

Management Discussion and Analysis



1.0 | Organisational overview

JSW Steel Ltd. (JSW Steel), the flagship company of the diversified US\$ 13 billion JSW Group, is an integrated manufacturer of a diverse range of steel products and is India's leading crude steel manufacturer. The company has an extensive portfolio of flat and long products and has an export presence across 100+ countries. The company manufactures hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanised and galvalume products, tinplates, non-grain oriented electrical steel, pre-painted galvanised and galvalume products, thermo-mechanically treated (TMT) bars, wire rods, rails, grinding balls and special steel bars. It is one of

the leading producers and exporters of coated flat steel products in India.

Currently, JSW Steel has an installed crude steel capacity of 18 MTPA in India, which comprises 12.5 MTPA of flat products and 5.5 MTPA of long products. The facilities in India are strategically located near raw material sources and/or are well connected via ports and railways, thus helping the Company to maintain a competitive cost structure.

JSW Steel's overseas manufacturing facilities comprise a plate/pipe mill in Baytown, Texas, U.S., a steel making facility at Ohio, U.S., and a long product mill in Italy. The Baytown facility has a 1.2 million net tonnes per annum (MNTPA) plate mill and a 0.55 MNTPA pipe mill. The Ohio facility is a hot rolling mill with a 3 MNTPA capacity. It is partially backward integrated with a 1.5 MNTPA Electric Arc Furnace (EAF). The facility in Italy produces long products – railway lines, bars, wire rods and grinding balls – with aggregate capacity of 1.3 MTPA. JSW Steel plans to expand its domestic steel capacity to 45 MTPA in the next decade through a combination of organic and inorganic growth.

18 MTPA

Current installed crude steel capacity*

A leading player in India

JSW Steel is a leading player in the Indian steel market with significant domestic and international reach. The Company has expanded its Indian steelmaking capacities rapidly – from 3.8 MTPA in FY 2006-07 to 18.0 MTPA in FY 2015-16, through organic and inorganic growth. The Company has also continuously sustained its market position with its core strengths of agile operations, rich product mix, best-in-class technology, excellence in project execution, sustainable sourcing and consistent focus on employee engagement.

With the long-term growth potential for steel consumption in the domestic market, the Company has embarked on additional capital expenditure programme to expand its capacities at its plants, and also to modernise and expand capacities of its downstream business. The capacity at Vijayanagar Works is being expanded from 12 to 19.5 MTPA through brownfield expansion, setting up a 5 MTPA steelmaking capacity through one of its wholly owned subsidiary JSW Vijayanagar Metallics Limited and other productivity enhancing initiatives. The capacity expansion project at Dolvi from 5 MTPA to 10 MTPA is nearing completion, along with the 1 MTPA capacity at Salem thereby bringing the overall capacity to 30.5 MTPA in the next four years.



~30.5 MTPA

by FY 2024-25

Expected installed crude steel capacity*

Please refer to Page 260-262 of the Directors' Report for a detailed discussion on expansion plans and capex

*JSW Steel standalone



Integrated manufacturing process and retail front-end

JSW Steel is an integrated manufacturer of a diverse range of products, utilising various industry leading technologies. It has one of the lowest conversion costs in the industry, primarily due to efficient operations, high people productivity, strategic location of its facilities and its state-of-the-art manufacturing facilities. The JSW Steel Group's integrated operations span mining, raw material processing units such as beneficiation plants, pelletisation and sinter plants, steel manufacturing, to downstream value addition capabilities such as production of cold rolled, galvanised and galvalume, colour-coated and tin plate products.

JSW Steel's facilities are well connected to rail, road and port for logistics support, which provide a natural competitive advantage in the form of reliable and cost efficient raw materials supply and delivery of finished steel to the market.

Most of the Company's domestic production facilities are serviced by captive power plants. Vijayanagar Works has captive power generation of 865 MW; Dolvi Works has a 67 MW captive power generation and long-term power purchase arrangement with JSW Energy Limited; and Salem Works is powered by a 97 MW captive power generation. Of the aggregate capacity of ~1,029 MW generated by the captive power plants, 45-50% is generated through waste gases and heat generated from operations, an environmentally friendly and cost-efficient source. The Company also has tie-ups for utilities and industrial gases with its wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as JSW Praxair Oxygen Company Private Limited).

JSW Steel was successful in the competitive bidding process for six iron ore mines in Karnataka at auctions conducted in October 2016 and October 2018. These mines have begun operations during the financial year 2019-20.

The Company was also declared as a 'preferred bidder' for seven additional iron ore mines (three in Karnataka and four in Odisha) in the auctions held by the Governments of Karnataka and Odisha in the financial year 2019-20, with estimated resources of approximately 1.20 BnT.

The Company has signed the Mine Development and Production Agreement and the Lease Agreements for these mines. In respect of the four mines located in the State of Odisha, the Company's operations commenced from July 1, 2020. The Company has also commenced production in the last of the three recently acquired mines in Karnataka during the year. The captive iron ore mines contributed just ~4% and ~15% of the total iron ore requirement in FY 2018-19 and FY 2019-20 respectively, but in FY 2020-21, this proportion was 35%, with captive iron ore production of 18.2 MnT.

1.2 BnT

Estimated total reserves in the 7 new mines in Karnataka and Odisha

~35%

Current iron ore from captive mines

The Company has also secured the 'Moitra' coking coal block located in Jharkhand via an auction process in April 2015, which has a total extractable coal reserve of ~30 MnT. This is expected to provide certain coking coal security to the Company. JSW Steel also operates a coking coal mine in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique.

Therefore, together with integrated steel plants and superior logistics connectivity, JSW Steel is adequately backward integrated with multiple iron ore mines, captive power plants.

JSW Steel has a strong retail presence with its products sold through 16,000+ retail outlets covering 600+ districts in India. This helps the Company build a customer-centric brand and strengthen feet-on-the street presence.

Adopted a combination of industry leading technologies, including non recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology.

Technological Competence

JSW Steel is a pioneer in introducing leading technologies in India. In order to achieve high quality at competitive production costs, the Company has adopted a combination of industry leading technologies, including non-recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology, in addition to other well-established steelmaking methods. The Corex process is used in combination with blast furnace technology at Vijayanagar Works. In addition, the Company's beneficiation plant at Vijayanagar is able to convert low grade iron ore to higher grade variants, thus allowing the Company to utilise lower grade iron ore and achieve significant cost savings and plant efficiency. Dolvi Works is the first facility in India to adopt a combination of Conarc technology for steelmaking

and Compact Strip Production for producing hot rolled coils.

The adoption of various advanced technologies gives the Company the flexibility to blend coking coal of different quality for the manufacture of coke, produce pellets and sinter in the iron ore agglomeration (pelletisation and sinter plants) process, make use of coal fines, utilise waste heat for power generation and produce galvalume products, each of which generates cost efficiencies for the Company. These advanced technologies also allow for flexibility in the choice of raw materials and enable the Company to take advantage of market variances in the availability and price of such materials, leading to better efficiency and operational stability.

Diversified product portfolio and strong business profile

52%
Value Added Special Products (VASP) contribution in the product mix in FY 2020-21

Please refer to Annexure A on Page 279 for detailed discussion on product innovation and R&D

JSW Steel has a wide range of product offerings that cater to diversified markets across geographies. The Company has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading companies. This gives it flexibility to adapt its product mix to the evolving nature of the market and

enables business continuity through adverse conditions. In FY 2020-21, amidst the COVID-19 led slowdown, the Company could manoeuvre through the market dynamics and ensure seamless sales operations and also record 41% rise in total exports. The high share of value-added products in the sales mix adds to the margin profile.



Strategic acquisitions and joint ventures

JSW Steel has entered into strategic joint ventures and acquired equity interests in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and achieve backward integration.

In October 2020, JSW Steel completed the acquisition of Asian Colour Coated Ispat Ltd. (ACCIL) through JSW Steel Coated Products Ltd. (JSWSCPL). ACCIL manufactures downstream steel products and has two manufacturing units located at Bawal, Haryana and Khopoli, Maharashtra.

ACCIL has a capacity of 1 MTPA, with 3 lakh tonnes of colour-coated steel.

In March 2021, JSW Steel closed many strategic acquisitions which will enable its growth plan in diverse ways. It completed its acquisition of Vallabh Tinplate Pvt. Ltd. (now known as JSW Vallabh Tinplate Pvt. Ltd.). The Company produces tin plates and has a capacity of 0.1 MTPA. The Company also completed the acquisition of Bhushan Power & Steel Ltd. (BPSL), which has an integrated steel unit with a capacity of 2.5 MTPA in Jharsuguda, Odisha. The Company holds 49% stake in BPSL through Piombino Steel Ltd. and the balance of 51% is held by JSW Shipping & Logistics Pvt. Ltd. (JSLPL). BPSL is jointly controlled by the Company and JSLPL. The Company also acquired the Plate and Coil Mill Division of Welspun Corp Ltd. at Anjar, Gujarat, which will enable JSW Steel's entry into different grades of steel products.

Key Acquisitions in FY 2020-21

Asian Colour Coated Ispat Ltd. (ACCIL)

1 MTPA

Pure-play downstream company with production facilities in Maharashtra and Haryana

Bhushan Power and Steel Ltd. (BPSL)

2.5 MTPA

Integrated steel producer with liquid steel capacity in Jharsuguda, Odisha, and downstream facilities in Kolkata and Chandigarh

Plate and Coil Mill Division (PCMD) of Welspun Corp Ltd.

1.2 MTPA

High-grade steel plates and coils manufacturer, located in Anjar, Gujarat

Vallabh Tinplate Pvt Ltd.

0.1 MTPA

Tinplate manufacturing capacity



Robust financial discipline

JSW Steel maintains a strong focus on cost management and prudent investment in new projects. It has developed robust financial policies and business criteria to assess potential acquisitions and capacity expansion while improve its debt maturity profile, and diversify its funding sources.

In October 2020, JSW Steel raised US\$500 million through an offshore bond and followed up with a tap issue of US\$250 million in December 2020.

Credit Rating

Domestic

A1+ by CARE and ICRA
Short-term debt / facilities rating

CARE: AA- with Stable Outlook

ICRA: AA- with Positive Outlook

Long-term debt facilities / NCD's credit rating

International

Fitch: BB - with Positive Outlook

Moody's: Ba2 with Stable Outlook

Driving a sustainable business

JSW Steel is committed to its environmental, social and governance (ESG) goals to create sustainable long-term value for all its stakeholders. With sustainability at the core of the Company's corporate strategy, over the years, it has built in processes and initiated measures that strives to be a force for good, to ensure responsible business conduct and overall well-being of its employees and its communities.

In sync with the JSW Group's sustainability vision, the Company endeavours to demonstrably contribute in a socially, ethically and environmentally-responsible way to the development of a society where the needs of all are met. The Company is supported with a sustainability framework based on 17 focus areas across the ESG facets and all sustainability interventions broadly fall under these focus areas. JSW Steel endeavours to consistently achieve targets set under each of this focus areas and remains cognisant of the needs of a dynamic world and is aligned to making it a better place for the wider community.

[Read more on JSW Steel's sustainability initiatives and performance in the Directors' Report, on Page 256.](#)

Recognitions for sustainability initiatives



Golden Peacock Award for Sustainability by the Institute of Directors



JSW Steel recognised as Steel Sustainability Champions by the worldsteel, for the 3rd consecutive year



Rated Leadership Level (A-) by CDP



2.0 | Economic overview

2.1

Global economy

The year 2020 was an exceptional one for the world economy, as it grappled with the COVID-19 outbreak and the resultant challenges to public health, lockdowns and a near closure of international borders for an extended period. Trade was massively disrupted, affecting global supply chains, and governments across the world focused on health infrastructure and ancillary priorities.

Large-scale stimulus measures were announced by major economies to minimise the economic fallout, support organisations and individuals, save jobs, and provide some succour from the drastic implications of an extended period of economic downturn. Multilateral bodies such as the International Monetary Fund (IMF) and the World Bank called for concerted efforts to support the vulnerable economies.

The impact on businesses – large and small – has not been fully understood or calculated. However, there was

3.3% ↓

in Global GDP for CY 2020

Source: April 2021 World Economic Outlook (WEO) publication

an irreversible change in the way of working, viability of some industries, nature of some jobs and aspects of social life. At the same time, it became clear that the digital transition was not optional anymore, and that e-commerce, connectivity, collaboration solutions were an imperative in the new post-pandemic economy. Strong legacy businesses showed resilience, with consumer demand and confidence rebounding gradually. However, quality of the business, nimble-footedness and ability to adapt became core differentiators.

In the second half of CY 2020, as the virus began to lose potency, and its severity dropped, restrictions began to be lifted across the world. Few green shoots became visible across countries and sectors as the world began to embrace the new reality and prepared for business-as-usual. The unprecedented global race to make a vaccine saw inspiring outcomes, and the approval, commercialisation and mass production of multiple vaccines proved to be, quite literally, a shot in the arm. As a result, the IMF in its April 2021 World Economic Outlook (WEO) publication, calculates a decline of 3.3% in global GDP for CY 2020 vs earlier estimate of a contraction of 3.5% in January 2021 and a more severe contraction of 4.4% in October 2020. A review of some specific geographies and their performance during the year has been provided across the following pages.

A united global effort to support an interconnected global economy

In order to help the world recover from the COVID-19 impact, policymakers across the globe initiated focused measures to support consumption, inject liquidity and reduce cost of borrowing.

These initiatives were aimed at encouraging targeted credit programmes, infusing equity/ equity-like investments into viable companies and enabling restructuring of balance sheets rapidly and inexpensively through suitable bankruptcy and workout procedures.

In its mid-December 2020 report, the Group of Thirty (G30) set out key universal principles on reviving and restructuring the corporate sector post-COVID. The key principles include:

- | | |
|--|--|
| 01
Productive use of scarce resources | 02
Encouraging necessary or desirable business transformations |
| 03
Harnessing private sector expertise | 04
Appropriately timing the interventions |

2.1.1

Advanced Market Economies (AMEs)

Continued policy actions in economies such as Japan, and a stronger-than-expected recovery in the US improved the outlook for advanced economies. This was a result of multiple micro and monetary policy interventions and expansive fiscal measures in varying degrees across countries – ranging from direct tax provisions, liquidity injections, and stimulus packages.

2.1.2

Emerging Market and Developing Economies (EMDEs)

Following a 2.2% de-growth in CY 2020, EMDEs are expected to witness a y-o-y growth of 6.7% in CY 2021, indicating a V-shaped recovery. The trend lines on forecast also align with those of the AMEs.

6.7% ↑
Expected EMDE
GDP growth in CY 2021

Overview of the World Economic Outlook Projections

Particulars	Projections %		
	2020	2021	2022
World Output	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
Emerging Market and Developing Economies	-2.2	6.7	5.0
ASEAN-5	-3.4	4.9	6.1
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
United Kingdom	-9.9	5.3	5.1
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
Japan	-4.8	3.3	2.5
Russia	-3.1	3.8	3.8

Source: International Monetary Fund, World Economic Outlook, April 2021 World Economic Outlook.

Note: For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

2.1.3

Outlook

The vaccination-powered economic recovery remains fragile and divergent across nations, with new strains of the virus leading to localised lockdowns and vaccine protectionism, resulting in slower-than-expected inoculation. Further, the varied access to medical interventions, effectiveness of policy support, exposure to cross-country spill-overs, and their respective structural characteristics could heighten risk to the downside.

The IMF has suggested raising potential output, ensuring participatory growth that benefits all, and accelerating the transition to lower carbon dependence as the three broad imperatives for a sustainable growth recovery. Combined with multilateral cooperation on various socio-economic fronts, there is a need to provide assistance to low-income countries, whose debt levels have spiked during the pandemic period.

The IMF expects global growth to touch 6.0% in CY 2021, following from the low base of the previous year, and then moderate to 4.4% in CY 2022. Global trade volumes are forecast to grow by ~8%. The US economy is projected to grow at 6.4%. China appears to have been the only major economy to avoid de-growth in CY 2020. Its economic growth is expected to accelerate to 8.4% in CY 2021 from 2.3% in CY 2020.

The first half of CY 2021 is expected to witness a slowdown in economic activities owing to continued pressures from renewed lockdowns in some parts of the world. The second half could see a greater momentum owing to a pick-up in vaccinations, improved therapies and testing, and additional fiscal policy support in several major economies, accompanied by a revival in consumer demand, sentiment, travel and other pent-up economy drivers.

2.2 Indian economy

FY 2020-21 began on a very weak note for India, as the onset of the pandemic triggered panic and brought most economic activities to a near halt in the first quarter. While annual estimates of contraction varied (and kept improving), the first quarter saw a 23.4% decline in GDP. With the second quarter also being one of decline, albeit at a slower pace than that in the first, the economy entered a technical recession with two successive quarters of contraction. This happened only the second time since Independence and for the first time since economic liberalisation in 1991. Following synchronised fiscal and monetary measures undertaken by the government and the Reserve Bank of India (RBI), India's economic growth returned to positive territory, with pent-up demand playing out and festive demand coming on stream.

Protecting lives and livelihoods became the core priority of the government, while implementing business continuity plans and adapting to the new normal became the priority for industry. India's resilience and ability to bounce back was evident, and this continues to provide confidence to the industry to stay invested in its future. Almost all core sector industries seemed confident of reaching pre-COVID levels of output and revenue. Consequently, the full-year GDP saw a net decline of just about 7.3%, far lesser than the initial fears. [Source: National Statistical Office (NSO)]

Apart from the obvious consumption-led reasons and structural strength of the economy, there are multiple measures that have aided this recovery and support the promising outlook of a double-digit growth in FY 2021-22.

23.4% ↓
Q1 FY 2020-21 decline in GDP

7.3% ↓
FY 2020-21 GDP



Mega-infra push

The government's mega push for commodity intensive infrastructure development projects helped boost demand for manufacturing and commodities such as steel and cement, even as services remained muted.

A pro-growth Union Budget with a ₹5 trillion capex lifted sentiments and the ₹110 trillion National Infrastructure Pipeline (NIP), announced earlier, is expected to support gross fixed capital formation. In early October 2020, the Centre also announced ₹12,000 crore interest-free, 50-year tenor loans to states for spending on capital projects, aimed at boosting the respective local economies.

Rising competitiveness

India's increasing prominence as a manufacturing and investment destination is validated by rising competitiveness, ease of doing business, and decisive policy action. Therefore, India is well placed to benefit from the realignment of global supply chains and 'China+1' sourcing approach of MNCs looking at cost, safety, and long-term stability, as evidenced in multiple sectors ranging from chemicals, pharmaceuticals and even electronics and mobile phone manufacturing.

₹5 trillion

Capex announced in Union Budget 2021-22

By all estimates, India was on the course to becoming the only major economy to register double digit growth in FY 2021-22 when the brutal second wave hit. The severity and scale of the infections are a definite risk to growth. However, compared to the previous year, infrastructure and construction activities are better insulated, and the economy has the potential to bounce back. The rapidly increasing pace of vaccinations and availability of multiple vaccines are likely to aid a broad-based recovery.

2.2.1

Policy impetus

By the end of March 2020, all of India was under a near-total lockdown as the government prioritised a strategy to reduce the spread of the virus. This had a domino effect on most industries, but nowhere was the impact more pronounced than on unorganised labour, earn-and-pay citizens, MSMEs without a strong safety net, and industries such as travel and tourism, along with their ancillaries and affiliates.

The government swung into action to provide relief to the vulnerable sections and take some sting out of the pandemic's impact on the nation's economic engine. The RBI played an important role in complementing the government efforts. It adopted an expansive monetary policy and aimed at injecting liquidity into the

system while announcing a series of rate cuts as part of its 'accommodative stance' on interest rates. The government and the RBI worked together to provide a moratorium on loan repayments and stressed-asset classifications, which protected lenders and borrowers alike. Subsequently, the Finance Ministry launched the Emergency Credit Line Guarantee Scheme (ECLGS), designed to provide higher levels of borrowing capacity, at controlled interest rates, to further support the MSME sector. Such schemes have begun to demonstrate results and have aided many businesses and individuals to come back on their feet. There were many other tactical measures such as relaxation on compliance, reduction of withholding tax rates to boost cash flow, increased focus on tax refunds, and direct benefits transfer to name a few.

Production-Linked Incentive (PLI) Schemes

The Government of India announced Production Linked Incentives (PLI) schemes across ten key sectors in March 2020. The scheme, aims to boost domestic manufacturing under the government's Atmanirbhar Bharat initiative.

In the Union Budget 2021-22, presented on February 1, 2021, the Finance Minister announced an outlay of ₹1.97 lakh crore for PLI Schemes for 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country's youth.

The scheme aims to provide incentives to companies for enhancing their domestic manufacturing. Further, focusing

on reducing import bills and improving the cost competitiveness of local goods. The scheme also offers Incentives on incremental sales for products manufactured in India.

Aimed at increasing manufacturing GVA from the current 16.5% and reducing import dependence, the PLI scheme is expected to unlock over US\$ 520 billion of additional output in the short-to-medium term. It is also expected to trickle down to create significant employment and growth prospects and boost MSMEs that have forward linkages with manufacturers under PLI.

Sectors identified under the PLI scheme

- | | | | |
|---|--|--|--|
| 1
Mobile Manufacturing and Specified Electronic Components | 2
Drug Intermediaries and Active Pharmaceutical Ingredients | 3
Manufacturing of Medical Devices | 4
Electronic or technology products |
| 5
Pharmaceuticals drugs | 6
Telecom & networking products | 7
Food Products | 8
High-efficiency solar PV modules |
| 9
White goods (ACs & LEDs) | 10
Automobiles & Auto Components | 11
Advance Chemistry Cell (ACC) Battery | 12
Textile Products |
| | | | 13
Specialty Steel |



2.2.2

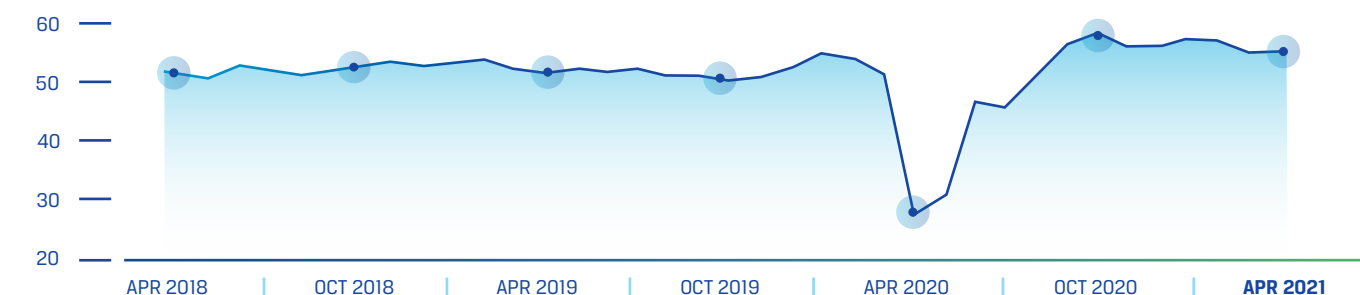
High-frequency indicators point to strong recovery

As per the first advance estimates of the National Statistics Office, 96% of pre-pandemic economic activity has been restored. Manufacturing activity has witnessed a sharp growth, the fastest in over a decade. This was led by the recovery in demand and output growth, post the COVID-19 shocks. High frequency indicators, which showed an uptick from the third quarter of FY 2020-21 and are plateauing currently, indicate a strong recovery in the near term.

96%
Pre-pandemic activity restored by January 2021 in nominal GDP terms

PMI – Manufacturing

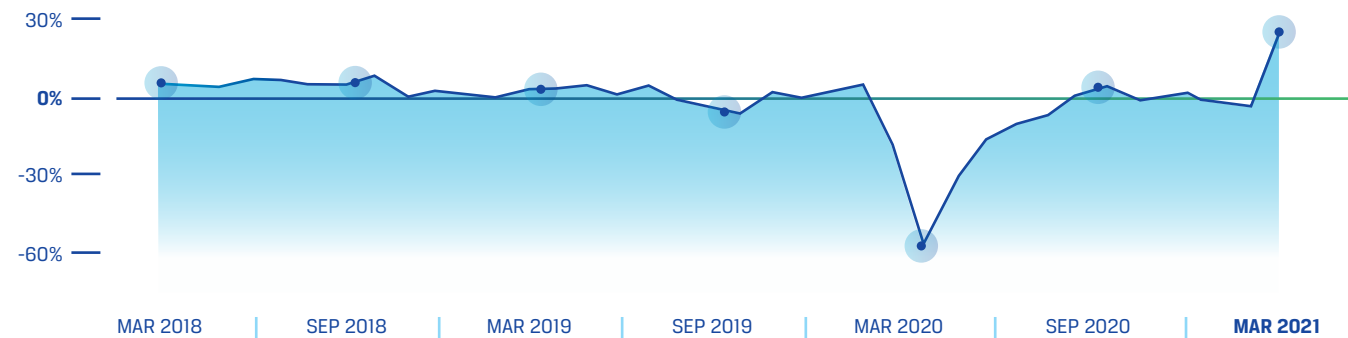
Manufacturing Purchasing Managers Index (PMI), which indicates the direction of industrial activity, was cruising at a high in the fourth quarter.



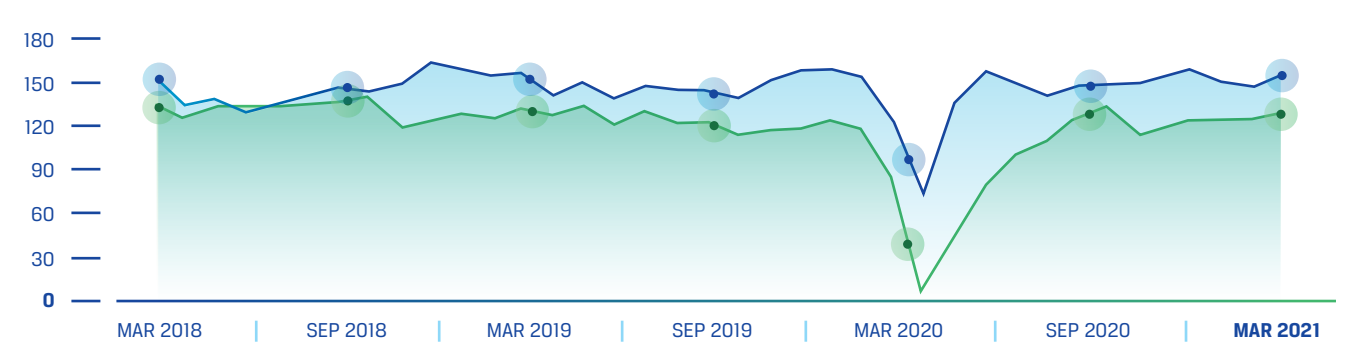
Source: IHS Markit

IIP - Industrial (YoY)

The Index of Industrial Production (IIP), covering eight core industries, rebounded sharply towards the conclusion of the financial year.



IIP - Consumer



Source: MOSPI

Inflation remains a concern as the April Wholesale Price Index (WPI)-linked inflation crossed double-digits at 10.5% (y-o-y), for the first time in over a decade. It is led by spiralling commodity prices and the import of critical consumables. CPI inflation, however, moderated to 4.3%

in April from 5.5% in March, a high base of the previous year notwithstanding. The RBI's monetary policy stance remains accommodative, with upper and lower tolerance levels for inflation pegged at 2% and 6%, respectively, for the next five years (April 2021-March 2026).

2.2.3

Outlook

India has bounced back strongly and much better than several other economies. The IMF pegs India's real GDP growth at 12.5% in FY 2021-22, as the vaccine rollout accelerates, and economic activities continue to normalise. The economic and business sentiment has substantially improved, and investor sentiment is robust. Oil prices are on a rise, and commodity prices are seeing significant highs. The recovery in the automotive sector, notably in two wheelers and passenger vehicles, has been better than anticipated.

Going forward, the economic scenario can be expected to be driven by pent-up positive savings, rapid vaccine deployment, expanding stimulus, low interest rates, dollar weakness, accommodative monetary policy and commodity-intensive public expenditure. That said, the pandemic scenario remains fluid, with the second wave of infections igniting concerns. The possibility of stretched lockdowns and associated disruptions are likely to keep the economy on tenterhooks, at least in the near-term.

12.5% ↑

India's projected real GDP growth in FY 2021-22



JSW Steel's View Resilient India moves forward

JSW Steel views FY 2020-21 as a year of India's resilience. Despite recording significant contraction due to pandemic-induced challenges, the Indian economy registered a sharp rebound. As the unlocking began, demand started picking up. This was even more pronounced in the latter half of the year as the discovery and rollout of vaccines commenced.

The government and the central bank played a proactive role in stabilising the economy and ensuring adequate liquidity in the system, which helped improve sentiment. With a focus on kickstarting the economic growth engines and providing a boost to domestic manufacturing, the Company believes the Atmanirbhar Bharat Abhiyan initiative will play a key role in creating large-scale employment opportunities, supporting domestic manufacturing and garnering investments.

Going forward, India's economy is expected to be powered by key growth levers such as:

- 1 Large-scale public expenditure on infrastructure**
- 2 Rising Foreign private investments led by the China+1 strategy**
- 3 Emergence of the middle to affluent class (short-term disruptions notwithstanding) leading to rising consumption**
- 4 Domestic manufacturing significantly contributing to exports.**

These levers will be further enabled by targeted policy deployment, mainstream digitalisation and a focus on long-term sustainability.



3.0 | Industry Overview

3.1

Global steel industry

The global steel industry, like many other industries, witnessed a year of two halves in CY 2020. A sharp decline in both steel demand and production in the first half, and a sharper-than-expected recovery in the second half. The short-term disruptions, however, inflicted significant pain on economies where the manufacturing sector was already under enormous stress. The recovery of steel consuming industries such as automobiles has been faster than expected, and as a result, CY 2021 started with a firm steel demand and market prices. As economies around the world build back, infrastructure will be a key enabler for growth.

Global steel production in CY 2020 marginally dropped by 0.9% to 1,864 MnT from 1,880 MnT in CY 2019 (Source: World Steel Association). Steel demand fell by 0.2% to 1,771.8 MnT from 1,775 MnT in CY 2019.

The steel pricing scenario has remained buoyant since Q4 FY 2021-22, which has seen highs not witnessed in over a decade. In CY 2020, average global steel price was about US\$ 582/tonne. However, as CY 2021 commenced, average price in the first five months jumped to US\$ 883/tonne.

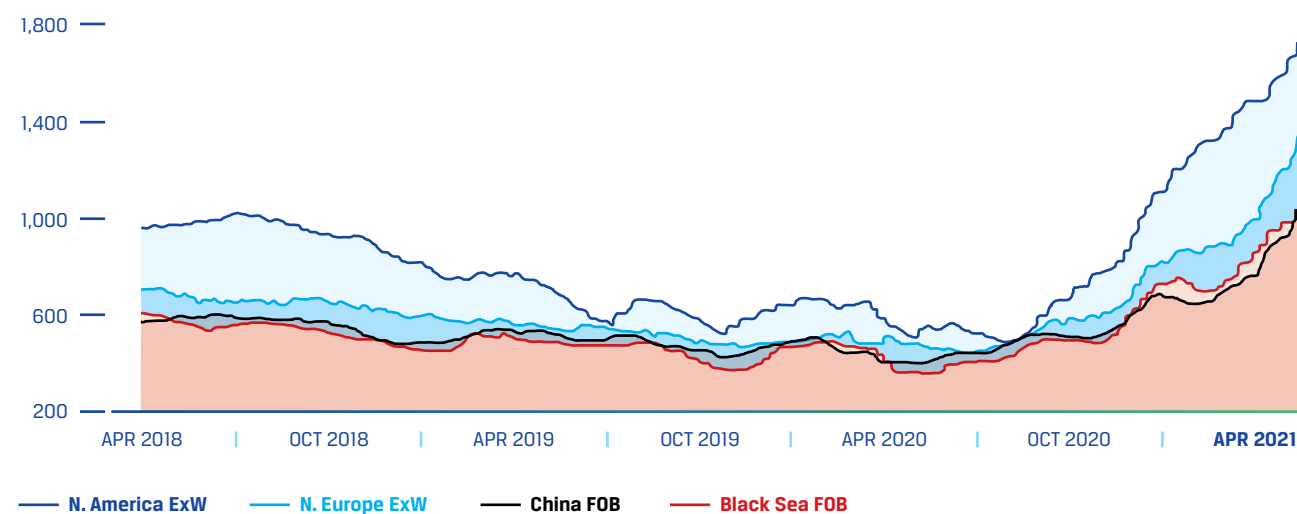
China, the largest steel making country, is limiting production, restricted exports, encouraging import

of semi-finished steel and is focusing on domestic consumption. This means that excessive supply and dumping experienced earlier from China are expected to be under control. Similarly, across the world, the underinvestment for past several years on infrastructure is now an opportunity to stimulate economic activity with huge spending on infrastructure through massive fiscal stimulus. This presents a case for sustained and growing demand. However, on the supply side the increase is not proportionate, with rising scrutiny on Environmental, Social and Governance (ESG) aspects. In light of this, steel demand and pricing are expected to remain firm in the near-to-medium term, with bouts of short term corrections.

1,771.8 MnT

Global steel demand in CY 2020

HRC prices (US\$/t)



Source: Bloomberg, Platts, NBS China



Feature Story

A supercycle in the making

The current surge in the demand overwhelming the supply for commodities suggest as per some experts that the global commodities are on the verge of entering a supercycle. In the past century, the world has witnessed such supercycles, post key events such as rapid industrialisation in USA, rearmament before world war, rebuilding economies post world war and sharpest upcycle powered by china industrialisation etc. Typically lasting anywhere between 5-17 years, supercycles coincide with large-scale urbanisation and industrialisation and massive infrastructure spend.

Currently, the global environment is characterised by supply inelasticity, demand surge, improved market sentiment and large-scale public expenditure on commodity-intensive infrastructure. Steel is a natural beneficiary. Further, a global energy transition towards renewables provides a huge opportunity for the steel sector, with demand expected to rise 7x to around 100 MnT from this sector alone. These trends are expected to set the stage for the next supercycle in steel.

From a JSW Steel standpoint, the Company is actively investing in building capacities to capitalise on the emerging demand, without significant addition to its debt. It believes that irrespective of the nature and depth of the cycle, India's steel demand will be driven by increased consumption and infrastructure creation and therefore, absorption of new capacities will be rapid. Together with raw material security, value-addition capabilities and digital enablement, the Company expects to be best placed in catering to domestic and international markets to leverage the expected positive upcycle in the industry and create sustainable value.



China: Recovering ahead of others

China continued to be the largest contributor to global steel production volumes with 1,053 MnT and was one of the few economies to have reported growth in production on a year-on-year basis. It recovered ahead of most countries and announced a series of measures to resurrect its economy under its 14th

five-year plan. Several countries also have taken measures to revive the economic activity and this has led to a V-shaped recovery in global steel demand. Indicating a much faster industrial bounce-back, China's steel consumption increased by 9.1% compared to previous year's levels. It imported 23 MnT of more steel, while

its exports reduced by 10 MnT. In short, this led to a 33 MnT reduction in steel availability for the rest of the world. Coupled with the existing supply gap of ~12 MnT, this indicates a total inventory shortfall of ~45 MnT. The scenario presented attractive export opportunities for steelmakers in India and other countries.

Advanced economies: Taking time to recover

Economic activity in advanced economies was on a free fall through the first half of 2020, although substantial fiscal measures and

release of pent-up demand helped a sharp rebound in the latter part of the year. Notwithstanding this, the activity levels remained below

pre-pandemic levels as CY 2020 concluded. This contributed to the decline in steel demand in advanced economies by 12.7%.

US: Stimulus-led consumption supports demand

Despite high infection levels, strong consumption spurred by fiscal stimulus and accommodative monetary policy helped the US economy bounce back from the first wave. This led to improved durable goods manufacturing, and a strong comeback for the housing market. The

proposed US\$ 2 trillion infrastructure plan bodes well for overall sentiment and multi-year growth. Going forward, there will be short-term constraints as non-residential construction and energy segments experience slower revival. However, from the beginning of 2021, demand

has significantly picked up. Pricing faces upward pressure as supply and imports are taking time to restore to pre-COVID levels, given that tariff-led anti-dumping measures continue for steel from India and other countries through implementation of Section 232 of the Trade Expansion Act.

Developing economies (ex-China)

Compared to the developed economies, developing economies (except China) witnessed sharper effects of the pandemic. Inadequate medical infrastructure, collapse in income generating sectors such as tourism, and fall in commodity prices created a tough situation. Together with this, insufficient fiscal support further softened sentiment. Steel demand plummeted as lockdowns ensued. However, as lockdowns were lifted, several of these economies are now seeing acceleration in demand at an unprecedented scale. Effects of limited but targeted fiscal and monetary measures are starting to manifest in countries such as India, as construction demand and general consumption gather pace.

In the **ASEAN region**, standstill in construction contracted steel demand by 11.9% in 2020, with Malaysia and the Philippines experiencing heavy declines.

Latin American nations collectively experienced a double-digit fall in steel demand, with countries such as Mexico getting impacted in the wake of reduced auto production and investment. However, rebound of activity in the American steel consumer industries will prove beneficial for Mexico as demand revives. In Brazil, a heavy decline in the second quarter was offset by a sharp recovery in the latter quarters as effects of government support kicked

in. This has helped the Brazilian steel industry to grow and achieve gradual recovery.

In **Russia**, the steel demand suffered less decline, with timely government aid shoring up activity. National projects in the country are expected to assist recovery, going forward.

In **Turkey**, the steel demand scenario was largely positive, as recovery momentum from 2019 continues, led by the construction sector.

MENA witnessed a steel demand decline of 9.5%, as construction projects were cancelled, and oil prices tanked. However, recovery in both is expected to aid demand growth in the near term.

33 MnT

Supply gap created owing to curb of Chinese exports in 2020

EU - Green shoots visible

Steel consuming sectors in the EU region were severely impacted under the lockdown initially. Nevertheless, the rebound in manufacturing was stronger than expected, owing to supportive government measures and pent-up demand. Steel demand contraction was thus contained to 11.4% in EU27 and the UK. Import quotas for the EU are expected to be positively revised, driven by inventory reduction and strong manufacturing activity.

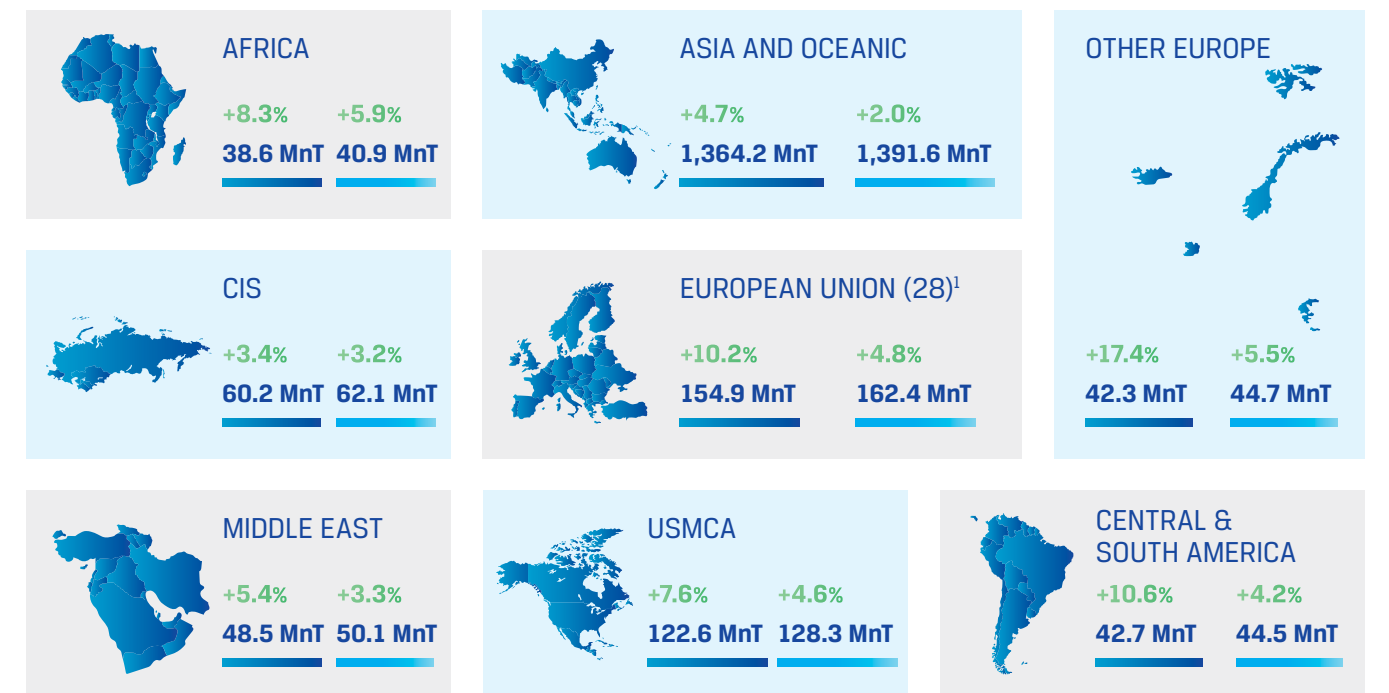
Japan - Crisis of confidence

In Japan, even as COVID-19 cases were relatively lower in number, the effects of the pandemic impacted the economy, slowing down activity. Business confidence further weakened owing to the consumption tax hike in October 2019. Steel demand nosedived by 16.8% in 2020, led by the fall in auto production. A moderate recovery is on the anvil, as capital spending picks up globally and exports pick up as expected.

South Korea - Coming out unscathed

South Korea was one of the few economies that could manage the pandemic without too much trouble, led by positive momentum in facility investment and construction. Steel demand contraction was capped at single digits (8%), led by fall in auto and shipbuilding. However, these two sectors are expected to drive growth during the recovery phase.

Region-wise steel demand growth forecast



Region-wise steel demand growth forecast (Source: Worldsteel April 2021 SRO)

Region-wise steel demand growth forecast

Regions	y-o-y growth rates (%)		
	2020	2021 (f)	2022 (f)
World	-0.2	5.8	2.7
World excl. China	-10.0	9.3	4.7
Developed Economies	-12.7	8.2	4.2
China	9.1	3.0	1.0
Emerging and developing economies excluding China	-7.8	10.2	5.2
ASEAN (5) ²	-11.9	6.2	6.5
MENA	-9.5	6.1	4.1

f=forecast

¹ European Union (27) + United Kingdom

² Indonesia, Malaysia, Philippines, Thailand, Vietnam

(Source: Worldsteel April 2021 SRO)



Feature Story

Steel: The material for the future

Climate change and environmental impacts have become a stark reality that is shaping societies, businesses and economies. Globally, there is a mainstream movement towards decarbonisation. In order to achieve the 1.5°C temperature reduction target set as part of the Paris Agreement, the world must reduce its carbon emissions by half in the next ten years. Metals and mining industries will play a key role in helping achieve this, with prospects of reducing their carbon footprint and building better. Steel will be more popular given that it is infinitely recyclable and is affordable for use in multiple applications.

The role metals and mining companies play in determining the shape of a collective future is significant, as their natural capital derived from raw materials for manufacturing and energy needs, powers growth. Thus, effective resource utilisation, a circular approach to business, adopting the best available technologies and leaving a greener footprint have become imperative for steelmakers. Environmental, Social and Governance (ESG) aspects find more relevance today than ever before, and their application to the steel industry is getting increasingly pronounced.

To meet global energy and climate goals, emissions from the steel industry must fall by at least 60% by 2050[#]

37%[#]

Composition of recycled steel in new products on average

650 MnT[#]

Steel recycled every year

[#] Source: Iron and steel technology roadmap, International Energy Agency

3.1.1

Outlook

The outlook for CY 2021 is robust as governments across the US, Europe, Japan, Korea, Russia and China are providing strong support to bring the domestic economy engine roaring back to action. A significant part of this support comes in the form of increased infrastructure spend, and liquidity injections, which directly help boost steel demand.

As a result, global finished steel demand is expected to recover in CY 2021 to 1,874 MnT, an increase of 5.8% over CY 2020. In CY 2022, this figure is expected to touch 1,924.6 MnT, at a 2.7% yearly increase.

(Source: Worldsteel, April 2021 SRO)

Demand in China started tapering in December 2020, and the effects of the US\$ 550 billion fiscal stimulus may not carry forward to CY 2021. This would lead to a moderate growth in the demand scenario for China. Further, Chinese curbs on carbon emissions and measures such as export tax on energy inefficient products would help moderate the Chinese supply towards the second half of the current year.

In the developed economies, manufacturing is showing some early signs of recovery and if the second wave of infections can be brought under control progressively, business activities can be expected

to stabilise. Evolution of the virus, progress of vaccinations, withdrawal of supportive fiscal and monetary policies and geopolitics pose broad risks to the outlook.

1,874 MnT

5.8%^{y-o-y}

Expected global steel demand in CY 2021

Projected growth in top 10 steel consuming markets

y-o-y growth rates (%)

Countries	2020	2021 (f)	2022 (f)
China	9.1	3.0	1.0
India	-13.7	19.8	5.9
United States	-18.0	8.1	4.3
Japan	-16.8	6.5	5.0
South Korea	-8.0	5.2	2.5
Russia	-2.3	3.0	3.0
Germany	-11.6	9.3	5.3
Turkey	13.0	18.7	5.7
Vietnam	-4.2	5.0	7.6
Mexico	-11.8	7.5	5.5

(Source: Worldsteel April 2021 SRO)

3.1.1.2

Demand outlook for consumption sectors

Construction and infrastructure

By 2024, the global construction industry is expected to record a CAGR of 9.2%, to reach US\$ 11,093.7 billion. In the short-term, the residential and commercial construction centres are expected return to a stable growth path over the next five to six quarters. Public spending will focus on utility-led infrastructure building, which will boost the steel demand.

(Source: Global Construction Industry Report 2020 by Research and Markets)

Automotive

In CY 2021, the auto market is expected to grow by 9% to 83.4 million in volume terms, and a further 5% to 89.7 million in CY 2022. The increased focus on electric vehicles is likely to lead to a shift towards more specialised grades, helping the players who have the capacity and technology for producing value-added products.

(Source: IHS Markit)

Capital machinery

The global metal working machinery industry, a key consumer of the steel industry, is expected to grow at a CAGR of 8% to touch US\$ 357.7 billion in 2025. In the near term, the industry is expected to grow to US\$ 262.77 billion in 2021, as the economies recover.

3.2 Indian steel industry

A dynamic external environment, an enabling pricing scenario, and release of pent-up demand majorly defined FY 2020-21 for the Indian steel industry.

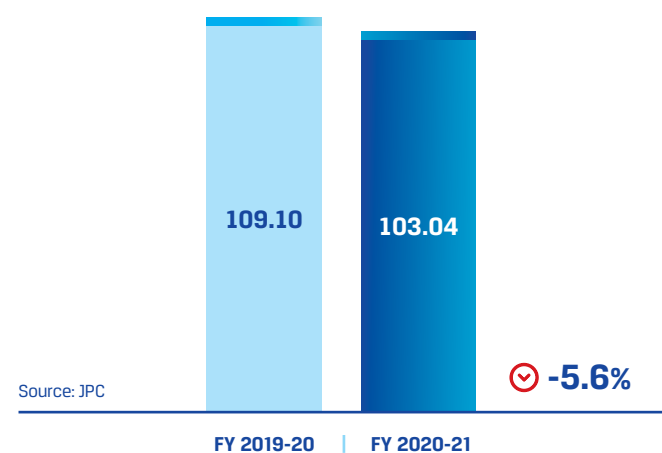
While the initial quarter of the fiscal proved to be unprecedented slowdown with the consecutive lockdowns, the rest of the year witnessed a high-powered demand revival in consumption industries such as automobiles. Demand for appliances improved due to the large-scale shift towards work-from-home, and construction activity picked up with government expenditure. This mirrored the global scenario, as demand picked up after liquidity was pumped into the economy together with a flurry of infrastructure project announcements.

In Q1 FY 2020-21, the steel mills faced shortage of labour, supply chain disruptions and truncated utilisation levels, besides a plummeting of demand. As a result, in the first half, the industry cumulatively produced 43.63 MnT of crude steel, 21% lower compared to H1 FY2020-21. However, the industry did well to increase its exports during this period, in order to offset the soft domestic demand. Nevertheless, as the year progressed, the economy started to gradually open up and the pent-up demand started to materialise, which augured well for the steel segment.

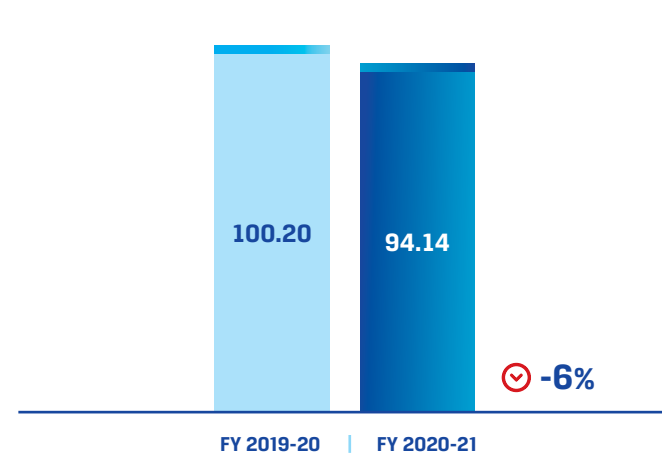


Production and consumption (MnT)

Crude Steel Production



Apparent Steel Consumption



The Indian steel industry is seeing large-scale consolidation, and this presents a conducive operating environment for existing players. Post 2015, investment in the steel sector had hit a roadblock owing to Chinese dumping, which challenged the pricing environment. This led the installed steel capacity to stagnate at about

140 MnT. Currently, the industry operates at ~80% of this capacity. To meet the potential demand, the country has only around 10-15 MnT left for utilisation. Upstream and downstream domestic capacity expansion is thus critical for the industry's growth and to support the country's rapidly increasing steel demand and consumption.

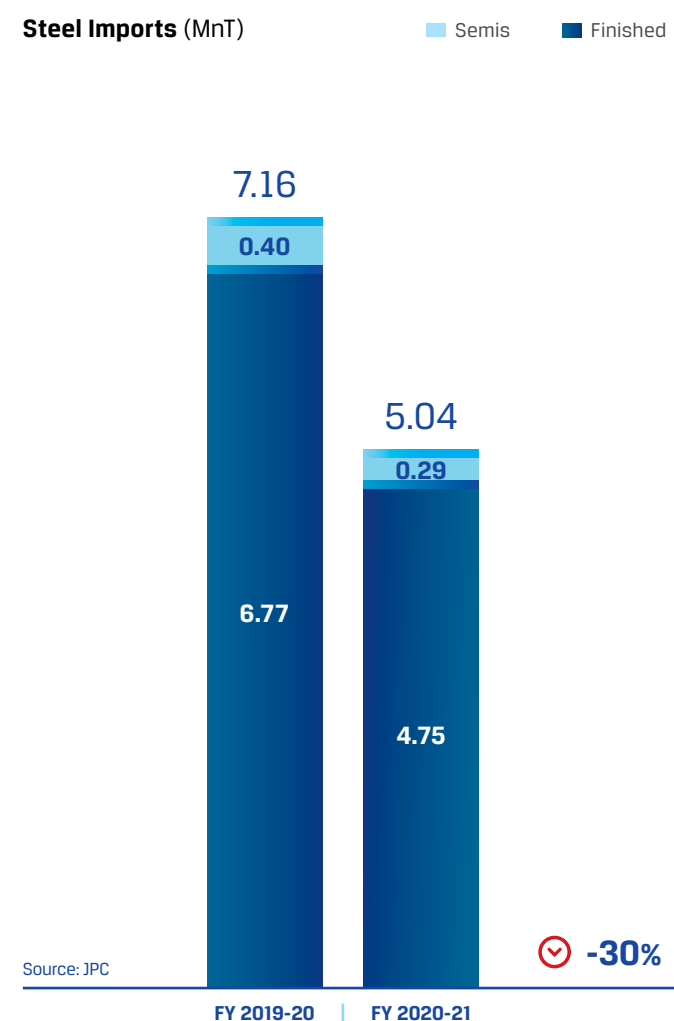
3.2.1 Production and trade movement

The overall production for FY 2020-21 was 103.04 MnT, down 5.6% on a y-o-y basis. Almost 63% of this production share can be attributed to the top six players, who cumulatively produced 65.04 MnT of crude steel during the period. Domestic finished steel production touched 95.12 MnT and domestic consumption was at 94.14 MnT, down by 7.3% and 6% respectively on a y-o-y basis. (Source: JPC).

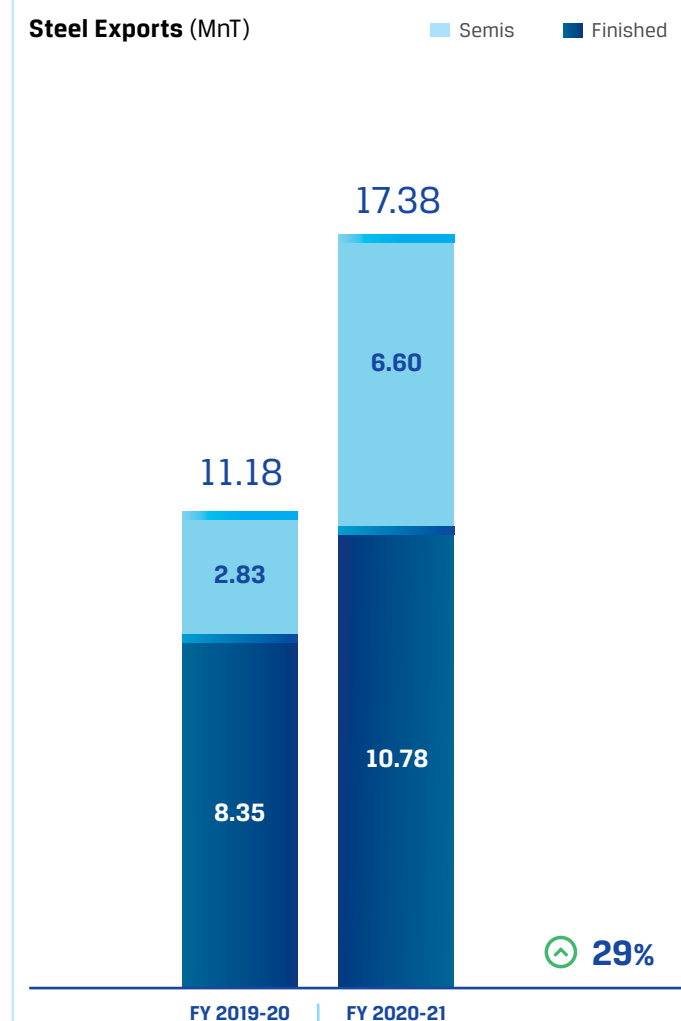
However, finished steel consumption in March 2021 registered a growth of 45.7% over March 2020.

During this period, India became a net exporter of finished steel, with exports rising by 29%, and imports falling by 30%.

Steel Imports (MnT)



Steel Exports (MnT)



3.2.2 Input scenario

Indian steelmakers use both imported and domestically available coal and iron ore for their steelmaking activities.

In terms of coal, globally, Australian seaborne metallurgical coking coal prices witnessed a 22% decline during FY 2020-21, owing to certain structural changes in China's global sourcing strategy.

On the iron ore front, Chinese iron ore witnessed 100% rise in spot prices during the fiscal year. In India, domestic prices were at a record high during the year, with the price of Odisha fines increasing from ₹1,900/tonne in April 2020 to ₹5,420/tonne in March 2021. The steel industry suffered heavily in the latter part of FY 2020-21 due to non-availability of iron ore in India due to accelerated exports and lower production.

3.2.3

Outlook

The future of the Indian steel industry appears encouraging. Indian steel consumption stood at 94.14 MnT at the end of FY 2020-21, down 6% y-o-y. In FY 2021-22, the demand is expected to touch 110 MnT, presenting an incremental requirement of 16 MnT over that of last year.

The revival and expected growth will be a function of public expenditure on infrastructure, which majorly drives incremental demand. In addition, end-user industries such as automobiles, engineering, piping and packaging are also seeing an uptick. Demand for commercial vehicles is also slated to go up. Together, they will enable the industry to pick up where they left off before COVID-19 struck.

The Union Budget 2021-22 has outlined a strong focus on infrastructure development (a 34.5% improvement over

the last Budget's estimates) giving significant impetus to steel as an industry. The Budget also announced several initiatives such as affordable housing, expansion of road and railway networks, development of domestic shipbuilding industry and opening up of the defence sector for private participation, all of which are expected to create massive demand for steel in the country.

The Finance Minister in her budget proposal, also mentioned the reduction of customs duty uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy and stainless steel. To provide relief to metal recyclers – mostly MSMEs – duty on steel scrap is exempted until March 31, 2022. The Centre has also removed anti-dumping and countervailing duties levied on certain steel products until September 30, 2021.

110 MnT

Expected domestic steel demand in FY 2021-22

7.5% ↓

Customs duty reduction on semis, flat and long products of non-alloy, alloy and stainless steel.

Key outlays for ministries relevant to the steel industry in Union budget 2021-22

 Rural Development

₹1,33,690 crore

 Road Transport and Highways

₹1,18,101 crore

 Railways

₹1,10,055 crore

 Housing and Urban Affairs

₹ 54,581 crore



JSW Steel's View

Exciting future for Indian steel

JSW Steel has consistently followed a strategy that seeks to leverage its belief in the India growth story and the resilience of its economy. That belief stands reinforced in light of current events. As a core industry, steel will play a crucial role in shaping the next phase of India's transformation, and emergence as a major economy. At present, the steel industry is operating about 80% of installed capacity, and as consumption grows, even a fully sweated capacity will not be enough to meet the domestic demand.

JSW Steel is well-positioned to cater to this opportunity, through its large-scale investments for the future, increasing its crude steel production capacity by 63% to 37.5 MTPA by FY 2024-25, and more, taking JVs into account.

Further, there has been a significant shift in the way steel is consumed and marketed across the world today, with a wide range of finished formats. Consumerisation is also on the rise – making steel a buyer's product from a seller's commodity.

In this backdrop, JSW Steel is building vibrant brands around its products with a B2C and B2B2C focus.

The Company's recent acquisitions of VTPL, PCMD, ACCIL and others perfectly align it to cater to the changing consumption pattern of steel, while deriving higher margins. The planned and ongoing downstream capacity expansions also dovetail into achieving this objective.

Today, value-added and special products have a dominant 52% share in the Company's overall sales mix. This is expected to rise to 60% in the medium to long-term.

Steel has also emerged as a viable solution to address long-term global challenges such as climate change, with life cycle analysis, environmental certifications and circular value-chain assuming centre-stage. Aligned to this need,

JSW Steel is executing its sustainability ambitions and is consistently launching products with a lower carbon footprint. The Company is also playing a pivotal role in mainstreaming hydrogen economy in the sector through collaborative efforts.

Going forward, JSW Steel is committed to developing low carbon greener steel, which holds a better future for everyone.



4.0 | Business Review

The economic impact due to the outbreak of the COVID-19 virus was largely disruptive across sectors in India as also in the rest of the World. Nationwide lockdowns across States resulted in shutting down of Industry operations in virtually all end use consuming sectors. This had a significant impact on the operations. In spite of the above situation, the Company managed to recover quickly aided by a robust pick up in steel demand in certain sectors and also by focusing on high margin products. A further impetus to this growth was provided by strengthening of prices

both in the international and domestic segments, manageable input costs and improved availability of raw material.

In FY 2020-21, the Company achieved 15.08 MnT crude steel production. The domestic sales volume for the year decreased by 9% Y-o-Y to 10.71 MnT. Nearly 82% of the total steel was sold in the regions of South and West. The sales of Value added and Special Products (VASP) was 7.8 MnT and constituted 52% of the total sales volume, a 9% increase YoY.

15.08 MnT

Crude steel production in FY 2020-21

Business highlights FY 2020-21

52%
share of VASP in total business, 9% Y-o-Y growth

7%
rise YoY in sales to auto sector

Highest ever sales to appliance segment

Highest ever sales to solar segment

Highest ever HRPO, GI/GL, Colour Coated Sales

In Q1 FY 2020-21, although JSW Steel's domestic volumes were affected due to the pandemic an increased opportunity in international sales made up for some of the losses. In the following quarter, the Company was performing in line with pre-pandemic times aided by the recovery in steel demand both in domestic and international markets, providing an opportunity to increase its sales across segments and geographies. In the second half of FY 2020-21, the Company continued to tap into the growth momentum across economies and maintained a good balance of domestic sales and exports.

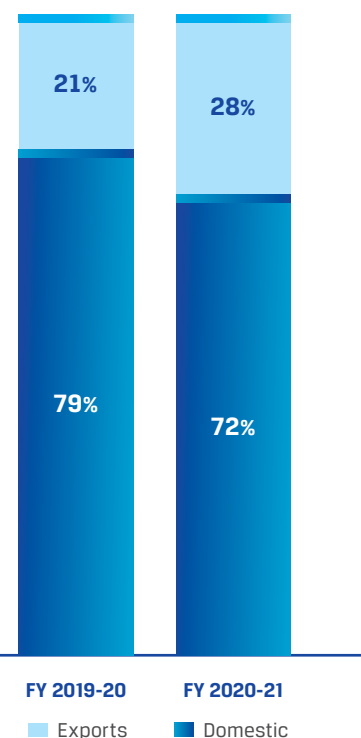
Despite the challenging environment which resulted in lower demand of Steel coupled with pressure from Competition JSW managed to perform well in tough market conditions. The Company continued to focus on newer

customers across geographies in India with enhanced products and services. The Company also took steps to upgrade its manufacturing facilities to enhance capabilities and capacities to service customers with better product quality and delivery, as part of its growth strategy.

Therefore, a lower volume performance in some key categories was offset by a strong show by the new categories, value-added products, exports and retail business.

Industry segments such as infrastructure and construction registered robust growth. The consumption growth was favourable on the back of the Government's thrust on infrastructure, particularly in affordable housing.

Sales mix (%)



4.1 Product performance

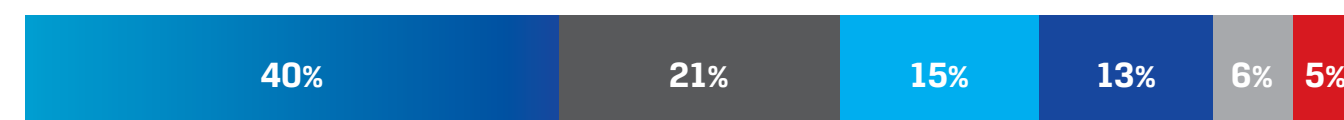
The Company remained strategically focussed on enriching its product mix by increasing the volume and share of value-added steel products (VASP) in its portfolio.

Product mix change (%)

FY 2019-20



FY 2020-21



■ Hot Rolled ■ Longs ■ Cold Rolled ■ Galvanised ■ Color Coated ■ Semis

*including volumes of JSW Steel Coated Products Limited. 100% subsidiary of JSW Steel Limited

4.1.1 Flats

JSW Steel produces flat products, viz. Hot Rolled, Cold Rolled, Galvanised and Colour Coated, constituted 74% of the total product portfolio in FY 2020-21 vs 72% in FY 2019-20.

I Hot Rolled

Hot Rolled products constituted 40% share of the total product mix with increase in export sales by 43% y-o-y.

Key sectors and projects

JSW Steel supplied hot rolled coils (HRC) to various national projects. JSW was a major supplier of steel requirement for Saurashtra Narmada Avtaran Irrigation Yojana (Sauni Yojana) by ensuring timely steel production dispatch, material readiness and on time pipe manufacturing to ensure project completion. JSW Steel has also successfully serviced a large volume of other prestigious water pipeline project in Gujarat region such as Budhel to Borda pipeline and Navda to Chavand Pipeline.

Telangana, Karnataka, Andhra Pradesh and other state governments initiated turnkey projects of water pipelines and irrigation projects during the year, JSW Steel was able to capture a major share of business of ~0.2 MnT in these. The Company also supplied API grade material for petroleum and gas pipeline projects.

74%
contribution of flats in product portfolio

JSW Steel was a major supplier of steel requirement for Saurashtra Narmada Avtaran Irrigation Yojana (Sauni Yojana)

15%

contribution of Cold Rolled Products in product portfolio

The CRM 2 at Vijayanagar is the only mill in India which has the capability to produce some of the AHSS grades that Auto majors are looking for future use.

Cold Rolled

JSW Steel Cold Rolled steel products are manufactured at its state-of-the art facility at Vijayanagar Works. The Cold Rolled Products has a share of 15% of the Company's product mix. In FY 2020-21, the Company achieved the highest-ever Hot Rolled Pickled and Oiled (HRPO) steel production with 6% y-o-y increase in the domestic market.

Key Sectors

Cold rolled products in India is majorly consumed by automotive, industrial and engineering sectors.

JSW Steel has received formal approvals for supplies of AHSS (Advanced High Strength Steel) from several Auto customers in India. These steels which hitherto are imported will help Auto majors in India in their localisation strategy going forward.

The CRM 2 at Vijayanagar is the only mill in India which has the capability to produce some of the AHSS grades that Auto majors are looking for future use. The successful design and production of these grades were achieved through constant VA/VE activities and stringent process control at steelmaking and continuous annealing and also by ensuring very high steel cleanliness and uniform mechanical properties through establishing heat cycle control parameters.

Galvanised/Galvalume

Galvanised and galvalume products constituted 13% share of the total product mix with increase in domestic sales by 32% y-o-y.

There has been an increased focus on the fast-growing appliance market for JSW Steel's galvanised products, in addition to the usual end-applications. Industry standards are being revised upwards by replacing traditional galvanised steel with zero spangle galvanised steel. Capturing such trends, JSW Steel engaged with service partners to include more value-added products to its basket and secure more approvals to increase its market share.

JSW Steel is working closely with customers on Value Analysis/ Value Engineering (VA/VE) projects to substitute traditional steel products with ones having superior properties, to increase the end-product service life. In FY 2020-21, the Company developed high strength steel for solar structures (column posts), which will also help with light-weighting them.

Key Sectors

In addition to the end-applications of roofing, cladding and solar, JSW Steel is exploring usage in newer segments and further penetrating segments such as HVAC, automobiles, doors and windows and appliances.

32%

y-o-y increase in domestic sales of Galvanised and Galvalume products

JSW Steel is working closely with customers on Value Analysis/Value Engineering (VA/VE) projects to substitute traditional steel products with ones having superior properties, to increase the end-product service life.

Electrical Steel

JSW's Electrical Steel both, CRNO and CRSP is supplied to Customers across the country and finds end - use across sectors such as electric motors, generators, nuclear power station, power generation plants, domestic appliances, transformers and automotive electrical motors. Here again several grades have been developed in-house to meet the exacting demands from end users giving us a unique selling proposition.

Coated Steel

Though the year began with a lockdown which dampened demand, JSW Steel was nimble footed to grab the market opportunity as it presented itself by keeping its manufacturing ongoing and processes agile. With the ongoing internal capacity building and acquisitions of Asian Colour Coated Ispat Limited (ACCIL) and Vardhaman Industries Limited (VIL), the Company intends to further consolidate its market leadership position.

Tinplate

Tinplate constituted 1% share of the total product mix with increase in sales by 129% y-o-y.

The Company's tinplate brand, JSW Platina has been approved for all major food and non-food end-use categories and caters to the metal packaging needs of all processed edibles, edible oil & dairy products, paints, pesticides & adhesives, battery and aerosol, among others. Being a packaging substrate, JSW Platina plays a key role in ensuring steady supply of essential commodities.

A new Batch Annealing line with 0.25 MTPA capacity is underway and expected to be commissioned in FY 2022-23.

Additional new product development work includes work on two-piece DWI (Drawn and Wall Ironed) cans for the beverage industry, scroll cutting for components and downstream value added printing and lacquering line.

Key Sector

Food Packaging Industry

Colour Coated

Colour coated products constituted 6% share of the total product mix with increase in domestic sales by 46% y-o-y.

The Company launched a new OEM Brand JSW Radiance in July 2020 which leverages the JSW Group's unique synergies with JSW Paints and offers advanced coating options such as anti-graffiti, anti-dust, anti-microbe, high SRI (Solar Reflectivity Index) and high gloss. Customised coating requirements are addressed in collaboration with JSW Paints with their state-of-the-art research and development facility.

The Company lays special focus on the appliance business to actively seek new entrants and establish its position as a leader. Further, it engages with service partners to improve customer service levels. The Company also helps customers choose eco-friendlier manufacturing processes by replacing environmentally harmful processes (e.g. powder coating) with colour coated steel. Committed to the nation building and Make In India, JSW Steel also undertook localisation projects to help customers source quality material locally for their various end-applications.

46% y-o-y increase in domestic sales of colour coated products

129%

y-o-y increase in sales of Tinplate

JSW Platina has obtained all mandatory certifications - IS 1993-2018, HACCP, FSMS, Halal, Allergen, RoHs, and REACH.

4.1.2

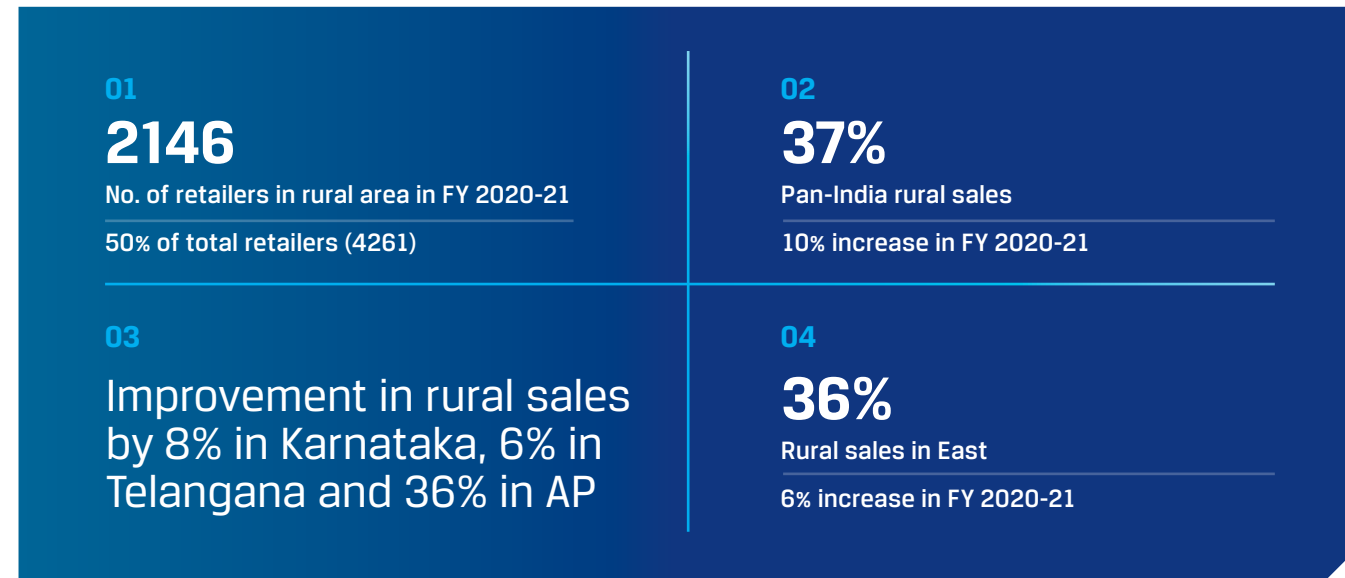
Longs

Long products comprised 21% of JSW Steel's product portfolio in FY 2020-21.

TMT (Retail)

The year began slowly with most retail markets shut. Demand in urban areas was slow to pick up in Q1 FY 2020-21 and it was only in Q2 that it showed some signs of improvement. JSW Steel worked on improving

reach in rural markets across the country as the demand picked up initially in these areas while infrastructure sector waited to get revived. These efforts yielded significant results and some highlights are given below:



TMT (OEM)

In FY 2020-21, 81% (688KT) of aggregated supplies were directed to seven end application segments such as Power Projects, Railways, Industrial, Metro, Housing, Commercial & Roads, of which 80% (549KT) were sold in the South and West Indian markets.

The new projects announced by government will improve future supplies in addition to on-going projects.

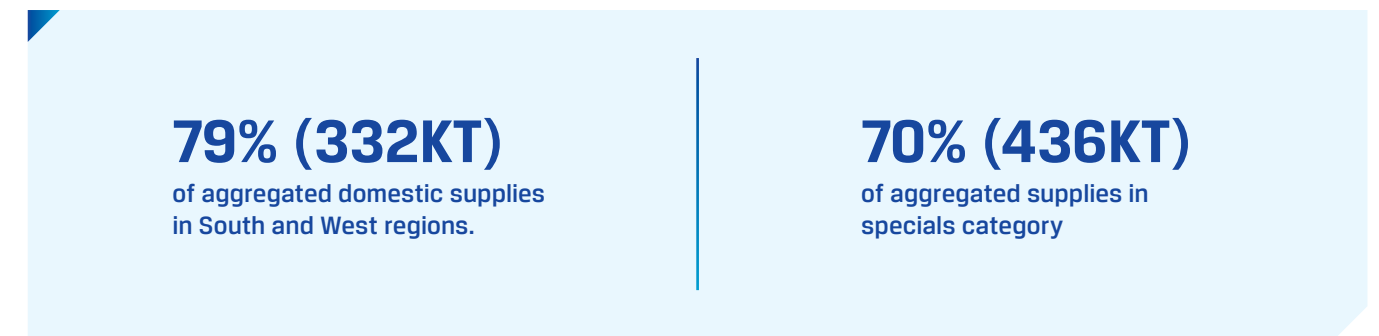
Wire Rods

Wire rod are manufactured at JSW Vijayanagar and Salem comprising 5% of product portfolio with an overall sales growth of 13% y-o-y.

Key Sectors

General Engineering, Construction

Key Highlights of the Year FY 2020-21



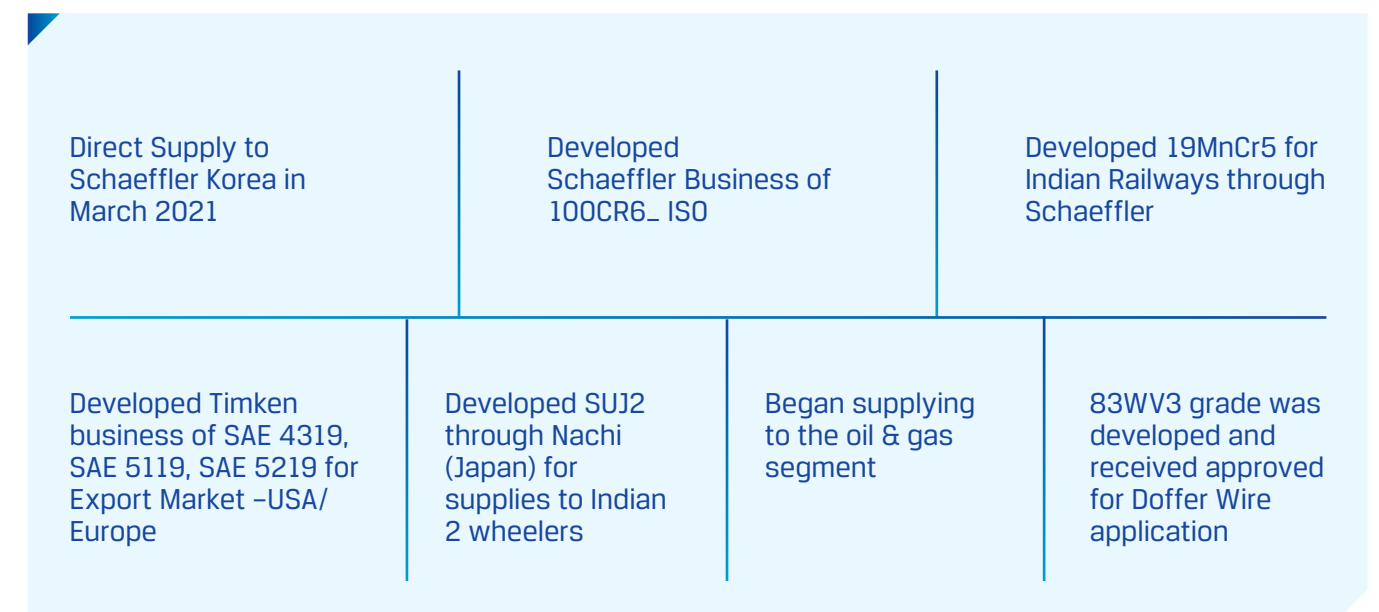
Alloy Steel

Alloy longs grew by 21% during the year and a total of 14 new grades were developed under the product category for various applications like automotive, rail, textiles and general engineering, among others.

Key sectors

Auto, Railways, Agriculture, Oil & Gas and General Engineering

Key Highlights of the Year FY 2020-21



4.2

Retail Initiatives

JSW Steel has one of the most extensive steel retailing footprints in India with over 16,000 exclusive and non-exclusive retail outlets, covering 602 districts across India. Getting closer to the customers and catering to their needs have become a core strategy for the Company's domestic growth and its large footprint is the key enabler for executing this.

In FY 2020-21, the Company announced its first-ever digital brand launch - JSW Radiance colour coated sheets in six variants. The launch was followed by a three-month radio campaign in Uttarakhand and the communication focused on consumer awareness.

16,000+
exclusive and non-exclusive retail outlets in India



Driving product awareness

In order to create greater awareness for JSW Steel's products as well as differentiate the high-quality product portfolio, the Company has launched extensive marketing campaigns with Indian cricketer Rishabh Pant as the face for its key brands. The campaign intends to further strengthen the recall of the branded steel products among business customers as well as end use consumers. Print campaign for TMT with Rishabh Pant covered around 13 states and 21 publications.

Print campaigns across

13 States
21 Publications

Staying customer-focused

JSW Chala Gaon Ki Aur, a unique initiative by JSW Steel, has helped the Company connect more closely with its rural customers, which form a large proportion of retail business. The initiative was recognised for its reach and intent and received an award for best content in below the line marketing campaign.

With an objective to create an additional touch points to connect with the customers, 10 webinars were conducted. JSW Bandhan Distributor Conclave, a two-day meet, was organised at Vijayanagar, with top performing

distributors being awarded. Plant visits were arranged to showcase JSW Steel's capabilities and innovative technologies. Eight JSW Bandhan Retailers meets were conducted covering ~500+ retailers.

Given the COVID-19 induced disruptions, the Company also initiated digitalisation of content pertaining to JSW Eklavya (Fabricator Academy). Further, to exhibit JSW product capabilities the Company continued to participate in various conferences and exhibition.



Key highlights of FY 2020-21

JSW conducted 360 marketing campaign for IPL encompassing above the line (ATL), below the line (BTL) and digital marketing.

TV + Hotstar		Digital	
1,334 Total spots for JSW Steel (Live and non-live)	161 million Total reach	132 million Video impressions	14,000+ contest entries
65 million Total impressions delivered		9 million Video views	200% increase in Share of Voice (SOV)

5.0 | Operational review



5.1 Vijayanagar Works

India's largest auto-grade steel facility with a capacity of

2.3 MTPA

JSW Vijayanagar Works is one of the world's largest steel plants with an installed capacity of 12 MTPA. The plant is one of the world's most efficient in terms of conversion cost. It is the Company's flagship plant and uses the Corex process (the first in India to do so) as well as the conventional blast furnace route to achieve efficiency in conversion cost. Vijayanagar Works houses India's largest auto-grade steel facility with a capacity of 2.3 MTPA. It is also the only steel plant in India with pair cross technology and a twin-stand reversible cold rolling mill.

Vijayanagar Works has captive power generation capacity of 865 MW. It is well connected to the Goa and Chennai ports to facilitate the import of raw materials and export of finished products. It also has a lime calcination plant hosting eight kilns, each with 300 TPD capacity, and three kilns, each with 600 TPD capacity. The Company has recently set up a pipe conveyor system with a 20 MTPA capacity (Phase 1 with 10 MTPA capacity is operational), an environment friendly system to transport iron ore, and will also lead to substantial cost reduction.

20 MTPA

Pipe conveyor system capacity

JSW Steel Vijayanagar Works is India's largest single location integrated steel plant

Competitive strengths

01

Locational advantage

JSW Vijayanagar Works is located 380 kilometres from Bengaluru at the Toranagallu village in North Karnataka, in the Bellary-Hospet iron ore belt. It is well connected to the Goa and Chennai ports. It is a fully integrated steel plant with a well-developed township. Therefore, it enjoys strategic advantages of having access to raw materials, high-growth markets, proximity to ports and infrastructure and facilities to house world-class talent.

02

Raw Material security

In the previous year, the aggregate iron ore from the six iron ore mines in Karnataka was 4.1 MTPA in the financial year 2019-20, and JSW Steel was declared as a 'preferred bidder' for the additional three iron ore mines in the auctions held by the Governments of Karnataka in the same year. All nine mines are now operational and together, they are expected to produce 7.7 MTPA, constituting about a third of the total requirement of the Vijayanagar works.

03

Technologically advanced

Vijayanagar Works uses state-of-the-art technology to optimise its operations, profitability per tonne and reduce its environmental footprint. Some of them include:

- + **Ambient Air Control Temperature:** To create the toughest, most durable steel
- + **Corex technology:** Used for high smelting intensity and hence high productivity for steel and hot metal production
- + **Pair-cross technology:** To minimise thrust force and wear between contacting work roll and backup roll
- + **KR process adoption:** Uses lime-based desulphurisation to lower sulphur level and meet customers' demand that requires less than 20 ppm of sulphur in their operations

04

Robust logistics management

Vijayanagar works has set up of a pipe conveyor system with a total capacity of 20 MTPA. The Phase 1 with 10 MTPA capacity was already operational and the second phase of 10 MTPA downhill was operationalised during the year. This solution is expected to be environmentally friendly and reduce transportation costs of iron ore.

Being India's largest single location integrated steel plant, the Vijayanagar logistics team handles the largest volumes in a single location steel plant in India. Vijayanagar Works also accounts for 80% of goods transported through the South-Western railways and is one of the largest revenue contributors to the Indian Railways.

Expansion Projects

Completed

- + Commissioned a new 160T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster, along with associated facilities at SMS-3, to enhance steelmaking capacity, during Q4
- + Wire Rod Mill No.2 of 1.2 MTPA capacity was commissioned during Q3 to enhance overall rolling capacity to 13 MTPA.
- + The 1.8 MTPA PLTCM line and one line of the two construction grade galvanised products lines of 0.45 MTPA each has been commissioned during the year.

In Progress

- + Capacity upgradation of BF-3 from 3.0 MTPA to 4.5 MTPA, along with the associated auxiliary units, is under implementation.
- + The second CGL line is expected to be commissioned by Q2 FY 2021-22
- + The setting up of the new Color Coating line of 0.3 MTPA is under progress and expected to be commissioned by Q2 FY 2021-22

Additional 5 MTPA brownfield project

- + The Company has announced that it will expand its steel-making capacity by 5 MTPA at Vijayanagar from the existing 12 MTPA at a capex cost of ₹15,000 crore through its wholly-owned subsidiary, JSW Vijayanagar Metallics Limited. The expansion is expected to be completed by FY 2024

Cost Reduction Projects

- + In order to decrease the facility's requirement of expensive lump iron ore, the Company has set up an 8 MTPA pellet plant at Vijayanagar. This has been commissioned and is currently under trial run.
- + The construction of Coke Oven Battery of 1.5 MTPA at Vijayanagar is currently under progress and is expected to be commissioned in phases during FY 2021-22.
- + The Company has also decided to set up a 1.5 MTPA coke oven plant at Vijayanagar, which is expected to be commissioned by end of FY 2021-22.
- + A new pneumatic based plastic injection system was developed for injection of shredded plastic into the Electric Arc Furnace (EAF). The waste plastics were tried as a partial replacement of coke fines in EAF. This resulted in superior slag foaming and improved slag reduction of the polymer/coke blend compared to 100% coke, with subsequent reduction in electrical energy consumption.
- + A novel and efficient governance tool - Digital Project Management System (DPMS), was conceptualised, designed, and launched for tracking numerous digital projects. DPMS will ensure effective and meticulous organisation planning, communication, and coordination among different teams of shop floors and plants to effectively execute different tasks. This new governance tool will help in managing progress and dependencies.

These projects, cumulatively, will contribute to substantial cost savings

Other key initiatives

- + JSW Vijayanagar has successfully launched new TQM monitoring system to strengthen continuous improvement culture. The system consists of integrated Kaizen Management, Quality circle registration and reports. TQM monitoring system will further be strengthened by incorporation of 4i J2/J3 project management system.
- + As part of TQM Digitisation journey, a new and improved version of SOBIS Software was rolled out. It includes modules such as context of the organisation, risk and opportunities and other critical modules for maintaining paperless documentation compatible to the latest changes in the ISO standards.
- + The Raw Material Handling System (RMHS) department launched an automation project of Unmanned Operation of Barrel Reclaimer. This unique project has been successfully accomplished by incorporating the latest digital technologies - Wi-Fi Communication, Safety Sensors, Integrated Supervisory Control & Data Acquisition (SCADA), Mechanised Cable Transfer, and Online Condition-Monitoring. The project delivers a host of benefits.



Health and safety

Vijayanagar Works continues to focus on achieving its health and safety targets. In FY 2020-21, amidst the outbreak of COVID-19, the plant effectively spread awareness on personal hygiene and social distancing and further deployed strict protocols and measures to curb spread of the disease. The plant successfully conducted off-site Emergency Mock drill along with District Administration involving nearby villages and made significant contributions to Audits and Inspection module launched for logging General Inspections, leaders' audits and monthly safety audits.

Strategic priorities

- 01** Commission announced projects for capacity expansion and cost savings
- 02** Continue focussing on energy efficiency and improved waste management initiatives
- 03** Focus on initiatives and measures to reduce emissions
- 04** Ensure sustained operational performance with focus on health and safety

5.2

Dolvi Works

JSW Dolvi Works is a 5 MTPA integrated steel plant, located strategically on the west coast of Maharashtra. It is India's first plant to adopt a combination of Conarc Technology for both steel-making and compact strip production (CSP). The facility is connected to a jetty with a cargo handling capability of up to 15 MTPA and caters to sectors ranging from automotive and industrial to consumer durables.



10 MTPA

Expected capacity by H1 FY 2022

Competitive strengths

01 Strategically located

Dolvi Works is located on the west coast of India and is connected to a jetty which provides it logistical advantages in importing raw materials and exporting finished products. Located around 80 km from Mumbai, the unit is well connected via rail, road and sea.

02 Raw Material security

The Company was also declared the 'preferred bidder' for four iron ore mines in the auctions held by the Government of Odisha in the FY 2019-20. The Company signed the Mine Development and Production Agreement and the Lease Agreements for these and commenced operations from July 2020. The Odisha mines supply majority of the iron ore requirements of the Dolvi unit and are a big source of competitive advantage to the plant, especially in the face of volatile raw material prices and availability.

03 Diverse competencies

The plant has capabilities to manufacture diverse set of products and can cater to several industries including automotive, infrastructure, construction, machinery, LPG cylinder-manufacturers cold rollers, the oil and gas sectors and consumer durables.

175 MW

Waste Heat Recover Boilers being set up

Expansion Projects

- + Successfully commissioned two of its key units i.e. 8 MTPA Pellet Plant-2 and second line of 1.5 MTPA coke oven plant.
- + The Company commenced production of Hot Rolled Plates from the new 5 MTPA Hot Strip Mill facility in the month of March 2021.
- + The Blast Furnace-2 is expected to be fully commissioned by end of Q2 FY 2021-22
- + Similarly, Coke and Pellet feeding to Blast Furnace-2 and limestone/ dolomite feeding to Lime calcination plants (LCP) 5/6/7 is in final commissioning phase and are expected to be commissioned in the second quarter for FY 2021-22.
- + The LCP 5/6/7 - one of three kilns (Kiln-5) pressure testing completed and is ready for heating. Refractory works has been completed in all three kilns. All the kilns are expected to be commissioned functional in first half FY 2021-22
- + The second line of 1.5 MTPA coke oven plant along with Coke Dry Quencher (CDQ) facilities is being set up to cater to the additional coke requirement for crude steel capacity expansion to 10 MTPA. One of the two coke oven plant (0.75 MTPA each) is fully in operation and the commissioning of the second unit is under progress and is expected to be operational by second quarter of FY 2021-22. All the three CDQ units are expected to be commissioned during the second quarter of FY 2021-22.
- + The Company now expects full integrated operations of the expanded 5 MTPA at Dolvi by September 2021

Cost Reduction Projects

- + The unit is setting up 175 MW Waste Heat Recovery Boilers (WHRB) and a 60 MW captive power plant to harness flue gases and steam from CDQ. These power plants would cater to the power requirements of the Phase II expansion to 10 MTPA are expected to be commissioned during the first half FY 2021-22. These power plants operate through the waste gases and heat generated from operations, an environmentally friendly and cost efficient source.
- + Around 110 zones cleared the 3S level and are under 5S implementation. The facility completed 150 improvement projects during the year and has achieved an 83% OTIF (On-Time-In-Full) for a recently adopted delivery process under Cross Functional Management programme.
- + JSW Dolvi Works has been focusing on utilising digitalisation in its TQM journey to accelerate, penetrate and expand its reach to everyone. The Business Excellence team of Dolvi and IT team of Vijayanagar have been working together on Digitisation & Automation of various TQM activities. The TQM Monitoring System (TMS) will cover all activities such as Kaizen, 5S, Jishu Hozen (JH), Quality Control Circle (QCC), improvement projects and Daily Work Management (DWM). Every activity, practiced by employees and associates at all levels, is driven by respective activity experts and follows a well-defined approval hierarchy.

Other key Initiatives

- + The plant is on-track its TQM journey. A total of 9000+ Kaizens were implemented in the fiscal year, with 650+ Quality Circle Projects being completed.

Health and safety

JSW Dolvi Works launched many initiatives during the fiscal year keeping in with the Company's Health and Safety goals. In FY 2020-21, a High-Risk Audit was carried out by British Safety Council, following which a Process Safety Management Implementation Drive was launched to establish robust management system for preventing

catastrophic and high potential damage. The facility also launched Implementation of Emergency Response and Control Plan in Operations to strengthen emergency preparedness and enhance awareness. The employees were trained accordingly and ~60 critical scenarios are identified and mock drills on pre-incident plan were prepared.

Strategic priorities

- 01** Commissioning and stabilisation of 5 to 10 MTPA capacity expansion projects and cost saving initiatives.
- 02** Install Maximum Emission Reduction to Sinter (MEROS) to reduce the dust emission for Sinter Plant II
- 03** Commission energy saving projects like dry Gas Cleaning Plant GCP in BF resulting in increased power generation of Top Pressure Recovery Turbine (TRT) at 36 MW



5.3

Salem Works

JSW Steel's Salem plant is a large facility producing special steel in India. The plant is a major supplier to auto component producers and is a market leader in manufacturing special grade steel used in gears, crank shafts and bearings.

The strategic location of the Salem plant allows it to cater to the needs of the major auto hubs in southern India. Located nearly 340 km from Chennai and 180 km from Bengaluru, it is well connected through rail, road and sea, which facilitates the transportation of raw materials and finished products.

100%
Utilisation of waste generated

~70%
Captive power generated via waste heat recovery

Competitive strengths

01

Pioneer in special steel

Salem Works is a special steels plant with 1 MTPA capacity. The unit has the ability to manufacture a wide range of sizes and grades all under one roof. Currently, Salem Works produces about 850 special grades of steel.

02

Sustainable processes

Salem Works is distinguished as a leading virgin special steel producer with 100% waste utilisation. Moreover, over 70% of captive power generation is done through waste heat. The facility is also one of the few plants to use Energy Optimising Furnace (EOF) for special steel production, which leads to high operational efficiency with improved energy savings while lowering noise levels and dust emission.

Operational highlights

- + A substantial amount of iron ore lumps and fines were procured from JSW's Odisha mines through direct rail movement. The backward integration ensured timely availability of raw material and further reduced multiple handling as the movement of material was through direct rail mode.
- + The plant successfully integrated documents related to various standards (QMS, EMS and OHS) into Integrated Management System (IMS). Now, one document will address all the standards requirements. This initiative simplified the documentation and eliminated duplication and multiple documentation.

Other key initiatives

- + BRM Upgradation of Cooling Bed/C Hook to improve productivity
- + Additional Cooling Bed and Abrasive Saw at Blooming Mill to improve productivity
- + Goliath Crane for safe handling and dispatch of as-cast Materials
- + Liquid Oxygen Backup system for emergency supply of Oxygen to SMS
- + Design and installation of single higher capacity fan at EOF for energy saving
- + Advanced MPI Inspection facilities with Grinding station to improve inspection rates
- + Installation of Slag Raking Machine for clean steel

Health and safety

In FY 2020-21, the plant successfully launched digital safety system using Artificial Intelligence for alerting unsafe situations. So far, the software has been developed to identify and alert 23 anomalies that can lead to incidents such as PPE violations, over speeding,

entering restricted areas, no parking areas, vehicle collision and fire detection among others. The facility has also created training module for all visitors and truck drivers entering the plant. Most importantly, the plant transitioned from the current Occupational Health & Safety Management system of OHSAS 18001:2007 to ISO45001: 2018.

Strategic priorities

01

Create a Tipper Conveyor System for handling bulk raw materials

02

PCI upgradation to increase coal injection in BF

03

Pusher Charging System to improve productivity in Coke Oven Plant

04

Creation of dedicated Environment Lab inside plant.

05

Installation of LNG unit to minimise the energy consumption and reduction in GHG emission.

6.0 | Financial review

6.1

Standalone

Key financial parameters

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change %
Revenue from Operations	70,727	64,262	10
Other Income	669	628	7
Operating EBITDA	19,259	12,517	54
EBITDA Margin	27.2%	19.5%	40
Depreciation and Amortisation Expense	3,781	3,522	7
Finance Costs	3,565	4,022	-11
Profit before Exceptional Items	12,582	5,601	125
Exceptional Items	386	1,309	-71
Tax Expense/(Credit)	3,803	(999)	481
PAT	8,393	5,291	59
Earnings Per Share (diluted) (₹)	34.72	21.89	59

FY 2020-21 was an unprecedented year for India and the world, with the outbreak of the COVID-19 pandemic and subsequent severe restrictions on mobility and physical proximity. The near-halt in economic activities during the first two months of the financial year dragged domestic steel consumption down, with far-reaching consequences

for India's GDP trajectory. As economic activities resumed following phased unlocking, domestic steel demand recorded a sharp rebound, backed by the government's clear direction to revive growth. Business and consumer demand improved in the second half with higher demand and pricing.



15.08 MnT

Crude steel production

⬇️ 6% y-o-y

3.7 MnT

Exports

⬆️ 41% y-o-y

25%

Exports as a % total sales
(18% in FY 2019-20)

6.1.1

Production and sales

The Company was able to gradually normalise its operations from Q2 FY 2020-21, and ramp up production to cater to the surge in demand following the pick-up in economic activity in India and globally. The average capacity utilisation levels reached ~96% in March 2021 and average for the year was 84%. Amid the macroeconomic headwinds and operational challenges, JSW Steel largely achieved its crude steel production guidance with 15.08 MnT, down 6% y-o-y. The Company achieved 99% of its revised crude steel production volume guidance of 15.2 MnT for FY 2020-21.

Sales volume came in at 14.88 MnT, remaining flat y-o-y and largely in line with the guidance of 15 MnT. JSW Steel exported 3.7 MnT of steel, up 41% y-o-y. Exports accounted for 25% of total sales, up from 18% in FY 2019-20, as the Company strategically managed sales mix between domestic and international markets based on demand supply dynamics. Sales of Value-added and Special Products (VASP) accounted for 52% of the total sales volume for the year. The Company has established strong brands over the years, and branded products' sales stood at 48% of the total retail sales.

6.1.2

Revenue and EBITDA

Revenue from operations rose 10% y-o-y to ₹70,727 crore, backed by strong pricing and robust domestic demand. The increase was primarily due to an 11% increase in sales realisation as well as sale of iron ore from Odisha mines.

The Company continues to focus on backward integration by investing in its resource base to secure critical raw materials for the steel-making operations. Mining operations began in all the newly acquired mines in Karnataka and Odisha during FY 2020-21. Overall despatches from captive mines during the year constituted 35% of iron ore requirements of the Company, and this ensured production continuity in an environment of

challenged availability and volatile pricing of iron ore.

Cost reduction strategies like optimising fuel consumption at blast furnaces, reducing coke moisture, utilisation of pipe conveyor system for the transport of iron ore from mines to reduce supply chain costs also helped the Company bring down costs on a y-o-y basis. The Company also undertook multiple initiatives to improve efficiencies by leveraging technological and digitalisation tools, reducing fixed cost base, optimising procurement costs, conserving liquidity, and ramping up sales and marketing efforts to find new markets and customers to remain competitive.

₹19,259 crore

Highest-ever operating EBITDA achieved in FY 2020-21

⬆️ 54%

₹8,393 crore

Net Profit in FY 2020-21

⬆️ 59% y-o-y

The Company achieved its highest ever annual Operating EBITDA of ₹19,259 crore, up by 54% y-o-y with an EBITDA margin of 27.2%, led by enhanced spreads, favourable product mix, lower coking prices and power costs. This was partly offset by higher prices of iron ore, which almost doubled in view of the increase in global iron ore prices and shortage of iron ore in the domestic market.

Overall Results

As a result, net profit for the year increased to ₹8,393 crore from ₹5,291 crore in FY 2019-20.

The Company's total net debt gearing was at 0.90 as on March 31, 2021 and Net Debt to EBITDA stood at 2.20 as on March 31, 2021.

Revenue analysis

₹ (in crore)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Domestic Turnover	54,732	52,326	2,406	5
Export Turnover	14,726	9,989	4,737	47
Total Turnover	69,458	62,315	7,143	11
Other Operating Revenues	1,269	1,947	(678)	(35)
	70,727	64,262	6,465	10

6.1.2.1

Product-wise sales

Product-wise quantity break-up

(MnT)			
Particulars	FY 2020-21	FY 2019-20	Change %
Products			
Rolled Products – Flat	11.00	10.92	1
Rolled Products – Long	3.15	3.52	-11
Semis	0.73	0.63	16
Total Saleable Steel	14.88	15.08	-1

Domestic steel demand during the year was impacted by the pandemic-induced disruptions, general lack of liquidity, softer investment cycle and weaker sentiment, which was reflected in slow automotive and consumer durables momentum during the first half. This resulted in lower sales volumes and accumulation of inventory

across the industry. In the first two quarters, JSW Steel strategically focused on exports, which enabled it to stay resilient and grow exports by 41% y-o-y. As domestic demand picked up in H2 FY 2020-21, JSW Steel accelerated domestic sales rapidly.

6.1.2.2

Other Operating Income

Overall other operating revenue was lower by ₹678 crore, largely due to the recognition of the certain one-time income as other operating revenue in FY 2019-20.

However, the reduction in other operating income was partially offset by higher exports benefits and higher Export Promotion Capital Goods (EPCG) grant income due to higher exports during the year under review.

6.1.3

Other Income

₹ (in crore)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Other Income	669	628	41	7

Other income rose due to higher interest income from loans extended to subsidiaries.

6.1.4

Materials

₹ (in crore)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Cost of Materials Consumed (including purchase of traded goods and change in inventory)	28,070	33,466	(5,396)	-16
Mining Premium and Royalties	6,972	651	6,321	971
Total	35,042	34,117	925	3

The expenditure on material consumption decline by 16% y-o-y to ₹28,070 crore and the mining premium and royalties increased to ₹6,972 crore primarily on account of

21.0% increase in iron ore prices, this was partly offset by lower coking coal prices by 20.1% and 6% lower production volumes.

6.1.5

Employee Benefits Expenses

₹ (in crore)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Employee Remuneration and Benefits	1,501	1,496	5	0.3

Employee benefits expenses were marginally higher in FY 2020-21. The overall headcount reduced marginally to 13,128 as on March 31, 2021 vis-à-vis 13,159 as on March 31, 2020.

6.1.6

Manufacturing and Other Expenses

₹ (in crore)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Other Expenses	14,925	16,132	(1,207)	-7

Manufacturing and other expenses decreased 7% y-o-y to ₹14,925 crore primarily due to lower production.

Power and fuel costs decreased by 6% primarily due to lower steam coal prices by 6%, reduced power purchases and lower natural gas prices.

Stores and spares consumption decreased 16%, due to lower prices of electrodes and refractories, and reduced consumption of imported mechanical and electrical spares as the plant operations were partially suspended in the first quarter of FY 2020-21.

Freight expenses increased by 8% primarily due to freight costs incurred on increased export sales volumes.

6.1.7

Finance Cost

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Finance Cost	3,565	4,022	(457)	-11

The finance cost decreased 11% y-o-y to ₹3,565 crore primarily due to lower working capital requirements largely driven by liquidation of inventories and repayment of term loans through improved cash accruals.

6.1.8

Depreciation and Amortisation

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Depreciation and Amortisation	3,781	3,522	259	7

Depreciation and amortisation increased 7% y-o-y to ₹3,781 crore due to depreciation charged on asset capitalisation for projects and sustenance capex. Further,

amortisation costs were higher on account of amortisation of mining assets as the Company commenced mining operations in Odisha iron ore mines.

6.1.9

Tax Expense/Credit

The tax expense for the year was ₹3,803 crore in FY 2020-21, compared with tax credit of ₹999 crore in FY 2019-20. The effective tax rate during the year was 31.18%. The Company had a tax credit of

₹999 crore in FY 2019-20 primarily on account of a reversal of deferred tax liability of ₹2,150 crore due to expected transition to the new tax regime.

6.1.10

Exceptional Items

Exceptional items represent impairment provision of ₹386 crore on value of loans given and interest receivable from overseas subsidiaries on the assessment of

recoverable value of the US operations determined by independent external valuers using cash flow projections.

6.1.11

Property, Plant and Equipment

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Tangible Assets	46,167	46,117	50	0
Capital Work-in-Progress	28,914	23,810	5,104	21
Right to Use Asset	4,161	4,102	59	1
Intangible Assets	1,614	323	1,291	400
Intangible Assets under Development	128	331	(203)	-61
Total	80,984	74,683	6,301	8

Net block of Property, Plant and Equipment increased by ₹6,301 crore primarily on account of intangible assets capitalised on account of operationalisation of new mines at Odisha and Karnataka including restoration obligation

and capital expenditure incurred for capacity expansion from 5 MTPA to 10 MTPA at Dolvi and investments in CRM-1 expansion at Vijayanagar, and other capacity augmentation and cost-saving projects.

6.1.12

Investments

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Investments in Subsidiaries, Associates and Joint Ventures	6,676	4,757	1,919	40
Other Investments	5,782	1,242	4,540	366
Total	12,458	5,999	6,459	108

Investment increased primarily due to additional investment of ₹5,087 crore in Piombino Steel Limited on account of acquisition of Bhushan Power and Steel Limited and in JSW Steel Coated Products Limited for acquisition of Asian Colour Coated Ispat Limited. Further, the increase in investments is also attributable to share price appreciation of JSW Energy Limited which is fair valued through OCI.

6.1.13

Loans

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Non-current Loans	5,382	8,705	(3,323)	-38
Current Loans	733	321	412	128

Loans and advances decreased primarily due to repayment of loans by certain overseas subsidiaries.

6.1.14

Other Financial Assets

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Other Non-current Financial Assets	1,971	562	1,409	250
Other Current Financial Assets	1,348	2,794	(1,446)	-52

Increase in other financial assets was primarily due to re-assessment of GST incentive receivable.

6.1.15

Other Non-Financial Assets

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Other Non-Current Assets	2,394	2,378	16	1
Other Current Assets	1,765	1,795	(30)	-2

There was no major change in the other non-financial assets.

6.1.16

Trade Receivables

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Total Debtors	3,525	3,319	206	6
Less: Provision for Doubtful Debts	(192)	(153)	(39)	26
Trade Receivables	3,333	3,166	167	5

The average collection period as on March 31, 2021 was 18 days compared to 19 days as on March 31, 2020, primarily on account of improved market sentiments.

6.1.17

Inventories

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Raw Materials	4,372	4,110	262	6
Work-in-Progress	539	414	125	30
Semi-Finished/Finished Goods	4,112	3,343	769	23
Production Consumables and Stores & Spares	1,668	1,734	(66)	-4
Others	1	22	(21)	95
Total	10,692	9,623	1,069	11

Average Raw Materials inventory (including own mines iron ore) holding as on March 31, 2021 increased to 69 days compared to 44 days in FY 2019-20 primarily due to replenishment of iron ore inventory.

Average Finished goods inventory holding reduced to 13 days for FY 2020-21, compared to 24 days in FY 2019-20 on liquidation of inventory to meet the robust demand from domestic and export markets.

6.1.18

Cash and Bank Balances

₹ (in crore)

Particulars	FY 2020-21	FY 2019-20	Change	Change %
Cash and Cash Equivalents	11,121	3,438	7,683	223
Bank and Bank Balances	625	7,963	(7,338)	-92

To meet short-term cash commitments, the Company parks surplus funds in short-term and highly liquid instruments which represent cash and cash equivalents.

6.1.19

Borrowings

₹ (in crore)

	FY 2020-21	FY 2019-20	Change	Change %
Long-term Borrowings (including Current Maturities of Long-term Debt)	46,470	44,356	2,114	5
Short-term Borrowings	1,285	6,813	(5,528)	-81

Long-term borrowings (including current maturity of long-term debt) increased as the Company repaid short-term loans and availed longer maturity loans to elongate debt maturity profile.

6.1.20

Trade Payables

₹ (in crore)

	FY 2020-21	FY 2019-20	Change	Change %
Acceptances	7,137	8,056	(919)	-11
Other than Acceptances	5,013	5,298	(285)	-5
Total Trade Payables	12,150	13,354	(1,204)	-9

Trade payables decreased by ₹1204 crore primarily due to repayment of acceptances through improved cash accruals.

6.1.21

Other Financial Liabilities

₹ (in crore)

	FY 2020-21	FY 2019-20	Change	Change %
Other Financial Liabilities	1,173	1,308	(135)	-10
Lease Liabilities	3,338	3,489	(150)	-4
Other Current Financial Liabilities (excluding Current Maturities of Long-term Debt)	11,631	6,871	4,760	69

Other current financial liabilities (excluding current maturities of long-term borrowings and finance lease obligations) increased mainly due to payables for capital projects including capital acceptances, provision for bid premium/royalties for own mines and deferred compensation payable for the PCMD division acquisition from Welspun Corp Limited.

6.1.22

Deferred Tax Liabilities

₹ (in crore)

	FY 2020-21	FY 2019-20	Change	Change %
Deferred Tax Liabilities	5,631	5,511	120	2
MAT Credit	(2,536)	(4,196)	1,660	-40
	3,095	1,315	1,780	35

The MAT credit entitlement reduced during the year as the Company utilised it towards payment of income tax as the normal taxable profits were higher compared to the MAT taxable profits.

6.1.23

Capital Employed

Total capital employed decreased 8% y-o-y to ₹63,465 crore in FY 2020-21 primarily due to working capital

reduction. Return on average capital employed was at 23.4%.

6.1.24

Own Funds

JSW Steel's net worth increased from ₹38,362 crore to ₹46,977 crore as on March 31, 2021.

The book value per share was at ₹194.34 as on March 31, 2021, up from ₹158.70 as on March 31, 2020.

6.1.25

Other Key Financial Indicators

₹ (in crore)

Ratios	Reason for change	FY 2020-21	FY 2019-20	Change	Change %
Debtors Turnover (no. of days)	Improved market sentiments	18	19	(1)	-5
Raw Material Inventory (including own mines) Turnover (no. of days)	Replenishment of iron ore inventory	69	44	25	57
Finished Goods Inventory Turnover (no. of days)	Liquidation of inventory due to robust demand from domestic and export markets	13	24	-11	-46
Inventory Turnover (no. of days)	Increase in iron ore stock inventory partially offset by liquidation of finished goods inventory	76	68	8	12
Interest Coverage Ratio (times)	Increase in EBITDA together with a reduction in the interest outgo	6.52	3.61	2.91	81
Current Ratio (times)	Marginal	0.80	0.83	(0.03)	-3
Debt Equity Ratio (times)	Increase in equity due to improved profitability and cash flow	1.02	1.33	(0.31)	-24
Operating EBITDA Margin (%)	Enriched product mix and improved realisations on higher demand and increased steel prices	27.2	19.5	7.7%	40
Net Profit Margin (%)	Increased profitability driven by a buoyant demand and pricing environment and lower finance costs	11.9	8.2	3.7%	44
Return on Net Worth	Increase in EBITDA margins and profitability	17.9%	13.8%	4.1%	30



6.1

Consolidated

The Company reported consolidated revenue from operations, operating EBITDA and net profit after tax of ₹79,839 crore, ₹20,141 crore, and ₹7,873 crore,

respectively. The Company's consolidated financial statements include the financial performance of the following subsidiaries and joint ventures.

6.2.1

Subsidiaries

- | | |
|-------------------------------------|--|
| 1. JSW Steel (Netherlands) B.V. | 22. JSW Natural Resources Mozambique Limitada |
| 2. JSW Steel (UK) Limited | 23. JSW ADMS Carvo Lda |
| 3. Periana Holdings, LLC | 24. Nippon Ispat Singapore (PTE) Limited |
| 4. JSW Steel (USA) Inc. | 25. Erebus Limited |
| 5. Purest Energy, LLC | 26. Arima Holding Limited |
| 6. Meadow Creek Minerals, LLC | 27. Lakeland Securities Limited |
| 7. Hutchinson Minerals, LLC | 28. Acero Junction Holdings, Inc. |
| 8. R.C. Minerals, LLC | 29. JSW Steel USA Ohio, Inc. |
| 9. Keenan Minerals, LLC | 30. JSW Steel Italy S.r.l. |
| 10. Peace Leasing, LLC | 31. JSW Steel Italy Piombino S.p.A. |
| 11. Prime Coal, LLC | 32. Piombino Logistics S.p.A. – A JSW Enterprise |
| 12. Planck Holdings, LLC | 33. GSI Lucchini S.p.A. |
| 13. Rolling S Augering, LLC | 34. JSW Steel Coated Products Limited |
| 14. Periana Handling, LLC | 35. Amba River Coke Limited |
| 15. Lower Hutchinson Minerals, LLC | 36. JSW Jharkhand Steel Limited |
| 16. Caretta Minerals, LLC | 37. JSW Bengal Steel Limited |
| 17. JSW Panama Holdings Corporation | 38. JSW Natural Resources India Limited |
| 18. Inversiones Eurosh Limitada | 39. JSW Energy (Bengal) Limited |
| 19. Santa Fe Mining | 40. JSW Natural Resource Bengal Limited |
| 20. Santa Fe Puerto S.A. | 41. Peddar Realty Private Limited |
| 21. JSW Natural Resources Limited | 42. JSW Realty & Infrastructure Private Limited |

- 43. JSW Industrial Gases Private Limited
- 44. JSW Utkal Steel Limited
- 45. Hasaud Steel Limited
- 46. JSW One Platforms Limited (formerly known as JSW Retail Limited)
- 47. Makler Private Limited (w.e.f. June 6, 2019 up to March 25, 2021)
- 48. Piombino Steel Limited (w.e.f. June 6, 2019 up to March 26, 2021)

- 49. JSW Vijayanagar Metallics Limited (w.e.f. December 24, 2019)
- 50. Vardhman Industries Limited (w.e.f. December 31, 2019)
- 51. JSW Vallabh Tin Plate Private Limited (w.e.f. December 31, 2019)
- 52. Asian Color Coated Limited (w.e.f. October 27, 2020)
- 53. JSW Retail and Distribution Limited (w.e.f. March 15, 2021)

6.2.2

Jointly Controlled Entities

- | | |
|--|---|
| 1. JSW Severfield Structures Limited | 7. Creixent Special Steels Limited |
| 2. JSW Structural Metal Decking Limited | 8. JSW Ispat Special Products Limited (formerly known as Monnet Ispat & Energy Limited) |
| 3. Rohne Coal Company Private Limited | 9. Piombino Steel Limited (w.e.f. March 27, 2021) |
| 4. JSW MI Steel Service Center Private Limited | 10. Bhushan Power and Steel Limited (w.e.f. March 27, 2021) |
| 5. Vijayanagar Minerals Private Limited | |
| 6. Gourangdih Coal Limited | |

More information on the performance of these subsidiaries and jointly controlled entities is available in the Directors' Report (Page 256) and Form AOC - 1 (Page 548)

JSW Steel is set to continue on its journey of better performance, every year. The Company expects to further increase its manufacturing scale, market presence, profit margins, and overall efficiency as it steps on to the next wave of growth. JSW Steel

expects to achieve its ambitions while maintaining its leverage under stated limits, and continuing to deliver superior investor returns, and meeting sustainability obligations by going beyond norms.

7.0 | Talent management

JSW Steel focuses not just making good steel but also on building great careers. It manages its diverse talent pool of capable and ambitious professionals by offering a nurturing environment, benchmarked compensation, accelerated, merit-based career-progression and best-in-class people policies. JSW Steel's employee value proposition follows a timeless culture that prioritises high-performance, efficiency, safety and integrity. Together, JSW Steel and its people make #BetterEveryday possible for all stakeholders.

Flexibility and adaptability are key tenets of the culture at JSW Steel. As the COVID-19 outbreak disrupted normal working life, the Company emphasised on employee

health and well-being above all else. At the same time, in keeping with its key cultural tenets of flexibility and adaptability, it moved swiftly to enable an efficient work-from-home model, that saw the rapid introduction of systems and tools. Continuous training towards gaining new skills and competencies, as well as regular engagement was also initiated.

The talent management function regularly focuses on four key areas of human capital – Learning & Development, JSW Springboard – the flagship career development initiative for women, Campus Connect and e-learning initiatives.

Learning & Development

Continuous learning and professional development is a core part of JSW Steel's #BetterEveryday ethos. Multiple on-the-job, classroom and other forms of trainings, learning opportunities and structured programmes are

offered to the employees in order to help build world-class competencies, regularly reskill and upskill and provide an environment of continuous improvement.

Future Fit Leaders

In order to create leaders who will helm the future phases of JSW Steel's growth, 'Future Fit Leaders' programme was launched in 2016. The objective is to identify potential Future Fit Leaders (FFLs), nurture their talent and make a positive impact on their career progress. The programme involves a comprehensive leadership capability development journey that includes a structured framework to impart training and development. In FY 2020-21, the FFL identification was anchored on the 3A construct which comprise three distinct elements – Agility, Ability and Aspiration. This unique lens helped the Company view and groom talent holistically. There

was significant progress across multiple facets of this programme during the year, as given below.

- + 978 high performers across businesses underwent cognitive ability assessments as part of Phase I. This was done through 21 Virtual Development Centres across bands between February and March 2020, post which 324 selected employees moved to Phase II in FY 2020-21
- + 68 FFLs across bands were identified to taken through their development journey, going forward

JSW Springboard

The Diversity and Inclusion Policy of JSW Steel was unveiled in FY 2018-19, and the Company relentlessly strives to ensure a culture of having diverse backgrounds and talents assimilated into its workforce. One of the key focus areas remains to encourage more and more women to be a part of the JSW Steel team. As a leading manufacturing company in India, JSW Steel has been consistent in its efforts to create more opportunities and provide a safe and empowered working environment for women. JSW Springboard is the Company's flagship initiative for career development for female employees.



JSW Steel is among the 100 Best Places to Work for Women for the 3rd consecutive year*

91

Women employees assessed in 2020 for Springboard

*By Working Mother and Avtar

Some key highlights for the JSW Springboard programme in FY 2020-21 are as follows:

- + The Springboard continues with IIM Bangalore Women Leadership Journey Batch 2. The Company has a group of 21 high performing women going through a development journey designed and delivered by IIM Bangalore to enhance their capability to become a future leader
- + The pedagogy of the programme revolves around the needs which were highlighted by the Development Centre and focuses on broad themes of JSW Potential Framework
- + Topics range right from Self Awareness, Career Management, Personal Branding, to strategic topics like Macro Economics, Industry Analysis, Digitalisation and the programme also focused on leadership skills with topics like Influence Tactics and Skills to Leading Change
- + The participants are also going through a structured Individual Development Plan as well as Action Learning Projects to implement learnings

7.1

JSW Campus Connect initiatives

JSW Steel has been playing a key role in shaping the careers of young professionals across India. Its various internship programmes with their structured approach, strong mentorship and meticulous evaluation process act as a career launchpad for aspiring talents. The Company has multiple programmes and initiatives under which many students have been inducted and made part of the organisation.

Key highlights of the Campus Connect initiatives:

Phase I Graduate programme (SIP)

8 batches completed and 48 PPOs accepted

Phase II Graduate programme (SIP)

5 batches completed

Phase III Graduate programme (SIP)

4 batches completed and 46 PPOs accepted

7.2

E-learning initiatives

To adapt to the dynamic business environment, JSW Steel has curated a wide spectrum of courses ranging from behavioural, interpersonal and functional skills. The employees have the flexibility to hone their skills and take up e-learning courses anytime and anywhere. This has been enabled by the launch of the 'Percipio' app last year.

- + In FY 2020-21, JSW pivoted quickly toward virtual facilitator-led learning environment and launched JSW – Virtual Academy. This new age learning received

overwhelming response, as it runs advanced and engaging learning programmes through the use of top-notch facilitators, videos, interactive slides, games and simulations. Everything else, remaining the same, JSW classroom learning was converted into a virtual format

- + During the year, JSW covered a total of 1,06,245 learning hours in the development of its people, leveraging continuous learning opportunities that are customised for the individual in an on-demand, digital environment

8.0 | Sustainability



JSW Group's Sustainability Vision

JSW Group's vision is that we are able, both now and in the future, to demonstrably contribute in a socially, ethically and environmentally-responsible way to the development of a society where the needs of all are met, and to do so in a manner that does not compromise the ability of those that come after us to meet the needs of their own, future generations.

JSW Steel has ingrained sustainability across every aspect of its value chain in a manner that is now a core consideration for operations. From efficient and environment-friendly operations to sustainable mining and extended product responsibility, the Company has mainstreamed sustainability in its business. Ranked as a Sustainability Champion by the World Steel Association (worldsteel) consecutively, the Company has been recognised globally for its efforts in executing its Environmental, Social and Governance priorities and optimising its footprint.

In FY 2019-20, JSW Steel formalised its 2030 goals under 17 sustainability focus areas, falling under Environmental, Social and Governance aspects. The Company continues to progress across these focus areas and is driving innovative practices such as Carbon Capture and Utilisation to build climate resilience, making paver blocks from slag and contributing to a circular economy. The Company aims to be part of a large-scale solution to the environmental concerns the world is facing right now, pitching steel as a sustainable material, and its value-chain as increasingly greener.

Sustainability survey

A survey was conducted in September 2020 to assess the prevailing patterns in understanding, expectations and opinions of JSW's employees regarding sustainability. This was done with a view to align the Company's sustainability ambitions with the team, and to cascade a unified vision from the Boardroom to the shopfloor. Employees from all verticals and levels participated in the survey, making the outcome representative and participative. Among the key findings thrown up by the survey is the fact that while there was awareness, there was also a desire to learn more about the concepts and practices related to sustainability. Interestingly, over 50% respondents reported that issues related to sustainability have been a topic of discussion in their respective departments. The survey also yielded another key insight – JSW Steel employees are very keen to help make the organisation increasingly responsible and would prefer for sustainability to be a key topic of deliberation on a regular basis, such that it gets completely ingrained into day-to-day working and is a key factor for decisions.

17

Sustainability focus areas

JSW Steel is committed to reducing specific GHG emissions from its three ISPs to less than 2.0 tCO₂/tcs by 2030 and achieve carbon neutrality at JSW Steel Coated Products within the same period.

9.0 | Corporate social responsibility

9.1

Overview

JSW Steel was awarded the S&P Platts Global Metal Award in the CSR category. JSW Steel was recognised for its positive impact on a million lives through its CSR efforts.

A core tenet of JSW Steel's ESG focus is its commitment to social responsibility. The largest contributor to the Group-led JSW Foundation, JSW Steel is committed to nation-building and community welfare. The core philosophy of the Company's social intervention programmes is to work closely with communities living around its operations and beyond and initiate self-sustaining ecosystems for the long term.

Through the Foundation, JSW Steel has deployed a strategic inclusive development approach that encompasses preserving and building drinking water resources, building better sanitation facilities, conserving environment, providing health and nutrition amenities, providing quality education, creating platforms for skill-building and livelihoods, promoting sports and art, culture and heritage. In FY 2020-21, the efforts were also directed to COVID-19 relief interventions, in addition to regular CSR efforts.



9.2

Leading the way in battling the pandemic

As the COVID-19 pandemic spread across the country, JSW Steel focused on ways to help and safeguard the communities.

In Vijayanagar, the planning and implementation phase began by taking a stock of the number of lives and villages around the facility, to gauge the probable impact of the pandemic. With over 30,000 employees and a community of Bellary, Hospet, Sandur and several villages, the plant had a mammoth task on hand. Vijayanagar Works formed multi-level taskforce teams along with various Support Service Groups. The 24X7 help desks addressed over 1.95 lakh queries and the teams helped build awareness across the township and local community. Three dedicated care centres were set-up in

the township and the O.P. Jindal Vocational Training Centre (OPJC) in Vijayanagar was converted into COVID Care Centre. The plant provided ₹5 crore worth of food supplies for the needy people in the Bellary district and reached 38,000 people through awareness sessions across 7100 households in 13 villages. The teams also conducted door-to-door screening in 6,000 households covering around 22,000 individuals in five surrounding villages. With Akshaypatra Kitchen, JSW Foundation provided over 5,80,000 meals (16,000 meals per day) during the lockdown period (April and May) to the locals and migrant workers in five surrounding villages. Almost 320 tons/day of oxygen supply was provided across Karnataka and neighbouring states.

5,80,000

Number of meals provided during 5 weeks of lockdown in association with Akshaypatra Foundation

Taskforce Team

- + Containment Arrangement
- + Quarantine Arrangement
- + Contact Tracing
- + Hospital Co-ordination
- + Reporting

Support Service Groups

- + Coordination for patients at Government Hospitals
- + Food/ catering services
- + Counselling and details collection
- + Attending Distress Calls
- + Discharges and travel arrangement



Similarly, Dolvi Works, in partnership with the state government, set up a 50-bed Isolation Ward in Sub-District Hospital at Pen using minimum resources just in 12 days. The plant also took innovative steps to ensure the safety of the staff by building an in-house disinfection tunnel that was installed at the entry of the premises. The tunnel was designed in-house by the JSW Central Repair and Fabrication Shop and Central Electrical Team. The employees were sprayed with a broad-spectrum disinfectant reducing the number of germs on each person and similar initiatives were then undertaken across all plants.

75-bed COVID Care Centre

Developed by JSW Steel Coated Products Ltd

During the COVID-19 Pandemic the team of JSW Steel Coated Products Ltd. distributed 16,460 kg of food grains, including essentials through the Public Distribution System and NGOs. The unit also developed a 75-bed ward in COVID Care Centre by donating beds, mattresses, pillows and bedding and developed 2 SWAB collection kiosks. The on-ground medical team was assisted by providing 79 thermal guns and 75 Pulse Oximeters, masks, sanitisers and cough and cold medicine to equip the Government Primary Hospital Team to deal with the pandemic.

10.0 | Occupational health and safety

Safety is a core focus area at JSW Steel. The Company is committed to providing a safe, healthy and conducive working environment for all employees. An injury and illness free workplace is a key objective across the Group,



01

10 JSW Critical Safety Rules

Introduced across all sites, these rules cover the most critical safety hazards and were crafted based on learnings from past incidents.



03

Health & Safety (H&S) performance management

The Company has set business-level and site-level annual H&S priorities and targets for FY 2020-21 and has also introduced individual safety KRAs and site-level safety KRAs in the goal-setting process for all employees. The site H&S KPIs are being tracked with leading and lagging indicators.

and a fully integrated Health & Safety (H&S) system is one of the core values. JSW Steel continues to implement various initiatives under the 'VISION 000' umbrella. Some of the steps taken during the year are:



02

Safety E-learning modules

The e-learning modules were launched covering high-risk areas – Working at Height, Lock-out Tag-out (LOTO), Confined Space, Permit to Work and PPEs.



04

Technology and digitalisation for safety compliance

Digital as a platform is being piloted to detect, analyse, generate insights on real-time safety anomalies – real-time alerts on non-adherence of SOPs, automated reporting, etc. A New Safety Mobile App has been launched for safety observations (SOs) and incident tracking. The sites use digital tool for safety inspection to enable tracking of findings and closure rate of gaps.

11.0 | Risk management

JSW Steel follows the globally recognised 'COSO' framework of Enterprise Risk Management. ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to maximise sustainable value to all the activities of the organisation and to its stakeholders.

The Company recognises that the emerging and identified risks need to be managed and mitigated to:

- + protect its shareholders and other stakeholders' interests
- + achieve its business objective
- + enable sustainable growth

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations,

2015 and Clause 49 of the erstwhile Listing Agreement, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management framework to ensure resilience such that:

- + Intended risks, say growth, are taken prudently so as to plan for the best and be prepared for the worst
- + Execution of decided strategies and plan with focus on action
- + Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting)

The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews, among others.

