

IPO Report

Choice

**“Subscribe for Long Term” to
JSW Cement Ltd.**

Valuation appears aggressive.



Salient features of the IPO:

- **JSW Cement Ltd.** (JSW), is a part of the JSW Group, a multinational conglomerate with a portfolio of diversified businesses across various sectors, is coming up with an IPO to raise Rs. 3,600cr which opens on 7th Aug. and closes on 11th Aug. 2025. The price band is Rs. 139 - 147 per share.
- This public issue is a combination of fresh issue (Rs. 1,600cr) and OFS (Rs. 2,000cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 800cr for part financing the cost of establishing a new integrated cement unit at Nagaur, Rajasthan and Rs. 520cr for prepayment or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company residual proceeds will be utilized for general corporate purpose.
- Some of the investor selling shareholders are participating in the OFS and are offloading 13.61 – 14.39cr equity shares. Post-IPO, the public shareholders will have 25.28% stake in the company.

Key competitive strengths:

- Among the top three fastest growing cement manufacturing companies in India in terms of increase in installed grinding capacity and sales volume
- India's largest manufacturer of GGBS and have a proven track record of scaling up this business
- Strategically located plants that are well-connected to raw material sources and key consumption markets.
- Lowest carbon dioxide emission intensity among peer cement manufacturing companies in India and the top global cement manufacturing companies.
- Extensive sales and distribution network in India and focus on strong brand.

Risk and concerns:

- General slowdown in the global economic activities
- Reliance on JSW Steel Group for key raw materials.
- Risk of failure to maintain or increase the utilisation levels of plants
- Business is exposed to seasonal and cyclical demand fluctuations
- Risk of exchange rate fluctuation
- Competition

Below are the key highlights of the company:

- Cement demand in India is expected to grow steadily, driven by housing, infrastructure, and urban development. Key high-growth states like Odisha and West Bengal are projected to clock 7–9% CAGR in cement demand from FY25 to FY30, supported by infrastructure investments and industrial growth.
- The eastern and southern regions have accounted for ~51% of total capacity additions from FY21 to FY25, with the trend expected to continue through FY30. This shift is led by players like JSW Cement and Dalmia, aiming to expand market share in fast-growing regions.
- JSW started its operations in 2009 in the southern region of India through a single grinding unit in Vijayanagar, Karnataka. Since then, it has expanded its presence across the southern, western and eastern regions of India and UAE. Its product portfolio consists of blended cement (including PSC, PCC and PPC), GGBS, ordinary portland cement (“OPC”), clinker and a range of allied cementitious products such as ready mix concrete (“RMC”), screened slag, construction chemicals and waterproofing compounds.
- It is among the top three fastest growing cement manufacturing companies in India in terms of increase in installed grinding capacity and sales volume from FY15 to FY25 (among the peers in terms of installed capacity and sales volume). It is among the top 10 cement companies in India in terms of installed capacity and sales volume as of March 31 2025.

Issue details

Price band	Rs. 139 - 147per share
Face value	Rs. 10
Shares for Fresh Issue	10.88 – 11.51cr shares
Share for OFS	13.61 – 14.39cr shares
Fresh issue size	Rs. 1,600cr
OFS issue size	Rs. 2,000cr
Total issue size	24.49 – 25.90cr shares (Rs. 3,600cr)
Bidding date	7 th Aug – 11 th Aug, 2025
Implied MCAP at higher price band	Rs. 20,041.5Cr
Implied enterprise value at higher price band	Rs. 26,077cr
Book running lead manager	JM Financial Ltd., Axis Capital Ltd., Citigroup Global Markets India Pvt. Ltd., DAM Capital Advisors Ltd., Goldman Sachs (India) Securities Pvt. Ltd., Jefferies India Pvt. Ltd., Kotak Mahindra Capital Company Ltd., SBI Capital Markets Ltd.
Registrar	KFin Technologies Ltd.
Sector	Cement and cement products
Promoters	Sajjan Jindal, Parth Jindal, Sangita Jindal, Adarsh Advisory Services Pvt. Ltd. And Sajjan Jindal Family Trust

Category	Percent of issue (%)	Number of shares
QIB portion	50%	12.2 – 12.9cr shares
Non institutional portion (Big)	10%	2.4 – 2.6cr shares
Non institutional portion (Small)	5%	1.2 – 1.3cr shares
Retail portion	35%	8.6 – 9.1cr shares

Indicative IPO process time line

Finalization of basis of allotment	12 th Aug, 2025
Unblocking of ASBA account	13 th Aug, 2025
Credit to demat accounts	13 th Aug, 2025
Commencement of trading	14 th Aug, 2025

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	78.61%	72.33%
Public	18.80%	25.28%
Non-promoter & Non-public	2.59%	2.38%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	102 Shares
Application money	Rs.14,994

Research Analyst: Rajnath Yadav

Email: rajnath.yadav@choiceindia.com

Ph: +91 6707 9999; Ext: 912

Key highlights of the company (Contd...):

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	Revenue (Rs. cr)	EBITDA (Rs. cr)	PAT (Rs. cr)	EBITDA margin (%)	PAT margin (%)
JSW Cement	10	147	20,041	26,077	-	-	5,813	690	(164)	11.9%	-2.8%
JK Cements Ltd.	10	6,966	53,847	58,505	42.0	63.4	11,879	2,034	872	17.1%	7.3%
Birla Corporation Ltd.	10	1,264	9,733	13,096	10.4	(8.8)	9,214	1,217	295	13.2%	3.2%
Nuvoco Vistas Corporation Ltd.	10	433	15,458	19,350	21.4	33.5	10,357	1,373	22	13.3%	0.2%
Sagar Cements Ltd.	2	230	3,013	4,297	16.0	3.5	2,258	141	(217)	6.2%	-9.6%
JK Lakshmi Cement Ltd.	5	918	10,832	13,249	9.0	12.1	6,193	864	276	14.0%	4.5%
Orient Cement Ltd.	1	239	4,923	4,944	(29.4)	(29.6)	2,709	302	91	11.1%	3.4%
The Ramco Cements Ltd.	1	1,148	27,093	31,559	28.4	42.1	8,518	1,234	270	14.5%	3.2%
Average										12.8%	1.7%

Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	4Y PAT growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Receivable days	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth
JSW Cement	7.6%	-2.7%	-	13.7%	1.2%	2.8%	5.1%	50	30	-75	3,953
JK Cements Ltd.	14.1%	10.4%	8.7%	16.9%	6.7%	13.4%	14.3%	20	254	191	6,089
Birla Corporation Ltd.	7.3%	3.1%	-9.6%	13.0%	3.3%	4.4%	7.0%	15	283	250	7,015
Nuvoco Vistas Corporation Ltd.	3.6%	-3.0%	-11.7%	14.0%	0.5%	0.6%	3.8%	22	203	315	9,002
Sagar Cements Ltd.	12.2%	-20.1%	-	10.1%	-1.9%	-2.5%	3.3%	28	271	394	1,723
JK Lakshmi Cement Ltd.	4.5%	-3.1%	-16.7%	15.0%	6.5%	13.9%	15.0%	4	235	141	3,471
Orient Cement Ltd.	-0.2%	-20.1%	-29.8%	14.8%	5.7%	10.0%	15.0%	24	267	205	1,808
The Ramco Cements Ltd.	12.4%	-1.5%	-32.6%	16.8%	6.4%	6.6%	7.0%	27	252	196	7,442
Average	7.7%	-4.9%	-15.3%	14.4%	3.9%	6.6%	9.3%	19.79	251.86	241.68	

Company name	Total Debt	Cash	RoE (%)	FY25 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
JSW Cement	7,700	1,665	-4.1%	3.6%	(122.4)	5.1	4.5	37.8	3.4	(1.2)	29.0	1.9
JK Cements Ltd.	6,028	1,370	14.3%	14.0%	61.8	8.8	4.9	28.8	4.5	112.8	787.7	1.0
Birla Corporation Ltd.	3,489	126	4.2%	7.0%	33.0	1.4	1.4	10.8	1.1	38.3	911.0	0.5
Nuvoco Vistas Corporation Ltd.	4,074	182	0.2%	4.0%	702.6	1.7	1.9	14.1	1.5	0.6	252.2	0.5
Sagar Cements Ltd.	1,448	164	-12.6%	-2.0%	(13.9)	1.7	1.9	30.5	1.3	(16.6)	131.5	0.8
JK Lakshmi Cement Ltd.	2,614	197	8.0%	10.0%	39.2	3.1	2.1	15.3	1.7	23.4	294.2	0.8
Orient Cement Ltd.	70	49	5.0%	9.0%	54.1	2.7	1.8	16.4	1.8	4.4	87.8	0.0
The Ramco Cements Ltd.	4,675	209	3.6%	5.0%	100.3	3.6	3.7	25.6	3.2	11.4	315.3	0.6
Average			3.3%	6.7%	139.60	3.31	2.54	20.20	2.17			0.6

Note: Considered financials for the period during FY22-25 (with IPO adjustment); Source: Choice Broking Research

- As of March 31, 2025, JSW operated seven plants in India, which comprise one integrated unit, one clinker unit and five grinding units across the states of Andhra Pradesh (Nandyal plant), Karnataka (Vijayanagar plant), Tamil Nadu (Salem plant), Maharashtra (Dolvi plant), West Bengal (Salboni plant), Odisha (Jajpur plant and it's majority owned Shiva Cement Limited clinker unit). JSW Cement FZC also operates one clinker unit in the UAE that supplies clinker to the Dolvi grinding unit in western India and to third-party customers.
- To ensure consistent supply of limestone, which is a key raw material for cement production, it has the right to mine across 11 limestone mines in India, with an aggregate limestone residual reserve of 1,089.09 million metric tonnes ("MMT") as of March 31, 2025. Of the limestone mines in India, four limestone mines in India are operational (the JSW Nandyal mine in Andhra Pradesh; two Khatkurbahal mines in Odisha; and the Kolkarihiya mine in Madhya Pradesh).
- It sell it's products through a well-connected distribution network. As of March 31, 2025, it had a network of 4,653 dealers, 8,844 sub-dealers and 158 warehouses. Through it's dealers and sub-dealers, it serve the retail demand for it's cement and allied cementitious product in it's trade channel. As of March 31, 2025, it also had 6,559 direct customers in it's non-trade channel comprising builders and institutional customers to whom it supply it's products for the construction of housing, infrastructure and commercial projects in India.
- As of March 31, 2025, it had Installed Grinding Capacity of 20.60 MMTPA consisting of 11.00 MMTPA, 4.50 MMTPA and 5.10 MMTPA in the southern, western and eastern regions of India, respectively and it has a capacity utilisation of 62.89%. As of March 31, 2025, it had an Installed Clinker Capacity of 6.44 MMTPA which includes the Installed Clinker Capacity of JSW Cement FZC and it has a capacity utilisation of 84.30%.
- JSW is India's largest manufacturer of ground granulated blast furnace slag ("GGBS"), an eco-friendly product produced entirely from blast furnace slag (a by-product of the steel manufacturing process), with a market share in terms of GGBS sales of 84.00% in FY25. It's green cementitious products which include (i) products with GGBS, (ii) portland slag cement ("PSC"), (iii) portland composite cement ("PCC") and (iv) others constituted 77.41% of it's sales volume in FY25.

Key highlights of the company (Contd...):

- It is part of the JSW Group, a multinational conglomerate with a portfolio of diversified businesses across various sectors such as steel, energy, maritime, infrastructure, defence, business-to-business e-commerce, realty, paints, sports and venture capital. It benefit from it's access to other companies that are part of the JSW Group. For example, it source key raw materials such as blast furnace slag from JSW Steel Limited and power from JSW Energy Limited for it's operations. As part of the JSW Group, it benefit from synergies with the long established "JSW" brand.
- JSW Cement operates through several subsidiaries that support its integrated cement business and logistics operations. Shiva Cement Limited, a key subsidiary, is instrumental in backward integration through clinker production and is currently ramping up capacity, although it has been incurring losses due to high fixed costs during the ramp-up phase.
- Utkarsh Transport Private Limited, another subsidiary, manages part of the company's logistics and transportation, including electric trucks, but has also reported losses due to underutilisation and operational overheads. Additionally, JSW Cement has investments in other entities like JSW Green Cement Limited and Cemterra Enterprise, which are either in early stages or hold strategic value. These subsidiaries align with JSW Cement's long-term vision of capacity expansion, sustainability, and improved supply chain efficiency, though some continue to require financial support due to their nascent or capital-intensive nature.

Peer comparison and valuation: JSW Cement is a sustainability-led and efficiency-driven building materials company focused on manufacturing green cementitious products using industrial by-products like slag and fly ash. While it is often viewed as a traditional cement producer, JSW Cement operates with integrated capabilities across clinker, grinding, logistics, and digital systems, supported by synergies with group entities such as JSW Steel and JSW Energy. The company leverages backward integration through its subsidiary Shiva Cement for clinker, and uses JSW Cement FZC in the UAE to ensure cost-effective and secure clinker supply.

At the upper price band, JSW Cement is being valued at an EV/Sales multiple of 4.5x, which is notably above the peer average of 1.83x, reflecting a very aggressive valuation relative to industry benchmarks. Presently, JSW Cement is in an active expansion phase, with subsidiaries like Shiva Cement and Utkarsh Transport currently in ramp-up or early stages. While these entities are loss-making at present, they are strategically aligned with the company's long-term growth. From a valuation perspective, these investments may depress near-term profitability but are expected to contribute meaningfully to earnings and return ratios as utilisation improves and scale benefits are realised. Thus, we recommend a **"Subscribe for Long Term"** rating for the issue.

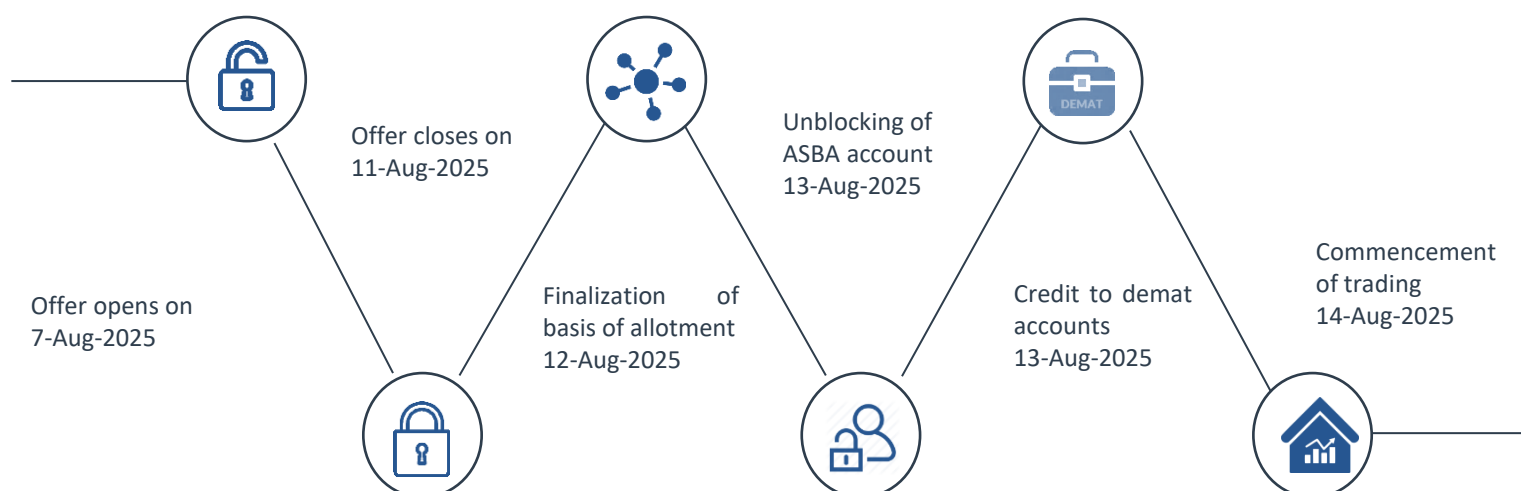
About the issue:

- JSW is coming up with an IPO with 24.49 – 25.90cr shares (Fresh Issue shares: 10.88 – 11.51cr shares; OFS shares: 13.61 – 14.39cr shares) in offering. This offer represents 17.96 – 18.91% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 3,600cr.
- The issue is through book building process with a price band of Rs. 139 - 147 per share.
- Lot size comprises of 102 equity shares and in-multiple of 102 shares thereafter.
- The issue will open on 7th Aug 2025 and close on 11st Aug. 2025.
- This public issue is a combination of fresh issue (Rs. 1,600cr) and OFS (Rs. 2,000cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 800cr for part financing the cost of establishing a new integrated cement unit at Nagaur, Rajasthan and Rs. 520cr for prepayment or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company residual proceeds will be utilized for general corporate purpose.
- Some of the investor selling shareholders are participating in the OFS and are offloading 13.61 – 14.39cr equity shares. Post-IPO, the public shareholders will have 25.28% stake in the company.
- 50% of the net issue is reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	78.61%	72.33%
Public	18.80%	25.28%
Non-promoter & Non-public	2.59%	2.38%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY22-25: During this period, JSW Cement recorded stable operational scale with some volatility in profitability, driven by changes in cement pricing and raw material dynamics. While the company witnessed volume growth and continued expansion in capacity, margin pressure emerged due to lower realisation per tonne and increased losses from investments in joint ventures and associates.

JSW Cement's revenue grew from Rs. 4,668.6cr in FY22 to Rs. 6,028.1cr in FY24 due to higher sales volume, better pricing, and regional expansion. In FY25, revenue fell to Rs. 5,813.1cr as cement realisation dropped 7.98% due to pricing pressure, demand softness, and higher discounts, despite steady volumes. The shift in product mix towards lower-value regions and increased freight absorption also contributed to the decline. However, the company maintained volumes through strong distribution and capacity utilisation.

The company's EBITDA witnessed decline, decreasing at a CAGR of 2.7% from Rs. 748.8cr in FY22 to Rs. 690.2cr in FY25, mainly due to lower pricing and rising freight and maintenance expenses. The EBITDA margin declined by 417 bps to 11.9% in FY25, compared to 16.0% in FY22, reflecting input cost pressures and weaker operating leverage. PAT moved from Rs. 104.0cr in FY23 to Rs. 62cr in FY24, turning into a loss of Rs. 163.8cr in FY25. The negative PAT was primarily driven by fair value losses on FVTPL instruments, increased depreciation, and higher JV/associate losses.

JSW Cement's net debt increased from Rs.5,625cr in FY22 to Rs. 7,700.4cr in FY25. The company's net debt-to-equity ratio rose to 3.2x in FY25 from 2.6x in FY22, indicating higher financial leverage. Pre-issue RoCE and RoE stood at 3.6% and -6.9%, respectively, in FY25.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	FY25	CAGR over FY22-25	Y-o-Y (FY24 annual)
<i>Revenue Bifurcation product-wise</i>						
Cement	2,749.1	2,900.6	3,407.4	3,203.3	5.2%	-6.0%
GGBS	1,012.3	1,401.7	1,911.2	1,956.1	24.6%	2.4%
Screen Slag	38.5	43.8	31.9	3.6	-54.7%	-88.8%
RMC	119.5	180.9	222.9	349.5	43.0%	56.8%
Clinker	259.2	384.7	188.4	111.6	-24.5%	-40.8%
Limestone	283.1	586.1	-	-	-	-
Others	93.8	182.6	77.5	71.0	-8.8%	-8.4%
Total	4,555.4	5,680.4	5,839.4	5,695.0	7.7%	-2.5%
Revenue from operations	4,668.6	5,836.7	6,028.1	5,813.1	7.6%	-3.6%
Gross profit	3,492.4	4,269.8	4,710.3	4,330.2	7.4%	-8.1%
EBITDA	748.8	677.6	927.1	690.2	-2.7%	-25.6%
Adjusted PAT	232.6	104.0	62.0	(163.8)	-	-364.1%
Restated adjusted EPS	1.7	0.8	0.5	-1.2	-	-364.1%
Cash flow from operating activities	339.0	653.2	1407.7	736.7	29.5%	-47.7%
NOPLAT	299.3	253.7	179.3	-906.0	-	-605.2%
FCF	-516.8	-344.2	381.6	-1712.9	49.1%	-548.9%
RoIC (%)	5.3%	4.4%	3.2%	-13.9%	(1,918) bps	(1,710) bps
Revenue growth rate	-	25.0%	3.3%	-3.6%		
Gross profit growth rate	-	22.3%	10.3%	-8.1%		
Gross profit margin	74.8%	73.2%	78.1%	74.5%	(32) bps	(365) bps
EBITDA growth rate	-	-9.5%	36.8%	-25.6%		
EBITDA margin	16.0%	11.6%	15.4%	11.9%	(417) bps	(351) bps
Restated PAT growth rate	-	-55.3%	-40.4%	-364.1%		
Restated PAT margin	5.0%	1.8%	1.0%	-2.8%	(780) bps	(385) bps
Inventories days	36.0	28.4	28.0	28.4	-7.6%	1.5%
Trade receivables days	59.9	46.2	45.2	49.1	-6.4%	8.6%
Trade payables days	-84.7	-67.8	-69.8	-77.2	-3.0%	10.6%
Cash conversion cycle	11.2	6.8	3.4	0.3	-71.2%	-92.0%
Total asset turnover ratio	0.5	0.6	0.5	0.5		
Current ratio	1.1	0.9	0.7	0.6		
Total debt	5,625.0	6,457.6	7,106.5	7,700.4	11.0%	8.4%
Net debt	5,460.2	6,406.5	6,661.6	7,555.9	11.4%	13.4%
Debt to equity	2.7	2.9	3.0	3.2		
Net debt to EBITDA	2.6	2.9	2.8	3.2		
RoE	11.0%	4.6%	2.6%	-6.9%	(1,792) bps	(950) bps
RoA	2.5%	1.0%	0.5%	-1.4%	(387) bps	(191) bps
RoCE	6.5%	3.4%	6.8%	3.6%	(285) bps	(319) bps

Note: Pre-IPO financials; Source: Choice Equity Broking

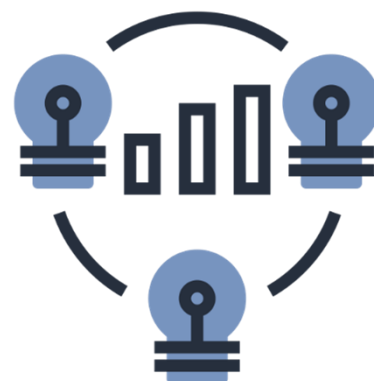


Competitive strengths:

- Among the top three fastest growing cement manufacturing companies in India in terms of increase in installed grinding capacity and sales volume
- India's largest manufacturer of GGBS and have a proven track record of scaling up this business
- Strategically located plants that are well-connected to raw material sources and key consumption markets.
- Lowest carbon dioxide emission intensity among peer cement manufacturing companies in India and the top global cement manufacturing companies.
- Extensive sales and distribution network in India and focus on strong brand.

Business strategy:

- Create a pan-India footprint by setting up new plants in north and central India, supplemented by expansions in current regions of operation.
- Continue to deepen presence in existing markets and grow market share.
- Continue to improve operational efficiency and implement cost reduction measures.
- Continue to focus on sustainable development.



Risk and concerns:

- General slowdown in the global economic activities
- Reliance on JSW Steel Group for key raw materials.
- Risk of failure to maintain or increase the utilisation levels of plants
- Business is exposed to seasonal and cyclical demand fluctuations
- Risk of exchange rate fluctuation
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)

	FY22	FY23	FY24	FY25	CAGR(FY22-25)	Y-o-Y
Revenue from operations	4,668.6	5,836.7	6,028.1	5,813.1	7.6%	-3.6%
Cost of material consumed	(1,067.1)	(1,124.4)	(1,308.9)	(1,452.3)	10.8%	11.0%
Purchase of stock in trade	(153.3)	(450.0)	(22.7)	(37.4)	-37.5%	65.0%
Change in work-in-progress	44.2	7.4	13.8	6.8	-46.4%	-50.6%
Gross profit	3,492.4	4,269.8	4,710.3	4,330.2	7.4%	-8.1%
Employee benefits expenses	(244.6)	(294.6)	(299.4)	(369.5)	14.7%	23.4%
Power and fuel	(759.1)	(1,032.4)	(990.3)	(846.9)	3.7%	-14.5%
Freight and handling expenses	(1,107.2)	(1,414.7)	(1,437.1)	(1,396.0)	8.0%	-2.9%
Other expenses	(632.6)	(850.5)	(1,056.3)	(1,027.6)	17.5%	-2.7%
EBITDA	748.8	677.6	927.1	690.2	-2.7%	-25.6%
Depreciation and amortization expenses	(238.5)	(373.2)	(278.3)	(310.3)	9.2%	11.5%
EBIT	510.3	304.4	648.8	379.9	-9.4%	-41.5%
Finance costs	(314.6)	(310.2)	(434.7)	(450.1)	12.7%	3.6%
Other income	194.9	145.5	86.5	101.6	-19.5%	17.5%
Captive consumption of cement	7.4	3.9	5.8	23.5	47.2%	308.3%
Restated profit before share of profit/(loss) from joint ventures and associate	398.0	143.5	306.4	54.8	-48.4%	-82.1%
Share of loss from joint ventures and associate	(1.3)	(18.7)	(82.0)	(98.5)	328.1%	20.0%
Restated profit before tax	396.7	124.8	224.4	(43.6)	-	-119.5%
Tax expenses	(164.1)	(20.8)	(162.3)	(120.1)	-9.9%	-26.0%
Reported PAT	232.6	104.0	62.0	(163.8)	-	-364.1%

Restated consolidated balance sheet statement (Rs. cr)

	FY22	FY23	FY24	FY25	CAGR over FY22-25	Annual growth over FY24
Equity share capital	986.4	986.4	986.4	986.4	0.0%	0.0%
Other equity	1,144.3	1,305.7	1,478.3	1,366.2	6.1%	-7.6%
Non Controlling Interest	(18.6)	(51.4)	(79.2)	19.8	-	-125.0%
Non-current borrowings	4,051.5	4,645.6	4,156.9	5,010.4	7.3%	20.5%
Non-current lease liabilities	410.4	197.9	377.7	351.4	-5.0%	-6.9%
Other non-current financial liabilities	0.2	12.6	10.7	12.3	270.2%	15.1%
Non-current provisions	89.4	85.3	87.0	94.5	1.9%	8.6%
Deferred tax liabilities	225.3	265.5	380.6	455.7	26.5%	19.7%
Trade payables	1,082.8	1,084.1	1,222.2	1,237.6	4.6%	1.3%
Current borrowings	570.6	776.0	1,678.9	1,156.1	26.5%	-31.1%
Current lease liabilities	21.9	21.7	40.4	44.5	26.8%	10.4%
Other current financial liabilities	570.5	803.9	842.0	1,125.6	25.4%	33.7%
Current provisions	0.3	0.1	1.2	1.5	73.7%	24.6%
Net current tax liabilities	27.4	0.0	0.0	3.9	-47.6%	-
Other current liabilities	110.2	85.1	135.9	137.9	7.8%	1.5%
Total liabilities	9,272.5	10,218.6	11,318.9	12,003.9	9.0%	6.1%
Property, plant & equipments	3,833.4	3,493.3	4,870.2	5,438.1	12.4%	11.7%
Intangible assets	76.4	692.5	677.6	725.1	111.8%	7.0%
Capital work-in-progress	872.3	1,575.4	739.2	1,024.7	5.5%	38.6%
Right-to-use assets	429.9	225.7	423.7	404.5	-2.0%	-4.6%
Goodwill	233.2	233.2	216.9	216.9	-2.4%	0.0%
Intangible assets under development	4.0	15.3	30.8	12.9	48.3%	-58.1%
Investment in joint ventures and associate	2.5	293.8	215.5	124.5	266.2%	-42.2%
Non-current investments	481.0	420.4	216.8	141.5	-33.5%	-34.8%
Non-current loans	20.0	-	-	-	-	-
Other non-current financial assets	61.9	124.5	453.9	452.0	94.1%	-0.4%
Net deferred tax assets	51.9	82.7	102.9	122.8	33.3%	19.4%
Income Tax Assets	1.9	28.5	57.6	38.8	171.6%	-32.5%
Other non-current assets	571.8	676.1	663.2	899.4	16.3%	35.6%
Inventories	460.2	448.5	475.3	428.5	-2.4%	-9.8%
Trade receivables	766.3	710.8	782.8	781.8	0.7%	-0.1%
Current investments	-	-	326.8	79.5	-	-75.7%
Cash & cash equivalents	164.8	51.1	118.2	65.0	-26.7%	-45.0%
Bank balances other than Cash & cash equivalents	390.1	3.9	197.8	58.5	-46.9%	-70.4%
Current Loans	70.3	238.2	227.9	297.1	61.7%	30.3%
Other current financial assets	423.6	491.2	211.7	132.3	-32.2%	-37.5%
Other current assets	357.1	413.5	310.0	560.1	16.2%	80.6%
Total assets	9,272.5	10,218.6	11,318.9	12,003.9	9.0%	6.1%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)						
	FY22	FY23	FY24	FY25	CAGR over FY22-25	Annual growth over FY24
Cash flow before working capital changes	776.7	887.4	1,214.2	928.1	6.1%	-23.6%
Working capital changes	368.6	127.1	(299.2)	160.3	-24.2%	-153.6%
Cash flow after working capital changes	408.1	760.2	1,513.4	767.8	23.4%	-49.3%
Cash flow from operating activities	339.0	653.2	1,407.7	736.7	29.5%	-47.7%
Purchase of fixed assets & CWIP	(1,054.5)	(1,633.7)	(932.2)	(1,151.7)	3.0%	23.5%
Cash flow from investing activities	(1,529.7)	(1,792.9)	(1,119.8)	(558.0)	-28.5%	-50.2%
Dividend paid	0.0	0.0	0.0	0.0	-	-
Cash flow from financing activities	1,259.9	1,041.0	(220.9)	(231.8)	-156.9%	4.9%
Net cash flow	69.2	(98.8)	67.0	(53.1)	-191.6%	-179.2%
Opening balance of cash	95.7	149.9	51.1	118.2	7.3%	131.1%
Closing balance of cash from continuing operations	164.8	51.1	118.2	65.0	-26.7%	-45.0%

Financial ratios				
Particulars	FY22	FY23	FY24	FY25
Profitability ratios				
Revenue growth rate	-	25.0%	3.3%	-3.6%
Gross profit growth rate	-	22.3%	10.3%	-8.1%
Gross profit margin	74.8%	73.2%	78.1%	74.5%
EBITDA growth rate	-	-9.5%	36.8%	-25.6%
EBITDA margin	16.0%	11.6%	15.4%	11.9%
EBIT growth rate	-	-40.4%	113.2%	-41.5%
EBIT margin	10.9%	5.2%	10.8%	6.5%
Restated Adjusted PAT growth rate	-	-55.3%	-40.4%	-364.1%
Restated Adjusted PAT margin	5.0%	1.8%	1.0%	-2.8%
Turnover ratios				
Inventory receivable turnover ratio	10.1	12.8	13.1	12.9
Trade receivable turnover ratio	6.1	7.9	8.1	7.4
Accounts payable turnover ratio	4.3	5.4	5.2	4.7
Fixed asset turnover ratio	0.9	0.9	0.9	0.7
Total asset turnover ratio	0.5	0.6	0.5	0.5
Working capital turnover ratio	18.8	-70.8	-7.2	-4.5
Liquidity ratios				
Current ratio	1.1	0.9	0.7	0.6
Quick ratio	0.9	0.7	0.6	0.5
Total debt	5625.0	6457.6	7106.5	7700.4
Net debt	5460.2	6406.5	6661.6	7555.9
Debt to equity	2.7	2.9	3.0	3.2
Net debt to EBITDA	7.3	9.5	7.2	10.9
Net debt to equity	2.6	2.9	2.8	3.2
Cash flow ratios				
CFO to PAT	1.5	6.3	22.7	-4.5
CFO to Capex	0.3	0.4	1.5	0.6
CFO to total debt	0.1	0.1	0.2	0.1
CFO to current liabilities	0.1	0.2	0.4	0.2
Return ratios				
RoIC (%)	5.3%	4.4%	3.2%	-13.9%
RoE (%)	11.0%	4.6%	2.6%	-6.9%
RoA (%)	2.5%	1.0%	0.5%	-1.4%
RoCE (%)	6.5%	3.4%	6.8%	3.6%
Per share data				
Restated EPS (Rs.)	1.7	0.8	0.5	-1.2
DPS (Rs.)	0.0	0.0	0.0	0.0
BVPS (Rs.)	15.5	16.4	17.5	17.4
Operating cash flow per share (Rs.)	2.5	4.8	10.3	5.4

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

Research disclaimer & disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Pvt. Ltd. ("CEBPL") is a registered Research Analyst Entity (Reg. No. INH000000222; Cin. No. U65999MH2010PTC198714). Registered Address: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400-099. Tel. No. 022-6707 9999.

Compliance Officer: Prashant Salian; Tel. No. 022-6707-9999; Ext. 2310; email-id: compliance@choiceindia.com

Grievance officer: Deepika Singhvi ; Tel. No. 022-6707-9999; Ext. 834; email-id: ig@choiceindia.com

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors .

This Research Report (hereinafter referred as "Report") has been prepared by Choice Equity Broking Pvt. Ltd. as a Research Entity (hereinafter referred as "CEBPL RE"). The Research Analysts, strategists are principally responsible for the preparation of "CEBPL RE" research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his/her own risk and CEBPL does not accept any liability as a result. Securities and derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

General disclaimer: This 'Report' is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this "Report" should rely on information/data arising out of their own study/investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This 'Report' has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Yester performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this 'Report' only. CEBPL does not undertake to advise you as to any change of our views expressed in this "Report" may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.

Disclaimers in respect of jurisdiction: This Report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject "CEBPL RE" to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by "CEBPL RE" in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this 'Report' shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. "CEBPL" requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to "CEBPL". Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India).

Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this Report.

Disclosures of interest (Additional):

- 1) "CEBPL", its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company (ies) covered in this Report.
- 2) "CEBPL" its research Analyst, or its associates or relatives of the research analyst affiliates collectively do not hold more than one of the securities of the company (ies) covered in this Report as of the end of the month immediately preceding the distribution of the research report.
- 3) "CEBPL", its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this Report.
- 4) "CEBPL", its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company (ies) covered in this Report, in the past twelve months.
- 5) "CEBPL", its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this Report.
- 6) "CEBPL", or its associates have not received compensation or other benefits from the company (ies) covered in this Report or from any third party, in connection with the Report.
- 7) CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Report.
- 8) "CEBPL", its research analyst has not been engaged in market making activity for the company (ies) covered in the Report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. <https://choiceindia.com/research-listing>.

Research disclaimer & disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 (Contd...)

The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Report are given below:

Sr. no.	Particulars	Yes / No
1.	Whether compensation has been received from the company (ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2.	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1% of the company (ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company (ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company (ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company (ies) covered in the Research report, in the last twelve months	No

Copyright: The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety.

This "Report" is for distribution only under such circumstances as may be permitted by applicable law. This "Report" has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This "Report" is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this "report" or lack of care in this report's preparation or publication, or any losses or damages which may arise from the use of this research report.

Information barriers may be relied upon by CEBPL, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect.