



JK Cement Limited

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Equentis Wealth Advisory Services Ltd

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Type of Registration: Non-Individual, Registration No.: INA000003874, Validity: Dec 08, 2015 – Perpetual

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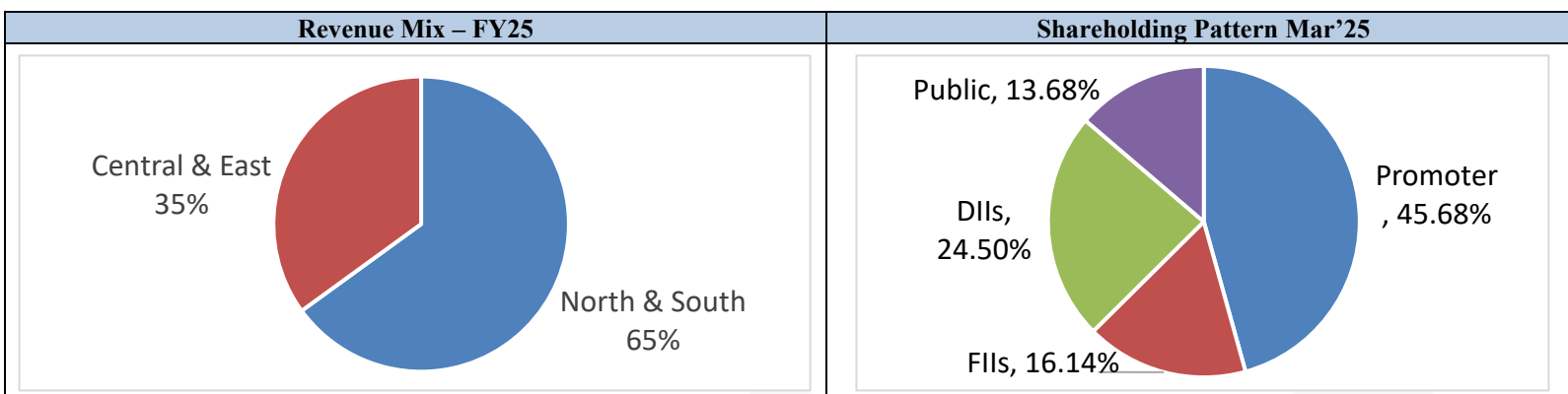
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I. COMPANY BACKGROUND

- **About Company-** JK Cement Ltd (JKC) (Mcap Rs.501bn, \$5.8bn @Rs.86.15/USD), FY25 consolidated revenues Rs. 119bn, EBITDA Rs. 20.34bn and reported PAT Rs. 8.7bn is among the largest cement producers in India by market presence with an installed capacity of 24.34 MTPA. It is the second-largest white cement manufacturer in India and a leading manufacturer of putty with a capacity of 3.05 MTPA (Including 0.6MTPA in subsidiary). The company has an overseas subsidiary which operates a 0.6 MTPA white cement plant in Fujairah, UAE.

Revenue Mix and Shareholding Pattern-



II. TIMELINE AND MILESTONES

| Pre- 2010 | 2011-2020 | 2021-2025 |
|---|---|---|
| Started operations at Nimbahera with 0.3MTPA dry process unit in 1975 | Commissioned putty capacity at Gotan, Rajasthan of 0.3MTPA in 2013 and expanded to 0.5MTPA in 2014 | Set-up cement plant in Hamirpur District, Uttar Pradesh with total production capacity of 2 MTPA in 2023 |
| Commenced 0.05MTPA lime-based white cement plant at Gotan, Rajasthan in 1984 | Completed 3MTPA grey cement expansion in North India and established its first international plant in UAE in 2014 | Set-up new cement and clinker plant in Panna with 4MTPA capacity in 2022 |
| Established greenfield 0.75MTPA grey cement plant at Mangrol, Rajasthan in 2001 | Completed organisational restructuring with separate grey & white cement heads in 2015 | Forayed into paints business through acquisition of stake in Acro Paints in 2022 |
| Raised Rs 3bn in IPO to fund its 43MW power project in 2006 | Set-up new putty capacity at Katni, Madhya Pradesh of 0.2MTPA in 2015 | Commissioned 1.5MTPA Ujjain Grinding unit in 2023. |
| JK Cement entered white cement-based putty with a small 0.05MTPA capacity in 2007 | Launched new brand logo and promise for grey cement; JK Super Cement "Build Safe". JK Cement has the best BTL marketing in North region in 2017 | Acquired Toshali Cements (P) Ltd. In 2024. Commissioned the Prayagraj grinding unit with a 2 million tons Greenfield capacity |
| Entered southern markets with Greenfield 3MTPA grey cement capacity at Muddapur, Karnataka. In 2009 | JK Cement raised Rs 5bn through QIP to fund its 4.2MTPA expansion in 2018 | JK Cement's total installed grey cement capacity reached 24.34 MTPA in 2025 |

III. KNOW YOUR MANAGEMENT



- **Mr. Raghavpat Singhania (Managing Director)**
- Graduated from Sheffield Hallam University, United Kingdom.
- An experienced business leader in the grey and white cement industry.
- Joined the company in 2007 as Special Executive and got training under industry stalwart Late Yadupati Singhania.
- He has played an instrumental role in the growth of the company over the years.



- **Mr. Madhavkrishna Singhania (Joint Managing Director and CEO Chairman)**
- He holds a bachelor's degree in electrical & computer engineering from Carnegie Mellon University, USA.
- He is heading the Company's many technology and automation initiatives.
- Under his leadership, the company doubled the grey cement manufacturing capacity from 7.5 MTPA in 2010 to around 15 MTPA in 2020.

KNOW YOUR BOARD OF DIRECTORS

Illustrious Board Members:

| Name | Position Held | Comments |
|---------------------------|----------------------|---|
| Mr. Ajay Kumar Saraogi | Deputy MD and CFO | He has over 40 years of experience in the field of Finance and Commercial matters. He holds a Bachelor of Arts (Honours) degree in Economics from Sriram College of Commerce, Delhi University and a Bachelor of Laws degree from Kanpur University. |
| Mr Paul Hugentobler | Independent Director | Served as Holcim Ltd. Area Manager for the Asia Pacific Region. From 1999 to 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand and till now he continues to be a Director. |
| Shri Ashok Sharma | Independent Director | He is on the panel of the Quality Review Board (QRB) and the Financial Reporting Review Board of ICAI. He served as Director at the Oriental Bank of Commerce for 5 and half years. |
| Shri Mudit Aggarwal | Independent Director | He is acting as Trustee of the Seth Jai Parkash Mukand Lal, which governs premier 30 educational institutions in Haryana and UP. |
| Smt. Deepa Gopalan Wadhwa | Independent Director | She has 36 years of Indian Foreign Service (IFS) career behind her. She joined IFS in 1979 and retired in December 2015. |
| Shri Ashok Sinha | Independent Director | He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of BPCL. Since 2011, he has served on the Boards of Petronet LNG, CMC Ltd, Cipla Ltd., Axis Asset Management., You Broadband, Air Asia India Ltd. & Tata Power. |
| Shri Saurabh Chandra | Independent Director | He possesses experience in formulation and implementation of policies in multiple areas and sectors, such as oil and gas, industry & manufacturing, foreign direct investment, intellectual property, and disinvestment including strategic sales. Currently he is serving as Public Interest Director and Chairman of the Governing Board of MCX of India Limited and an Independent Director on the Boards of SBI Pension Funds Pvt. Ltd., Usha Breco Limited and Vacmet India Limited. |

Source: Company website

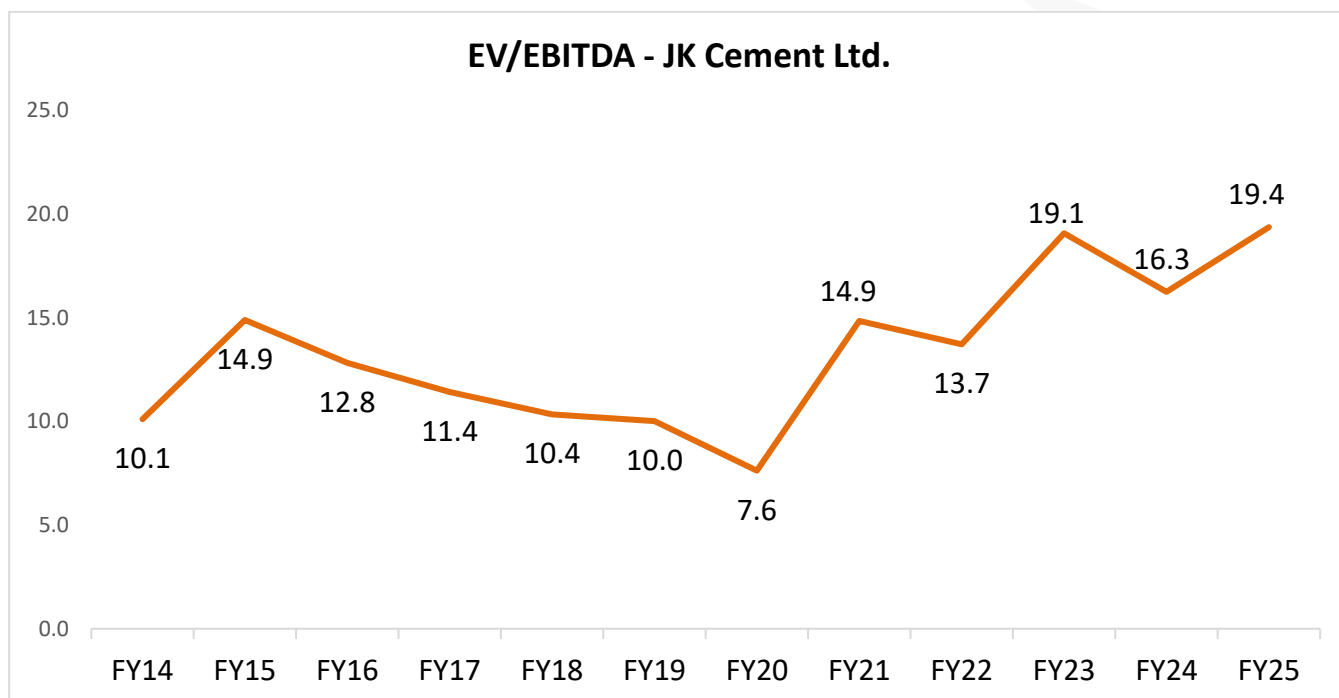
IV. COMPANY & INDUSTRY OVERVIEW

| Argument | Comment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---------------------------|-------------------------------|---------------------------|-----------------|------|-------|----------------------|--------|-------|--------|--------|--------|-------|-------|--------|--------|--------|--------|-----------------|-------|---------|---------|-------|-------|-------------|------|------|-----|-----|-----|
| Presence in North & Central India | <ul style="list-style-type: none">North and Central markets are relatively best placed in terms of higher utilization levels & maintain better pricing discipline.JK Cement has around 83% of their capacity in these regions and is amongst the top 10 players in the region. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The second largest White cement player | <ul style="list-style-type: none">JKC is the second largest white cement manufacturer in the country after Ultratech (Birla white). Both cater to ~95% of the market.JK Cement has a total limestone reserve of 1.6 billion tons, across Nimbahera, Mangrol, Muddapur, Panna & Jaisalmer plant, ensuring long-term raw material security across its plants.White cement has 3x realization compared to grey cement. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foray into paints business (JK MAXX) | <ul style="list-style-type: none">The company forayed into paints through the inorganic route and initially acquired ~60% stake in Acro Paints thereafter buying the rest 40%. Acro Paints is involved in manufacturing paint and construction chemicals with a wide range of decorative paints and waterproofing products.As per the management, ~80% of its White cement distribution channel is already in the business of paints hence it will be able to leverage the same in order to ramp up the business. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capacity Additions & Utilizations Across Years | <ul style="list-style-type: none">JK Cement has steadily expanded its cement capacity from 14 MTPA in FY20 to 24.34 MnTPA by FY25.Improved asset utilization, achieving 76% overall capacity and 94% clinker utilization in Q4 FY25. <div><table><thead><tr><th>Year</th><th>Grey Cement Sales Volume (MT)</th><th>Grey Cement Capacity (MT)</th><th>Utilisation (%)</th></tr></thead><tbody><tr><td>FY20</td><td>8.4</td><td>14.0</td><td>60%</td></tr><tr><td>FY21</td><td>10.3</td><td>14.7</td><td>70%</td></tr><tr><td>FY22</td><td>12.1</td><td>14.7</td><td>82%</td></tr><tr><td>FY23</td><td>14.2</td><td>20.7</td><td>68%</td></tr><tr><td>FY24</td><td>16.9</td><td>22.2</td><td>76%</td></tr><tr><td>FY25</td><td>18.0</td><td>24.3</td><td>74%</td></tr></tbody></table></div> | Year | Grey Cement Sales Volume (MT) | Grey Cement Capacity (MT) | Utilisation (%) | FY20 | 8.4 | 14.0 | 60% | FY21 | 10.3 | 14.7 | 70% | FY22 | 12.1 | 14.7 | 82% | FY23 | 14.2 | 20.7 | 68% | FY24 | 16.9 | 22.2 | 76% | FY25 | 18.0 | 24.3 | 74% | | |
| Year | Grey Cement Sales Volume (MT) | Grey Cement Capacity (MT) | Utilisation (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY20 | 8.4 | 14.0 | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY21 | 10.3 | 14.7 | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY22 | 12.1 | 14.7 | 82% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY23 | 14.2 | 20.7 | 68% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY24 | 16.9 | 22.2 | 76% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY25 | 18.0 | 24.3 | 74% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Healthy Cash Flows from Operations | <ul style="list-style-type: none">JK Cement’s operating cash flows have shown consistent strength, with OCF rising to Rs. 1,939 crores in FY25 (vs Rs. 1,959 crores in FY24), supported by improved profitability, strong cost controls, and high-capacity utilization. <table><thead><tr><th>Cash flows</th><th>FY21</th><th>FY22</th><th>FY23</th><th>FY24</th><th>FY25E</th></tr></thead><tbody><tr><td>Operating Cash flows</td><td>15,935</td><td>8,785</td><td>13,771</td><td>19,591</td><td>19,394</td></tr><tr><td>Capex</td><td>7,590</td><td>15,275</td><td>16,032</td><td>11,675</td><td>16,983</td></tr><tr><td>Free Cash flows</td><td>8,345</td><td>(6,490)</td><td>(2,261)</td><td>7,916</td><td>2,411</td></tr><tr><td>Debt/equity</td><td>1.0</td><td>1.0</td><td>1.1</td><td>1.0</td><td>1.0</td></tr></tbody></table> | Cash flows | FY21 | FY22 | FY23 | FY24 | FY25E | Operating Cash flows | 15,935 | 8,785 | 13,771 | 19,591 | 19,394 | Capex | 7,590 | 15,275 | 16,032 | 11,675 | 16,983 | Free Cash flows | 8,345 | (6,490) | (2,261) | 7,916 | 2,411 | Debt/equity | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 |
| Cash flows | FY21 | FY22 | FY23 | FY24 | FY25E | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Cash flows | 15,935 | 8,785 | 13,771 | 19,591 | 19,394 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capex | 7,590 | 15,275 | 16,032 | 11,675 | 16,983 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Free Cash flows | 8,345 | (6,490) | (2,261) | 7,916 | 2,411 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt/equity | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | |

V. MAGEMENT OUTLOOK

- As per the FY25 Annual Report, the company is on track to reach 30 MTPA capacity by FY26 and has guided to reach 50 MTPA by FY30, with an annual capex of ~Rs. 2,000 crores.
- The management has guided that JKMaxx Paints targets Rs. ~400 - 450 crore revenue in FY26, with the Paint division aiming for EBITDA breakeven by FY27.
- JK Cement agreed to acquire a 60% stake in Saifco Cements, becoming the first major player to enter Srinagar with an integrated unit (0.26 MTPA clinker, 0.42 MTPA grinding) to boost regional economic growth.

VI. VALUATION



Source: Ace Equity

VII. KEY MONITERABLES

- JK Cement aims to maintain strong EBITDA/ton above Rs. 1,087 in FY26 and maintain its annual capex close to Rs.2,000 crore for 50 MTPA capacity expansion, while maintaining a healthy debt-to-equity ratio ~0.97.
- The company targets Rs. 40 - 50/ton cost savings in FY26, while it aims to increase green power share to 60% by FY26 and 75% by FY30 and achieve a 35% thermal substitution rate by FY30.

VIII. FINANCIAL SUMMARY

| Particulars (Rs.mn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | (FY22-25) 3Y CAGR |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| PROFIT & LOSS | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | |
| Sales volume (MT) | 9.77 | 11.64 | 13.90 | 16.18 | 19.05 | 20.22 | 13% |
| Realisation - Rs./ton | 5,863 | 5,675 | 5,749 | 6,000 | 6,068 | 5,875 | 1% |
| Net Sales | 58,016 | 66,061 | 79,908 | 97,080 | 1,15,560 | 1,18,792 | 14% |
| YoY | 10.3% | 13.9% | 21.0% | 21.5% | 19.0% | 2.8% | |
| EBITDA | 12,134 | 15,387 | 14,824 | 13,020 | 20,598 | 20,271 | 11% |
| Margin % | 20.9% | 23.3% | 18.6% | 13.4% | 17.8% | 17.1% | |
| Unitary EBITDA - Rs./ton | 1,234 | 1,322 | 1,066 | 805 | 1,082 | 1,003 | -2% |
| Consolidated PAT | 4,964 | 7,017 | 6,716 | 4,190 | 7,908 | 8,611 | 9% |
| YoY | 83.6% | 41.3% | -4.3% | -37.6% | 88.7% | 8.9% | |
| EPS diluted (Rs) | 64.2 | 90.8 | 86.9 | 54.2 | 102.3 | 111.4 | 9% |
| Balance Sheet | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | 3Y CAGR |
| Networth | 30,074 | 36,126 | 41,772 | 45,083 | 53,671 | 60,890 | 13% |
| Net Debt | 26,495 | 24,985 | 37,849 | 42,832 | 43,612 | 45,259 | |
| Cash and bank Balances | 6,345 | 11,175 | 2,939 | 7,119 | 8,800 | 13,697 | |
| RATIOS | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | 3Y Avg |
| Debt/equity | 1.1 | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 |
| ROCE % | 16.9% | 19.8% | 16.6% | 10.6% | 16.2% | 14.2% | 14% |
| ROE % | 17.0% | 21.3% | 17.4% | 9.6% | 16.0% | 15.2% | 14% |
| Cash flows | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | |
| Operating Cash flows | 9,289 | 15,935 | 8,785 | 13,771 | 19,591 | 19,394 | |
| Capex | 12,635 | 7,590 | 15,275 | 16,032 | 11,675 | 16,983 | |
| Free Cash flows | (3,347) | 8,345 | (6,490) | (2,261) | 7,916 | 2,411 | |

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|--------------------------|--|
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SEBI Registration No.: INA000003874 | Type of Registration – Non-Individual | Validity: Dec 08, 2015 - Perpetual | BSE Enlistment No. 1816

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