ANANDRATHI

JSW Cement Limited

06-August-25

Subscribe- Long Term

Rinkle Vira
rinklevira@rathi.com

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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	1,190
Fresh Issue (No. of Shares in Lakhs)	1,088
Offer for Sale (No. of Shares in Lakhs)	1,360
Bid/Issue opens on	07-Aug-25
Bid/Issue closes on	10-Aug-25
Face Value	Rs. 10
Price Band	139-147
Minimum Lot	102

Objects of the Issue:

- **Fresh Issue: ₹ 16,000 Million**
  - Part financing the cost of establishing a new integrated cement unit at Nagaur, Rajasthan
  - Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by the Company; and General corporate purposes.
- **Offer for sale:₹ 20,000 Million**

Book Running Lead Managers
JM Financial Ltd, Axis Capital ltd, Citigroup Global Markets India Private Ltd, DAM Capital Advisors Ltd, Goldman Sachs (India) Securities Pvt Ltd, Jefferies India Pvt Ltd, Kotak Mahindra Capital Co Ltd, SBI Capital Markets Ltd
Registrar to the Offer
KFin Technologies Ltd

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	18,170
Subscribed paid up Capital (Pre-Offer)	12,545
Paid up capital (Post - Offer)	13,634

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	78.6%	72.3%
Public	21.4%	27.7%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY25	FY24	FY23
Revenue from operations	**58,131**	**60,281**	**58,367**
Operating expenses	50,993	50,952	51,552
EBITDA	**7,137**	**9,329**	**6,815**
Other Income	1,016	865	1,455
Depreciation	3,103	2,783	3,732
EBIT	**5,050**	**7,411**	**4,538**
Interest	4,501	4,347	3,102
PBT	**548**	**3,064**	**1,435**
Share of loss from JV	(984.7)	(820.3)	(186.9)
Tax	1,201	1,623	208
Consolidated PAT	**(1,638)**	**620**	**1,040**
EPS	(1.2)	0.5	0.8
Ratio	**FY25**	**FY24**	**FY23**
EBITDAM	12.3%	15.5%	11.7%
PATM	-2.8%	1.0%	1.8%
Sales growth	-3.6%	3.3%	-

Sector- Cement

Company Description

Incorporated in 2006, JSW cement is the fastest cement manufacturer in India terms of increase in installed grinding capacity and sales volume from FY 2015 to FY 2025. The company focuses on a circular economy model, utilizing industrial byproducts to produce eco-friendly cement. This approach minimizes the use of natural resources and reduces carbon emissions.

The company's product portfolio consists of blended cement (including PSC, PCC and PPC), ground granulated blast furnace slag (GGBS), ordinary portland cement (OPC), clinker and a range of allied cementitious products such as ready mix concrete (RMC), screened slag, construction chemicals and waterproofing compounds. The company is India's largest manufacturer of GGBS, an eco-friendly product produced entirely from blast furnace slag, with a market share in terms of GGBS sales of 84% in FY 2025.

JSW Cement had Installed Grinding Capacity of 20.60 MMTPA consisting of 11.00 MMTPA, 4.50 MMTPA and 5.10 MMTPA in the southern, western and eastern regions of India, respectively. As of March 31, 2025, the company had an Installed Clinker Capacity of 6.44 MMTPA which includes the Installed Clinker Capacity of JSW Cement FZC.

As of March 31, 2025, the company operated 7 plants in India, which comprised of 1 integrated unit, 1 clinker unit and 5 grinding units across Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, West Bengal, and Odisha. JSW Cement FZC also operates 1 clinker unit in the UAE. The company sells its products through a distribution network, which consisted of 4,653 dealers, 8,844 sub-dealers and 158 warehouses, as on March 31, 2025.

The company is expanding its presence through greenfield as well as brownfield expansion. The company plans to increase its Installed Grinding Capacity from 20.60 MMTPA to 41.85 MMTPA and Installed Clinker Capacity from 6.44 MMTPA to 13.04 MMTPA and create a pan- India footprint.

Valuation:

JSW Cement Ltd backed by the JSW Group, is launching its IPO with a focus on environmentally friendly "green" cement. Its leadership in eco-friendly products and access to raw materials through group companies provide a competitive advantage. The company is India's largest manufacturer of GGBS and has a proven track record of scaling up this business making as a key differentiator with 84% of market share.

The company setting up a new unit at Nagaur-Rajasthan that will add to its profitability which will enable them to increase its installed capacity of both clinger and grinding benefitting its subsidiaries to add up to their profitability.

On the valuation front, based on annualized FY25 earnings, a post-issue market capitalization of approximately Rs 2,00,415 million, and At the upper price band of Rs 147, the offer is made at around 36.7 times post-IPO EV/EBITDA (FY25) making the issue appear aggressively priced. We believe JSW cement with its strong brand, core focus on growing GGBS product line across the North region as well giving the competitive advantage of increasing market share, strategic growth plans in grinding capacity, ease in supply & distribution and alignment with India's sustainable infrastructure push going forward we may see profitability and returns in long run therefore, we recommend a **"SUBSCRIBE FOR LONG TERM"** rating to the issue

Company Overview

JSW Cement was incorporated as a public Ltd company in March 2006 at Mumbai. The company has one Holding Company, 4 Subsidiaries, 1 Associate and 2 Joint Ventures. Adarsh Advisory Services Pvt. Ltd is the Promoter and Holding Company. The 4 subsidiaries are Shiva Cement Ltd, JSW Green Cement Pvt. Ltd, Utkarsh Transport Pvt. Ltd, Cemterra Enterprise Pvt. Ltd. Sajjan Jindal, Parth Jindal, Sangita Jindal, Adarsh Advisory Services Pvt. Ltd and Sajjan Jindal Family Trust are the Promoters of the Company. The company is a cement manufacturing company in India focused on manufacturing green cementitious products comprising blended cement (which includes portland slag cement (“PSC”) and portland composite cement (“PCC”)) and ground granulated blast furnace slag (“GGBS”). The company also manufacture ordinary portland cement (“OPC”), clinker and a range of allied cementitious products such as ready-mix concrete (“RMC”), screened slag, construction chemicals and waterproofing compounds.

JSW Cement is among India’s top 3 fastest-growing cement companies and ranks in the top 10 by installed capacity and sales volume as of March 2025. From FY2023 to FY2025, its installed capacity and sales volume grew at a CAGR of 12.42% and 15.05%, outpacing industry averages. The company had an installed grinding capacity of 20.60 MMTPA and clinker capacity of 6.44 MMTPA, with operations spread across India and the UAE. As the largest manufacturer of ground granulated blast furnace slag (GGBS) in India, eco-friendly products made up 77.41% of its FY2025 sales. JSW Cement operates 7 plants in India and one clinker unit in the UAE, with access to 11 limestone mines, ensuring a steady raw material supply. Its plants are strategically located near key raw material sources and steel plants. It has the lowest CO_2 emission intensity among peers due to the use of industrial by-products and alternative fuels, achieving a thermal substitution rate of 16.39%. The company also uses solar and waste heat recovery systems for energy. With a wide distribution network and over 6,500 direct institutional customers, it caters to both retail and large infrastructure needs. Backed by the JSW Group, it benefits from brand synergy, leadership, and strategic investments from global private equity players and SBI.

Product-wise Total Sales Volume (in MMT)			
Product	**2025**	**2024**	**2023**
Cement Volume Sold	7.09	6.94	5.7
Blended cement	4.6	5.08	4.81
OPC	2.49	1.91	0.89
GGBS Volume Sold	5.18	5.08	3.85
Total Cement and GGBS	12.27	12.02	9.55
Clinker Volume Sold (1)	0.36	0.5	0.94
Total Volume Sold	12.64	12.53	10.5
Ready Mix Concrete Sales Volume (mn M3)	0.56	0.37	0.35
Screened Slag	0.04	0.3	0.45

Product Portfolio

- Blended Cement: The Company manufactures the following types of blended cement products:

  - Portland Slag Cement: PSC is a blended cement product that is manufactured by using blast furnace slag, clinker and gypsum. The company’s PSC is sold under its brand names “JSW Cement Portland Slag Cement”, “JSW Cement Power Pro” and “JSW Cement Concreel HD”. This cement is considered ideal cement to be used for mass construction such as residential, commercial and industrial projects, concrete roads, flyovers and dams. The company’s PSC products adhere to the IS 455:2015 standard.
  - Portland Composite Cement: PCC is manufactured by utilising high quality clinker, fly ash, blast furnace slag and gypsum. The company sells PCC under its brand name “JSW Cement Compcem”. The key characteristics of PCC include high strength, enhanced durability, reduced concrete bleeding and segregation thus increasing the safety of structures. The company’s PCC products adhere to the IS 16415:2015 standard.
  - Portland Pozzolona Cement: PPC is manufactured by utilising fly ash and OPC. The company sells PPC under brand name “JSW Cement Max Super”. PPC has greater durability and strength, and it is more environmentally friendly than OPC. The company’s PPC products adhere to the IS 1489 - Part 2 standard. • Ordinary Portland Cement: OPC is manufactured by inter-grinding gypsum and clinker. Its quick setting properties and ability to reach optimal strength quickly, increases the speed of construction. OPC can also be blended with other mineral admixtures to form blended cement such as PSC. The company’s OPC products adhere to IS 269:2015 standards.

- Ground Granulated Blast Furnace Slag:

GGBS is a highly eco-friendly product as it is produced entirely from blast furnace slag, which is a by-product of the steel manufacturing process. In FY 2025, 2024 and 2023, GGBS formed 41.03%, 40.57% and 36.67% of the Total Volume Sold. The company sells GGBS under the brand name “JSW Cement GGBS” and it adheres to IS 16714:2018 standards. Commercial RMC, project and captive consumption are the major applications of GGBS which together accounted for ~ 90.00 - 95.00% share in GGBS application in FY 2025.

- Clinker

Clinker is manufactured by burning limestone and clay together at a high temperature. Clinker is an intermediary product required in the manufacturing process of cement. The company’s clinker adheres to the 16353:2015 standard.

- Allied Cementitious Products:
  - RMC: RMC is a concrete product that is delivered in a ready to use form. RMC is manufactured by blending cement, supplementary materials such as fly ash or GGBS, aggregates, water and admixtures. The company sells RMC under its brand name “JSW Concrete”. The company’s RMC products adhere to the IS 4926:2003 standard.
  - Screened Slag: Screened slag is manufactured by screening blast furnace slag. The company sells screened slag under the brand name “JSW Slag Sand”.

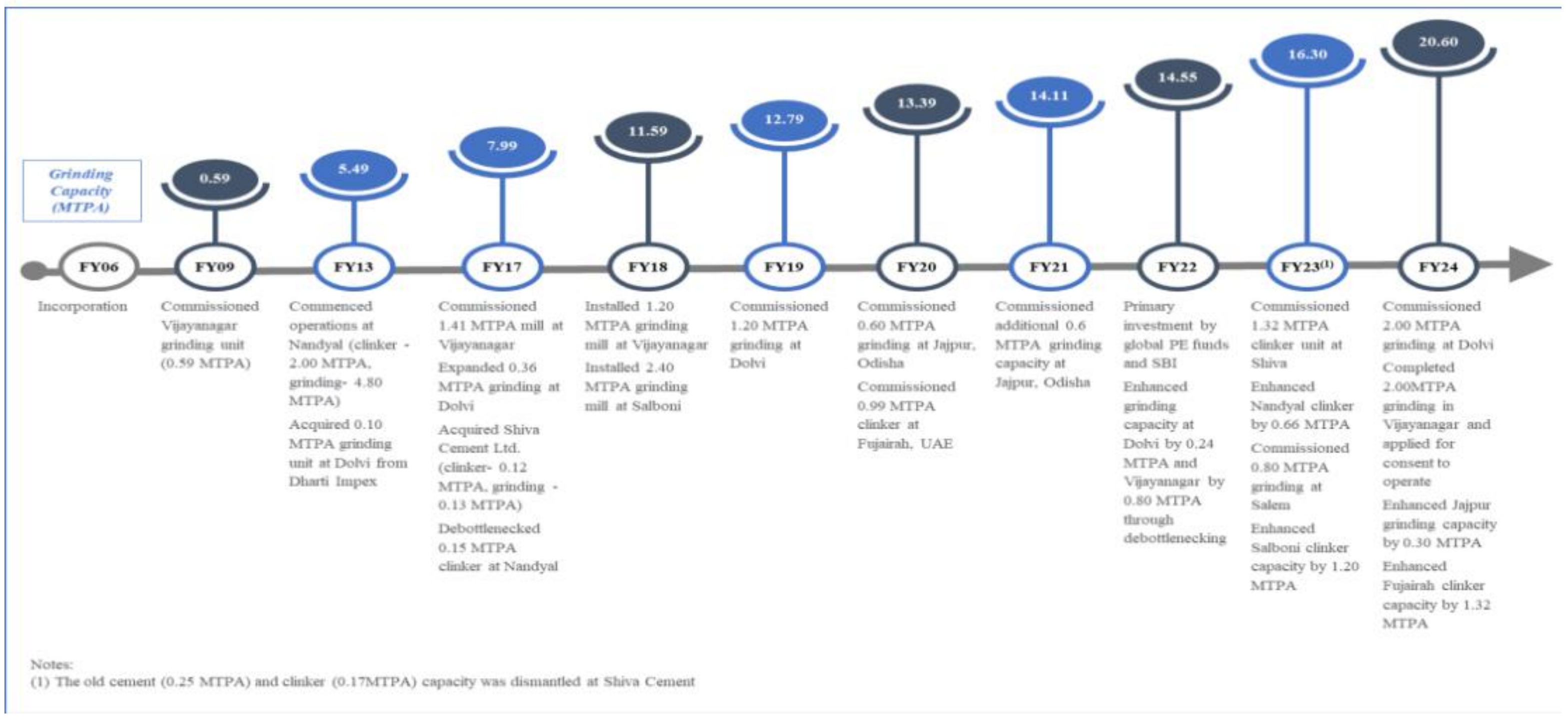
- Construction Chemicals: The company manufactures construction chemicals which act as supplementary products that aid in construction. The construction chemicals primarily include (i) tile adhesives, (ii) grout; and (iii) mortar, among others. The company sells construction chemicals under the brand names "JSW Cement Duraflor Floor Hardener" and "JSW Cement Enduro Plast".
- Waterproofing Compounds: The company offers waterproofing compounds used to secure leakage and seepage prone locations and to make construction structures rain resistant. The company sells its waterproofing compounds under the brand name "JSW Cement Krysta Leakproof".

Strengths:

- **The company is the fastest growing cement manufacturing company in India in terms of increase in installed grinding capacity and sales volume**

The company is among the top 3 fastest growing cement manufacturing companies in India in terms of increase in installed grinding capacity and sales volume from FY 2015 to FY 2025. The company is among the top 10 cement companies in India in terms of installed capacity and sales volume as of March 31 2025. As of March 31, 2025, the company had seven plants with an aggregate Installed Grinding Capacity of 20.60 MMTPA and an Installed Clinker Capacity of 6.44 MMTPA.

Particulars	As of March 31, 2015	As of March 31, 2025	CAGR from Fiscal 2015 to Fiscal 2025 (%)	Industry Average CAGR from Fiscal 2015 to Fiscal 2025 (CRISIL Report) (%)
Installed Capacity - Grinding	6.09 MTPA	20.60 MTPA	12.96%	4.77%



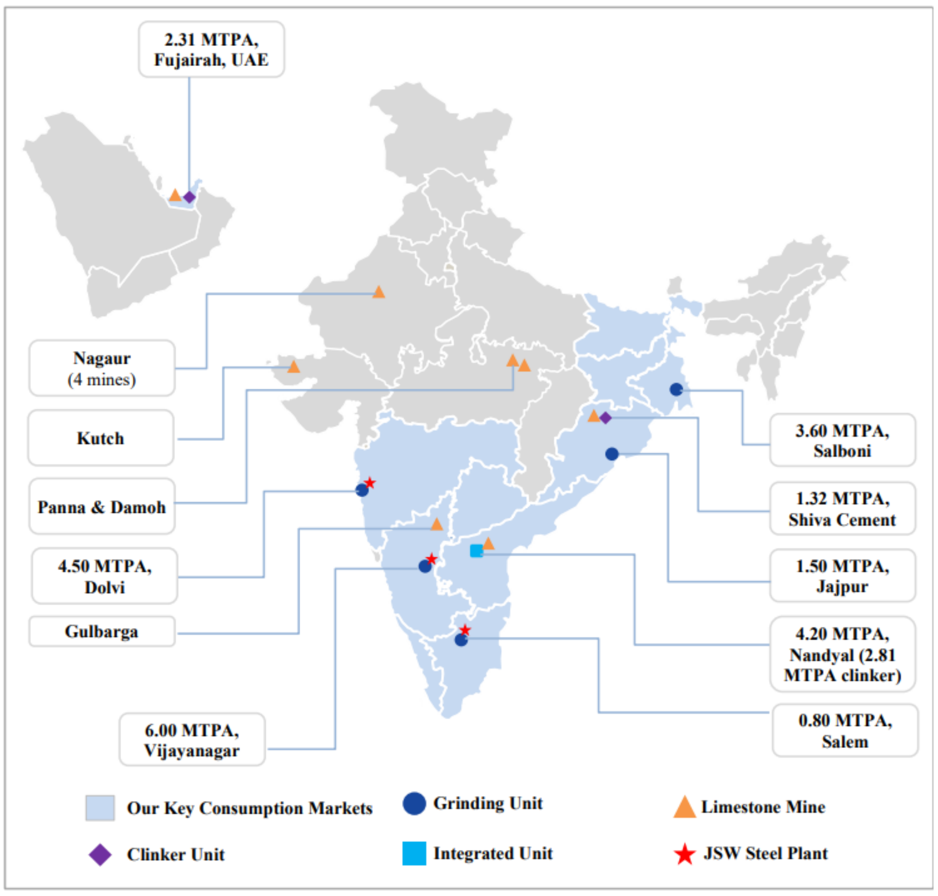
- **The company is India's largest manufacturer of GGBS and has a proven track record of scaling up this business.**

The company is India's single largest manufacturer of GGBS, with a market share in terms of GGBS sales of ~84% in FY 2025. the demand for GGBS in India is expected to grow at a CAGR of 14%-15% to reach 11.9 MMT-12.5 MMT in Fiscal 2030. The company believes that it is well positioned to tap the growing demand for GGBS as entered into long-term contracts with JSW Steel and 2 of its subsidiaries, and a major steel producer in east India to procure a steady supply of blast furnace slag for 3- 5 years. Under the agreements with JSW Steel and its subsidiaries, slag is supplied to the company at a fixed rate with annual revisions based on wholesale-price index and export price parity, which enables the company to have stability in its cost of purchasing blast furnace slag at these plants.

Particulars	2025	2024	2023
GGBS Volume Sold (in MMT)	5.18	5.08	3.85
Year-on-year growth in GGBS Volume Sold	2.02%	32.00%	23.19%
Number of customers of GGBS	2,171	1,894	1,562
Year-on-year growth in the number of customers of GGBS	14.63%	21.25%	48.62%
Contribution of GGBS Volume Sold as a percentage of Total Volume Sold	41.03%	40.57%	36.67%

- **Strategically located plants that are well-connected to raw material sources and key consumption markets**

The company currently have operations across the southern, western and eastern regions of India. In each region, its plants are well connected by road and/or rail to their respective raw material sources and key consumption markets. The company's clinker and integrated units are located close to its limestone mines. Further, the units are well connected by road and/or rail which enables the company to cost effectively source raw materials such as coal, blast furnace slag and gypsum for its operations. The plants are also well connected by road and/or rail to their key consumption markets. The Dolvi and Jajpur plants are located at average lead distances of ~ 100 km and 123 km respectively from their key consumption markets. The Vijayanagar and Salboni plants are equipped with in-plant railway sidings. The Nandyal plant has access to 2 railway sidings located ~ 30 km and 35 km from the plant. The Shiva Cement clinker unit is located ~20.90 km and 18.30 km from the nearest railway stations at Sonakhan and Sagra respectively.



- **The company has the lowest carbon dioxide emission intensity among its peer cement manufacturing companies in India and the top global cement manufacturing companies.**

The company uses industrial by-products such as blast furnace slag, Al-killed slag, argon oxygen decarburisation slag, fly ash, red mud and chemical gypsum as raw materials to reduce the use natural resources such as limestone. It also utilises waste derived resources as raw materials. As a result, the percentage of waste usage forming part of its total raw material consumption was the highest amongst peer cement manufacturing companies in FY 2025, 2024 and 2023:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Waste derived resources used by us (MMT)	8.3	8.9	7.3
Volume of waste derived resources consumed by us as a percentage of the total volume of raw materials consumed	64.4%	64.1%	75.0%
Peer Average of waste derived resources consumed by peer cement manufacturing companies in India as a percentage of their total raw material consumption	N/A	25.4%	23.5%

Further, the company focuses on manufacturing sustainable products. The company's Clinker to Cement Ratio was 50.13% in FY 2025 and 46.60% in FY 2024, which was lower than Peer Average of 66.43% in FY2024, as per CRISIL report. The company's Green cementitious products constituted 77.41%, 80.68% and 82.49% of its Total Volume Sold in FY 2025, 2024 and 2023, respectively. Moreover, the company has obtained Green-Pro certifications and the Green Rating for Integrated Habitat Assessment certification for all its products (except OPC). The company has also published environmental product declarations ("EPD") under the International EPD system for the GGBS and RMC. To reduce the company's dependence on coal and petroleum coke as sources of fuel, the company co-processes industrial waste such as carbon black from the refinery sector, solvents from the pharmaceutical sector, refuse derived fuel ("RDF") and multilayer packaging plastic waste and biomass or agri-waste materials such as rice husk as alternate fuel sources. As a result, in FY 2025, 2024 and 2023, the company's thermal substitution rate was 16.39%, 6.89% and 8.14%, respectively. In FY 2023, 2024 and 2025, the company's carbon dioxide emission intensity was 206 kg per tonne, 270 kg per tonne and 258 kg per tonne, respectively, which was ~ 62%, 51% and 52% lower than the Peer Average in India. Furthermore, the company's carbon dioxide emission intensity in FY 2025 was 54% lower than that of Top Global Cement Companies in CY2024.

Particulars	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Green power consumed as % of total power consumption	21.48%	15.01%	3.80%

- **Extensive sales and distribution network in India and focus on strong brand**

The company has an extensive sales and distribution network comprising of dealers, sub-dealers and warehouses across its markets of operations to serve the retail demand for its cement and allied cementitious products (trade sales). In addition, the company sell its products to direct customers (non-trade sales). As of March 31, 2025, March 31, 2024 and March 31, 2023, the company had a team of 269, 272 and 276 sales officers operating in India. To drive demand for the company's cement and allied cementitious products through the trade channel, the company has launched an influencer loyalty programme in FY 2022 aimed at masons, contractors and architects. These individuals typically play a key role in the construction process and influence the choice of products used by the target customers. The company awards such influencers with loyalty points for recommending the company's products. Further, the company benchmark the selling price and quality of its products against the leading players in the regions it sells the products. The company sells all its products under the "JSW" brand under the terms of a JSW Brand Equity and Business Promotion Agreement dated October 8, 2014. Through its sales and distribution network, the company has supplied its cement for the construction of major projects including highways such as the Mumbai Vadodara Expressway, the Bangalore Chennai National Highway, the Bangalore Mangalore National Highway, metro projects such as the Mumbai Metro Line 7A, ports such as the Paradip Port (western dock), dams such as the Hadua Dam Project in Odisha and irrigation projects such as nine gravity canals at the Yathinahole Project at the Tumkur District in Karnataka.

Category	2025	2024	2023
Dealers	4,653	5,043	5,345
Sub-dealers	8,844	10,412	10,632
Direct customers	6,559	6,268	5,268
Influencers	57,404	55,678	18,321

- **The company benefits from the strong corporate lineage of the JSW Group and its qualified management team**

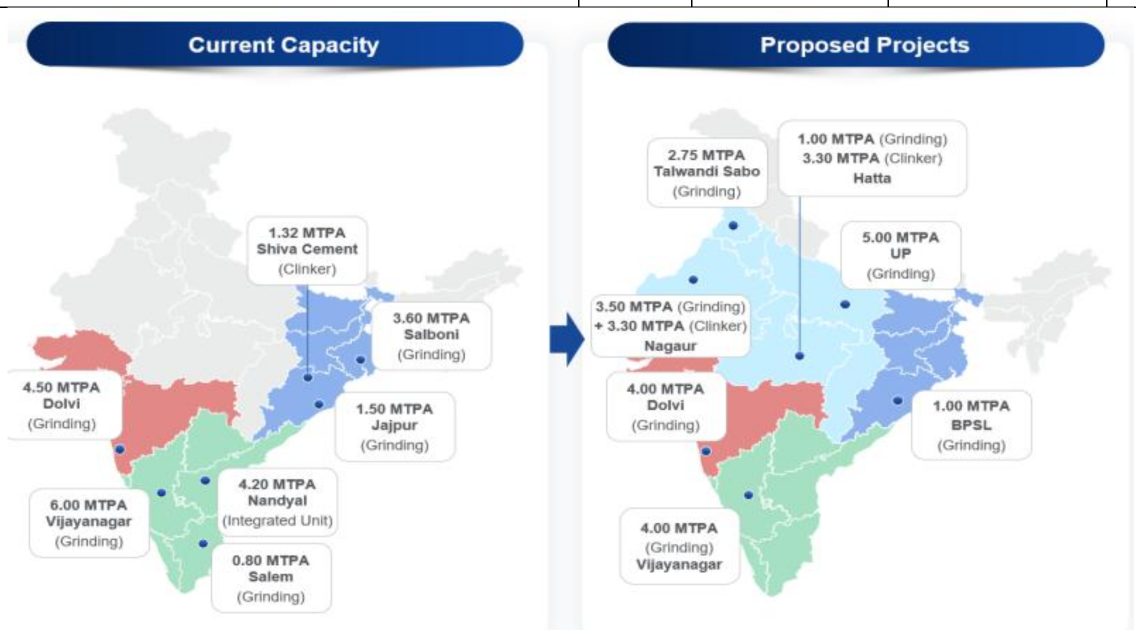
The company is part of the JSW Group, a diversified MNC conglomerate with businesses spanning steel, energy, infrastructure, maritime, defence, e-commerce, realty, paints, sports, and venture capital. The company benefits from synergies within the Group, sourcing raw materials like blast furnace slag from JSW Steel and power from JSW Energy through long-term agreements. Additionally, the company benefits from the scale of the JSW Group's operations. This includes access to coal procurement intelligence, competitive sea freight rates due to bulk shipping volumes, and the JSW Aikyam mobile app, which helps the company's sales teams identify opportunities by tracking major infrastructure and housing projects across the JSW's Group verticals. The company benefits from the visionary stewardship of its promoters, Mr. Sajjan Jindal and Mr. Parth Jindal and the experienced board of directors and senior management team. Further, the company also benefitted from capital injections in CY2021 by 2 global private equity investors, AP Asia Opportunistic Holdings Pte. Ltd. (managed by affiliates of Apollo Global Management, Inc) and Synergy Metals Investments Holding Limited), and the State Bank of India.

Key Strategies:

- **Create a pan-India footprint by setting up new plants in north and central India, supplemented by expansions in the current regions of operation**

The Pan-India demand for cement, which was ~467 MMT is expected to grow at a CAGR of 7.5% - 8.5% to reach 670– 680 MMT by FY2030, while the demand for GGBS which was ~6.2 MMT is expected to grow at a CAGR of 14% - 15% to reach 11.9– 12.5 MMT by FY2030. Further, as per CRISIL Report, markets in north and central India have displayed demand growth for cement in the past and such demand growth rates along with capacity utilisation levels are expected to sustain from FY 2026 to FY 2030. To tap into the demand potential, the company is expanding its presence across India by entering newer geographies and adding to its capacities through greenfield as well as brownfield expansion.

Proposed Plant Location	Region	Plant Type	Expansion Type	Proposed Capacity Additions (MTPA)	
				Clinker	Grinding
Nagaur, Rajasthan	North	Integrated Unit	Greenfield	3.3	3.5
Talwandi Sabo, Punjab	North	Grinding Unit	Greenfield	-	2.75
Bhushan Power and Steel Limited (a unit of JSW Steel Limited) ("BPSL") Sambalpur, Odisha¹	East	Grinding Unit	Greenfield	-	1
Vijayanagar, Karnataka	South	Grinding Unit	Brownfield	-	4
Dolvi, Maharashtra	West	Grinding Unit	Greenfield	-	4
Hatta, Madhya Pradesh	North	Integrated Unit	Greenfield	3.3	1
Uttar Pradesh	North	Grinding Unit	Greenfield	-	5
Total proposed capacity expansion				**6.6**	**21.25**
Current capacity of our plants and the JSW Cement FZC clinker unit as of March 31, 2025				**6.44**	**20.6**
Total post-expansion capacity				**13.04**	**41.8**



- **Continue to deepen presence in existing markets and grow the market share**

The company is among the top 3 fastest growing cement manufacturing company in India in terms of increase in installed grinding capacity and sales volume from FY 2015 to FY 2025. The company sells its products through the trade channel and the non-trade channel. In the trade channel, growth is driven by expanding the dealer network, strategic marketing (including digital and sports tie-ups), and influencer loyalty programs, which had 57,404 participants as of March 31, 2025. Further, the company also enhances customer service through mobile apps like JSW Dealer Saathi and Sales Saathi. In the non-trade channel, rising demand from infrastructure, housing, and the RMC industry is expected to boost sales. The demand for cement from the Indian infrastructure, industrial and commercial building, rural housing and urban housing industries are expected to grow at a CAGR 8.5% - 9.5%, 6.50% - 7.50%, 7.00% - 8.00% and 6.00 – 7.00%, respectively from FY2025 to FY 2030, and the Indian RMC industry is expected to grow at a CAGR of 9.00% - 10.00% from FY2025 to FY 2030. To meet this demand, the company has expanded the clinker and grinding capacities at its Nandyal, Dolvi, and JSW Cement FZC plants. The company also uses the JSW Aikyam app to identify potential sales opportunities by tracking large upcoming infrastructure and housing projects based on data gathered across the various business verticals of the JSW Group. To grow GGBS sales, the company collaborates with RMC customers to optimize mix designs, improving performance and sustainability. The company has launched microfine GGBS for advanced concrete applications, which reduces cement usage and enhances durability. Additionally, the company continuesto explore strategic acquisitions aligned with its growth strategy, including bids for distressed cement assets under the Insolvency and Bankruptcy Code.

- **Continue to improve operational efficiency and implement cost reduction measures**

The company plans to use cost reduction measures to improve its profitability margins while being able to offer the products at market competitive prices. To lower these costs, the company has utilized R&D to incorporate Al-killed slag a steel plant by-product—alongside blast furnace slag at its Nandyal plant, partially replacing limestone. This not only reduces raw material costs but also lowers carbon emissions. The company plans to extend similar initiatives to other plants. To reduce its power and fuel costs the company intends to increase the use of green power (comprising power from WHRS and solar power) and alternate fuel sources, which are cheaper than conventional power and fuel and also environmentally friendly. Solar power being used at Nandyal, Vijayanagar, and Salboni, to partly meet power requirements. The company has installed WHRS systems at Nandyal and Shiva Cement plants and plan to install WHRS across all its upcoming clinker units. Additionally, the company in 2023 successfully bid to operate the Marwatola VI coal block in Madhya Pradesh which had residual reserves of 30.03 MMT as of March 31, 2025. Post commencement of operations at this coal block, the company expects its future coal costs to reduce and to become less exposed to the price volatility of imported coal and petcoke. The company is using digitalisation to boost service quality and ensure cost-effectiveness across its supply chain. The company is implementing a digital logistics control tower using RFID, GPS, and automated route optimization to enhance service quality and cost-effectiveness.

- **Continue to focus on sustainable development**

The company's sustainable development strategy is driven by the "CO-CREATE" framework, built on 7 strategic pillars aligned with JSW Group's sustainability priorities, the company's materiality assessment, and sector-specific issues:

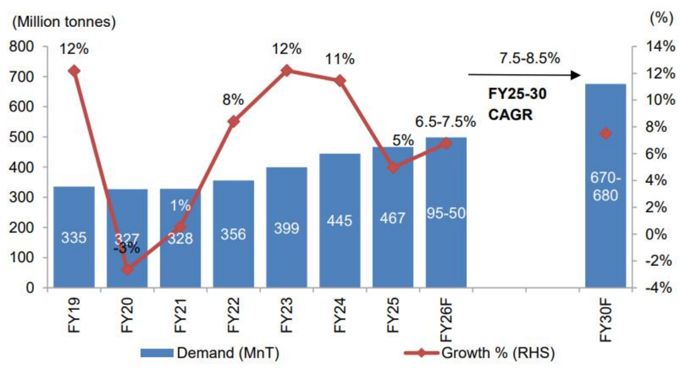
- Circular Economy: The company aims to increase the use of waste-derived resources by adopting alternate raw materials and fuels, upgrading fuel handling systems, and becoming significantly plastic negative by FY 2026.
- Climate and Energy: The company targets a 15% reduction in carbon emission intensity by FY 2026, with increased integration of solar power and WHRS across all kilns. The company support global decarbonization efforts through commitments like the UN Energy Compact and GCCA's net-zero roadmap.
- Research and Innovation: The company focus on developing sustainable products and aim to publish Environmental Product Declarations (EPDs) for all products by FY 2026.
- Ecosystem Restoration: The company are reducing freshwater usage, conducting biodiversity assessments, and diverting waste from landfills as part of the company's zero-landfilling goal.
- Anti-corruption and Business Ethics: The company continue to train employees on ethics and human rights, ensuring compliance across all sites.
- Transport, Supply Chain and Logistics: The company aim for a majority electric vehicle fleet by FY 2026 and will conduct ESG assessments of critical suppliers.
- Equality, Diversity, Safety, and Well-being: The company strive for zero fatalities, greater gender diversity, and increased CSR outreach to empower employees and communities.

Industry Snapshot:

- **Indian cement industry overview**

Cement Demand Analysis

Domestic cement demand grew at a healthy ~7% CAGR over Fiscal 2020 to 2025, despite pandemic-induced slowdown, majorly led by sustained government thrust on infrastructure and affordable housing. In fact, a large part of the growth was due to healthy uptick in Fiscals 2022 and 2023, while in Fiscals 2020 and 2021, demand was weak because of pandemic-induced lockdowns. On a low base, pan-India cement demand recovered by 8% in Fiscal 2022 and accelerated further by ~12% in Fiscal 2023, supported by strong demand for rural housing and infrastructure. A pre-election boost and healthy traction from infrastructure segment led to further 11% on-year growth in Fiscal 2024. Although, general elections and slowdown in government spending moderated demand growth to ~5% in Fiscal 2025.



F: Forecasted; Growth percentage for Fiscal 25-30 indicates CAGR for 5-year period
Source: CRISIL Intelligence

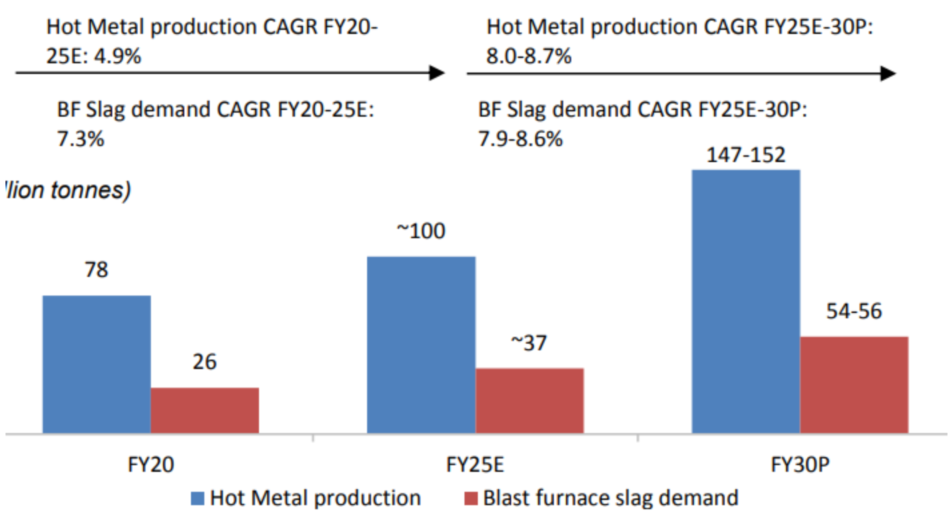
Supply Demand Analysis

The Indian cement industry is highly fragmented and competitive, with the presence of a few large players and several medium and small players. Large and mid-sized players have used both organic and inorganic routes to grow. While UltraTech Cement has undertaken the maximum capacity additions in absolute terms, other large players such as Dalmia Bharat and Shree Cement have added capacity aggressively as well. Among the mid-sized players, JK Cement, JK Lakshmi, JSW Cement and Ramco Cements have undertaken healthy capacity growth, led by organic expansion to newer regions. JSW cement has achieved highest CAGR growth amongst the top 10 players in terms of installed capacity in the past 10 years spanning from Fiscal 2014 to Fiscal 2024

- **Overview of availability of blast furnace slag in India**

Overview of hot metal and blast furnace slag

Production of hot metal in India is estimated to have reached ~100 million tonne in Fiscal 2025 from 78 million tonne in Fiscal 2020, clocking a CAGR of 4.9%. The growth was driven by domestic availability of raw materials such as iron ore and cost-effective labour. The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past and the industry has also been boosted by government initiatives. Slag is a non-metallic by-product of steel plants obtained from blast furnaces. It is formed when iron oxide is converted into pig iron in the blast furnace using coking coal and fluxes. Iron ore, coke and limestone are fed in the furnace and the resulting molten slag floats above the molten iron at a temperature of 1,500-1,600oC. Production of blast furnace slag is proportional to the hot metal production in the country. Limited availability for blast furnace slag in the neighbouring countries given rise to exports as well, though in small quantity. Import of this slag has been negligible over the years. In Fiscal 2020, demand for blast furnace slag in India was estimated at 26 million tonnes. This is estimated to have reached ~37 million tonne in Fiscal 2025, at a CAGR of 7.3%. Going forward, planned capacity expansions by key players, such as Tata Steel, SAIL, JSW Steel, Jindal Steel & Power ("JSPL") and ArcelorMittal Nippon Steel India ("AMNS"), through the blast furnace route is expected to result in 8.0-8.7% CAGR in hot metal production between Fiscals 2025 and 2030 taking the production to 147- 152 million tonne. Demand for blast furnace slag, meanwhile, is expected to reach 54-56 million tonne, clocking a CAGR of 7.9-8.6%.



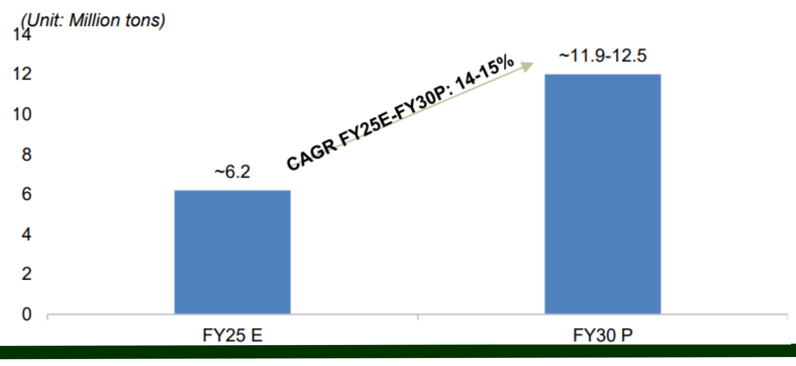
- **Ground granulated blast-furnace slag (GGBS)**

Ground Granulated Blast Furnace Slag (GGBS) is produced by rapidly quenching molten slag a byproduct from converting iron ore into pig iron in a blast furnace using high-pressure water jets to form Granulated Blast Furnace Slag (GBFS). This is then dried and ground to make GGBS. The process involves equipment like grinding roll presses, separators, elevators, and filters. GGBS is an eco-friendly, cementitious material derived entirely from steel industry byproducts. Rich in calcium silicate hydrates (CSH), it enhances the strength, durability, and sustainability of cement and concrete.

Demand and outlook of GGBS in India

GGBS is a strength-enhancing compound that improves durability of concrete structure. Thus, the demand for GGBS in the country, which was estimated at ~6.2 million tonne in Fiscal 2025, is expected to grow at 14-15% CAGR over next five years, to 11.9-12.5 million tonne in Fiscal 2030. The sustained rise in demand will be because of GGBS being one of the most effective materials that can be used as replacement (for OPC and fly ash) in concrete manufacturing and growing awareness about the product's benefits among decision makers and certifying authorities. In Fiscal 2025, the penetration of GGBS (GGBS-to-RMC ratio) was estimated at ~6%. With improving penetration of RMC and rising adoption of GGBS, the penetration of GGBS is expected to improve to 7% by Fiscal 2030. Increasing adoption of GGBS is expected to be led by efforts of industry participants, including JSW Cement, which are making efforts to educate key influencers about the product's benefits, conducting successful design mix trials at project sites, presenting the results to certifying authorities, and getting necessary approvals from project management consultants, who are key decision makers as well, and concerned government departments, if any.

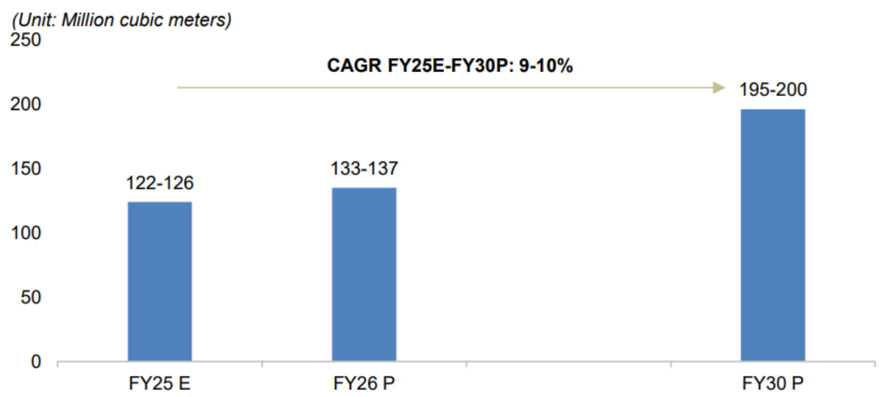
GGBS demand review and outlook



- **Ready mix concrete (RMC)**

Domestic demand for RMC was ~110-115 million cubic metre in Fiscal 2024. It is estimated to have increased ~10% on-year to 122-126 million cubic metre in Fiscal 2025. Future looks promising as well. CRISIL projects domestic demand for RMC to increase at CAGR of 9-10% to 195-200 million cubic metres by Fiscal 2030, by the government's infrastructure push. Healthy investments in commercial real estate are expected to provide further momentum to RMC demand from industries such as IT, BFSI, tourism, hospitality, education, capital goods, etc. Increasing adoption of RMC and industrial construction comprising small and medium-scale enterprises, power plants, sewage treatment plants, few ports, airports, etc will continue to support RMC consumption.

RMC demand and outlook



- **Key Financial Information:**

Particulars	Unit	2025	2024	2023
Operational KPIs				
Cement Saleable Production	Million metric tonnes ("MMT")	7.17	7.05	5.76
GGBS Saleable Production	MMT	5.19	5.11	3.85
Total Cementitious Saleable Production (cement + GGBS)	MMT	12.36	12.15	9.61
Clinker Production ^ #	MMT	5.33	4.34	2.67
Cement Volume Sold	MMT	7.09	6.94	5.7
GGBS Volume Sold	MMT	5.18	5.08	3.85
Clinker Volume Sold	MMT	0.36	0.5	0.94
Total Volume Sold	MMT	12.64	12.53	10.5
Ready mix concrete Sales volume	Million Cu. M	0.56	0.37	0.35
Percentage of Cement Volume Sold through Trade Channel	%	52.87%	57.53%	64.39%
Installed Grinding Capacity $	Million metric tonnes per annum ("MMTPA")	20.6	20.6	16.3
Installed Clinker Capacity ^	MMTPA	6.44	6.44	5.12
Grinding Capacity Utilization &	%	62.89%	67.50%	60.37%
Clinker Capacity Utilization #	%	84.30%	84.81%	78.78%
Clinker To Cement Ratio	%	50.13%	46.60%	42.88%
Green power consumed as percentage of total power consumption	%	21.48%	15.01%	3.30%
Net Carbon Dioxide emission intensity (Scope 1 + Scope 2) ^^ in India	Kg per tonne of cementitious material	258	270	206
Financial KPIs				
Particulars	**Unit**	**2025**	**2024**	**2023**
Revenue from operations	₹ million	58,130.71	60,281.03	58,367.24
Cement Realization per Tonne	₹	4,517.93	4,909.81	5,084.40
GGBS Realization per Tonne	₹	3,772.88	3,760.61	3,640.79
EBITDA (INR Million)	₹ million	8,153.23	10,356.56	8,269.65
EBITDA per Tonne	₹	645.17	826.8	787.67
EBITDA Margin	%	13.78%	16.94%	13.82%
Operating EBITDA	₹ million	8,641.79	10,989.33	8,158.10
Operating EBITDA per Tonne	₹	683.83	877.31	777.05
Operating EBITDA Margin	%	14.87%	18.23%	13.98%
PAT	₹ million	-1,637.69	620.13	1,040.38
PAT Margin	%	-2.77%	1.01%	1.74%

- **Comparison with listed entity**

Name of the company	Face Value (₹ per share)	Revenue from operations (₹ in millions)	Basic EPS	P/E	RONW (%)	NAV (₹)	EV/EBITDA (x)
JSW Cement Ltd	10	58,130	-1.2	-	-4.5%	23.8	26.5
Listed Peers							
UltraTech Cement	10	7,59,551	205.3	59.5	8.5%	2403.7	28.3
Ambuja Cements	2	3,36,977	17.0	35.9	7.8%	218.0	16.8
Shree Cement	10	1,92,828	311.1	97.7	5.2%	5969.3	22.9
Dalmia Bharat	2	1,39,800	36.4	60.3	3.9%	926.3	17.4
JK Cement	10	1,18,791	111.4	58.3	14.1%	788.0	26.5
The Ramco Cements	1	85,185	11.5	103.5	3.6%	314.8	25.6
India Cements	10	41,487	153.2	2.3	-1.4%	328.9	-

*Note – 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Aug 05, 2025.

2) EV/EBITDA, NAV, EPS, P/E of the is calculated on EPS of FY25, and post issue no. of equity shares issued.

Key Risk:

- **Dependence on Limestone Availability and Procurement**: The Company's operations are heavily reliant on the ability to mine or procure adequate quantities of limestone, a key raw material in cement production. Any disruption in the availability of limestone whether due to regulatory restrictions, environmental concerns, supply chain constraints, or inability to secure it on commercially viable terms could adversely affect production capabilities. This, in turn, may have a negative impact on the company's business operations, financial condition, and overall profitability.
- **High Dependence on JSW Group Entities for Key Raw Materials:** The Company is significantly reliant on JSW Steel Limited and its subsidiaries—related parties—for the supply of blast furnace slag, which constitutes 92.93% of the total blast furnace slag consumed in Fiscal 2025. This material is a critical additive in the production of green cementitious products such as ground granulated blast furnace slag (GGBS) and blended cement. Additionally, the company sources a portion of other essential raw materials, including fly ash and clinker, from other JSW Group entities. Any disruption in supply or loss of one or more of these group-affiliated suppliers could materially impact the company's production processes, adversely affecting its business operations, financial condition, results of operations, and cash flows.
- **Dependence on Distribution Network:** The Company relies heavily on its distribution network for the sale and delivery of its products. Any disruption in this network whether due to logistical issues, operational inefficiencies, labor shortages, regulatory hurdles, or adverse weather conditions could hinder product availability in key markets. Such disruptions may negatively impact sales volumes, customer satisfaction, and overall business performance, thereby adversely affecting the company's results of operations.
- **Exposure to End-User Industry Cycles:** The Company's performance is closely linked to the demand for its products from key end-user sectors such as infrastructure, housing, and industrial/commercial construction. A slowdown or downturn in any of these sectors, due to macroeconomic factors, policy changes, reduced public or private spending, or other external shocks, could lead to lower demand for cement products. This may adversely impact the company's business growth, revenue generation, and overall results of operations.
- **Intense Industry Competition and Technological Advancements:** The cement industry is highly competitive, with numerous established players operating across regions. The company faces competition in terms of pricing, product quality, distribution reach, and brand recognition. Additionally, the development and adoption of new or more efficient cement manufacturing technologies by competitors could further intensify competitive pressures. Failure to effectively respond to such competitive dynamics or technological advancements could result in loss of market share, pricing pressure, and reduced profitability, thereby materially affecting the company's business and financial performance.
- A grinding unit at Sambalpur, Odisha is currently being constructed by Bhushan Power and Steel, a Group Company, and post commencement of operations this unit is proposed to be transferred to Shiva Cement, the company's subsidiary. The Supreme Court of India pursuant to its order dated May 2, 2025, has directed for initiation of liquidation proceedings against Bhushan Power and Steel Limited, which has subsequently been stayed by the Supreme Court of India. There can be no assurance that the Sambalpur plant will commence operations within the timeline or at the planned costs and that Bhushan Power and Steel will not be liquidated. Any adverse occurrence in relation to Bhushan Power and Steel or in relation to the Sambalpur may significantly impact the company's expansion plans.

Valuation:

JSW Cement Ltd backed by the JSW Group, is launching its IPO with a focus on environmentally friendly "green" cement. Its leadership in eco-friendly products and access to raw materials through group companies provide a competitive advantage. The company is India's largest manufacturer of GGBS and has a proven track record of scaling up this business making as a key differentiator with 84% of market share.

The company setting up a new unit at Nagaur-Rajasthan that will add to its profitability which will enable them to increase its installed capacity of both clinger and grinding benefitting its subsidiaries to add up to their profitability.

On the valuation front, based on annualized FY25 earnings, a post-issue market capitalization of approximately Rs 2,00,415 million, and At the upper price band of Rs 147, the offer is made at around 36.7 times post-IPO EV/EBITDA (FY25) making the issue appear aggressively priced. We believe JSW cement with its strong brand, core focus on growing GGBS product line across the North region as well giving the competitive advantage of increasing market share, strategic growth plans in grinding capacity, ease in supply & distribution and alignment with India's sustainable infrastructure push going forward we may see profitability and returns in long run therefore, we recommend a **"SUBSCRIBE FOR LONG TERM"** rating to the issue

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Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.

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ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

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