

JK Lakshmi Cement (JKLC)

Cements| 3QFY26 Result Update

BUY

CMP: Rs761 | Target Price (TP): Rs885 | Upside: 16.3%

February 5, 2026

Mixed Performance; Margin Pressure from Adverse Mix

Key Points

- The company delivered a mixed performance, with volumes, realizations, and EBITDA/T recording a growth/(decline) of 8.2%, (2.0%), and (6.0%), respectively, to 3.3 MnT, Rs 4,841, and Rs 625. Overall performance was broadly in line with NBIE estimates of 3.2 MnT for volumes, Rs 5,226 for realizations, and Rs 663 for EBITDA/T.
- Volume growth was supported by the commissioning of the Surat grinding unit, which strengthened the company's presence in Gujarat and the Mumbai region. However, incremental volumes were largely driven by non-trade and institutional sales (51% in Q3FY26), resulting in lower blended realizations. Realizations declined nearly 10% QoQ due to an adverse regional and channel mix, with the trade share falling to 49% from 53% in Q2FY26.
- Clinker capacity utilization remained strong at ~90%, indicating stable plant operations despite pricing pressure. Blended cement accounted for 62% of total volumes, supporting fuel efficiency, while fuel consumption costs stood at Rs 1.56/Kcal during the quarter.

Management outlook:

- The management expects industry demand growth of around 7% in FY26, with momentum strengthening toward the year-end and both industry and company volumes likely to post double-digit growth in Q4. For FY27, volumes are expected to follow a similar trajectory, supported by available headroom at the Surat, Udaipur, Jhajjar, and Cuttack units without the need for immediate capacity additions.
- Pricing conditions are gradually improving, with trade prices expected to strengthen on better demand and rising fuel costs, while non-trade prices have already begun to recover. The trade mix is expected to normalize toward 54–55%, which should support better realizations and margin stability.
- Capex for FY26 is guided at ~Rs 6.5 bn, with a sharp step-up to Rs 16–17 bn in FY27, within a total project outlay of Rs 30–33 bn. The Durg plant is targeted for commissioning by FY27, while the broader expansion is expected to be fully completed by FY28, supporting the company's progression toward a 30 MnT capacity platform by FY30.
- Fuel consumption costs are expected to rise modestly to Rs 1.58–1.60/Kcal as lower-cost inventory is exhausted. Employee costs are likely to stabilize with a focus on productivity-led efficiencies.
- A higher blended cement share of 67% (Q3FY26 share at 62%) is targeted to structurally improve the clinker factor and operating margins.
- The non-cement portfolio, including ready-mix concrete and AAC blocks, currently operates at around 4% EBITDA margin and is expected to scale up to high single-digit margins over the next two years as utilization improves and operating leverage kicks in.

Views and Valuation:

- We project a Revenue, EBITDA, and PAT CAGR of 19%, 29%, and 41%, respectively, over FY25–FY27E. The stock currently trades at 7.4x FY27E EV/EBITDA, lower than the 5-year average of 10.1x. We maintain our BUY rating and value the stock at 9.1x Dec FY27E EV/EBITDA, but reduce our target price to Rs 885 (down ~10% from Rs 983 earlier), reflecting revised assumptions and implying a measured upside of 16.3%.

Est Change	Downgrade
TP Change	Downgrade
Rating Change	No Change

Company Data and Valuation Summary

Reuters	JKLC.B0
Bloomberg	JKLC IN Equity
Market Cap (Rsbn / US\$bn)	94.5 / 1.0
52 Wk H / L (Rs)	1,021 / 661
ADTV-3M (mn) (Rs / US\$)	109.8 / 1.2
Stock performance (%) 1M/6M/1yr	(4.7) / (20.0) / (4.2)
Nifty 50 performance (%) 1M/6M/1yr	(1.4) / 1.1 / 8.8

Shareholding	1QFY26	2QFY26	3QFY26
Promoters	46.3	45.1	45.1
DILs	25.1	22.8	23.2
FILs	12.8	12.5	12.4
Others	15.7	19.5	19.4
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Net Sales	67,885	61,926	70,448	88,187
Growth YoY%	5.2	-8.8	13.8	25.2
EBITDA	10,522	8,595	11,464	14,398
EBITDA margin %	15.5	13.9	16.3	16.3
Adj PAT	4,793	3,210	5,443	6,380
Growth YoY%	29.8	-33	69.5	17.2
Adj EPS	40.7	27.3	46.2	54.2
RoE	16	8.6	14.7	15
EV/EBITDA	9.8	12.5	8.9	7.4
EV/mt (\$)	71.6	68.9	56.9	59.3
P/E(x)	18.7	27.9	16.5	14

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

Key Links: [3QFY26 Press Release](#)

Please refer to the disclaimer towards the end of the document

Jyoti Gupta

Research Analyst

jyoti.gupta@nirmalbang.com

+91-7738892292

3QFY26 performance update: Volume increased by 8.2% YoY at 3.3MnT in 3QFY26. Revenue increased by 6.1% YoY to Rs 15.8bn. Operating cost/T stood at Rs4,216, down 1.3% YoY. The company was able to reduce all of its operational costs/T on a yearly basis except RM cost/T which increased 5% YoY. Operationally, the company reported its trade share at 49% (2QFY26 share at 53%), blended cement at 62% (2QFY26 share at 62%), and green power at 48% (2QFY26 share at 46%). Energy consumption stood at 720 Kcal/kg of clinker, consistent with industry benchmarks. Cement realization/T decreased by 2% YoY to Rs.4,841, and EBITDA/T stood at Rs.625, down 6% YoY.

Capex Updates: The company is developing a railway siding at its Durg cement plant with an estimated project cost of Rs 3.25 bn, to be funded through debt of Rs 2.25 bn and the balance via internal accruals. The first phase of the project has already been completed.

Additionally, the company is expanding clinker capacity at its integrated Durg (Chhattisgarh) facility by setting up an additional clinker line of 2.3 MTPA, along with four cement grinding units aggregating 4.6 MTPA at Durg. It is also establishing three split-location grinding units with a combined capacity of 3.4 MTPA at Prayagraj (Uttar Pradesh), Madhubani (Bihar), and Patratu (Jharkhand). The total capex for the expansion is estimated at Rs 30 bn, to be funded through term loans of Rs 21 bn and the balance through internal accruals. The project will be implemented in phases and is expected to be fully commissioned by March 2028.

Exhibit 1: 3QFY26 consolidated performance

Particulars (Rsmn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26E	FY25	FY26E
Net Sales	15,639	12,343	14,968	18,976	17,409	15,318	15,884	21,837	61,926	70,448
YoY Change (%)	(9.6)%	(21.6)%	(12.1)%	6.6%	11.3%	24.1%	6.1%	15.1%	(8.8)%	13.8%
Expenditure										
Chg. in stock	673	(243)	(23)	248	135	(207)	212	(70)	655	70
RM consumption	2,212	2,077	2,342	2,905	2,644	2,462	2,517	2,691	9,535	10,315
Purchase of traded goods	777	612	429	390	287	424	394	1,549	2,208	2,654
Employee cost	1,014	1,101	1,144	1,137	1,243	1,300	1,156	1,194	4,395	4,893
Freight Costs	3,325	2,816	3,475	4,397	3,973	3,512	3,670	3,907	14,013	15,061
Power and fuel	3,422	3,207	3,507	3,909	3,781	3,683	3,709	5,754	14,044	16,928
Other exp	1,993	1,881	2,078	2,530	2,236	2,061	2,173	2,593	8,482	9,064
Total Operating Expenses	13,415	11,450	12,951	15,515	14,297	13,235	13,832	17,620	53,331	58,984
EBITDA	2,224	893	2,018	3,461	3,112	2,083	2,052	4,217	8,595	11,464
YoY Change (%)	13.3%	(58.9)%	(33.2)%	2.8%	39.9%	133.3%	1.7%	21.9%	(18.3)%	33.4%
Margin (%)	14.2%	7.2%	13.5%	18.2%	17.9%	13.6%	12.9%	19.3%	13.9%	16.3%
Depreciation	717	749	762	767	773	777	851	727	2,994	3,128
Interest	484	446	453	429	522	505	550	495	1,812	2,073
Other income	131	99	90	145	222	227	291	176	464	916
Extraordinary Items	(328)	(83)	(23)	80	1	1	(190)	-	(354)	(189)
PBT (bei)	1,154	(203)	893	2,410	2,039	1,027	943	3,171	4,253	7,180
PBT	825	(286)	870	2,490	2,040	1,028	752	3,171	3,899	6,990
Tax	258	22	123	640	541	221	182	793	1,043	1,737
ETR (%)	31.3%	-7.5%	14.1%	25.7%	26.5%	21.5%	24.2%	25.0%	26.7%	24.8%
Reported PAT	567	(308)	747	1,850	1,499	806	570	2,378	2,856	5,254
Adj. PAT	895	(225)	770	1,770	1,498	806	761	2,378	3,210	5,443
YoY Change (%)	12.2%	NA	(45.4)%	9.0%	67.3%	NA	(1.2)%	34.4%	(33.0)%	69.5%
Adj. EPS	7.6	(1.9)	6.5	15.0	12.7	6.5	6.1	19.2	27.3	44.5

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Detailed financials

Y/E March (Rs mm)	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)	Estimates	Variance (%)	FY25	FY26E	YoY (%)
Net Sales	14,968	15,318	15,884	6.1	3.7	16,706	(4.9)	61,926	70,448	13.8
Expenditure										
Chg. in stock	(23)	(207)	212	NA	(202.6)	-	-	655	70	NA
RM consumption	2,342	2,462	2,517	7.5	2.2	-	-	9,535	10,315	8.2
Purchase of traded goods	429	424	394	(8.2)	(7.0)	-	-	2,208	2,654	20.2
Employee cost	1,144	1,300	1,156	1.1	(11.1)	-	-	4,395	4,893	11.3
Freight Costs	3,475	3,512	3,670	5.6	4.5	-	-	14,013	15,061	7.5
Power and fuel	3,507	3,683	3,709	5.8	0.7	-	-	14,044	16,928	20.5
Other exp	2,078	2,061	2,173	4.6	5.4	-	-	8,482	9,064	6.9
Total Operating Expenses	12,951	13,235	13,832	6.8	4.5	14,588	(5.2)	53,331	58,984	10.6
EBITDA	2,018	2,083	2,052	1.7	(1.5)	2,118	(3.1)	8,595	11,464	33.4
EBITDA Margin (%)	13.5%	13.6%	12.9%	(56)bps	(68)bps	12.7%	24bps	13.9%	16.3%	239bps
Other Income	90	227	291	222.2	28.5	-	-	464	916	97.4
Interest Costs	453	505	550	21.4	8.8	-	-	1,812	2,073	14.4
Depreciation	762	777	851	11.7	9.6	-	-	2,994	3,128	4.5
PBT	893	1,027	943	5.5	(8.2)	-	-	4,253	7,180	68.8
Exceptional Items	-23	1	(190)	NA	NA	-	-	(354)	(189)	NA
Tax	123	221	182	48.0	(17.8)	-	-	1,043	1,737	66.5
Reported PAT	747	806	570	(23.7)	(29.3)	801	(28.8)	2,856	5,254	84.0
Adjusted PAT	770	806	761	(1.2)	(5.6)	-	-	3,210	5,443	69.5
NPM (%)	5.1%	5.3%	4.8%	(36)bps	(47)bps	4.8%	(1)bps	5.2%	7.7%	254bps
EPS (Rs.)	6.5	6.5	6.1	(6.4)	(5.6)	6.8	(10.0)	27.3	44.5	63.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Operational data

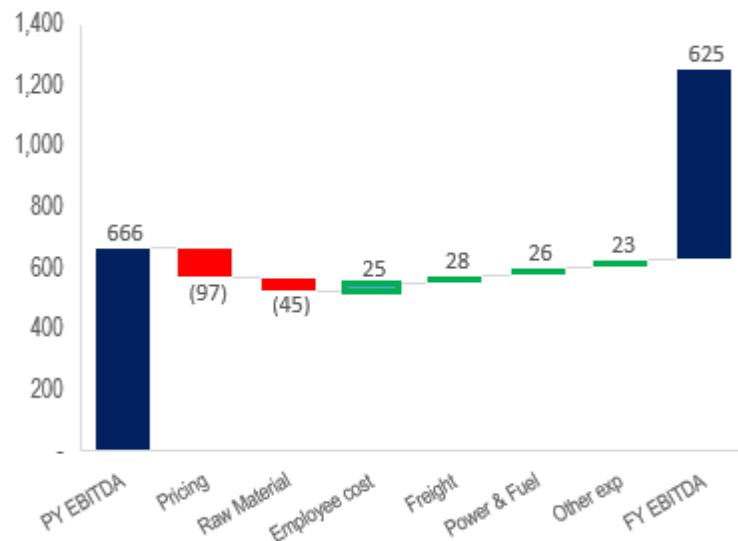
Operational Data	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)	Estimates	Variance (%)	FY25	FY26E	YoY (%)
Volume (mn mt)	3.0	2.8	3.3	8.2	15.4	3.20	2.5	12.1	13.6	12.0
Cement Realisation (Rs/mt)	4,938	5,388	4,841	(2.0)	(10.1)	5,226	(7.4)	5,105	5,184	1.5
Operating Costs (Rs/mt)	4,273	4,655	4,216	(1.3)	(9.4)	4,473	(5.8)	4,397	4,340	(1.3)
EBITDA (Rs/mt)	666	733	625	(6.0)	(14.6)	663	(5.7)	709	844	19.0

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Trend in operating costs

Costs/mt (Rs)	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	YoY (%)	QoQ (%)
RM consumption	1,066	1,140	1,211	987	907	985	922	942	952	5.0	1.0
Employee cost	370	292	335	444	377	316	374	457	352	(6.6)	(22.9)
Freight, packing etc	1,117	1,064	1,100	1,137	1,146	1,222	1,194	1,235	1,119	(2.4)	(9.4)
Power and fuel	1,492	1,273	1,132	1,295	1,157	1,086	1,137	1,295	1,131	(2.3)	(12.7)
Other exp	687	658	659	759	686	703	672	725	662	(3.4)	(8.7)
Operating costs/mt	4,732	4,428	4,436	4,623	4,273	4,312	4,299	4,655	4,216	(1.3)	(9.4)
EBITDA/mt	1,021	1,032	735	360	666	962	936	733	625	(6.0)	(14.6)

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: YoY movement in EBITDA/mt


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Change in estimates

(Rs mn)	New		Old		% Change	
Particulars	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	70,448	88,187	74,206	92,297	(5.1)	(4.5)
EBITDA	11,464	14,398	11,822	14,897	(3.0)	(3.3)
PAT	5,443	6,380	5,674	6,385	(4.1)	(0.1)

Source: Nirmal Bang Institutional Equities Research

Actual Performance vs NBIE and Bloomberg Consensus Estimates

Particulars							
3QFY26 (Rs mn)	Actual	Our Estimate	Deviation (%)	Bloomberg Consensus (Excl. NBIE)	Change (%)	Bloomberg Consensus	Change (%)
Revenue	15,884	16,706	(4.9)	17,028	(6.7)	17,918	(11.4)
EBITDA	2,052	2,118	(3.1)	2,629	(21.9)	2,418	(15.1)
PAT	761	801	(5.0)	1,023	(25.6)	1,533	(50.4)

Source: Nirmal Bang Institutional Equities Research

3QFY26 Earnings call highlights

Future Outlook

- The management expects industry demand growth of ~7% for FY26, with momentum improving toward the end of the year and both industry and company volumes likely to record double-digit growth in Q4. For FY27, volumes are projected to follow a similar growth path, supported by available headroom at the Surat, Udaipur, Jhajjar, and Cuttack units, allowing incremental dispatches without immediate capacity additions. Over the medium term, the company remains focused on expanding its manufacturing footprint and progressing toward a targeted capacity of 30 MnT.
- The management indicated that pricing conditions are gradually improving, with trade prices expected to strengthen on the back of better demand and rising fuel costs, while non-trade prices have already begun to recover across most markets. The decline in trade share during Q3 was viewed as temporary, and the mix is expected to normalize toward 54–55%, which should support improved blended realizations and margin stability.
- Capital allocation remains focused on the ongoing expansion program, with FY26 capital expenditure guided at ~Rs 6.5 bn, including about Rs 4.0 bn planned for Q4, while FY27 spending is expected to step up materially to Rs 16–17 bn. The total outlay for the broader expansion stands at Rs 30–33 bn, with Durg plant targeted for commissioning by FY27 and full project completion, including split grinding units and railway siding Phase 2, by FY28.
- Fuel costs are expected to inch up as lower-cost inventory is exhausted, with consumption costs projected to rise to Rs 1.58–1.60/Kcal in the near term. Employee expenses are likely to stabilize, with the management focusing on productivity-led efficiency improvements rather than absolute cost cuts. A higher blended cement share of 60–67% (Q3FY26 at 62%) is targeted to enhance the CC ratio and structurally improve operating efficiency.
- The non-cement portfolio, including ready-mix concrete and AAC blocks, is currently operating at an EBITDA margin of around 4%. As utilization improves and scale benefits accrue, the management expects margins to expand toward high single digits over the next two years, supported by better operating leverage and completion of the ramp-up phase.

Performance Overview

- JK Lakshmi Cement delivered healthy volume growth during Q3 FY26, supported by the commissioning of the Surat grinding unit, which expanded its footprint in Gujarat and Mumbai. However, the incremental volumes were largely driven by the non-trade and institutional segments, which carry structurally lower pricing, resulting in weaker blended realizations.
- Consequently, realizations declined sequentially by nearly 10%, reflecting both an adverse regional mix and heightened competitive intensity. Despite pricing pressure, clinker capacity utilization sustained at ~90%, underscoring strong operating discipline.

Pricing and Realization Trends

- The decline in realizations was primarily mix-led, with the trade share reducing to 49% from 53% in the previous quarter as the Surat volumes skewed toward institutional demand. Non-trade pricing also corrected sharply in certain markets following tax-related changes and competitive discounting, further weighing on average realizations.
- The management indicated that pricing trends have begun to stabilize, with non-trade prices improving by ~ Rs 10–15/bag during January and February. Trade prices have remained relatively resilient, and a gradual recovery is expected in the coming quarters supported by better demand and higher input costs across the industry.

Operating Metrics and Cost Structure

- Blended cement accounted for 62% of total volumes, supporting a clinker factor of 1.44 and sustaining fuel efficiency. Fuel consumption cost stood at Rs 1.56/Kcal during the quarter, although the management expects a modest increase to Rs 1.58–1.60/Kcal as lower-cost inventory is exhausted.
- Employee expenses declined meaningfully due to productivity initiatives, while freight costs reduced by over Rs 100/T aided by shorter lead distances and a higher share of ex-factory institutional dispatches. These efficiencies partially cushioned the impact of lower realizations on margins.

Capacity Expansion and Capital Allocation

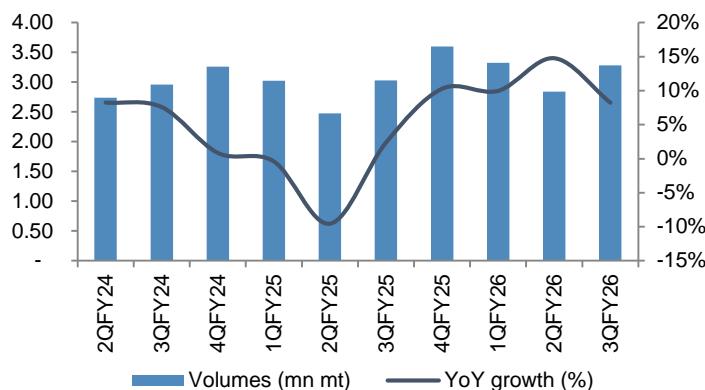
- The company has embarked on an aggressive brownfield expansion program anchored around the Durg project, with a total project outlay of ~ Rs 30–33 bn, with full completion targeted by FY28.
- Capital expenditure for FY26 is guided at around Rs 6.5 bn, with spending accelerating meaningfully in FY27 at Rs 16–17 bn. Alongside Durg, the company continues to ramp up the recently commissioned Surat grinding unit and plans further additions across Nagaur, Kutch, and Assam, with a long-term objective of reaching 30 MnT capacity by FY30.

Market Outlook and Demand Environment

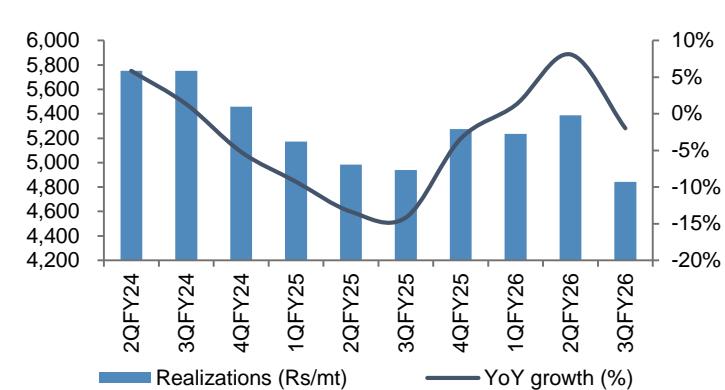
- The management remains constructive on demand, with industry growth expected at around 7% for FY26 and double-digit growth anticipated in the Q4FY26. Western markets are witnessing healthy demand but remain skewed toward institutional volumes, while northern markets have been stable and eastern markets continue to face pricing pressure.
- Overall, improving utilization at existing plants, stabilization in pricing, and higher value-added product contribution are expected to support gradual margin recovery over the next few quarters.

Future Guidance and Strategic Priorities

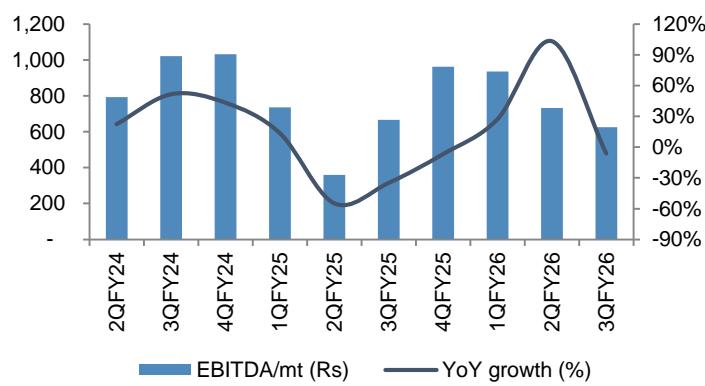
- The company expects to sustain volume growth in FY27 through available headroom at Surat, Udaipur, Jhajjar, and Cuttack even before new capacities come online. Margins are likely to benefit from better price discipline, a higher blended cement share targeted at around 67%, and operating leverage from scale.
- Non-cement businesses, including ready-mix concrete and AAC blocks, generated revenue of Rs 1.47 bn during the quarter and are expected to improve profitability toward high single-digit EBITDA margins over the medium term. The expansion program is planned to be funded through a combination of internal accruals and prudent leverage, with balance sheet stability remaining a key focus.

Exhibit 7: Volume increased by 8% YoY


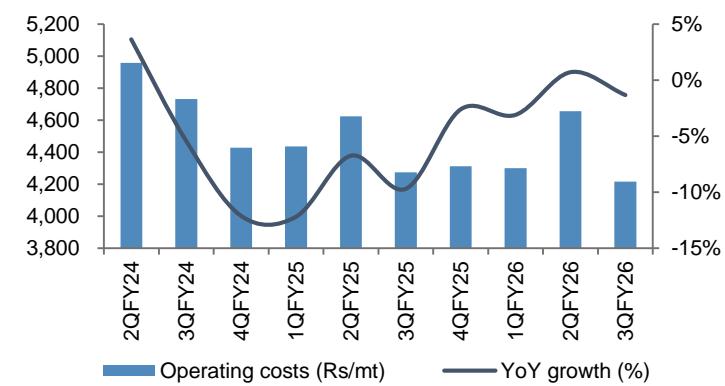
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Realization decreased by 2% YoY


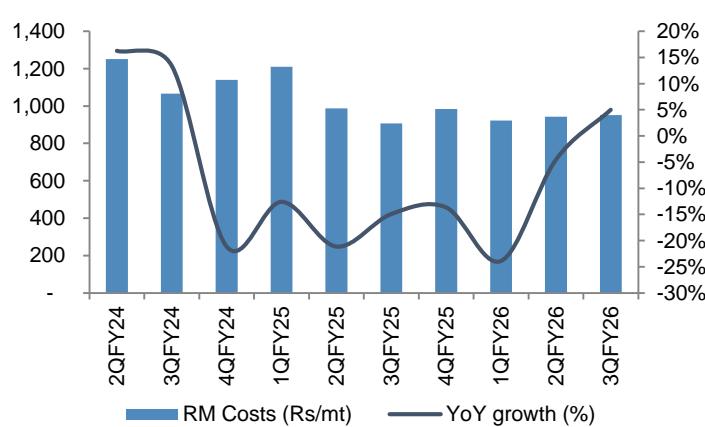
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: EBITDA/mt decreased by 6% YoY


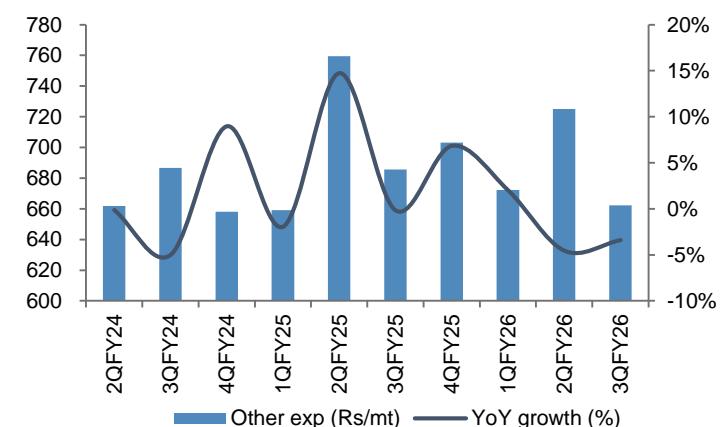
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Operating cost decreased by 1% YoY


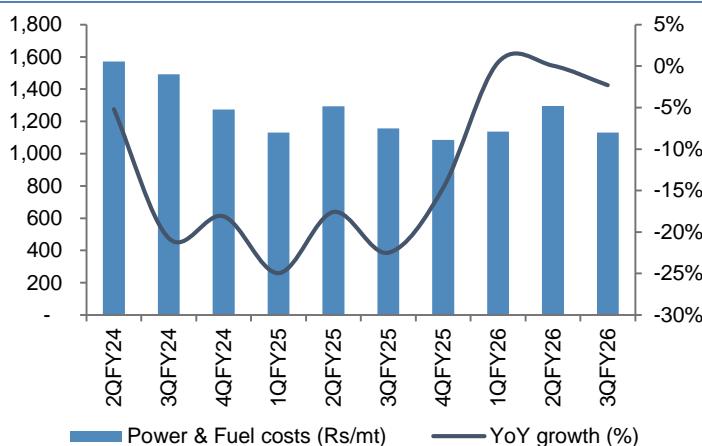
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: RM cost increased by 5% YoY


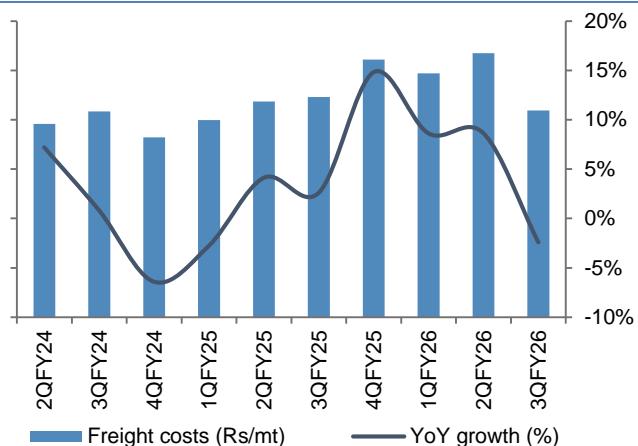
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Other expenses decreased by 3% YoY


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Power & Fuel cost decreased 2% YoY


Source: Company, Nirmal Bang Institutional Equities Research

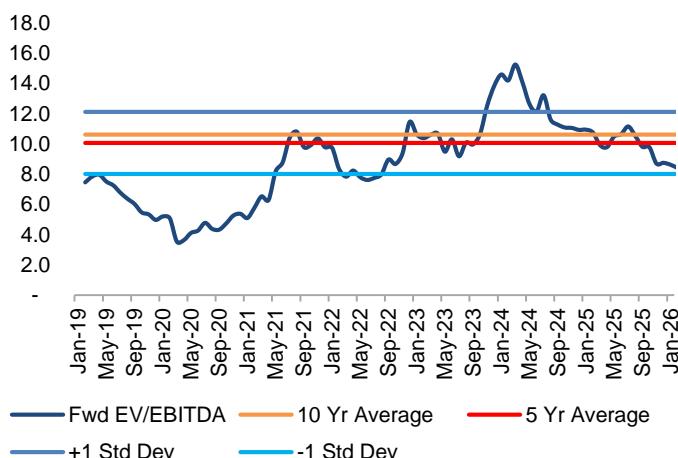
Exhibit 14: Freight cost down 2% YoY


Source: Company, Nirmal Bang Institutional Equities Research

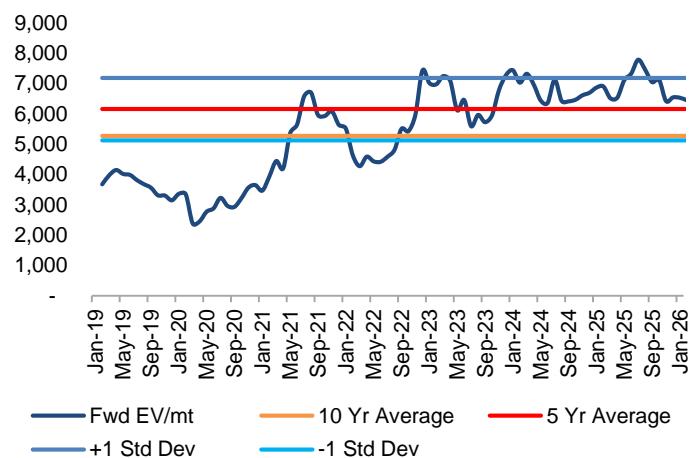
Exhibit 15: Valuation summary

Particulars	(Rs mn)
Dec-27E EBITDA	13,291
Target multiple (x)	9.1
Enterprise value	1,20,952
Less: Net debt	16,812
Equity value	1,04,140
No of shares (mn)	118
Value per share (Rs)	885
CMP (Rs)	761
Upside / (downside) %	16.3%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Rolling valuation charts


Source: Company, Nirmal Bang Institutional Equities Research



Source: Company, Nirmal Bang Institutional Equities Research

Financial statement

Exhibit 17: Income statement

YE March, Rs mn	FY23	FY24	FY25	FY26E	FY27E
Net Sales	64,515	67,885	61,926	70,448	88,187
Raw Material Consumed	13,044	14,506	12,398	13,038	18,152
Power & Fuel Cost	18,935	17,448	14,044	16,928	24,461
Employee Cost	3,877	4,176	4,395	4,893	4,893
Freight and Forwarding	12,582	13,201	14,013	15,061	16,856
Other expenses	7,690	8,032	8,482	9,064	9,426
Total Expenditure	56,128	57,363	53,331	58,984	73,789
Operating profit	8,387	10,522	8,595	11,464	14,398
<i>Operating profit margin (%)</i>	13.0	15.5	13.9	16.3	16.3
Other Income	575	681	464	916	955
Interest	1,334	1,504	1,812	2,073	3,082
Depreciation	2,283	2,460	2,994	3,128	3,764
PBT	5,345	7,239	4,253	7,180	8,507
Exceptional items	-	-	(354)	-	-
PBT post exc items	5,345	7,239	3,899	7,180	8,507
Tax	1,654	2,446	1,043	1,737	2,127
<i>Tax rate (%)</i>	30.9	33.8	26.7	24.2	25.0
PAT	3,691	4,793	3,210	5,443	6,380
EPS (Rs)	31.4	40.7	27.3	46.2	54.2

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Balance Sheet

YE March, Rs mn	FY23	FY24	FY25	FY26E	FY27E
Equity Capital	589	589	589	589	589
Reserves and Surplus	27,450	31,278	34,124	38,982	44,719
Networth	28,039	31,867	34,713	39,571	45,308
Total Debt	15,528	16,119	21,955	32,705	39,705
Deferred tax liability	1,327	2,651	2,921	2,921	2,921
Other non current liabilities	3,739	1,078	1,294	3,701	4,234
Trade Payables	5,860	5,560	4,548	5,010	6,267
Other Current Liabilities	7,276	10,089	10,052	8,414	9,758
Total Current Liabilities	16,406	20,370	20,207	22,294	24,896
Total liabilities	65,409	76,501	84,792	1,02,321	1,18,193
Net Block	34,435	47,457	52,247	56,357	67,624
CWIP	8,955	7,132	6,072	6,072	6,072
Investment	5,135	3,962	6,227	6,727	7,227
Other non current assets	1,893	2,432	6,183	6,183	6,183
Inventories	8,416	9,912	8,648	9,264	10,631
Sundry Debtors	654	443	1,068	1,357	1,544
Cash and Bank	3,390	2,673	1,969	13,763	15,959
Other current assets	1,579	1,571	1,526	1,703	2,076
Total Current Assets	19,252	18,412	19,220	32,633	37,238
Total Assets	65,409	76,501	84,792	1,02,321	1,18,193

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 19: Cash flow statement

YE March, Rs mn	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	5,345	7,239	3,899	7,180	8,507
Add : Depreciation	2,283	2,460	2,994	3,128	3,764
Add: Interest Exp	1,334	1,504	1,812	2,073	3,082
Cash flow from ops before WC changes	8,962	11,203	8,705	12,380	15,353
Net change in Working capital	(1,328)	(1,085)	(939)	(2,296)	693
Tax paid	(1,654)	(1,126)	(338)	(1,737)	(2,127)
Net cash from operations	5,981	8,992	7,428	8,347	13,920
Capital expenditure	(8,588)	(10,110)	(6,607)	(7,261)	(14,994)
Free Cash Flow	(2,607)	(1,118)	821	1,087	(1,074)
Sale of investments	1,257	868	(5,362)	(535)	(537)
Net cash from investing	(7,405)	(8,800)	(11,512)	(7,796)	(15,531)
Issue of shares	-	931	-	-	-
Increase in debt	2,658	(458)	4,882	10,750	7,000
Dividends paid incl. tax	-	(674)	(532)	(585)	(643)
Interest paid	(1,334)	(2,033)	(1,965)	(2,073)	(3,082)
Net cash from financing	1,716	(356)	3,178	10,500	3,807
Net Cash	292	(164)	(906)	11,051	2,196
Opening Cash	3,097	3,389	3,225	2,320	13,763
Closing Cash	3,389	3,225	2,320	13,763	15,959

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Key ratios

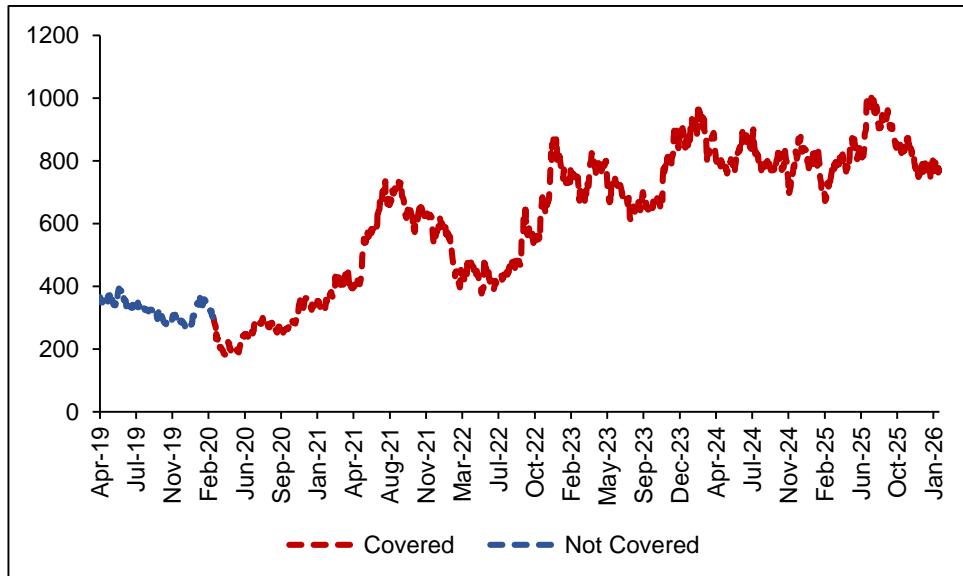
YE March	FY23	FY24	FY25	FY26E	FY27E
Growth (%)					
Sales	19.0	5.2	(8.8)	13.8	25.2
Operating Profits	(11.8)	25.4	(18.3)	33.4	25.6
Net Profits	(22.7)	29.8	(33.0)	69.5	17.2
Leverage (x)					
Net Debt:Equity	0.36	0.43	0.51	0.32	0.37
Interest Cover(x)	6.29	6.99	4.74	5.53	4.67
Total Debt/EBITDA	2.20	1.92	2.97	2.86	2.76
Profitability (%)					
OPM	13.0	15.5	13.9	16.3	16.3
NPM	5.7	7.1	4.6	7.7	7.2
ROE	13.9	16.0	8.6	14.7	15.0
ROCE	16.9	18.8	12.4	14.6	14.5
Turnover ratios (x)					
GFAT	1.3	1.2	0.9	0.9	1.0
Debtors Turnover(x)	128	124	82	58	61
WC days	23	29	37	35	31
Valuation (x)					
P/E	24.3	18.7	27.9	16.5	14.0
P/B	3.2	2.8	2.6	2.3	2.0
EV/EBIDTA	11.9	9.8	12.5	8.9	7.4
EV/mt (\$)	76.0	71.6	68.9	56.9	59.3

Source: Company, Nirmal Bang Institutional Equities Research, INR/USD rate has been revised from Rs. 82 to Rs. 85

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
3 March 2020	ACCUMULATE	309	352
13 April 2020	BUY	188	239
22 May 2020	BUY	206	238
17 July 2020	ACCUMULATE	281	277
10 August 2020	BUY	286	293
23 September 2020	BUY	251	358
16 October 2020	BUY	271	358
9 November 2020	BUY	298	381
7 January 2021	BUY	342	425
3 February 2021	BUY	350	413
12 March 2021	ACCUMULATE	429	413
8 April 2021	ACCUMULATE	439	413
23 May 2021	ACCUMULATE	490	487
25 June 2021	SELL	574	528
2 August 2021	SELL	692	528
26 September 2021	SELL	641	585
1 November 2021	SELL	614	585
4 February 2022	BUY	560	675
23 February 2022	BUY	432	628
20 May 2022	BUY	422	715
13 June 2022	BUY	419	633
29 July 2022	BUY	437	633
14 September 2022	BUY	553	786
7 November 2022	BUY	619	786
12 January 2023	BUY	762	890
14 February 2023	BUY	756	890
22 March 2023	BUY	691	834
22 May 2023	BUY	724	852
30 July 2023	ACCUMULATE	619	680
7 November 2023	ACCUMULATE	794	842
13 February 2024	BUY	886	1,058
27 May 2024	BUY	800	1,070
1 August 2024	BUY	862	1,120
27 August 2024	BUY	787	912
9 November 2024	BUY	767	887
13 January 2025	HOLD	763	883
7 February 2025	HOLD	840	865
11 April 2025	HOLD	789	864
28 May 2025	HOLD	866	952
11 April 2025	HOLD	978	940
04 August 2025	HOLD	951	978
9 November 2025	HOLD	845	970
3 December 2025	BUY	759	987
7 January 2026	BUY	775	983
5 February 2026	BUY	761	885

Rating track graph



DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Jyoti Gupta, research analyst the author of this report, hereby certify that the views expressed in this research report accurately reflects my personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

**Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name	Email Id	Direct Line	
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Seshagiri Ranganathan	Head of Sales	seshagiri.r@nirmalbang.com	+91 22 6273 8228
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,

Nr. Peninsula Corporate Park,

Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010