

Company Business

JSW Cement Limited is a **cement manufacturing company in India** that primarily focuses on producing **green cementitious products**. Specifically, its business involves the manufacture and sale of:

- ✦ **Blended cement**, which includes:
 - Portland Slag Cement (PSC) - **Eco-friendly, industrial waste use**
 - Portland Composite Cement (PCC) - **Combination of fly ash and slag**
 - Portland Pozzolana Cement (PPC) - **Higher durability**
- ✦ **Ground Granulated Blast Furnace Slag (GGBS)**. GGBS is an eco-friendly product made entirely from blast furnace slag, a by-product of the steel manufacturing process.
- ✦ **Ordinary Portland Cement (OPC) - General construction**
- ✦ **Clinker** - Raw meal enters a **rotary kiln** at around **1450°C**, Result: hard, gray nodules known as **clinker**.
- ✦ A range of **allied cementitious products**, such as:
 - Ready-mix concrete (RMC).
 - Screened slag.
 - Construction chemicals.
 - Waterproofing compounds.

The Company also sells clinker to third-party customers.

- ✦ **Operational Scope and Distribution:**
 - JSW Cement Limited manufactures these products across **seven plants** located in the southern, western, and eastern regions of India.
 - The **JSW Cement FZC clinker unit** located in Fujairah, UAE, which commenced operations in Fiscal 2020, also manufactures clinker. JSW Cement FZC was a wholly-owned subsidiary until March 21, 2023, and became a joint venture effective March 22, 2023.
 - The products are distributed through two main channels:
 - **Trade channel** : Sales to individual home builders (IHB), contractors, and small builders through a network of non-exclusive dealers and sub-dealers. As of March 31, 2025, the Company had 4,653 dealers and 8,844 sub-dealers.
 - **Non-trade channel** : Direct sales of all products to large institutional customers. As of March 31, 2025, there were 6,559 direct customers in this channel, including builders and institutional customers.
 - The Company's sales and distribution network is supported by leveraging the **JSW brand name**. They use the trademark and brand under the terms of a JSW Brand Equity and Business Promotion Agreement and related agreements.

End-user sectors for JSW Cement's products include industrial and commercial building, rural housing, urban housing industries, and infrastructure sectors. The demand for cement from these sectors is projected to grow at a Compound Annual Growth Rate (CAGR) of 6.5% - 7.5% (industrial and commercial building), 7.0% - 8.0% (rural housing), and 7.0% - 8.0% (urban housing).

The company sells its products through a well-connected distribution network. As of March 31, 2025, the company had a network of 4,653 dealers, 8,844 sub-dealers and 158 warehouses.

As of March 31, 2025, the company also had 6,559 direct customers in its non-trade channel comprising builders and institutional customers to whom the company supplies its products for the construction of housing, infrastructure and commercial projects in India.

IPO Details

- ✦ Total Issue Size : **24,48,97,958 shares (₹3600 Cr)**
- ✦ Fresh issue : **10,88,43,537 shares (₹1,600.00 Cr)**
- ✦ OFS : **13,60,54,421 shares of ₹10 (₹2,000.00 Cr)**
- ✦ Issue Price Band : **₹ 139-147 Per Equity Share**
- ✦ Lot Size : **102 Shares**
- ✦ IPO Date : **August 7, 2025 to August 11, 2025**
- ✦ Pre IPO Promoters Holding : **78.62%**
- ✦ Post IPO Promoters Holding : **72.34%**

Objects of the issue

- ✦ Establishing a new integrated cement unit (**₹800 cr**)
- ✦ Prepayment or repayment, in full or in part of outstanding borrowings (**₹520 cr**)
- ✦ General Corporate Purposes.

Installed Capacity

Particulars	FY 2025	FY 2024	FY 2023
Installed Grinding Capacity (in MMTPA)	20.60	20.60	16.30
Grinding Capacity Utilisation	62.89%	67.50%	60.37%
Installed Clinker Capacity (in MMTPA)	6.44	6.44	5.12
Clinker Capacity Utilization	84.30%	84.81%	78.78%

JSW Cement has four operational limestone mines in India and one UAE

(in MMT unless otherwise indicated)

Operational Mines in India and UAE	Residual reserves as of March 31, 2025	Remaining lease term as of March 31, 2025
JSW Nandyal mine	105.18	33 years and 1 month
Shiva -Khatkurbahal mine	57.25	16 years and 10 months
Shiva - Khatkurbahal (North) mine	18.11	47 years and 8 months
Kolkarhiya mine	139.17	40 years and 7 months
Fujairah mine	193.58	17 years and 7 months

Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	5,813	6,028.10	5,836.70
Operating EBITDA	864.1	1098.9	815.8
Operating EBITDA /Tonne(in ₹)	683.83	877.31	777.05
Operating EBITDA Margins	14.87%	18.23%	13.98%
PAT	-163.7	62	104
PAT Margins	-2.77%	1.01%	1.74%
ROCE	7.05%	11.01%	6.46%
Debt to Equity Ratio(In Times)	2.59	2.44	2.41
Operating Cash Flows	736.6	1407.7	653.1

Comparison with Peers

Companies	Revenue	EBTDA%	PAT%	D/E Ratio	ROCE	MCap .	P/E
JSW Cement Limited	5,813 Cr.	14.87%	-2.77%	2.59	7.05%	20041.46 Cr.	in loss
UltraTech Cement Limited	75,955 Cr.	17%	7.95%	0.34	10.9 %	3,61,888 Cr.	52.4
Ambuja Cements Limited	35,045 Cr.	17%	14.70%	0.01	10.5 %	1,49,499 Cr.	34.6
Shree Cement	19,283 Cr.	20%	5.80 %	0.05	6.71%	1,10,458 Cr.	98.8
Dalmia Bharat Limited	13,980 Cr.	17 %	5%	0.33	5.58 %	41,639 Cr.	45.2

JK Cement Limited	11,879 Cr.	17.1 %	7.30%	0.99	14.0 %	52,466 Cr.	57.2
The Ramco Cements Limited	8,518 Cr.	14.5 %	1.19 %	0.63	4.77 %	27,755 Cr.	274
India Cements Limited	4,149 Cr.	-7%	-3.40%	0.11	-5.49 %	11,204 Cr.	In Loss

Short Summary of the Industry

Global Position

- India is the **world's second-largest cement producer** after China, holding approximately an 8% share in global cement production as of Fiscal 2025.
- Despite this, India has a **low per capita cement consumption**, indicating significant potential for future growth.

Industry Structure and Competition

- The Indian cement industry is **highly fragmented and competitive**, characterized by the presence of a few large players alongside numerous medium-sized and small players.
- As of Fiscal 2025, the top four players—UltraTech Cement, Shree Cement, Ambuja Cement (including ACC Ltd), and Dalmia Bharat Limited—collectively accounted for approximately **58% of the total market share**. The top five players, including Nuvoco Vistas, held about **62% share by grinding capacity**.
- Entry barriers in the industry include high capital costs, long gestation periods, and challenges in raw material availability and transportation.

Demand Drivers and End-User Sectors

- The primary demand for cement comes from three main end-user sectors: **housing (55–57%), infrastructure (29–31%), and industrial/commercial (13–15%)** in Fiscal 2025.
- Infrastructure** is a key driver, with expected growth of 6–7% in Fiscal 2026, supported by government spending and initiatives like PM Gati Shakti, and investments in roads, railways, metros, and airports. Its share is projected to increase to 31%–33% by Fiscal 2030.
- Housing demand** is expected to see healthy growth, particularly from rural housing, driven by a lower development base and government programs.
- Industrial and commercial** demand is supported by government initiatives such as the PLI scheme and Atmanirbhar Bharat, a focus on multimodal logistics, and rising capital expenditure.
- Overall pan-India cement demand is projected to grow at a **CAGR of 7.50% – 8.50% from Fiscal 2025 to Fiscal 2030**.

Production and Capacity

- India's total cement installed capacity was about **668 million tonnes (MMT) as of Fiscal 2025**.
- Utilization levels remained largely flat at approximately **60% in Fiscal 2025** and are projected to stay similar in Fiscal 2026.

Key Industry Challenges

- The industry faces challenges related to **environmental concerns**, land acquisition, and logistics issues. The cement industry is identified as one of the 17 highly polluting industries.

Pros and Cons

Pros (Strengths & Opportunities)

✦ Strong Market Position and Growth:

- JSW Cement is recognized as **among the top three fastest-growing cement manufacturing companies in India** in terms of increased installed grinding capacity and sales volume from Fiscal 2015 to Fiscal 2025.
- It is also **among the top 10 cement companies in India**.
- Its installed grinding capacity grew at a **CAGR of 12.96%** from Fiscal 2015–2025, significantly higher than the industry average of 4.77%.
- Total volume sold grew at a **CAGR of 16.73%** during the same period, compared to the industry average of 6.15%.
- The overall pan-India cement demand is projected to grow at a **CAGR of 7.50% – 8.50% from Fiscal 2025 to Fiscal 2030**, indicating a favorable market environment for continued growth.

✦ Strong Corporate Lineage and Brand Recognition : JSW Cement benefits from the established "JSW" brand name, leveraging synergies with other JSW Group entities. This includes expanding reach to customers of other JSW Group entities and JSW One's customer base.

✦ Robust Distribution Network : The Company distributes products through two main channels:

- **Trade channel** : Sales to individual home builders, contractors, and small builders via a network of 4,653 dealers and 8,844 sub-dealers as of March 31, 2025. This channel typically fetches higher realizations for manufacturers.
- **Non-trade channel** : Direct sales to large institutional customers, with 6,559 direct customers as of March 31, 2025.
- **Strategic Expansion Plans** : The Company is establishing a new integrated cement unit at Nagaur, Rajasthan, which is proposed to be partly funded through its offer.

Cons (Weaknesses & Threats & Risks)

✦ Reliance on Raw Material Procurement and Related Party Suppliers:

- The business depends on the ability to mine and procure sufficient limestone and slag. Inability to do so on reasonable terms or at all could adversely impact operations.
- The Company sources a majority of its slag from JSW Steel Limited and JSW Vijayanagar Metallics Limited (Group Companies), and Bhushan Power and Steel Limited (a Group Company), under agreements which could lead to **conflicts of interest** if they decide to sell slag to third parties.

✦ Intense Competition : The Indian cement industry is **highly fragmented and competitive**, with a few large players dominating a significant market share (top 4 players accounting for ~58% of total market share in Fiscal 2025). This competitive environment poses a constant challenge.

✦ No growth in sales and profit margins are lower than peers.

✦ The company has incurred losses in Fiscal 2025. This was primarily on account of

- A decrease in Operating EBITDA which was primarily on account of reduction in Cement Realization per Tonne.
- The increase in share of losses from Joint Ventures and Associate.

✦ Dependence on JSW Group for Land/Utilities : The Company relies on related parties like JSW Steel Limited for land parcels and other arrangements (e.g., Salem plant, Vijayanagar plant land), and any issues with these arrangements could adversely affect its business.



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