

MESSAGE FROM THE CEO

GETTING BETTER EVERYDAY

Dear Stakeholders,

The past year was a mixed bag, presenting both challenges and opportunities to the economy, the domestic cement sector as well as your Company. The geopolitical tensions resulted in supply bottlenecks and the subsequent spiralling of input costs. Central banks in the world, including the RBI resorted to monetary tightening to combat inflation.

This resulted in some cooling down of prices as supply bottlenecks eased, but this also slowed down the developed economies considerably. India emerged as a star performer, with the best growth parameters among the large economies. The government's impetus to infrastructure and the housing sector resulted in strong demand for cement. However, the rise in fuel costs, following unprecedented rise in coal prices, led to margin compression for the sector despite the hike in prices to partially counter the situation.

The year in review

At JSW Cement, we too faced some challenges in terms of the commissioning of new plants. But we strived hard to put these difficulties behind us to get ready for the next phase of our transformative growth. We achieved a satisfactory volume growth, although our margins came under pressure due to the challenges. Even as we focussed on navigating a challenging year, we remained committed to our strategic priorities.

A major accomplishment for us has been the scheduled capacity expansion. At the end of FY 2022-23, we have a capacity of 16.6 MTPA, which will increase to 20.6 MTPA by December 2023. Furthermore, in our endeavour to achieve 50 MTPA by 2030, we have formulated a strategic plan grounded in solid data, extensive market research, and key economic indicators. As a sub part of this growth strategy, we have plans to set up clinkerisation and grinding units in northern & central India, leading to a grinding capacity addition of 10 MnT per annum. We plan to establish a 3 MTPA clinkerisation unit and a 2.5 MTPA grinding unit in Nagaur, Rajasthan. The clinker produced here will also be a feedstock for a new 2.5 MTPA grinding unit in Punjab/UP. We aim to replicate the Nagaur configuration to Damoh, Madhya Pradesh, with a new 2.5 MTPA grinding unit in Uttar Pradesh.

3 MTPA

Clinkerisation unit planned in Nagaur, Rajasthan

2.5 MTPA

Another grinding unit to come up in Uttar Pradesh after 2.5 MTPA grinding unit in Rajasthan

In line with the above and to drive our competitiveness in the central zone, we acquired a 100% stake in Springway Mining from India Cements Limited. This acquisition gives us access to 106 MnT of valuable limestone reserves, including a mining lease that is valid until 2065. We are exploring other opportunities for inorganic expansion to solidify our position in the domestic market.

Going digital first

In the year 2021, we had embarked on a transformative digital journey that has now delivered significant outcomes across multiple facets of our business, spanning sales & marketing, logistics and operations. Our achievements encompass the creation of multiple user-friendly applications tailored for distinct segments within our sales & marketing teams, the establishment of a centralised logistics control system, and a series of interventions aimed at elevating operational efficiencies.

Over the past year, we have reached important milestones in our digitalisation endeavours. We launched initiatives like JSW Aikyam, Saathi App, DGO App, Non-Trade App, and a few other applications. Our digital presence has grown, encompassing decision-makers and influencers, turning our mobile apps into versatile solutions for internal and external stakeholders. Currently, we are in the process of developing the sub-dealer app, which will play a pivotal role in creating a holistic ecosystem that caters to dealers, sub-dealers, and influencers.

This year, we further bolstered our in-plant logistics automation with yard management systems and added GPS vehicle tracking for our deliveries. These features are seamlessly integrated into our dealer and internal sales apps, enabling real-time consignment tracking.

To strengthen our digital presence in manufacturing, we're creating a model digital plant in Nandyal. Our focus areas include operational efficiency, maintenance, quality, safety, and sustainability, with a heavy reliance on Artificial Intelligence(AI)-based vision analytics, especially for safety and depot operations. We are also using AI for Kiln Operations to improve efficiency and health. Mobile apps will digitise shop floor operations, streamlining tasks like scheduling, tracking, and safety incident reporting. We are integrating quality systems to enhance checks and provide easy access to mill test certificates through mobile apps.

Combining strength with sustainability

During the year, we launched our most environment friendly range of RMC – Green Crete. This low carbon concrete effectively reduces CO₂ emissions by 30-45%. Apart from cement production pursuits, we are resolutely focused on expanding and scaling up our RMC and construction chemical businesses. Our aim is to achieve a Pan-India presence in these segments in the near future, capitalising on the vast array of opportunities they offer.

We entered the construction chemical business last year with our dry mix mortar plant at Vijayanagar, followed by one in Badlapur (Thane). We also added new products to our kitty, such as wall putty, tile adhesive, ready mix plaster, precision industrial grouts, clinker-free geopolymers and enabled conversion of AOD slag to cementitious material.

Upholding net positive outcomes

Sustainability is a foundational pillar of JSW Cement, which has already matured into a global leader in eco-friendly cement and construction material. Around 90% of our product portfolio is blended cement and cementitious



NILESH NARWEKAR
CEO



We are already acknowledged as the World's #1 eco-friendly cement company, and our low-carbon products are setting new benchmarks in sustainable construction in India and across the globe.”

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With an emission intensity of 173 kg/tonne, which is 30% of the global average (~585 kg/tonne) and 32% of the national average (~540 kg/tonne), we have already positioned ourselves as a leader in the decarbonisation journey.”



products. We are foraying into increasing the share of alternate fuels and raw materials and enhancing the usage of renewable energy through captive solar and wind power plants and installation of Waste Heat Recovery Systems.

Our emission intensity stands at 173 kg/tonne, much below the global average of 585 kg/tonne and national average of 540 kg/tonne. During the year, several of our plants were awarded the Greentech award for environmental protection, which serves as a testament to our commitment to sustainability. We have established a dedicated R&D wing for developing green products using slag, a waste product of steel industry. We are actively working on LC3 cement, super sulphated cement and innovative slag utilisation.

We are also partnering with premier research institutions, such as the IITs and FEhS Building Material Institute to drive our sustainability-focussed research. We have filed numerous patents, including for biodegradable cement bags. Since last year, we have begun publishing an Integrated Annual Report to further improve our disclosures and make them more transparent.

In FY 2022-23, we consumed ~7.3 MnT of waste-derived resources, primarily comprising slag but also fly ash, artificial gypsum, flue dust, red mud and so on. Thus, two-thirds of our total raw material consumption comprises recycled waste materials. With regard to alternative fuels usage, we witnessed an increase of the TSR from 7.1% to 8% in FY 2022-23, due to increased consumption of industrial waste, plastics/RDF waste besides biomass waste. We avoided 11,380 T of CO₂ emissions owing to greater use of solar energy at Nandyal and Salboni plants. We consumed ~1,50,000 m³ of harvested rainwater.

173 KG/TONNE

CO₂ emissions (Scope 1)

Cementing relationships with our stakeholders

The hard work, perseverance and passion of our employees drive our organisation forward. Their health, safety,

well-being and growth continue to be our number one focus. Over the years, we have improved on our safety performance. In FY 2022-23, our Jajpur plant won gold in Safety Excellence from the Greentech Foundation. We actively advocate nurturing a diverse workforce in terms of gender, age, geography and background. This year, we initiated 'Unnati' – our people transformation journey in partnership with a top management consultant. Among many initiatives under Unnati, SAKSHAM focused on identifying core strengths in manufacturing roles to build a pipeline of talent.

Our channel partners are critical to enhancing our market reach. During the year, we held state-wise Local Annual Dealer Conferences, involving 2,000+ dealers. The year saw the launch of our new website, creation of new TV commercials and the expansion of regional reach through campaigns run on TV and radio during the Puri Rath Yatra, among others. On the side-lines of the IPL, we successfully ran Leader's Premier League, which engaged our dealers, retailers, and influencers. We also showcased our status as

the World's #1 eco-friendly cement company through print media advertisements.

Catalysing change

Today, JSW Cement is not merely a cement brand; it is a catalyst for societal transformation and human capital development. Going ahead, we will persist in our growth journey, striving to transform the sector through our sustainability mission while delivering value to our stakeholders.

I extend my profound gratitude to all our stakeholders for their unwavering trust in JSW Cement. Our commitment to excellence remains unwavering, and we will relentlessly pursue our goal to get better every single day.

Thanking you,

NILESH NARWEKAR
CEO