

## MD'S MESSAGE

## FORGING AHEAD WITH VISION

**12.53 MN TONNES**

Sale of Cementitious and GGBS

**Dear Stakeholders,**

JSW Cement has emerged in FY 2023-24 a stronger and more sustainable organisation. This year marked significant advancements in operational excellence, capacity expansion, and our unwavering commitment to environmental responsibility. We navigated a dynamic economic landscape with resilience, leveraging strategic growth initiatives to achieve remarkable milestones.

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JSW CEMENT HAS CAPITALISED ON THIS POSITIVE MOMENTUM. WE CROSSED A SIGNIFICANT MILES TONNES BY SELLING 12.53 MILLION TONS OF CEMENTITIOUS AND GGBS REFLECTING A REMARKABLE 24% YEAR-ON-YEAR REVENUE GROWTH TO ₹6,028 CRORE.

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## RIDING THE WAVE OF INDIA'S GROWTH

India's economic momentum remained robust in FY 2023-24, fuelled by government investments in infrastructure, digitalisation, and ease of doing business. The National Statistics Organisation projects an impressive 8.2% growth, bolstering the construction and manufacturing sectors. This positive outlook directly translates to the cement industry, with demand reaching 445 million tonnes in FY 2023-24.

The housing sector continues to be the primary driver, consuming ~59% of cement demand. However, robust demand is also emanating from infrastructure projects, spurred by initiatives such as Smart Cities Mission and Bharatmala Pariyojna.

A significant factor contributing to industry stability has been the downward trend in key commodity prices like crude oil, thermal coal, and pet coke. This has eased pressure on manufacturers to raise prices, ensuring healthy margins. Looking ahead, the medium-term outlook for the Indian cement sector remains positive, with substantial investments in infrastructure and housing fuelling demand. While higher interest rates may pose a slight challenge to the housing sector, government initiatives like PM Awas Yojana-Gramin and Swachh Bharat Mission are expected to sustain overall growth, pushing cement consumption towards an estimated range of 538-543 million tonnes by FY 2026-27.

## LEADING THE CHARGE

JSW Cement has capitalised on this positive momentum. We crossed a significant milestone by selling 12.53 million tonnes of sale of Cementitious and GGBS, reflecting a remarkable 24%<sup>1</sup> year-on-year revenue growth to ₹ 6,028 crore. This exceptional performance highlights our strategic focus on operational excellence and cost optimisation, resulting in a 31%<sup>1</sup> increase in volume growth and improved capacity utilisation from 60% to 68%. Our commitment to efficiency is reflected in our improved

operating EBITDA per tonne, rising from ₹ 824<sup>1</sup> crore in FY 2022-23 to ₹ 877 crore in FY 2023-24. This growth is evident across all segments, demonstrating our ability to maximise revenue at current capacity levels.

## CEMENTING OUR NATIONAL FOOTPRINT

JSW Cement has established itself as India's fastest-growing cement manufacturer. Since FY 2013-14, our installed capacity has increased by an impressive 3.75 times, accompanied by a remarkable 5.7-fold growth in sales volume. We are on a clear trajectory to expand our capacity to 40.85 MTPA, solidifying our position as a leading player. Our strategic expansion focusses on greenfield and brownfield expansion across India including in the north and central regions, enabling us to cater to the growing needs of the entire nation. This year alone, we significantly expanded our footprint by adding 2 MTPA capacities at our Vijayanagar and Dolvi plants and 1.32 MTPA clinkerisation capacity at our subsidiary unit in Odisha. Additionally, we are in the advanced stage of commissioning 1.32 MTPA clinker capacity at the Fujairah plant.

## STRATEGIC PRIORITIES

Sustainability and operational excellence go hand-in-hand at JSW Cement, which is enabled by our five-pronged strategic pillar.

1. Capacity Expansion: We aim to reach 40.85 MTPA through greenfield investments in high-demand regions and expanding existing facilities, ensuring regional diversification.
2. Superior Products: We focus on market-specific differentiation and continuous innovation to enhance customer satisfaction and drive premium sales.
3. Operational Efficiency: By strategically locating facilities near raw material sources and key markets, we ensure efficient supply chain management and reduced costs.

<sup>1</sup> Like-for-like comparison with FY23



OUR LEADERSHIP IN THE GGBS MARKET IS UNDISPUTED. WE COMMAND AN IMPRESSIVE 83% SHARE OF THE TOTAL GGBS SOLD IN INDIA DURING FY 2023-24. OUR GGBS SALES HAVE GROWN AT A RAPID PACE, GROWING AT A CAGR OF 27.5%, BETWEEN FY22 AND FY24, REACHING 5.08 MILLION TONNES THIS YEAR.



4. Enhanced Brand Visibility: Through targeted marketing initiatives and influencer management programmes, we expand our presence and cultivate loyal brand ambassadors.
5. Environment Protection: Committed to achieving net zero emissions, we focus on reducing clinker content in cement, increasing thermal substitution rates, and investing in clean energy.

### LEADING WITH INNOVATION AND RESPONSIBILITY

JSW Cement has emerged as India's leading manufacturer of GGBS, a sustainable alternative to ordinary Portland cement. GGBS adoption is expected to rise significantly due to its superior qualities, and JSW Cement is at the forefront of raising awareness about its benefits. This eco-friendly material is extensively used in infrastructure projects and is increasingly gaining traction in large residential projects due to its low heat of hydration and low carbon footprint.

Our leadership in the GGBS market is undisputed. We command an impressive 83% share of the total GGBS sold in India during FY 2023-24. Our GGBS sales have grown at a rapid pace, growing at a CAGR of 27.5%, between FY22 and FY24, reaching 5.08 million tonnes this year. Realisations have also consistently increased, demonstrating growing market acceptance of GGBS. JSW GGBS has been instrumental in key national infrastructure projects, including metros, airports, highways, and sea links.

Further, we are actively involved in promoting GGBS adoption. Our efforts include pre-qualifying GGBS for project use, optimising its addition through testing mix designs, and launching Microfine GGBS for high-strength and high-performance concrete.

### DIGITAL-FIRST ORGANISATION

JSW Cement is dedicated to positioning itself as a digital-first cement company, leading the industry with innovative technology solutions. Our focus on digital transformation is evident through the implementation of AI-driven predictive maintenance, energy management systems, reinforcement learning based process optimisers and automated power schedulers. These advancements have not only optimised operational efficiency but also enhanced transparency and minimised pilferages. By leveraging state-of-the-art digital tools, we are committed to driving sustainability and operational excellence, ensuring we remain at the forefront of innovation in the cement industry. This digital-first approach is a testament to our vision of integrating cutting-edge technology to create long-term value for our stakeholders.

### SUSTAINABILITY AT ITS CORE

JSW Cement is deeply committed to environmental stewardship. We secured a Sustainability Linked Loan (SLL) of US\$ 100 million further solidifying our green credentials. These resources will be instrumental in achieving our ambitious goal of expanding capacity to 40.85 MTPA in near future.

Reducing our carbon footprint and preserving the environment are core values at JSW Cement. Since FY 2013-14, we have reduced CO<sub>2</sub> emission intensity (Scope 1+ Scope 2) to half. Our current average net CO<sub>2</sub> emission intensity of 241 kg/T (Scope 1) is less than 50% of the national average and 66% less than the global average. We are constantly pushing the boundaries of sustainability. Our thermal substitution rate reached 9.8%<sup>2</sup> in FY 2023-24, reflecting a significant increase from 8.1%<sup>2</sup> in the previous year. We have installed WHRS and solar power plants across our various facilities, enabling us to meet a substantial portion of our energy needs through green sources.



SINCE FY 2013-14, WE HAVE REDUCED CO<sub>2</sub> EMISSION INTENSITY (SCOPE 1+ SCOPE 2) TO HALF. OUR CURRENT AVERAGE NET CO<sub>2</sub> EMISSION INTENSITY OF 241 KG/T (SCOPE 1) IS LESS THAN 50% OF THE NATIONAL AVERAGE AND 66% LESS THAN THE GLOBAL AVERAGE.



<sup>2</sup> Nandyal Unit



OUR UNWAVERING FOCUS ON OPERATIONAL EFFICIENCY, CAPACITY EXPANSION AND COST EXCELLENCE ENSURES SUSTAINABLE GROWTH WHILE CREATING LONG-TERM VALUE FOR ALL STAKEHOLDERS.



### Innovation and Collaboration for a Sustainable Future

Our dedicated R&D centre focusses on developing innovative and low-carbon products like Geopolymer cement and LC3 cement. We actively collaborate with leading research institutions and startups to accelerate decarbonisation efforts. This commitment is further underscored by securing Sustainability-Linked Loans tied to CO<sub>2</sub> emission reduction targets. We have become a member of Resource Efficiency Circular Economy Industry Coalition (RECEIC) launched by FICCI which very well aligns with our philosophy and strategy on circularity. We also became a signatory to United Nations Global Compact (UNGC) which demonstrates our commitment towards human rights, labour, environment and anti-corruption.

### CO-CREATE Strategy

Our CO-CREATE strategy serves as a roadmap for achieving our sustainability goals. The strategy focusses on seven key pillars:

- **Circular Economy:** We are heavily invested in increasing the use of alternate raw materials and fuels by using waste-derived resources.
- **Climate and Energy:** Our high proportion of GGBS and green cement products reflects our commitment to reducing our environmental impact. We are continuously increasing the use of renewable energy in all operations.
- **Research & Development:** We are focussed on producing zero-clinker concrete, launching new construction chemicals and collaborating with academic institutes for technological advancements.
- **Ecosystem:** We are strengthening our efforts on rain water harvesting and biodiversity management. We are also striving to become >3 times plastic-negative in FY 2024-25.

- **Anti-bribery & Ethical Practices:** We operate with the highest ethical standards and have zero tolerance policy for unethical practices.
- **Transport, Logistics and Supply Chain:** We are continuously optimising our supply chain for greater efficiency and deploying LNG and EV trucks.
- **Equality, Safety, and Well-being:** We prioritise the health, safety, and well-being of our employees and the communities we serve.

### BUILDING A STRONGER COMMUNITY

At JSW Cement, we prioritise social responsibility initiatives that contribute to the upliftment of local communities. We not only focus on areas such as health, education, and sanitation but also work towards general upliftment of the society. One such initiative has been the JSW Football Academy in Salboni, which trains rural children. A recent success story of this academy, is the selection of a trainee by the Mohun Bagan Club, highlighting the positive impact of our initiatives.

Our CSR efforts have successfully fostered strong relationships with local communities, significantly contributing to their upliftment and growth.

### LOOKING AHEAD WITH OPTIMISM

JSW Cement is committed to being a leading force in nation-building and shaping a sustainable future for India. We are determined to be the top green cement manufacturer in the country. Our unwavering focus on operational efficiency, capacity expansion and cost excellence ensures sustainable growth while creating long-term value for all stakeholders.

In closing, I would like to thank all our stakeholders, for their trust and support in us. I would like to thank our esteemed Board for their strategic guidance and our employees for their steadfast commitment. At JSW Cement, we are united in our vision for a sustainable future. We will continue to leverage emerging opportunities, innovate relentlessly, and collaborate with all our partners to deliver lasting value for all.

Thank you,

**Parth Jindal**  
Managing Director