

JSW CEMENT LTD

07-08-2025 TO 11-08-2025

Industry: Industry: Cement & Cement Products
Recommendation: Subscribe

Price Band: ₹139-147
Post Implied Market Cap: – ₹19,038 - 20,041 Cr

Key Data

Issue Size (₹ Cr)	3,600
Fresh (₹)	1600
OFS (₹)	2,000
No of shares offered	108,843,537

Face Value (₹ /share)	10
Bid Lot	102

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	12/08/2025
Refunds/Unblocking ASBA Fund	13/08/2025
Credit of equity shares to DP A/c	13/08/2025
Trading commences	14/08/2025

Shareholding (No. of shares)

Pre-Issue	1,254,521,399
Post Issue (Lower price band)	1,369,629,312
Post Issue (Higher price band)	1,363,364,936

Shareholding Pattern

Promoters	
Pre Issue	78.61%
Post Issue	72.33%

Investor Selling Shareholder	
Pre Issue	18.79%
Post Issue	7.31%

Employee Trust	
Pre Issue	2.59%
Post Issue	2.38%

Public - Others:	
Pre Issue	0.01%
Post Issue	17.98%

Issue Breakup

QIB	50%
NIB	15%
Retail	35%

Other Details

BRLMs: Axis Capital, JM Financial, Citigroup Global, DAM Capital, Goldman Sachs (India), Jefferies India, Kotak Mahindra Capital, SBI Capital Markets

Registrar: KFin Technologies Ltd.

Listing: BSE & NSE

Research Analyst

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

About the Company

JSW Cement Ltd., part of the JSW Group, is a leading Indian producer of sustainable "green cement" established in 2006. The company follows a circular economy model, using industrial byproducts to make eco-friendly cement. It is India's largest GGBS manufacturer with an 84% market share in FY25. Its diversified portfolio includes blended cement (PSC, PCC, PPC), OPC, clinker, RMC, and construction chemicals. JSW Cement operates 7 plants across India and 1 clinker unit in the UAE.

Investment Rationales

- **India's largest manufacturer of GGBS and have a proven track record of scaling up this business:** JSW Cement is India's largest GGBS manufacturer with an 84% market share in FY25, selling 5.18 MMT of GGBS. Despite slowing volume growth to 2.02% YoY in FY25 (vs. 32% in FY24), it saw steady growth in customer base to 2,171, up 14.63% YoY. GGBS contributed 41.03% of total volume sold. Backed by long-term slag supply contracts with JSW Steel and others (with fixed pricing tied to WPI/export parity), the company is well-positioned to benefit from the expected 14-15% CAGR in GGBS demand, reaching up to 12.5 MMT by FY30.
- **Strategically located plants that are well-connected to raw material sources and key consumption markets:** JSW Cement operates a well-connected network of integrated, clinker, and grinding units across southern, western, and eastern India, with close proximity to limestone mines and key consumption markets. Strategic locations like Dolvi and Jajpur are within ~100-123 km of core markets, while units like Vijayanagar and Salboni have in-plant railway sidings. Nandyal and Shiva Cement units also have nearby rail access. Additionally, the company operates a 2.31 MTPA clinker unit in Fujairah, UAE. This setup supports efficient raw material sourcing and cost-effective logistics.
- **Company has the lowest carbon dioxide emission intensity among its peer cement manufacturing companies in India and the top global cement manufacturing companies:** JSW Cement leads the industry in sustainability by using the highest percentage of industrial by-products like slag, fly ash, and red mud as raw materials, reducing reliance on natural resources. Its Clinker-to-Cement Ratio was significantly lower than peers at 50.13% in FY25 vs 66.43% peer average. Green products made up over 77% of total volume sold in FY25, and the company holds multiple green certifications, including Green-Pro and EPD. It substitutes fossil fuels with waste-derived alternatives, achieving a Thermal Substitution Rate of 16.39% in FY25. CO₂ emission intensity stood at 206 kg/tonne in FY23 and 258 kg/tonne in FY25 – over 50% lower than Indian peers and 54% lower than top global cement firms.
- **Extensive sales and distribution network in India and focus on strong brand:** JSW Cement has built a strong sales and distribution network comprising dealers, sub-dealers, direct customers, and influencers. As of March 31, 2025, the company had 4,653 dealers, 8,844 sub-dealers, 6,559 direct customers, and 57,404 influencers, supported by a sales team of 269 officers across India. It caters to both trade (retail) and non-trade (direct) segments, promoting its cement and allied products under the "JSW" brand. The company also runs an influencer loyalty program targeting masons, contractors, and architects to drive product preference. Its products have been used in key infrastructure projects such as highways, metros, ports, dams, and irrigation canals nationwide.
- **Company benefits from the strong corporate lineage of the JSW Group and its qualified management team:** JSW Cement benefits from being part of the diversified JSW Group, leveraging synergies in raw material sourcing (e.g., slag from JSW Steel, power from JSW Energy), logistics, and market intelligence via the JSW Aikyam app. Led by visionary promoters Sajjan and Parth Jindal, the company is supported by an experienced leadership team. It also strengthened its capital base with investments from Apollo Global, Synergy Metals, and SBI in 2021.

Risk

- Highly dependent on JSW subsidiaries.
- Poor performance of subsidiaries.

MView

We believe JSW Cement IPO brings investors an opportunity to invest in a leading Indian producer of sustainable "green cement" backed by the JSWs group. We think with an 84% market share in GGBS and over 77% of its volumes coming from green products, the company stands at the forefront of eco-conscious construction solutions. We also think its operational efficiency, including the industry's lowest clinker-to-cement ratio and extensive use of waste-derived fuels, positions it as a future-ready player aligned with global decarbonization goals. By looking at the financial, company has reported muted financial performance with revenue growth of just 3.3% in FY24, followed by a 3.6% decline in FY25. Net profit declined sharply from ₹62.01 crore in FY24 to a loss of ₹163.77 crore in FY25, primarily due to three major accounting and operational factors: fair value adjustment of CCPS, losses from subsidiaries like Shiva Cement and underperformance of the Fujairah unit, and investment-related impact from JSW1. However, management remains confident of returning to profitability with improved financials ahead. On valuation parse at the upper price band of ₹147/-, the issue is asking for a market cap of ₹20041 cr. Based on FY 2025 earnings and fully-diluted post-IPO paid-up capital, the company is asking for a EV to EBITDA of 27x based on FY 2025, which appears expensive given current low capacity utilization and a leveraged balance sheet. With robust backward integration through JSW Group synergies (JSW Steel, JSW Energy), strategically located plants, strong distribution backed by digital tools, and long-term raw material contracts, we believe company is well-positioned to benefit from rising demand for sustainable infrastructure. Hence, looking at all attributes we recommend only risk averse investors seeking exposure to ESG-aligned growth in the cement space to "SUBSCRIBE" the JSW Cement Ltd IPO for long term perspective only.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at March' 31		
	2025	2024	2023
Equity Share Capital	986.35	986.35	986.35
Total Equity	2372.35	2385.48	2240.74
Total Borrowings	6166.55	5835.76	5421.54
Revenue from Operations	5813.07	6028.1	5836.72
EBITDA	815.32	1035.66	826.97
EBITDA Margin (%) as stated	13.78	16.94	13.82
EBITDA per Tonne (₹)	645.17	826.8	787.67
Operating EBITDA	864.18	1098.93	815.81
Operating EBITDA Margin (%)	14.87	18.23	13.98
Operating EBITDA per Tonne (₹)	683.83	877.31	777.05
Depriciation and Amortisation	310.34	278.26	373.2
PAT	-163.77	62.01	104.04
Adjusted PAT	-13.32	199.15	238.37
Operating RoCE (%)	7.05	11.01	6.46
Adjusted RoE (%)	-0.31	4.82	6.19
NAV per Share (₹)	23.85	24.99	23.24
EPS Basic (₹)	-1.16	0.91	1.39
EPS Diluted (₹)	-1.16	0.9	1.36

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS ₹ (in Cr)

Companies	Mcap (in Cr)	Revenue from Ops. (₹ Cr)	FV (₹)	EPS (₹)	P/E (x)	P/B (x)	RoNW (%)	NAV/Share (₹)
JSW Cement	20,041	5,813.07	10	-1.16	122.38	5.07	-4.85	28.99
UltraTech Cement	3,62,013	75,955.13	10	205.13	52.4	5.1	8.54	2,403.71
Ambuja Cement	1,48,305	33,697.70	2	16.96	34.3	2.8	7.8	218
Shree Cement	1,09,042	19,282.83	10	311.18	73.4	5.04	5.21	5,969.32
Dalmia Bharat	42,202	13,980	2	36.42	45.7	2.41	3.93	926.34
JK Cement	53,856	11,879.15	10	111.44	58.7	8.82	14.14	788.03
The Ramco Cements	27,341	8,518.4	1	11.53	270	3.66	3.66	314.82
India Cements	11,559	4,148.78	10	153.23	-	1.16	-1.41	328.95

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 05-08-2025
 JSW Cement Ltd, EPS/PE, P/B, NAV calculated on annualised basis post money



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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Mehta Equities Limited, 903, 9th Floor, Lodha Supremus, Dr.E.Moses Road, Worli Naka, Worli, Mumbai 400 018, India
Tel: +91 22 6150 7101, Fax: +91 22 6150 7102

Email: info@mehtagroup.in, Website: www.mehtagroup.in

Compliance Officer: Prakash Joshi

Email Id: compliance@mehtagroup.in

Phone No +91 22 61507180

For grievance redressal contact Customer Care Team Email: help.kyc@mehtagroup.in Phone: + 91 22 61507154