

# Sustainable Steel for a Better Everyday



A true visionary,  
A legendary industrialist,  
A great philanthropist,  
A legacy that will always be cherished!

---

**Shri O.P. Jindal** | 7th August 1930 - 31st March 2005  
Founder and Visionary, O. P. Jindal Group

---

**His life was an inspirational journey leading millions to  
follow the enlightened path.**

**We will always carry on his values, an epitome of  
indomitable courage, endurance and integrity, his legacy will  
always remain with us. As we take leaps towards the future,  
we are fully committed to honour his vision and keep his  
legacy alive & carrying it forward to greater heights.**

JSW Steel is India's leading and one of the world's most efficient integrated steelmakers. We are progressing responsibly across markets with innovation, digitalisation and sustainability as our key anchors. With efficient integrated operations and a clear vision for the future, we are executing our strategic growth plan in line with India's increasing appetite for steel, to drive its sustainable development story.

**We are a reliable partner in nation building.**

**We are JSW Steel.**

## 27 MTPA

Domestic crude steel capacity  
(Including BPSL and JSW Ispat  
Special Products Ltd.)

## 37 MTPA

Expected domestic capacity by  
FY 2024-25

## 1.5 MNTPA

International presence (JSW Steel USA)

## ~12.6 MTPA

Downstream steel capacity

## 500+

New branded stores

## 100+ countries

Export footprint

## 13

Captive iron ore mines

## 13,000+

Direct employees

International presence in value  
added facilities (US, Italy)

Technology competence Combination of state-of-the-art steel  
making technologies : Corex, DRI, Conarc, Blast Furnace, BOF



## Corporate Overview

4

FY 2021-22 Highlights 4

Message from the Chairman & Managing Director 6

## Management Discussion and Analysis

10



## Statutory Reports

66

Business Responsibility and Sustainability Report 66

Directors' Report 94

Report on Corporate Governance 139



## Financial Statements

Standalone		Consolidated	
Independent Auditor's Report	172	Independent Auditor's Report	284
Balance Sheet	184	Balance Sheet	294
Statement of Profit and Loss	185	Statement of Profit and Loss	295
Statement of Changes in Equity	186	Statement of Changes in Equity	296
Statement of Cash Flows	187	Statement of Cash Flows	297
Notes	189	Notes	299
		Form AOC-I	405
		Financial Highlights (Standalone)	411
		Financial Highlights (Consolidated)	412
		Notice	413



# Sustainable steel for a Better Everyday

Sustainability is an everyday responsibility at JSW Steel. We are enhancing our operational efficiency every day, focusing on cost optimisation and capacity expansion to produce more sustainably. We are constantly innovating to diversify our product portfolio with low-carbon products and minimising resource use through greater efficiencies. With a consistent focus on

technology adoption and Environmental, Social, and Governance (ESG), we are equipping ourselves to deliver sustained value to all our stakeholders. With bigger and better operations at optimised costs, cleaner products and solutions, we are making sustainable steel that is to play an indispensable part in creating a Better Everyday for all.

## Financial Highlights

▲ 83% y-o-y

**₹1,46,371 crore**

Consolidated revenue from operations\*

▲ 94% y-o-y

**₹39,007 crore**

Operating EBITDA

▲ 166% y-o-y

**₹20,938 crore**

PAT

**₹1,19,280 crore**

Economic value distributed

\*Economic value generated

**₹27,090 crore**

Economic value retained

**30%**

Return on Capital employed

## Operational Highlights

▲ 29% y-o-y

**19.51 MnT**

Crude steel production

▲ 21% y-o-y

**18.18 MnT**

Saleable steel sales

**89%**

Avg. capacity utilisation\*

\*(Including Dolvi expansion of 5 MTPA)

**32.13 MnT**

Iron ore utilised (for ISPs)

▲ 61% y-o-y

**₹21,454**

EBITDA/tonne of sales<sup>#</sup>

<sup>#</sup>(Sales quantity includes JSW Steel, JSW Steel Coated Products Limited, Bhushan Power and Steel Limited (post becoming subsidiary) and JSW USA)

**60%**

Sales of value-added and special products (VASP)

**₹171 crore**

Cost savings from digitalisation

**\$136**

Conversion cost per tonne\*\*

\*\*Standalone

**43%**

Iron ore from captive mines

## ESG highlights

**2.50 tCO<sub>2</sub>/tcs**

GHG emissions intensity (Scope 1&2)

**~₹218 crore\***

CSR spend

\*Consolidated CSR spends for the year

**100%**

Board committees chaired by independent directors

**3.77 MnT**

Material recycled

**100%**

Waste utilised

**16,538.55 (000'm<sup>3</sup>)**

Water reused and recycled

# Bigger

## 01

Doubled capacities in the past 6 years

## 02

A partner of choice in India's development story; working towards building an 'Aatmanirbhar Bharat'

## 03

Driving capacity expansion across facilities

- › Dolvi's capacity doubled from 5 MTPA to 10 MTPA
- › Setting up 0.5 MTPA continuous Annealing Line at Vasind and second Tinplate line of 0.25 MTPA at Tarapur (4.11 MTPA post expansion capacity of JSW Steel Coated Products Ltd.)
- › Setting up a 5 MTPA steelmaking capacity in Vijayanagar
- › Announced as a preferred bidder for an iron ore mine in Maharashtra
- › Setting up 0.5 MTPA continuous Annealing Line at Vasind and second Tinplate line of 0.25 MTPA at Tarapur
- › New colour coating lines being set up in J&K and Rajpura, Punjab

# Better

## 01

Significant progress on our strategic priorities

## 02

Advancing on our digital journey with Industry 4.0, undertook 200+ digital initiatives

## 03

Maintaining one of the lowest conversion cost

## 04

Enabling efficient operations with protection from volatility of input costs, commodity prices, control over costs and margins

## 05

Stood as the largest Indian steel exporter during the pandemic

## 06

Mr. Sajjan Jindal, Chairman and Managing Director of JSW Steel, appointed as the Chairman of World Steel Association

## 07

Salem Steel Works became the first steel plant in the world to receive British Safety Council's Five-star rating

# Cleaner

## 01

Performing well against all ESG priorities

## 02

Recognised as the worldsteel Sustainability Champion for the fourth consecutive year

## 03

Investing significantly (₹10,000 crores) to reduce carbon emission from steel manufacturing

## 04

Transitioning to low emission steel production cycle

## 05

Robust ESG roadmap to achieve targets by 2030

## 06

Entered the S&P DJSI Sustainability Index 2021 for Emerging Markets

## 07

Maintained Leadership level (A-) in CDP climate change program

## 08

First steel company in the world to roll out USD-denominated Sustainability Linked Bonds

## 09

Providing transparency to customers through product eco-labelling - EPDs (Environmental Product Declaration) of all finished steel products and CII GreenPro certification for rebars, based on lifecycle analysis

## 10

Announced an EV policy for employees to influence consumer behaviour in decarbonising the transport sector

# A confident and sustainable future for all



---

**Sajjan Jindal**

---

**Dear Stakeholder,**

The year 2022 is a momentous one for India, as the country prepares to commemorate 75 years of its journey as an independent and progressive nation. What makes this present time even more special is that India finds itself on a springboard for rapid growth that will enhance its economic standing in the global order. This growth will be underpinned by an infrastructure push, digital inclusion and rising per capita income, with the Union Government taking the lead on capex, to 'crowd in' private investments. Steel is an integral part of this story. At JSW Steel, we invest in the country's future, and are growing hand in hand with India.

The financial year gone by was a mixed bag, with most major economies rebounding from the negative effects of COVID-19. However, commodity price volatility, soaring energy prices, lingering supply chain challenges and geopolitical conflicts have made the recovery increasingly fragile. Although global growth expectations have moderated recently, the structural demand drivers for commodities like steel remain intact.



---

## Another year of record performance

---

It gives me immense pleasure to share with you JSW Steel's record performance during the year under review, despite the second wave of the pandemic in India testing our collective resilience and threatening to derail the economic recovery. However, unlike the first wave, we did not have to shut down our plants. Domestic demand was impacted initially due to localised lockdowns, and we focused on exports to offset the impact during the second wave.

At the same time, when the nation faced severe shortage in medical-grade oxygen, we supported the government's efforts by supplying liquid oxygen from our plants to health facilities, and also by setting up COVID care facilities near our plants. The successful rollout of the world's largest vaccination drive in India saw a rapid improvement in sentiment in the second half of FY 2021-22, and we moved our focus back to the domestic market. Our capacity utilisation levels remained high at 89%, and we delivered record steel production. We continued our focus on value added and special products (VASP) in our portfolio mix, with 60% of our sales being VASP in FY 2021-22. We commissioned our 5 MTPA expansion at Dolvi during the year, which is the largest ever single phase expansion undertaken by the Indian steel industry, and comprises India's largest blast furnace and steel melt shop. Commodity inflation impacted our cost structure, with coking coal prices reaching US\$670 per tonne FOB Australia in March 2022, and energy prices at elevated levels. While steel prices rose, we also focused on cost-efficiency initiatives to protect margins.

---

**We commissioned our 5 MTPA expansion at Dolvi during the year, which is the largest ever single phase expansion undertaken by the Indian steel industry, and comprises India's largest blast furnace and steel melt shop.**

---

JSW Steel delivered its highest ever EBITDA of ₹39,007 crore and Net Profit of ₹20,938 crore. The board has proposed a record dividend of ₹17.35 per share, in line with our dividend policy.

Our balance sheet remains strong with robust cash flow generation, and the strongest credit metrics in several years. Our Net Debt-to-EBITDA, on a consolidated basis, stands at a comfortable 1.45x.

---

## Subsidiaries and acquisitions start to deliver value

---

Our subsidiaries and recent acquisitions also recorded strong performance and turnaround. We successfully consolidated the Bhushan Power and Steel (BPSL) acquisition, which delivered exceptional performance, and generated strong EBITDA and cash flows. Our Joint Venture company, JSW Ispat Special Products, improved its performance, and we have announced a merger of the company with JSW Steel, subject to requisite approvals. Our US operations turned profitable during the year.

---

## Advancing with steel, growing with India

---

Steel continues to be the essential material for newer urban constructions, mobility, and renewable energy infrastructure. Key players in the Indian and global steel industry are today focused on producing value-added steel products, made in the most efficient and responsible ways. The steel industry is poised to benefit from the global spend on infrastructure and the energy transition.

The World Steel Association is making notable strides in providing global leadership on all major strategic issues impacting the industry, particularly focusing on economic, environmental and social sustainability. I am honoured to serve as its Chairman, and I consider this to be an opportunity to contribute and collaborate with various stakeholders to create the market conditions necessary to transition to low-carbon steelmaking.

The future of the Indian steel industry is exciting with a steadily expanding domestic market. During FY 2021-22, Indian steel consumption grew to 106 MnT from the pre-pandemic level of 100 MnT. Demand is expected to grow at a healthy rate through the current decade. We view the export duties imposed on steel in May 2022 as a short-term headwind, since they have been imposed with the objective of controlling inflation. We continue to engage with the government on this matter and believe that the duties would be withdrawn once inflation moderates.

India is a cost-competitive exporter of steel, and has an opportunity to take on a larger role in the global steel trade. The Indian government continues to encourage manufacturing-led growth and merchandise exports from India. We are expanding our India capacity in a phased manner to 37 MTPA from 27 MTPA at present to tap the opportunities in the domestic as well as global markets.

India is a cost-competitive exporter of steel, and has an opportunity to take on a larger role in the global steel trade.

The expansion of our Vijayanagar plant from 12 MTPA to 19.5 MTPA is underway, and capex cost is well below global benchmarks. BPSL is being expanded to 5 MTPA. BPSL has a strong presence in the eastern India market, and being located in Odisha, it enjoys the strategic advantage of proximity to iron ore mines. The Dolvi 5 MTPA expansion was commissioned in FY 2021-22, and will be highly cost competitive as it has the best-in-class technologies for higher efficiency.

The expansion of our Vijayanagar plant from 12 MTPA to 19.5 MTPA is underway, and capex cost is well below global benchmarks.

### Value-added products and responsible steel

We are further strengthening our business model by increasing capacity while reducing our environmental footprint. Our ongoing expansions are oriented towards producing steel with higher use of renewable power, best-in-class digitalisation to achieve operational efficiency and best available technologies (BAT) to reduce associated CO<sub>2</sub> emissions. We are consciously going beyond basic steel and are consistently maintaining the share of VASP in our product mix to over 50%.

Our thrust on R&D and product development has made us the largest and preferred supplier across categories, from Advanced High Strength Steel (AHSS) to meet safety and lightweight requirements in automotive and tinplate used in food packaging, to corrosion-resistant steel for white goods.

The energy transition has provided a significant opportunity for steel players, with huge investments being made in renewable power generation, and transmission & distribution infrastructure, all of which are steel-intensive. Our brand Galvos is used extensively in solar installations. We have also made significant inroads into electrical steels, which are used in various electrical devices such as transformers.



### Digitalisation reaping substantial benefits

One of our top priorities has been the digitalisation of our operations, with the deployment of cutting-edge technology. At the outset, we had set specific goals to inculcate a 'digital first' organisational culture, enabled by systems, people and technology. We implemented Industry 4.0 in our manufacturing process to make our operations efficient, including automation, augmented and virtual reality, advanced robotics, IoT, AI and machine learning across 200+ lighthouse projects. These efforts have started bearing fruit, with increased cost efficiency, better turnaround times, optimised resource usage and enhanced safety performance.

### Setting benchmarks in ESG performance

At JSW Steel, ESG is core to everything we do, and during FY 2021-22, we made significant progress towards our 17 focus areas. We retained our leadership rating of A- in the 2021 CDP Climate Change assessment, being the only company in India and Asia (ex-Japan) to achieve this feat in our category. We were also included in the S&P Dow Jones Sustainability Index for Emerging Markets and were named Sustainability Champion by World Steel Association for the fourth consecutive year. We became the first steel company in the world to issue a US dollar-denominated Sustainability Linked Bond (SLB). The US\$500 million SLB has a tenure of 10.5 years and is linked to our CO<sub>2</sub> reduction target. We have committed to reduce our CO<sub>2</sub> emissions intensity (Scope 1 and 2) by 42% by 2030, compared to the base year of 2005, aligned with India's Nationally Determined Contribution (NDC).

We became the first steel company in the world to issue a US dollar-denominated Sustainability Linked Bond (SLB)

We have earmarked ₹10,000 crore for investments to reduce our carbon emissions through various initiatives, such as increasing the use of renewable energy to replace