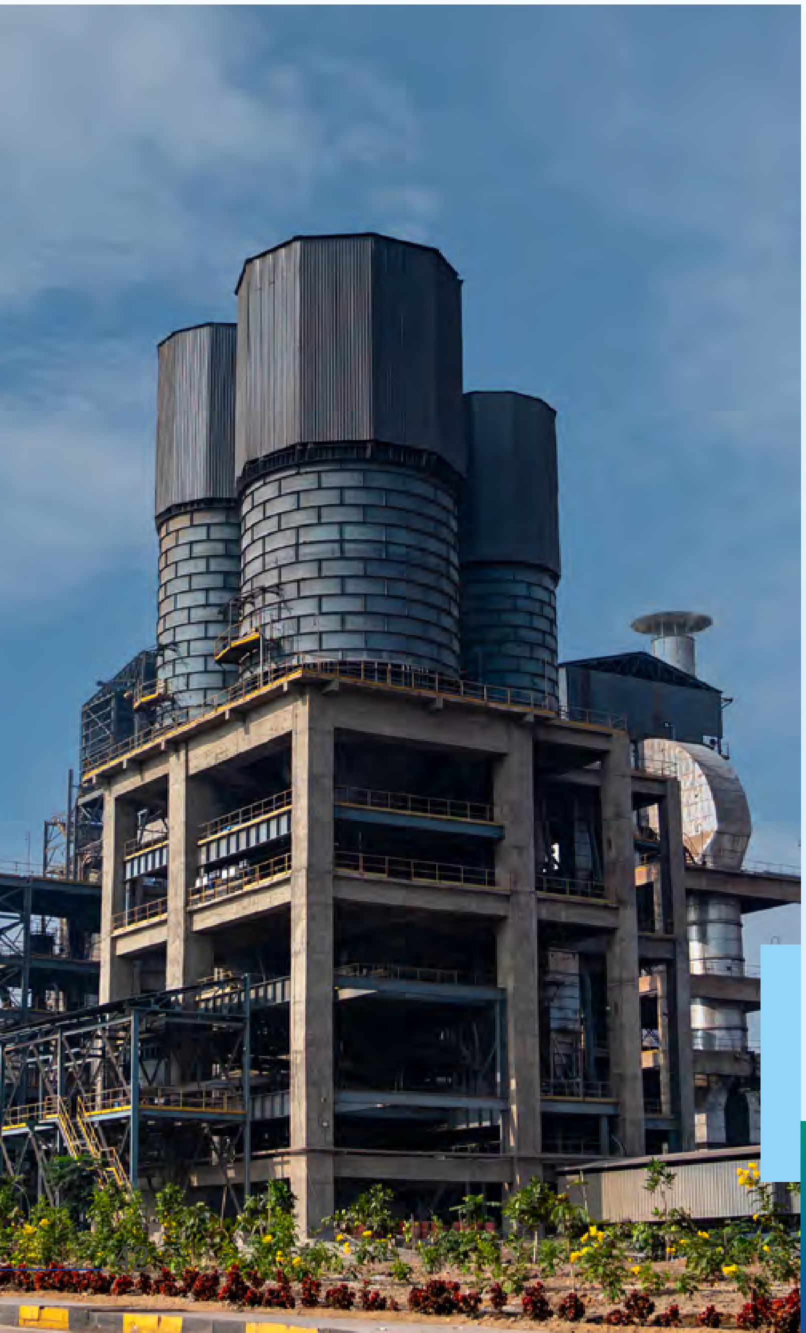
OPERATING ENVIRONMENT

Canvas for the next phase of growth

India's cement industry entered FY 2025-26 with a strong demand foundation, supported by economic resilience, infrastructure spending, housing growth and rising urbanisation. The year also brought external volatility from geopolitical tensions, energy price movements and regional demand disruptions. For JSW Cement, this context reinforced the relevance of a low-carbon, cost-efficient and capacity-led growth model. We continued to align our priorities with India's construction needs, while strengthening our presence across key regions, deepening our sustainable product portfolio and improving execution efficiency.



7.6%
FY 2026 GDP growth

Source: Ministry of Statistics and Programme Implementation (MoSPI)

INFRASTRUCTURE-LED DEMAND

Public capital expenditure, roads, railways, metros, airports, logistics parks and urban infrastructure continued to support cement consumption. Infrastructure's share in sector demand is expected to remain strong as India continues to invest in connectivity, urban development and industrial corridors. This creates a favourable medium-term environment for cement producers with scale, regional reach and execution discipline.

491 MMT
All-India cement production in FY 2026

Our response

- Expanded our capacity base to serve demand centres more efficiently
- Commissioned the Nagaur Integrated Unit, marking our entry into North India
- Strengthened our multi-region footprint to improve supply resilience and market access

MOMENTUM IN THE SUSTAINABLE CONSTRUCTION

India's construction ecosystem is moving towards blended cement, supplementary cementitious materials and lower-carbon building solutions. This shift directly aligns with our slag-based product strategy and sustainability-led operating model. Our GGBS leadership, low clinker usage and green cementitious portfolio provide a clear advantage as infrastructure customers, RMC players and large project developers increasingly prioritise durability and lower embodied carbon.

~84%
All-India GGBS market share

77%
Low carbon products as share of total volume sold

269 kg/tcm
Scope 1+2 CO_2 emission intensity

51%
Clinker-to-cement ratio

Our response

- Maintained leadership in GGBS through scale, market access and application support
- Promoted green cementitious products for infrastructure and RMC applications
- Sustained one of the lowest clinker-to-cement ratios in the industry
- Positioned sustainability as a core product and operating advantage

RESILIENT HOUSING AND REGIONAL CONSUMPTION

Housing continues to anchor cement demand, supported by affordable housing, redevelopment, rural construction and rising home ownership aspirations. The Union Budget for FY 2026-27 increased allocations for PMAY-Urban and PMAY-Rural, creating a supportive outlook for both urban and rural construction. Demand across JSW Cement's markets also reflected regional drivers, including roads, irrigation, expressways, housing and urban infrastructure.

₹ 22,025 crore
PMAY-Urban allocation for FY 2026-27

₹ 54,917 crore
PMAY-Rural allocation for FY 2026-27

Our response

- Strengthened dealer and customer reach across operating regions
- Focused on trade and premium product sales to deepen retail relevance
- Built a diversified portfolio across cement, GGBS, RMC and construction solutions
- Continued brand and channel initiatives to improve customer engagement

COST VOLATILITY REQUIRES SHARPER EFFICIENCY

Global supply disruptions, West Asia tensions and energy price pressures affected imported fuel, freight, packing materials and logistics costs. The cement industry remains sensitive to power, fuel and freight movements, making operational efficiency critical for margin protection.

Our response

- Advanced cost-saving initiatives across power, fuel, logistics and product mix
- Increased renewable energy and WHRS capacity across plants
- Focused on lead-distance optimisation, apart from temporary dispatch realignment
- Raised alternative fuel usage and continued focus on low-cost manufacturing
- Maintained an efficient capex programme while scaling capacity in priority markets