

PARTNERING IN NATION-BUILDING

STEERING PROGRESS

Dear Shareholders,

The past financial year was a period of contrasting realities, a volatile global environment and a resolutely buoyant Indian economy. While geopolitical uncertainties, trade frictions and inflationary pressures weighed on global consumer sentiment and investments, India stood as a rare constant—charting a growth trajectory marked by resilience and structural strength.

Supported by sustained government capital expenditure, a favourable monsoon outlook, personal income tax cuts, and the Reserve Bank of India's timely pivot towards monetary easing, the domestic environment has become more conducive to consumption-led and private investment-driven growth. Elevated capacity utilisation across industries, coupled with declining interest rates, is already setting the stage for a revival in private sector capex. India is a key beneficiary in the ongoing realignment of global supply chains, a shift that will continue to strengthen its role as a preferred global manufacturing and sourcing destination.

Delivering in a challenging market environment

The year FY 2024-25 was not without challenges with the global economy impacted by geopolitical issues. The global steel market was affected by a surge in Chinese exports. For the second consecutive year, India remained a net importer of steel. This underscored the need for policy support to ensure fair competition. The Government of India's imposition of a 12% safeguard duty on certain steel products for 200 days was a timely step in this direction and reflects the strategic importance of the domestic steel sector.

Despite these headwinds, we achieved our highest-ever production and sales volumes and operated at 91% capacity utilisation, achieving 98% of our volume guidance. We also reported the highest ever domestic sales which grew 15% y-o-y. Our Value Added and Special Products (VASP) sales also were highest ever and accounted for 62% of total sales volumes. Our consolidated revenue stood at ₹1,68,824 crore (US\$20 billion) and EBITDA was ₹22,904 crore (US\$2.7 billion). These outcomes reflect our underlying strength and the discipline with which we manage both growth and costs.

A significant legal development has occurred concerning our subsidiary, BPSL, which we acquired through the insolvency process under the Insolvency and Bankruptcy Code, 2016 (IBC). On May 2, 2025, the Hon'ble Supreme Court delivered its judgement, inter alia, rejecting the resolution plan submitted by the Company in respect of BPSL, and directing for initiation of liquidation proceedings against BPSL in accordance with law. The Hon'ble Supreme Court also ruled against JSW Steel's

resolution plan and directed that the payments made by the Company to financial creditors, operational creditors and equity contribution be refunded in terms of an earlier order of the Hon'ble Supreme Court dated March 6, 2020. We have carefully reviewed the matter with our legal advisors and are of the firm view that we have strong grounds to seek redressal. The Hon'ble Supreme Court, in its order dated May 26, 2025, has directed that status quo be maintained, pending the disposal of our review petition. The Company has filed a review petition in respect of the judgement dated May 2, 2025 before the Hon'ble Supreme Court on June 25, 2025.

Ramping up capacity with purpose

At JSW Steel, we view the India growth story as a multi-decadal opportunity, especially for steel. India's steel consumption touched 152 MnT in FY 2024-25, marking the fourth consecutive year of double-digit growth. This growth is broad-based, driven by strong infrastructure demand and steady expansion in manufacturing, defence, renewables and real estate sectors.

As India builds a modern, self-reliant economy, we are determined to contribute with the one resource that underpins all industrial and infrastructure ambitions—steel. We have committed a capital expenditure of ₹62,000+ crore over the next three years to support our goal of achieving 42 MTPA steelmaking capacity in India by September 2027. This investment will also drive growth in our downstream capabilities, enhance operational efficiency, strengthen raw material security, and accelerate our decarbonisation journey. We aim to reach a capacity of 50 MTPA by FY 2030-31. We are entering a phase where incremental volume growth will be underpinned by cost efficiencies and operational leverage from our brownfield and greenfield assets. Our growth projects incorporate the best available technologies keeping in mind the environment, our communities and employees with an aim to create value for all our stakeholders.

Building value through product diversification

As India's economy modernises, demand for advanced and specialised steel grades that offer high strength, durability and adaptability is expanding. We are actively investing in downstream capacities to serve these emerging needs.

During the year, we commissioned a colour-coated line in Jammu & Kashmir, strengthening our regional presence and bringing us closer to high-potential markets. We are augmenting our downstream portfolio with a new cold rolling mill and zero-spangle line in Khopoli and adding a high-strength automotive-grade galvanising line in Vijayanagar.



JAYANT ACHARYA

Joint Managing Director and CEO

These facilities are designed to support India's evolving requirements in sectors such as automotive, white goods, construction and renewable energy.

We are setting up a greenfield cold rolled grain oriented (CRGO) facility at Vijayanagar in a joint venture with JFE Steel of Japan, which is a strategic foray into a critical segment of electrical steel and will replace imports. Our acquisition of the CRGO facility in Nashik from Thyssenkrupp will grant us immediate market access and also enlarge our presence in this critical segment of electrical steel.

Driving efficiency, building resilience

The bedrock of sustainable performance in our business is cost efficiency. In FY 2024-25, we continued to pursue multiple cost levers with discipline. Our slurry pipeline in Odisha is progressing well and will drive significant logistics cost savings. Enhanced throughput from the pipe conveyor system in Karnataka will also unlock structural logistics advantages. We are optimising our iron ore requirements with progressive start-up of new captive mines in Karnataka and Goa. Through focused R&D, we are enhancing cost efficiency by optimising raw material blends for iron ore and coking coal. The new 5 MTPA JVML facility at Vijayanagar is ramping up well and is expected to deliver a structural conversion cost advantage over existing operations, enhancing our overall margin profile. We have also made progress on strengthening our coking coal security by securing mines and linkages in India as well as overseas. We are increasing our share of renewable energy that will reduce costs as well as drive our decarbonisation agenda.

Commitment to safety and sustainability

Nothing matters more than the safety and well-being of our people. At JSW Steel, we are steadfast in our commitment to achieving Zero Harm. This year, we strengthened our safety culture with cross-functional audits, a competency framework for safety professionals, the Felt Leadership Programme, and new digital tools including a Safety Chatbot and the Safety Digital Vision platform.

Zero Harm is the cornerstone of our health and safety strategy. This aspirational vision is not merely a target but a transformative journey embedding a culture of proactive safety, developing robust systems, leveraging digital innovation, and enhancing workforce capabilities. Furthermore, we are transitioning from reactive interventions to a predictive, data-led system. Flagship initiatives like Project Rakshak and the AI-driven Digital Vision Platform are redefining industrial safety.

We continue to embed sustainability at the heart of our business strategy with focus on climate action, nature action and driving equity throughout the organisation. Whilst our climate action strategy is articulated in detail in our climate action report, we are providing periodic update on the action taken, such as increased use of renewables in our energy mix to investing in circularity and waste recovery initiatives. We are taking specific measures to optimise our water consumption, such as recirculation of waste water and use of treated sewage water for steel operation. We have made a biodiversity plan for all operations and created a positive biodiversity impact of ~4,000 hectares through afforestation carried out with the Karnataka Forest Department in Vijayanagar.

We have taken a major leap by earning the prestigious ResponsibleSteel™ Certification for four key manufacturing sites—our Integrated Steel Plants in Vijayanagar, Dolvi, and Salem and the Tarapur Downstream Rolling Mill. This global certification, the first of its kind, recognises steel produced to the highest environmental, social and ethical standards.

As a responsible leader in the steel industry, JSW Steel is committed to pioneering sustainable solutions. To address the growing demand from our customers and to enable them to reduce their Scope 3 emissions, JSW steel has launched a certificate based low-carbon emission steel solution. The product is branded as 'Green Edge' and designed to offer flexible reduction in our customers' carbon footprint. The system is aligned with Worldsteel's Chain of Custody Guidelines, ensuring that all reductions are properly verified, tracked, and transparently accounted for. This ensures that customers can rely on the credibility of their claimed reductions.

Becoming a future-ready organisation

Digitalisation and R&D are no longer optional—they are foundational to staying competitive and future-ready. In FY 2024-25, we accelerated our digital transformation journey, in sales and marketing, by harnessing the power of AI to improve inventory management and strengthen our channel ecosystem. AI and analytics are now deeply embedded in our sales and distribution architecture, improving demand visibility, inventory allocation, and responsiveness to market dynamics. We also leveraged AI-driven insights to personalise customer experience, improve employee engagement, reduce emissions and increase asset utilisation. AI enablers are not just technological upgrades, they are strategic enablers that position us to lead with agility and innovation.

Our R&D teams continue to develop and commercialise advanced steel grades across critical sectors such as renewable energy, white goods, automotive and defence sectors, aligning our capabilities with the future of manufacturing. We secured 100 product/grade approvals in FY 2024-25, reinforcing our position as a preferred partner for evolving industrial applications. Our Centre of Excellence (CoE) executed 565 high-impact projects, with 345 delivering direct business benefits.

By embracing Industry 4.0 technologies across manufacturing, supply chain, sales, safety, and sustainability, we are setting new benchmarks in performance and stakeholder value. At the heart of this transformation is our AI-powered Predictive Maintenance Platform, now live across 10 plants and over 2,900 critical assets. This system has helped us avoid over 25,000 hours of unplanned downtime by enabling real-time, condition-based monitoring through smart sensors.

We are also building digital talent for the future through collaborations with premier institutions such as IIT Bombay and BITS Pilani, accelerating capability development in cutting-edge digital applications.

People at the centre of our progress

Our people remain the true architects of JSW Steel's success. We are investing in leadership development, strengthening our talent pipeline, and creating a culture of continuous learning and empowerment across all levels.

JSW Steel's talent strategy enhances visibility into our leadership pipeline by identifying individual strengths and development needs. By aligning leadership capabilities with succession plans, we ensure key roles are matched with the right talent, supporting personal growth and organisational success through targeted career development and capability-building initiatives.

HR Digital has reimaged the HR function by strategically embedding automation, analytics, and AI into its core. This digital transformation has streamlined operations, enriched the employee experience, and empowered smarter, data-led decision-making. As a key milestone in our transformation journey, we introduced Digivolve, a strategic capability-building programme designed to elevate digital literacy and analytical acumen across our workforce. Rooted in the idea of digital evolution, Digivolve equips employees with the skills needed to lead innovation in the ever-changing steel industry.

By investing in our people's growth, well-being, and potential, we are not only building a high-performance organisation but also nurturing a culture where every individual feels valued, empowered, and ready to lead the next chapter of JSW Steel's journey.

Empowering journey to shared prosperity

Our community development programmes remained a pillar of our social impact, positively impacting thousands of villages and touching the lives of millions of individuals through healthcare, education, skills training, and infrastructure development. As we grow, we remain deeply committed to improving lives across the communities in which we operate. In FY 2024-25, our development programmes positively impacted the lives of around 3 million.

In line with our commitment to inclusive growth, our CSR initiatives focused on key areas such as health and nutrition, education, water, environment and sanitation, waste management, skills and livelihood, agriculture and allied livelihoods, art, culture and heritage, and sports promotion.

Our schools are delivering quality education under the vision of 'Every Day, Every Child, A Leader'. These flagship schools offer a contemporary curriculum and excellent infrastructure. In the 2024-25 academic year, we enrolled over 9,000 students, advancing our mission to empower future leaders.

Looking ahead with determination

Looking ahead, we are optimistic on the India growth story in which JSW Steel will play a pivotal role as we expand our capacities and produce more advanced steel to cater to India's evolving requirements. We remain committed to building a world-class steel enterprise that is globally competitive, domestically rooted, and unwaveringly focused on long-term value creation.

In closing, I would like to thank all our stakeholders – JSW Steel team, customers, partners, communities, governments and shareholders – for your continued trust and support. As India rises, JSW Steel is proud to rise with her.

With resolve, responsibility and resilience, we are steering the future with steel.

Warm regards,

Jayant Acharya

Joint Managing Director and CEO

