JK Lakshmi Cement Limited

July 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	4,781.76 (Enhanced from 2,920.47)	CARE AA; Stable	Reaffirmed
Short-term bank facilities	1,200.00 (Reduced from 1,350.00)	CARE A1+	Reaffirmed
Fixed deposit	25.00 (Reduced from 100.00)	CARE AA; Stable	Reaffirmed
Commercial paper (Carved out)	175.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

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 northern, western, and eastern Indian markets, supported by installed capacities of 18 million tonne per annum (MTPA) as on March 31, 2026, which is expected to enhance to 22.6 MTPA by FY28-end. 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 ~6.1 MTPA of cement capacity in a calibrated manner by FY29-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 (PBILDT) to be ~2.3-2.5x, 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 cyclicality 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/PBILDT to below 1x on a sustained basis.

Negative factors

- Deteriorating capital structure or increasing net debt / PBILDT 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.

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

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.

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, and Madhya Pradesh, which contribute to ~83% of sales from these plants, while Chhattisgarh, Odisha and Maharashtra contribute to ~88% 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 1.35 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 blended cement maintaining a high usage share of 62%. The company has a total cement capacity of 18 MTPA at consolidated level. The company has power generating capacity of 247 MW at a standalone level (post-merger of UCWL) as on March 31, 2026. 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, ~65% of JKLC's total power requirement (on a standalone basis) is met through captive power sources and balance is procured from the grid. JKLC's captive capacity as on March 31, 2026, stood at 247 MW of power capacity (Thermal 74 MW; WHRS 45 MW; Solar 124 MW; Wind: 4MW). 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). In March 2026, the company acquired a 77.96% controlling stake in NECEM Cement Limited, making it a subsidiary. 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 FY26 (consolidated), the company reported meaningful gains from declining input prices and internal efficiency measures. Power and fuel cost per tonne fell by ~3% y-o-y to ₹1,151/tonne in FY26 aided by improved fuel usage efficiencies. A similar trend was observed for cost of materials while blended freight costs per tonne, also decreased to ₹1,163/tonne in FY26 from ₹1,181/tonne in FY25. However, total blended cost per tonne decreased by ~4% y-o-y to ₹4,308/tonne in FY26. However, despite the improvement in cost metrics, blended net sales realisations remained subdued to ₹5,066 per tonne against ₹5,186 crore in FY25 due to weak pricing traction across the company's key operating regions of North, West and East (Chhattisgarh) amid heightened competitive intensity and limited price hikes. Consequently, the benefit of lower operating costs was partially offset by muted realisations, although the company reported 9% y-o-y growth in revenue from operations to ₹6,763 crore in FY26, supported by higher sales volumes following the commissioning of the 1.35 MTPA Surat expansion. As a result, PBILDT margin improved to 14.95% in FY26 from 13.96% in FY25. In FY26, volume grew 12% with blended cement forming 62% of sales and OPC contributing 38% at overall capacity utilisation of 74%. 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, 2026, the company reported a consolidated tangible net worth (TNW) of ₹3,859 crore (against ₹3,253 crore as on March 31, 2025). The company's financial risk profile remains comfortable, with an overall gearing to 0.73x as on March 31,

2026 (against 0.87x in the previous year. On a consolidated basis, net debt to PBILDT improved to 1.56x (PY: 2.35x), and interest coverage remained 4.79x (PY: 4.77x) as on March 31, 2026. As of March 31, 2026, the company's total term debt at consolidated level stood at ₹2,075 crore against a liquidity of ₹1,225 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 ~₹3,300 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 ~2.3x-2.5x in the next two years before moderating as earnings from the commissioned capacity expansion strengthen.

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 ~₹4,500 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 1.35 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, which is expected to be commissioned by FY29 end. With this large part of the capex planned, the company remains exposed to project execution risk, which will be substantially funded through debt of ~₹3,300 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 time and cost overrun.

Exposure to volatile input costs and price realisations

The company is exposed to commodity price risk, arising from raw material price fluctuation (gypsum, fly ash, and 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 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 realisations have been constraining factor in profitability margins in FY25. Going forward, fuel costs was impacted due to the West Asia crisis, resulting in a substantial rise in pet coke prices between March and mid-June 2026, with some moderation evident in the latter half of June. Freight expenses, which account for a significant portion of total costs, are expected to be affected by rising diesel prices. To mitigate this, the company is focusing on renewable energy. 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 the demand in a particular region.

Liquidity: Strong

JKLC's liquidity is strong marked by the gross cash accruals (GCA) of ₹825 crore as on March 31, 2026 (PY: ₹630 crore), cash & cash equivalents of ₹508 crore and additional liquid investments of ₹716 crore as on March 31, 2026, on a consolidated basis. The company is expected to generate sufficient GCA in the range of ₹700-1200 crore in the medium term against annual repayment obligations in the range of ₹180-260 crore between FY27-29. The company modestly utilised its fund-based working capital at 70% for 12 months ending May 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. CareEdge Ratings expects JKLC to maintain healthy liquidity in the medium term, which will help the company to tide over cyclical nature of the cement industry.

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 46% of total energy use in FY26, among the industry's best. The company continues to expand alternative fuel and raw material (AFR) usage, reduce water consumption, and lower carbon footprint. It also aims to became 7x water positive in FY30, 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 – Non financial Sector
Short Term Instruments
Cement
Consolidation

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 March 31, 2026, the company's cement capacity stood at 18 MTPA spread in Rajasthan, Gujarat, Haryana, Chhattisgarh, and Odisha.

Brief Financials – Consolidated (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	6192.62	6762.63
PBILDT*	864.58	1010.86
Profit after tax (PAT)	301.99	412.61
Overall gearing (x)	0.87	0.73
Interest coverage (x)	4.77	4.79

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)*		NA	NA	NA	175.00	CARE A1+
Fixed Deposit		-	-	-	25.00	CARE AA; Stable
Fund-based - LT-Cash Credit		-	-	-	600.00	CARE AA; Stable
Non-fund-based - ST-BG/LC		-	-	-	1200.00	CARE A1+
Term Loan-Long Term		-	-	31-03-2034	4181.76	CARE AA; Stable

*Proposed

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+ (10-Apr-26)	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	1200.00	CARE A1+	1)CARE A1+ (10-Apr-26)	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	4181.76	CARE AA; Stable	1)CARE AA; Stable (10-Apr-26)	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 (10-Apr-26)	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	25.00	CARE AA; Stable	1)CARE AA; Stable (10-Apr-26)	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

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	Step down subsidiary
4.	Mahabal Cement Private Limited	Full	Step down subsidiary
5.	Trivikram Cement Private Limited	Full	Step down subsidiary
6.	Dwarkesh Energy Limited	Proportionate	Associate
7.	Necem Cements Limited (from March 27, 2026)	Full	Subsidiary

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

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About us:
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