CHAIRMAN'S LETTER

# Scaling with India's Infrastructure Ambition

India's infrastructure and housing growth continues to create a significant opportunity for the cement industry. As public and private investments expand across transport, industrial corridors, urban development and affordable housing, cement demand is expected to remain structurally strong over the long term.

Dear Shareholders,

FY 2025-26 marked a turning point for us.

It was a year when we entered the public markets, expanded into new geographies, strengthened our operating base and advanced our position as one of India's leading green cement producers.

It was also a year in which the role of cement became even more central to India's development story. Roads, homes, ports, factories, airports, railways and urban infrastructure are reshaping the country's economic foundation. This transformation requires companies that can build capacity with discipline, serve demand with agility and grow in a manner that respects the limits of the planet.

We tapped into this phase while realising our ambition in real life. Our next chapter will be shaped by disciplined capacity expansion, operational excellence, sustainability leadership and organisational capability building. These priorities are deeply connected. Together, they define how we intend to create long-term value for our shareholders, customers, employees, communities and the nation.

## BUILDING FOR A GROWING INDIA

India's infrastructure and housing growth continues to create a significant opportunity for the cement industry. As public and private investments expand across transport, industrial corridors, urban development and affordable housing, cement demand is expected to remain structurally strong over the long term.

During the year, we translated this opportunity into performance. Revenue from operations grew 12% yoy to ₹ 6,512 crore. Operating EBITDA increased 44% to ₹ 1,240 crore. Total volumes rose 11% to 13.96 million tonnes. The outcomes along with our resilience and the quality of execution across the organisation further strengthen our business model.

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## EXPANDING WITH DISCIPLINE

Scale matters in cement. Yet scale creates value only when it is built with capital discipline, market logic and operational-readiness.

Our growth roadmap is guided by these principles. We are currently operating at an installed capacity of 24.1 MTPA and progressing towards 35.25 MTPA by 2028 through brownfield expansion and greenfield capacity additions. Looking beyond 2028, our ambition is to reach 46 MTPA in next few years through a stronger presence in strategically important markets across northern, central and eastern India.

In FY 2025-26, the commissioning of the Nagaur integrated plant in Rajasthan gave us our first integrated facility in northern India and strengthened our access to high-growth markets such as Rajasthan, Haryana, Punjab and the NCR. The commissioning of the Sambalpur grinding unit in Odisha further enhanced our presence in eastern India.

The combined assets create a strong platform for regional relevance, enhanced supply chain efficiency, and deeper customer engagement. Our expansion strategy will continue to follow a phased and disciplined approach, aligned with demand visibility, capital allocation priorities, and expected returns.

The expansion plan has been designed to remain lean, efficient, and scalable. We will continue to invest in attractive growth opportunities while preserving financial resilience and maintaining a prudent capital structure.

The expansion programme will be funded through a balanced mix of internal accruals and debt, with a clear objective of maintaining Net Debt-to-EBITDA below 3.0x while exercising disciplined control over absolute debt levels. As operating cash flows continue to strengthen, we also intend to maintain a balanced approach to shareholder returns, supported by our decision to initiate dividend payments.

Since inception, we have embraced a circular economy philosophy. Our use of industrial by-products such as blast furnace slag has reduced dependence on virgin raw materials and clinker-intensive production pathways. The model helped us achieving one of the lowest carbon emission intensities in the cement sector, while improving resource efficiency and strengthening cost competitiveness.

## SUSTAINABILITY AS A BUSINESS CORE

Sustainability at JSW Cement is rooted in responsible business practice. We operate in a hard-to-abate sector, where resource use, energy intensity and emissions are central concerns for stakeholders.

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This approach has also become a strategic differentiator. Our leadership in low-carbon cementitious products, including blended cement and GGBS, positions us well for a future where customers, regulators, investors and communities will increasingly demand sustainable construction materials. Recognition through leading sustainability assessments, including our global leadership position in the S&P Global sector ranking and an ESG score of 70/100 from NSE Sustainability Ratings & Analytics, reinforces the credibility of our direction.

The next phase will carry this agenda forward. We will continue to invest in sourcing renewable energy through PPAs, alternative fuels, R&D and emerging low-carbon technologies. Our work on carbon capture utilisation pilot projects, including collaboration with the Department of Science and Technology, Government of India, reflects our intent to explore future-ready solutions for the construction value chain.

## RESILIENCE THROUGH INTEGRATION

The external environment remained fluid through the year. Geopolitical tensions in the Middle East created uncertainty around fuel, diesel and packaging material costs. Such volatility reinforces the importance of preparedness.

Our response is anchored in prudent procurement, fuel and power mix optimisation, operating efficiency and cost discipline. We are also strengthening structural levers that improve resilience over time. Renewable energy, higher thermal substitution, lower specific power consumption and lower specific heat consumption will remain central to our efficiency agenda.

Today, JSW Cement stands at an important moment as a larger, more visible and better-positioned organisation, carrying a deeper responsibility as a listed company and as a business central to India's growth and climate transition. We will continue to project ourselves as a pan-India cement company built on disciplined expansion, sustainability leadership, people capability, governance strength and enduring value creation.

Digitalisation is becoming a powerful enabler. Advanced AI-driven process control systems are being deployed to improve plant efficiency. Project Ekjoot is helping drive cross-functional collaboration, standardisation and digital integration across business verticals. We are also exploring Agentic AI-led interventions to empower field sales teams with more contextual and personalised customer engagement.

## THE PROGRESS CONTINUES

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I thank our shareholders for their trust, our customers for their confidence, our employees for their commitment, our partners for their support and our communities for their continued goodwill.

Together, we will keep building a stronger JSW Cement for a growing India.

Warm regards,

**Seshagiri Rao MVS**
Chairman