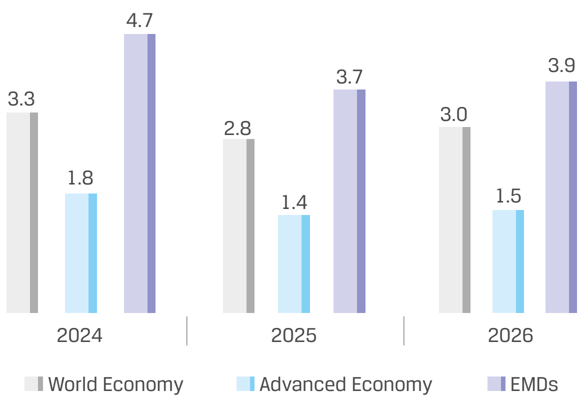
Management Discussion & Analysis

ECONOMY OVERVIEW

GLOBAL ECONOMY

In 2024, the global economy recorded a growth rate of 3.3%, reflecting steady expansion despite the presence of significant geopolitical tensions, trade disruptions, and persistent inflationary pressures. This growth was largely sustained through strong infrastructure investments and timely policy support, which enabled economies to adapt to evolving global conditions. Advanced economies achieved a combined GDP growth of 1.8%, supported by resilient consumer spending and ongoing structural reforms aimed at enhancing productivity and competitiveness. Emerging Market and Developing Economies (EMDEs) remained the key drivers of global growth, posting a combined expansion of 4.3%, backed by robust domestic demand, steady investment inflows, and reform-led progress. The United States maintained strong growth momentum, while the Euro Area and Japan made concerted efforts to address long-standing structural issues. Although inflation showed signs of easing compared to previous years, it continued to be a concern, prompting central banks to adopt a cautious approach to monetary policy. At the same time, global supply chain vulnerabilities and energy market volatility continued to present challenges to economic stability.

World Economic Output (%)



Source: International Monetary Fund April 2025 report

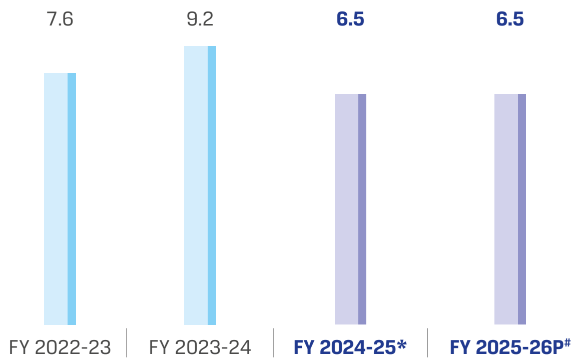
Looking ahead, global economic growth is expected to moderate to 2.8% in 2025, before slightly improving to 3.0% in 2026. This anticipated slowdown reflects the impact of tighter monetary conditions, ongoing geopolitical risks, and lingering uncertainty in trade and energy markets. Inflation is projected to decline from 4.3% in 2025 to 3.6% by 2026, with advanced economies likely to achieve their inflation targets earlier than their emerging counterparts. The growth outlook for advanced economies reflects a moderation to 1.4% in 2025, followed by a modest recovery to 1.5% in 2026. EMDEs are expected to experience a slight deceleration to 3.7% in 2025, with a subsequent rebound to 3.9% in 2026, as structural reforms and innovation continue to support economic momentum. China, in particular, is transitioning toward a more balanced and sustainable growth model, driven by innovation and enhanced global cooperation. However, the imposition of new tariffs by the United States in March 2025, along with the possibility of retaliatory trade measures, may lead to renewed supply chain disruptions, higher import costs, and renewed inflationary pressures. Despite these headwinds, the global economy is likely to remain on a stable path, supported by increasing investments in renewable energy, the acceleration of sustainability initiatives, and the adoption of strategic policy frameworks and technological advancements.

INDIAN ECONOMY

In recent years, India has emerged as one of the fastest-growing major economies, driven by robust domestic demand, effective structural reforms and strong policy support. However, in FY 2024-25, global economic uncertainties, escalating geopolitical tensions and persistent inflationary pressures mirrored on India's economic growth, leading to a moderation in its economic growth. According to the Reserve Bank of India (RBI)'s first advance estimates report, the Indian economy grew by 6.5% year-on-year (YoY) in FY 2024-25, marking a decline from the 9.2% growth recorded in FY 2023-24.

Despite this moderation, India maintained its growth trajectory, driven by strong manufacturing, expanding services and increased infrastructure investments. The government's push for digital transformation, financial inclusion and ease of doing business has further strengthened economic fundamentals. The production-linked incentive (PLI) schemes, aimed at boosting domestic manufacturing, have attracted significant foreign direct investment (FDI), particularly in electronics, automotive and renewable energy sector. India's external trade performance was influenced by fluctuating global demand, but strong export growth in key sectors like pharmaceuticals, textiles and engineering goods provided stability. Additionally, the government's focus on trade diversification and free trade agreements (FTAs) helped mitigate external risks. The rise in urbanisation and middle-class expansion contributed to increased consumer spending across various sectors. Building on this positive momentum, the Indian economy is projected to expand at a growth rate of 6.5% in FY 2025-26.

Indian GDP Growth Rate (in %)



Source: *MOSPI NSO Report dated May 30, 2025

#Reserve Bank of India (RBI) Monetary Policy Committee (MPC) report dated June 6, 2025

During FY 2024-25, the Reserve Bank of India (RBI) maintained a neutral monetary policy stance to support economic growth. The MPC implemented two consecutive repo rate cuts of 25 basis points each, reducing the rate to 6% by April 2025. This was followed by a further 50 basis point cut in June 2025, bringing the repo rate down to 5.5%. These measures were aimed at boosting consumption, improving credit availability, and stimulating overall economic activity. Consequently, consumer price inflation eased significantly, averaging 4.6% in FY 2024-25, compared to 5.4% in the previous year. As per the RBI MPC report released in June 2025, inflation is projected to decline further to 3.7% in FY 2025-26.

Going forward, India's economic outlook remains positive, with growth projections staying above the global average. Continued investment in infrastructure, renewable energy and digital transformation is expected to sustain long-term growth within the country. India is well-positioned to continue its rise as a leading economic powerhouse by maintaining fiscal discipline, promoting innovation and strengthening global partnerships.

DURING FY 2024-25, THE RESERVE BANK OF INDIA (RBI) MAINTAINED A NEUTRAL MONETARY POLICY STANCE TO SUPPORT ECONOMIC GROWTH. THE MPC IMPLEMENTED TWO CONSECUTIVE REPO RATE CUTS OF 25 BASIS POINTS EACH, REDUCING THE RATE TO 6% BY APRIL 2025. THIS WAS FOLLOWED BY A FURTHER 50 BASIS POINT CUT IN JUNE 2025, BRINGING THE REPO RATE DOWN TO 5.5%.

INDUSTRY OVERVIEW

INDIAN CEMENT INDUSTRY

India's cement industry stands as one of the largest in the world, playing a crucial role in the country's infrastructure and construction sectors. With rapid urbanisation, government-led infrastructure projects and rising housing demand, the industry has witnessed consistent growth over the years. As India continues its push towards economic expansion and sustainable development, the cement sector remains a key contributor to national progress. As India moves towards becoming a USD 5 trillion economy, the cement sector will continue to be a vital enabler of progress. The industry's ability to balance growth with sustainability will be crucial in shaping its long-term success and global competitiveness.

India is the second-largest cement producer globally, with an installed capacity exceeding 668 MTPA as of March 2025. The cement industry is driven by strong demand from infrastructure projects such as highways, railways, airports and smart cities, alongside robust housing and commercial real estate development. Government initiatives like the Pradhan Mantri Awas Yojana (PMAY), Bharatmala and Atmanirbhar Bharat have further boosted cement consumption. Additionally, rising foreign investments in construction and manufacturing have provided further impetus to the industry.

The India cement market was valued at USD 19.6 billion in 2024. Looking ahead, the IMARC Group expects the market to grow at a compound annual growth rate (CAGR) of 7.60% during the period from 2025 to 2033, reaching a value of USD 39.7 billion by 2033. The growth of the cement market is being driven by several key factors. These include rapid urbanisation, a rise in residential construction, and the government's focus on large-scale infrastructure and smart city projects. In addition, increased activity in industrial and commercial construction, such as metro rail networks and airport developments, is further contributing to market expansion. Foreign direct investment and public-private partnership (PPP) models are also playing an important role in accelerating sector growth. Moreover, India's strong economic performance and the continuous increase in construction activities are further strengthening the outlook for the cement market in the coming years.

Despite its growth, the Indian cement industry faces several challenges, including high energy costs, raw material price volatility and environmental concerns. Cement production is highly energy-intensive and contributes significantly to carbon emissions. To address these challenges, companies are adopting alternative fuels, energy-efficient technologies and carbon capture solutions. The push towards green cement, blended cement and waste-derived raw materials is gaining momentum, aligning with India's commitment to reducing carbon footprints under the Paris Agreement.

The Indian cement industry is poised for significant capacity expansion, with additions expected to range between 32-35 million MTPA in FY 2024-25 and 43-45 million MTPA in FY 2025-26, supported by robust demand prospects. Despite the anticipated rise in demand, the industry's capacity utilisation is expected to remain moderate at around 72% in FY 2024-25 due to the higher production base. With increasing infrastructure spending, a shift towards sustainable construction practices and growing digitalisation in manufacturing, the industry is set for transformation. Investments in automation, supply chain optimisation and decarbonisation technologies will define the next phase of growth. Looking ahead, the Indian cement industry is expected to evolve with advancements in green cement, circular economy practices and policy-driven decarbonisation initiatives. As demand continues to grow, balancing economic development with environmental responsibility will remain a key priority for cement producers worldwide.

Source: https://www.ibef.org/industry/cement-presentation#:~:text=It%20would%20thus%20begin%20the,a%20production%20of%20391%20MTPA.

https://www.icra.in/Rating_DownloadResearchSummaryReport?id=6079#:~:text=In%20FY2025%2C%20despite%20an%20estimated,%25%2C%20on%20an%20expanded%20base.&text=Cement%20volumes%20areW%20expected%20to,from%20housing%20and%20infrastructure%20sectors.

https://www.imarcgroup.com/india-cement-market

THE INDIA CEMENT MARKET WAS VALUED AT USD 19.6 BILLION IN 2024. LOOKING AHEAD, THE IMARC GROUP EXPECTS THE MARKET TO GROW AT A COMPOUND ANNUAL GROWTH RATE (CAGR) OF 7.60% DURING THE PERIOD FROM 2025 TO 2033,

GOVERNMENT INITIATIVES AIDING THE CEMENT INDUSTRY

Roads, Airports & Railways:

India has the world's second-largest road network, with National Highways covering 1,46,145 km as of December 2024, forming the backbone of national connectivity. Flagship initiatives such as Bharatmala Pariyojana have played a crucial role in accelerating the expansion and modernisation of this extensive network. The country's National Highway network has witnessed significant growth, expanding from 65,569 km in 2004 to 1,46,145 km in 2024. Additionally, the length of highways featuring four or more lanes has increased 2.6 times, rising from 18,371 km in 2014 to 48,422 km in 2024. The development of High-Speed Corridors has also seen remarkable progress, growing from 93 km in 2014 to 2,138 km in 2024. Furthermore, the pace of National Highway construction has improved significantly, increasing 2.8 times from 12.1 km per day in 2014-15 to 33.8 km per day in CY 2024.

The Bharatmala Pariyojana, launched in 2017, has been instrumental in accelerating large-scale infrastructure development, significantly boosting cement consumption. The programme aims to develop

26,000 km of Economic Corridors, including the Golden Quadrilateral and North-South & East-West Corridors, to streamline freight movement. By November 2024, a total of 18,926 km of roads had been completed under the programme, contributing to increased demand for construction materials, particularly cement. Additionally, the plan to develop 35 Multimodal Logistics Parks with a total investment of ₹ 46,000 crore is expected to support freight management for 700 million metric tonnes of cargo, further driving cement consumption.

The Pradhan Mantri Gram Sadak Yojana (PMGSY) has played a crucial role in enhancing rural connectivity, leading to a sustained rise in cement demand. The total rural road length under PMGSY expanded from 1,07,370 km in 2006-07 to 7,71,950 km in 2024-25. This expansion was supported by a significant increase in total expenditure from ₹ 10,769 crore to ₹ 3,31,584 crore over the same period, reflecting the large-scale infrastructure development that has directly driven cement consumption across the country.

The expansion of Indian Railways has also contributed significantly to cement industry's growth through large-scale track construction and electrification projects. The railway electrification network grew from 33,540 km in 2005-06 to 41,038 km in 2014-15, with further expansion boosting demand for cement in foundation and structural works. Additionally, track laying efforts increased from 14,985 route km between 2004 and 2014 to 25,871 route km between 2014 and 2023. By 2022-23, the pace of track construction had reached 14 km per day, highlighting the substantial infrastructure investments that have driven cement demand.

The PM Gati Shakti National Master Plan, launched in 2021, has further propelled infrastructure development by ensuring coordinated planning across multiple ministries. As of October 2024, the initiative had integrated 44 Central Ministries and 36 States/Union Territories, facilitating the execution of 208 major infrastructure projects worth ₹ 15.39 lakh crore. These large-scale developments, combined with the rising demand for improved logistics and connectivity, have continued to support cement consumption across multiple sectors, reinforcing its role as a key material in India's infrastructure growth.

Metro, Maritime, Mass Rapid Transit System (MRTS) and Smart City Mission

India's metro rail sector has undergone significant expansion over the past decade, leading to increased cement consumption for large-scale infrastructure development. The total operational metro network expanded nearly fourfold, growing from 248 km in 2014 to 993 km in 2024. This growth was accompanied by a sharp rise in the pace of construction, accelerating from 0.68 km per month to 6 km per month. The increase in budgetary allocations, from ₹ 5,798 crore in 2013-14 to ₹ 24,844 crore in 2024-25, further facilitated the expansion and modernisation of metro networks. Additionally, the number of cities with operational metro services increased from 5 in 2014 to 23 in 2024, underscoring the extensive construction activity that has driven cement demand in urban infrastructure projects.

India's maritime sector has also contributed to cement consumption, particularly through the expansion of cargo handling capacity at ports. The total cargo handling capacity at Indian ports increased by 87%, rising from 800.5 million tonnes per annum in 2014 to 1,630 million tonnes in 2024. This growth necessitated large-scale port infrastructure development, including the construction of new terminals, berths and storage facilities, thereby driving cement demand.

The Smart Cities Mission (SCM) has been instrumental in advancing urban infrastructure, contributing to increased cement demand. A total of 8,076 projects worth ₹ 1,64,706 crore were planned, with 7,401 projects valued at ₹ 1,54,351 crore completed across 100 Smart Cities as of February 1, 2025 These projects comprised road development, urban transport and modern civic amenities, all of which contributed to increased cement consumption. Additionally, under the Swachh Bharat Mission – Urban 2.0, waste processing infrastructure expanded significantly, with waste processing levels improving from 18% in 2014-15 to 78% in 2024-25, indicating the construction of new waste treatment plants and related infrastructure that further supported cement demand.

Housing segment

Housing development experienced substantial expansion under the Pradhan Mantri Awas Yojana - Urban (PMAY-U), significantly driving cement consumption. Between 2015 and 2024, a total of 118.64 lakh houses were approved, reflecting a ninefold increase compared to the 13.46 lakh houses sanctioned under previous housing schemes between 2004 and 2014. Additionally, the number of completed houses rose elevenfold, from 8.04 lakh during 2004-2014 to 88.32 lakh between 2015 and 2024, underscoring the large-scale infrastructure development in the housing sector.

Source: https://pib.gov.in/PressReleasePage.aspx?PRID=2098788

OPPORTUNITIES AND THREATS

Opportunities

- Rapid infrastructure development
- Strong urbanisation and real estate growth
- Rising demand for sustainable and green cement
- Technological advancements in production and automation
- Favourable government policies and incentives for construction
- Increased adoption of Ready Mix Concrete (RMC)

Threats

- Rising input costs of coal, fuel, and other raw materials
- Stringent environmental regulations
- Economic slowdown affecting demand
- Geopolitical risks impacting raw material supply and exports
- Intense market competition and pricing pressures

COMPANY OVERVIEW

JSW Cement Ltd. (hereafter referred to as 'JSW Cement' or 'the Company'), a part of the reputed JSW Group, has established itself as India's leading green cement manufacturer with a strong commitment to sustainability. JSW Cement commenced operations in 2009 in the southern region of India with a single grinding unit in Vijayanagar, Karnataka. Since then, the Company has expanded its presence across the southern, western and eastern regions of India, as well as the UAE. The Company offers a diverse portfolio covering the entire building materials value chain, including cement, concrete and construction chemicals. The Company has a robust manufacturing capacity of 20.60 MTPA, operating across India along with a production unit in the UAE.

JSW Cement reduces its environmental footprint by utilising slag and fly ash while delivering innovative solutions to meet the evolving needs of the construction industry. The Company has demonstrated a strong focus on innovation and environmental stewardship through collaborations with premier research institutions to develop advanced, safe and sustainable solutions. The Company has achieved the lowest carbon dioxide emission intensity in the industry, both in India and globally. JSW Cement emphasises the utilisation of industrial by-products such as blast furnace slag, alumina-killed slag, argon oxygen decarburisation slag, fly ash, red mud and chemical gypsum as raw materials. The Company has achieved the highest utilisation of industrial waste as raw materials in the Indian cement industry.

PRODUCT PORTFOLIO

JSW Cement has reinforced its commitment to green practices with its eco-friendly product range, including Concreel HD, Power Pro, Portland Slag Cement and Compcem. The Company has earned a strong reputation as a leader in green cement manufacturing by converting industrial waste into high-quality cement and construction materials. The Company has minimised environmental impact by utilising by-products from the steel industry as raw materials while promoting circular economy principles. The major products are as follows –

Cement

The Company's Cement product portfolio includes Portland Slag Cement (PSC), JSW Concreel HD, JSW Power Pro, JSW COMPCEM and Ordinary Portland Cement (OPC). Portland Slag Cement (PSC) is a high-performance blended cement with low heat of hydration, making it ideal for large-scale projects. JSW Concreel HD features a modified pore structure, ensuring superior cohesion and durability for structural applications. JSW Power Pro is an eco-friendly and chemically resistant cement designed for residential, commercial and industrial projects. JSW COMPCEM is a high-performance blend of slag and silica, specifically formulated for concrete applications. OPC meets IS 269-2015 standards and is suitable for Reinforced Cement Concrete (RCC) works and precast structures.

Ground Granulated Blast Furnace Slag (GGBS)

JSW Cement offers Ground Granulated Blast Furnace Slag (GGBS), an eco-friendly material that enhances concrete durability and partially replaces Ordinary Portland Cement (OPC) in Ready-Mix Concrete (RMC) and batching plants, meeting Indian Standard (IS) 16714:2018. The portfolio includes Screened Slag, a sustainable alternative to river sand and crushed rock fines, complying with IS 383:2015. With a significant market share, GGBS sales reached 5.18 million tonnes in FY 2024-25, growing at 2.0%. Its adoption is rising in major infrastructure projects, supported by pre-qualification efforts, mix design optimisation, and Microfine GGBS for high-strength applications.

Other Products

The Company offers a diverse range of construction solutions beyond cement and GGBS. JSW Cement produces clinker, a key intermediate material required for cement manufacturing. The Company relies on limestone as the primary raw material for clinker production. It operates multiple limestone mines in India and Fujairah, UAE, ensuring a steady supply of raw materials. The Company has also secured rights to additional sites and letters of intent for future expansion of limestone mines. The Company's product portfolio also includes JSW Green Concrete, a high-quality ready-mix concrete that ensures durability, sustainability, and faster construction. JSW Cement also provides Tile Adhesive, Grout & Cleaner, which delivers superior bonding, crack resistance, and effective stain removal. It also supplies Precision Steel Grouts & Road Insta Cure, offering high-strength, non-shrink grouts for structural applications and road repairs. The Company enhances durability with its Waterproofing Solutions, including integral compounds, latex-based coatings, and acrylic cementitious coatings. Additionally. JSW Cement also offers Mortar Solutions, such as ready-mix plaster, floor hardeners, and block jointing mortar, ensuring strong and long-lasting finishes.

BUSINESS STRENGTHS

- **Rapidly-Growing Cement Manufacturer in India**

  The Company's manufacturing units are located across various parts of India, including Vijayanagar in Karnataka, Nandyal in Andhra Pradesh, Salboni in West Bengal, Jajpur in Odisha, and Dolvi in Maharashtra, among others. Its current production capacity stands at 20.6 MTPA and is expected to increase to 26 MTPA by FY 2025-26, once the greenfield project at Nagaur becomes operational. Moreover in FY 2024-25, a new 2 MTPA cement grinding unit has been commissioned at the Vijayanagar plant, increasing its total grinding capacity to 6 MTPA.

  As of March 31, 2025, the Company's installed clinker capacity, including JSW Cement FZC, stood at 6.44 MMTPA. With a strong presence across East, West, and South India, the Company is now focussed on expanding into North and Central regions. In line with this strategy, it has enhanced its resource base by acquiring a limestone mine in Madhya Pradesh from a subsidiary of India Cements. JSW Cement continues to strengthen its business through strategic initiatives, including acquisitions and investments in sustainability, such as waste heat recovery systems (WHRS) and solar energy capacity.

  The Company is currently developing a 14.70 MW WHRS unit at its Fujairah plant, which is expected to become operational in FY 2024-25. JSW Cement is in the final stages of commissioning another 1.32 MTPA clinker capacity at its Fujairah plant, further strengthening its production capabilities. The Company has expanded its cement manufacturing capacity by 3.75 times and increased its sales volume 5.7 times since FY 2013-14.

  JSW Cement, in partnership with Aquarius Global Fund, jointly manages JSW Cement FZC in Fujairah, UAE. The Company sources high-quality steel-grade limestone from its UAE mines for JSW Steel Limited in India, while the remaining reserves are utilised for clinker production.

- **Strategically Located Manufacturing Plants**

  The Company's plants are strategically connected to key markets by rail and road, enabling it to efficiently meet customer demand across each region. JSW Cement has established a strong manufacturing presence with eight facilities across India and the UAE. These includes Nandyal (Andhra Pradesh), Jajpur (Odisha), Salboni (West Bengal), Kutra-Sundargarh (Odisha), Dolvi (Maharashtra), Vijayanagar (Karnataka), Salem (Tamil Nadu) and Fujairah (UAE). The Company's plants are strategically located near limestone mines and are well-connected by road or rail, ensuring cost-effective sourcing of raw materials such as blast furnace slag, coal and gypsum. The Company has 12 mines strategically located in Rajasthan, Gujarat Andhra Pradesh, Odisha, Madhya Pradesh and Fujairah (UAE), ensuring a steady supply of raw materials for sustainable production.

- **Extensive Sales and Distribution Network**

  JSW Cement has a robust distribution network, comprising 5,043 dealers, 10,412 sub-dealers and 164 warehouses as of March 31, 2025. The Company serves retail demand through its trade channel and supplies products to 6,268 direct customers in the non-trade segment, including builders and institutional clients. JSW Cement strengthens its market presence by leveraging the JSW Group brand and implementing targeted marketing and brand-building initiatives across regions. The Company's marketing network includes key regions in India, including Gujarat, Kerala, Dadra & Nagar Haveli Andhra Pradesh, Daman & Diu, Telangana, Maharashtra, Odisha, Goa, Jharkhand, Karnataka, Bihar, Puducherry and West Bengal, strengthening its market reach and customer accessibility.

- **Experienced and Qualified Management Team**

  JSW Cement, under the guidance of its visionary leadership and a strategic focus on product diversification, remains dedicated to supporting India's Net Zero goals through continuous innovation. JSW Cement has strengthened its market position by prioritising customer satisfaction, driven by a highly competent management team. JSW Cement's management team plays a crucial role in shaping strategic growth initiatives, enhancing operational efficiency, and promoting a culture of innovation. The Company ensures prompt response by extensively leveraging digital tools, mobile technology and conversational commerce interventions to enhance customer engagement and deliver seamless service experiences.

Business Strategies

S1: Create a pan-India footprint by setting up new plants in north and central India, supplemented by expansions in our current regions of operation.

S2: Continue to deepen our presence in existing markets and grow our market share.

S3: Continue to improve operational efficiency and implement cost reduction measures.

S4: Continue to focus on sustainable development.

BUSINESS PERFORMANCE

Highlights of FY 2024-25

1. Achieved the highest consolidated sales volume of 12.63 MTPA which includes cement, GGBS and clinker
2. 2 MTPA cement grinding unit commissioned at VIjayanagar, making grinding capacity of Vijayanagar plant to 6 MTPA

Way forward

1. Initiated construction of integrated cement plant at Nagaur, Rajasthan
2. Setting up of Cement grinding unit at Punjab
3. Availability of Cement from subsidiary Shiva Cement for western Odisha market

FINANCIAL OVERVIEW

STANDALONE

Highlights of FY 2024-25

(₹ in crore)

	FY 2024-25	FY 2023-24	Growth
Net Turnover (₹ in crore)	5,505.47	5,794.80	(5.0)
Operating EBIDTA (₹ in crore)	876.07	1,025.64	(14.6)
EBIDTA margin (%)	15.74%	19.33%	(18.6)
Other Income (₹ in crore)	164.23	157.09	4.5
Depreciation & amortisation (₹ in crore)	262.99	242.47	8.5
Finance cost (₹ in crore)	384.40	379.41	1.3
Exceptional Items (₹ in crore)	-	-	-
Profit Before Tax (₹ in crore)	242.46	423.71	(42.8)
Tax Expense (₹ in crore)	140.55	202.79	(30.7)
Profit for the year (₹ in crore)	101.91	220.92	(53.9)
Other Comprehensive Income (₹ in crore)	(3.95)	67.75	(105.8)
Total Comprehensive Income (₹ in crore)	**97.96**	**288.67**	**(66.1)**

During the year, the Company's revenue declined by 5.0% from ₹ 5,794.90 crore to ₹ 5,505.47 crore mainly due to drop in sales realisation. The Company report an operating EBITDA of ₹ 866.46 crore for the year, a drop of 22.7% y-o-y. EBITDA margin dropped to15.74% from 19.33% in previous financial year. The Company registered a net profit after tax of ₹ 101.91 crore.

Production and Sales

The Company has achieved production of 12.36 MT, recording 1.7% growth y-o-y on a standalone basis. The capacity utilisation during the year is 62.90%. During the year, cement production increased by 1.7% to 7.17 MT, and GGBS production increased by 1.6% to 5.19 MT, while clinker production during the year decreased by 1.1% to 2.23 MT.

In FY 2024-25, the Company achieved the highest standalone sales of 12.27 MT, an increase of 2.0% over last financial year. The cement sales stood at 7.09 MT increasing by 2.2% y-o-y, and GGBS sales stood at 5.18 MT increasing 2.0% y-o-y. Clinker sales in FY 2024-25 was 0.10 MT.

Revenue analysis

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Total Manufactured Finished Goods	5,345.16	5,563.67	(218.51)	(3.9)
Traded	53.09	46.89	6.20	13.2
Total Turnover	5,398.25	5,610.56	(212.31)	(3.8)
Govt. Incentive	30.08	89.08	(59.00)	(66.2)
Other Operating Income	77.14	95.16	(18.02)	(18.9)
Gross Revenue	**5,505.47**	**5,794.80**	**(289.33)**	**(5.0)**

Cement & GGBS sales volume grew by 2.0% reaching 12.27 MT in FY 2024-25 outpacing the industry's YoY volume growth of 1% within JSW's represented markets. Industry demand remained subdued during FY 2024-25, impacted by factors such as general elections, labour shortages, an extended monsoon, and state government transitions. As a result, first half of the year saw weaker performance. However, demand began to recover in the latter part of Q3, supported by a revival in government capital expenditure, pent-up demand, and improved rural consumption. This upward demand trend is expected to continue into FY 2025-26. Regional supply-demand dynamics will be crucial in shaping the relative performance of companies, with the Eastern, Central, and North-Eastern regions projected to see the highest demand growth in FY 2025-26 and beyond. JSW reported a growth of 2.0%YoY; Cement improved by 2.2% YoY and GGBS grew by 2.0% YoY.

Cement Industry pricing saw a significant decline, reaching 3-4-year lows across multiple regions and marking the steepest year-on-year drop in recent times. Traditionally, cement prices have been shaped by factors such as demand-supply dynamics, capacity utilisation, cost structures, and the level of market consolidation. However, heightened competitive intensity and a volume-focussed strategy adopted by larger players exerted substantial downward pressure on prices. This pricing environment severely impacting industry profitability, with even leading players struggling to maintain a healthy EBITDA per tonne.

Other income

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Interest Income	106.46	114.06	(7.60)	(6.7)
Others	57.77	43.03	14.74	34.3
Total	**164.23**	**157.09**	**7.14**	**4.5**

The other income has increased by 4.5% to ₹ 164.23 crore in FY 2024-25 from ₹ 157.09 crore in FY 2023.-24 This increase is mainly due increase in premium earned on sublease of GPWIS Rakes.

Material cost

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Cost of materials consumed, including purchase of traded goods and change in inventories	1,492.00	1,409.44	82.56	5.9

The Company's expenditure on material consumption increased by 5.9% from ₹ 1,409.44 crore in FY 2023-24 to ₹ 1,492.00 crore in FY 2024-25. The increase is primarily due to change in product mix.

Employee benefits expense

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Employee remuneration	329.17	274.06	55.11	20.1

The employee benefits expense increased by 20.1% from ₹ 274.06 crore in FY 2023-24 to ₹ 329.17 crore in FY 2024-25. The increase is mainly due to increase in number of employees and annual increments and increase in charge of ESOP expenses during the year.

Power and fuel cost

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Power and fuel	715.97	851.98	(136.01)	(16.0)

Power and fuel cost has decreased by 16% from ₹ 851.98 crore in FY 2023-24 to ₹ 715.97 crore in FY 2024-25 mainly due to improvement in utilisation of Waste Heat Recovery Plant, renewable power and softening of fuel price

Freight and handling expenses

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Freight and handling expense	1,326.87	1,361.66	(34.79)	(2.6)

Freight and handling expenses decreased by 2.6% from ₹ 1,361.66 crore in FY 2023-24 to ₹ 1,326.87 crore in FY 2024-25. The decrease is mainly due to reduction in average lead and total distribution cost (TDC) and efficient utilisation of mode for dispatch.

Manufacturing, marketing, administrative and other expenses

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Manufacturing & other expense	798.51	782.72	15.79	2.0

Manufacturing, marketing, administrative and other expenses increased by 2.0% from ₹ 782.72 crore in FY 2023-24 to ₹ 798.51 crore in FY 2024-25. The increase was primarily due to stores spares consumed, spend on repair maintenance undertaken at plant location, higher commission & discounts offered to distribution network offset by reduction in job work expense due to decrease in GGBS volume at Salem and provision for expected credit loss of financial asset.

Finance cost

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Finance Cost	384.40	379.41	4.99	1.3

Finance cost increased by 1.3 % from ₹ 379.41 crore in FY 2023-24 to ₹ 384.40 crore in FY 2024-25.

The increase is mainly due to increase charge of right to use asset, upfront fees amortisation offset by decrease in the interest cost due to reduction in average borrowings.

Depreciation and amortisation expenses

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Depreciation	262.99	242.47	20.52	8.5

Depreciation and amortisation expenses increased by 8.5% from ₹ 242.47 crore in FY 2023-24 to ₹ 262.99 crore in FY 2024-25. The increase was mainly due to Project capitalisation of 2 MTPA grinding unit at VIjayanagar and additional ROU assets recognised during the financial year

Tax expense

The tax expense was ₹ 140.55 crore in FY 2024-25 compared to ₹ 202.79 crore in FY 2023-24. The effective tax rate in FY 2024-25 is 57.97%, mainly on account of impact of fair valuation of CCPS in statement of Profit & Loss.

Property, plant and equipment & intangible

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Tangible Assets	4430.87	3901.89	528.98	13.6
Capital Work-in-progress	924.81	632.58	292.23	46.2
Right of Use Assets	392.95	411.79	(18.84)	(4.6)
Intangible Assets	660.46	670.27	(9.81)	(1.5)
Intangible Assets under development	2.36	1.11	1.25	112.6
Total	**6,411.45**	**5,617.64**	**793.81**	**14.1**

The net block of property increased has increased by ₹ 793.81 crore primarily on account of increase in Tangible Assets due to capitalisation of 2 MTPA grinding unit at VIjayanagar, Karnataka. Capital Work-in-progress mainly includes spend on Nagaur greenfield project expansion and on routine project at all plant locations.

Investments

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Investments in subsidiaries, associates and joint ventures	809.25	483.83	325.42	67.3
Other Investment (Non-Current & Current)	294.41	607.85	(313.44)	(51.6)
Total	**1,103.66**	**1,091.68**	**11.98**	**1.1**

The increase in investment is mainly due to increase in investment by way of subscribing to right issue of Shiva Cement Ltd, impact of fair valuation of preference share held in subsidiary & offset by redemption of preference share in Everbest Consultancy Pvt Ltd and optionally convertible debentures in JSW Sports Ltd.

Loans

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Long-term loans & advances	862.07	564.13	297.94	52.8
Short-term loans & advances	300.54	541.15	(240.61)	(44.5)
Total	**1,162.61**	**1,105.28**	**57.33**	**5.2**

The increase is mainly due to additional loan given to subsidiaries as per approved terms & conditions

Other financial assets

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Other non-current financial assets	414.52	417.37	(2.85)	(0.7)
Other current financial assets	152.30	223.79	(71.49)	(31.9)
Total	**566.82**	**641.16**	**(74.34)**	**(11.6)**

The decrease in other financial assets is mainly due on realisation of interest income on redemption of JSW Sports Ltd optionally convertible debentures, reduction deposit maintained with banks offset by increase in statutory deposits with government department and government grant.

Other non-financial assets

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Other non-current assets	578.26	464.34	113.92	24.5
Other current assets	521.91	362.62	159.29	43.9
Total	**1,100.17**	**826.96**	**273.21**	**33.0**

The increase is other financial assets is mainly due to advance given to revenue vendors for bulk raw material and fuel supply, capital advance and indirect tax credit for for Nagaur greenfield project.

Inventories

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Raw materials	89.92	85.16	4.76	5.6
Semi-finished goods	21.24	17.25	3.99	23.1
Finished goods	41.04	49.33	(8.29)	(16.8)
Traded Goods	0.10	0.08	0.02	25.0
Stores and spares	158.57	138.25	20.32	14.7
Fuel	45.24	138.65	(93.41)	(67.4)
Total Inventories	**356.11**	**428.72**	**(72.61)**	**(16.9)**

The decrease is mainly to reduction in inventory of fuel. The average inventory holding in terms of days is 46 days as compared to 49 days in previous financial year.

Trade receivables

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Total Debtors	788.03	779.81	8.22	1.1
Less Provision for Doubtful debts	(17.51)	(8.57)	(8.94)	104.3
Trade receivables	**770.52**	**771.24**	**(0.72)**	**(0.1)**

As of March 31, 2025, the average collection period for debtors stood at 52 days, compared to 48 days as of March 31, 2024.

Cash and Bank Balances

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Cash and Cash Equivalent	56.08	93.89	(37.81)	(40.3)
Bank & Bank Balances	57.99	195.94	(137.95)	(70.4)
Total	**114.07**	**289.83**	**(175.76)**	**(60.6)**

During the year the cash and bank balance has reduced by ₹ 175.76 crore due to utilisation of the funds for the purpose of payment to project and revenue vendors balances.

Borrowings

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Long-term Borrowings (including current maturity of long-term borrowings)	3,285.25	2,877.54	407.71	14.2
Other Loans Compulsory convertible preference shares	1,897.71	1,747.26	150.45	8.6
Short-term Borrowings (excluding current maturity of long-term borrowings)	276.61	545.71	(269.10)	(49.3)
Total	**5,459.57**	**5,170.51**	**289.06**	**5.6**

Long term borrowing has increased due to fresh loan taken for the purpose of Nagaur greenfield project and for general corporate purpose. The movement in other loans is mainly due to recognising an increase in fair value of the Compulsory convertible preference share (CCPS) instrument as per IND AS 109. The short-term loan has decreased due to repayment of working capital loans.

Trade payables

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Trade Payables	810.64	722.18	88.46	12.2
Acceptances	325.46	418.05	(92.59)	(22.1)
Total	**1136.10**	**1140.23**	**(4.13)**	**(0.4)**

During the year the operational payable liabilities and acceptances has reduced marginally. The average payable days has increased to 89 days in FY 2024-25 compared to 84 days in previous financial year.

Other financial liabilities

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Other current financial liability	1,088.18	797.90	290.28	36.4
Lease liabilities (current/ non-current liabilities)	384.97	406.37	(21.40)	(5.3)
Other non-current financial liability	21.88	24.11	(2.23)	(9.2)
Total	**1495.03**	**1228.38**	**266.65**	**21.7**

The increase in other current financial liabilities is mainly due to increase in del credre finance, capex creditors for Nagaur greenfield project offset by decrease in deposits received from customers and share based payment liability.

Other current financial liabilities

(₹ in crore)

Particulars	FY 2024-25	FY 2023-24	Change	Change %
Provisions	75.94	74.98	0.96	1.3
Other current liability	116.03	126.92	(10.89)	(8.6)
Total	**191.97**	**201.90**	**(9.93)**	**(4.9)**

The decrease in other current liabilities is mainly decrease in advance received from revenue customers and GST liability payable at end of the year.

Capital employed

The total capital employed increased by 7.2% from ₹ 7,586.47 crore as on March 31, 2024, to ₹ 8,130.09 crore as on March 31, 2025. The Company's average return on capital employed stood at 9.37 % vis-à-vis 12.92% in FY 2023-24.

Own funds

Net worth increased from ₹ 2,686.46 crore as on March 31, 2024, to ₹ 2,856.59 crore as on March 31, 2025. The book value per share was ₹ 28.96 as on March 31, 2025, as against ₹ 27.23 as on March 31, 2024.

Other key ratios

Particulars	Numerator	Denominator	FY 2024-25	FY 2023-24
Current Ratio (times)	Total Current Assets	Total Current Liabilities	0.66	0.78
Debt Equity Ratio (times)	Total Borrowings (i.e. non-current borrowings + Current borrowings)	Total Equity	1.91	1.92
Debt service coverage ratio (times)	Profit before tax adjusted for actual tax paid + Non-cash operating expenses + Interest + other adjustments	Interest & Lease payments + Scheduled Principal Repayment (net of refinancing)	1.11	1.22
Return on Equity (%)	Net profit after tax	Average Shareholder's equity	3.68%	8.71%
Inventory Turnover ratio (days)	Average Inventory	Manufacturing cost (including Raw material, power & fuel, and manufacturing overheads)	46	49
Trade receivables Turnover ratio (Days)	Average Trade Receivables	Sale of products	52	48
Trade Payable turnover ratio (Days)	Average Trade payables	Cost of goods sold	89	84
Net Capital Turnover ratio	Revenue from operations	Working capital (current assets – current liabilities)	(4.68)	(7.18)
Net Profit Margin Ratio (%age)	Net profit for the year	Revenue from operations	1.85%	3.81%
Return on Capital Employed (%)	Profit before Tax after Exceptional Items, Finance cost	Tangible Net Worth + Total Debt+ Deferred tax liability	9.37%	12.92%

CONSOLIDATED

The Company reported consolidated revenue of ₹ 5,813.07 crore, EBITDA of ₹ 965.77 crore , and a loss after tax of ₹ 163.76 crore for FY 2024-25 The consolidated financial statements reflect the performance of its subsidiaries, joint ventures, and associate as listed below:

Subsidiaries:

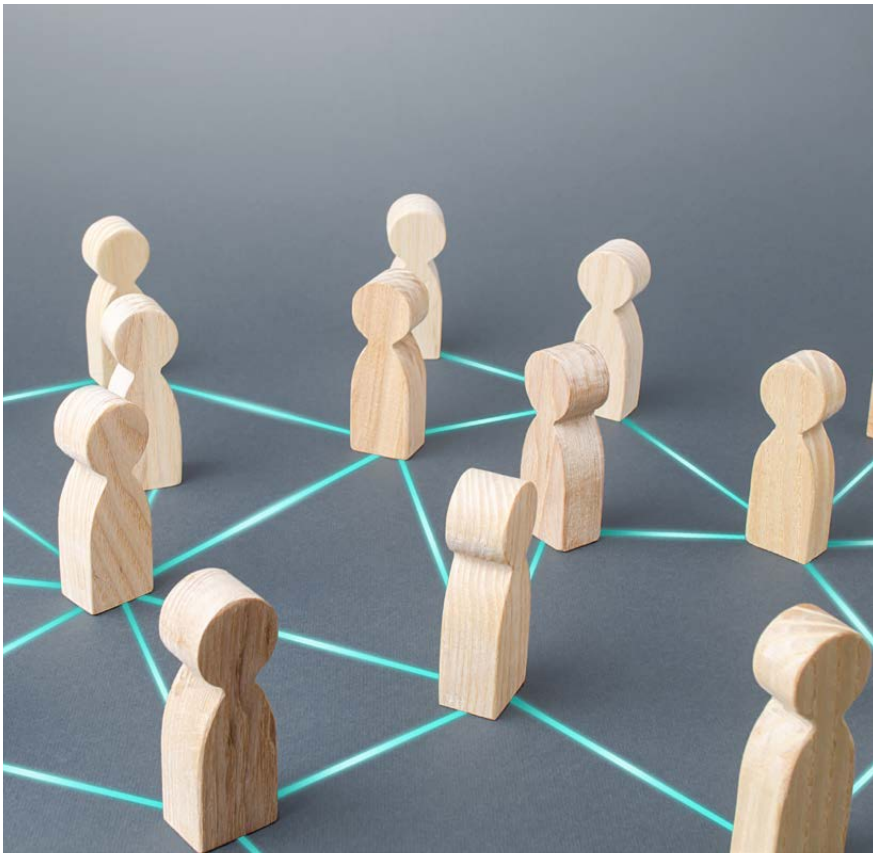
- Shiva Cement Limited, Rourkela, Odisha
- Utkarsh Transport Private Limited, Hyderabad, Telangana
- JSW Green Cement Private Limited, Hyderabad, Telangana
- Cemterra Enterprise Private Limited, Mumbai, Maharashtra

Joint Ventures:

- JSW One Platforms Limited
- JSW Cement FZC, Fujairah, UAE

Associate:

- JSW Renewable Energy (Cement) Limited (with effect from September 27, 2023)



BUSINESS OUTLOOK

JSW Cement is progressing steadily towards its goal of becoming one of India's top five cement companies by 2030, targeting a grinding capacity of 50 MTPA and clinker capacity of 13.04 MTPA. The Company is driving this growth through a clear focus on sustainability, operational efficiency, and strategic market expansion. JSW Cement is set to commence commercial operations at its greenfield plant in Nagaur, Rajasthan, strengthening its presence in North India. The Company has planned to also develop split grinding units in Punjab and Uttar Pradesh to serve high-demand regions more efficiently. JSW Cement has planned a greenfield integrated project at Hatta, Madhya Pradesh, which will secure long-term raw material access and support capacity expansion. The Company is further enhancing its supply capabilities in Western Odisha by utilising cement from Shiva Cement (BPSL).

JSW Cement is focussed on achieving on improving utilisation while maintaining cost competitiveness through kiln upgrades, alternative fuels, and Waste Heat Recovery Systems (WHRS). The Company is also increasing its renewable energy footprint by installing solar and wind power across various plant locations. JSW Cement remains well-positioned to deliver long-term growth and strengthen its leadership in sustainable, low-cost cement manufacturing. The Company is committed to building a future-ready business aligned with environmental responsibility and market needs.

RISK AND MITIGATION STRATEGIES

JSW Cement follows a standardised Risk Management Process across the JSW Group to ensure effective identification and mitigation of risks. The Company has a comprehensive Risk Management Policy aligned with the Companies Act, 2013, supporting sustainable business growth and strong corporate governance. JSW Cement recognises that internal and external risks evolve over time, requiring tailored mitigation strategies. The Company has developed risk plans for all identified risks, outlining mitigation actions, target timelines and assigned responsibilities. The Risk Management Committee has the responsibility of monitoring and reviewing these plans to ensure their effectiveness. The Company ensures that the Committee meets every six months to assess key strategic and operational risks, identify emerging risks and evaluate the progress of mitigation measures. JSW Cement remains committed to proactive risk management to safeguard its business operations.

For detailed risk and mitigation measures please refer to the narrative section

HUMAN RESOURCES

JSW Cement promotes a growth-oriented work culture by ensuring a safe, productive and healthy environment for its employees. The Company has well-structured HR policies that support holistic employee development, enhance workplace experience and align individual goals with organisational objectives. JSW Cement places a strong emphasis on hiring and nurturing talent to build future leaders across various domains.

The has a comprehensive trainee programme that includes a one-month induction followed by structured rotations, providing exposure to 2-3 core functional areas. The Company ensures that trainees receive on-the-job training, equipping them to handle their roles

independently. JSW Cement continues to recruit female graduate candidates as part of its hiring policy. The Company also provides various training programmes at its manufacturing facilities to enhance employee skills and productivity.

JSW Cement prioritises workplace safety across all locations. The Company promotes a culture of safety by recognising employees who adhere to the best practices. JSW Cement conducts daily defensive driving training for drivers through its plants' Road and Rail Subcommittee.

JSW Cement drives its objectives of growth, agility and efficiency through its HR policies. The Company continuously aligns employee goals with organisational priorities to strengthen its human capital and enhance overall business performance. The maintains harmonious employee relations across all locations throughout the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

JSW Cement is dedicated to advancing its operations towards a greener and more circular future, with environmental responsibility at the core of its business initiatives. The Company actively invests in circular economy practices and decarbonisation to build a sustainable and environmentally conscious society.

The Company is a member of the Global Cement and Concrete Association (GCCA) and is committed to achieving Net Zero concrete emissions by 2050. It is working towards this goal through clinker substitution, use of alternative fuels and raw materials, expansion of its clean energy portfolio and investments in solar power plants, WHRS and renewable energy sources. Additionally, JSW Cement aims to reduce freshwater withdrawal intensity by 15% and achieve 5x water positivity by 2030 through water conservation and stewardship initiatives. The Company is also focussed on biodiversity conservation and aims for 'No Net Loss' on biodiversity by 2030.

JSW Cement prioritises sustainability in its operations by maintaining air quality, implementing reduce-reuse-recycle practices, ensuring responsible disposal of hazardous and non-hazardous waste and prohibiting wastewater discharge beyond its facilities. It also promotes social sustainability by imparting employee engagement through initiatives such as family meets, outbound sessions, talent hunts, team gatherings and Founder's Day celebrations.

INTERNAL CONTROLS

JSW Cement has established a strong internal control system aligned with its industry and scale of operations. The Company ensures effective governance, compliance, audit, control and reporting through a well-structured framework. JSW Cement has implemented a robust Management Information System that plays a crucial role in maintaining regulatory compliance, safeguarding assets, preventing fraud, ensuring accurate accounting records and enabling timely financial reporting.

The Company continuously evaluates and enhances its internal control system through revised standard operating procedures. JSW Cement ensures that internal auditors assess the system's effectiveness while management strengthens controls by adopting industry best practices. The Company reports audit observations and corrective measures to the Audit Committee, which closely monitors the system's adequacy and efficiency while providing recommendations for improvement. JSW Cement maintains objectivity and independence in its internal audit function by ensuring direct reporting to the Chairman of the Audit Committee. The Company remains committed to keeping its internal controls robust, effective and adaptable to the evolving business needs.

CAUTIONARY STATEMENT

The narrative in this Management Discussion and Analysis contains 'forward-looking statements' including, but not limited to, statements relating to implementation of strategic initiatives, future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, numerous risks, uncertainties and other unknown factors could cause actual results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in financial conditions of third parties dealing with us, legislative developments and other key factors that could affect our business and financial performance. JSW Cement undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.