JSW Cement Limited

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Short-term bank facilities	150.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation reflects JSW Cement Limited's (JSWCL) established business profile, characterised by a growing scale of operations, improving geographical diversification and stable operating efficiencies, supported by operational synergies derived from its association with the JSW Group. Ratings also consider the company's improved financial flexibility following successful completion of its initial public offering (IPO), which augmented its capital base and enabled partial debt reduction.

The company has a healthy competitive position in cementitious products including Portland Slag Cement (PSC), Portland Pozzolana cement (PCC), Ordinary Portland cement (OPC) and ground granulated blast furnace slag (GGBS), supported by installed grinding capacities of 21.60 MTPA spread across southern (11 MTPA), western (4.50 MTPA) and eastern India (6.10 MTPA). This is largely supported by significant operational linkages with its group entities. JSWCL procures slag from JSW Steel Limited's (JSWSL; rated CARE AA; Stable/CARE A1+) steel plants. Other operational linkages include procurement of fly ash and power from its group entities. Ratings also consider the support provided to JSWCL by the JSW group, which houses JSWSL, JSW Energy Limited (JSWEL) and JSW Infrastructure Limited (JSWIL; rated CARE AA+; Stable/CARE A1+) and financial flexibility it benefits from being a part of the group. The company also benefits from healthy brand recall of 'JSW' derived from established presence of the group in steel space. The company's focus on green cementitious products including blended cement and GGBS, supported by slag from the group's steel units limits clinker requirements.

Ratings also take cognisance of the company's successful ₹3,600 crore IPO in August 2025, comprising a fresh issue of ₹1,600 crore and an offer for sale of ₹2,000 crore. Proceeds from the fresh issue are being used primarily to fund a new integrated cement plant in Nagaur, Rajasthan to the tune of ₹800 crore, repay or prepay debt to the tune of ₹520 crore), and the balance to meet general corporate purposes, and cover issue expenses.

The company's capacity expansion programme, historically funded through a 70:30 debt-equity mix, led to elevated leverage, with net debt (including security deposits and corporate guaranteed debt) to profit before interest, lease rentals, depreciation and taxation (PBILDT) increasing to 7.41x as on March 31, 2025. However, post the IPO, leverage is expected to moderate to ~4.65x in FY26, supported by equity infusion and improvement in operating cash flows as newly commissioned capacities ramp up. This improvement is expected, despite sizeable capital expenditure planned from FY26–FY28, which is proposed to be funded through a balanced mix of internal accruals and external borrowings. The assessment also factors in the management's stated approach of maintaining financial discipline by calibrating capital expenditure in line with operating performance and leverage levels.

These strengths are partially offset by operating profitability remaining vulnerable to demand-supply dynamics in cement industry and volatility in input prices. It is exposed to overall cyclicality in the cement industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- Deterioration in credit profile of the JSW group.
- Change in funding support stance from JSW group to JSWCL.
- Continued Adjusted Net Debt to PBILDT over 5x post FY26.

Analytical approach: Consolidated, factoring linkages with the JSW group

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

For analysing JSWCL, consolidated financials have been considered due to the presence of common management, operational and financial linkages with subsidiaries/JVs/Associates. Entities considered in consolidation are listed under Annexure-6. The rating also factors in strong management, operational and financial linkages with the Sajjan Jindal led JSW group, owing to shared name, logo, operational linkages with group companies and financial support it received in the past from the group and shall continue to receive on need basis going forward as well.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Significant operational linkages with JSW group

JSWCL follows a circular economy approach, which places emphasis on utilisation of industrial by-products such as blast furnace slag, A1-killed slag, argon oxygen decarburisation slag, fly ash, red mud and chemical gypsum as raw materials to reduce the use of finite natural resources such as limestone. The company is largely supported by its ability to procure blast furnace slag from JSWSL and its subsidiaries under long-term contracts. This has further helped the company in being the market leader in GGBS in India. JSWCL benefits from a high degree of backward integration, which supports cost efficiency and supply security across key raw materials. The company benefits from assured availability of slag due to its integration with JSW group's steel operations, providing cost stability and supply security. To mitigate exposure to fuel cost volatility, JSWCL secured mining rights for the Marwatola VI coal block in Madhya Pradesh in 2023. The block has residual reserves of ~30.03 MMT as of March 31, 2025, providing long-term fuel security.

The company also benefits from long-term power purchase agreements (PPAs) with JSWEL, ensuring cost-efficient power supply. These include supply arrangements for thermal and solar power across key plants such as Nandyal, Vijayanagar and Salboni, diversifying the energy mix and reducing dependence on market-based power procurement.

Of the 12.64 MT sales volume of cementitious products, GBBS accounted almost 40% of the sales volume in FY25. Due to no requirement of clinker in GGBS and lower requirement in blended cement, the company enjoys lower raw material cost and fuel costs, improving its cost structure and being relatively positive for the environment.

The company has been able to use A1-killed slag, a by-product from steel plants in addition to blast furnace slag to partly substitute the use of limestone in manufacturing products at its Nandyal plant. The company also purchases fly ash from JSWEL. The company also benefits from power sourcing from JSWEL and supply of fly ash at certain plants. JSWCL has adjacent premises with JSWSL in Dolvi, Maharashtra, and Vijayanagar, Karnataka. The Salem cement plant (Tamil Nadu) is also on JSWSL premises.

Apart from operational synergies, the company is leveraging the 'JSW' brand, established by group's flagship company, JSWSL, in branding and marketing its cement products.

Financial flexibility derived from being part of established JSW group

JSWCL is part of the JSW group, which is part of the O. P. Jindal group. Key companies of the group including JSWSL, JSWIL and JSWEL. JSWSL is one of the leading steel producers, with a steelmaking capacity of 35.7 MTPA as on December 31, 2025. JSWIL is engaged in developing infrastructure and operations for ports across India. As on December 31, 2025, JSWIL has total operational capacity of ~177 MMTPA, with ports and terminals on the west and east coast of India. JSWEL has power producing capacity of 13.3 GW as on December 31, 2025. The group ventured in the paints sector with a capacity of 219,000 KLPA and electric vehicle manufacturing.

JSWCL is primarily owned by Adarsh Advisory Services Private Limited, which is wholly held by the Sajjan Jindal Family Trust. The company is led by Parth Jindal as Managing Director. Over the years, JSWCL has undertaken significant capacity expansion in the cement segment, largely funded through debt. However, it has been able to leverage the group's strong financial flexibility, enabling access to funding from lenders and capital infusion from financial investors.
CARE Ratings Limited (CareEdge Ratings) expects that JSWCL will continue to receive operational and managerial support on a consistent basis, and financial support as needed. JSWCL's rating is closely linked to the group's credit risk profile. Deterioration in the group's credit risk profile will be a significant factor as stated in rating sensitivities.

Healthy competitive position supported further by presence in multiple regions of India

JSW is among the recent large entrants in Indian cement sector. In the last five years, the company increased its cement grinding capacity by 7.49 MTPA, from 14.11 MTPA in FY21 to 21.60 MTPA as of December 31, 2025. In the same period, clinker capacity increased by 3.33 MTPA, from 3.30 MTPA in FY21 to 6.44 MTPA as of December 31, 2025. The company is also leverages market leadership in Ground Granulated Blast Furnace Slag (GGBS), a highly eco-friendly cementitious material produced entirely from blast furnace slag, a by-product of the steel manufacturing process.

To enhance geographic diversification, the company is executing a greenfield integrated cement project at Nagaur, Rajasthan, comprising 3.3 MTPA clinker capacity and 2.5 MTPA grinding capacity under Phase I, which is on track for commissioning by FY26-end. Phase II includes a waste heat recovery system (WHRS) and an additional 1.0 MTPA grinding unit, expected to be commissioned by mid-calendar year 2026. In parallel, the company is progressing with a grinding unit in Punjab, which will support a 2.75 MTPA split grinding unit at Talwandi Sabo, facilitating entry into the North Indian market by FY28.

The company has ~2.7 MTPA clinker capacity through its Fujairah JV (UAE) and is in the process of setting up a new 1.65 MTPA grinding unit under a new wholly owned subsidiary in Fujairah. Along with incremental expansions of 2 MTPA each at Vijayanagar (Karnataka) and Dolvi (Maharashtra), total capacity is expected to scale up to ~33.85 MTPA in the medium term from 21.60 MTPA currently. However, timely commissioning of these projects and stabilisation of utilisation levels remain key monitorable from a credit perspective.

Improved operational performance in 9MFY26 supported by favourable industry dynamics

In the last few years, the company's operating performance has exposed to vagaries of volatile fuel costs between FY21-23, subdued demand considering general elections in FY24-25 and other weather induced variations in demand dynamics impacting the realisations of the cement till FY25.

The company's blended sales realisation stood at ₹4,506 per tonne in FY25 (FY24: ₹4,663 per tonne) and sales volume at 12.64 MT (FY24: 12.53) translating to a TOI of ₹5,804 crore against ₹6,021 in the previous year. However, as the demand picked pace in 9MFY26, the company's sales volume increased to 9.98 tonne a growth of 12% over 8.90 tonne in 9MFY25. Blended realisation also improved to ₹4,759 per tonne in 9MFY26 marking a revenue growth at 12.5% to ₹4,617 crore in 9MFY26 (PY: ₹4,104 crore). In FY25, the company's PBILDT margin contracted to 14.65% (PY: 18.02%) considering lower realisations, the impact of which, to some extent, was absorbed by operational efficiencies. However, realisations improved in 9MFY26 and the PBILDT margin stood at 18.95% in 9MFY26, as the company benefitted from cost savings in power and fuel cost and benefitted from economies of scale.

Improvement in realisations and an expected pick-up in demand is likely to support operating performance going forward. Higher utilisation of newly commissioned, more efficient capacities, a rising share of blended cement in the product mix, and ongoing cost optimisation initiatives are expected to support PBILDT per tonne, which is projected to remain above ₹900 per tonne from FY26 onwards.

Improvement in capital structure

The company's capital structure remained leveraged in the past, as its capacity expansion has largely been funded through debt at a standard 70:30 debt-equity mix across projects. The financial profile is adjusted for debt of its joint venture, JSW Cement FZC, which, despite being moderately consolidated following its reclassification from a subsidiary, continues to have its borrowings fully guaranteed by JSWCL.

However, the company witnessed meaningful deleveraging in 9MFY26, supported by successful IPO and subsequent utilisation of ₹520 crore towards debt repayment/prepayment, and scheduled repayments. The company's tangible net worth is estimated to increase to ~₹5,500 crore, driven by IPO fresh issue and conversion of compulsory convertible preference shares, resulting in a significant improvement in overall gearing from 1.57x as on March 31, 2025 to around unity as on March 31, 2026 (estimated).

Net Debt (including security deposits and corporate guaranteed debt)/PBILDT ratio is expected to improve from 7.41x in FY25 to ~4.5x-4.7x in FY26. Going forward, with stabilisation and ramp-up of newly commissioned capacities, resulting in higher earnings generation, leverage indicators are expected to moderate further in the medium term.

Key weaknesses

Project Risk

JSWCL is in the midst of a significant capacity expansion programme, with cement grinding capacity expected to increase to ~33.85 MTPA by FY28 from 21.6 MTPA as of December 31, 2025. The planned expansion involves a sizeable capital outlay of ~₹5,800-6,000 crore from FY26-FY28 funded through IPO proceeds, debt and internal accruals.

Given the scale of planned investments relative to the current size of operations, the company remains exposed to risks associated with project implementation and the timely ramp-up of newly added capacities. Accordingly, progress of these projects, particularly adherence to planned timelines and costs, will remain key monitorable.

Exposure to volatility in costs of coal and fuel and sales realisation prices and cyclicality in the sector

The company remains exposed to volatility in input costs and raw materials, which are key cost components. Profitability is also sensitive to cement price realisations, which depend on regional demand-supply dynamics and competitive intensity. These risks are partly mitigated by the strong JSW Group integration, including assured slag supply from JSWSL, power linkages with JSWEL, and the planned captive coal block. However, the company's margins remain inherently exposed to commodity cycles and pricing dynamics.

The cement industry is highly cyclical and depends largely on the country's economic growth. There is a high degree of correlation between gross domestic product (GDP) growth and growth in cement consumption. Being a cyclical industry, cement goes through phases of ups and downs, and accordingly impacts unit realisations.

Liquidity: Adequate

The company's liquidity profile is adequate, marked by gross cash accruals of ₹211 crore as on March 31, 2025, which increased to ₹578 crore as on December 31, 2025. As of December 31, 2025, the cash and cash equivalents position constitutes free cash of ₹100 crore, unutilised IPO proceeds of ₹594 crore.

In H1FY26, the company repaid debt aggregating ₹934.88 crore, utilising funds through IPO proceeds of ₹520 crore and the balance through internal accruals. Balance repayments for FY26 as on January 31, 2026, amounts to ₹190 crore, which is expected to be met comfortably through internal accruals. The company is expected to generate healthy cash accruals in the range of ₹1350-1450 crore in FY27. These accruals and available liquidity buffers, are likely to be adequate to meet scheduled annual debt repayments of ~₹1,000-1,100 crore (inclusive of debt repayment under JSW FZC) in FY27, while also supporting a portion of the planned capital expenditure.

The company's fund-based working capital (sanctioned of ₹780 crore) utilisation averaged 46% for 12 months trailing period ended December 2025.

Financial flexibility is aided by the company's association with the JSW Group, which provides access to diverse funding avenues, including capital markets, supporting timely servicing of debt obligations.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

JSWCL demonstrates a strong focus on sustainability through its circular economy–driven business model, which emphasizes the use of industrial by-products such as blast furnace slag and fly ash in cement manufacturing. The company's product portfolio largely comprises blended cement products such as PSC and GGBS, with slag-based products constituting a significant share of its portfolio, enabling lower clinker usage and reduced greenhouse gas emissions compared to conventional cement production.

Environmental: The company's manufacturing model focuses on substituting clinker with slag, an industrial by-product from steel plants, reducing energy consumption and carbon intensity. Slag-based cement production results in lower CO_2 emissions and reduced consumption of natural resources such as limestone, while also enabling effective utilisation of industrial waste such as slag and fly ash. This approach supports resource efficiency and aligns with circular economy principles.

Social: JSWCL undertakes initiatives focused on employee welfare, occupational health and safety, and community development around its operational areas. The company emphasises safe working practices, workforce development and engagement with local communities through corporate social responsibility (CSR) programmes and stakeholder engagement mechanisms.

Governance: The company follows established governance practices including board oversight, adherence to regulatory standards, ethical business conduct and responsible supply chain management. It is also aligned with industry sustainability initiatives and long-term decarbonisation goals, reflecting its commitment to responsible and sustainable business operations.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Consolidation
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Cement

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Cement and cement products	Cement and cement products

Incorporated in March 2006, JSWCL is part of the JSW group, which is is part of the O. P. Jindal group. JSWCL primarily manufactures and sell cementitious products comprising blended cement PSC, PCC, OPC and GGBS, clinker and a range of allied cementitious products such as ready mix concrete ("RMC"), screened slag, construction chemicals and waterproofing compounds. As on March 31, 2025, the company has grinding cement capacity of 20.6 MTPA over seven plants across western, eastern and southern India. This is backed by clinker capacity of 4.13 MTPA in India and 2.31 MTPA under its joint venture, JSW Cement FZC in the UAE (serving west India).

The company sells cement under the brand name of JSW Cement Concreel HD, JSW Cement Compcem, JSW Cement Portland Slag Cement and JSW Cement Power Pro. The company's Managing Director is Parth Jindal. Seshagiri Rao Venkata Satya Metlapalli is the Chairman and Non-Executive Director, JSWCL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	6021	5804	4749
PBILDT*	1085	850	900
Profit after tax (PAT)	62	-164	-1160
Overall gearing (x)	1.60	1.57	NA
Interest coverage (x)	2.50	1.89	3.11

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Short Term		-	-	-	150.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Short Term	ST	150.00	CARE A1+	1)CARE A1+ (12-May-25)	-	-	-

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Short Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Shiva Cement Limited	Full	Subsidiaries
2.	Utkarsh Transport Private Limited	Full	
3.	JSW Green Cement Private Limited	Full	
4.	JSW One Platforms Limited	Moderate	Joint Venture
5.	JSW Cement FZC*	Moderate	
6.	JSW Renewable Energy (Cement) Limited	Moderate	

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Sabyasachi Majumdar Senior Director **CARE Ratings Limited** Phone: +91-120-445-2006 E-mail: sabyasachi.majumdar@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Ravleen Sethi Director **CARE Ratings Limited** Phone: 91-120-4452016 E-mail: ravleen.sethi@careedge.in Sahil Goyal Assistant Director **CARE Ratings Limited** Phone: E-mail: sahil.goyal@careedge.in

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