

## CORPORATE GOVERNANCE

### 1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance is concerned with holding the balance between economic and social goals and between Individual and Communal goals. The Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. The Company will focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a mix of experts of eminence and integrity, forming a core group of top level executives, including competent professionals across the organisation and putting in place best systems, process and technology. The Company confirms the compliance of the various provisions of/regulations relating to Corporate Governance as contained in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the details of which are given below.

### 2. BOARD OF DIRECTORS:

#### 2.1 Appointment and Tenure:

The Directors of the Company are appointed by the Shareholders at General Meetings. All Directors except Managing Director / Independent Directors are, subject to Company's Articles of Association / Companies Act, 2013, liable 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 Companies Act,

2013. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

#### 2.2 Composition, Meetings and attendance record of each Director:

The Company has an optimum mix of Executive and Non-Executive Independent Directors as at 31<sup>st</sup> March, 2016. The Board of Directors presently comprises of 8 Directors, of which 5 are Non-Executive. The Chairman is Executive and a Promoter of the Company. Out of the total strength of the Board of Directors, there are 4 Independent Directors, 1 Non-Executive Non Independent Director and 3 Executive Directors. The composition of the Board is in conformity with the applicable Regulation 17 of Listing Regulations and Companies Act, 2013. All Independent 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. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. The information as required under the Listing Regulations is being made available to the Board.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31<sup>st</sup> March, 2016 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given below:

| Category             | Name of Director                         | Position                       | Attendance at  |  | No. of other Directorships and other Committee Membership(s) / Chairmanship(s) |   |   |
|----------------------|--|--------------------------------|----------------|--|--|---|---|
|                      |  |                                | Board Meetings | 21 <sup>st</sup> AGM held on 22 <sup>nd</sup> July, 2015 | Other Directorships in Indian Companies <sup>#</sup>                           | Other Committee Memberships <sup>##</sup> | Other Committee Chairmanships <sup>##</sup> |
| Executive            | Mr. Sajjan Jindal (DIN: 0017762)         | Chairman and Managing Director | 4              | YES  | 4  | Nil                                       | Nil   |
|                      | Mr. Sanjay Sagar (DIN: 00019489)         | Jt. Managing Director and CEO  | 6              | YES  | 8  | Nil                                       | Nil   |
|                      | Mr. Pramod Menon (DIN: 01443287)         | Director-Finance               | 6              | YES  | 9  | 6   | Nil   |
| Independent Director | Mr. Chandan Bhattacharya (DIN: 01341570) | Director                       | 6              | YES  | 1  | Nil                                       | 1   |

| Category                      | Name of Director                      | Position | Attendance at  |  | No. of other Directorships and other Committee Membership(s) / Chairmanship(s) |   |   |
|-------------------------------|---------------------------------------|----------|----------------|--|--|---|---|
|                               |                                       |          | Board Meetings | 21 <sup>st</sup> AGM held on 22 <sup>nd</sup> July, 2015 | Other Directorships in Indian Companies <sup>#</sup>                           | Other Committee Memberships <sup>##</sup> | Other Committee Chairmanships <sup>##</sup> |
|                               | Ms. Shailaja Chandra (DIN: 03320688)  | Director | 6              | YES  | 5  | 4   | Nil   |
|                               | Ms. Sheila Sangwan (DIN: 01857875)    | Director | 6              | YES  | 7  | 5   | 2   |
|                               | Mr. Rakesh Nath* (DIN: 00045986)      | Director | 4              | YES  | 3  | 2   | Nil   |
| Non-Executive Non-Independent | Mr. Nirmal Kumar Jain (DIN: 00019442) | Director | 6              | YES  | 9  | 2   | 4   |

**Notes:**

- During FY 2015-16, six Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on 27<sup>th</sup> April, 2015; 28<sup>th</sup> May, 2015; 22<sup>nd</sup> July, 2015; 7<sup>th</sup> September, 2015; 28<sup>th</sup> October, 2015 and 20<sup>th</sup> January, 2016.
- \* Appointed as Additional Director w.e.f. 25<sup>th</sup> June, 2015, ceased to be a Director on the date of AGM i.e. 22<sup>nd</sup> July, 2015. He was thereafter reappointed as an Additional Director by the Board of Directors w.e.f. 23<sup>rd</sup> July, 2015. Appointed as Director pursuant to resolution passed by Shareholders by way of Postal Ballot on 23<sup>rd</sup> March, 2016.
- # Alternate Directorship, Directorship in Private Companies, Foreign Companies and Section 8 Companies are excluded.
- ## Represents Audit Committee and Stakeholders' Relationship Committee.

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

The Board of Directors oversee the overall functioning of the Company. 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 stakeholders are being served.

The Chairman and Managing Director is assisted by the Executive Directors in overseeing the functional matters of the Company. The Board has constituted several Committees such as Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Compensation Committee, Finance Committee, Risk Management Committee, etc. The Board constitutes additional functional Committees from time to time depending on the business needs.

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

- A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarters are decided well in

advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, and where possible, resolutions are passed by circulation.

- The meetings are usually held at the Company's Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
- All divisions/departments of the Company are advised to schedule their work plan well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on relevant significant matters.

(iv) The Board is given presentations covering Outlook/Economy, Company's Financials, Company's Performance, Business Strategy, Subsidiary Company's performance, the Risk Management practices, etc. before taking on record the Quarterly / Half yearly / Annual financial results of the Company.

**C. Distribution of Board Agenda Material:**

Agenda and Notes on Agenda are circulated to the Directors in advance in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with the permission of Chairman of meeting. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

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

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and on approval; same are signed by the Chairman of the meeting next meeting.

**E. Post Meeting Follow-up Mechanism:**

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. Important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at quarterly succeeding meeting for noting by the Board/Committee members.

**F. Compliance:**

While preparing the Agenda, Notes on Agenda, Minutes, etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations.

**G. Separate meeting of Independent Directors:**

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 of the Listing Regulations, the Independent Directors of the Company held

one meeting during the year on 21<sup>st</sup> March, 2016, without the presence / attendance of non-independent directors and members of the Management. All four Independent Directors were present for this meeting.

The Independent Directors had a separate one to one meeting with some of the Executive Directors as also with the Non-Executive Non-Independent Director of the Company. Thereafter, the Independent Directors inter alia reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Board, taking into account the views of the Executive Directors, Non-Executive Directors and Non-Independent Director.

**2.4 Changes in Board Composition:**

| <b>Name of the Director</b> | <b>Details of Change</b>                             | <b>Date of Change</b> |
|-----------------------------|--|-----------------------|
| Mr. Rakesh Nath             | Appointed as an Additional Director by the Board     | 25.06.2015            |
| Mr. Rakesh Nath             | Ceased to be an Additional Director at close of AGM  | 22.07.2015            |
| Mr. Rakesh Nath             | Appointed as an Additional Director by the Board     | 23.07.2015            |
| Mr. Rakesh Nath             | Appointed as an Independent Director by Shareholders | 23.03.2016            |

**3. AUDIT COMMITTEE:**

The Audit Committee comprises of Mr. Chandan Bhattacharya, Ms Sheila Sangwan, Ms. Shailaja Chandra, Mr. Rakesh Nath, Non-Executive Independent Directors and Mr. Nirmal Kumar Jain, Non-Executive Non-Independent Director. Mr. Chandan Bhattacharya is the Chairman of the Audit Committee.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Members possess adequate knowledge of Accounts, Audit, Finance, etc.

The Broad terms of reference of Audit Committee inter alia are:

- a) To review the financial statements before submission to Board;
- b) To review reports of the Auditors and Internal Audit department;
- c) To review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors, etc.
- d) Recommending the appointment, remuneration and terms of appointment of Statutory Auditors including Cost Auditors of the Company, etc.

In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the Listing Regulations and Section 177 of the Companies Act, 2013.

#### Meeting Details:

The Audit Committee met 10 times during the year under review on following dates:

24<sup>th</sup> April, 2015; 27<sup>th</sup> April, 2015; 20<sup>th</sup> July, 2015; 22<sup>nd</sup> July, 2015; 7<sup>th</sup> September, 2015; 27<sup>th</sup> October, 2015; 28<sup>th</sup> October, 2015; 13<sup>th</sup> January, 2016; 20<sup>th</sup> January, 2016; and 21<sup>st</sup> March, 2016. The detail of the meetings during the year attended by the Committee members is as given below:

| Name of Director         | Category                               | No. of Meetings Attended |
|--------------------------|--|--------------------------|
| Mr. Chandan Bhattacharya | Non-Executive Independent Director     | 10                       |
| Ms. Sheila Sangwan       | Non-Executive Independent Director     | 10                       |
| Ms. Shailaja Chandra     | Non-Executive Independent Director     | 10                       |
| Mr. Rakesh Nath          | Non-Executive Independent Director     | 6*                       |
| Mr. Nirmal Kumar Jain    | Non-Executive Non-Independent Director | 10                       |

\*Appointed as member w.e.f. 23<sup>rd</sup> July, 2015.

The Audit Committee invites such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Joint Managing Director and CEO, Director – Finance and Head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings.

Mr. Sampath Madhavan, the Company Secretary, acts as the Secretary of the Committee.

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of Mr. Chandan Bhattacharya, (Non-Executive Independent Director), Mr. Sanjay Sagar (Joint Managing Director and CEO) and Mr. Nirmal Kumar Jain (Non-Executive, Non-Independent Director). Mr. Chandan Bhattacharya is the Chairman of the Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Terms of reference of the Committee, inter alia, includes the following:

- Review the reports submitted by the Registrars and Share Transfer Agents of the Company at quarterly intervals;
- Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement, if any.
- Periodically report to the Board about serious concerns, if any.

#### Meeting Details:

The Committee met 4 times during the year on 24<sup>th</sup> April, 2015; 20<sup>th</sup> July, 2015; 27<sup>th</sup> October, 2015; and 20<sup>th</sup> January, 2016. The details of the meeting during the year attended by the Committee Members are given below:

| Name of Director         | Category                                | No. of Meetings Attended |
|--------------------------|---|--------------------------|
| Mr. Chandan Bhattacharya | Non-Executive Independent Director      | 4                        |
| Mr. Sanjay Sagar         | Executive Director                      | 4                        |
| Mr. Nirmal Kumar Jain    | Non-Executive, Non-Independent Director | 4                        |

Mr. Sampath Madhavan, Company Secretary is the Compliance Officer for complying with the requirements of Companies Act, 2013 and the Listing Regulations.

#### Investor Grievance Redressal:

The number of complaints / requests received and resolved to the satisfaction of investors during the year under review and their break-up is as under:

| Sr. No. | Description  | Total      |                    |
|---------|--|------------|--------------------|
|         |  | Received   | Replied / Resolved |
| 1.      | Letter from Statutory bodies (SEBI/ Stock Exchange(s)) | 5          | 5                  |
| 2.      | Letter from Shareholders                               | 750        | 750                |
|         | <b>TOTAL</b>   | <b>755</b> | <b>755</b>         |

#### 5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of Mr. Chandan Bhattacharya, Ms. Sheila Sangwan, Mr. Rakesh Nath, Non-Executive Independent Directors and Mr. Nirmal Kumar Jain, Non-Executive Non-Independent Directors. Mr.

Chandan Bhattacharya is the Chairman of Committee. The Committee's constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Terms of reference of the Committee, inter alia, includes the following:

1. To carry out evaluation of every Director's performance;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
4. To formulate the criteria for evaluation of Independent Directors and the Board;
5. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
6. To carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
7. To perform such other functions as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee

**Meeting Details:**

The Committee met four times during the year on 24<sup>th</sup> April, 2015, 28<sup>th</sup> May, 2015, 24<sup>th</sup> June, 2015 and 21<sup>st</sup> March, 2016.

The details of the meeting attended by the Committee Members are as given below:

| Name of Director         | Category                           | No. of Meetings Attended |
|--------------------------|------------------------------------|--------------------------|
| Mr. Chandan Bhattacharya | Non-Executive Independent Director | 4                        |

| Name of Director      | Category                               | No. of Meetings Attended |
|-----------------------|--|--------------------------|
| Ms. Sheila Sangwan    | Non-Executive Independent Director     | 4                        |
| Mr. Rakesh Nath       | Non-Executive Independent Director     | 1*                       |
| Mr. Nirmal Kumar Jain | Non-Executive Non-Independent Director | 4                        |

\*Appointed as member w.e.f. 23<sup>rd</sup> July, 2015.

**5.1 Remuneration Policy:**

**A. Non-Executive Directors:**

The Non-Executive Directors (NEDs) are normally paid remuneration by way of commission and sitting fees. In terms of the Shareholders' approval obtained at the 20<sup>th</sup> Annual General Meeting (AGM) held on 23<sup>rd</sup> July, 2014, the commission is normally paid at a rate not exceeding 1% per annum of the net profits of the Company. The distribution of commission amongst the NEDs is placed before the Board for approval. The Commission payment amongst the NEDs is normally distributed broadly on the following basis:

1. Lumpsum Payment;
2. Number of meetings of the Board and Audit Committee attended;
3. Role and responsibility as Chairman/ Member of the Audit Committee and member of the Board.

During the year, the Company paid sitting fees of ₹ 50,000/- and ₹ 30,000/- per meeting to the NEDs for attending meetings of the Board and Committee respectively. The payment of Commission to the NEDs based on profits for the year is likely to be considered by the Board around the time for adoption of the Accounts for the year ended 31<sup>st</sup> March, 2016 by the Shareholders.

**B. Executive Directors:**

The Nomination and Remuneration Committee recommends the remuneration package for the Executive Directors (EDs) of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature and the Industry Standards. Annual increments effective 1<sup>st</sup> April each year as recommended by the Nomination and Remuneration Committee are placed before the Board for approval. The

ceiling on Salary and Perquisites & allowances is approved by the Shareholders, within which the salary and perquisites & allowances is recommended by the Nomination and Remuneration Committee and approved by the Board. The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organisational goals. EDs are paid, subject to the approval of the Board and of the Company in General Meeting as may be required/necessary, compensation as per the appointment terms/agreements entered into between them and the Company. The present remuneration structure of EDs comprises of salary, perquisites, allowances, variable pay, special pay, and contributions to Provident Fund & Gratuity.

### C. Management Staff:

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by them, their annual performance, etc. For the last few years, efforts have also been made to link the annual variable pay of employees with the performance of the Company. The variable pay policy links the performance pay of the employees with their individual and overall organisational performance on parameters aligned to Company's objectives whereas Variable Production Incentive Bonus is linked to the respective Plant's parameters.

## 5.2 Details of Remuneration paid to Directors:

### A. Payment to Non-Executive Directors:

The sitting fees paid to Non-Executive Directors (NEDs) for attending the Board/Committee Meetings held during the year and commission paid is as under:

(Amount in ₹)

| Name of the Non-Executive Director | Sitting fees Paid during FY2015-16 | Commission paid in July 2015 |
|------------------------------------|------------------------------------|------------------------------|
| Mr. Chandan Bhattacharya           | 10,50,000                          | 18,00,000                    |
| Mr. Nirmal Kumar Jain              | 10,50,000                          | 15,75,000                    |
| Ms. Sheila Sangwan                 | 8,40,000                           | 8,25,000                     |
| Ms. Shailaja Chandra               | 7,20,000                           | 12,61,301                    |
| Mr. Rakesh Nath                    | 4,40,000                           | -                            |
| Mr. D.J. Balaji Rao                | -                                  | 5,12,329                     |
| <b>Total</b>                       | <b>41,00,000</b>                   | <b>59,73,630</b>             |

### B. Details of remuneration and perquisites paid and/or value as per the Income Tax Act, 1961 to the Managing Director and Executive Directors for FY 2015-16, their tenure and Stock Options held as at 31<sup>st</sup> March, 2016:

| Name of Director  | Position                      | Salary (₹ in crore) |                 | Tenure                    | Notice Period  | Share options held |
|-------------------|-------------------------------|---------------------|-----------------|---------------------------|--|--------------------|
|                   |                               | Fixed Pay           | Performance Pay |                           |  |                    |
| Mr. Sajjan Jindal | Chairman & Managing Director  | 10.65               | -               | 5 years (till 31.12.2018) | -  | Nil                |
| Mr. Sanjay Sagar  | Jt. Managing Director and CEO | 1.99                | 0.62            | 5 years (till 20.07.2017) | 3 months from either side or salary in lieu thereof. | 8,37,245           |
| Mr. Pramod Menon  | Director - Finance            | 1.13                | 0.32            | 5 years (till 2.05.2018)  | 3 months from either side or salary in lieu thereof. | 4,33,328           |

Note: Salary includes Basic Salary, House Rent Allowance, Bonus, use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, etc.

Mr. Sanjay Sagar and Mr. Pramod Menon were granted 4,82,212 and 2,50,022, stock options respectively at an exercise price of ₹ 65 per share which vested on 4<sup>th</sup> October, 2013. Further 1,62,765, and 94,794 stock options were granted to Mr. Sanjay Sagar and Mr. Pramod Menon respectively on 8<sup>th</sup> November, 2011 at an exercise price of ₹ 52.35 per share which vested on 8<sup>th</sup> November, 2014. Also, 1,92,268, and 88,512 stock options were granted to Mr. Sanjay Sagar and Mr. Pramod Menon respectively on 31<sup>st</sup> October, 2012 at an exercise price of ₹ 60.90 per share which vested on 31<sup>st</sup> October, 2015. Options were granted considering the ruling market price of the share of the Company on the date of grant. Exercise period for the options which have not lapsed will be after vesting and till 30<sup>th</sup> September, 2017.

**5.3 Details of shares held by the Directors:**

The Equity shares held beneficially by the Directors of the Company as on 31<sup>st</sup> March, 2016 is given below:

| Name of the Director  | No. of Shares held |
|-----------------------|--------------------|
| Mr. Sajjan Jindal     | 7,41,44,262        |
| Ms. Sanjay Sagar      | 5,000              |
| Ms. Pramod Menon      | 2,900              |
| Mr. Nirmal Kumar Jain | 5,000              |

**5.4 Performance Evaluation criteria for Independent Directors**

The Performance Evaluation criteria for Independent Directors inter alia is as follows:

- Helps in bringing an independent judgement to bear on the Board's deliberations.
- Brings an objective view in the evaluation of the performance of board and management.
- Undertakes to regularly update and refresh his skills, knowledge and familiarity with the Company.
- Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the Company.
- Strives to attend all meetings of the Board of Directors / Board committees of which he is a member / general meetings.
- Communicates governance and ethical problems to the Chairman of the Board.

- Pays sufficient attention and ensure that adequate deliberations are held before approving related party transactions.
- Ensures that the Company has an adequate and functional vigil mechanism.
- Satisfies himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- Assists in determining appropriate policy of remuneration of executive directors, key managerial personnel and other employees.
- Refrains from any action that may lead to loss of his independence and immediately informs the Board where circumstances arise which makes him lose his independence.
- Adheres to all other standards of the Code for Independent Directors as per the Schedule IV to the Companies Act, 2013.
- Assists the Company in implementing the best corporate governance practices.
- Prepares for the Board meeting by reading the materials distributed before the Board meeting.

**OTHER COMMITTEES OF THE BOARD OF DIRECTORS:**

In addition to the above referred Committees, the Board has constituted Corporate Social Responsibility Committee, Compensation Committee, Risk Management Committee, Finance Committee etc. to consider various business matters and delegated thereto powers and responsibilities with respect to specific purposes.

**6. GENERAL MEETINGS:**

**Annual General Meetings:**

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years are as under:

| AGM              | Date                        | Time      | Venue  |
|------------------|-----------------------------|-----------|--|
| 21 <sup>st</sup> | 22 <sup>nd</sup> July, 2015 | 3.00 P.M. | Yashwantrao Chavan   |
| 20 <sup>th</sup> | 23 <sup>rd</sup> July, 2014 | 3.00 P.M. | Pratisthan Mumbai,   |
| 19 <sup>th</sup> | 25 <sup>th</sup> July, 2013 | 3.00 P.M. | Y. B. Chavan Auditorium,<br>General Jagannath<br>Bhosale Marg,<br>Mumbai – 400 021 |

Details of Special Resolutions passed in the previous three AGMs:

| AGM / EOGM   | Particulars of Special Resolutions passed thereat  |
|--|--|
| Postal Ballot/<br>E-Voting<br>23 <sup>rd</sup> March, 2016 | <p>a) Approval of "JSWEL Employees Stock Ownership Plan - 2016" and grant of stock options to Eligible Employees.</p> <p>b) Approval to grant stock options to the Eligible Employees of the Company's subsidiary companies under the "JSWEL Employees Stock Ownership Plan - 2016".</p> <p>c) Authorization to the Trust to undertake Secondary Acquisition of equity shares of the Company for implementation of the "JSWEL Employees Stock Ownership Plan - 2016".</p> <p>d) Approval for provision of money by the Company for purchase of its own shares by the Trust/Trustees for the benefit of eligible employees under the "JSWEL Employees Stock Ownership Plan - 2016".</p> <p>e) Approval for appointment of Mr. Rakesh Nath (DIN: 00045986) as an Independent Director.</p> |
| 21 <sup>st</sup> AGM                                       | <p>a) Approval for Issue of Non-Convertible Debentures.</p> <p>b) Approval for Issue of Securities.</p> <p>c) Alteration of Articles of Association to align with Companies Act, 2013.</p>   |
| EoGM held on<br>3 <sup>rd</sup> March, 2015                | <p>a) Approval for Issue of Securities.</p> <p>b) Increase in Investment Limits</p>  |
| 20 <sup>th</sup> AGM                                       | <p>a) Approval of borrowing powers.</p> <p>b) Approval for Creation of hypothecations / mortgages and/or charges.</p> <p>c) Approval for payment of commission to Non-Executive Directors.</p> <p>d) Approval for contract with JSW Investment Private Limited for a license to use the 'JSW' brand.</p> <p>e) Approval for transactions with JSW Power Trading Company Limited.</p> <p>f) Approval for transactions with JSW International Tradecorp PTE. Limited.</p> <p>g) Approval for transactions with JSW Steel Limited.</p> <p>h) Approval for Alteration of Articles of Association.</p> <p>i) Approval for Issue of Non-Convertible Debentures.</p> <p>j) Approval for Issue of Securities.</p>  |
| 19 <sup>th</sup> AGM                                       | <p>a. Approval for ESOPs Granted to the Employees</p> <p>b. Approval for ESOPs Granted to the Employees of Subsidiaries of the Company</p>   |

Details of Postal Ballot/E-Voting conducted during the FY 2015-16:

Mr. Shreyans Jain, Practicing Company Secretary, Mumbai (Membership No. FCS 8519) was appointed by the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Company had engaged Karvy Computershare Private Limited ("**Karvy**") for providing the e-voting facility through its platform.

#### Procedure for Postal Ballot:

- The Company completed the dispatch of the Notice of Postal Ballot / E-Voting along with its Explanatory Statement and the Postal Ballot Form on 22<sup>nd</sup> February, 2016 to its members whose names appeared in the Register of Members / List of Beneficial Owners as on 12<sup>th</sup> February, 2016. The Company provided to the shareholders the facility of e-voting through e-voting website of the Karvy Computershare Private Ltd through its portal <https://evoting.karvy.com>.
- The voting period commenced at 9:00 am on Tuesday, 23<sup>rd</sup> February, 2016 and concluded at 5:00 pm on Wednesday 23<sup>rd</sup> March, 2016 for voting through physical postal ballot form as well as through e-voting.
- The Postal Ballot Forms that were received by the Scrutinizer were kept under safe custody before commencing the scrutiny of such Postal Ballot Forms. The e-voting portal was unblocked by the Scrutinizer and thereafter a combined report of Postal Ballot and E-voting conducted was given by the Scrutinizer to the Chairman and Managing Director / Jt. Managing Director and CEO / Director – Finance on 28<sup>th</sup> March, 2016.



## HARNESSING POTENTIAL & OPPORTUNITIES

Details of the voting pattern are as under:

| Resolution No. | Resolution  | Votes in Favour |        | Votes against |       | Result                         |
|----------------|---|-----------------|--------|---------------|-------|--------------------------------|
| 1              | Approval of "JSWEL Employees Stock Ownership Plan - 2016", grant of stock options to Eligible Employees etc   | 1,48,15,92,442  | 97.01% | 4,56,18,965   | 2.99% | Passed with requisite majority |
| 2              | Approval to grant stock options to the Eligible Employees of the Company's subsidiary companies under the "JSWEL Employees Stock Ownership Plan - 2016"   | 1,48,15,92,132  | 97.01% | 4,56,18,975   | 2.99% | Passed with requisite majority |
| 3              | Authorisation to the Trust to undertake Secondary Acquisition of equity shares of the Company for implementation of the "JSWEL Employees Stock Ownership Plan - 2016"                             | 1,48,34,01,003  | 97.13% | 4,38,09,024   | 2.87% | Passed with requisite majority |
| 4              | Approval for provision of money by the Company for purchase of its own shares by the Trust/Trustees for the benefit of eligible employees under the "JSWEL Employees Stock Ownership Plan - 2016" | 1,48,34,00,943  | 97.13% | 4,38,09,024   | 2.87% | Passed with requisite majority |
| 5              | Approval for appointment of Mr. Rakesh Nath (DIN: 00045986) as an Independent Director  | 1,52,72,02,762  | 100%   | 7,955         | 0.00% | Passed with requisite majority |

None of the business required to be transacted at the 22<sup>nd</sup> AGM require passing of special resolution through postal ballot.

### 7. DISCLOSURES:

- 7.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that conflict with the interests of the Company.
- 7.2 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 7.3 All mandatory requirements as per Chapter IV of the Listing Regulations have been complied with by the Company.
- 7.4 The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations:
- The auditors' report on statutory financial statements of the Company are unqualified.
  - The Office of Chairman and Chief Executive Officer of the Company are held by different Individuals.
  - As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and

recommendations etc. in the Internal Audit presentation by the Internal Auditor of the Company.

- 7.5 The Company has formulated a 'Whistle Blower Policy' and has established a Vigil Mechanism. No personnel has been denied access to the Audit Committee in case of any concerns/grievances, if any.
- 7.6 The Policy for 'material' subsidiaries and the Policy on dealing with Related Party Transactions is available on <http://www.jsw.in/investors/investor-relations-energy>.
- 7.7 Details of Familiarisation Programmes imparted to Independent Directors is available on <http://www.jsw.in/investors/investor-relations-energy>.
- 7.8 The Company has commodity risk management policy. The Company is in discussion with various counter parties for setting up the appropriate hedging facilities. The Company also has foreign exchange risk policy in place to mitigate the risk of foreign exchange price fluctuations.
- 7.9 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- 7.10 In terms of Regulation 17(8) of the Listing

Regulations, the Chief Executive Officer and the Chief Financial Officer furnished a certificate to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

## 8. SUBSIDIARY COMPANIES MONITORING FRAMEWORK:

All the subsidiary Companies of the Company are Board managed with their Boards having the right and obligations to manage such Companies in the best interest of their stakeholders. As a majority Shareholder, the Company at times nominates its representatives on the Boards of some Subsidiary/ Associate Companies. The Company monitors the performance of Subsidiary Companies, inter alia, by the following means:

- a) A copy of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies / Resolutions passed is tabled before the Company's Board on quarterly basis.
- b) A statement containing all significant transactions and arrangements entered into by the unlisted Subsidiary Companies is placed

before the Company's Board.

- c) Quarterly compliance reports issued by Director-in-charge/Finance and Accounts Head/Company Secretary/HR Head are tabled before the Company's Board on quarterly basis.
- d) Subsidiary Company's Financial Results are also tabled before the Company's Board on quarterly basis.

## 9. MEANS OF COMMUNICATION:

- (i) **Quarterly/Annual Results:** The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- (ii) **News Releases:** The Quarterly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, atleast in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State where the Registered Office of the Company is situated.

| FY 2014-15               | Date of Board Meeting        | Date of Publication          | Name of Newspaper | Language |
|--------------------------|------------------------------|------------------------------|-------------------|----------|
| Annual Financial Results | 27 <sup>th</sup> April, 2015 | 28 <sup>th</sup> April, 2015 | Financial Express | English  |
|                          |                              |                              | Navshakti         | Marathi  |

The quarterly financial results for FY 2015-16 were published as detailed below:

| FY 2015-16     | Date of Board Meeting          | Date of Publication            | Name of Newspaper | Language |
|----------------|--------------------------------|--------------------------------|-------------------|----------|
| First Quarter  | 22 <sup>nd</sup> July, 2015    | 23 <sup>rd</sup> July, 2015    | Financial Express | English  |
|                |                                |                                | Navshakti         | Marathi  |
| Second Quarter | 28 <sup>th</sup> October, 2015 | 29 <sup>th</sup> October, 2015 | Financial Express | English  |
|                |                                |                                | Navshakti         | Marathi  |
| Third Quarter  | 20 <sup>th</sup> January, 2016 | 21 <sup>st</sup> January, 2016 | Business Standard | English  |
|                |                                |                                | Navshakti         | Marathi  |

(iii) **Website:** The Company's website [www.jsw.in](http://www.jsw.in) contains a separate dedicated section "Investors" where latest Shareholders information is available. The Quarterly and Annual Results are posted on the website. Comprehensive information about the Company, its business and operations, Press Releases, Shareholding pattern, Corporate benefits, Investors' Contact details, Investor Forms, etc. are posted on the website under Regulation 46 of the Listing Regulations.

(iv) **Presentations to Analysts:** Presentations / Concalls were made to analysts / investors during FY 2015-16 on 22<sup>nd</sup> July 2015, 28<sup>th</sup> October 2015 and 20<sup>th</sup> January 2016. Presentations / Transcripts are available on Company's website <http://www.jsw.in/investors/investor-relations-energy>. The Presentations / Transcripts broadly cover operations, Financials and Industry outlook.

(v) The Company electronically files data such as Shareholding Pattern, Corporate Governance Report,

Quarterly and Audited Financial results, Corporate's Announcements, etc. on the Bombay Stock Exchange and National Stock Exchange online portal, viz. [www.listing.bseindia.com](http://www.listing.bseindia.com) and [www.connect2nse.com](http://www.connect2nse.com) respectively within the time frame prescribed in this regard.

**(vi) SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**(vii) Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' 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. The Annual Report is also available on the Company's website <http://www.jsw.in/investors/investor-relations-energy>.

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

## 10. GENERAL SHAREHOLDERS INFORMATION:

### 10.1 Annual General Meeting:

**Date and Time :** Thursday, 21<sup>st</sup> July, 2016 at 3.00 p.m.

**Venue :** Yashwantrao Chavan Pratisthan Mumbai, Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021

**Dates of Book Closure:** Wednesday, 13<sup>th</sup> July, 2016 to Thursday, 21<sup>st</sup> July, 2016 (both days inclusive).

**Dividend Announcement:** The Board of Directors of the Company has recommended a dividend of ₹ 2 per share (20%) on the Equity Share of the face value of ₹ 10 each for the year ended 31<sup>st</sup> March, 2016, subject to approval by the Shareholders of the Company at the forthcoming Annual General Meeting.

**Date of Dividend Payment:** 22<sup>nd</sup> July, 2016 (Friday).

**Dividend Eligibility:** The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, upon declaration by the

Shareholders at the forthcoming Annual General Meeting, will be paid as under:

- To all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Tuesday, 12<sup>th</sup> July, 2016; and
- To all those shareholders as at the close of business hours on Tuesday, 12<sup>th</sup> July, 2016 in respect of the shares held in physical form (after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on Tuesday, 12<sup>th</sup> July, 2016)

### 10.2 Listing on Stock Exchanges and Stock Codes:

The Company's Equity Shares are listed on the following Stock Exchanges in India:

| Name   | Address   | Stock code   |
|--|---|--------------|
| Bombay Stock Exchange Limited (BSE)            | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001             | 533148       |
| National Stock Exchange of India Limited (NSE) | Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 | JSWENERGY-EQ |

ISIN for Equity Shares: INE121E01018

The privately placed Secured Redeemable Non-Convertible Debentures issued by the Company are listed on BSE and their ISINs are as follows:

INE121E07080 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07114 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07098 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07106 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07189 - 9.50 % NCDs of ₹ 10 Lakhs each  
 INE121E07197 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07205 - 9.70 % NCDs of ₹ 10 Lakhs each  
 INE121E07213 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07221 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07239 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07247 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07254 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07262 - 9.60 % NCDs of ₹ 10 Lakhs each  
 INE121E07270 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07288 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07296 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07304 - 9.75 % NCDs of ₹ 10 Lakhs each  
 INE121E07312 - 9.75 % NCDs of ₹ 10 Lakhs each

Debenture Trustee:  
IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001

The Company has paid Annual Listing Fees as applicable to the BSE and the NSE for the FY 2016-17.

### 10.3 Market Price Data:

The monthly high/low market price of the Company's shares during the year 2015-16 on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) were as under:

| Month        | BSE        |           |           | NSE        |           |             | Total volume of BSE and NSE |
|--------------|------------|-----------|-----------|------------|-----------|-------------|-----------------------------|
|              | High Price | Low Price | Volume    | High Price | Low Price | Volume      |                             |
| April 15     | 122.75     | 102.55    | 70,42,553 | 122.80     | 102.50    | 6,79,12,130 | 7,49,54,683                 |
| May 15       | 120.20     | 100.60    | 34,65,307 | 120.30     | 100.65    | 3,72,33,252 | 4,06,98,559                 |
| June 15      | 113.90     | 94.35     | 39,80,835 | 114.30     | 94.55     | 2,79,29,658 | 3,19,10,493                 |
| July 15      | 105.80     | 83.70     | 62,03,494 | 106.25     | 83.80     | 4,41,97,209 | 5,04,00,703                 |
| August 15    | 85.15      | 59.50     | 80,18,359 | 85.20      | 59.40     | 4,67,34,087 | 5,47,52,446                 |
| September 15 | 94.35      | 66.55     | 84,13,188 | 94.60      | 66.20     | 6,33,86,282 | 7,17,99,470                 |
| October 15   | 96.15      | 84.10     | 85,57,962 | 100.00     | 84.20     | 6,37,41,966 | 7,22,99,928                 |
| November 15  | 96.00      | 81.15     | 35,64,162 | 96.10      | 81.10     | 3,06,73,208 | 3,42,37,370                 |
| December 15  | 87.50      | 73.55     | 49,96,104 | 87.45      | 73.40     | 3,90,95,497 | 4,40,91,601                 |
| January 16   | 88.20      | 66.70     | 61,02,446 | 88.15      | 66.40     | 5,13,75,669 | 5,74,78,115                 |
| February 16  | 77.75      | 59.10     | 45,15,281 | 77.70      | 59        | 3,66,47,601 | 4,11,62,882                 |
| March 16     | 73.60      | 61.90     | 50,47,335 | 73.60      | 61.65     | 4,69,92,913 | 5,20,40,248                 |

### 10.4 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited  
Unit: JSW Energy Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad -500 032  
Ph. Nos: 040 - 67161500  
Fax No. 040 -23001153  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com

Shares under objection are returned within 15 days. For more information please visit our website www.jsw.in which contains a separate dedicated section "Investors".

### 10.5 Share Transfer System:

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are processed within 15 days of receipt of the documents, if documents are found in order.

The Board has delegated the authority for approving transfers, transmissions, etc. of the Company's securities to the Stakeholders Relationship Committee. The decisions of Stakeholders Relationship Committee are placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40 of the Listing Regulations with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

### 10.6 Distribution of Shareholding:

The distribution of shareholding as on 31<sup>st</sup> March, 2016 is given below:

| No. of Equity Shares | No of Shareholders | % of Holders  | No. of Shares held    | % of Total shares |
|----------------------|--------------------|---------------|-----------------------|-------------------|
| 1 - 5000             | 1,06,832           | 98.96         | 3,35,61,871           | 2.05              |
| 5001 - 10000         | 519                | 0.48          | 38,31,593             | 0.23              |
| 10001 - 20000        | 235                | 0.22          | 33,77,684             | 0.21              |
| 20001 - 30000        | 91                 | 0.08          | 22,70,591             | 0.14              |
| 30001 - 40000        | 33                 | 0.03          | 11,43,350             | 0.07              |
| 40001 - 50000        | 26                 | 0.02          | 11,72,688             | 0.07              |
| 50001 - 100000       | 57                 | 0.05          | 43,25,622             | 0.26              |
| 100001 & Above       | 157                | 0.15          | 1,59,03,71,396        | 96.97             |
| <b>TOTAL</b>         | <b>1,07,950</b>    | <b>100.00</b> | <b>1,64,00,54,795</b> | <b>100.00</b>     |

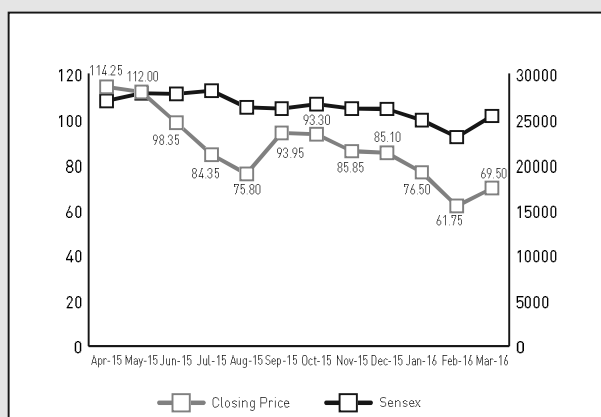
**10.7 Geographical Distribution of Shareholders as on 31<sup>st</sup> March, 2016:**

| Name of City | Electronic           |                       |                          | Physical             |               |                          | Total                |                       |                          |
|--------------|----------------------|-----------------------|--------------------------|----------------------|---------------|--------------------------|----------------------|-----------------------|--------------------------|
|              | No. of Share-holders | No. of Shares         | % of total Share-holding | No. of Share-holders | No. of Shares | % of total Share-holding | No. of Share-holders | No. of Shares         | % of total Share-holding |
| Ahmedabad    | 4,769                | 31,84,65,302          | 19.42                    | 0                    | 0             | 0.00                     | 4,769                | 31,84,65,302          | 19.42                    |
| Bengaluru    | 4,198                | 26,08,986             | 0.16                     | 0                    | 0             | 0.00                     | 4,198                | 26,08,986             | 0.16                     |
| Kolkata      | 5,161                | 33,07,619             | 0.20                     | 3                    | 401           | 0.00                     | 5,164                | 33,08,020             | 0.20                     |
| Chennai      | 3,582                | 15,92,171             | 0.10                     | 0                    | 0             | 0.00                     | 3,582                | 15,92,171             | 0.10                     |
| Hyderabad    | 2,795                | 14,13,480             | 0.09                     | 0                    | 0             | 0.00                     | 2,795                | 14,13,480             | 0.09                     |
| Mumbai       | 16,381               | 1,07,91,74,045        | 65.79                    | 1                    | 3             | 0.00                     | 16,382               | 1,07,91,74,048        | 65.79                    |
| New Delhi    | 7,020                | 15,14,77,004          | 9.24                     | 0                    | 0             | 0.00                     | 7,020                | 15,14,77,004          | 9.24                     |
| Others       | 59,279               | 8,03,03,621           | 4.90                     | 9                    | 5,200         | 0.00                     | 59,288               | 8,03,08,821           | 4.90                     |
| Pune         | 2,562                | 10,08,860             | 0.06                     | 1                    | 100           | 0.00                     | 2,563                | 10,08,960             | 0.06                     |
| Vadodara     | 2,189                | 6,98,003              | 0.04                     | 0                    | 0             | 0.00                     | 2,189                | 6,98,003              | 0.04                     |
| <b>TOTAL</b> | <b>1,07,936</b>      | <b>1,64,00,49,091</b> | <b>100.00</b>            | <b>14</b>            | <b>5,704</b>  | <b>0.00</b>              | <b>1,07,950</b>      | <b>1,64,00,54,795</b> | <b>100.00</b>            |

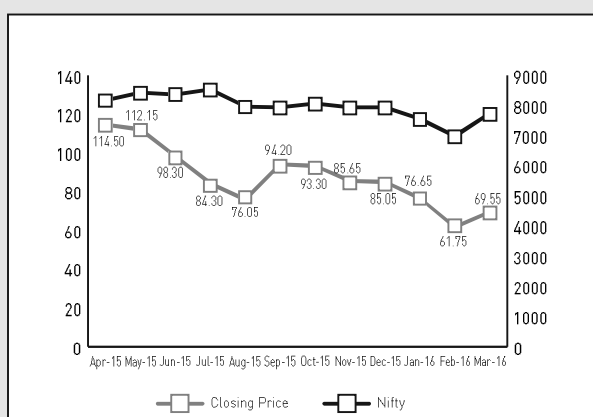
**10.8 Shareholding pattern:**

| Category                        | As on 31 <sup>st</sup> March, 2016 |                       |               | As on 31 <sup>st</sup> March, 2015 |                       |               |
|---------------------------------|------------------------------------|-----------------------|---------------|------------------------------------|-----------------------|---------------|
|                                 | No. of Holders                     | No. of Shares         | % of Holding  | No. of Holders                     | No. of Shares         | % of Holding  |
| Promoter / Promoter Group       | 25                                 | 1,23,00,40,644        | 75.00         | 28                                 | 1,23,00,40,644        | 75.00         |
| Non-Resident Indians            | 1,220                              | 18,82,218             | 0.11          | 1,224                              | 22,10,344             | 0.13          |
| Foreign Institutional Investors | 158                                | 14,74,17,695          | 8.99          | 143                                | 11,86,64,977          | 7.24          |
| Foreign Bodies Corporates       | 2                                  | 10,30,78,590          | 6.29          | 2                                  | 10,81,98,047          | 6.60          |
| Indian Financial Institutions   | 4                                  | 8,19,91,918           | 5.00          | 5                                  | 8,22,96,889           | 5.02          |
| Indian Mutual Funds             | 18                                 | 80,51,118             | 0.49          | 20                                 | 1,15,89,335           | 0.71          |
| Banks                           | 1                                  | 32,115                | 0.00          | 4                                  | 85,59,658             | 0.52          |
| Bodies Corporates               | 1,112                              | 70,42,505             | 0.43          | 1,128                              | 1,12,86,807           | 0.69          |
| HUF                             | 2,745                              | 21,04,337             | 0.13          | 2,726                              | 22,17,899             | 0.14          |
| Trust                           | 7                                  | 37,450                | 0.00          | 11                                 | 1,55,245              | 0.01          |
| Public                          | 1,02,658                           | 5,83,76,205           | 3.56          | 101,825                            | 6,48,34,950           | 3.95          |
| <b>Total</b>                    | <b>1,07,950</b>                    | <b>1,64,00,54,795</b> | <b>100.00</b> | <b>107,116</b>                     | <b>1,64,00,54,795</b> | <b>100.00</b> |

**10.9 Performance of Closing Share Price in comparison to BSE Sensex:**



**10.10 Performance of Closing Share Price in comparison to S & P CNX Nifty:**



### 10.11 Top 10 Shareholders as on 31<sup>st</sup> March, 2016 as per data downloaded by Depositories:

| Name of the Shareholder(s)          | No. of Shares | % of Total Shareholding |
|-------------------------------------|---------------|-------------------------|
| Sahyog Holdings Private Limited     | 25,67,99,044  | 15.66                   |
| JSW Investments Private Limited     | 24,55,35,507  | 14.97                   |
| Glebe Trading Private Limited       | 14,53,32,820  | 8.86                    |
| JSL Limited                         | 14,53,32,820  | 8.86                    |
| JSW Steel Limited                   | 9,14,74,090   | 5.58                    |
| Danta Enterprises Private Limited   | 8,55,99,613   | 5.22                    |
| Virtuous Tradecorp Private Limited  | 8,55,99,613   | 5.22                    |
| Life Insurance Corporation of India | 8,04,75,310   | 4.91                    |
| Sajjan Jindal                       | 7,41,44,262   | 4.52                    |
| Steel Traders Limited               | 5,93,72,000   | 3.62                    |

### 10.12 Corporate benefits to Shareholders (since IPO Listing):

#### A. Dividend declared:

| Financial Year | Dividend Declaration Date   | Dividend Rate (%) |
|----------------|-----------------------------|-------------------|
| 2009-10        | 15 <sup>th</sup> July, 2010 | 7.5%              |
| 2010-11        | 21 <sup>st</sup> July, 2011 | 10.00%            |
| 2011-12        | 20 <sup>th</sup> July, 2012 | 5.00%             |
| 2012-13        | 25 <sup>th</sup> July, 2013 | 20.00%            |
| 2013-14        | 23 <sup>rd</sup> July, 2014 | 20.00%            |
| 2014-15        | 22 <sup>nd</sup> July, 2015 | 20.00%            |

**Note:** Dividend of ₹ 2 per share (20%) as recommended by the Board of Directors on 27<sup>th</sup> April, 2016 for FY 2015-16 is subject to declaration by the shareholders at the ensuing Annual General Meeting.

#### B. Unclaimed Amounts:

Under the Companies Act, 2013, amounts that are unclaimed for a period of seven (7) years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend /refund amount, the Company has sent reminders to the concerned investors at appropriate intervals. Members can check the details of unclaimed dividend/refund amount on the website of the Company <http://www.jsw.in/investors/investor-relations-energy>. Also the said information is available on the Ministry of Corporate Affairs website [www.mca.gov.in](http://www.mca.gov.in).

The unclaimed amounts that are due for transfer to the IEPF are as follows:

#### (i) Unclaimed Dividend

| Financial Year | Date of Declaration of Dividend | Unclaimed Dividend Amount as on 31 <sup>st</sup> March, 2016 (Amount in ₹) | Due Date for transfer to IEPF |
|----------------|---------------------------------|--|-------------------------------|
| 2009-10        | 15 <sup>th</sup> July, 2010     | 4,31,182.00  | 16 <sup>th</sup> August, 2017 |
| 2010-11        | 21 <sup>st</sup> July, 2011     | 10,08,231.00   | 27 <sup>th</sup> August, 2018 |
| 2011-12        | 20 <sup>th</sup> July, 2012     | 8,16,220.00  | 24 <sup>th</sup> August, 2019 |
| 2012-13        | 25 <sup>th</sup> July, 2013     | 16,96,100.00   | 28 <sup>th</sup> August, 2020 |
| 2013-14        | 23 <sup>rd</sup> July, 2014     | 21,56,050.00   | 26 <sup>th</sup> August, 2021 |
| 2014-15        | 22 <sup>nd</sup> July, 2015     | 16,70,780.00   | 25 <sup>th</sup> August, 2022 |

#### (ii) Unclaimed Refund

| Particulars   | Unclaimed Refund Amount as on 31 <sup>st</sup> March, 2016 (Amount in Rs.) | Date for transfer to IEPF       |
|---|--|---------------------------------|
| Initial Public offer in the year 2009-Refund Amount | 87,300   | 22 <sup>nd</sup> December, 2016 |

Members who have not claimed their dividend/refund amount may approach the Company's Registrar for obtaining payments thereof immediately.

### 10.13 Financial Calendar 2016-17 (tentative):

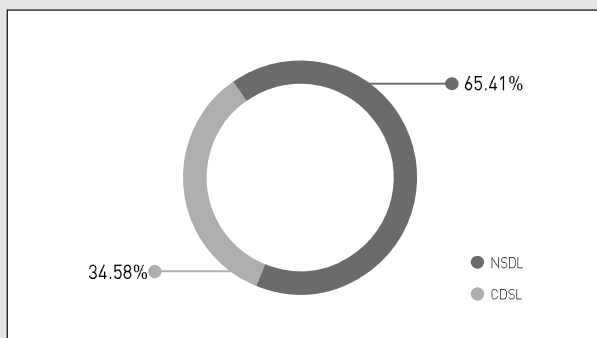
|                                     |                  |
|-------------------------------------|------------------|
| First quarterly results             | July, 2016       |
| Second quarterly results            | October, 2016    |
| Third quarterly results             | January, 2017    |
| Annual results for the year 2016-17 | April / May 2017 |

### 10.14 Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

| Particulars of Shares | Equity Shares of ₹ 10/- each |               | Members         |            |
|-----------------------|------------------------------|---------------|-----------------|------------|
|                       | Number                       | % of Total    | Number          | % of Total |
| Dematerialised form   |                              |               |                 |            |
| NSDL                  | 1,62,47,05,191               | 99.06         | 70,606          | 65.41      |
| CDSL                  | 1,53,43,900                  | 0.94          | 37,330          | 34.58      |
| Sub Total             | 1,64,00,49,091               | 100.00        | 1,07,936        | 99.99      |
| Physical form*        | 5,704                        | 0.00          | 14              | 0.01       |
| <b>Total</b>          | <b>1,64,00,54,795</b>        | <b>100.00</b> | <b>1,07,950</b> | <b>100</b> |

Dematerialisation of shares as on 31<sup>st</sup> March, 2016



Note: Shares in physical form constitute miniscule percentage of total shares.

**10.15 Register NECS Mandate and furnish correct Bank Account particulars with Company / Depository Participant (DP):**

Investors holding the shares in electronic form should ensure that correct and updated particulars of their Bank Account are available with the Depository Participant (DP) and Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company's Registrar i.e. Karvy Computershare Private Limited (Karvy). This would facilitate in receiving Dividend payment through electronic mode from Company and avoid postal delays and loss in transit. Investors are requested to update the new Bank Account number allotted after implementation of Core Banking Solution (CBS) to the DP in case of shares held in electronic form and to the Company's Registrar i.e. Karvy, in case of shares held in physical form.

**10.16 Green Initiative for Paperless Communications:**

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. Accordingly, Companies can now send various Notice(s) / Financial Statements / Annual Report / Documents, etc. to their Shareholders through electronic mode to the registered e-mail addresses of the Shareholders. To support the "Green Initiative" taken by the MCA, to contribute towards greener environment and to receive through electronic mode all documents, Notice(s), including Financial Statements / Annual Reports and other communications of the Company, Shareholders should register

their e-mail addresses. Shareholders holding shares in demat mode can register their e-mail address/change their e-mail address with their DP or fill in the E-Communication Registration Form as attached to this Annual Report and forward the same to Company's Registrar i.e. Karvy Computershare Private Limited in the event they have not done so earlier for receiving notices/documents through Electronic mode. Shareholders holding shares in physical form can avail the said facility by downloading the Form from the Company's website <http://www.jsw.in/investors/investors-relations-energy> or as attached to this Annual Report and forwarding the same to Company's Registrar i.e. Karvy Computershare Private Limited, Unit: JSW Energy Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad -500 032 Tel. Nos. 040 - 67161500, 040- 6716 2222 Fax No. 040 - 23001153.

**10.17 Outstanding GDRs / ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:**

NIL

**10.18 Registered Office:**

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

**10.19 Plant Locations:**

**Vijayanagar Plant:** Post Box No. 9, Toranagallu, District Bellary - 583 123, Karnataka.

**Ratnagiri Plant:** Village Nandiwade, Post Jaigad, Taluka & District Ratnagiri - 415 614, Maharashtra.

**10.20 Address for Investor Correspondence:**

**A. For Retail Investors:**

- (i) Securities held in Demat form  
The Investors' Depository Participant(s) and/or Karvy Computershare Private Limited
- (ii) Securities held in Physical Form  
Registrar & Share Transfer Agents  
Karvy Computershare Private Limited  
Unit: JSW Energy Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad -500032  
Tel. Nos. 040 - 6716 1500  
Fax No. 040 - 23001153  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)

## (iii) JSW Energy Limited - Investor Service Centre

JSW Centre, Bandra-Kurla Complex,  
Bandra (East),  
Mumbai 400 051  
Tel. No. 022-4286 1000  
Fax. No. 022-4286 3000  
E-mail: [jswel.investor@jsw.in](mailto:jswel.investor@jsw.in)  
Website: [www.jsw.in](http://www.jsw.in)

**B. For Institutional Investors:**

Mr. Pritesh Vinay  
Vice President - Capital Markets and Group  
Investor Relations  
[pritesh.vinay@jsw.in](mailto:pritesh.vinay@jsw.in)

Mr. Subhra Das  
Investor Relations  
[subhra.das@jsw.in](mailto:subhra.das@jsw.in)

Contact Address:  
JSW Centre, Bandra-Kurla Complex,  
Bandra (East),  
Mumbai 400 051  
Tel. No. 022-4286 1000  
Fax. No. 022-4286 3000  
Website: [www.jsw.in](http://www.jsw.in)

**C. Designated exclusive e-mail id for Investor servicing: [jswel.investor@jsw.in](mailto:jswel.investor@jsw.in)****D. Toll Free Number of R & T Agent's (KARVY) exclusive call centre: 1800-3454-001****E. Web-based Query Redressal System:**

Facility has been extended by the Registrar and Share Transfer Agents for redressal of Shareholders' queries. The Shareholders can visit <http://karisma.karvy.com> and click on "investors" option for query registration after free identity registration. After logging in, Shareholders can submit their query in the "QUERIES" option provided on the website, which would give the grievance registration number. For accessing the status/ response to their query, the same number can be used at the option "VIEW REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

**11. CORPORATE POLICIES / ETHICS:**

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

in business dealings. Code of conduct for Board members and senior management and to regulate, insider trading and also policies such as Whistle Blower Policy/ Vigil Mechanism, prevention of Sexual Harassment as given below:

**A. Code of Conduct for Board Members and Senior Management:**

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management personnel of the Company and the same are posted on the Company's website <http://www.jsw.in/investors/investor-relations-energy>. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them. Another important principle on which the Code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

**Declaration affirming compliance of Code of Conduct:**

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review. A declaration by the Jt. Managing Director and CEO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

**B. Code of Conduct to regulate, monitor and report Trading by Insiders:**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (the Regulations), the Board of Directors of the Company has adopted the Code of Conduct to regulate, monitor and report Trading by Insiders (the "Code") for prevention of Insider Trading. The Code lays down guidelines and procedures to be followed and disclosures to be made by Insiders, Connected Person, Directors, Promoters, Key Managerial Personnel, Top level executives and certain staff whilst dealing in shares. The Code contains regulations for preservation of unpublished price sensitive information, pre-clearance of trade



and monitoring and implementation of the Code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

### **C. Whistle Blower Policy/Vigil Mechanism**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Whistle Blower Policy, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Regulation 22 of Listing Regulations and Section 177(9) of Companies Act, 2013 inter alia, provides for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. Accordingly, the Whistle Blower Policy adopted by the Company in line with Regulation 22 of Listing Regulations and Section 177(9) of Companies Act, 2013 encourages all employees to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy/Vigil Mechanism specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Company affirms that no employee has been denied access to the Ethics Counsellor/Audit Committee.

### **D. Policy for Prevention of Sexual Harassment:**

Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it and the best way to prevent sexual harassment is to adopt a comprehensive sexual harassment policy. The Company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work-place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

### **E. Reconciliation of Share Capital Audit Report:**

Reconciliation of Share Capital Audit Report in terms of SEBI circular CIR/MRD/DP/30/2010 dated 6th September, 2010, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is submitted to the Stock Exchanges where the shares of the Company are listed.

### **F. Internal Checks and Balances:**

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Board and the Management periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary.

### **G. Legal Compliance of the Company's Subsidiaries:**

Periodical Audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the Compliance reports of the Management, there has been no material non-compliance with the applicable statutory requirements by the Company and its Subsidiaries.

## **12. OTHER SHAREHOLDER INFORMATION:**

### **A. Corporate Identity Number (CIN):**

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is L74999MH1994PLC077041.

### **B. Shares held in electronic form:**

Members holding shares in electronic form may please note that:

- (i) Instructions regarding bank details which they wish to have incorporated in Dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of National Securities Depository Limited and Central Depository Services (India) Limited, the Company is obliged to print Bank details on the Dividend warrants, as furnished by these Depositories to the Company.

- (ii) Instructions already given by them for shares held in physical form will not be automatically applicable to the Dividend paid on shares held in electronic form.
- (iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DPs.
- (iv) The Company provides NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

### C. Depository Services:

Members may write to the respective Depository or to Karvy for guidance on depository services.

National Securities Depository Limited  
Trade World, "A" Wing, 4th Floor,  
Kamala Mills Compound, Lower Parel,  
Mumbai 400 013.  
Tel No. 022-2499 4200  
Fax No. 022-2497 6351  
E-mail : info@nsdl.co.in  
Website : www.nsdl.co.in

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers,  
17th Floor, Dalal Street,  
Mumbai 400 001  
Tel : 022-2272 3333  
Fax : 022-2272 3199  
E-mail : investors@cdslindia.com  
Website : www.cdslindia.com

### D. Nomination Facility:

Members are entitled to make nominations in respect of shares held by them. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly. Form for this purpose can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website <http://www.jsw.in/investors/investor-relations-energy> under the 'Investors Section'. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests to Company's Registrar, Karvy Computershare Private Limited.

### 13. INVESTOR SAFEGUARDS:

In pursuit of the Company's objective to mitigate/avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

#### i. Consolidate your Multiple Folios:

Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

#### ii. Confidentiality of Security Details:

Folio No / DP ID / Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

#### iii. Dealing with Registered Intermediaries:

Members should transact through a registered intermediary who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

#### iv. Update your Address:

To receive all communication and corporate actions promptly, please update your address with the DP or Company, as the case may be.

#### v. Prevention of Frauds:

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad etc. Hence, we urge you to exercise diligence.

#### vi. Monitor holdings regularly:

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

#### vii. PAN requirement for Transfer of Shares in Physical Form:

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to Company's Registrar for registration of such transfers. Members are therefore requested to make note of the same and submit their PAN card copy to Company's Registrar.

#### viii. Mode of Postage:

Share Certificates and high value dividend warrants/ cheques/ demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or reputed courier.

## DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 34 of the Listing Regulations, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31<sup>st</sup> March, 2016.

Mumbai  
27<sup>th</sup> April, 2016

For **JSW Energy Limited**  
**Sanjay Sagar**  
Jt. Managing Director and CEO

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of JSW Energy Limited,

We have examined the Compliance of conditions of Corporate Governance by JSW Energy Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges, relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in above-mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mumbai  
27<sup>th</sup> April, 2016

For **LODHA & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 301051E

**A.M. Hariharan**  
Partner  
Membership No. 38323