

JSW Cement Ltd.

'SUBSCRIBE'

07-08-2025 TO 11-08-2025

Industry: Construction Materials / Cement & Cement Products

Price Band: ₹139 to ₹147

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹20,185 Cr

Key Data

Issue Size (₹ Cr)	₹3,600
Fresh (₹ Cr)	₹1,600
OFS (₹ Cr)	₹2,000
No of shares offered (total issue)	24,48,97,958
Face Value (₹ /share)	10
Bid Lot	102 Shares

Indicative Timetable

IPO Open Date	Thu, Aug 7, 2025
IPO Close Date	Mon, Aug 11, 2025
Tentative Allotment	Tue, Aug 12, 2025
Initiation of Refunds	Wed, Aug 13, 2025
Credit of Shares to Demat	Wed, Aug 13, 2025
Tentative Listing Date	Thu, Aug 14, 2025
Cut-off time for UPI mandate confirmation	5 PM on August 11, 2025

Shareholding (No. of shares)

Pre-Issue	1,25,45,21,399
Post-Issue	1,36,33,64,936

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	78.62%	21.38%
Post-Issue	72.33%	27.67%

Other Details

BRLMs: JM Financial Limited, Axis Capital Limited, Citigroup Global Markets India Private Limited, DAM Capital Advisors Limited, Goldman Sachs (India) Securities Private Limited, Jefferies India Private Limited, Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited.
Registrar: KFin Technologies Limited
Listing: BSE & NSE

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About the company

JSW Cement Ltd. is a prominent Indian manufacturer of sustainable "green cement," a key player in the construction materials sector and a part of the multinational JSW Group. Established in 2006, 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. With manufacturing facilities across India and the UAE, JSW Cement Ltd. provides a diverse range of products for various construction projects, emphasizing innovation, quality, and environmental responsibility.

Investor Rationales

Synergies with JSW Group: JSW Cement Ltd. has a significant competitive advantage due to its access to captive raw materials from JSW Steel. This vertical integration reduces costs and protects the company from price volatility.

Focus on Sustainability: As a leading producer of "green cement" using industrial byproducts, the company aligns with global trends toward sustainable construction. This position is a key advantage for securing large infrastructure projects.

Aggressive Capacity Expansion: The company has an ambitious plan for significant growth by expanding its production capacity through new plants and modernizations, particularly in northern India, to capture new market share.

Strong Market Growth: JSW Cement Ltd. has consistently outpaced the industry in both sales and capacity growth. Its strategic plant locations and focus on both retail and institutional sales position it well to benefit from India's ongoing infrastructure boom.

Improving Financial Performance: Despite ongoing, debt-funded expansion, the company has shown improving revenue and profitability. Its upcoming Initial Public Offering (IPO) is expected to strengthen its balance sheet and fund future growth.

Risk

Highly dependent on JSW subsidiaries: Can be exposed to related party transactions and conflict of interests.

Declining earnings and profit margins: 163.7 cr loss in FY25.

Our views

JSW Cement Ltd., part of the JSW Group, is set to IPO with a strong focus on "green" blended cement. Its dominant market share in eco-friendly products and strategic raw material access from sister companies give it a competitive edge. The IPO aims to fund significant expansion and reduce debt, strengthening its balance sheet for future growth.

However, a closer look reveals declining profitability and return on equity despite rising revenues. The company also faces risks from industry cycles and reliance on steel by-products.

Despite these challenges, JSW Cement Ltd's strong brand, strategic growth plans, and alignment with India's sustainable infrastructure push make it an attractive long-term play. Verdict: Subscribe for sustained value creation.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial KPIs	Metric	2023	2024	2025
Revenue from operations	In ₹ Cr	5836.72	6028.10	5813.07
EBITDA	In ₹ Cr	826.97	1035.66	815.32
EBITDA per Tonne	₹	787.67	826.80	645.17
EBITDA Margin	%	13.82%	16.94%	13.78%
Operating EBITDA	In ₹ Cr	815.81	1098.93	864.18
Operating EBITDA per Tonne	₹	777.05	877.31	683.83
Operating EBITDA Margin	%	13.98%	18.23%	14.87%
PAT	In ₹ Cr	104.04	62.01	-163.77
PAT Margin	%	1.74%	1.01%	-2.77%
Operating Return on Capital Employed (RoCE)	%	6.46%	11.01%	7.05%
Return on Equity (RoE)	%	4.64%	2.60%	-6.90%
Adjusted Return on Equity (Adjusted RoE)	%	6.19%	4.82%	-0.31%
Basic EPS	₹	139.00%	91.00%	-116.00%
Net Debt (excluding CCPS)	In ₹ Cr	3758.46	3820.33	4203.78
Total Equity	In ₹ Cr	2240.74	2385.48	2372.35
Net Asset value per share	₹	23.24	24.99	23.85
Operating KPIs	Metric	2023	2024	2025
Cement Saleable Production	Million metric tonnes ("MMT")	5.76	7.05	7.17
GGBS Saleable Production	MMT	3.85	5.11	5.19
Cement Volume Sold	MMT	5.70	6.94	7.09
Total Volume Sold	MMT	10.50	12.53	12.64
Ready mix concrete Sales volume	(Million Cu. M)	0.35	0.37	0.56
Percentage of Cement Volume Sold through Trade Channel	%	64.39%	57.53%	52.87%
Grinding Capacity Utilization	%	60.37%	67.50%	62.89%
Clinker Capacity Utilization	%	78.78%	84.81%	84.30%
Clinker To Cement Ratio	%	42.88%	46.60%	50.13%

Source: Company RHP

JSW Cement Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
JSW Cement Limited	-1.16	-1.16	23.85		-4.85		Consolidated
Ultratech Cement Limited	205.3	205.13	2403.71	59.56	8.54	5.08	Consolidated
Ambuja Cements Limited	17	16.96	218	35.97	7.8	2.8	Consolidated
Shree Cement Limited	311.18	311.18	5969.32	97.77	5.21	5.1	Consolidated
Dalmia Bharat Limited	36.42	36.42	926.34	60.39	3.93	2.37	Consolidated
Jk Cement Limited	111.44	111.44	788.03	58.39	14.14	8.26	Consolidated
The Ramco Cements Limited	11.53	11.53	314.82	103.5	3.66	3.8	Consolidated
The India Cements Limited	153.23	153.23	328.95	2.38	-1.41	1.11	Consolidated

Notes:

P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE Limited ("BSE") as on July 29, 2025 divided by the diluted earnings per share for the year ended March 31, 2025.

EV/ EBITDA ratio for the listed industry peers has been computed as the market capitalization of the industry peers based on the closing market price of equity shares on BSE on July 29, 2025, plus the net debt as on March 31, 2025 divided by EBITDA for the year ended March 31, 2025.

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