

BUY

TP: Rs 139 | ▲ 17%

JSW CEMENT

| Cement

| 06 April 2026

A well-diversified play in the promising GGBS segment

- Growth trajectory very robust with volume growth at ~17% CAGR over FY15-FY25; momentum to grow only stronger with capacity addition
- Earnings trajectory improving at 29% EBITDA CAGR over FY25-FY29E, backed by improving earnings quality and cost savings
- We value JSWCEMEN at 14x EV/EBIDTA FY28E estimated earnings and arrive at TP of Rs139 leaving 17% upside; assign BUY rating

On a healthy growth trajectory: JSW Cement (JSWCEMEN) has been the fastest-growing player among the top 10 cement companies in India, delivering a capacity CAGR of ~13% over FY15–FY25. Furthermore, capacity expansion has successfully led to strong volume growth as well, with JSWC reporting a sales volume CAGR of ~16.7% over the same period — meaningfully ahead of the industry's ~6.1%.

Well-diversified growth driven by a thought-out strategy: JSWCEMEN strategy vests on strong GGBS momentum, with volumes growing at ~16% CAGR over FY15-FY25, driven by rising infrastructure demand and increasing acceptance of blended cement products. This differentiated product mix strategy, with a higher share of GGBS and blended cement, has enabled faster growth vs peers.

Cost advantage aids well-balanced EBIDTA, hedging between two segments: JSWCEMEN has an organic linkage with JSW Steel — a relationship that translates into low-cost raw material growth engine. The company is able to generate incremental EBITDA in its GGBS segment, beating its average EBITDA (Rs850/900 per/tn). Easy accessibility of slag without any or marginal logistic cost provides big advantage to the company.

Balance sheet skewed due to high debt, though strong parentage mitigates risk: JSWCEMEN is expected to add ~9 mn tonnes of cement capacity and ~10 mn tonnes of GGBS capacity by FY30. Capital expansion's funding will be with a judicious mix of debt and equity. Debt ending 9MFY26 was ~46bn and is likely to stay elevated at ~Rs45-50bn in the next couple of years. However, improving earnings quality and strong parentage partially mitigates the balance sheet risk.

Valuations reasonable; initiate with a BUY: We value JSWCEMEN at 14x FY28 EV/EBIDTA to arrive at TP of Rs139, an upside of 17% over the CMP. The strong diversified earnings pool, well-spread regional mix and strong backward integration will help improve the quality of earnings. The 4Y EBITDA CAGR is at a robust 29%, backed by capacity additions and cost savings. Initiate with a BUY rating on the stock. **Key risks: Slower GGBS business growth, elevated debt on the book.**

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Ticker/Price	JSWCEMEN IN/Rs 119
Market cap	US\$ 1.7bn
Free float	28%
3M ADV	US\$ 3.9mn
52wk high/low	Rs 162/Rs 107
Promoter/FPI/DII	72%/3%/8%

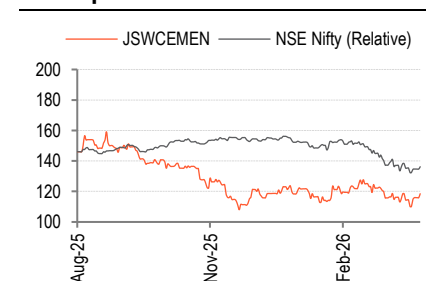
Source: NSE | Price as of 6 Apr 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	58,131	63,023	73,204
EBITDA (Rs mn)	7,373	11,807	13,929
Adj. net profit (Rs mn)	(653)	2,381	3,354
Adj. EPS (Rs)	(0.7)	1.7	2.5
Consensus EPS (Rs)	(0.7)	1.1	4.3
Adj. ROAE (%)	8.6	11.5	6.9
Adj. P/E (x)	(179.0)	67.9	48.2
EV/EBITDA (x)	28.3	18.4	15.8
Adj. EPS growth (%)	(145.3)		40.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



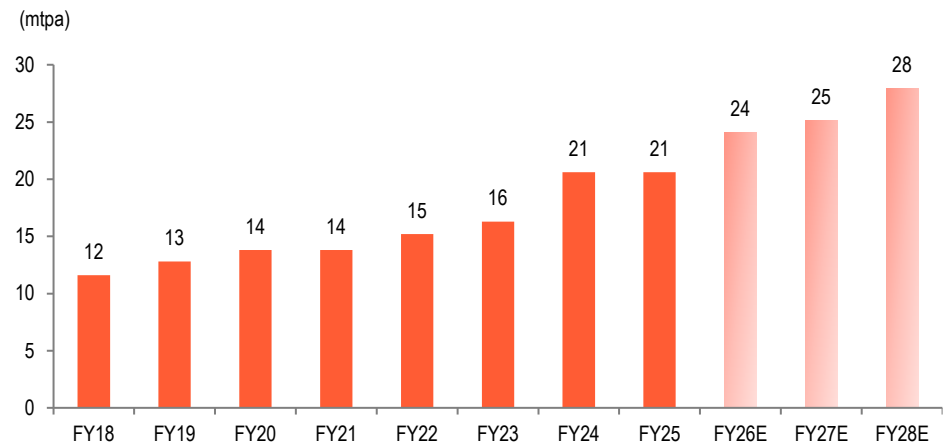
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On a firm growth track with diversified products portfolio

JSW Cement (JSWCEMEN) has been the fastest growing player among the top 10 cement companies in India, delivering a capacity CAGR of ~13% over FY15–FY25. This growth has outpaced industry leaders such as UltraTech (~11.8%), Shree Cement (~9.1%), Ambuja Cement (~5.3%) and the broader industry (~4.8%).

Fig 1 – Decadal capacity CAGR growth amongst the healthiest in the industry



Source: Company, BOBCAPS Research

Furthermore, capacity expansion has successfully led to strong volume growth as well, with JSWCEMEN reporting a sales volume CAGR of ~16.7% over the same period, meaningfully ahead of the industry’s ~6.1%. Utilisation levels have been volatile but maintained above 62% level for majority of the period — indicating that growth has been demand-driven.

Fig 2 – Volume CAGR being faster over capacity CAGR is a key positive

Company	FY15-25 Capacity CAGR	FY15-25 Volume CAGR
JSW Cement	12.96	16.73
UltraTech	11.78	10.8
Ambuja Cement	5.31	3.25
Shree Cement	9.1	8.3
Dalmia Bharat	7.51	10.53
JK Cement	8.75	11.55
Industry	4.77	6.15

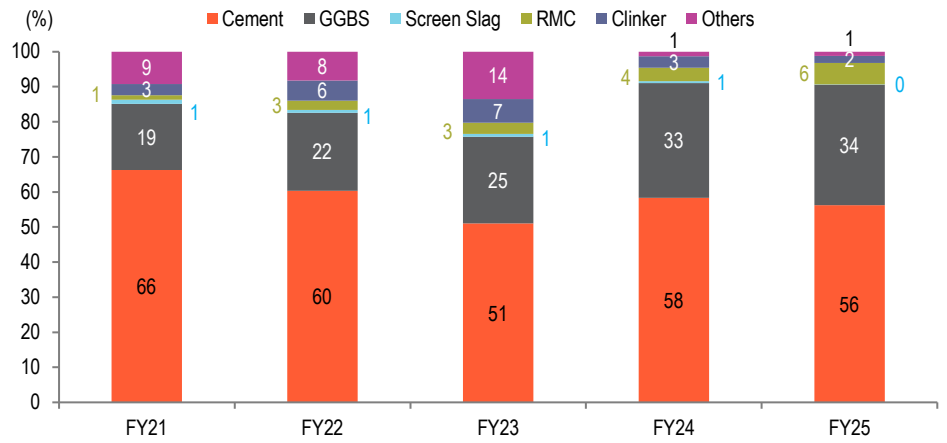
Source: Company, BOBCAPS Research, CRISIL

Subsequent growth trajectory reflects a well-executed, strategy-driven expansion, underpinned by three key pillars:

- Strong GGBS momentum, with volumes growing at ~16% CAGR over the past decade, driven by rising infrastructure demand and increasing acceptance of blended cement products
- Geographic diversification, evolving from a South-focused player in the early years to a multi-region presence across South, West, and East by FY23

- A differentiated product mix strategy, with a higher share of GGBS and blended cement, enabling structurally faster growth compared to OPC-heavy peers

Fig 3 – Revenue break-up points towards increasing contribution from GGBS

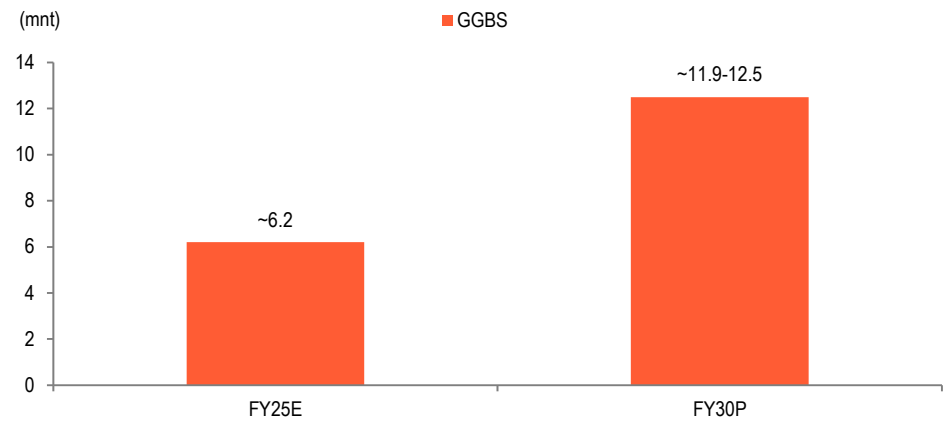


Source: Company, BOBCAPS Research

GGBS monopoly a moat tough to replicate by existing peers

JSWC is a leader in Ground Granulated Blast Furnace Slag (GGBS) with an estimated market share of ~84% in FY25. It has built a structurally non-replaceable moat (for existing peers), underpinned by raw material access through group ecosystem integration.

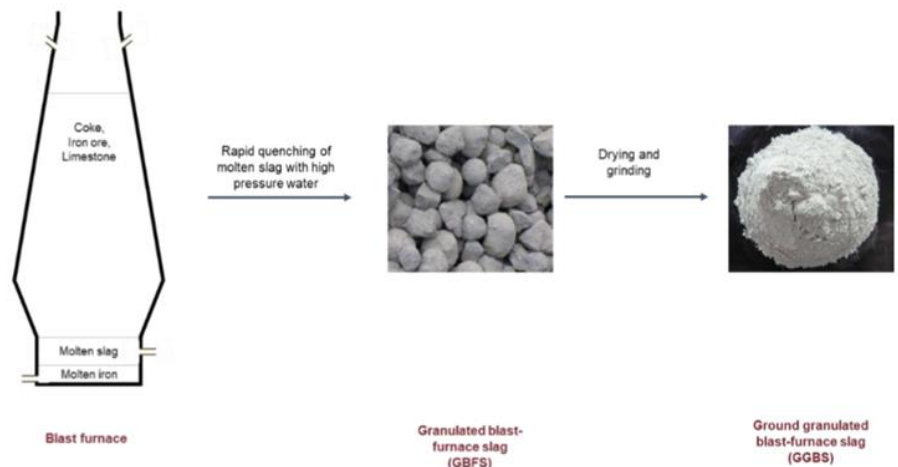
Fig 4 – GGBS growth over next 5 years to be driven by infra-focus



Source: Company, BOBCAPS Research, CRISIL

The strong market share cannot be easily replicated by conventional cement players because it is structurally protected vs being scale-driven. GGBS manufacturing requires direct co-location or immediate proximity to blast-furnace steel plants for ground blast furnace slag. JSWC’s integration with JSW Steel has resulted in a captive, cost-efficient, and scalable slag ecosystem. This dynamic creates a natural entry barrier, restricting pure-play cement companies to replicate this model.

Fig 5 – GGBS manufacturing process simpler and less costly over cement production



Source: Company, BOBCAPS Research, CRISIL

GGBS sales volume grew at a 15.8% CAGR from FY16 to FY25. Total company volume (cement + GGBS) grew at 14.8% CAGR over the same period. GGBS accounted for ~41% of total volume (5.18 mnt out of 12.64 mnt in FY25) and has

consistently delivered superior EBITDA contribution than Cement when slag is sourced captively.

Fig 6 – GGBS CAGR growth beats Cement volume gains over a decade

In mnt	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
Cement	2.27	2.51	2.3	4.78	4.61	5.55	5.67	5.76	7.45	7.46	14.1
GGBS	1.38	1.76	2.5	2.57	2.87	2.46	3.13	3.85	5.08	5.18	15.8
Total	3.65	4.27	4.82	7.35	7.48	8.01	8.8	9.61	12.53	12.64	14.8

Source: Company, BOBCAPS Research

Backward-integrated slag ecosystem

The company benefits from strong integration with JSW Steel, supported by long-term (5 years + option of another 5-year extension) take-or-pay slag sourcing contracts, WPI-linked pricing, and right of first refusal on incremental slag. Additionally, price discovery is conducted after every 2.5-year period, based on internal audits. These conditions result in:

- Stable and predictable input costs (~Rs 600/t average slag cost currently)
- Priority access to incremental slag volumes as steel capacity expands
- Reduced dependence on third-party sourcing (already down to ~7%)

As JSW Steel capacity expands towards the targeted ~50mtpa, incremental slag availability organically funds the GGBS capacity expansion, creating a self-reinforcing supply advantage.

Fig 7 – Relying heavily on inbuilt slag - a key raw material

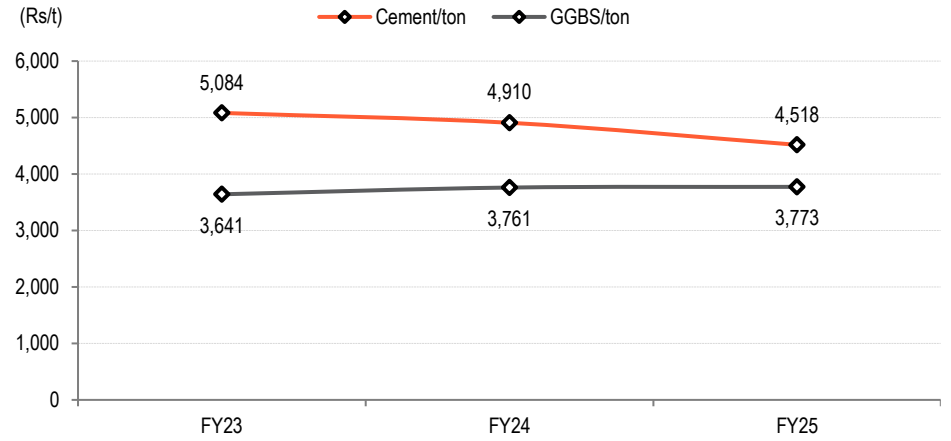
%	FY23	FY24	FY25
JSW Steel	88.77	90.93	92.93
Third Party Steel producers	10.43	8.07	5.87
Other sources	0.8	1	1.2

Source: Company, BOBCAPS Research

This moat has translated into consistent outperformance across key metrics:

- **Strong revenue compounding:** GGBS has been the fastest growing segment, with segmental revenue rising from Rs 7.1bn in FY21 to Rs 19.6bn in FY25, a CAGR of 28.8%. The overall company revenue grew at a healthy CAGR of 10.9%. This reflects both volume expansion and stable pricing.
- **Resilient realisations:** GGBS realisations have remained stable or with marginal improvement at Rs 3,641/t in FY23 to Rs 3,773/t in FY25. In contrast, cement realisations declined from Rs 5,084/t to Rs 4,518/t over the same period. This demonstrates GGBS’s margin resilience, customer stickiness, and lower sensitivity to cyclical cement price corrections.
- **Superior EBITDA accretion:** JSW management has repeatedly highlighted that GGBS is meaningfully more EBITDA-accretive than the company-average EBITDA, especially when slag is sourced in-house from JSW Steel under captive contracts (segmental EBITDA is not published). This higher contribution comes from lower variable costs (captive slag at ~Rs 600/t average).

Fig 8 – Cement realization softening while GGBS realizations inch upwards

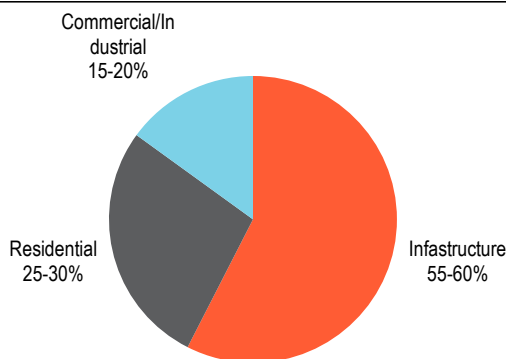


Source: Company, BOBCAPS Research

Demand Tailwinds

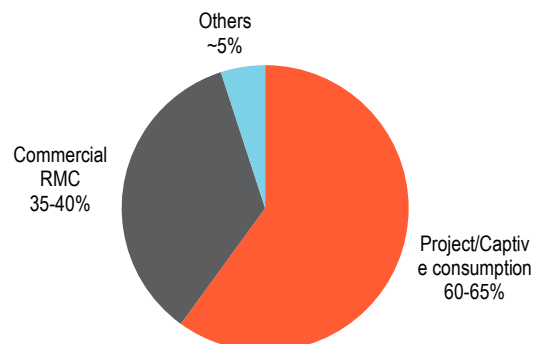
- GGBS demand is expected to grow at 14-15% CAGR over FY25-FY30 (Source: CRISIL)
- **Infrastructure-led demand:** Infra segment’s share in cement demand is expected to increase to 31-33% in FY30 from 29-31% in FY25. Since the end use mix for GGBS is heavily skewed towards Infra (55-60%), there is headroom for growth.
- **RMC penetration runway:** RMC penetration in India remains low, and GGBS usage within RMC is only ~6% currently vs 40–50% in developed markets, offering massive headroom for substitution of fly-ash.
- **Application split shows strong stickiness:** 60–65% of GGBS material goes into project/captive consumption by large developers and EPC players. Further, 35–40% into commercial RMC, and the balance in others. This indicates that order inflows are less erratic in nature, improving the quality of earnings.

Fig 9 – Infrastructure segment contribution higher



Source: Company, BOBCAPS Research, CRISIL

Fig 10 – Captive consumption applications key GGBS driver



Source: Company, BOBCAPS Research, CRISIL

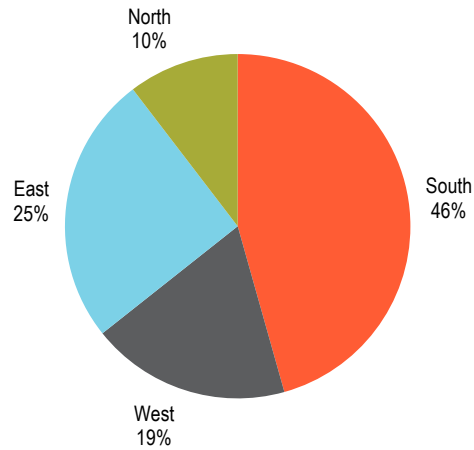
Balanced geographic presence with high-value entry into North and Central India

Transitioning from regional concentration to pan-India footprint

JSWC installed capacity has been concentrated in the South, West, and East, with zero presence in North and Central regions. This created a geographic imbalance, more so, given higher competitive intensity and pricing volatility in South.

The commissioning of the Nagaur-integrated unit (Rajasthan) in Q4FY26—comprising 2.5mtpa grinding and 3.3mtpa clinker capacity—marks the first phase of geographic rebalancing, with North India becoming a key growth engine, going forward.

Fig 11 – Well-diversified capacity split



Source: Company, BOBCAPS Research

North India entry: structurally superior market with better pricing and demand visibility

North India accounted for ~19% of India’s installed cement capacity in FY25 (~127 MTPA) and has been among the fastest-growing regions, delivering ~8–9% demand CAGR over FY21–FY25, driven by:

- Metro and urban infrastructure development in NCR
- Highway construction (including NHAI and border roads)
- Affordable housing and smart city initiatives

In the medium-term growth is forecasted to moderate to ~6.5-7.5% CAGR due to higher base. However, the region remains one of the most attractive markets with continued infrastructure investments and urban development.

The integrated Nagaur unit (Phase 1) is expected to run at 50-55% utilization in the first year. Additionally, unlike pure grinding-led expansion, JSWC has entered the North with integrated clinker capacity (3.3mtpa) to ensure clinker self-sufficiency. As of early

February-2026 company has onboarded ~500 channel partners of which 90-95% dealers are core cement and paint dealers.

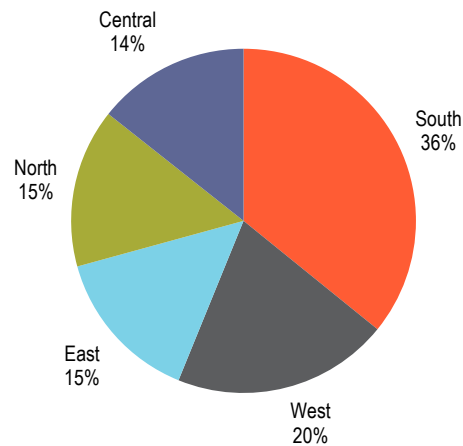
Post this, JSWC has a clear-cut roadmap of expansion in North:

- Phase 2 of Nagaur plant additional 1mtpa grinding by H1FY27
- Talwandi Sabo (Punjab) grinding unit of 2.75mtpa (EC and CTE expected shortly)

Further diversification into Central region (next leg of growth)

Further diversification spans into central region with Hatta (Damoh), Madhya Pradesh integrated unit (1mtpa grinding + 3.3mtpa clinker) and a split grinding unit in UP (5mtpa). For the UP plant, land parcel has already been identified at a very strategic location in Jewar, Western UP. Central India is believed to offer healthy tailwinds, with forecast of 7.5–8.5% CAGR in cement demand over FY25–30, driven by metro projects (Bhopal, Indore, Agra, Meerut), road/highway and irrigation work, and rising housing demand in emerging pockets like Meerut and Aligarh.

Fig 12 – Consolidation in North and entry in Central India to improve earnings quality



Source: Company, BOBCAPS Research

Secured limestone reserves to support scalable expansion

Limestone accounts for the largest chunk of total raw material cost in cement manufacturing, having ready access to high-quality reserves is a key determinant of long-term cost competitiveness and scalability.

India's cement-grade limestone reserves (~19bnt proved grade) are geographically concentrated across a few states (Rajasthan, Andhra Pradesh, Madhya Pradesh, Karnataka), creating structural entry barriers for new capacity additions, particularly integrated clinker units.

JSWC has secured aggregate residual reserves of ~1,283mnt across 12 mines (11 in India + 1 in the UAE), providing ample availability of the decades of captive supply to address its planned expansions.

Limestone reserves are strategically distributed across the existing capacity and planned expansion:

- South (Andhra Pradesh, Karnataka): Supports existing clinker operations (e.g., Nandyal) with strong proximity advantages
- East (Odisha): Feeds clinker production at Shiva Cement, supporting coastal and eastern markets
- North (Rajasthan – Nagaur): Large merchant reserves (~600+ mnt across multiple blocks) aligned with the newly commissioned integrated unit
- Central India (Madhya Pradesh): Reserves at Panna/Damoh provide optionality for future integrated capacity (Hatta project).

Fig 13 – In possession of healthy captive limestone mine reserves, except a few

Mine	Location	Lease expiry	Residual reserve (mnt)	Type
JSW Nandyal Mine	Nandyal, Andhra Pradesh	Apr-58	105.18	Captive
Shiva Khatkurbahal	Sundargarh, Odisha	Jan-42	57.25	Captive
Shiva Khatkurbahal	Sundargarh, Odisha	Nov-72	18.11	Mechant
Fujairah	Fujairah, UAE	Oct-42	193.58	Mechant
Kolkarhiya	Panna, Madhya Pradesh	Oct-65	139.17	Captive
Mudhvay D	Kutch, Gujrat	Dec-72	112.72	Mechant
3B2	Nagaur, Rajasthan	Apr-73	144.61	Mechant
3D1	Nagaur, Rajasthan	LOI	158.03	Mechant
3C1	Nagaur, Rajasthan	LOI	168.46	Mechant
3C2	Nagaur, Rajasthan	LOI	129.65	Mechant
Pipariya Dyandas	Damoh, Madhya Pradesh		55.91	Mechant
Satunur	Gulbarga, Karnataka	Composite lease	n/a	Mechant

Source: Company, BOBCAPS Research

Inter-group synergy with JSW Steel, a low-cost growth engine

The most distinctive feature of JSWC is the organic linkage with JSW Steel — a relationship that translates into low-cost raw material growth engine. The arithmetic is straightforward — every ton of steel produced in blast furnace produces ~350kg of slag. As JSW Steel expands capacity from ~34.2mtpa to ~50mtpa by FY30, the incremental slag produced automatically translates into raw material pipeline with Right for First Refusal to JSW Cement.

Fig 14 – Slag sourcing in-house with very little movement and cost

Plant	Source of blast furnace slag	Distance (in km)	Transportation
Vijaynagar	JSW Steel plant, Vijaynagar	6.8	Road
Nandyal	JSW Steel plant, Vijaynagar	237	Rail and Road
Salem	JSW Steel plant, Salem	2.2	Road
Dolvi	JSW Steel plant, Dolvi	1	Overland belt conveyor
Salboni	Third party	162-447	Rail
Jajpur	Third party	13	Road

Source: Company, BOBCAPS Research

Management targets mid-teens growth for GGBS in FY27, fully backed by committed slag volumes. Near-term catalyst includes the ongoing expansion at Vijaynagar that adds ~0.5mnt of slag and Dolvi expansion that can generate ~1.75mnt of slag.

Management has highlighted that Dolvi is expected to be sold out of GGBS in FY27 constrained only by slag availability. With the long-term growth plans of JSW Steel only assures additional slag availability of ~5.4mnt of slag creating headroom for GGBS growth

Fig 15 – Capacity addition by Steel sister concern in the group to assure slag availability in the medium term

JSW Steel Capacity Addition	Timeline	Slag Increment	JSW Plant Beneficiary
Dolvi expansion: ~5 MTPA additional steel	Expected September 2027	~1.75mnt	Dolvi 4.5mtpa grinding plant
Vijayanagar capacity increases	Ongoing	~0.5mnt	Vijayanagar 6mtpa grinding
New steel plants (long-term)	FY28+ towards 50 MTPA target	~5.35mnt additional slag at 50mtpa target	Potential new GGBS units

Source: Company, BOBCAPS Research

Cost advantage enables GGBS EBIDTA to edge Cement EBIDTA, provides hedge:

With a strong backward integration JSWCEMEN is able to generate incremental EBITDA in its GGBS segment, beating its average EBITDA (Rs850/900 per tn).. Easy accessibility of slag without any/ marginal logistic cost, provides big advantage to the company. Besides, contracts with the parent company enable smoother supply of the key input in GGBS manufacturing with consistent flow.

As GGBS manufacturing only needs grinding and moisture absorption (10%), the end product is a direct conversion without any blend. With most of the cost benefits on its side, GGBS EBITDA/tonne is healthy, beating the company's average EBITDA by a margin.

This also helps JSWCEMEN to maintain its EBITDA/tn and margins in the soft demand cycle of cement. In the recent past the cement realisations have stayed soft with no major change in GGBS realisations. Under such circumstances too the aggregate EBITDA of the company has stayed largely unchanged with a positive bias. This underlines cost efficiencies in the GGBS segment has helped JSWCEMEN.

Additionally, the cost advantage over peers due to near access of slag without any significant logistic cost and first right to refusal — provides additional cushion.

Reduction in power and fuel cost driven by Energy mix transition

JSWC has managed to reduce power and fuel cost meaningfully from Rs 10.3bn in FY23 to Rs 8.5bn in FY25, despite a scale-up in operations. This improvement has stemmed from a shift in the energy mix and backward integration.

A key driver of the decline has been lower reliance on grid power (93% in FY23 to 55% in FY25). Power consumption was shifted to captive thermal power (3% IN FY23 to 23% in FY25), WHRS (0% in FY23 to ~13% in FY25) and solar (4% in FY23 to 9% in FY25).

Fig 16 – State grid reliance reducing replaced by cheaper power sources

Source of Power	FY23	FY24	FY25
State Electricity Board	92.9	61.4	55.5
Thermal power plant	3.3	23.6	23.1
WHRs power generation units	0.0	7.9	12.7
Solar power plants	3.8	7.2	8.8

Source: Company, BOBCAPS Research

Roadmap for further cost reduction

- Renewable energy share stands at 25%, as of Q3FY25, with a target to hit 60% by FY30. The upcoming capacity at Nagaur (79MW) will provide further impetus to this shift.

- Thermal substitution rate stands at 16.5% and ISWC aims reaching 30% by FY30. Increased use of plastics, industrial waste and biomass will reduce the dependence on imported petcoke and coal.
- Backward integration: Securing the Marwatola VI coal block offers long-term protection to JSWC against coal price volatility, providing margin stability.

Balance sheet skewed due to higher debt

Currently, the company is in capex mode in the cement as well as the GGBS segments. It is expected to add capacities of ~9 mn tonnes (cement) and ~10 mn tonnes (GGBS) respectively, by FY30. This will ramp up total capacity to ~42 mn tonnes. The capital expansion's funding will be with a judicious mix of debt and equity. Debt ending 9MFY26 was ~46bn and will likely stay elevated at ~Rs45-50bn in the next couple of years.

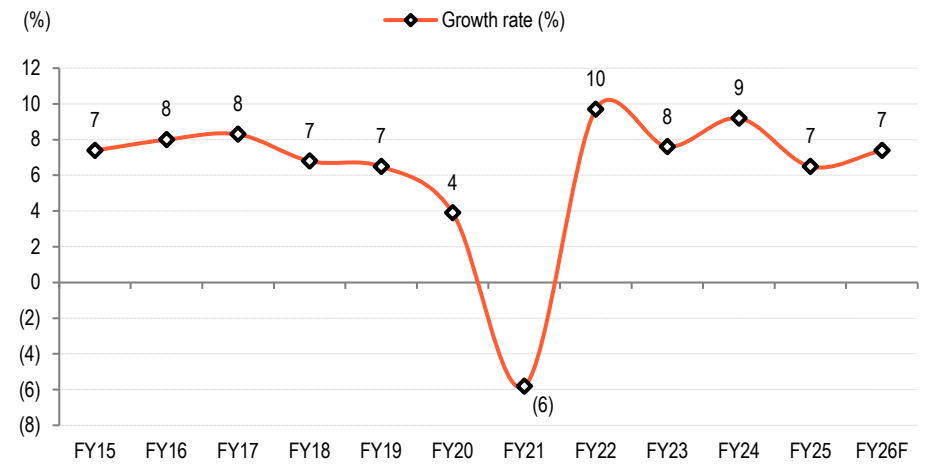
This will keep Debt/EBITDA ~3x or marginally upwards of 3x. However, considering the improving quality of earnings with greater exposure to remunerative North and Central India regions for the cement segment and increasing dominance in the GGBS segment (currently ~ 84%), we feel the higher debt will be serviced with major concerns. The improving interest coverage ratio at 2x+ in FY28 and beyond only adds comfort.

Additionally, strong parentage from Jindal Group with a diverse presence in multiple business segments, only helps. The UAE unit at Fujiraha, though currently under JV (Joint Venture) the operational capabilities solely are owned by JSWCEMEN.

Industry Overview

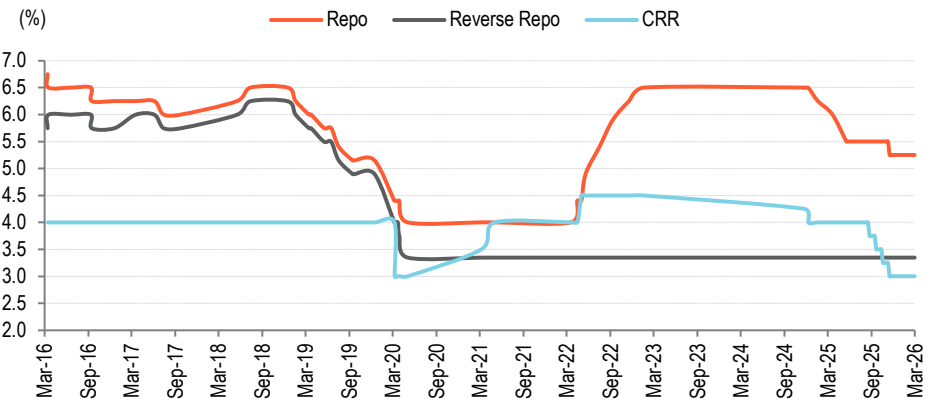
India remains one of the fastest-growing large economies globally, with real GDP growth for FY26 according to the latest National Statistics Office (NSO) estimates projected at 7.4% — a healthy rebound from 6.5% in FY25. The RBI has actively supported growth through monetary easing. After cumulative rate cuts of 125 bps in 2025, the MPC has held repo rate steady at 5.25% (as of February 2026) while maintaining Neutral stance. CPI inflation has eased, aided by a normal-to-above-normal monsoon outlook and softer global commodity prices. This benign inflation environment has given the RBI room to prioritise growth, with further transmission of lower rates expected to boost credit offtake and private investment.

Fig 17 – GDP growth and Cement demand directly correlated



Source: RBI, NSO, CRISIL

Fig 18 – Easing liquidity measures only help improve commodity business



Source: RBI

Structural demand from urban and young population

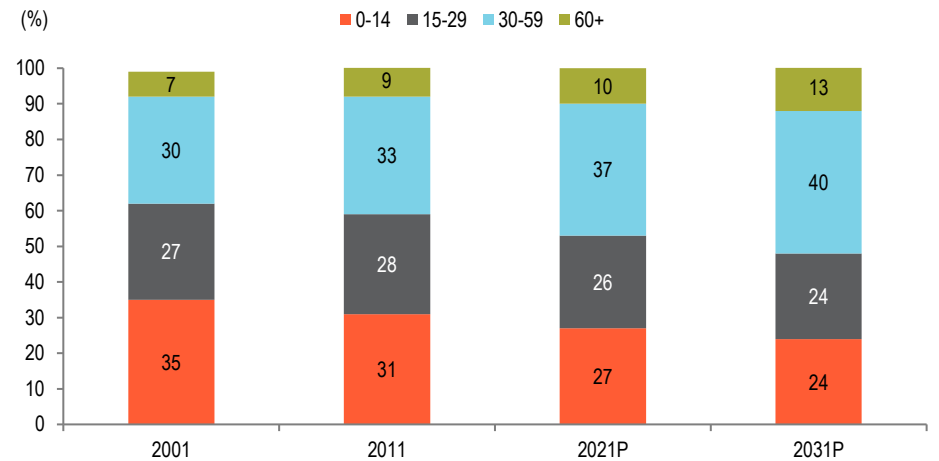
India’s demographic profile provides a multi-decade structural demand tailwind for the Cement industry. India is the most populous country with a population of 1.4bn. The country also boasts of having the youngest population with median age of ~28 years. This demographic profile is undergoing two important shifts that directly support the housing and infrastructure demand:

- Share of young population (0–14 years) is declining from 26% in FY21 to an estimated 22% by FY31, resulting in a rising proportion of working-age adults.
- Rapid urbanisation from 35% of the population in 2020 to a projected 37% by 2025 and 40–42% by 2030, along with increasing nuclearisation of families (shift from joint families to nuclear households due to mobility, individualism, and lifestyle changes) is driving the strong new household formation, particularly in urban and semi-urban areas.

These trends directly influence cement consumption:

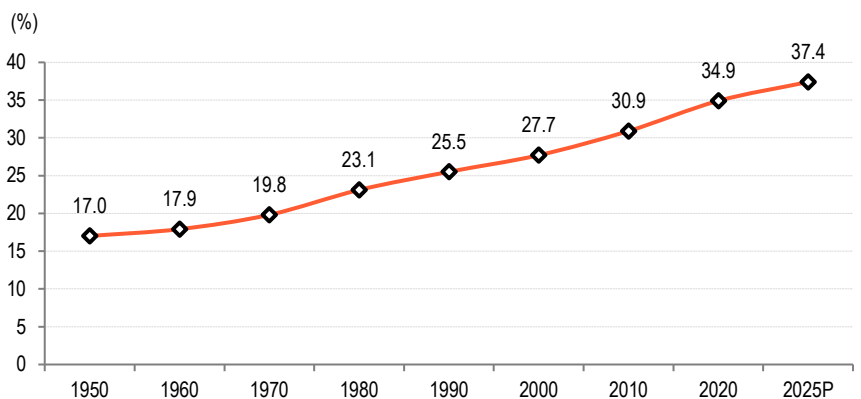
- Housing, which accounts for 55–57% of total cement demand in FY25, is benefiting from both rural concretisation and robust urban housing requirements driven by migration and rising affluence.
- Infrastructure (29–31% share) gains from the large working-age population’s need for improved connectivity, urban development, and industrial facilities.

Fig 19 – Demographic skewed towards earning population



Source: UN Department of Economic and Social Affairs, CRISIL MI&A Research

Fig 20 – Growing urbanisation key driver for Cement and GGBS demand growth



Source: Census 2011, World Urbanization Prospects 2021: The 2018 Revision (UN)

Union Budget 2026–27: near-term demand catalyst for Cement

The Union Budget 2026–27 provides a clear and powerful near-term boost to cement demand. Total government expenditure is budgeted at Rs 53.47trn (+7.7% YoY), while capital expenditure has been stepped up to Rs 12.22trn — an 11.5% increase over FY26 revised estimates. This capex push is a direct multiplier for cement consumption.

Multi-sector infrastructure allocation supports diversified demand

Budget allocations across key sectors reinforce a broad-based construction cycle:

- Roads & Highways (~Rs 3.1trn): Continued focus on national highways, where concrete usage (and GGBS blending) is rising
- Railways (~Rs 2.8trn): Tunnels, bridges, and stations drive cement intensity, particularly in East and North corridors
- PMAY Urban (~Rs 186bn): Strong push to housing, which contributes ~55–57% of cement demand
- Interest-free loans to states (Rs1.85trn): Enables state-level infra (roads, irrigation, urban projects)

State budgets reinforce momentum in JSW's key geographies

Several key state budgets presented in February 2026 amplify the infra-led demand outlook:

- Maharashtra (JSWC's largest West-region market): Record total outlay of Rs7.69trn with capex of ~Rs1.2trn under the Viksit Maharashtra 2047 vision. Mumbai MMR and coastal projects will be major beneficiaries.
- Andhra Pradesh (core South market): Total outlay Rs3.3trn, with capex jumping 33% to a record ~Rs539bn. The shift toward infrastructure aligns with Swarna Andhra@2047.
- Uttar Pradesh (key Central/North gateway): Largest state budget in India at Rs9.1trn (~12% YoY), with capex at Rs1.8tr. UP targets a \$1 trn economy by 2030.
- Rajasthan (North entry point via Nagaur): Focus on fiscal consolidation alongside enhanced capex in roads, solar, and water infrastructure.
- Odisha & West Bengal (East operations): Both states have allocated meaningful resources for roads, ports, waterways (NW-5 in Odisha), and freight corridors (Dankuni–Surat in Bengal).

Collectively, these budgets signal a decisive shift toward capital spending, with a focus on roads, highways, metros, high-speed rail, urban housing, and irrigation — segments that are highly GGBS-intensive.

Company Overview

JSWC is part of the JSW Group, one of India's largest and most diversified business conglomerates. The Group operates across multiple sectors, including steel (JSW Steel), energy (JSW Energy), infrastructure (JSW Infrastructure), paints (JSW Paints), sports, realty and defence. This diversified presence creates meaningful synergies for JSW Cement, particularly in raw-material security (blast-furnace slag from JSW Steel) and providing access to large-scale infrastructure and construction projects within the group ecosystem.

Business model and product portfolio

JSWC's portfolio is structurally differentiated towards blended and sustainable cement products, including:

- Portland Slag Cement (PSC)
- Portland Composite Cement (PCC) / Portland Pozzolana Cement (PPC)
- Ordinary Portland Cement (OPC)
- Ground Granulated Blast Furnace Slag (GGBS)

In addition, the company has a growing presence in value-added segments, including Ready Mix Concrete (RMC), clinker, screened slag, and construction chemicals.

A key feature of the business model is low clinker intensity, with a higher share of blended products resulting in lower fuel consumption, reduced carbon footprint, and structurally better cost economics.

Waste-to-Value model anchored in Steel integration

The founding logic of JSWC is central to its competitive positioning. In blast furnace-based steelmaking, every ton of steel generates ~350 kg of slag as a by-product. Historically treated as industrial waste, slag disposal posed both environmental and logistical challenges.

To address this, JSW Group set up its first cement unit co-located with its steel operations at Vijayanagar, with a clear objective:

- Convert slag into GGBS (100% slag-based product, zero clinker)
- Produce PSC (slag blended with clinker)

This created a waste-to-value industrial model, where a by-product of steel becomes a key raw material for cement.

Fig 21 – Management Profile

Name	Designation	Qualification	Experience	Key Responsibilities	Prior Experience / Highlights
Parth Jindal	Managing Director (Promoter)	BA (Economics & Political Science) – Brown University; MBA – Harvard University	15+ years	Overall business strategy and leadership	Founder – JSW Sports; MD – JSW Paints; ex-JFE Steel & JSW Steel
Narinder Singh Kahlon	Director – Finance & Commercial; CFO	B.Com; Chartered Accountant (ICAI)	27+ years	Finance, Accounts, Taxation, commercial functions	Ex-Karam Chand Thapar, Bhushan Ltd, Haldia Petrochemicals; with JSW Group since 2007
Nilesh Narwekar	Whole-Time Director & CEO	B.Tech (Electronics); MMS – JBIMS	25+ years	Overall business operations and execution	Former Partner – PricewaterhouseCoopers (Advisory)
Manoj Kumar Rustagi	Chief Sustainability Officer	B.E – BITS; PGPM – Indian School of Business	29+ years	Sustainability, R&D, ESG strategy	Ex-IBM India, Jindal Steel & Power, Satyam Computers
Rajan Killikurussi	Head – Projects	B.Tech (Mechanical)	29+ years	Project execution and capex delivery	Ex-Zuari Cement, Holtec Consulting, JSW Cement FZC
Hitendra R. Jariwala	Chief Marketing Officer	B.Sc; MBA – University of Pune	35+ years	Sales, branding, distribution strategy	Ex-UltraTech Cement, India Cements, Orient Cement
Sumeet Chadha	Chief Manufacturing Officer	B.E (Electronics)	27+ years	Manufacturing operations, plant efficiency	Ex-Shree Cement, ACC Limited

Source: Company, BOBCAPS Research

Valuation Methodology

JSWCEMEN has created a niche with strong presence in the GGBS segment. There are few companies in competition in the segment. With strong cost-effective input integration (slag tie-up at Rs600/tn) the segment is expected to deliver healthy EBITDA/tn well ahead of the company EBITDA/tn.

In the cement segment the company has taken healthy initiatives to widen its presence with capacity addition in North and plans to enter Central India. The UAE facility is also planning a grinding capacity that will enhance quality of earnings (versus clinker sales).

The initiatives in both the key segments will brighten the earnings prospective of the company. However, with aggressive growth plans the debt levels of the company are expected to stay elevated around Rs5bn till FY29 and beyond. The debt-ebidta is expected to stay high ~ 3.5x and only recede below 3x in FY29 and only improve further. However, the cash flow operations will deliver healthy improvement in the medium term as the enhanced capacity delivers performance.

We value JSWCEMEN at 14x FY28 EV/EBIDTA to arrive at TP of Rs139, an upside of 17% over the CMP. The strong diversified earnings pool, well-spread regional mix and strong backward integration will help improve the quality of earnings. The 4Y EBITDA CAGR is at a robust 29%, backed by capacity additions and cost savings. Initiate with a BUY rating on the stock.

Fig 22 – Key assumptions

	FY26E	FY27E	FY28E	FY29E
Volumes (mt)	13.2	16.2	18.2	20.0
Cement Realisations (Rs/t)	4,675	4,722	4,816	4,913
GGBS Realisations (Rs/t)	3,672	3,745	3,820	3,897
Operating costs (Rs/t)	3,845	3,667	3,603	3,577
EBITDA/t (Rs/t)	876.6	842.5	947.7	1,033.1

Source: Company, BOBCAPS Research

Fig 23 – Peer comparison

Ticker	Rating	TP (Rs)	EV/EBITDA (x)			EV/tonne (US\$)			ROE (%)			ROCE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NUVOCO IN	HOLD	427	6.4	6.1	5.9	74	81	82	3.8	4.6	5.5	7.1	7.9	8.7
JSWCEMEN IN	BUY	139	14.6	12.4	9.9	76	72	54	6.9	7.2	10.3	9.8	9.8	11.8
TRCL IN	SELL	752	19.1	15.0	13.7	129	130	132	4.3	7.6	8.8	6.7	9.3	10.1

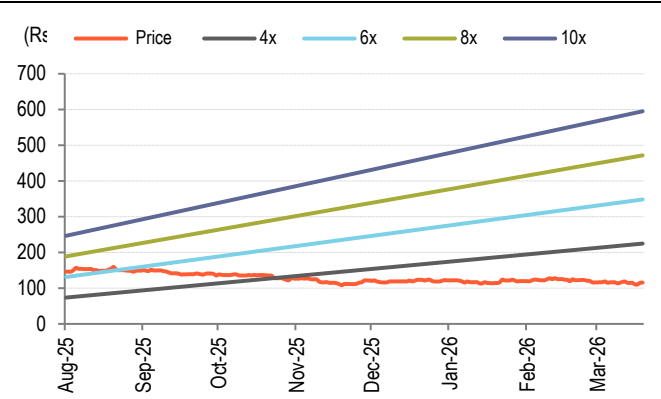
Source: Company, BOBCAPS Research

Fig 24 – Valuations reasonable factoring the GGBS moat

Business (Rs mn)	FY28E
Target EV/EBITDA (x)	14.0
EBITDA	17,471
Target EV	2,48,088
Total EV	2,48,088
Net debt	58,390
Target market capitalisation	1,89,697
Target price (Rs/sh)	139
Weighted average shares (mn)	1363.5

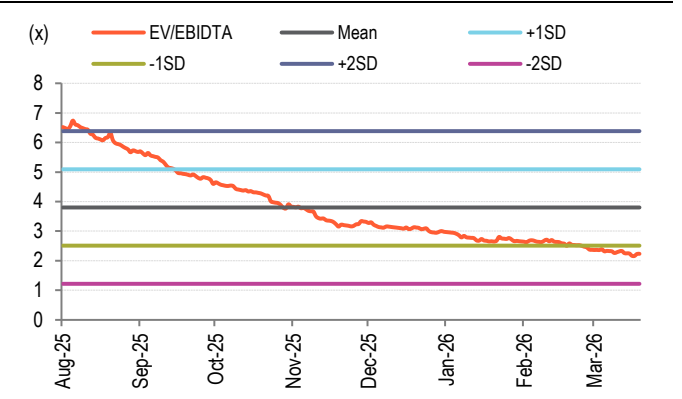
Source: Company, BOBCAPS Research

Fig 25 – EV/EBITDA band: Valued at 11x as elevated debt only concern



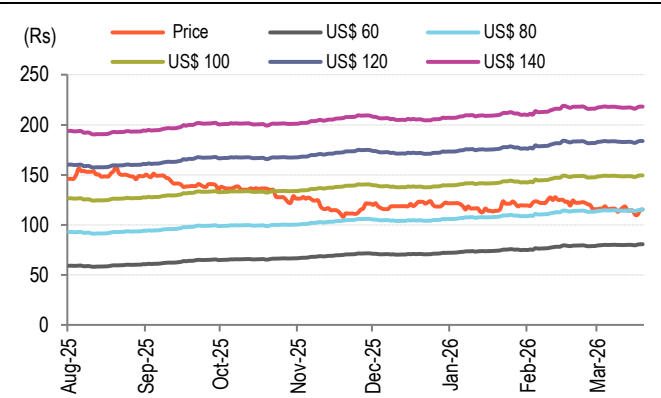
Source: Company, Bloomberg, BOBCAPS Research

Fig 26 – EV/EBITDA 1YF: Forward earnings reflect fair valuation



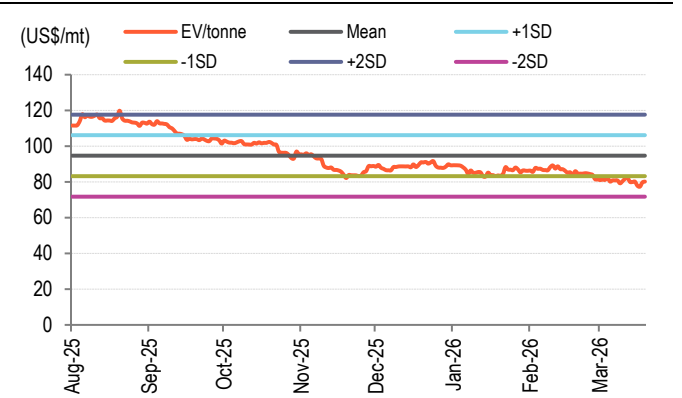
Source: Company, Bloomberg, BOBCAPS Research

Fig 27 – EV/Tonne band: Balance sheet concerns weigh on the replacement cost valuation



Source: Company, Bloomberg, BOBCAPS Research

Fig 28 – V/EBITDA 1YF: Valuations to improve with earnings trajectory



Source: Company, Bloomberg, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	58,131	63,023	73,204	82,630	92,048
EBITDA	7,373	11,807	13,929	17,471	20,903
Depreciation	(3,103)	(3,231)	(3,894)	(4,706)	(5,416)
EBIT	5,050	9,380	10,874	13,645	16,418
Net interest inc./(exp.)	(4,502)	(5,769)	(6,034)	(6,085)	(6,339)
Other inc./(exp.)	781	805	839	881	931
Exceptional items	(985)	(15,651)	(431)	(312)	(112)
EBT	(436)	(12,040)	4,408	7,248	9,968
Income taxes	(1,201)	(1,230)	(1,486)	(2,363)	(3,192)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	(1,638)	(13,271)	2,923	4,886	6,776
Adjustments	(985)	(15,651)	(431)	(312)	(112)
Adjusted net profit	(653)	2,381	3,354	5,198	6,888

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	12,376	12,830	14,842	16,311	17,806
Other current liabilities	24,656	29,339	32,161	35,262	38,671
Provisions	985	997	1,009	1,021	1,034
Debt funds	53,742	58,664	60,424	60,534	60,079
Other liabilities	4,557	4,694	4,835	4,980	5,129
Equity capital	9,864	13,635	13,635	13,635	13,635
Reserves & surplus	13,861	31,676	34,599	39,485	46,260
Shareholders' fund	23,724	45,311	48,234	53,119	59,895
Total liab. and equities	1,20,040	1,51,835	1,61,503	1,71,227	1,82,613
Cash and cash eq.	1,235	436	2,563	2,144	2,139
Accounts receivables	7,818	8,547	9,928	11,093	12,483
Inventories	4,285	4,144	4,613	5,207	5,800
Other current assets	39,414	41,749	44,397	46,418	48,579
Investments	2,659	2,659	2,712	2,767	2,822
Net fixed assets	52,355	66,725	79,667	89,419	96,554
CWIP	10,247	25,500	15,500	12,000	12,000
Intangible assets	2,027	2,075	2,124	2,180	2,236
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	1,20,040	1,51,835	1,61,503	1,71,227	1,82,613

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	(3,177)	(6,812)	8,475	11,795	14,445
Capital expenditures	(10,209)	(33,767)	(8,055)	(12,269)	(13,939)
Change in investments	1,664	0	(53)	(54)	(55)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(8,545)	(33,767)	(8,108)	(12,323)	(13,994)
Equities issued/Others	0	35,055	0	0	0
Debt raised/repaid	8,289	4,922	1,760	110	(455)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	1,508	(199)	0	0	0
Cash flow from financing	9,797	39,779	1,760	110	(455)
Chg in cash & cash eq.	(1,925)	(800)	2,127	(419)	(4)
Closing cash & cash eq.	1,235	435	2,563	2,144	2,139

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	(1.7)	(9.7)	2.1	3.6	5.0
Adjusted EPS	(0.7)	1.7	2.5	3.8	5.1
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	24.1	33.2	35.4	39.0	43.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	3.6	3.4	3.0	2.7	2.4
EV/EBITDA	28.3	18.4	15.8	12.6	10.5
Adjusted P/E	(179.0)	67.9	48.2	31.1	23.5
P/BV	4.9	3.6	3.3	3.0	2.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	375.3	110.2	66.3	67.4	68.0
Interest burden (PBT/EBIT)	10.9	38.5	44.5	55.4	61.4
EBIT margin (EBIT/Revenue)	8.7	14.9	14.9	16.5	17.8
Asset turnover (Rev./Avg TA)	49.8	46.4	46.7	49.7	52.0
Leverage (Avg TA/Avg Equity)	4.9	3.9	3.3	3.3	3.1
Adjusted ROAE	8.6	11.5	6.9	10.1	12.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(3.6)	8.4	16.2	12.9	11.4
EBITDA	(21.2)	60.1	18.0	25.4	19.6
Adjusted EPS	(145.3)		40.9	55.0	32.5
Profitability & Return ratios (%)					
EBITDA margin	12.6	18.7	19.0	21.1	22.6
EBIT margin	8.7	14.8	14.8	16.5	17.8
Adjusted profit margin	(1.1)	3.8	4.6	6.3	7.5
Adjusted ROAE	8.6	11.5	6.9	10.1	12.1
ROCE	6.5	9.8	9.8	11.8	13.5
Working capital days (days)					
Receivables	49	50	50	49	50
Inventory	27	24	23	23	23
Payables	89	91	91	91	91
Ratios (x)					
Gross asset turnover	0.9	0.7	0.7	0.7	0.7
Current ratio	1.4	1.3	1.3	1.2	1.2
Net interest coverage ratio	1.1	1.6	1.8	2.2	2.6
Adjusted debt/equity	2.3	1.3	1.3	1.1	1.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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