Management Discussion & Analysis

1. Company overview

As part of the $22 billion JSW Group, JSW Cement was established in 2009 and has grown to become one of the leading eco-friendly cement producers globally with a 15.1 million tonnes per annum (MTPA) production capacity. The Company is guided by the vision to support India's rapidly expanding economy and extensive infrastructure by undertaking projects that set industry standards.

JSW Cement has plants at Nandyal (Andhra Pradesh), Vijayanagar (Karnataka), Dolvi (Maharashtra), Salboni (West Bengal), and Jajpur and Sundargarh (Odisha), which produce a wide range of products such as Portland Slag Cement (PSC), Ordinary Portland Cement (OPC), Concreel HD, Composite Cement, Portland Pozzolana Cement (PPC), Ground Granulated Blast Furnace Slag (GGBS) and Screen Slag. It has been providing high-quality products to numerous notable and significant infrastructural projects in the eastern, southern and western regions of the nation, with key markets in Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Goa, Gujarat, Daman & Diu, Dadra Nagra Haveli, Pondicherry, Maharashtra, West Bengal, Jharkhand, Bihar and Odisha.

At its flagship facility in Nandyal, JSW Cement uses cutting-edge technology to manufacture cement with lower energy consumption and has received prestigious awards for its energy-saving processes. By repurposing blast furnace slag, an industrial by-product, primarily from JSW Steel's plant, the Company manufactures PSC, significantly reducing the Group's carbon footprint over the years.

2. Global economic review

The global economy witnessed an expansion of 6.1% in 2021 after a downward spiral in 2020 owing to COVID-19-related disruptions, including market volatility and cost inflation amongst others (IMF). This created an imperative for companies to advance with agility and provide value to customers.

During the year, economic activity slowly gained momentum as global vaccination drives and accommodating government policies boosted confidence. Due to pent-up consumer demand, exports and imports for all the major trading economies surpassed pre-pandemic levels. However, the recurring waves and localised restrictions caused new bottlenecks in supply chains. Inflation also reached multi-decade highs, primarily as a result of rising commodity prices brought on by disruptions in the global supply chain and an upheaval in the geopolitical environment. Central banks worldwide have responded by increasing policy rates and reducing fiscal spending, a trend that is likely to continue in the foreseeable future.

Outlook

In 2022, the global economy is projected to grow at 3.2%, as per the IMF, with emerging markets and developing economies (EMDEs) expended to expand at a faster rate than the developed economies. Rising commodity inflation is likely to impede economic growth as long as the geopolitical environment remains unstable.

To overcome these obstacles and deal with the uncertainties, the world has adapted by introducing newer ways of working, such as digitalisation of various processes to reduce cost and increase agility and shifting to renewable energy sources to reduce their carbon footprint in response to the global energy crisis and climate change.

Global growth forecast (%)

Countries	Actual		Projections
	2021	2022	2023
World output	6.1	3.2	2.9
Advanced economies	5.2	2.5	1.4
United States	5.7	2.3	1.0
Eurozone	5.4	2.6	1.2
Japan	1.7	1.7	1.7
UK	7.4	3.2	0.5
Other advanced economies	5.1	2.9	2.7
Emerging markets and developing economies	6.8	3.6	3.9
China	8.1	3.3	4.6
India	8.7	7.4	6.1

Source: IMF, World Economic Outlook Update, July 2022

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2021-22 starting April 2021. For the July WEO Update, India's growth projections are 7.4% in 2022 and 5.3% in 2023 based on calendar year.

3. The Indian economy

The second wave of COVID-19 began in FY 2021-22 just as the economy was starting to recover from the pandemic-induced lockdowns in FY 2020-21. Following the second wave, the sharp V-shaped recovery was accompanied by rising inflation and supply shortages which started to affect demand. The government's ongoing assistance and extensive vaccination campaigns were successful in boosting consumer confidence. The geopolitical situation towards the end of the year aggravated the situation, deteriorating economic fundamentals and tempering growth expectations. Despite these obstacles, the government and policymakers capacitated India to achieve a broad-based recovery with a growth rate of 8.7% in FY 2021-22. At base prices, gross value added (GVA) increased by 8.1%. As the government focused on its massive expenditure push with gross fixed capital formation (GFCF), a proxy for investments, increased by 15.8%.

Although economic indicators have changed for the better, rising inflation remains a persistent worry. India's Consumer Price Index (CPI) increased to a 17-month high of 6.95% in March 2022, exceeding the comfort level of 4% set by the Central Bank. This led the Reserve Bank of India (RBI) to raise its policy rate by 40 basis points (bps) outside of the usual cycle in April 2022, and then by another 50 bps in May 2022. This is a definite sign that the RBI's policy objectives have once again moved back toward inflation moderation.

Outlook

The recovery has been sparked by the easing of COVID-19 restrictions and the return to normalcy of the economy. India currently has the fastest-growing major economy in the world, with economic growth estimated at 7.4%. All industries have returned to pre-COVID levels.

However, the ongoing conflict between Russia and Ukraine continues to affect the outlook due to higher energy costs, elevated commodity prices that cause higher inflation and the RBI's ongoing rate hikes.

4. Overview of the Indian cement industry

4.1 Performance

India accounts for 7% of the global installed cement capacity and, today, it is the second largest cement producer in the world. Cement demand bounced back during the current fiscal year, increasing by about 12% and reaching 330 million MT in FY 2021-22. This sharp recovery in the first half of FY 2021-22 was helped by the low base of the pandemic affected H1 FY 2020-21. However, H2 FY 2021-22 was impacted as cement demand declined due to unexpected rains in various parts of the country, a ban on construction activities in the National Capital Region (NCR), and labour and sand shortages in the eastern region.

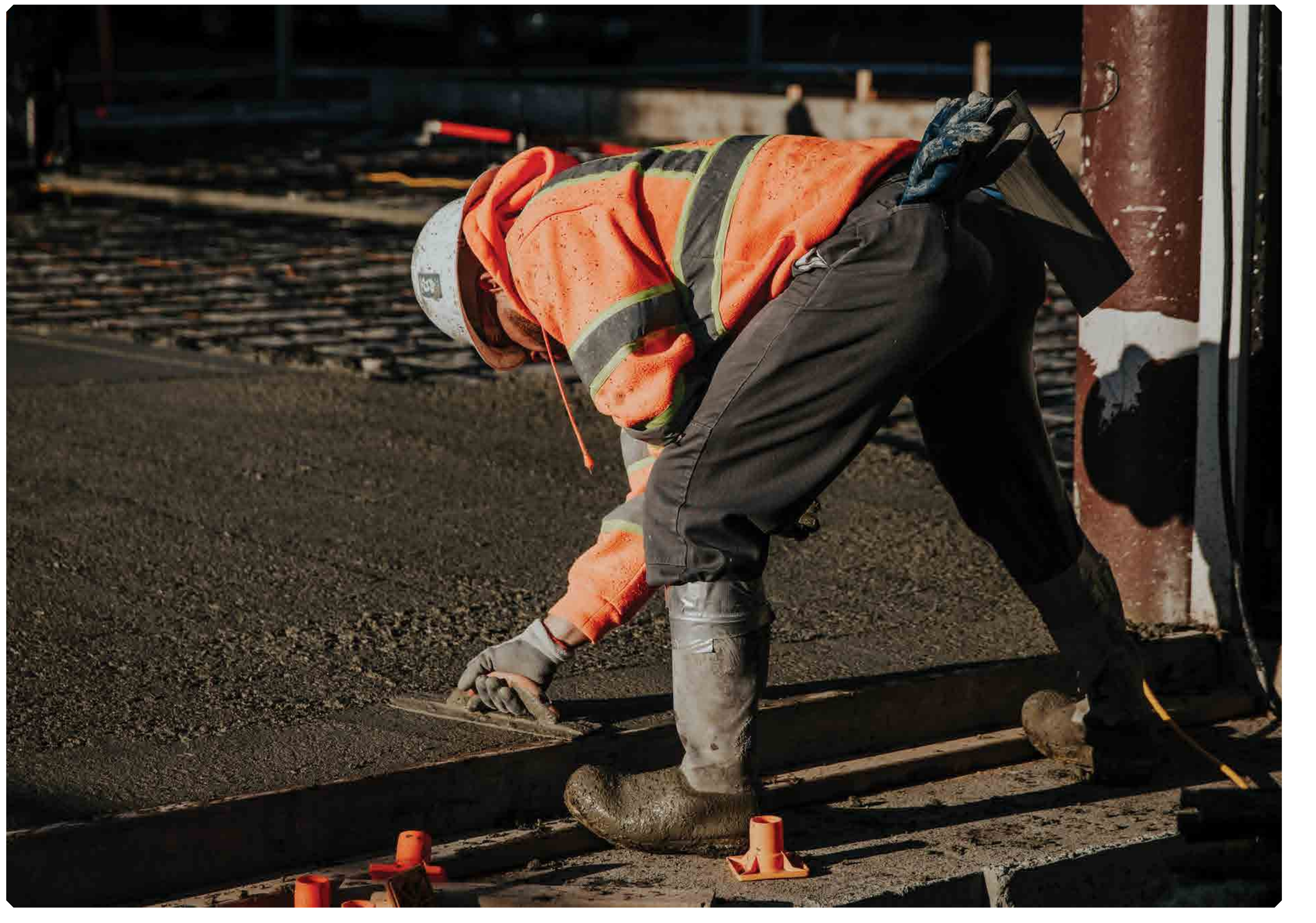
While the macroeconomic factors affecting India's cement industry are favourable and fuelled by a rebound in demand, the industry is experiencing challenges due to an increase in costs. The primary components of cost, namely coal, pet coke, and diesel fuel, have all experienced significant price increases. Businesses are already under pressure in this scenario, and the rise in diesel prices also has led to a further increase in the cost of transportation and logistics.

With the government's increased allocation s for infrastructure, affordable housing and road projects in the Union Budget 2022-23, the cement industry is poised for a volume surge. Additionally, the Union Government's focus on improving public infrastructure (roads, highways, metros and railways, airports, ports, and logistics) through projects like PM GatiShakti, National Infrastructure Pipeline ("NIP"), Urban Rejuvenation Mission: AMRUT and Smart Cities Mission is likely to enhance cement demand.

4.2 Demand drivers and opportunities

Infrastructure growth

The allocation of additional funds to highways, expressways, and other infrastructure projects will add to the demand. The Ministry of Road Transport and Highways has been allocated ₹1,08,230 crore in the Union Budget 2021-22. The Indian government has further set aside ₹111 lakh crore for the National Infrastructure Pipeline for FY 2019-25. Over FY 2019-25, the roads sector is expected to account for 18% of capital expenditure.



The total expenditure on the Ministry of Road Transport and Highways for FY 2022-23 is estimated at ₹1,99,108 crore. This is 52% higher than the revised estimates for FY 2021-22.

Rise of affordable housing

With rapid urbanisation in India, there has been an increase in demand in the housing segment. To advance growth in this segment, the Union Budget 2022-23 allocated ₹48, 000 crore under the government's Pradhan Mantri Awas Yojna (PMAY) scheme for the completion of approximately 8 million houses. The total number of completed houses reached 5.4 million in 2022.

330 MMT

Indian cement demand in FY 2021-22

Rural development

The contribution of rural development to the Indian GDP is rising steadily, and the timely implementation of a number of Government of India initiatives has proved effective in increasing rural cash flow. The allocation for Pradhan Mantri Gram Sadak Yojana (PMGSY), the rural roads construction scheme, increased by 36% from ₹14,000 crore to ₹19,000 crore. Further, schemes such as Mahatma Gandhi National Rural Employment Guarantee Act ('MGNREGA') are helping strengthen rural income. These tailwinds, combined with massive pent-up demand, have been instrumental in propelling the rural housing segment towards growth.

Outlook

The demand conditions for the cement industry are expected to be robust. Factors such as increased fiscal space with the government for capital and infrastructure spending, rising rural incomes, and the continuation of the government's flagship affordable housing scheme will drive demand. The RBI is considering gradually withdrawing its accommodative stance, which is likely to raise the cost of housing finance. This, however, is unlikely to have an immediate impact on housing demand. Overall, the outlook for cement remains mostly favourable. The Indian cement industry is expected to add 80 million tonnes (MT) capacity by FY 2023-24, the highest in 10 years, due to the increased spending on housing and infrastructure.

5. Review of operations

5.1 Highlights of FY 2021-22

1. Achieved the highest consolidated sales volume of 9.82 MTPA, which includes cement, Ground Granulated Blast-furnace Slag (GGBS) and clinker
2. Ready Mix Concrete (RMC) plant at Deonar, commenced commercial operations from June 2021
3. Land acquisition at Nagaur, Rajasthan initiated. The Company acquired 116.06 acres land in current financial year

5.2 Way forward

- Construction has commenced for the 1.3 MTPA clinker facility at Shiva Cement Ltd. at Sundargarh, Odisha, a subsidiary of JSW Cement
- De-bottlenecking and installation of additional balancing equipment to increase the capacity at Vijayanagar & Salboni nearing completion
- In Nandyal-Kiln, the plan for upgradation construction is underway to increase clinker capacity from 2.2 MTPA to 3.0 MTPA
- Greenfield project of 0.8 MTPA grinding facility at Salem, Tamil Nadu nearing completion

Financial review

Standalone

6.1 Highlights of FY 2021-22

Particulars	FY 2021-22	FY 2020-21	Growth (%)
Net turnover (₹ crore)	4,099.22	3,416.77	20.0
Operating EBIDTA (₹ crore)	726.99	787.08	(7.6)
EBIDTA margin (%)	17.7%	23.0%	(23.0)
Other income (₹ crore)	225.19	76.09	196.0
Depreciation & amortisation (₹ crore)	169.95	154.28	10.2
Finance cost (₹ crore)	283.60	277.57	2.2
Exceptional items (₹ crore)	-	35.40	-
Profit before Tax (₹ crore)	498.63	395.92	25.9
Tax Expense (₹ crore)	174.24	138.07	26.2
Profit for the year (₹ crore)	324.39	257.85	25.8
Other comprehensive income (₹ crore)	35.66	8.42	323.5
Total comprehensive income (₹ crore)	360.05	266.27	35.2
Earnings per share (diluted) (times)	3.29	2.61	26.0
ROCE (%)	30.5	39.6	(23.1)
Net debt gearing ratio (times)	1.8	1.6	12.5

The Company achieved a capacity utilisation of 67% and production of 8.81 MT of cement and GGBS in FY 2021-22, recording a 12.5 % y-o-y growth. The revenue increased by 20.0% y-o-y from ₹3,416.77 crore to ₹4,099.22 crore, which was driven by better product mix, change in market segment and improved sales realisations. This has helped the Company report an operating EBITDA of ₹726.99 crore for the year, a 7.6% y-o-y drop, due to an increase in input costs. EBITDA margin for the year stood at 17.7%. The drop in EBIDTA margin can be attributed to the increase in fuel cost. The net profit after tax was ₹324.39 crore, a growth of 25.8%, considering the substantial increase in other income.

6.2 Revenue analysis

During the year, the gross revenue increased by 20.0% from ₹3,416.77 crore in FY 2020-21 to ₹4,099.22 crore in FY 2021-22 as a result of increase in sales volumes.

(in ₹ Crore)

Particulars	FY 2021-22	FY 2020-21	Change %
Total manufactured finished goods	3,910.89	3,283.35	19.1
Traded	77.99	40.16	94.2
Govt. incentive	69.02	70.54	(2.2)
Other operating income	41.32	22.72	81.9
Gross revenue	4,099.22	3,416.77	20.0

6.3 Other income

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Interest income	77.81	54.67	42.3
Gain from fair valuation of Derivative Liability for CCPS	124.21	-	-
Others	23.17	21.42	8.2
Total	**225.19**	**76.09**	**196.0**

In FY 2021-22, other income includes ₹124.21 crore on account of net gain on fair valuation of derivative liability (CCPS) as per Ind AS 109. Interest income during FY 2021-22 on loan given and investment made in debentures has increased by 42.3% to ₹77.81 crore.

6.4 Material cost

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Cost of materials consumed, including purchase of traded goods and change in inventories	1,012.40	843.94	20.0

The increase is primarily due to an increase in volumes produced, increase in input cost and product mix.

6.5 Employee benefits expense

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Employees remuneration and benefits	217.53	191.08	13.8

The increase is a reflection of the growing employee strength from 1,224 as on 31st March 2021 to 1,359 on 31st March 2022 and annual increments.

6.6 Power and fuel cost

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Power and fuel cost	598.70	387.77	54.4

Power and fuel cost has increased by 54.4% mainly due to steep rise in fuel cost in H2 FY 2021-22.

6.7 Freight and handling expenses

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Freight and handling expense	955.87	756.67	26.3

The increase is mainly on account of an increase in fuel price, change in lead distance and geography, partly offset by freight rationalisation in markets.

6.8 Manufacturing, marketing, administrative and other expenses

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Other expenses	592.82	455.68	30.1

Expenses grew with the increase in stores and spares, packing cost due to increase in volume, advertisement & publicity, commission and discounts offered to distribution network and port handling expense for export of slag.

6.9 Finance cost

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Finance cost	283.60	277.57	2.2

The increase in mainly related to the interest cost for higher average loan utilisation during the year and offset by reduction in interest cost due lower weighted average borrowing cost.

6.10 Depreciation and amortisation expenses

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Depreciation and amortisation expenses	169.95	154.28	10.2

The increase is on account of full year impact of ₹32.30 crore assets capitalised in Q4 FY 2020-21, addition of tangible asset (other than Land) of ₹164. 66 crore and intangible asset of ₹18.2 crore in FY 2021-22.

6.11 Fixed assets

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Tangible assets	3,227.78	3,188.40	39.38
Intangible assets	64.32	17.67	46.65
Capital work-in-progress	421.72	238.78	182.94
Total	**3,713.82**	**3,444.85**	**268.97**

The net block of property, plant and equipment and intangible assets has increased by ₹86.03 crore during the year to ₹3,292.10 crore mainly due to capitalisation of thermal power plant at Salboni in Q1 FY 2022. CWIP has increased by ₹182.94 crore due to the expenses incurred towards the bottlenecking of the plant and expansion activity at various locations.

6.12 Investments

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Investments in subsidiaries, associates and joint ventures	417.05	386.27	30.78
Other investments	587.76	453.85	133.91
Total	**1,004.81**	**840.12**	**164.69**

The increase in investment is mainly due to investment of ₹78.73 crores made in zero coupon convertible debentures of Algebra Endeavour Private Limited, ₹6.72 crores investment in equity shares of JSW One Platforms Limited, net of redemption of zero coupon optionally convertible debentures of ₹12.50 crore and balance due to fair valuation of investment made in group companies.

6.13 Other financial assets

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Other current financial assets	60.18	75.46	(15.28)
Other non-current financial assets	405.79	325.85	79.94
Total	**465.97**	**401.31**	**64.66**

The increase in other financial assets is mainly due to increase in receivable of government grant for West Bengal and Odisha.

6.14 Other non-financial assets

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Other current assets	228.18	136.64	91.54
Other non-current assets	260.88	142.64	118.24
Total	**489.06**	**279.28**	**209.78**

The increase in mainly due to increase in advance given to capital and operational creditor, security deposit given for expansion related activity and advance royalty paid to government of Rajasthan.

6.15 Loans and advances

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Long-term loans and advances	317.19	43.58	273.61
Short-term loans and advances	248.55	178.03	70.52
Total loans and advances	**565.74**	**221.61**	**344.13**

On an overall basis, loans have seen an increase due to the additional loans provided to subsidiaries for expansion and operational activities and to other corporates for business-related reasons.

MANAGEMENT DISCUSSION & ANALYSIS

6.16 Inventories

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Raw materials	78.94	48.06	30.88
Semi-finished goods	16.57	7.19	9.38
Finished goods	33.76	20.31	13.45
Traded goods	0.07	0.32	(0.25)
Stores and spares	144.62	129.62	15.00
Fuel	53.14	53.59	(0.45)
Total inventories	**327.10**	**259..09**	**68.01**

The increase is mainly due to an increase in intermediate raw material, semi-finished, finished and spares inventory. The average inventory holding in terms of days as on March 31, 2022, is 47 days vis-à-vis 68 days as on March 31, 2021.

6.16 Trade receivables

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Total debtors	722.73	527.95	194.78
Less provision for doubtful debts	(1.50)	(0.90)	0.60
Trade receivables	**721.23**	**527.05**	**194.18**

The debtors in terms of average number of days sales as on March 31st, 2022, is 57 days vis-à-vis 51 days as on March 31st, 2021, and considering the del credere finance, the average days are 48 and 42, respectively.

6.17 Borrowings

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Long-term borrowings	1,816.84	1,688.91	127.93
Other Loans (CCPS net of fair valuation)	1,475.79	-	1,475.79
Short-term borrowings	88.20	655.55	(567.35)
Current maturity of long-term borrowings	435.20	363.27	71.93
Total borrowings	**3,816.03**	**2,707.73**	**1,108.30**

Overall, borrowing has increased due to fresh loan withdrawal of rupee term loans, funds raised by issue of compulsorily convertible preference shares for plants debottlenecking, expansion across locations, for working capital requirements and general corporate purposes being classified as debt as per Ind AS; offset by reduction in working capital loan.

6.18 Trade payables

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Other Trade payables	617.16	543.87	73.29
Acceptances	131.52	183.72	(52.20)
Total trade payables	**748.68**	**727.59**	**21.09**

Acceptances liabilities has reduced by ₹52.20 crore due to net repayments and other trade payables have increased by ₹73.29 crore. The average payable days has improved from 107 days in FY 2020-21 to 79 days in FY 2021-22.

6.19 Other financial liabilities

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Other non-current liabilities]		11.14	(11.14)
Lease liability (current and non-current)	190.26	198.90	(8.64)
Guarantee liability (current and non-current)	12.75	8.41	4.34
Capex creditors	81.16	84.82	(3.66)
Other current liabilities	347.07	276.16	70.91
Total	**631.24**	**579.43**	**51.81**

The increase in other financial liabilities is mainly on account of security deposits received from vendors and del credere finance for business purpose.

6.20 Other non-financial liabilities

(in ₹ Crore)

Particular	FY 2021-22	FY 2020-21	Change %
Provisions	77.22	43.02	34.20
Other current liability	106.04	111.23	(5.19)
Total	**183.26**	**154.25**	**29.01**

The increase in provisions is due to change in mines restoration-expenditure liability based on revised technical estimates and change in discounting factors.

6.21 Capital employed

The total capital employed increased by 18.7% from ₹1,726.61 crore as on March 31, 2021, to ₹2,049.25 crore as on March 31, 2022. The Company's average return on capital employed stood at 30.5 % vis-à-vis 39.6 % in FY 2020-21.

6.22 Own funds

Net worth increased from ₹1,748.23 crore as on March 31, 2021, to ₹2,113.95 crore as on March 31, 2022. The book value per share was ₹20.96 as on March 31, 2022, as against ₹17.31 as on March 31, 2021.

₹2,113.95 Cr

Net worth as of March 31, 2022

7. Consolidated

The Company has reported consolidated revenue, operating EBIDTA and profit after tax of ₹4,668.57 crore, ₹938.42 crore, and ₹232.65 crore, respectively. The Company's consolidated financial statement includes the financial performance of the following subsidiaries and joint ventures:

Subsidiaries:

- JSW Cement FZE, Fujairah, UAE
- Shiva Cement Limited, Rourkela, Odisha
- Utkarsh Transport Private Limited, Hyderabad, Telangana
- JSW Green Cement Private Limited, Hyderabad, Telangana

Joint Venture

- JSW One Platforms Limited

Highlights of FY 2021-22

Particular	FY 2021-22	FY 2020-21	Change %
Revenue from operations (₹ crore)	4,668.57	3,861.90	20.9
Operating EBIDTA (₹ crore)	743.51	822.47	(9.6)
EBIDTA margin (%)	15.9%	21.3%	25.2
Other Income (₹ crore)	194.91	61.73	215.7
Depreciation & amortisation (₹ crore)	225.06	178.68	26.0
Finance cost (₹ crore)	315.37	290.65	8.5
Exceptional items (₹ crore)	-	35.40	-
Loss from Joint Venture	(1.26)	-	-
Profit before tax (₹ crore)	396.73	379.47	4.5
Tax expense (₹ crore)	164.08	129.63	26.6
Profit for the year (₹ crore)	232.65	249.84	(6.9)
Other comprehensive income (₹ crore)	55.36	7.05	685.2
Total comprehensive income (₹ crore)	288.01	256.89	12.1
Earnings per share (diluted) (times)	2.48	2.62	(5.6)
ROCE (%)	11.8%	14.9%	(20.8)
Net Debt gearing ratio (times)	**2.2**	**1.6**	**37.5**

8. Market developments

FY 2021-22 has been the year of resilience and recovery. The industry witnessed growth in production and consumption as operations across all production plants and construction sites in the country went into recovery mode, especially wile weathering the challenging phase of the Omicron variant in Q3 FY 2021-22. While demand for cement saw a 14% jump in FY 2021-22, the Company registered an overall sales growth of 10% to 8.8 million MT in the year gone by.

As a company, JSW Cement has emerged stronger and has seen significant improvements in H1 growing at 36%. Due to the slowdown during the third wave, H2 degrew by 5%. JSW Cement's presence in the premium space also increased to 28% from earlier levels of 16% with the trade segment same as last year at 65%.

In the East, the Company has been able to establish itself in the region with a price positioning at par with the existing players. This is considering the market is largely skewed to blended cements particularly to our variant of PSC cements.

In West Bengal and Bihar, the Company continues to be a significant player in the top category cement space, with its products priced at par or higher than the leading players in the market.

In the South, although the volumes were weak, the Company was able to grow its premium presence to 40% compared to the earlier 19%. With Kerala moving entirely to premium, JSW Cement continues its journey in converting the other southern markets to premium. It launched PRO in the Karnataka market at a semi-premium substitute for PSC.

In the West zone, where direct sales are predominant, the Company has seen infra-led improvement in sales on the ground particularly in Maharashtra with the Samruddhi and trans-harbour link projects picking up pace. The Company has been an important significant supplier to these projects both for its cement and GGBS through the various executing agencies like L&T, SPCL & Reliance Infra. It has seen improved demand for its slag cement from institutional customers where it has been able to influence specifications considering the benefits of slag in coastal constructions.

9. Distribution development

JSW Cement expanded its network with an additional 1000+ dealers in the last year and the network currently covers more than 4,000+ dealers and 8,000+ sub dealers. The Company has also been able to generate better demand for its premium products by building a strong network and consolidating its presence in the top tier segment. JSW Cement also increased focus in improving customer or channel touchpoints by increasing the field force, rationalising warehouses, engaging more transporters and GPS tracking of goods movement. The Company also initiated yard management and track and trace projects at our plants to strengthen our logistics and last mile delivery. Its strengths of transparency in processing dealer discounts, monthly account statement to the dealers and a quicker turnaround on customer concerns continue to help it strengthen its relationships with its dealer community.

The Company's commitment to strengthening its brand equity with high recall social branding projects continued in the last year. Various forms were employed to reach the right audience, such as digital films/TVCs, geo-targeted lead generation campaigns on Facebook and other social media platforms, WhatsApp platform launch for channel partners and market storming activities.

Leveraging technology

JSW Cement continues to upgrade itself and leverage technology with a progressive version of the field force app – "Saathi" – to improve the efficiency and also to streamline communication across all channel partners through the sales team. Similarly, it has also developed the dealers app to empower its channel and provide convenience of access to all offerings ranging from product catalogue, current outstanding, ledger to placing orders.

For more details on our digital transformation on 71

10. Risks and areas of concern

JSW Cement follows the globally recognised 'COSO' framework of Enterprise Risk Management (ERM). ERM brings together the understanding of the potential upside and downside of factors which can affect the organisation, with an objective to add maximum sustainable value to all the activities of the organisation and to various stakeholders.

The Company recognises that the identified risks need to be managed and mitigated, in order to protect its shareholders and other stakeholder's interest, achieve its business objective and enable sustainable growth.

JSW Cement has constituted a sub-committee of Directors to oversee the Enterprise Risk Management framework and ensure execution of decided strategies with focus on action and monitor and manage risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes, systems.

To know more about the risks and response strategies 46

11. Green initiatives

The cement sector is the world's third-largest industrial energy consumer, responsible for 7% of industrial energy use and the second industrial CO_2 emitter, with about 7% of global CO_2 emissions. Cement is the key ingredient of concrete, which is used to build homes, schools, hospitals and infrastructure, all of which are important for quality of life and social and economic wellbeing. With the rising population and urbanisation, global cement production is set to grow, and despite increasing efficiencies, direct carbon emissions from the cement industry are expected to increase by 4% globally by 2050.

A combination of technology and policy solutions could provide a pathway to reduce direct CO_2 emissions from the cement industry by 24% below the current levels by 2050, according to a new report by the International Energy Agency (IEA) and the Cement Sustainability Initiative (CSI).

With JSW Cement's belief in green and sustainable operations, the Company continues to strengthen its green initiatives. The use of low-carbon GGBS enables the Company's range of blended cement products to be more environment-friendly when compared to the conventional OPC. Portland cement generates about one tonne of CO_2 for each tonne of cement, while PSC reduces the production and release of damaging pollutants and GHG, particularly CO_2. Hence, PSC is considered a green or eco-friendly cement. With 219.7 Kg CO_2/tonne of cementitious materials, JSW Cement has the lowest specific CO_2 emissions intensity, making it the world's most eco-friendly cement manufacturing company. The Company has been able to achieve this because of the conscious choices undertaken with respect to the product portfolio, focusing on blended cements and GGBS and deployment of energy efficient technologies. Today, it is in the top 10 cement companies in India in terms of installed capacity and around 88% of its product portfolio is blended cement and cementitious products.

As a way forward, JSW Cement is focusing on initiatives such as increasing alternative fuels and raw materials, enhancing its Renewable Energy (RE) portfolio through captive Solar and Wind Power Plants and sourcing of RE through PPA, installation of Waste Heat Recovery Systems (WHRS), encouraging rainwater harvesting, greenbelt development and biodiversity conservation.

For more details on green initiatives on 78

219.7 Kg/tonne

of cementatious material Net CO_2 emissions intensity

12. Forward-looking and cautionary statements

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