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22nd May 2026

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| <p>1 BSE Ltd.
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Security Code No. 500380
Through: BSE Listing Centre</p> | <p>2 National Stock Exchange of India Ltd.
“Exchange Plaza”
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051
Symbol: JKLAKSHMI, Series : EQ
Through: NEAPS</p> |
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Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital on 21st May 2026 at 4:00 P.M. IST

In continuation of our letters dated 13th May 2026 and 21st May 2026 on the above subject, attached herewith the transcript/minutes of the aforesaid conference call. This is for your information and record.

Thanking you and assuring you our best co-operation at all times.

Yours faithfully,
For JK Lakshmi Cement Limited

(Amit Chaurasia)
Company Secretary

Encl: a.a.





“JK Lakshmi Cement Limited
Q4 & FY26 Earnings Conference Call”
May 21, 2026



**MANAGEMENT: MR. ARUN SHUKLA – PRESIDENT AND DIRECTOR – JK
LAKSHMI CEMENT LIMITED
MR. SUDHIR BIDKAR – EXECUTIVE DIRECTOR,
CORPORATE AFFAIRS AND CHIEF FINANCIAL OFFICER
– JK LAKSHMI CEMENT LIMITED**

**MODERATOR: MR. VAIBHAV AGARWAL – PHILLIPCAPITAL INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the JK Lakshmi Cement Earnings Conference Call for the Quarter and Year Ended 31st March 2026, hosted by PhillipCapital India Private Limited.

As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital India Private Limited for opening remarks. Thank you, and over to you.

Vaibhav Agarwal: Thank you, Ryan, and good evening, everyone. On behalf of PhillipCapital India Private Limited, we welcome you to the Q4 and FY26 call of JK Lakshmi Cement Limited. On the call from JK Lakshmi Cement, we have with us Mr. Arun Shukla, President and Director; and Mr. Sudhir Bidkar, Executive Director, Corporate Affairs and CFO of the company.

I would like to mention on behalf of JK Lakshmi Cement Limited and its management that certain statements that may be made or discussed on this conference call may be forward-looking statements based on current management expectations and also something that relates to future expected business developments by JK Lakshmi Cement management. Such statements are subject to a number of risks, uncertainties and other important factors, which may cause the actual developments and results to differ materially from any management projections made on this call.

JK Lakshmi Cement Limited and the management of the company assumes no obligation to publicly update or alter these forward-looking statements, whether as a result of any new business development, information or future event or otherwise. Also, participants can download a copy of JK Lakshmi's Q4 and FY26 results presentation from the company website or stock exchange websites.

I will now hand over the floor to management of JK Lakshmi Cement for their opening remarks, which will be thereafter followed by an interactive Q&A. Thank you, and over to you, sir.

Arun Shukla: Yes. Thanks, Vaibhav. Good afternoon to everyone. And I have some little sore throat, so forgive me for some disturbance in my voice today. But anyway, I'll just start. I'll give you a brief update for the quarter and the whole year, how it looks for us and for our industry. And since we have already uploaded this quarter 4 performance, we'll have question and answers thereafter that.

During the financial year 2025-'26, pan-India cement demand grew by about 7% to reach to about 480 million tons, estimated 480 million tons. This is an improvement over 5% Y-o-Y demand growth recorded in 2024-'25. Overall quarter 4 FY26 demand growth is estimated at about 6% to 6.5%, volume about 17% quarter-over-quarter driven by broad-based traction. Cement demand remained strong during December '25 till about February 2026, 8% to 10%

growth, but moderated during March, which is estimated at around 5% due to weak sentiment amid Middle East conflict.

Supply side witnessed highest ever annual capacity addition of 64 million tons. The national effective installed capacity reaching now to 712 million tons at the end of March 2026. The highest capacity was added in the East, followed by North, South and Central India. West added the lowest capacity during the financial year. This led to an adverse impact on the overall demand-supply situation with pan-India capacity utilization estimated to be at around 69% and marginally lower than previous year.

On pricing side, cement prices witnessed partial recovery, recovering particularly in non-trade segment during quarter 4 FY25-'26. On a quarter-over-quarter basis after slipping beyond GST pass-through level in the preceding quarter, which is around 22nd September 2025. Substantial capacity addition during the financial year '25-'26 and intense competition restricted meaningful price hikes. Fuel costs surged sharply because of the geopolitical situation, pet coke prices up by about 40% quarter-over-quarter to about \$160 per ton level, and that is again quite fluctuating.

Global coal prices also went up by about 30% quarter-over-quarter. Operating costs likely to decline in the last quarter for the entire industry due to operating leverage and stable freight and input costs. Limited price hike constrained marginal expansion despite cost efficiencies.

Now on outlook part of it, what we see volume growth during FY25-'26 was driven by, of course, housing demand, infrastructure and is likely to remain in the range of about 5.5% to 6% or 6.5%, this is what our estimation is. Cement demand outlook suggests slowdown with pricing power staying weak despite sector consolidation.

Energy costs are expected to rise by about at least INR300 and packaging cost about INR80 to INR100 per ton, and that is going to impact maybe in coming quarters because of this geopolitical situation. If the Middle East conflict is sustained for a longer period of time, then operational expenditure may go up even more than that.

Capacity addition may slow down. This is what we see in the backdrop of West Asia crisis. Industry to continue on efficiency improvement trajectory, coupled with go green focus. Sustainability agenda in focus with key initiatives spanning renewable energy, scale up, thermal substitution, emission reduction and EV deployment is talk of the day. AI and digital deployment is also emerging as a key lever of productivity and efficiency improvement. Overall, we see that FY26-'27 cement demand is going likely to grow at about 6% or so.

So, this is just a brief top line of the industry for the whole year and quarter, and this is what we think as of today. Now since we have already uploaded our results that is there with you, now we can have questions and answers over that. Thank you so much.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Sanjeev Kumar Singh from Motilal Oswal Financial Services Limited.

Sanjeev Kumar Singh: Two questions. You spoke about grinding capacity addition in FY26. So, what is the clinker capacity addition in your view? And going forward in FY27-'28, what sort of capacity addition are we foreseeing?

Arun Shukla: So '26-'27 estimated to be about -- again, our estimation is about around 45 million to 50 million tons, right? Last year, it was about 64 million tons. And this is the cement capacity. Now we have to apply that clinker factor, whatever clinker factor is there on an all-India basis, which is maybe about 1.6 or so...

Sanjeev Kumar Singh: [Inaudible 0:07:54] having about INR300 kind of a cost increase. So, my view is that we will see INR150, INR160 in 1Q and then rest will be in 2Q. So, what sort of price increases have we taken -- has the industry taken so far? And also, is there any pressure on demand which has been seen in the months of April and May?

Arun Shukla: April demand was better. May when we started, there was sluggishness and because of the reason because typically, wherever we operate, I think labourers had gone to their respective places for election. Now there was some delay on account of they are coming back. So that impacted demand to an extent initially. But I see a little better demand 15th May onwards.

So, April was better. May initially, it was sluggish because of combination of reasons. And of course, I think there was a big uncertainty around this geopolitical conflict also and that has got rubbed on the cement industry as well. But May 15 onwards, I see a little bit green shoots in demand in the month of May.

Sanjeev Kumar Singh: And anything on price increases, sir?

Arun Shukla: So, price increase, as I mentioned initially that there was some price increase in non-trade segment in various areas. There is a bit of trade price increase also. But as I said that those price increases are not at all kind of [inaudible 0:09:32] with the cost increase which we are foreseeing.

Sanjeev Kumar Singh: Okay, sir. Thank you.

Arun Shukla: Thank you.

Moderator: Thank you. We take the next question from the line of Omkar Rane from Emkay Global Financial Services. Please go ahead.

Harsh: Yes. Good evening. This is Harsh here. So, my first question [inaudible 0:10:02]. Last quarter, you said that the realization fell 10% sequentially due to the adverse product mix and the ramp-up of the Surat plant. So, this quarter -- hello?

Arun Shukla: Yes, go ahead.

Harsh: Yes, yes. So, this quarter, sir, there was -- in quarter 4, there was a good kind of ramp-up in or healthy pricing in the non-trade particularly, and we maintained kind of 42% share in the non-

trade segment. Sir, why was our realization just 1% growth, why not higher? This is my first question.

Arun Shukla: So, I just tell you again, [our estimates 0:10:47]. There are different level of price increases in different parts of India, right. And perhaps our geography, the price increase was a little lower than other zones. And particularly, I'm talking of this. East also, we have a limited presence in Chhattisgarh, which is perhaps the least price zone in entire East.

And in western part of India, Gujarat, I think initially, I think there were no price increases, but I think I see a little bit of improvement in demand and prices are also going up now. So, I think our footprint wherever we operate, like North, West and a very small part of East, the meaningful price increase was not there. And that is why our price or NSR increase is about around [inaudible 0:11:42]. So, this is just based on the geo footprint which we have, which is a little different than those players who are there in different, you know.

Harsh: Yes, yes. Got it. My second question then is on the AMDCL, cancellation of our AMDCL contract. We have reported INR130 crores in other noncurrent assets. Just wanted to know, sir, what is the surety or the certainty of receipt of this or recovery of this cash in July, basically, whenever there is a hearing in the High Court. How sure are you?

Sudhir Bidkar: We'll not get -- we are not saying that it will come in July. We are saying that the next hearing is in July.

Harsh: Okay.

Sudhir Bidkar: [Inaudible 0:12:32] today. I don't know when it will come, but we are sure it will. That's why we are sure it is recoverable.

Harsh: Last question, sir, what would be the [clinker 0:12:44] production in FY26 and CC ratio?

Arun Shukla: Clinker production, right?

Harsh: Clinker production, yes.

Arun Shukla: 92.26 lakhs ton.

Harsh: Sorry, sir, you are not audible. Can you repeat?

Arun Shukla: 92.26 lakh tons.

Harsh: Okay, okay. Thank you, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Shashank Goel from Vyomara. Please go ahead.

Shashank Goel: Thank you so much, sir. I've got two questions. My first question is after the Durg expansion, what is the next project we are looking to take up?

- Arun Shukla:** Come again? I didn't -- once again, come again?
- Arun Shukla:** After the Durg expansion?
- Shashank Goel:** Yes. So, after the Durg expansion.
- Arun Shukla:** [Inaudible 0:13:46].
- Shashank Goel:** Sorry sir, your voice is lagging sir.
- Arun Shukla:** So, we are going to take Assam project after East expansion.
- Shashank Goel:** And my second question is are we on track to achieve the 30MT guidance by 2030? And will we be adding 9MT of capacity over FY '27-'30 after the Durg project?
- Arun Shukla:** So, we are reasonably confident that we'll achieve 30 million ton by 2030. And our ongoing projects in East, they are well on track, right. So, we are confident that we are going to achieve that.
- Shashank Goel:** Like both the links 30MT and 9MT addition?
- Arun Shukla:** No, no. Your voice is not clear.
- Shashank Goel:** Actually, I was asking that will adding 9MT of capacity over FY '27-'30, after the Durg project?
- Arun Shukla:** Sorry, your voice is not so clear.
- Shashank Goel:** Hello, am I audible?
- Moderator:** Shashank, if you could please use your handset and ask a question.
- Shashank Goel:** Got it, sir. Hello?
- Arun Shukla:** Yes, yes. Go ahead.
- Shashank Goel:** So, will we be adding 9MT of capacity over FY '27-'30 after the Durg project?
- Arun Shukla:** Yes, after Durg projects only, yes.
- Shashank Goel:** Yes. Okay, okay. Thank you. That's all. Thank you so much.
- Arun Shukla:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Dhruv Sitlani from Everflow Partners. Please go ahead.
- Dhruv Sitlani:** Thank you for the opportunity and congratulations on the good set of numbers. So, I have a couple of questions. So, my first question is that in the Q4, as one of the participants

mentioned that company derecognized some crores of investment in Assam following the cancellation of the mining development agreement. Given that the limestone mine was the foundation of the Assam greenfield plant and can the management clarify on this?

And also, is the Assam integrated plant still viable? Are you actively pursuing an alternative limestone source or has the plan been revised to a grinding unit and that would source clinker externally? And what does this mean for the FY29, 2030 timeline and the earlier indicated 2 to 2.5 MTPA capacity target?

Sudhir Bidkar: You see this earlier, the AMDCL had granted that MDO contract to the consortium, which was cancelled subsequently. But out of the 3 mines, we were able to get 2 mines under the auction route in JK Lakshmi. So based on these 2 mines, which have reserves of about 250 million tons, we are pursuing our Northeast foray, so which will come after the **[inaudible 0:16:45]**.

Dhruv Sitlani: Okay. That is really helpful. My second question is that our ramp-up on utilization from our new capacities in Surat has been quite slow. What have been the factors for it? And by when do we expect utilization to reach regional averages?

Arun Shukla: Surat ramp-up is well on track. In fact, we commissioned on around end of September 22nd September 2025. And we are utilizing capacity more than 60% already. So, we are well ahead of ramp-up plan of about 18 to 24 months. So probably, I think we'll reach even higher capacity this year, maybe 70% plus.

Dhruv Sitlani: Okay, sir. Thank you. That was all from my side.

Arun Shukla: Thank you.

Moderator: Thank you. We take the next question from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Yes. Good evening, sir. My question is on your capex. So last 2 years, the capex has been INR650 crores to INR700 crores with the large project commissioning with INR4,000 crores kind of capex in -- for the ongoing East expansion. How do you look at capex for FY27 and FY28?

Sudhir Bidkar: This next 2 years will be quite high capex. We expect total capex in FY27 to be around INR1,500 crores to INR1,700 crores and close to INR2,000 crores in the next year when we would be also taking up the -- we have already started, but it will ramp up the land acquisition and the project in Kutch and Nagaur.

Prateek Kumar: And timelines of East expansion, can you revisit that again?

Sudhir Bidkar: We are expecting the Durg first to come by FY28 towards the end of that year, FY28. And one year later, the Northeast project should also be there and followed by the greenfield there thereafter.

Prateek Kumar: Sorry, Durg clinker by FY28 and the supporting 3 grinding units by what time?

- Sudhir Bidkar:** This is Durg including the grinding units.
- Prateek Kumar:** Okay. So Durg plus grinding units by FY28 end and FY29, we commission Northeast clinker?
- Sudhir Bidkar:** Yes, clinker and the grinding together.
- Prateek Kumar:** It is 1 million ton each, right?
- Sudhir Bidkar:** Yes, we have not firmed up the size, but we'll do that, maybe around slightly higher than 1.5. And thereafter, the Kutch and Nagaur in that order. Kutch should come earlier than Nagaur. Because Nagaur, there are issues in the land acquisition that is taking time. So, Kutch will get the priority that will come ahead of Nagaur.
- Arun Shukla:** And in Nagaur, in fact, additional issue is of Aravalli is more. So, until unless that Supreme Court decision comes, I think that is why there is some delay on Nagaur part of it. But Kutch is going to be even before.
- Prateek Kumar:** Kutch and Nagaur is a FY30 onwards capacities, right, '30 to '35.
- Arun Shukla:** No, no. by FY30.
- Sudhir Bidkar:** Kutch is for sure FY30.
- Prateek Kumar:** Sure. Another question on, like, so you exited this year -- so last year, 2 years, you exited EBITDA per ton at like close to INR1,000. This year, we have exited at like INR730-odd in terms of quarterly EBITDA per ton with additional cost pressures, which are very severe and price increase have not happened. So how are you looking at the profitability for the full year versus like erstwhile targets of INR1,000 per ton, which we were used to discuss earlier?
- Arun Shukla:** INR1,000 per ton is, of course, the anchor. But if you really look at cement EBITDA for even other leaders also, that has also gone down, right. So definitely, I think our ambition is to reach to INR1,000 EBITDA. But definitely, we have been bridging our gap up with leaders in the last couple of years, and that journey is continuing. And for that, we are taking a lot of measures which are internally controlled.
- So, I think I have said all those levers even before. Major levers are, of course, I think, on top line part of it, I think last year, if you see our volume growth and even premium product, that has been at a good level. Despite volume growth, I think we are at -- our volume growth in premium product is also good. We are working on logistics. We are extremely focused on now renewable energy. We have closed at 46% of renewable energy. We do have plan to go even beyond. So that is another lever.
- Then, digital is also being deployed in our manufacturing units, particularly in pyro-process and grinding units. There, we are deploying digital AI/ML capabilities, enabling them, operations to have AI/ML deployment, which is going to help us to improve efficiency and reduce cost. So, all those actions are already there, and we are relentlessly working on that. So that remains, that at all, we have not deterred from that.

And whatever bridging of the gap, which we have been able to do in the last couple of years, majorly goes to all those internal actions and efficiency levers we have worked upon. So that is going to continue in coming months and coming years also. But you definitely are going to see that our gap is going to further reduce with leaders in this FY27. And I'm sure that it is going to reduce at least by another INR50 to INR75 for sure.

Prateek Kumar: But some of your industry peers have reported like INR1,150, INR1,250, INR1,000 like which peers are we comparing to like because the gap seems very high this quarter versus last quarter.

Arun Shukla: We are looking at grey cement EBITDA because some other cement manufacturers, they do have portfolio of other businesses also within that, right. But if we compare ourselves with grey EBITDA, then we are very much there. And I'm sure that all of you must be doing that calculation as well. okay. And I'm in touch with some of you, and we do get that analysis done externally also. And if you look at that figure, then we are very much there that within our radar.

And that gives us confidence that we are in the right direction and that gap is going to get reduced even further. So just compare grey cement versus grey cement because we do not have other than grey cement as of now. Another thing, I think incentive also, we only kind of factor when we realize that. We do not take incentive on accrual basis. So that is also one of the differentiators.

Moderator: We take the next question from the line of Rajesh Ravi from HDFC Securities.

Rajesh Ravi: Sir, my first question was a housekeeping one. Could you share the non-cement revenue and the RMC revenue for this quarter?

Arun Shukla: Yes, sir, very much.

Rajesh Ravi: Non-cement revenue INR169 crores.

Arun Shukla: Okay. And RMC revenues.

Sudhir Bidkar: Sorry? INR82 crores.

Rajesh Ravi: INR82 crores, okay. Now coming to the capex plan, which you outlined, INR1,500 crores to INR1,700 crores this year and INR2,000 crores-odd for next year. If I do the calculation based on the cost pressure on all the industry is reading through, I see your net debt increasing by at least INR1,500 crores over the next 2 years. So, from -- over the next 2 years. So that would shoot up your net debt level significantly. So how do you plan to manage that?

And second question, you have one of the -- you are among the lowest cost quartile operating cost level. I believe if I do a line by line matching your numbers with UltraTech, you're better off in terms of your fuel cost, you have a higher share of green power, your logistics costs and

distances are similar. Your overall cost is comparable to Ultratech operating cost. But the margin is different and obviously, the difference is on the realization.

Even trade mix, both the companies are -- you are slightly off versus their numbers in terms of trade. So, what we understand is there is a sharp gap of INR400 to INR500. And that is what is -- where I'm coming from that you may have limited headroom available on your costing front to squeeze your cost further. So what efforts are we doing to increase our price premium or price positioning, whereby the margins can sustainably move north of INR700, INR800...?

Arun Shukla: [inaudible 0:27:04].

Rajesh Ravi: We can't hear anything sir.

Arun Shukla: Am I audible I think there is some disturbance.

Rajesh Ravi: Yes, now you are audible sir. Please tell me.

Arun Shukla: Rajesh, as I mentioned before, I think this is one of the focus area for us, how we are going to [inaudible 0:27:30] our product at pricing level to our competitors in the market. This has been an area and we have worked on that for the last maybe a year or so. Are we further going to work on improving our price?

And for that, we do have a plan of placing a different brand also in the market. For instance, we have rejuvenated our legacy brand, launched Green+. That was the whole idea to improve our [inaudible 0:28:02] in the market to improve upon that. And over and above now we do have ambition of -- we have already launched LC3, what we call in Lime Calcined Clay Cement.

How we are going to ramp that customer that is also a plan for us which is not only a green cement, but this is as good as ordinary portland [inaudible 0:28:35] durable. So, we are working on that as well as to how we are going to get better volume from LC3 at the right price. So, the strategy there, Rajesh, is right product, right price and right market. I do feel that we have headroom there to further improve.

Rajesh Ravi: And on the net debt, sir, given the large capex we are planning for next 2 years?

Sudhir Bidkar: Yes, this will peak out. You're right that there will be an almost INR10 crores. But once the EBITDA from -- because that is before the additional EBITDA from the Durg expansion, moment that closes that will back to the normative level.

Rajesh Ravi: Okay. And sir, just on the -- when you mentioned the clinker volume, if I put, we see the clinker utilization in FY26 is close to 93%. So, for next 2 years, given that your Durg expansion will be back ended in FY28 end. So, for next 2 years, are we looking at sub 3%, 4% volume CAGR I'm talking. So, if you deliver 5%, 6% volume growth this year, chances of a flattish volume offtake we expect in FY28?

- Arun Shukla:** So, we are going to grow higher than the industry in FY27 as well. And there are number of reasons for that. One, as I said that we have reached about 60% plus capacity utilization in Surat, which we are going to ramp up one. Second, Udaipur that capacity utilization, we need to take it up, second and third we have that headroom in Cuttack as well. So, these are the areas or the plants where we do have that headroom to grow this year at least higher than industry.
- Rajesh Ravi:** So are you looking to purchase clinker externally, sir, because at 93% utilization, suppose we expect the industry to grow at 7%, 8%. Would we have enough clinker to support that growth?
- Arun Shukla:** I think we do have enough clinker with us [inaudible 0:30:47]
- Moderator:** Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Thank you. Ladies and gentlemen, we have the management line reconnected. Rajesh, if you could please repeat your question for the management.
- Rajesh Ravi:** Yes. So same question sir, in terms of clinker availability given that we are already operating at 93% utilization. And given if the industry grows at say, 7% odd and if we are targeting, say, 10% growth, how would that be achieved?
- Arun Shukla:** Yes. So, with -- even if we take, let's say, current product mix which we have, Rajesh, we'll go beyond 14 million ton, around 14.2 million ton with the same level of capacity utilization of clinker. If I improve blended cement ratio, which was 62% last year, if I take to 65% and 94% of clinker utilization to about around, let's say, 97%, 98%. And the clinker which we have sold last year, close to about 6 tons, 7 lakh tons, 7.5 lakh tons then we do have that enough capacity to grow at that rate. So, three, four things. One, improvement in blended ratio second.
- Rajesh Ravi:** Your voice is breaking again.
- Arun Shukla:** Sorry I think there is some. Am I audible?
- Rajesh Ravi:** Yes, you are audible but in between it start breaking up.
- Arun Shukla:** Yes. Sorry for that. So, these are the three things. Blended ratio further improving clinker utilization, 94% to, let's say, 97%, 98% and the clinker, which we have sold last year about 7.5 lakh tons that we don't. Then we are there. We are there. We have calculated and we are there to grow at that rate.
- Rajesh Ravi:** Yes. And lastly, if you could share just the Q4 clinker volumes?
- Arun Shukla:** Yes. Just Clinker production was 24.72 lakh tons.
- Rajesh Kumar Ravi:** No, clinker sale in this quarter?
- Arun Shukla:** 2.2 lakh tons.

- Rajesh Ravi:** 2.2 lakh tons, okay. That's all from my end. I will come back in queue. Thank you. All the best.
- Arun Shukla:** Sir if you have any question, you can come back even after. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Pradeep Kumar from Mittal Consultant. Please go ahead.
- Pradeep Kumar:** Thank you very much. My question is on the NECEM acquisition update after acquiring about 80% of the share off market. What is the latest status of the liability settlement? Has the liabilities been settled and the promoters got paid?
- Sudhir Bidkar:** Can you repeat your question. I am not clear please. Your voice is very feeble.
- Pradeep Kumar:** My question is on the latest update on the NECEM acquisition in Northeast, where the transaction was supposed to be closed by the end of March, where 80% of the shares were acquired off market. What is the latest on the settlement of a NECEM liability and the payment to the promoter?
- Sudhir Bidkar:** Yes. You see this transaction was consummated at a total consideration, as we mentioned, of about INR19 crores and takeover of certain past liabilities. Now those past liabilities have been settled in the month of March at a figure of around INR12.5 crores. That is first part. Second, regarding out of INR19 crores, which was the consideration broken up into two, three parts.
- We have paid about INR1.5 crores towards the acquisition of shares. The other part, which is the non-compete fees of about INR10 crores gets paid after the entire transaction gets consummated. And additional about INR7.5 crores is required to be inducted as capital into the company, out of which we have done about INR3.5 crores. So, we are hopeful that this transaction will in entirety gets completed in this quarter only. But most important was the settlement of the liabilities which were taken over, that has been settled at INR12.5 crores in the month of March.
- Pradeep Kumar:** Thank you very much. That's it.
- Moderator:** Thank you. We take the next question from the line of Nilesh Sharma from Anantnath Skycon Private Limited. Please go ahead.
- Nilesh Sharma:** Thank you so much. I just wanted to understand what is the current operational capacity as of now? And for this financial year, how much capacity we can expect that will be operationalized?
- Arun Shukla:** We have current capacity of about 18 million tons, right. And last year, capacity utilization was 73%, okay. And as I said before, in the month of September, we added 1.35 million tons. So that is why the full year capacity last year was only 17.7 million tons. This is what the totals are.
- Nilesh Sharma:** Any capacity that we are going to add in this financial year as well?

Arun Shukla: This financial year, no [inaudible 0:37:24] addition, and that is what earlier speaker asked about was growth. So, I explained him, to have focus that on improvement which we have in our hand. This year, we do not have any capacity.

Nilesh Sharma: Okay. And sir, how much EBITDA per ton we are expecting in this year considering all the effect of the war prices and all?

Arun Shukla: I think quite uncertain. I think maybe next quarter, I'll update you. Just give me another quarter because I think that depends on a lot of external environment, which is beyond our control. But definitely, I think we'll do better than industry in terms of all parameters that we are confident about.

Nilesh Sharma: Okay. And although you have given the answer that you are still targeting 30 million for 2030. Is it right or we are planning to increase this target or reduce it?

Arun Shukla: We are on course.

Nilesh Sharma: Thank you, sir.

Moderator: Thank you. We take the next question from the line of Akshay Shetty from Mirae Asset Sharekhan. Please go ahead.

Akshay Shetty: Good evening, sir. Thank you for taking my question. I wanted to know, given the elevated fuel cost and rupee depreciation, how do you see input cost trending over the coming quarters? And what could be the impact on margins? Also, would the recent price hikes be sufficient to offset this cost pressure? And also additionally, what demand trends have you observed in April and May across your key markets?

Arun Shukla: Yes. So, I'll just answer one by one because you combine 2, 3 questions together. So first, on cost part of it, just to let you know that we were dependent on imported coal and pet coke from outside in North part of India. East, I think we do have fuel, which is indigenous. So East, we do not have much of an impact, except in maybe your explosive cost, bag cost that has gone up.

But North part also, we have done quite a bit to, kind of, contain the cost increase by changing the fuel mix. So, we are kind of changing the proportion of pet coke versus coal in our Northern plant also. So that way, we are going to mitigate the cost increase to an extent, which is coming on account of imported coal and pet coke.

So that is one thing which we are doing. So even if that impact is going to be higher, we'll try to mitigate it to an extent by changing the fuel mix in our Northern plant, right. If you look at last quarter, we had this fuel cost of about 1.58 -- 1.54, right. So, I think this will definitely go up despite our effort to kind of change the fuel mix. This is one of the mitigating measures we are taking just to preserve our margin to an extent.

And second also, you asked about our core markets. So, I think overall, India, you see a growth of about estimated growth of 6%. Our markets are also going to grow in the similar line. Maybe I think geographical here and there, some percentage here and there would be there. But as I said before, we'll grow at a higher rate than industry, which is estimated to be growing at 6%, right.

So just to summarize your answers, one action is to mitigate the cost increase to an extent by changing the fuel mix. Second, of course, I think working on some of the levers to further mitigate that impact and typically on top line by, which I mentioned, blended cement, maybe trade percentage, working right product, right market, right price. So those things we are going to take. And on growth part of it, definitely, I think we'll grow similar line and even a shade better than industry.

Akshay Shetty: Yes. Thank you, that was very useful.

Arun Shukla: Thank you.

Moderator: Thank you. We take the next question from the line of Parth Bhavsar from Investec. Please go ahead.

Parth Bhavsar: I have a couple of questions on cost. So, sir, you guided for a INR300 per ton sort of per ton number increase on energy cost and INR80 per ton due to packaging. So, what sort of number will we see in Q1? Will the hit be entirely in Q1? And how much can we mitigate through our cost measures?

Arun Shukla: So, what I see maybe the INR300 impact would come somewhere around quarter 2. But this quarter, definitely, I see somewhere around maybe INR100 to INR120 or INR130 a ton.

Parth Bhavsar: Versus the INR400 per ton that we are guiding, including packaging and energy, right?

Arun Shukla: Yes.

Parth Bhavsar: Okay. And sir, like how much like of this -- so again, like INR120 per ton sort of a number, we are seeing a dent in Q1. So, to mitigate that, what sort of price increases has the market absorbed till now?

Arun Shukla: As I said before, non-trade prices have gone up in various markets. Trade prices are also inching up, but not to that extent. Once now demand I see is getting better. As I said that May beginning was a bit sluggish. I see a little better demand in latter part of May. And probably now since demand is improving, prices also will inch up even in trade segment also.

So, trade, non-trade prices also will go up. And I'm confident that we'll be able to kind of -- since demand will support, we'll be able to recover or pass on majority of the cost increase which we are going to have. This is what I kind of foresee as of today. But that depends on a lot of external factors, right, how demand behaves and how competitive intensity is. So that depends on a lot of things. But this is what my fair estimation is.

- Parth Bhavsar:** And sir, what would be our blended mix in Q4 and for FY '26?
- Arun Shukla:** Yes. So blended was 62%.
- Parth Bhavsar:** Okay. And for '26.
- Arun Shukla:** 62%.
- Parth Bhavsar:** Okay. Perfect those are my question. Thank you so much.
- Moderator** Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** I have a couple of questions. Just wanted a curiosity or maybe a request. Sir, do you have any kind of a problem with me because I feel or maybe the organizer not allowing or maybe allowing at the end of the call to ask the questions. And if you wish that I do, not ask the question, I don't mind. So just wanted to...
- Arun Shukla:** No, no, sir. Sorry, sir, if you are getting that impression. Please, I think ask as many questions you want, and I will invite you to come to my office. All else, I'll come to you and meet you sir.
- Shravan Shah:** I would love to meet you, sir.
- Arun Shukla:** Yes, please do that. Let's meet as early as possible. I -- because I get a lot of insights from you. That really helps me.
- Shravan Shah** Yes. A couple of questions. Most of things has been covered. Just continuing the previous participant's question. So broadly, to understand in Q1, if you see INR120, INR130 cost and maybe INR50, INR70, INR80, so maybe INR30, INR50 kind of -- and plus some operating deleverage. So maybe INR80 kind of EBITDA per ton reduction broadly at current level, that's the way one can look at?
- Arun Shukla:** So, Shravan ji, as I said, I think that depends on a lot of things. Maybe I think if demand supports, then I think we'll be able to recover full cost increase also. We are not too sure about it. Very difficult to really kind of give an estimation. But broadly, we think that, yes, we have not been able to, kind of, increase our prices to the extent cost has gone up. But if demand supports, then maybe I think we'll be able to recover also. So, we are not sure as of today. But what we are focused as of now at JK Lakshmi Cement is to work on all those things which we have control over and which I said a couple of things which we are working on.
- Like to mitigate the cost, Shravan, we are working on fuel mix in our North plant, right. We are working on further improving our renewable energy and improving TSR and all those low-cost fuel. So those actions we have already started taking. So, our focus is to really work on all those things which we can control. And let's see if things go all right, then maybe I think we'll be even better.

- Shravan Shah:** Got it. Got it. Sir, a couple of data points, non-cement margin would be for fourth quarter would be how much 4-odd percent?
- Arun Shukla:** 4%. You are right. You are absolutely right.
- Shravan Shah:** And AAC block revenue would be INR58 crores, INR60-odd crores for this quarter?
- Arun Shukla:** Shravan, you are absolutely on the dot INR59 crores.
- Shravan Shah:** Sir, just wanted to know this Durg INR3,000 crores capex that the total we have, out of that, how much we have already have done by FY '26 by March and how much already spent?
- Sudhir Bidkar:** We have done about close to about INR500 crores.
- Shravan Shah:** Okay. INR500 crores is done. And roughly, if you look at...
- Sudhir Bidkar:** Including the railway siding.
- Shravan Shah:** Yes, yes. So roughly now if we look at, obviously, we will still be finalizing in terms of the capacity for the Assam. So roughly, if I have to look at INR500 crores and for maybe by FY '29, now we are saying FY '30, obviously, the Nagaur will depend. But broadly, if I leave apart the Nagaur, how much we need to spend by FY '29, broader number, I just wanted to understand.
- Sudhir Bidkar:** Yes. As I mentioned in response to earlier question, FY '27, we are seeing about INR1,500 crores to INR1,700 crores of capex and then INR2,000 crores at least in FY '28 and maybe INR1,000 crores to INR1,500 crores in the FY '29.
- Shravan Shah:** Okay. Got it. And sir, just one thing, intangible assets, which was INR329-odd crores in FY25 and September and now it is just INR5-odd crores. So, any accounting adjustment or?
- Sudhir Bidkar:** Which asset you're talking of?
- Shravan Shah:** In balance sheet, intangible assets that we have, so that was, in consol balance sheet, it was INR329-odd crores was there, which is now is just a INR5-odd crores. So just wanted to know.
- Sudhir Bidkar:** Because you would have read in our note, we have, in the consol results, we have derecognized the mining rights because of the cancellation of the.
- Shravan Shah:** Okay. Okay.
- Sudhir Bidkar:** INR325 crores gets knocked off. That's how INR329 crores goes down to INR5 crores, right? That is appearing in the note.
- Shravan Shah:** Yes. Got it. And lastly, sir, 2 data points. The CC ratio for fourth quarter and power cost would be the similar 5.37 per kilowatt for fourth quarter?
- Arun Shukla:** Yes. CC ratio, Shravan, is 1.44. And what is the next question?

Shravan Shah: Power cost for fourth quarter, 5.37 was in third quarter?

Arun Shukla: 5.79.

Shravan Shah: 5.79. Okay got it, sir thank you and all the best.

Arun Shukla: Thank you Shravan. Thank you so much.

Moderator: Thank you. We take the last question from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hello am I audible?

Arun Shukla: Yes, yes. Yes Rajesh.

Rajesh Ravi: Yes. I think you mentioned for the Durg project, INR3,000 crores till FY26 end, we have incurred INR500 crores. Is this understanding, correct?

Sudhir Bidkar: Yes, yes.

Rajesh Ravi: Okay. And sir, how do you, if I just look at the Durg project capex, for next 2 years, how would that be phased out in terms of capex outgo?

Sudhir Bidkar: Total, as I mentioned, including the land acquisition and also the Northeast project together, we have talked of 15 to 17 in response to earlier question and 2,000 in FY28.

Rajesh Ravi: I just wanted to understand, even if you want to delay the Northeast project and prioritize the Durg project. So, in that way, in that case, how would the capex number would look like?

Sudhir Bidkar: We will not delay.

Rajesh Ravi: We will not be delaying. And sir, the Sirohi TSR project, by when is that expected?

Arun Shukla: TSR, I think Phase 1 is over. Phase 2, we have not yet taken up because the availability of alternate fuel is not that great around that plant. Yes. So right now, I think we just have Phase 1, we have completed. Phase 2 also, we are contemplating, but we have not yet finalized.

Rajesh Ravi: Okay. And the railway siding Durg second phase, is that work going on, on that?

Arun Shukla: I think we are dependent on a lot of other agencies like we have to put up one flyover and that passes through one PWD road. So that we have to really kind of get it done through them only. So, there is delay from their end. And another one is strengthening this existing track, which again with the Steel Authority of India Limited. So, once they are kind of ready, then I think that will get done. But nevertheless, I think our operation is going on full swing. There is no issue on that. So, once they are kind of ready with all those things, then we do that. So, there is no delay from our end.

Rajesh Ravi: Understood. And sir, this non-cement revenues, there were earlier targets of growing this at 20%, 30% CAGR. But last 2 years, we are seeing around 10% revenue CAGR. So, any thought on that, why we are not aggressive in this segment, the non-cement revenues?

Arun Shukla: Non-cement revenue you're talking, Rajesh?

Rajesh Ravi: Yes, non-cement revenue, sir.

Arun Shukla: I think we are going as per plan. And yes, I think ready-mix plant, which we wanted to set up, I think we are a little behind our projection. But in AAC block area, I think we are kind of as per the plan, we are growing. In other products like clustering solution, tile adhesive, we are growing well, I think, and high margin. And though I think revenue-wise, you will not find that much, but I think that gives a decent margin. So there, I think we are as per plan only.

Ready-mix has not grown as per the plan. And the reason was also because we want to grow in the area where we have our cement footprint. And the fact ready-mix, you have got margins also on lower side. So, we focus on other than RMC so that we get better margin, though I think revenue-wise, we are a little lower. So that was a very conscious and deliberate call.

Rajesh Ravi: Understood. And sir, lastly, when you talked about the quarterly Q1 outlook, and you said that April was good, May started off on a weak note. So overall for the quarter, what sort of growth you're looking at sub 5% given that the market has been subdued. And the cost pressure, you're looking at close to INR150 in Q1, Q-on-Q and around INR50 to INR70 cost pass-through has happened. Is this understanding, correct?

Arun Shukla: So, growth-wise, Rajesh, I think, though I think, May initial was a little sluggish. But overall, I think April, June is going to be better and will grow in alignment with the projections. So, I don't see it's going to be an issue in terms of growth, right. INR120, INR130 a ton. So that impact will come in this quarter. But next quarter, I think impact is going to be even bigger. And the whole idea is if demand picks up, then perhaps. I think we'll try to recover this from the market.

And I suppose that now demand is a little looking up going forward. But I think you do have other challenges also because of petrol and diesel hike. That is another element which is coming into force. And that is going to impact our logistics cost, because in the last maybe a week or so, you have already seen that about INR4 per litre increase, right.

And that to about, let's say, INR15 to INR16 a ton, if you really. So, I think let's see, let's wait for some time because cost and the other external scenario is so volatile, it's very difficult to really kind of calculate as to what is going to happen and how much we will be able to pass on.

Rajesh Ravi: No, I just want to be checking these 2 months, April, May, have you been able to effectively pass on the cost increases or that have been suboptimal?

Arun Shukla: April, I think thanks to our inventory also, at least we have been able to do that in April.

- Rajesh Ravi:** Understood sir. That's all from my end. All the best sir. Thank you.
- Arun Shukla:** Thank you so much.
- Moderator:** With that, we conclude the question-and-answer session. I now hand the conference over to Vaibhav Agarwal from PhillipCapital (India) Private Limited for closing comments.
- Vaibhav Agarwal:** Sir, just a couple of quick questions. One thing you said on the call, INR120 unpassed of inflation expected in Q1. So, you are unadjusted it for the price increase, if any, right? I just want to reconfirm that. You said INR120 would be the expected cost inflation in Q1. That's what you indicated in terms of the cost inflation for the current quarter.
- So, you are not adjusting this for any price increase, which potentially could be passed on or which has already been passed on, which has rolled back. So, it is only purely the cost inflation, right? INR120 is purely the cost inflation number you're saying?
- Arun Shukla:** Cost inflation, purely cost inflation, I see.
- Vaibhav Agarwal:** And sir....
- Arun Shukla:** Yes. Go ahead.
- Vaibhav Agarwal:** No, please continue sir.
- Arun Shukla:** No, no, I'm through. I think.
- Vaibhav Agarwal:** Okay. And second question, sir, was that we recently got to know that you have now partnered with some manufacturers for iron rods, etcetera. So JK Lakshmi steel rods, etcetera, also rods have also been like sold in the market.
- So, what's the management broad thought process? Are you going to get into multiple building material products like starting with maybe furthermore, anything more in the ambit and what is the management thought process of getting into newer product lines? And what is the kind of income which you are expecting from all these businesses?
- Arun Shukla:** Vaibhav, I think first, I think I need to correct you. we are not at all going into iron ore area, right?
- Vaibhav Agarwal:** No, no, the steel rods, what I'm saying.
- Arun Shukla:** But I think we are piloting it because if you really look at distribution network of all those products like TMT and all, that has quite a synergy with cement channel network. The idea was can we leverage our brand strength. We are not at all going into manufacturing. We are not at all going into distribution. We just wanted to just pilot it, if at all, we can leverage that brand strength, which we have in different markets. That is at a very, I would say, a nascent stage, a very initial stage. So, I'll not be able to comment on quantum of...

Vaibhav Agarwal: Broader management thought process also to get into more products in the future? Or this is only after the testing of this product only, we will take a final call as to what needs to be done?

Arun Shukla: Definitely, our effort or our thought or the strategy is to go to adjacent building material for sure, because that -- we want to give our customers portfolio of products. So, we definitely want to go into adjacent building material.

And you see that tile adhesives, plastering solution, which we give and then AC block, RMC, I think all the adjacent product only, which is being used in building materials. So definitely, I think our -- not only you do have a number of other products also, which we may explore in the future. But yes, strategy-wise, we do have that thought.

Vaibhav Agarwal: Right. So that's what I wanted to -- I did not manufacturing, sir, I just meant you have tied up with some manufacturers and you are just lending them your brand and charging a royalty in terms of brand fees or that's what I was commenting. That's all from my end.

On behalf of PhillipCapital (India) Private Limited, I thank the management of JK Lakshmi for the call and also many thanks to the participants for joining the call. Thank you very much, sir. Ryan, you may now conclude the call. Thank you.

Arun Shukla: Thank you.

Moderator: On behalf of PhillipCapital (India) Private Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.