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The BSE Ltd. **Corporate Relationship Department,Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001** **Scrip Code:532644 (ISIN.INE 823G01014)** **Through BSE Listing Centre**	**National Stock Exchange of India Ltd.,Exchange Plaza, Bandra Kurla Complex,Bandra (E), Mumbai-400051Scrip Code: JKCEMENT (ISIN.INE823G01014)** **Through: NEAPS**

Dear Sir/ Madam

Sub: Transcript of Conference Call pertaining to Unaudited Financial results for Quarter and Nine Months ended 31.12.2024.

Apropos to our letter of 27.1.25 forwarding therewith the audio recording of conference call on Unaudited Financial results for Quarter and Nine Months ended 31.12.2024 held on 27.1.25 evening by the Company's Representatives with the Investors, please find attached the transcript which we received a little while ago for your reference and records. Please note both the audio recording and transcript have been uploaded appropriately on our website www.jkcement.com.

Link for Recording and Transcript: https://www.jkcement.com/transcript-report

This is for your information and records.

Sincerely

SHAMBHU SINGH Digitally signed by SHAMBHU SINGH Date: 2025.01.28 21:27:08 +05'30'

Shambhu Singh
Vice President & Company Secretary
FCS No. 5836

“JK Cement Q3 & 9-month FY-25 Earnings Conference Call”

January 27, 2025

MANAGEMENT: MR. AJAY KUMAR SARAOGI – DEPUTY MANAGING DIRECTOR & CFO, JK CEMENT
MR. PRASHANT SETH – HEAD, BUSINESS INFORMATION & INVESTOR RELATIONS.

MODERATOR: MR. VAIBHAV AGARWAL – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Q3 and 9-month FY25 Earnings Conference Call for JK Cement hosted by PhillipCapital (India) Private Limited.

As a reminder all participants' lines will be 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 call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital. Thank you and over to you sir.

Vaibhav Agarwal: Thank you, Rayo. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q3 and 9-month FY25 call of JK Cement Limited.

On the call we have with us Mr. Ajay Kumar Saraogi – Deputy Managing Director & CFO and Mr. Prashant Seth – Head, Business Information Investor Relations.

I would like to mention on behalf of JK Cement Limited and its management, that certain statements that may be made or discussed on this today's conference call may be forward looking statements related to future developments and statements which are based on current expectations. These statements are subject to a number of risks, uncertainties and other important factors which may cause actual developments and results to differ materially from the statements made. JK Cement Limited and the management of the company assumes no obligation to publicly alter or update these forward-looking statements, whether as a result of new information or future events or otherwise.

I will now hand over the floor to the Management of JK Cement for their opening remarks which will be followed by Q&A. Thank you and over to you Saraogi sir.

Management: Thank you, Vaibhav. Good evening and welcome to Q3 call. The board of directors met on 25th of January to review the working for the quarter ended 31st December, 2024 and 9-month period April to December '24.

The major highlights are that in this quarter:

Our net sales were 2,606 crores as against 2,322 crores of the previous quarter, an increase of 12% though year-on-year it was lower by 3% and the revenue from operations was higher by 14% at 2,716 crores as against 2,392 crores and 2,784 crores last year which was as compared to year-on-year it was lower by 2% and previous quarter it was higher by 14%.

The EBITDA during the quarter was 489 crores as against 273 crores, an increase of 79% vis-à-vis previous quarter, though it was lower by 20% as compared to year-on-year position. The EBITDA margins during this quarter was 18.7% as compared to 11.7% in the previous quarter and 22.6% previous year. The profit before tax for the quarter was 295 crores as against 65 crores in the previous quarter and 415 in the previous year. The profit after tax was 205 crores as against 45 crores and 289 in the previous year. The EBITDA per ton for the quarter was 1,040 as against 649 per ton in the previous quarter and 1,335 in the previous year.

If we see the position for the 9-month period:

For the standalone the net sales was 7,493 crores for the 9-month period as compared to 7,707 crores in the previous year. The EBITDA was 1,241 crores as against 1,458 crores, a drop of 15%. The EBITDA margin for the 9-month period was 16.5% as compared to 18.7% in previous year, a drop of 13%. The profit before tax was 650 crores as against 850 crores previous year. The EBITDA per ton was Rs. 910 for the 9-month period as against 1,091. These are the major highlights.

The balance sheet position; the gross debt as on 31st December was 4,863 crores as against 4,593 crores as of March. The cash position was 1,755 crores as against 2,011 as of last year. The net debt was 3,108 crores as against 2,582 crores. The net debt to EBITDA was 1.74 as against 1.29. These are the major highlights.

Besides the board also reviewed an opportunity in the region of J&K and decided to invest in Saifco Cements which has a capacity of 0.42 million tons and it is proposed to acquire 60% of the equity of the company and the company proposes to enter into the shareholders agreement and the share subscription agreement and the deal would be—this would however be subject to the completion of the due diligence process and some of the conditions precedent which are likely to get—completed within next 3 to 6 months' time. So, this has been the major position for this quarter.

I will be pleased to address your queries. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Jyoti Gupta from Nirmal Bang.

Jyoti Gupta: Two questions, I understand that north has been extremely doing very well and 4th Quarter also seems to be robust. Two things, one just that since the volume growth has been there yet the raw material cost has increased on a YOY basis while your power and fuel has declined substantially by 19%. Could you please explain why is it not commiserating with the raw material cost increase? The second thing is, has the plant that we acquired in Orissa stabilized completely and has it become breakeven now? So, which means any losses from the east plant in Orissa has no implications on the overall EBITDA. And plus, what is the implication apart from the market share for Saifco, how do you intend to increase the capacity? And in what stages would you actually increase the capacity for Saifco?

Management: So, I will answer, the power and fuel expenses if you see, they have increased during the quarter as compared to previous quarter. Though you know the volumes overall if we see, they have been more or less flat and the clinker production was lower because in the previous quarter also and in this quarter, there had been some shutdown in the previous quarter. So, the power fuel consumption was lower and, in this quarter, we also see a lower fuel pricing as compared to previous quarter.

Jyoti Gupta: And the plant in the east Orissa the one we actually acquired.

Management: So, the one we acquired we have done some modification in the plant and that has now been completed. It's at completion stage. And I think from the from next fiscal onwards we propose that whatever we will be operating the plant at full capacity and would be generating profits. Though in this year up till now there has been some losses at Toshali plant and in the 9-month period, there has been a cumulative loss of about 9 crores.

Jyoti Gupta: We see it profitable despite buying clinker from the open market or have we acquired some reserves over there and we'd be able to?

Management: No, we are not buying clinker from the open market. We are getting the limestone. We don't have a long-term limestone arrangement for a higher capacity. Whatever the existing capacity we are getting the limestone. That agreement is already there. So, the clinker is already operating there. So, there are certain production inefficiencies and some modernization had to be done. This work is at advanced stage and it's at the completion stage and will be operative. Within this quarter the plant would be normalized and we are going to launch our brand also in this quarter. So, with that from next year from post FY25-26, we see a positive EBITDA from the Toshali plant.

Jyoti Gupta: Correct me if I am wrong, we are not really present in the east market. So, there'll be some selling and branding expenses which should build up in the 4th Quarter and the subsequent one quarter.

Management: We don't have any big plans because it is a very small region, and we have a small quantity also. So, there is no big spend which is of significant nature which needs to be specified and told that we don't have any such plans.

Jyoti Gupta: What about Saifco, I would like to understand apart from…

Management: So Saifco, this is a plant in the Srinagar and this is a capacity of 0.42 million tons and presently the clinker capacity is about 0.26 million tons. And the plant is operating at a lower efficiency. Though it will not be…on the numbers we can say it is 40%. But in the region, in the valley we operate the plant only practically for about nine months only. So, one it's already a profitable company. There is EBITDA margins of about Rs. 1,500 a ton. But we see that there are immediate opportunities in improving the performance of the plant and to get an increased profitability by another Rs. 400 a ton. Besides you know we have a plan but we have studied the plant. There is an opportunity to increase the clinker capacity to about a 1000 tons per day with a capital outlay of about 50 to 60 crores. With that we would be able to increase, the present profitability in that plant is around 24 crores which is inclusive of the SGST benefit which is we get benefit both on central and state, so it's a full exemption. So that including that and which is available up to 2031. So, we are hopeful to one increase the profitability, take it up to Rs. 2,000 a ton and at the same time increase the production capacity from present level to more than 100% over a period of 1-1.5 years. Immediately after taking over within 6-months we will be able to step up to about additional 60%-70% and then another 50% after we do the CAPEX. This plant also has a mining reserve spread over 144 hectares and the reserves of about 123 million which gives an opportunity for further expansion which a view would be taken not immediately. Once this is a new region, we will evaluate the region. We will see how the things are politically and otherwise. It's a new region for us. We need to understand the things. And maybe after 3 to 5 years a call may be taken depending upon the situation to further expand there or not.

Jyoti Gupta: The other thing is 174 crores is 60%. I said 60% at 174, so your plans to acquire full stake of 100% by when?

Management: So, the value is 290 crores and 60% is 174 crores.

Jyoti Gupta: And the refurbishment cost apart from or does it include refurbishment cost?

Management: Refurbishment cost is about 60 crores in all which will be met from the operations of Saifco itself.

Jyoti Gupta: And the 60% will become 100% by when or is it going to be 60% for the next 2-3 years?

Management: No, we do not know about that because there has been. There is no such immediate agreement. We will see how going forward if it is possible or not. But as of now it is a joint venture which is going to continue at 60-40.

Jyoti Gupta: And the profit sharing will also be at 60-40?

Management: Yes, of course that's the equity. So, it would naturally be that.

Moderator: The next question is from Amit Murarka from Axis Capital.

Amit Murarka: But last quarter you had a lot of one-off cost. Just wanted to confirm that this quarter was there any one off in the result or it's just absolutely normal quarter now?

Management: Yes, this has been a more or less normal quarter.

Amit Murarka: And on the CAPEX front like what is the number that you're looking at now for '25 and this is a tentative number for '26 as well?

Management: So CAPEX like we have planned around 1,900 crores of CAPEX in this year and next year CAPEX would be in the range of…..

Amit Murarka: Sorry I didn't get the next year number.

Management: As I said earlier, we remain as it is except whether you take it as a part of CAPEX or thing, this 175 crores on this Saifco acquisition would be additional.

Amit Murarka: So, 1,900 plus this Saifco number?

Management: Saifco number will come actually in the next fiscal. This was not going to come. The payout will be sometime next fiscal only, beginning next fiscal.

Amit Murarka: And what is the number for next year you mentioned?

Management: Next year 1,700 crores plus the Saifco acquisition like 174 crores. So even if you see, the 1,700 crores will include major is for the Line 2 which is about 1,400 crores and 300 crores is the normal CAPEX, broadly the broad numbers if you look at. So that would be the numbers for 14+3+Saifco. These are the numbers.

Amit Murarka: And also, in terms of the future expansion potential that Jaisalmer and Muddapur and others like, is there any progress either in terms of approvals or anything that you see?

Management: So, we are just working on all the approvals for Jaisalmer and we would have a clear picture sometime by June this year.

Amit Murarka: And can we think of when can this tentatively start in terms of CAPEX? I mean can the CAPEX start in FY26 itself?

Management: See much would also depend on the scenario, so once you know we are yes, as far as this calendar year is concerned, we would first concentrate on completing Line 2 which is presently on track and the expansion work is on track and we are well set to commission the whole thing within FY26. So, we are confident on that There has been some delay in the approvals for the grinding unit where also you know we have done the Bhumipujan and now we expect that to be you know within 11 to 12 months. So, by December this year or January next year, the grinding at Bihar would also be operative. So yes, by that time once we have all the approvals then we will take a stock of the market situation and then take a call on the various opportunities which we have and plan accordingly.

Amit Murarka: And lastly like what is the expectation on the Kcal fuel cost now?

Management: Fuel cost is already down

Management: It has come down. It was I think some of the contracts we have…

Management: Rs. 1.50 paisa in this quarter.

Management: But again, as we speak there has been some price increase is there, we have to wait and watch. But the quarter December was quite good in terms of when we placed orders for Pet Coke at very good rates, ranging from you know between $95 to $105. But we do not know going forward what will be the situation as we are already seeing some hardening of the pricing.

Amit Murarka: And what was the Kcal number this quarter?

Management: Rs. 1.50 paisa.

Moderator: Next question is from Patanjali Srinivasan from Sundaram Mutual Fund.

Patanjali Srinivasan: A couple of questions. One is, what would be the incentive that would be included in our other operating incomes in this quarter?

Management: So, incentive going forward and even now you could say broadly around, it would be 25 crores a month, 75 crores per quarter, broadly, when the 10 crores here and there depending upon the volume and other things, some incentives so that would be the whole thing. It's around 75 per quarter.

Patanjali Srinivasan: So, the additional difference here like in the current quarter number some 110 crores, so what would this be? What would the differential be like, what is the nature of that?

Management: 110 crores include the other operating incomes also. It is not totally the incentive but yes.

Patanjali Srinivasan: I am just trying to understand what the difference is.

Management: There was some additional incentive account of the start of the incentive for the Ujjain plant. And Panna also we have got the additional approval for the CAPEX. So, there's some incentive of 10 to 15 crores relating to the previous period which is accounted for in this quarter.

Patanjali Srinivasan: And just one more question, the white cement, the realization in the overseas has gone up quite meaningfully. Can you tell me like what was the reason for this?

Management: I didn't follow.

Patanjali Srinivasan: The white cement realization, the overseas business has gone up pretty meaningfully. So, could you tell me like what is the background for this?

Management: No, it is actually because it is regarding the Fujairah plant. So, Dubai economy is picking up, there is good real estate growth and that is why we are able to get good results in the UAE operations.

Moderator: Next question is from Sumangal Nevatia from Kotak.

Sumangal Nevatia: Just want some more color on the white cement and putty market. If you could just share how are the margins and the overall demand supply situation in the domestic market? Is it deteriorating further, is it stable? Are there any green shoots visible?

Management: So, the putty market continues to be very competitive. So, both, Asian Paints and Birla, they are very aggressive. So as a result, I mean putty, the prices are under pressure and Asian Paints has already become the largest seller of putty, though they don't have any manufacturing facility, they are mostly outsourcing but still they have the largest market share of putty. But having said so, though the demand is increasing there has been a growth in putty demand about 8%-9% overall. Yes, the growth of Asian Paints is more than us. We have grown by about 4% and Asian Paints has grown in double digits. So, this platform still remains very competitive. There is an absolute growth in volume of the white business. But otherwise, it is very competitive and it is having an impact on the margins. But still, we are able to operate, get EBITDA margins ranging between 15% to 20% in the white business.

Sumangal Nevatia: From your commentary on the cost side as far as variable cost is concerned, is it fair to kind of infer that we have kind of, all the cost savings largely because of the commodity price deflation is behind us and from here on it will basically depend on how coal prices trend.

Management: So yes, but there are certain some more opportunities there. In terms of we are increasing the share of our green power and we continue to work on increasing the AFR share. And besides that, we are working on the logistic costs. So, these are the areas where still we have got certain benefits which have accrued. But there are we see some more as we said you know on a journey of about Rs. 150 to 200 a ton. We may be closing the year by Rs. 40-50 realization of that. But some other about Rs. 75 a ton, we will get over a period of time.

Sumangal Nevatia: And is it possible to share how is the prices now say in January versus the average of 3Q in our key markets north and central?

Management: Except I think marginally higher in the month of January on the average of Q3. But this is just a beginning. We have to see how it goes and though we are hopeful yes, it could better than Q3.

Sumangal Nevatia: It's similar both in north and central the trend?

Management: Yes, both. But it will depend because when the yearend comes and there is a pressure on volumes by everyone, does it have any impact on the pricing, so all this has to be seen but as of now yes.

Sumangal Nevatia: Overall, in our growth of mid-single digit and how has been the market growth in both central and north in the third quarter?

Management: So, our growth naturally most of our growth is coming from the central markets. Because our expansion is in the central market. Our growth in the north is, we may be marginally at par or maybe marginally lower than the overall because when we had some maintenance, so at that point of time we did cut down some of the non-trade volumes but we have been able to maintain our trade share across. But the major growth factors is in the central India where the major investment is being done. There definitely we are growing much more than the market.

Moderator: Next question is from Prateek Kumar from Jefferies.

Prateek Kumar: My first question is on incentives; you said 75 crore per quarter. So, this run rate based on future expansions and ongoing run rate? This number could stay stable for like maybe a number of years like 3 to 5 years or like how is the incentive going to pan out?

Management: It should remain stable because what would happen, like for north, going forward the north incentive which we are getting for at Nimbahera will get tapered off. But however, the central incentives would increase. So, we see in terms of the value, it may remain same but it could have a lower impact if larger volume numbers say north is also excluded south gets excluded. So that may have some mixed variance. Otherwise, we see that about 75 crores each quarter we should get as an incentive.

Prateek Kumar: And is there any difference in timing of receipts from various state governments for whatever reason in those states' fiscal at this moment?

Management: So, timing difference you know it takes about a year or so in realization. So, what we see vis-à-vis whatever would get accrued in this year, the actual realization is more or less of the amount which accrued last year. So, it's a 1-year gap. So whatever amount gets accrued this year we should get the payment in the subsequent year.

Prateek Kumar: And one more question, on your profitability, we have recorded like industry leading EBITDA per ton this quarter. And as you said there's no specific one off either, there's like small one off in incentive due to prior case. But still like Rs. 1,000 is the unit EBITDA for this quarter. There's some price increase in Q4 and operating leverage, both of this will lead to probably growth to 1,100 or so in next quarter. How do you see profitability in Q4?

Management: So Q4 it all depend upon what is the price increase over Q3. So, whatever is the price increase over Q3, I think that much we are confident of getting that incremental EBITDA.

Moderator: Next question is from Navin Sahadeo from ICICI Securities.

Navin Sahadeo: A couple of questions. So first of all, paints if you can just throw some light, how was the performance in this quarter in terms of revenue and EBITDA? I think in past quarters there have been some losses in the paints business. So, does that continue? If you can give some information there.

Management: So, if we talk about the revenues for the paint, in this quarter we did about 83 crores as the net revenue vis-à-vis which was 53 crores in the previous quarter and year-on-year it was 47 crores. And in the 9-month period we have done 200 crores as against 101 crores in the previous year. So, we have been able to pep up this business quite well. Yes, on the profit it is nothing surprising. But this was there that we have to establish the brand and there is the fixed costs are also will be on the higher side. In this quarter there is a loss of 17 crores which is more than what it was in Q2 of 11 crores and in the 9-month period we have had a loss of 38 crores. And we should be ending the year with a loss of approximately (+50) crores, marginally over 50 crores. This is how we see and that is as per the plan and we expect the top line to be around (+275) crores. This was an indication what we had given 275 to 300 crores. Despite the fact that this year there has been a big disruption by launch of Birla Opus. So, we have been able to do that.

Navin Sahadeo: And just to understand this better this loss of 17 crores is bulk of it in the standalone entity or it could be in the consol entity?

Management: It's in the consol.

Navin Sahadeo: So, the entire loss is in the consol entity?

Management: Yes, because it's paint loss not in the standalone entity. And despite that, I am saying despite that the difference between consol and standalone remains positive at about 2.5 crores EBITDA.

Management: This is because of good profits from the Fujairah plant.

Navin Sahadeo: Fujairah is really doing good then, right?

Management: Yes, the Fujairah we had about 24 crores as an EBITDA during this quarter which was same as previous quarter and in the 9-month period we have got about 68 crores as EBITDA as compared to 55 in the previous year.

Navin Sahadeo: So, from a volume perspective sorry, I've not done the math. But what is the utilization at UAE now and what is the scope there? Because if the profitability is good, can we expect further improvement or recovery there?

Management: See again UAE though but it's a very typical market. As we foresee going forward next year would become a bit challenging because Asian Paints is planning to set up a white cement plant in the UAE which should come sometime middle of this year, though not a big capacity but definitely that is going to have some disruption.

Navin Sahadeo: In the UAE market you're saying?

Management: Not exactly UAE market but again, this is primarily for self-consumption. They would bring in clinker from there to India and maybe use for the putty production. So that's a plan. We do not know what is there. If they have some other plans though but the capacity is not big. But having said so since we being a major supplier to Asian Paints for their putty it will have some disruption on the volume numbers for white cement, both in the UAE and India. Because we will be losing a big customer.

Navin Sahadeo: Is it possible to say how much is the volume quantity?

Management: Combined close to about a lakh ton.

Navin Sahadeo: A lakh ton volume, 100,000 tons is what we sell to Asian Paints on annual basis which can be impacted next year?

Management: Yes, which can be. 80,000 to 1,00,000 tons, but not full year may not be impacted but partially, yes.

Navin Sahadeo: Fair point, the market is also growing so that is also.

Management: So, we have been working out on other avenues, as we said even for Fujairah we have a backup plan. We introduced dry mix mortars; we had Africa as a growth area. So, all that working which we had done now, it is giving some positive results. So, Africa is not turning into black and even the dry mix mortars is giving us profits. And we are trying to do look at other revenues for white cement in the region. So, I am saying further though a capacity utilization is as for overall capacity utilization. It's about 85% but so the plant will definitely be operating around (+75%) including clinker and cement.

Navin Sahadeo: And on the grey cement bit, are we likely to face any volume disruptions in the UP region because of the ongoing Kumbh Mela and maybe one of our plants right being there. So, do we see any logistic issues or some hit on volumes because of this? Just wanted to get the sense.

Management: No, not much, it's not affecting.

Navin Sahadeo: Not affecting as such.

Management: No significant as such. That way that Delhi will have some elections, not any major disruption.

Navin Sahadeo: And last question. Was there any change in the mix in the quarter sequentially as in trade versus non trade for the March quarter or those are broadly be same?

Management: No, trade was 66% in this quarter. Last quarter it was 65%.

Management: One more thing. We have been able to improve upon our premium products. So, this quarter had the highest percentage of premium products.

Moderator: Next question is from Ritesh Shah from Investec Capital.

Ritesh Shah: I just wanted some clarity on the J&K venture. I was just looking at the number of limestone leases in the state. There are several of them including several in the names of Mr. Trambu. I think he is a key owner from where we are looking at the asset, looking to buy the asset from. So, the question is what is the sort of competitive intensity you look in the region and how is it that we were able to pick this asset and nobody else in the industry?

Management: That I will not know how, see we have been looking at J&K for some time 2-3 years. So, we have been seeing what sort of opportunity there. There was some time divestment of J&K Cement also was on the cards and then we had some friends in the region and so they connected us maybe then we had a dialogue and because nobody is ready to divest when they have been there and all. I think cement, all the players are there since late 90s, mid-90s. Everybody came in to set up the plant during that period and they have a good incentive package and so they have not told anything which needs the diversification. So, we had some meetings and we could convince them that it would be a win-win position. But definitely when we started a dialogue for a 100% acquisition which was not there acceptable at all. So, then we came that it could be you know a good partnership in the interest of both the parties. And this is how we got into this arrangement.

Ritesh Shah: And so there are multiple limestone leases across different districts over there. Do you think after your move, the competition in the region will actually increase?

Management: I don't think so. See again there are 5-6-7-8 plants over there in the region which supply. The limestone leases in our case also, the limestone lease earlier the land or the mining lease had to be, a company could not own those mining lease. So, they were allotted to in the name of individuals and they used to lease it out to the company and now the government has relaxed that. So as a part in our case in particular, the mining lease will get transferred in name of the company. So, though the extension is already there that's a process. So, it will be extended up to 2046. And at the same time as a next step, we propose to get the lease transferred in the name of the company.

Ritesh Shah: Can you detail on the sort of incentives that you are expecting? And we have indicated some incremental CAPEX over there. Is it contingent to the state's industrial policy or the fiscal incentives and what sort of numbers we are looking at over there?

Management: So, they already have, this Saifco has an incentive which is available until 2031. So, it's a 100% exemption of SGST and GST. So, which is around Rs. 800 a ton if we convert that into the per ton analysis. So, it has an impact about Rs. 800 to 900 a ton. And this will continue until 2031. And it has got, there are no other stipulations in the exemption which is available to Saifco. I am not aware of any other plant but for Saifco it is there and this investment, which is being done, 60 crores is only being done with a view to increase because that market is 100% OPC market. The grinding capacity is 0.4, what we lack is clinker and there is a scope in modifying the kiln production from present about 750-780 per ton to 1,000 tons per day. And with our technical experience and other things, we would be in a position to increase the productivity of the kiln.

Ritesh Shah: Anything on the tax rates?

Management: A tax rate, it's a normal. There's no special, there's no incentive on the tax rate.

Ritesh Shah: Accumulated losses, anything.

Management: Yes, there are some accumulated losses. So that we are evaluating as a part of. I don't have them because that is a part of the process of the whole due diligence. So, I would not be able to until the whole due diligence is done regarding the tax which is a part of process, we will not know what are the tax incentives which are, accumulated losses are there as per the assessment, what opportunities are there over there? That is a work in progress.

Ritesh Shah: And my second question was on Toshali. I am not sure whether we still have clarity on the limestone over there. If at all if we get into a MoU how much is the rupees per ton including royalty that will have to pay to the government? Is there any clarity on that as yet? And if not then why are we even considering Toshali?

Management: Because again there is definitely an opportunity available, we are still in dialogue with the government and we have not got a regret. They are still considering our proposition. So, we are hopeful to even going forward we could see in the vicinity and some of the mining may come for auction. So, if that comes into place and we take a mine and auction so that will become again a business case for us.

Ritesh Shah: Historically the way in which we have operated, we have been very conscious on the OPEX side. If it is through auction, it will become expensive. I am not sure if we do MoU whether it will below Rs. 300 per ton of limestone. So, is it like optimal from a ROC standpoint or is it more like regional diversification, it's more of a strategic move that we are looking at?

Management: Going forward auction mines or limestone mines will be coming for renewal. So, post 2030 most of the cement which would be produced would be from the mines which have been already reauctioned or from auction mines. So going forward there would be nothing available, very few mine areas would be available where you have limestone where there is no premium has been paid. We have to see everything in the medium and long term, not in the short term. In any case even if everything goes well with the mining lease and we get the mining lease allotted at Toshali, the plant would not come into operation before ‘28.

Ritesh Shah: If I may squeeze one industry level question. You did indicate that post 2030 most of the leases which will be used will be under auction leases. So possible based on your assessment, if you could highlight which region will see the maximum cost or raw material inflation, is it central, north-south, how are you looking at it?

Management: The older plants, their leases will get expired. The newer plants will have some more years to come stay. The plants which started you know all capacity, all the mining leases which were allotted in the 80s will come for renewal.

Ritesh Shah: So, from that perspective we will be very well placed in central India but not so much in northern India.

Management: Yes, some of our mines are coming for renewal in ‘30-32-35. So that is there it is. So, we have taken, that is definitely there. It is there for all established players.

Moderator: The next question is from Shravan Shah from Dolat Capital.

Shravan Shah: Most of question has been answered, couple of just a clarification or the data points. First this clinker line, the second line and the 6 MTPA. So, you mentioned out of that just Bihar likely to be either max to max by January, it will start and rest all will start by this December end?

Management: Yes, we see the clinkerization and the other two the modification in the existing grinding units at Panna, Hamirpur and Prayagraj to get done in this year.

Shravan Shah: In terms of the cost reduction, you mentioned correct me if I am wrong, that in the 4th Quarter you are looking further Rs. 40-50 kind of a cost reduction and another Rs. 75 odd in the next year?

Management: No, I said cumulatively what we have been doing, we would see you know some savings have already accrued by March. So, some savings are already there. So, this could be 40-50 by the close of the quarter, the cumulative savings.

Shravan Shah: And the next year?

Management: It is not an incremental saving in this quarter.

Shravan Shah: And then for Incrementally next year how one can look at in terms of cost savings?

Management: Maybe over a period of time we could definitely see another Rs. 50 coming in next year.

Shravan Shah: Second, just to get a number for 9-months how much consol CAPEX we have already done?

Management: 9-months we have already done CAPEX of around 1400 crores.

Shravan Shah: And the incentives though you have mentioned that this quarter was 10-15 crores extra. So is it fair that for this quarter we have book around 85-90 odd crores incentive.

Management: Yes.

Shravan Shah: Fuel mix for this quarter how much Pet Coke would be?

Management: Pet Coke is normally by heat around 75%. See Pet Coke is higher in case of the north and the southern plants. While in case of the central plant, it is lower where domestic fuel is the major fuel and Pet Coke is around 25%-30%.

Shravan Shah: In the 4th Quarter at grey cement, I am just trying to understand how much growth one can look at for industry where we operate or maybe for us 9%-10% kind of a growth one can assume.

Management: We are targeting but I think we are confident that we could get about 7%-8%.

Shravan Shah: And for paints, whatever the for FY26 and '27 revenue, last time whatever you have spoken 400-450 crores and 600, so that remains intact?

Management: Yes, I think that 450 and 600 still remains intact and we are working towards that.

Shravan Shah: And in terms of EBITDA breakeven by FY27 only we will be able to do?

Management: FY27 should be a bit of break even.

Shravan Shah: And lastly road mix for this quarter would be how much same, 91%?

Management: Yes, road was 91%.

Moderator: Next question is from Uttam Kumar Srimal from Axis Securities.

Uttam Kumar Srimal: My question pertains to premium cement. You mentioned about 16%, where do you see premium cement sale moving ahead in next 2 years?

Management: So, we are working next 2 years definitely we should be able to have (+20%).

Uttam Kumar Srimal: This premium cement here is coming more from the central unit?

Management: So, today maximum it is in the south plants. But central region is a new market which we are entering as we are expanding the central region. That is why it's taking some time. So, yes we would be expanding in the northern as well as central regions.

Uttam Kumar Srimal: And lastly what would be our volume growth guidance for FY26?

Management: So FY26 should be you know around 10%, definitely from exit of FY25.

Moderator: We take the last question from Vignesh SBK from Ksema Wealth.

Vignesh SBK: Just want to understand how is market dynamics in our region, any competition from the large players?

Management: So, the competition from the last player remains as it was over the previous quarter. There has been no new large player or anything which is of which is having any significant impact.

Vignesh SBK: Any pricing impact because of these players, aggressive or how was…?

Management: I will not say as of now we have anything. And if there is anything we will let you know. But as of now it is not there.

Moderator: Thank you very much. That was the last question. I would now like to hand the conference back to Mr. Vaibhav Agarwal for closing comments.

Vaibhav Agarwal: Thank you. On behalf of PhillipCapital (India) Private Limited, I would like to thank the management of JK Cement for the call and many thanks for participants for joining the call. Thank you very much sir. You may now complete the call.

Management: Thank you, Vaibhav. Thank you everyone for joining.

Moderator: Thank you very much. With that we conclude the conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.