

BUILDING A SUSTAINABLE TOMORROW

Dear Stakeholders,

FY 2022-23 witnessed manifold challenges in the form of geopolitical conflicts, soaring interest rates, and fears of bank contagion, among others. A better-than-expected global growth was what provided some respite. As the world emerged out of the pandemic, it was hit by fallouts of the Russia-Ukraine conflict and subsequent supply chain pressures that led to heightened inflation.

In a synchronised effort, major central banks, led by the US Federal Reserve, tightened interest rates to rein in runaway inflation, which, in turn, dampened economic growth. Inflation levels have since stabilised in many countries and the US Fed appears to be nearing the end of its rate hiking cycle. However, inflationary pressures and supply chain disruptions remain key risks in the near future.

An exceptional growth story

India was the silver lining amid the global economic slowdown. The country's economy grew 7.2%, outperforming most other major economies, on the back of the government-led impetus to infrastructure and investment, along with enhanced private consumption and gross fixed capital formation. This was despite the Reserve Bank of India raising interest rates in tranches to counter inflation.

For FY 2023-24, the growth momentum is expected to continue, with the RBI pegging its growth estimates at 6.5%. The high frequency economic indicators like PMI, GST collections, IIP among others also remain robust. The cement sector, although hit by high input costs, has also performed well, given the government push for infrastructure. The first half of FY 2022-23 saw 10% growth in consumption and the industry is estimated to see a volume growth of 7-8% in FY 2023-24. According to studies, India's cement consumption is likely to cross 370 MT in FY 2022-23

At JSW Cement, we continue to support India's growth in the core economic sectors with speed, innovation and quality while nurturing the environment and our communities.

Assiduously planning for the future

We have now embarked on a phase of aggressive growth to emerge among the top 5 cement companies by 2030 while maintaining our lead in sustainability. Our emphasis on producing decarbonised cement and other building materials, increasing use of alternate raw materials, the sustained focus on improving our fuel mix with renewable energy is putting us on an incremental net positive journey.

We have aligned our goals to our stakeholders' aspirations for a better tomorrow, which has inspired us to lead the transformation of the sector towards a green future. We are recognised as the 'World's No. 1 eco-friendly cement' in recognition of our continuous strides in the sustainability journey.

370 MN

India's estimated cement consumption in FY 2022-23

50 MTPA

JSW Cement's target for capacity expansion by 2030

Laying the road ahead

During FY 2022-23, we delivered a stable performance despite the delay in commissioning of some of our projects. We witnessed volume growth in line with the industry. However, we are set to go at a stronger pace, increasing our capacity to 20.6 MTPA in FY 2023-24 and then to 50 MTPA by 2030. This year was also remarkable in terms of our success in raising sustainability linked loans for our expansion to 26 MTPA by 2026.

At JSW Cement, we recognise the paramount importance of fostering sustainable and self-reliant enterprises that contribute to the advancement of our nation and prioritise the well-being of our society and the stewardship of our environment. We are committed to building smart, advanced and sustainable solutions for the future.

I extend my heartfelt appreciation and gratitude to all our stakeholders who have placed their invaluable trust in us and our capabilities. We remain committed to executing our mission in the most exemplary manner possible, creating enduring value for the lives we touch.

Warm regards,

NIRMAL KUMAR JAIN
CHAIRMAN



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