Wonder Cement Limited

December 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	6,119.66 (Enhanced from 3,693.06)	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	1,600.00	CARE AA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of Wonder Cement Limited (WCL). Ratings continue to factor in consistent growth in its scale of operations for the last five years, largely driven by consistent improving sales volume with ramp-up of installed capacities. WCL has maintained strong market position, primarily aided by continuous increase in its production capacity in the last few years. With near completion of the capex plan for expansion of its existing plant location at Nimbahera, and announcement of four new projects, the company is adding capacities to remain competitive and meet the growing demand in the medium term.

Ratings continue to derive strength from strong brand presence, established marketing and distribution network in the northern, central and western pockets of India with gradual expansion in other Indian states, and its cost competitiveness due to access to captive limestone mines and captive sources of power. Ratings also factor in resourcefulness of promoters and the company's professionally driven management.

In FY25, total operating income (TOI) increased ~4% year-on-year (y-o-y) despite of ~4% decline in realisation due to industry-wide reduction in cement prices amid modest increase in volume. As a result, profitability, as measured by profit before interest, lease rentals, depreciation and taxation (PBILDT) per tonne, stood at ₹1,515 crore in FY25, compared to ₹1,381 in FY24. In the first half of FY26, TOI increased ~8% y-o-y owing to recovery in realisation with continued revival in volume. This led to improvement in PBILDT per tonne to ₹1,143 (₹804 per tonne in H1FY25). With expected sustenance of recovery in realisation, PBILDT per tonne is expected to remain in the range of ₹1,000-1,100 per tonne going forward.

However, ratings are constrained due to its geographical concentration with installed capacities of clinker at one location, limiting its sales largely in the northern and western markets and few areas of central India, which is now being partially mitigated by capex undertaken in Jaisalmer, moderate capital structure, project risk associated with proposed capex plans, risks susceptible to varying input costs and realisations, and cyclicality in the cement industry, which leads to variability in profitability.

The company is expected to undertake total capital expenditure (capex) of ~₹5,193 crore from FY26–FY28 to increase its capacity, apart from undertaking efficiency improvement projects and maintenance capex. Though the company will remain exposed to project execution risk, CareEdge Ratings derives comfort from capex prudence exhibited by the company in the past. Despite of sizeable capex, the net debt to PBILDT ratio is expected to remain below 2.3x on a sustained basis from FY26–FY28 (compared to 1.55x as on March 31, 2025). Going forward, any significant and sustained deterioration in the credit metrics will remain monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing top line by ~25% or more, while maintaining PBILDT per tonne at ₹1000 per tonne levels on a sustained basis.
- Improving Net Debt/PBILDT below 1.5x on sustained basis.

Negative factors

- Declining PBILDT per tonne below ₹800 on a sustained basis, leading to weakening debt coverage indicators.
- Substantially declining sales volume resulting in lower capacity utilisation of plants and declining TOI.
- Deteriorating leverage indicators with increase in net debt (ND) /PBILDT above 2.3x on a sustained basis.

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

Analytical approach: Standalone

CareEdge Ratings has revised the approach from consolidated to standalone pursuant to the sale of entire shareholding in Wonder Wallcare Private Limited (WWPL). Earlier, CareEdge Ratings had taken a consolidated view owing to the strong operational and strategic linkages of WCL with its erstwhile subsidiary WWPL, which was in the same line of business, used to sell under common brands and had common management and control. WCL had also previously issued corporate guarantee for bank facilities of WWPL. The guarantee now stands withdrawn after the sale of stake in WWPL. Hence the approach is revised to Standalone.

Outlook: Stable

The 'Stable' outlook for bank facilities of WCL signifies CareEdge Ratings' expectation that it is likely to sustain its strong financial risk profile and healthy business profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Consistent growth in operations supported by capacity expansion and higher volumes

With commissioning of Line-V at Nimbahera (commercial production expected before 2025-end; fully operational by March 31, 2026), WCL's cement grinding capacity increased from 19.0 MTPA (March 31, 2024) to 21.5 MTPA (October 31, 2025). Clinker capacity also rose from 10.54 MTPA to 13.34 MTPA. The clinker conversion factor of ~1.35x is expected to improve further by FY28 with a higher share of PPC cement.

The company's TOI reported a healthy compound annual growth rate (CAGR) of ~13% from FY21-FY25. In FY25, TOI grew 4% to ₹7,380 crore, driven by ~8% volume growth to 14.07 MT, despite muted demand and a high base, which started improving from FY26 onwards. Net realisations declined by ₹227 per tonne due to price competition; however, margins were largely protected as operating cost per tonne fell by ₹210 per tonne on lower fuel costs. PBILDT margin (including subsidy) improved 106 bps to 20.53% in FY25; excluding subsidy, margin stood at 17.20%, higher than peers, reflecting strong operating efficiency. In H1FY26, TOI increased 7.76% y-o-y to ₹3,729 crore, with PBILDT margin improving to 21.18%. Going forward, with sustenance of recovery in demand and realisations, CareEdge Ratings expects the company to achieve a growth of 6%-7% in TOI in FY26 with PBILDT margins remaining over 20%. Thereafter, ongoing capex, with capacity additions and improved operational efficiency, is expected to drive topline growth and margin recovery and remains a key rating monitorable.

Strong brand presence across key markets with expanding footprint

WCL ranks among top 10 grey cement manufacturers in India, with a strong presence in north India and growing reach in central and western regions. It markets cement under the brand 'Wonder' across Rajasthan, Madhya Pradesh, Gujarat, Haryana, Uttar Pradesh, Maharashtra, Delhi NCR, Uttarakhand, Punjab, Himachal Pradesh, Jammu & Kashmir, and Dadar-Haveli through an extensive dealer network. Trade and non-trade mix ratio stood at 52%:48% in FY25 and 58%:42% in H1FY26. Rajasthan continues to remain a strong market for WCL. With WCL gradually increasing its footprint across new states, sales contribution from Rajasthan declined from 40% in FY19 to 26% in FY25. The company has also gradually increased its presence into new markets over the years, with Gujarat contributing 19%, Madhya Pradesh 16%, Uttar Pradesh 12% and Haryana 11% in FY25. Overall, north accounted for 45%, west 29%, and central 28% of sales in FY25. WCL is expected to further diversify its regional mix in the medium term, reducing dependence on Rajasthan and strengthening presence in Gujarat and Uttar Pradesh.

High operating efficiency from integrated operations and captive resources

The company's cost competitiveness is driven by its integrated operations, which allows it to restrict costs and have a wider market reach. WCL benefits from captive limestone reserves of over 699 MMT, sufficient for long-term requirements, and captive power sources including waste heat recovery, solar, and wind energy (combined green energy capacity of 73.67 MW). Power consumption per MT reduced from 70.11 KWH in FY21 to 63.40 KWH in FY25. With fall in coal and petcoke prices, power and fuel costs declined by ₹281 per tonne from ₹1494 per tonne to ₹1213 per tonne. The company also initiated group captive solar plants for Aligarh and Tulsigam units, expected to meet 40–45% of power needs for these plants. Captive power catered to 51% of total requirement in FY25 and H1FY26. Operational efficiencies and renewable energy initiatives are expected to further reduce power costs and enhance margins in the medium term.

Moderate capital structure with manageable leverage

The company has a strong tangible net worth as on March 31, 2025, of ₹3110 crore (against at ₹2619 crore as on March 31, 2024). However, the company's capital structure is moderately leveraged marked by an overall gearing (adjusted for dealer deposits) of 0.97x as on March 31, 2025, improving from 1.19x in the previous year, primarily considering reduction in long-term debt and accretion of profits in the year. Impact of incremental debt of ~₹3,558 crore, for capex on overall gearing is cushioned by healthy accretion of profits as the new projects also start generating accruals, and thus, keeping the gearing below 1.1x levels in the near-to-medium term.

Interest cover remained healthy at 6.16x in FY25 (PY: 6.13x). Net Debt/ PBILDT improved to 1.55x in FY25, compared to 1.81x in FY24, although is expected to moderate a bit with increase in total debt for funding the capex. The company is expected to incur debt funded capital expenditure in the medium term to enhance its production capacity and operational efficiency. These projects will entail total capital investment of ~₹5193 crore between FY26 to FY28 (₹866 crore have already been incurred in FY25). The entire capex is to be funded in a debt-to-equity ratio of 1.42:1 ratio (including the amount incurred in FY25). The current expansion may lead to upside risk of net debt to PBILDT up to 2.5x in FY27, which is expected to decline from FY28 onwards, as operating cash flows strengthen, and hence, will be a key monitorable.

WCL is also eligible for state subsidies under value-added tax (VAT) refund scheme, which continues on state goods and services tax (SGST) basis, while netting off input tax credit post implementation of GST. The company has been accruing the subsidy amount and has been receiving though with some delay. Outstanding balance as on March 31, 2025, is ₹433 crore, majorly from Government of Maharashtra and Government of Uttar Pradesh, which increased to ₹475 crore as on September 30, 2025. Hence, CareEdge Ratings notes that the timely receipt of balance and additional subsidy from the respective state governments remains a key monitorable.

Resourceful promoters and professional management

WCL is promoted by the Rajasthan-based R K group. The group's flagship company, R.K. Marble Private Limited (RKMPL), is one of the largest players in the marble industry in India. Promoters possess over three decades of experience in the marble industry. WCL's operations are run by professional management having vast experience in the cement industry. Although company's leverage position may increase due to ongoing capex, the company's credit profile is supported by the strong and resourceful promoter group. Dividend payout in the last three years is nil, reflecting a clear commitment to reinvesting earnings to support growth, however significant payout going forward, which affects WCL's credit profile is monitorable.

Key weaknesses

Project execution risk

The company has plans to undertake four major projects: an integrated unit at Jaisalmer with 3.3 MTPA clinker and 2.5 MTPA grinding capacity; a 2.5 MTPA grinding unit at Suratgarh; a 107 MW AC solar power project (~160.5 MW DC) with battery storage of over 100 MWh at Bikaner/ Barmer, acquisition of a limestone mine in Central India and some minor capex, with a total cost of ~₹5,193 crore between FY26 and FY28. Total capex, including the amount incurred in FY25, will be funded through debt-to-equity ratio of 1.42:1, exposing WCL to execution and funding risks. Delays, cost overruns, or downturns could weaken its credit profile. However, promoters' experience and past track record of timely project completion mitigate risks to some extent. CareEdge Ratings expects WCL to successfully complete these projects within envisaged timelines and budgets, though execution remains a key monitorable in the medium term. CareEdge Ratings will closely monitor operational efficiency and capacity utilisation from capex undertaken, and material deviation of benefits from expectations will be critical from credit perspective.

Exposure to industry cyclicality and clinker capacity concentration

WCL operates in the cyclical cement industry, where demand largely depends upon the economic growth. There is a high degree of correlation between the gross domestic product (GDP) growth and growth in cement consumption. Being a cyclical industry, cement goes through phases of ups and downs and accordingly impacts unit realisations. This exposes the company to fluctuations in capacity utilisation and price realisation.

While WCL has diversified its grinding capacity across five locations, its clinker capacity remains concentrated at a single site, unlike peers with geographically spread capacities. This limits flexibility in serving multiple markets and optimising lead time. Completion of the Jaisalmer project will partially mitigate this risk in the medium term. WCL's ability to diversify clinker capacity and sustain utilisation levels despite industry cyclicality will be critical for maintaining its competitive position.

Exposure to volatile input costs and price realisations

The company faces commodity price risk from raw materials (gypsum and fly ash among others) and fuel (coal and pet coke), which are key inputs for cement production. In the recent past, the cement industry witnessed significant spike in power and fuel costs; post pent-up demand for fuel after multiple COVID-19 waves. Russia-Ukraine war exacerbated fuel cost in FY22 and FY23. Spike in fuel costs impacted profitability margins in FY22 and FY23, while subdued realisation was constraining factor in profitability margins in FY25. While captive limestone reserves provide some cushion, the company's profitability will remain exposed to significant input cost volatility and cement price realisation, which depend on regional demand-supply dynamics. CareEdge Ratings expects WCL's cost efficiency measures and captive resources to partly offset input price volatility, though sustained margin improvement will depend on stable fuel prices and demand recovery.

Liquidity: Adequate
WCL's liquidity profile remains adequate, characterised by cash and liquid investments of ₹668 crore as on March 31, 2025 (free cash and bank balance of ₹214 crore and mutual fund investments of ₹454 crore) and ₹424 crore as on October 31, 2025. The company's liquidity is supported by gross cash accruals of ₹1,108 crore in FY25 and expectations to remain in the range of ₹1,200-1,600 crore in the next three years against scheduled repayment obligations of ~₹400 crore each year (totalling ₹1,230 in the next three years). Thus, the company is expected to comfortably cater to its capex plans and scheduled repayment obligations from its comfortable cash generations.

Environment, social, and governance (ESG) risks Not applicable

Applicable criteria

- Definition of Default
- Liquidity Analysis of Non-financial sector entities
- Rating Outlook and Rating Watch
- Manufacturing Companies
- Financial Ratios – Non financial Sector
- Short Term Instruments
- Cement

About the company and industry

Industry classification

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

Promoted by the R. K. group of Rajasthan, WCL is engaged in manufacturing Ordinary Portland Cement (OPC) of 53 and 43 grade and Portland Pozzolona Cement (PPC). The company has an installed cement grinding capacity of 21.5 MTPA and clinker capacity of 13.34 MTPA and 143.67-megawatt captive power plant (70 MW through thermal power plant, 42 MW through waste heat recovery system [WHRS], 15 MW through wind power plant and 16.67 MW through solar power plant) as on September 30, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	7,095	7,380	3729
PBILDT	1,381	1,515	790
PAT	466	505	343
Overall gearing (times)	1.07	0.87	NA
Interest coverage (times)	6.13	6.16	6.90

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-07-2030	475.17	CARE AA; Stable
Fund-based - LT/ ST-Bank Overdraft		-	-	-	500.00	CARE AA; Stable / CARE A1+
Fund-based - LT/ ST-Cash Credit		-	-	-	300.00	CARE AA; Stable / CARE A1+
Non-fund-based-LT/ST		-	-	-	800.00	CARE AA; Stable / CARE A1+
Term Loan-Long Term		-	-	01-07-2036	5253.73	CARE AA; Stable
Term Loan-Long Term		-	-	31-07-2030	390.76	CARE AA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	5253.73	CARE AA; Stable	-	1)CARE AA; Stable (26-Sep-24)	1)CARE AA; Stable (29-Dec-23) 2)CARE AA-; Stable (04-Apr-23)	1)CARE AA-; Stable (08-Nov-22)
2	Non-fund-based-LT/ST	LT/ST	800.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (26-Sep-24)	1)CARE AA; Stable / CARE A1+ (29-Dec-23) 2)CARE AA-; Stable / CARE A1+ (04-Apr-23)	1)CARE AA-; Stable / CARE A1+ (08-Nov-22)
3	Fund-based - LT/ ST-Cash Credit	LT/ST	300.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (26-Sep-24)	1)CARE AA; Stable / CARE A1+ (29-Dec-23) 2)CARE AA-; Stable / CARE A1+ (04-Apr-23)	1)CARE AA-; Stable / CARE A1+ (08-Nov-22)
4	Term Loan-Long Term	LT	390.76	CARE AA; Stable	-	1)CARE AA; Stable (26-Sep-24)	1)CARE AA; Stable (29-Dec-23) 2)CARE AA-; Stable (04-Apr-23)	1)CARE AA-; Stable (08-Nov-22)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
5	Fund-based - LT-Term Loan	LT	475.17	CARE AA; Stable	-	1)CARE AA; Stable (26-Sep-24)	1)CARE AA; Stable (29-Dec-23) 2)CARE AA-; Stable (04-Apr-23)	1)CARE AA-; Stable (08-Nov-22)
6	Fund-based - LT/ ST-Bank Overdraft	LT/ST	500.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (26-Sep-24)	1)CARE AA; Stable / CARE A1+ (29-Dec-23) 2)CARE AA-; Stable / CARE A1+ (04-Apr-23)	-

LT: Long term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Bank Overdraft	Simple
3	Fund-based - LT/ ST-Cash Credit	Simple
4	Non-fund-based-LT/ST	Simple
5	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

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

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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