701, Hallmark Business Plaza, Sant Dyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 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. Shareholders 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 & 5:

Mr. Nilesh Narwekar (DIN-06908109) was appointed as Additional Director of the Company with effect from August 9, 2017 pursuant to section 161 of the Companies Act, 2016 read with Article 116 of the Article of Association of the Company.

Pursuant to provisions of section 161 of the Companies Act, 2013, Mr. Nilesh Narwekar (DIN-06908109) 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. Nilesh Narwekar (DIN-06908109) for the office of Director (Whole-Time Director and CEO) pursuant to section 149 of the Companies Act, 2013.

Further, the Board, on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Nilesh Narwekar (DIN-06908109) as Whole-Time Director and CEO of the Company for a period of three years with effect from August 9, 2017 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 condition of appointment of Mr. Nilesh Narwekar (DIN-06908109) as Whole-Time Director and CEO are as follows:

- 1) Tenure of appointment: period from August 9, 2017 to August 8, 2020.
- 2) Nature of Duties: The Whole-Time Director and CEO 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) Maximum Remuneration: The perquisites and allowances together with the Basic Salary will be subject to a maximum ceiling of ₹30 (Thirty) lakhs p.m during his tenure of appointment without further approval of the shareholders.
 - b) 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 provision of section 198 of the Companies Act, 2013.
 - c) The Whole-Time Director & CEO 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.
 - d) The terms and conditions of appointment of Whole-Time Director & CEO 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 Whole-Time Director & CEO shall not be eligible for any sitting fees for attending the Company's Board and Committees meetings.
6. The Whole-Time Director & CEO shall also be entitled to reimbursement of all expenses, including expenses related to clubs, actually and properly

Particulars	₹ per month
Basic Salary	5,00,000
House Rent Allowance (HRA)	1,82,330
Notional Value of Company maintained Car with Driver	1,36,470
Special Pay	4,82,400
Medical Allowances	41,667
Bonus @ 20% of earned Basic	1,00,000
Leave Travel Allowance @ 8.33% of earned Basic	41,667
Provident Fund	60,000
Gratuity	24,000
Variable	5,14,808
Total per Month (CTC)	20,83,341
Total per Annum (CTC)	2,50,00,096

incurred by him for the purpose of business of the Company or the performance of his duties.

The above remuneration payable to the Whole-Time Director & CEO 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 sections 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 entered with Whole-Time Director & CEO will be open for inspection for the members of the Company pursuant to the provisions of the Companies Act, 2013. The agreements include all terms and conditions of the appointment of the Whole-Time Director & CEO as well as all power and duties as exercised by Whole-Time Director & CEO in ordinary course of business subject to provisions of the Companies Act, 2013 or any amendment thereto. The power of the Whole-Time Director & CEO shall also include the power to delegate.

Except Mr. Nilesh Narwekar, none of the Directors and/or Key Managerial Personnel of the Company and their relative are concerned and interested, financially or otherwise, in the resolution set out in item no-4 & 5.

The Board recommend the resolution set out at Item No. 4 & 5 of the notice for your approval.

Item No-6

The Members of the Company in their meeting held on December 26, 2016 has approved the limit of the amount not exceeding ₹1000 crores pursuant to the provisions of section 186 of the Companies Act, 2013. The Board in their meeting held on February 15, 2017 had approved loan for the amount not exceeding ₹50 crores to Shiva Cement Limited in one or more tranches.

It is proposed to increase loan amount from the amount not exceeding ₹50 crores to the amount not exceeding ₹150 crores.

The chairman of the Audit Committee informed the Board that the Audit Committee in their meeting had scrutinised the Loan and Investment made by Company. The amount of the loan is within the limit as approved by the shareholder in their meeting held on December 26, 2016.

None of the Directors and/or Key Managerial Personnel of the Company and their relative are concerned and interested, financially or otherwise, in the resolution set out in item no-5.

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

Item No-7

1.05 crores number of shares M/s Shiva Cement Limited held by Shri Akash Gupta were pledged in

favour of IDBI Bank Limited for securing financial assistance granted to Shiva Cement Limited. IDBI Bank Limited had issued its No Objection dated 09.01.2017 for sale of shares in favour of the Company, subject to the condition that the Company will re-pledge the aforementioned number of shares in favour of IDBI Bank within 45 days from the date of signing of the Share Purchase Agreement after consummating all the shares as per the Share Purchase Agreement. Until the re-pledge of the shares in favour of IDBI Bank is complete, the Company will execute an Undertaking-cum-Indemnity in favour of IDBI Bank stating that it will re-pledge the shares as per the terms of the NOC dated 09.01.2017 and if IDBI Bank suffers any loss, damages, claims during the intervening period, the Company indemnify and keep indemnified IDBI Bank till the shares are finally re-pledged. The Board in their meeting held on January 10, 2017 has passed a resolution in this effect. Further, IDBI Bank require a fresh resolution in this regards for entering into pledge agreement with the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relative are concerned and interested, financially or otherwise, in the resolution set out in item no-6.

The Board discussed the matter and passed the following resolution:

Item No-8

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on April 26, 2017 has considered and approved the appointment of M/s R. Nanabhoj & Co, Cost Accountant as Cost Auditor of the Company for the financial year 2017-18 at a remuneration of ₹2,25,000 (Two lakhs Twenty-Five Thousands only) plus out of pocket expenses, travelling and other expenses (which would be reimbursable at actuals) plus taxes, wherever applicable.

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 relative 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. 7 of the notice for your approval.

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

Place : Mumbai
Date : August 8, 2017

Company Secretary

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

Serial No-1

Name of the Director	Mr. Nirmal Kumar Jain
Date of Birth	May 3, 1946
Relationship with other Directors Interse	None
Date of Appointment	June 22, 2012
Qualification	B. Com, FCA, FCS
Expertise in specific functional areas	<p>Mr. Nirmal Kumar Jain has over four decades of wide experience in the areas of mergers and acquisition, finance, law and capital restructuring. Combining his deep and abiding passion for people, Mr. Jain added depth to his leadership roles by also serving as executive coach and mentor of human resources for the JSW Group's 10,000 strong workforce.</p> <p>Mr. Jain who joined the JSW Group in 1992, held positions of increasing responsibilities including as Director-Finance in 1994, Deputy MD & CEO in 1996 and Executive Vice-Chairman of Jindal Iron & Steel Co. Ltd.</p> <p>Mr. Jain was involved in the management of joint ventures with leading business partners from the globe. His deep knowledge and astute eye for all aspects of business have helped establish JSW as a still-rapidly growing diversified conglomerate.</p>
Directorship in other Limited Indian Company as on March 31, 2017	<ol style="list-style-type: none"> 1. JSW Energy Limited 2. JSW Holdings Limited 3. JSW Power Trading Company Limited 4. Raj West Power Limited 5. JSW Infrastructure Limited 6. Epsilon Carbon Private Limited 7. JSW Jaigarh Port Limited 8. JSW Nandgaon Port Private Limited 9. JSW Industrial Gas Private Limited 10. Toshiba JSW Power Systems Private Limited
Number of Shares held in the Company	NIL

Serial No-2

Name of the Director	Mr. Nilesh Narwekar
Date of Birth	July 22, 1971
Relationship with other Directors Interse	None
Date of Appointment	August 8, 2017
Qualification	B.E. and MBA
Expertise in specific functional areas	<p>Mr. Nilesh holds a Masters' Degree in Management from Jamnalal Bajaj Institute of Management Studies, Mumbai and a Bachelor's degree in Electronics & Communications engineering from NIT, Calicut. During his professional career, he has spearheaded transformation programs in business consulting and sales management across Cement, Metals & Mining, Consumer Products, Automobiles and Oil & Gas sectors. Over the last two decades, Mr. Nilesh has been associated with various engagements across Asia, the Middle East, and Europe. Mr. Nilesh comes to us from Strategy (formerly Booz & Co.) where he was a Partner. In his previous roles he was associated with Accenture, Procter & Gamble and Wipro Lighting.</p>
Directorship in other Indian Company as on March 31, 2016	NIL
Number of Shares held in the Company	NIL



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

ATTENDANCE SLIP

Regd. Folio No.

**DP ID.

**Client ID

ELEVENTH ANNUAL GENERAL MEETING

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

I hereby record my presence at the **Eleventh Annual General Meeting** of the Company held on Monday, the 25th day of September 2017 at 3.00 pm at JSW Centre, Opp. MMRDA Ground, Bandra Kurla Complex, 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, Opp. MMRDA Ground, Bandra-Kurla Complex, Bandra East, Mumbai 400 051.

PROXY FORM

Regd. Folio No.

**DP ID.

**Client ID

ELEVENTH 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 **Eleventh Annual General Meeting** of the Company to be held on Monday, the 25th day of September 2017 at 3.00 pm at JSW Centre, Opp. MMRDA Ground, Bandra Kurla Complex, Bandra East, Mumbai 400 051 and at any adjournment thereof.

Signed this day of 2017

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, Opp. MMRDA Ground, Bandra Kurla Complex, 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