

Reco/View: **BUY**

CMP: **Rs. 747**

Price Target: **Rs. 930**



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Cement

COMPANY DETAILS

Market cap:	Rs. 8,790 cr
52-week high/low:	Rs. 1,021/661
NSE volume: (No of shares)	1.3 lakh
BSE code:	500380
NSE code:	JKLAKSHMI
Free float: (No of shares)	6.5 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	45.1
FII	12.4
DII	23.2
Others	19.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-5.5	-11.6	-17.4	-11.9
Relative to Sensex	-3.4	-11.7	-20.8	-18.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Quick Snapshot

- Standalone revenue rose 6.1% y-o-y to Rs. 1,588 crore, slightly below estimates, while EBITDA rose 2.1% y-o-y to Rs. 206 crore, ~7% below expectations.
- The company's phase-wise expansion plan to reach 22.6 mtpa by FY28 remains firmly on track.
- It also aims to reduce costs to Rs. 100-120/tonne in 18-24 months.
- We retain our BUY rating on JK Lakshmi Cement while revising our target price downward to Rs. 930, reflecting moderation in near-term performance versus our earlier estimates.

Result overview

- Standalone revenue grew 6.1% y-o-y, driven by 8.2% y-o-y volume growth to 3.3 million tonnes, partially offset by a ~2% y-o-y decline in realisations per tonne, largely due to a higher share of non-trade sales.
- Total cost per tonne fell 4.3% y-o-y, on lower employee costs, power & fuel savings, and reduced transportation expenses. As a result, EBITDA/tonne rose 16.8% y-o-y to Rs. 628, despite pricing pressure.
- A correction in non-trade prices following the GST reduction, along with a spike in non-trade volumes driven by the commissioning of the 1.35 mtpa Surat grinding unit, hit blended realisations. Gujarat being a predominantly non-trade market—also witnessed strong institutional demand during the quarter.
- Non-trade channel's share increased to 51% in Q3 FY26 (vs. 47% in Q2 FY26 and 43% in Q1 FY26). Trade prices remained largely stable, and management clarified that the price gap versus larger peers did not widen, with trade prices expected to improve going forward on the back of stronger demand.
- Industry demand to be strong in Q4, with management guiding for double-digit growth, while overall industry growth for FY26 is estimated at ~7%.
- Capacity expansion remains on track, expected to increase from 18 mtpa to 22.6 mtpa by FY28, led by the Durg brownfield expansion, which includes 4.6 mtpa of grinding capacity and a 2.3 mtpa clinker expansion also three split location cement grinding units with aggregate Capacity of 3.4 mtpa at Prayagraj in Uttar Pradesh, Madhubani in Bihar & Patratu in Jharkhand.
- The total capex project is estimated at Rs. 3,000 crore, with ~70% funded through debt.

Our Call

Ongoing capacity expansion plans are expected to drive its next phase of growth. Furthermore, the consolidation of key subsidiaries, particularly UCWL, is likely to streamline operations and management while generating synergistic benefits. JKL is currently trading at an EV/EBITDA multiple of approximately 7.6x/7.0x/6.5x for FY2026E/FY2027E/FY2028E earnings. We maintain our BUY rating with a revised target price of Rs. 930, factoring in near-term performance moderation while retaining confidence in the company's medium-term growth visibility and margin improvement potential.

Key Risks

Slow demand in North, West and East India along with weak pricing affects profitability.

Valuation

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	6,320	6,193	6,814	7,655	8,583
OPM (%)	13.7	14.0	16.6	17.4	17.9
Adjusted PAT	424	283	458	592	653
y-o-y growth (%)	28	-33	62	29	10
Adjusted EPS (Rs.)	36.1	27.0	38.9	50.3	55.5
P/E (x)	20.7	27.6	19.2	14.8	13.5
P/B (x)	2.9	2.6	2.3	2.1	1.8
EV/EBITDA (x)	9.1	9.4	7.6	7.0	6.5
RoNW (%)	14.6	9.8	12.8	14.8	14.4
RoCE (%)	12.4	9.9	11.9	12.0	11.3

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Trade channel's share declined to 49% in Q3 FY26 (vs. 53% in Q2 FY26 and 57% in Q1 FY26), driven by higher non-trade sales post Surat commissioning.
- **Capex:** 9M FY26 at ~Rs. 250 crore; FY26 at Rs. 650–700 crore; FY27 at Rs. 1,600–1,700 crore.
- **Non-cement revenue:** This stood at Rs. 147 crore (RMC: Rs. 67 crore; AAC blocks: Rs. 56 crore) with ~4% operating margin.
- Railway siding at Durg commissioned at a cost of Rs. 325 crore, funded via Rs. 225 crore debt and balance through internal accruals.
- Capacity utilisation stood at 67% in Q3 FY26 (vs. 65% in Q2 FY26 and 68% in Q1 FY26).
- Premium mix stood at 26%, blended cement share stable at 62% QoQ.
- Fuel cost increased to Rs. 1.56/kcal (vs. Rs. 1.54 in Q2), while lead distance improved to 380 km (from 395 km).
- Renewable energy consumption increased to 48% (vs. 46% in Q2).
- Net debt/equity remained comfortable at 0.36x.
- Trade prices were largely stable, while non-trade prices corrected >10% in certain regions, impacting blended realisations.
- Petcoke prices continue to rise and are expected to remain a near-term cost headwind.

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	% YoY	Q2FY26	% QoQ
Net Sales	1588.4	1496.8	6.1	1531.8	3.7
Total Expenditure	1382.4	1295.0	6.8	1323.6	4.4
Operating profits	206.0	201.9	2.1	208.1	-1.0
Other Income	29.1	10.9	166.2	24.7	17.8
EBIDTA	235.1	212.8	10.5	232.9	1.0
Interest	55.0	45.3	21.4	50.5	8.8
PBDT	180.2	167.5	7.6	182.3	-1.2
Depreciation	85.1	76.2	11.7	77.4	10.0
PBT	95.1	91.3	4.1	105.0	-9.4
Tax	17.9	13.0	37.2	22.6	-21.1
Extraordinary items	-19.1	0.0	NA	0.0	NA
Reported Profit After Tax	58.1	78.3	-25.8	82.3	-29.4
Adjusted PAT	77.2	78.3	-1.4	82.3	-6.2
EPS	6.6	6.7	-1.4	7.0	-6.2
Margins			BPS		BPS
OPMs	13.0	13.5	(52)	13.6	(62)
PAT	4.9	5.2	(37)	5.4	(51)

Source: Company; Mirae Asset Sharekhan Research

Additional Data**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Bangal & Assam co	42.04
2	HDFC Asset Mgmt	4.59
3	Axis Asset Mgmt	3.46
4	Goldman Sacs Group	2.78
5	Goldman Sachs India Pvt	2.70
6	Invesco Asset Mgmt	2.34
7	Vanguard Group	2.10
8	ICICI Prudential Asset Mgmt	1.80
9	Franklin Re Inc	1.76
10	Canara Robeco Asset Mgmt	1.55

Source: Bloomberg

Key management personnel

Name	Designation
Vinita Singhania	Chairman & MD
Shri Arun Kumar Shukla	President and Director
S. A. Bidkar	Chief Financial Officer

Source: Company Website

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

DISCLAIMER

This research report ("Report") has been issued by Sharekhan Limited ("Mirae Asset Sharekhan"), and is intended for use only by the person or entity to which it is addressed to. This Report may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited unless specifically permitted by Mirae Asset Sharekhan. This Report is subject to change without prior notice.

Recommendation in reports is based on technical and derivatives analysis and based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/ documents focused on technical and derivatives research and shall not apply to reports/ documents/ information focused on fundamental research.

This Report does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same without discrimination, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers only by virtue of their receiving this Report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavor to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This Report is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this Report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this Report should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this Report (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of, and/ or other individual analysts employed by Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this Report. The reports may reflect different assumptions, views and analytical methods of the analysts who prepared them. Mirae Asset Sharekhan may make investment or other decisions that are inconsistent with the opinions and views expressed in this Report. The views and opinions expressed in this Report may vary from or contradict with the report, views, estimates, rating, and target price if any provided/ issued by entity(ies) within or outside the group or other team(s) within Mirae Asset Sharekhan basis various factors including but not limited to rating criteria, valuation methodologies, assumptions, accounting methodologies, etc.

This Report is not directed 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, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this Report accurately reflect his or her personal views about the subject company or companies and its or their securities. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan or their associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the Report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan and their associates have not served as officers, directors or employees of the subject company. The analyst and Mirae Asset Sharekhan or its associates may have managed or co-managed the public offerings of the company. Mirae Asset Sharekhan, or its associates, or analysts may have received compensation for investment banking, merchant banking, brokerage services or received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company or from a third party in the past twelve months in connection with the Report, or received any other compensation or benefits from the subject company or other third party in connection with this Report. Mirae Asset Sharekhan or its associates have not been debarred/ suspended by the Securities and Exchange Board of India ("SEBI") or any other regulatory authority for accessing/ dealing in securities market. Mirae Asset Sharekhan or its associates or research analyst or his/her relatives may have financial interest or any other material conflict of interest in the subject company of this research report at the time of publication of the research report or at the time of public appearance. Further, please note that Mirae Asset Sharekhan or its research analysts or their associate(s) have not used artificial intelligence tools in providing research services.

Either Mirae Asset Sharekhan or its Affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities of the subject company or related securities referred to in this Report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Mirae Asset Sharekhan and its Affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/ investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market is subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asia Money Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges on www.sharekhan.com

Most Important Terms and Conditions (MITC) for MASK research services can be viewed on Sharekhan website under

https://www.sharekhan.com/MediaGalary/Common/MITC_Sharekhan.pdf

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200 / 022-61151111.