



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✗	↔	✓
RQ	✗	↔	✓
RV	✗	↔	✓

Company details

Market cap:	Rs. 9,878 cr
52-week high/low:	Rs. 1,021/661
NSE volume: (No of shares)	2.1 lakh
BSE code:	500380
NSE code:	JKLAKSHMI
Free float: (No of shares)	6.5 cr

Shareholding (%)

Promoters	45.1
FII	12.5
DII	22.9
Others	19.5

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-1.0	-7.2	1.0	18.6
Relative to Sensex	-2.6	-10.8	0.0	11.1

Source: Mirae Asset Sharekhan Research, Bloomberg

JK Lakshmi Cement Ltd

Strategic expansion, outlook favourable

Cement	Sharekhan code: JKLAKSHMI		
Reco/View: Buy	↔	CMP: Rs. 840 (as on Nov 10, 2025)	Price Target: Rs. 992 ↓

Summary

- Standalone revenue grew 24.1% y-o-y, on 14.8% volume growth to 2.84 mt and an 8.1% rise in realisations to Rs. 5,388/tonne, leading to a sharp 103.8% y-o-y rise in EBITDA/tonne to Rs. 732.
- Additional 1.35 mtpa grinding unit commissioned at Surat and completed de-bottlenecking at Jaykaypuram and Sirohi, expanding total capacity from 16.5 mtpa to 18 mtpa.
- Phased expansion plan continues through FY28, including brownfield clinker and grinding additions and greenfield plants, with company eyeing a 30 mtpa capacity by FY30.
- We retain our Buy rating and lower our target price to Rs. 992.

Standalone revenue rose 24.1% y-o-y to Rs. 1,531.8 crore in Q2FY26 (9% above estimates), driven by an 8.1% rise in blended realisations to Rs. 5,387/tonne led by a higher sales mix in North and Gujarat markets and greater share of premium products, along with 14.8% growth in volumes to 2.84 million tonnes. Total cost per tonne remained flat y-o-y at Rs. 4,656, enabling a sharp 103.8% y-o-y rise in EBITDA/tonne to Rs. 732. Company commissioned its 1.35 mtpa Surat grinding unit, expanding total capacity from 16.5 mtpa to 18 mtpa. It is executing a phased expansion plan that includes increasing clinker capacity by 2.3 mtpa and adding four cement grinding units (totaling 4.6 mtpa) at Durg, Chhattisgarh, which will take cement capacity to 22.6 mtpa by FY28. In addition, three split-location grinding units (total 3.4 mtpa) are being set up at Prayagraj, Madhubani and Patratu. Total capex of Rs. 3,000 crore (Rs. 50 crore spent till date) will be funded through Rs. 2,100 crore of debt and the rest via internal accruals. Beyond FY28, the company plans greenfield projects at Nagaur (3 mtpa), Kutch (3 mtpa) and Assam (2-2.5 mtpa), in line with its long-term goal of a 30 mtpa capacity by FY30. The management reaffirmed its cost-reduction target of Rs. 100-120/tonne over the next 18-24 months, supported by higher renewable energy usage and operational efficiency initiatives.

Key positives

- EBITDA/tonne rose by 103.8% y-o-y to Rs 732.

Key negatives

- Power & fuel cost increased q-o-q impacted by temporary WHR shutdowns for maintenance, lower solar generation during monsoon months, and higher imported petcoke prices (at \$116-120/tonne).

Management Commentary

- Capex guidance maintained at Rs. 1,000-1,200 crore for FY26, with a total capex plan of Rs. 2,500-3,000 crore over the next two years.
- Industry volumes grew 6-7% y-o-y in Q2FY26, while J.K. Lakshmi's growth outperformed the industry average.
- Trade mix stable at 53%, premium mix improved to 26% (from 23%), blended cement share at 92%, lead distance reduced to 395 km (from 399 km), green power share at 46%, and specific heat consumption steady at 1.61 Kcal/kg.
- Management continues to target EBITDA/tonne of Rs. 1,000 in the medium term, supported by cost optimisation, premiumisation, and efficiency improvement initiatives.

Revision in earnings estimates - We have lowered our EBITDA margin estimates for FY26 and FY27E and have introduced estimates for FY28 in our analysis.

Our Call

Valuation - Retain Buy with revised PT of Rs. 992: JKL has been focusing on achieving healthy volume growth and significant improvements in operational profitability. 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 8.5x/7.8x/7.2x for FY2026E/FY2027E/FY2028E earnings. We retain our Buy rating with a revised price target of Rs. 992.

Key Risks

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

Valuation (Standalone)

Particulars	FY25	FY26E	FY27E	FY28E
Revenue	6,193	6,814	7,655	8,583
OPM (%)	14.0	16.6	17.4	17.9
Adjusted PAT	283	458	592	653
y-o-y growth (%)	-33	62	29	10
Adjusted EPS (Rs.)	27.0	38.9	50.3	55.5
P/E (x)	31.1	21.6	16.7	15.1
P/B (x)	2.9	2.6	2.3	2.1
EV/EBITDA (x)	10.7	8.5	7.8	7.2
RoNW (%)	9.8	12.8	14.8	14.4
RoCE (%)	9.9	11.9	12.0	11.3

Source: Company; Mirae Asset Sharekhan estimates

Financials (Standalone)

					Rs cr
Particulars	Q2FY2026	Q2FY2025	y-o-y (%)	Q1FY2026	q-o-q (%)
Net Sales	1531.8	1234.3	24.1	1740.9	-12.0
Total Expenditure	1323.6	1145.3	15.6	1429.7	-7.4
Operating profit	208.1	89.0	133.9	311.2	-33.1
Other Income	24.7	11.6	113.7	24.3	1.8
EBIDTA	232.9	100.6	131.6	335.5	-30.6
Interest	50.5	44.6	13.4	52.2	-3.3
PBDT	182.3	56.0	225.6	283.3	-35.6
Depreciation	77.4	74.9	3.3	77.0	0.5
PBT	105.0	-18.9	NA	206.3	-49.1
Tax	22.6	2.9	675.3	54.6	-58.6
Extraordinary items	0.0	0.0	NA	0.0	NA
Reported Profit After Tax	82.3	-21.8	NA	151.7	-45.7
Adjusted PAT	82.3	-21.8	NA	151.7	-45.7
EPS (Rs.)	7.0	-1.9	NA	12.9	-45.7
Margins (%)					
OPM	13.6	7.2	638	17.9	-429
PAT	5.4	-1.8	NA	8.7	-334
Tax rate	21.6	-15.5	NA	26.5	-491

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

Sector Outlook – Improving demand brightens outlook

The Indian cement has witnessed a lot of consolidation in the last few years with a slew of inorganic acquisitions happening. The consolidation and the weak demand have put a pressure on the pricing environment. However, with the return of government capex, the demand and pricing are expected to improve. The sector's margins are expected to improve from here-on and drive up profitability.

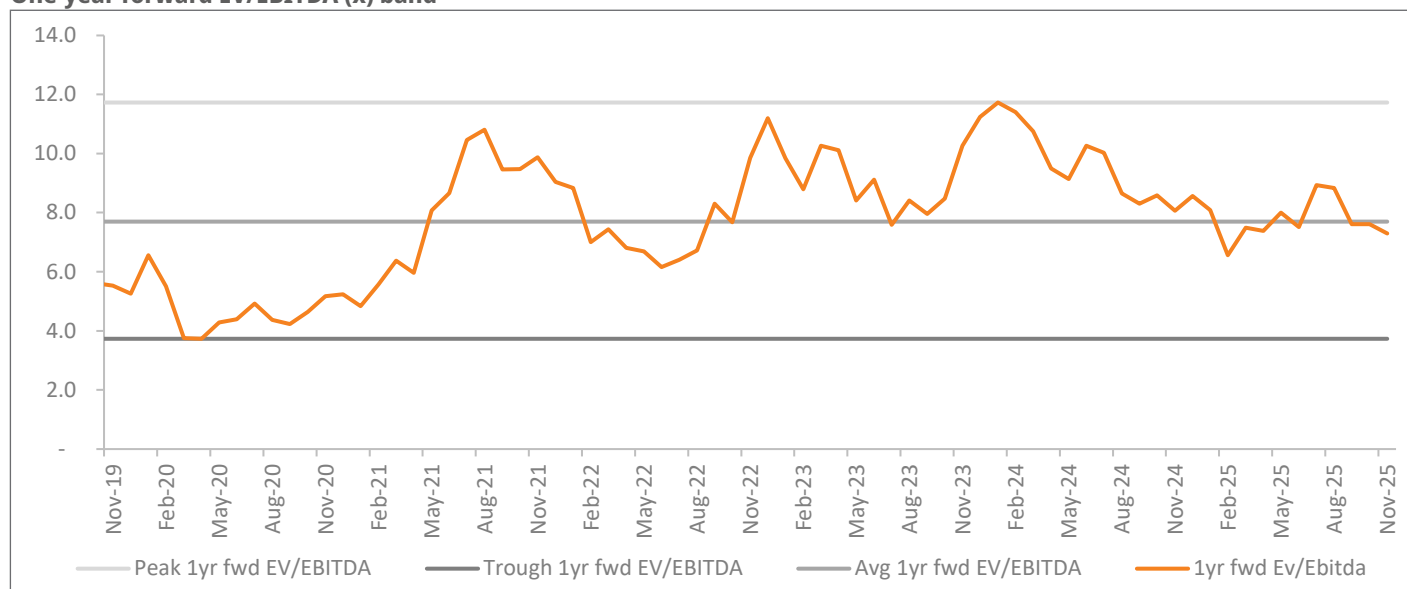
Company Outlook – Capacity expansion to power next leg of growth

JKL is expected to benefit from sustained rural sector demand and infrastructure demand improvement. Pricing in key regions remains healthy. However, the company is facing constraints with clinker capacity utilisation at a peak level over the trailing peak quarters. The company is doubling its Surat grinding units to 2.7 million tonnes and undertaking 2.3 mtpa clinker capacity and 4.6 mtpa cement grinding capacity at Durg and three split cement grinding units aggregating 3.4 mtpa in UP, Bihar, and Jharkhand, which would provide the next leg of growth.

Valuation – Retain Buy with a revised PT of Rs. 992

JKL has been focusing on achieving healthy volume growth and significant improvements in operational profitability. 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 8.5x/7.8x/7.2x for FY2026E/FY2027E/FY2028E earnings. We retain our Buy rating with a revised price target of Rs. 992

One-year forward EV/EBITDA (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

JKL was set up in 1982 in Sirohi, Rajasthan. The company is part of JK Group, which operates in India and abroad and is present in the tyre, cement, paper, power transmission and sealing solutions, dairy products, and textile industries. The company has a wide network of over 7,000 dealers across Rajasthan, Gujarat, Haryana, Delhi, Uttar Pradesh, Punjab, Jammu and Kashmir, Madhya Pradesh, Chhattisgarh, Odisha, South Bengal, Vidharbha, Mumbai, and Pune.

Investment theme

JKL is expected to benefit from sustained demand in the rural sector, along with improvements in infrastructure demand. The pricing environment in key regions remains healthy. The company added a 1.3 million tonne grinding unit capacity in Surat. Additionally, a 2.3 million tonne clinker unit and a 4.6 million tonne grinding unit capacity in Durg are expected to be commissioned in phases between FY27 and FY28. JKL is also implementing various measures to reduce costs and improve operational efficiency. The company's goal to reach a total capacity of 30 million tonnes by 2030 remains on track.

Key Risks

- ♦ Pressure on cement demand and cement prices in the Northwest and Eastern regions of India can affect financial performance.
- ♦ Macroeconomic challenges leading to lower government spending on infrastructure and housing sectors can negatively affect the company's performance.

Additional Data

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

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	HDFC Asset Management Co Ltd	4.25
2	Axis Asset Management Co Ltd/India	3.65
3	Franklin Resources Inc	3.27
4	ICICI Prudential Asset Management	2.95
5	Goldman Sachs Group Inc/The	2.86
6	GOLDMAN SACHS INDIA PVT LTD	2.85
7	Vanguard Group Inc/The	2.03
8	Nippon Life India Asset Management	1.40
9	Canara Robeco Asset Management Co	1.39
10	Bansal Sachin	1.27

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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