

JK Lakshmi Cement Limited

April 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	2,920.47 (Enhanced from 2,770.47)	CARE AA; Stable	Reaffirmed
Short-term bank facilities	1,350.00 (Enhanced from 1,300.00)	CARE A1+	Reaffirmed
Fixed deposit	100.00	CARE AA; Stable	Reaffirmed
Commercial paper (Carved out)	175.00	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, fixed deposit, and commercial paper (CP) of JK Lakshmi Cement Limited (JKLC). The rating assessment continues to consider JKLC's established brand image and its diversified presence in the northern, western, and eastern Indian markets, supported by installed capacities of 18 million tonne per annum (MTPA) as on February 28, 2026, which is expected to enhance to 22.45 MTPA by end of FY28. Ratings further factor in the company's comfortable financial risk profile, continued revenue growth backed by volume growth across regional markets, experienced promoters, and strong operating efficiencies led by backward integrated capacities, captive limestone reserves, and in terms of freight and power consumption parameters.

CareEdge Ratings has factored in the company's capex plan to add ~4.6 MTPA of cement capacity in a calibrated manner by FY28-end funded through a mix of debt and internal accruals in a phased manner. JKLC has sufficient headroom to raise debt for the capex purpose, marked by below-unity gearing level, CareEdge Ratings expects financial risk profile to remain comfortable in the medium term amidst the expected increase in the term debt, with net debt/ profit before interest, lease rentals, depreciation and taxation (PBILD) to remain ~2.0-2.5x, supported by higher operating profitability levels, leading to increase in its net worth, and continuation of the company's strong liquidity profile.

However, ratings remain constrained by the project execution risk associated with the proposed capex plans, susceptibility to risks relating of varying input costs and realisations, and cyclical nature in the cement industry, which leads to variability in profitability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing capacities leading to improved market share in the regions of operation.
- Growing top-line and earnings before interest, taxes, depreciation, and amortisation (EBITDA) per tonne over 1,100 – 1,200 on a sustained basis.
- Improving capital structure leading to declining net debt/PBILD to below 1x on a sustained basis.

Negative factors

- Deteriorating capital structure or increasing net debt / PBILD levels beyond 2.5x on a sustained basis.
- Substantially declining operating profitability such that EBITDA per tonne is below ₹700 leading to weakening debt coverage indicators on a sustained basis.
- Significant time and cost overrun in the ongoing project impacting its credit profile

Analytical approach: Consolidated

CareEdge Ratings has considered a consolidated view of JKLC, and its subsidiaries owing to business, operational, financial, and management linkages between the parent and subsidiaries. Details of consolidated subsidiaries are listed in Annexure-6.

Outlook: Stable

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

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

Detailed description of key rating drivers:

Key strengths

Strong presence in northern market and growing footprint in other regions

JKLC has integrated cement capacities in Sirohi and Udaipur (Rajasthan), and Durg (Chhattisgarh); and grinding units in Jhajjar (Haryana), Cuttack (Odisha), Kalol, and Surat (Gujarat). Cement from Sirohi (Rajasthan), Jhajjar (Haryana), Kalol (Gujarat), and Surat (Gujarat) plants is primarily sold in Rajasthan, Gujarat, Maharashtra and Madhya Pradesh, which contribute to ~75% of sales from these plants, while Chhattisgarh and Odisha contribute to ~25% of cement from its Durg (Chhattisgarh) and Cuttack unit (Odisha). In FY25, the company fully discontinued its outsourced capacity arrangement in Amethi, Uttar Pradesh, from Kanodia Cement considering improved internal capacities. In September 2025, the company commissioned the Surat Grinding Unit with a capacity of 1.4 MTPA, taking its total cement capacity to 18 MTPA.

The company manufactures a range of products, including ordinary Portland cement (OPC), Portland pozzolana cement (PPC), Portland slag cement (PSC), ready mix concrete (RMC), and autoclaved aerated concrete (AAC) blocks. Its key brands include JK Lakshmi Cement, JK Lakshmi Pro+, Platinum Heavy Duty Cement, and JKLC Sixer Cement. It has also diversified into allied products such as RMC, AAC blocks, and Plaster of Paris under the brands JK Lakshmi Power Mix, JK SmartBlox, JK Lakshmi Plast, and JK GypGold. Looking ahead, the company aims to strengthen its premium product portfolio through offerings such as Green Plus and increased traction of JK Lakshmi Pro+, with premium products now contributing 25% of trade sales and blended cement maintaining a high usage share of 65%. The company has a total cement capacity of 18 MTPA at consolidated level (including the newly commercialised cement capacity of 2.5 MTPA in Udaipur Cement Works Limited (UCWL) operationalised on March 28, 2024). The company has power generating capacity of 233 MW at a standalone level (post-merger of UCWL) as on March 31, 2025. The company has capacity of RMC aggregating to 9.18 lakh cubic metre and AAC capacity aggregating to 4.75 lakh cubic metre.

Strong operating efficiencies underpinned by backward integration into major inputs

The company has captive limestone mines and is one of the lowest cost producers in the cement industry with highly cost-efficient plants, in terms of freight and power consumption parameters. On the power front, ~64% of JKLC's total power requirement (on a standalone basis) and ~47% of UCWL's power requirement is met through captive power sources and balance is procured from the grid. JKLC's captive capacity as on March 31, 2025 stood at 233 MW of power capacity (Thermal 74 MW; WHRS 45 MW; Solar 110 MW; Wind: 4MW). Overall, ~60% of total power requirement at consolidated level is being met through captive sources. In FY25, continued moderation in coal and pet coke prices led to improvement in power and fuel cost per tonne against the previous year. Limestone mines have sufficient proven reserves to support the company operations for over 30-35 years. In FY24, JKLC acquired 85% stake in Agrani Cement Private Limited (ACPL) for a cash consideration of ₹325.11 crore (of which ₹130 crore has been paid in cash up till FY25). ACPL has three wholly owned subsidiaries, Trivikram Cement Private Limited, Mahabal Cement Private Limited, and Avichal Cement Private Limited (all four companies jointly called as Trivikram Consortium). Backward integration and proximity to major raw material sources endow the company with operating benefits, aiding in cost efficiencies which is expected to continue going forward as well.

Healthy scale of operations

In FY25 (consolidated), the company reported meaningful gains from declining input prices and internal efficiency measures. Power and fuel cost per tonne fell by ~20% y-o-y to ₹1,183/tonne in FY25 aided by low-cost fuel and improved fuel usage efficiencies. A similar trend was observed for cost of materials while freight costs per tonne, increased considering increase in lead distance to ₹1,181/tonne in FY25 from ₹1,093/tonne in FY24. However, total cost per tonne decreased by ~6% y-o-y to ₹4,489/tonne in FY25. Despite improvement in cost metrics, moderation in operating profitability in FY25 was largely driven by moderation in sales realisations by 8% y-o-y to ₹5,189/tonne in FY25, considering heightened pricing pressures in the year, as total operating income (TOI) stood at ₹6,193 crore against ₹6,821 crore in the previous year. As a result, PBILDT margin contracted to 13.96% in FY25 from 15.42% in FY24. In 9MFY26, the company reported 13% growth in TOI to ₹4,861 crore (₹4,295 crore in 9MFY25) and PBILDT margin increasing to 16% (9MFY25: 13%). In quarter ending FY26, volume grew 8% with blended cement forming 62% of sales and OPC contributing 38% at overall capacity utilisation of 73%. Going forward, CareEdge Ratings expects an improvement in the operational profile driven by capacity and favourable industry outlook.

Comfortable financial risk profile

As on March 31, 2025, the company reported a consolidated tangible net worth (TNW) of ₹3,253 crore (against ₹2,955 crore as on March 31, 2024). The company's financial risk profile remains comfortable, despite moderate increase in overall gearing to 0.87x as on March 31, 2025 (from 0.78x in the previous year), primarily due to the anticipated rise in term debt associated with its ongoing debt-funded capital expenditure plans. On a consolidated basis, net debt to PBILDT moderated to 2.35x (PY: 1.59x), and interest coverage moderated to 4.77x (PY: 6.99x) as on March 31, 2025, considering the contraction in operating profitability

in FY25. As of February 28, 2026, the company's total term debt at consolidated level stood at ₹2,106 crore against a liquidity of ₹1,257 crore (parked in mutual funds and fixed deposits). The company plans to undertake a significant capex in the next three years, with an estimated additional debt drawn down of ~₹2,000 crore, which shall keep solvency indicators elevated in the medium term. However, CareEdge Ratings expects financial risk profile to remain comfortable, supported by healthy operating profitability, robust cash accrual generation, accretion to net worth, and a strong liquidity position, with net debt to PBILDT (inclusive of Security Deposits) anticipated to remain below 2.5x in the medium term.

Key weaknesses

Project-related risk

The company plans to achieve 30 MTPA of cement capacity by FY30. The company has plans to undertake capex of ~₹3,000 crore in the next three years in a calibrated manner funded through a mix of debt and internal accruals. On a consolidated basis, JKLC increased its cement capacity to 18 MTPA from 14 MTPA, with the company commissioning the Surat Grinding Unit with a capacity of 1.4 MTPA in September 2025 and completion of its UCWL expansion project in March 2024, which was originally planned to be commissioned by October 2024. The company further plans to add 4.6 MTPA of cement capacity through Durg Expansion by FY28-end with a total project cost of ₹ 3,000 crore, which includes adding a 2.3 MTPA clinker line and four grinding units with a capacity of 4.6 MTPA, which will be commissioned by March 2028. The company has acquired 85% stake in ACPL, where the company is planning a capex for clinkerisation unit of 1.0 MTPA and cement grinding unit of 1.5 MTPA, currently awaiting necessary clearances. With this large part of the capex planned for the future, the company remains exposed to project execution risk, which will be substantially funded through debt of ~₹2,000 crore and balance through internal accruals. With significant experience of promoters, major financial closure being achieved, and their strong liquidity position, risks are mitigated to an extent. CareEdge Ratings will continue to monitor JKLC's ability to be able to successfully complete all capex and derive the envisaged benefits over a period from these without significant times and cost overrun.

Exposure to volatility in prices of coal and fuel cost and sales realisation and cyclicity in the industry

The company is exposed to commodity price risk arising from raw material price fluctuation (gypsum, fly ash, and iron slag) and fuel (coal and pet coke). Coal (indigenous and international) is used for power generation to run its plants and fuel for kilns. In the recent past, the cement industry has witnessed significant spike in power and fuel costs post pent-up demand for fuel after the world started opening post multiple COVID-19 waves and vaccinations. Thereafter, the Russia-Ukraine war and other macroeconomic factors exacerbated fuel cost in FY22 and FY23. However, fuel costs moderated in the last year (FY24-FY25). The company's profitability will remain exposed to significant input cost volatility and cement price realisation, which depends on each region's demand and supply dynamics (volume growth and installed capacity) to cater to the demand in a particular region. The cement industry is highly cyclical and depends largely on the country's economic growth. There is a high degree of correlation between the GDP growth and growth in cement consumption. Being a cyclical industry, cement goes through phases of ups and downs and accordingly impacts unit realisation.

Liquidity: Strong

JKLC's liquidity is strong marked by the gross cash accruals (GCA) of ₹630 crore as on March 31, 2025 (PY: ₹752 crore), cash & cash equivalents of ₹438 crore and additional liquid investments of ₹819 crore as on February 28, 2026 on a consolidated basis. The company is expected to generate sufficient GCA in the range of ₹700-900 crore in the medium term against annual repayment obligations in the range of ₹200-250 crore between FY26-28. The company modestly utilised its fund-based working capital at 60% for 12 months ending February 2026, which further provides a liquidity cushion. Hence, the company's liquidity and accruals are sufficient to meet debt obligations and its capex plans.

Being part of the JK group (eastern zone), and extensive promoter experience lends adequate financial flexibility to the company. The team expects JKLC to maintain healthy liquidity in the medium term, which will help the company tide over cyclical nature of the cement industry.

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Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

The cement manufacturing industry is energy and fuel intensive, and the manufacturing process results in higher carbon emissions and other environmental risks. On the social front, the company is exposed to health and safety effects of its operations on the society and its employees and changing preference of the end-user, requiring investments in the form of support and

contribution to the community affected in and due to the manufacturing process. The following initiatives undertaken by the company:

Environment: JKLC has deployed strategies to reduce the emissions from the production process. The company remains committed to sustainable growth, with renewable energy accounting for 38% of total energy use in FY24, among the industry's best, with a target of over 48% in FY25. CO₂ emissions reduced to 586 kg/tonne of cement equivalent in FY24 (from 599 kg in FY23), and the company continues to expand alternative fuel and raw material (AFR) usage, reduce water consumption, and lower carbon footprint. It also aims to become 5x water positive in FY25, maintaining one of the industry's lowest specific water consumption levels.

Social: The company has undertaken CSR projects related to health, water and sanitation, education, rural development, among others. Key CSR initiatives include Naya Savera (integrated family welfare programme), health camps, construction of toilets, and garbage management system in the adjoining locality, scholarships, rainwater harvesting, promotion of sports in rural areas.

Governance: As part of good governance practice and policy, 50% of its board comprises independent directors, with split in chairman and managing director positions, a dedicated investor grievance redressal system has been put in place, and extensive disclosure measures are adopted.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Nonfinancial Sector](#)

[Short Term Instruments](#)

[Cement](#)

[Consolidation and combined approach](#)

About the company and industry

Industry classification

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

JKLC is part of the JK group (East) and was incorporated in 1938 and commenced the cement business in August 1982. It is one of the leading cement players in India's northern, western, and eastern regions. As on February 28, 2026, the company's cement capacity stood at 18 MTPA spread in Rajasthan, Gujarat, Haryana, Chhattisgarh, and Odisha.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	6821	6193	4861
PBILDT*	1052	865	798
Profit after tax (PAT)	488	302	288
Overall gearing (x)	0.78	0.87	-
Interest coverage (x)	6.99	4.77	-

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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
Commercial Paper-Commercial Paper (Carved out)		03-Jan-2000	NA	NA	175.00	CARE A1+
Fixed Deposit		-	-	-	100.00	CARE AA; Stable
Fund-based - LT-Cash Credit		-	-	-	600.00	CARE AA; Stable
Non-fund-based - ST-BG/LC		-	-	-	1350.00	CARE A1+
Term Loan-Long Term		-	-	31-03-2034	2320.47	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 2026-2027	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
1	Commercial Paper-Commercial Paper (Carved out)	ST	175.00	CARE A1+	-	1)CARE A1+ (28-Aug-25) 2)CARE A1+ (02-Jul-25)	1)CARE A1+ (03-Jul-24)	1)CARE A1+ (04-Jul-23)
2	Non-fund-based - ST-BG/LC	ST	1350.00	CARE A1+	-	1)CARE A1+ (28-Aug-25) 2)CARE A1+ (02-Jul-25)	1)CARE A1+ (03-Jul-24)	1)CARE A1+ (04-Jul-23)
3	Term Loan-Long Term	LT	2320.47	CARE AA; Stable	-	1)CARE AA; Stable (28-Aug-25)	1)CARE AA; Stable (03-Jul-24)	1)CARE AA; Stable (04-Jul-23)

						2)CARE AA; Stable (02-Jul-25)		
4	Fund-based - LT-Cash Credit	LT	600.00	CARE AA; Stable	-	1)CARE AA; Stable (28-Aug-25) 2)CARE AA; Stable (02-Jul-25)	1)CARE AA; Stable (03-Jul-24)	1)CARE AA; Stable (04-Jul-23)
5	Fixed Deposit	LT	100.00	CARE AA; Stable	-	1)CARE AA; Stable (28-Aug-25) 2)CARE AA; Stable (02-Jul-25)	1)CARE AA; Stable (03-Jul-24)	1)CARE AA; Stable (04-Jul-23)

LT: Long term; ST: Short 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	Commercial Paper-Commercial Paper (Carved out)	Simple
2	Fixed Deposit	Simple
3	Fund-based - LT-Cash Credit	Simple
4	Non-fund-based - ST-BG/LC	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

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Ramkanta Properties Private Limited	Full	Subsidiary
2.	Agrani Cement Private Limited	Full	Subsidiary
3.	Avichal Cement Private Limited	Full	Subsidiary
4.	Mahabal Cement Private Limited	Full	Subsidiary
5.	Trivikram Cement Private Limited	Full	Subsidiary
6.	Dwarkesh Energy Limited	Proportionate	Associate
7.	Amplus Helios Pvt. Ltd.	Proportionate	Associate

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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