

JKLC:SECTL:SE:25

4th August 2025

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

Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital on 4th August 2025 at 2:30 P.M. IST

In continuation of our letter dated 1st August 2025 on the above subject, we have to inform you that the recording of the said Conference Call can be accessed by using the below mentioned Audio Link and the Recording ID:

URL: https://ccreservations.com/recordings/select_recordings.php

Recording ID: 10034355

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

Yours faithfully,
For JK Lakshmi Cement Limited

(Amit Chaurasia)
Company Secretary

JKLC:SECTL:SE:25

5th August 2025

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Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital on 4th August 2025 at 2:30 P.M. IST

In continuation of our letters dated 1st August 2025 and 4th August 2025 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 Q1 FY'26 Earnings Conference Call”

August 04, 2025



MANAGEMENT: MR. ARUN KUMAR SHUKLA, PRESIDENT & DIRECTOR, JK LAKSHMI CEMENT LIMITED
MR. SUDHIR BIDKAR, EXECUTIVE DIRECTOR, CORPORATE AFFAIRS & 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 Earnings Conference Call of JK Lakshmi Cement Limited for the Quarter ended 30th June 2025.

As a reminder, all participant 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 of PhillipCapital. Thank you and over to you, sir.

Vaibhav Agarwal: Thank you, Rio. Good afternoon, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q1 FY26 Call of JK Lakshmi Cement Limited.

On the call we have with us Mr. Arun Kumar Shukla – President & Director and Mr. Sudhir Bidkar – Executive Director, Corporate Affairs and CFO at JK Lakshmi Cement.

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 related to future developments and statements which are based on current management expectations. These 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 the statements made. 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 new information or future events or otherwise.

Also, JK Lakshmi Cement has Uploaded a Copy of the “Q1 FY26 Results Presentation” on stock exchanges and the company website. Participants may download a copy of the said presentation from these websites.

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

Management: Thanks, Vaibhav and good afternoon to all of you. This time as requested by some of you that we need to upload our presentation, so we have done that this time. So, probably you would have downloaded the presentation for the meaningful discussion in this conversation.

Since we have given everything, I think we can start our conversation right away, but before that, I will just give you a glimpse of the industry, which is important, though I think all of you are in touch and you are tracking the development in the industry, but nevertheless.

Demand/supply side, if you look at last quarter, the volume growth is about 5%-6%. This is what we have seen. And there is regional disparity in terms of volume growth. So, some of the zones have done better, but some of the zones have not done that as good. So, this is on demand side of it.

On pricing, some of the geographies have witnessed a good price increase, particularly South to the extent of about 8%-9% and East also about 6%-7%. North and west, I think have not witnessed that much increase and also Central part of India. West, in fact, I think prices have been little bit slipped last quarter. So, this is on pricing side of it.

If you look at what kind of drive we have within the organization, so I think that remains what I have been talking about for the last so many calls. We are looking inwardly as to how we can really improve our efficiency across the value chain to be amongst top companies in terms of EBITDA per ton. And I am happy that I think directionally we are all right and we are working on all those levers which is going to take us to that level.

On the "Manufacturing" front of course, I think "Renewable Energy" is one of our areas where we are focused. That is what is going to give us savings going forward.

Second is "Improvement of (TSR), Thermal Substitution Rate." We are doing better, and in coming quarter, I think things will further improve. Of course, I think after this monsoon quarter which is typically challenging in terms of operational difficulties when you use AFR and RDF.

Third is "Digital" front we are working quite intently and extensively and particularly on manufacturing front. So, there are a few initiatives which we are going to take on digital front which is going to drive our efficiency further.

On "Supply Chain" front of it, yes, I think constant focus is there to optimize this in terms of our dispersion and also in terms of per ton per kilometer freight.

On "Top Line" front, the recently rejuvenated band of Green Plus and Pro Plus is doing very well. And with this merger of UCWL and those two brands coming to our fold, JK Lakshmi Fold which is Platinum Heavy Duty and Platinum Supremo is further going to help us to improve our channel reach and volume, that is what we believe.

We are constantly working on improving price positioning aftermath of this new brand launch which we call "Green Plus." So, that effort is also on.

Apart from that, I think which I think Vaibhav has been mentioning in his thesis and I am quite aligned with him that how we can really improve this ground level kind of working in terms of efficiency, in terms of dividing all those redundancies. I think that is also in our sight. So, this is what

we have with us. I think just a brief prelude to our discussion which we are going to have now. So, thanks for now. Now we can start question-and-answer.

Moderator: Sure. Thank you very much. We will now begin the question-and-answer session. The first question is from Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Yes. Yes, hi! Good afternoon. Thanks for the opportunity. First question is on volumes and realizations. You have done quite well in this quarter. What would be the guidance that you would like to give for the full year from a volume perspective now?

Management: As I said before, we will do better than industry and we are well on track. So, we will deliver that, at least incremental over the industry growth, that is we are confident about.

Amit Murarka: Sure. You keep optimizing on the geomix as you have been highlighting. So, has this volume growth come from other regions because what we also understand was there was weakness in the Northern India region this time?

Management: Yes, yes, Amit, you are right. So, I think, yes, as I told in the last call also that some of the areas where we are going to be there in future, so we have started seeding those markets. So, yes, volume has come from those areas, those markets, and you would have noticed that our lead also has gone up to an extent. So, that is the outcome of that. Like central part of India, particularly UP East, so volume growth is coming from there. Of course, I think North was a flat kind of thing or not done that well in terms of volume. But yes, we have got growth out of those newer market one. Second, I think we had clinker also with us. So, that has helped us to improve our volume a little bit. And market like M.P. East, which we cater from Durg and Maharashtra East, so that has helped us to improve our volume. Of course, I think other zones have also done reasonably well and we are in alignment with the industry growth in those markets as well.

Amit Murarka: Got it. Thank you. And this second question is on the expansion in East. So, what is really the status right now? I think, like, is the equipment ordering done? And if not, then how soon can we expect that?

Management: Equipment ordering, you are talking of the Durg plant, no, expansion?

Amit Murarka: Yes, yes.

Management: Durg plant expansion, we hope to start placing the order from the current quarter.

Amit Murarka: Sure. So, March '27, I think is what you are guiding for completion, so then like -

Management: Hopeful that we will be able to do that.

Amit Murarka: Got it. Sure, I will come back in the queue then. Thank you.

Management: Thank you.

Moderator: Next question is from Vishal Dudhwala from Trinetra Asset Managers. Please go ahead.

Vishal Dudhwala: Yes. Thank you for the opportunity. So, like JK Lakshmi Cement reported a two-fold increase in net profit on a YoY basis plus volume growth is fantastic. So, I want to just know partly attributed the merger with Udaipur Cement, can you elaborate on the operational synergies already realized post-merger in this quarter?

Management: I think almost all those synergies we had been doing before, right? So, I think we have realized almost of that. Maybe I would say to the extent of 80%-90%.

Vishal Dudhwala: Okay. That is it from my end.

Moderator: Next question is from Ashish from Leo Capital. Please go ahead.

Ashish: Sir, can you just reiterate what is the timeline for commissioning of our Durg expansion project? And my second question is, what sort of utilizations are we operating at currently in the East?

Management: East, currently I think we are almost operating at 100% kind of a thing. This is what I think you asked. So, East I think our efficiency is good in terms of capacity utilization.

Management: And on that project, we expect the first phase, which will include the clinkerization and two grinding units, one at the mother plant at Durg and another in the Madhubani, would happen by March '27, and one year later, the balance, the other two grinding units will happen. That is what we think the timeline is of now.

Ashish: All right. Thank you, sir. That is all from my side.

Management: Thank you.

Moderator: Next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hi, sir. Good afternoon and congratulations to the team for a strong performance. My first question pertains to what is the status on the expansion of the Northeast projects?

Management: Yes, Northeast, there have been some developments which we have been reporting to the exchanges. As we mentioned earlier, that the MDO agreement, which AMDCL had granted to Trivikram Consortium, that was cancelled, and we obviously filed a writ petition in the Assam High Court

against that. But parallelly, we have been able to retrieve at least two of the three mines having limestone reserves of about 250 million tons, that has come directly as an MDO in JK Lakshmi. The third mine may be auctioned in future, but we have got direct access as 100% owner in those two mines out of 335 million reserves, which were there in three mines taken together, we have now access to 100% for the two mines. So, we are pursuing with that. The land, which was allotted in name of Mahabal in that consortium, we have now got that transferred in the name of JK Lakshmi. So, ultimately, this Northeast project, which was earlier supposed to have happened in a subsidiary, Agrani and other things, will happen in JK Lakshmi as 100% owner. So, what it also means that the balance consideration, which out of the Rs.325 crores was the transaction value for that deal, and we had already paid based on the milestone achievement, Rs.130 crores to be precise to the erstwhile owner and the balance Rs.190 crores was payable on the achievement of certain milestones in future, that would obviously not require to be paid in future. So, we get the two mines directly in our JK Lakshmi. The royalty is slightly higher. Earlier, it was Rs.105 with escalation of 5% every three years, now that has come to us at a royalty of about Rs.251 per metric ton. So, that is the status. Once the land already is in our possession, we will start placing the order immediately after the Durg placement. It will be a replica broadly from the Durg.

Rajesh Ravi: Okay. So, Rs.130 crores, which you had paid to the erstwhile promoter, is there anything that you need to get this recovered because now it is happening directly under JK Lakshmi?

Management: Yes, we will pursue with them. Once everything is streamlined as far as JK Lakshmi is concerned, we will explore those legal possibilities of getting that money.

Rajesh Ravi: So, what will be the total project cost now when you are doing it on your own basis and what will be the project cost -

Management: The project cost is not going to change. We have to firm it up. Actually, we will be able to respond by next quarter the exact size which we are going to put in as part of JK Lakshmi only. Earlier, we were toying with the idea of doing a 1-million-ton clinker and 1.5 ton cement, right, and that was costing about anywhere between 2,000 to 2,500. Now we will explore and hopefully when we have the call for the second quarter meeting results, we will be able to confirm the exact size and the project cost.

Rajesh Ravi: Okay, great. And two more questions. First, could you share the non-cement revenue, EBITDA? And second, what is the CAPEX outgo in total on a consol basis for FY26-27 which you are looking at currently?

Management: Now, as far as that non-cement is concerned, total is about Rs.144 crores what we have done with an operating margin of 4%. We are doing in the current year, it is expected to be about Rs.1,500 or so, then Rs.1,800, then again Rs.1,500, that is what -

- Rajesh Ravi:** Sorry, for the next three years, 15, 18, 15 guiding?
- Management:** Yes, 15, 18 and 15.
- Rajesh Ravi:** Possible to share some breakup of this Rs.1,500 crores, how is that placed between?
- Management:** Primarily will include the Durg expansion and the Northeast will happen maybe about six months later, but broadly it will be Durg expansion.
- Rajesh Ravi:** Okay. And this railway siding which is pending a phase-II, what is the status and how much CAPEX -
- Management:** Most of the expenditure has already happened. So, that should start only. Surat grinding unit hopefully we will be announcing in this ongoing quarter the commissioning of that. So, our capacity will be 18 million and railway siding as I mentioned, most of the CAPEX has already happened, so, marginally there first phase is already over. So, some revamping of the line is required to be done, which we will do.
- Rajesh Ravi:** Great. And the overhead conveyor belt which was pending?
- Management:** Yes, so that is also in the advanced stage of approval. So, SAIL board has already approved, the line of ministry of industries and steel. So, I think that is in the final stages of approval now.
- Rajesh Ravi:** So, it is more of a procedural delay now rather than earlier it was getting stuck because of the main approval?
- Management:** Yes, procedurally delay, because everything, major thing has already happened.
- Rajesh Ravi:** Great. See, you are now present in almost all markets barring South, West you are already there, Central, you are there, East and even Northeast you have plants. So, what is pending is in South market? So, do you think you should be also looking into becoming a Pan India player over the next three, four years?
- Management:** We evaluate various opportunities, and size has to make sense to us because strategically as of now, as you rightly said, we do not have a presence, so, it will not be a strategic fit, but we explore. yes, there are some pluses and minuses for Pan India and being concentrated in a few regions as we are today, but we always explore, and if it comes at the right price, obviously, we do not rule that out. That is what I can say.
- Rajesh Ravi:** Okay. Great. Great, sir. Thank you and all the best. We will come back in queue.

- Moderator:** Next question is from Ritesh Shah from Investec. Please go ahead.
- Ritesh Shah:** Hi, sir. Thanks for the opportunity. Two questions. Sir, how should we look at the operating cost of difference between North and East if you could give some broad guidelines that would be great?
- Management:** So, I think only difference is in North we do use fuel, it is imported, like particularly pet coke and coal, right? But in case of East, we have that some linkage coal with us, right? And more so, we are dependent on about close to 80% of renewable energy. So, that is what the difference is.
- Ritesh Shah:** Okay. And sir, from a logistics standpoint?
- Management:** Logistics, I think our leads are lower than what we have in North and West because we are very focused in the geography of Chhattisgarh where our plant is there and we go to bordering areas of some neighboring states. So, lead wise, we are lower than this place of North and West.
- Ritesh Shah:** Okay. And sir, would it be possible to indicate broadly EBITDA per ton differential between North and East?
- Management:** We do not have readily available with us. So, we can come back to you on this.
- Ritesh Shah:** Sure. And sir, my second question is, how should we look at the leverage profile? You did indicate broad CAPEX numbers. Now, the reason to ask is there were a few press notes about we looking for one particular asset in Southern India. So, are there any broad guidelines on net debt-to-equity that we have in mind and we should be looking at?
- Management:** We generally want to be conscious of our leveraging whether in terms of the net debt-to-equity or net debt-to-EBITDA. And as we speak, we have a net debt-to-EBITDA as of now of 1.5. Generally, our endeavor is to keep it below three. But when we do go for the expansion as we are doing, at the time when we are nearing the expansion, the debt comes on the balance sheet, whereas the commensurate EBITDA follows one year, two years later based on the ramp-up which we are able to do from that expansion. So, even if it marginally exceeds that level of three times, but so long as the roadmap is very clear how it is going to taper down, we take a call on that. That is how we go about it.
- Ritesh Shah:** Sir, any hopes on pricing to increase in North and West because structurally these are far better, stronger demand/supply regions in contrast to what we are witnessing in South, so, how should we look at pricing in North and West?
- Management:** I think prices definitely will uptick going forward. So, maybe we are through now the cyclicity of our industry. So, July, September typically is low in terms of demand. But my sense is I think prices are definitely going to move upward going forward.

- Ritesh Shah:** Sure, sir. Thank you so much for your answers. I will join back the queue.
- Moderator:** Next question is from Dharmesh Shah from JM Financial. Please go ahead.
- Dharmesh Shah:** Thanks for the opportunity, sir. Sir, my first question is on the merger of UCWL and JKCL. How should we look at from a brand consolidation perspective? Is there will be any brand consolidation or we will operate with all the brands?
- Management:** Dharmesh, thanks for asking this question. So, as I said in my opening address that we are going to continue with the two brands of UCWL which is Platinum Heavy Duty and Platinum Supreme. Now, the strategy behind this is that we want to improve our channel reach, right? Because now, these two brands are well accepted in various markets where we operate, we want to leverage those brands now and more so because now they have come under JKLC umbrella. So, that is going to give us in a good leeway to really further expand this and reach out to more number of channels and improve our channel reach and volumetric reach. So, this is what the strategy is. So, in a nutshell, yes, we are going to continue with these two brands.
- Dharmesh Shah:** Thank you. My second question is on this Northeast. So, I am not very clear the reasons for increase in the royalty rate and how it will change the project IRR because we are witnessing almost two and half times increase in the royalty rate?
- Management:** Royalty is based on the fresh tender which was floated by this AMDC. So, the reserve price itself was Rs.250 per ton. Obviously, it will on one side increase the cost of clinker because of the higher royalty, but more importantly, initial cost of the project comes down. So, overall, there may not be much difference in the project IRR including the initial, because we had factored that acquisition cost of Rs.325 crores, that was for 85% stake and to buy back the remaining 15%, another 100-odd. So, to that extent, it goes down. On the other hand, the royalty increases, but that is futuristic, because of the lower upfront outgo, the project IRR may not materially be so different.
- Dharmesh Shah:** Thank you. Thank you, sir.
- Moderator:** Thank you. Next question is from Madhav from Emerge Capital. Please go ahead.
- Madhav:** So, just wanted some thoughts on how do you view the increasing aggressiveness by Adani and UltraTech and how is the competitive landscape shaping up?
- Management:** Competitive landscape has already stepped up in fact, if you see the last trajectory of one, one and a half year, two years' time, this has stepped up in a way already. And in fact, I think you see, wherever we are there, we are a formidable player, we have good presence, very good network, good reach. So, I think we are equally competitive in those markets where big players are there. I will not name them, but wherever they are there, I think we are equally competitive. And if you see our performance

also, I think, market share and whatever we had before, I think is in alignment with that. Okay. See, competition is going to be there in the market. It is all about how we are going to have our own strategy, which is going to really take on to those challenges and ascertain our objective, right. So, that is what we are doing. And this is what I think I told in the beginning also that our much more focus on improving our competitiveness looking inwardly and I told you various actions which we are taking and going forward also I think we are not going to relent, we are going to further intensify our effort internally to kind of be competitive in all those markets wherever we play.

Madhav: Understood, sir. Thank you so much. Could you also share some thoughts on the market share, what do we have currently?

Management: So, market share, I think, in different markets, since we are not everywhere, I think wherever we are there, I think we have a reasonable market share of about, 10% to 12% in all those markets, in Chhattisgarh and all, we have even 13%-14% market share, right, and Rajasthan, we have a good market share, Gujarat, we are 13%-14% of market share. So, all those markets, wherever we are there, I think fair market share what our definition is, we should be more than 12%-13%. In all those markets where we operate, we are kind of having those kind of market share in every market.

Madhav: Understood, sir. Thank you so much. That is all from my side.

Moderator: Thank you. Next question is from Kamlesh Bagmar from Lotus Asset Managers. Please go ahead.

Kamlesh Bagmar: Yes, thanks for the opportunity, sir. Just referring to some media news saying that we are in the race for Deccan Cement. I know that you have articulated to the exchanges saying that we assess all those opportunities. But anyway, like, just to have some sense why we want to be in the south market? Like, if we see last six, seven years, say, Bahrain, Udaipur, we have not expanded capacity in the north market, and which is the most important and most efficient and high-yielding market. And if we see over the last six, seven years, like, the way the Wonder Cement has come in, or various other players have come in, we are not able to scale up in that market in such a way. Why not proceeding with expansion in the north market and prioritizing or moving to the south market?

Management: I think north, anyway, we are expanding, we have already added about 2.5 million ton on 28th of March 2024. It is not that I think we have not added capacity in north. And in fact, I think we have done some kind of debottlenecking also, 0.6 million tons at Udaipur itself, close to about 0.3 million ton at Sirohi, right. So, idea was that let us exhaust our capacity first then to kind of move on to next expansion. And that is what I think we have done. Now, since, after Udaipur, anyway, I think in the pipeline is Nagore, we have mining licenses with us and we have already started acquiring land, taking approvals and we do have a plan to set up a 3-million-ton plant out there. So, I think north is very much focused in our case. And north, we are going to be a very formidable player. If you look at north, our installed capacity in north itself is close to 10 million ton, which is none less than even

the bigger player in that market. So, I think that is going to be our focus, that will remain our focus even going forward, one. Second, I think you asked about exploring other market. I think Northeast, we are not there. As an organization, we do kind of have a look at our future canvas as to where we want to play. And we felt that, Northeast is a good market where we should be in. And that is what we are trying to be there. In east, I think, I told you that our capacity utilization has reached to a level. Now, we have a good plan of 4.6 million tons, right. So, there we want to consolidate our presence, right. Similarly, I think wherever we feel that, any opportunity which comes on our way, be it, Brownfield or Greenfield, right, we definitely evaluate, and we take a very conscious and well-deliberate and thoughtful decision as to how much we need to go there and to what extent we can play, right. So, that exercise as an organization, I think anybody would be doing. And that is what I think JK Lakshmi Cement as an organization we are doing. Even going forward also. We look at all opportunities. We have a clear-cut roadmap of 30 million ton by 2030, right. The way I think we are moving we'll definitely achieve that as well. We are through with all those I think utilization of capacity, then going forward, we will have that kind of growth ambition as well.

Kamlesh Bagmar:

Sir, what is the status of land acquisition at Nagore plant? Because, honestly, like the way the competitors, like Shree Cement, they came out with their plant at Nawalgarh. UltraTech also came in, then JSW, which has, like say they are about to commission the plant in next six months. So, the aggression or the speed which the other players have shown in adding capacity in the North market and with the focus, we are honestly missing on that particular part at least in the North market. So, on that line, what is the status of Nagore plant acquisition or land acquisition?

Management:

So, Nagore, we have two mining lease licenses. In one, I think we are almost through with all those approvals, right. So, I think we are almost there where we wanted to be. In case of other mines, we have some exchange of land, like gochar land and forest land, which we are in the process of now exchanging. So, that process is on. Okay? Plant land, we have already identified the place and part of land acquisition we have already done, right? So, we wanted to first kind of ensure that all those prerequisite approvals for limestone mining is in place. That we have done in case of one mining almost. Second, in case of second mining, yes, we are in the process of some of the more steps which we need to take. And land, we have already identified place and we have started acquiring land. So, this is what the status as of now.

Kamlesh Bagmar:

So, we have also one mine in Saurashtra as well. So, any update on that land acquisition?

Management:

Saurashtra, in fact, I think we are ahead of Nagore also in terms of acquisition. So, public hearing is already done, environment clearance is in process, land acquisition, almost, I think, government land we have already obtained, some rehabilitation has to be done... there I think we are in the process of, rehabilitating some of the people who are there on the land, right. So, Kutch, I think, mining side of it, I think we are almost through.

- Kamlesh Bagmar:** Thanks a lot, sir.
- Moderator:** Next question is from Shravan from Dolat Capital. Please go ahead.
- Shravan:** Hi, sir. A couple of questions and clarifications. Sir, first, on Durg expansion, you said, clinker is there and obviously, 1.2-million-ton grinding will be there at Durg. But 1.2 million ton, you said Madhubani, I think it was Prayagraj which will come first. Correct me if I am wrong?
- Management:** I think these two sites are ready almost in terms of land acquisition. So, both the places, I think, we have plant land is in place. In case of Madhubani, we already had this public hearing, and we have applied for TOR and environment clearance we are going to take now very quickly, right. So, Madhubani is ahead of Prayag as of now. So, that is what we mentioned that Madhubani may come a little earlier than Prayag.
- Shravan:** Madhubani should start by this March '26 and then the Prayagraj and Patraru, both will come by March '28 or a possibility that both come by September?
- Management:** So, Patraru will come around '28 March, right, and along with at least Durg grinding station along with clinkerization and one grinding station by March '27 and somewhere around mid of March '27 and March '28 will have Prayagraj, maybe September, October kind of thing event.
- Shravan:** Okay. Prayagraj would be in September, October next year. Okay. Got it. Second sir, a couple of data points. First, what was the CAPEX in Q1 and what was the RMC revenue?
- Management:** RMC CAPEX 1st Quarter was about Rs.100 crores. And separately out of 144, you wanted the RMC? It was about Rs.70 crores.
- Shravan:** Okay. 70 crores. And sir, in terms of last time, we said in terms of the cost reduction Rs.100, 120-odd per ton for next 12 to 18 months, so, that still remains intact?
- Management:** That still remains intact. Yes.
- Shravan:** Okay. Okay. Got it. Despite that we have done 100-odd crores CAPEX, we are kind of confident that we will be able to do Rs.1,400 odd crores in this remaining nine odd months?
- Management:** Yes.
- Shravan:** Okay. And sir, just two things wanted clarity now. As we restated the tax particularly and the PAT because of the UCWL merger, is it possible to share the tax for Q2 and Q3 of FY25 or maybe a PAT number?

- Management:** Tax, we have already switched over to the new tax regime. So, whatever profit we have going to have in the subsequent quarters, we will have to pay 25.0%-odd as per the new tax regime on that.
- Shravan:** No, no. That I understood. What I am trying to say for FY25, we have restated the consol tax and PAT number. So, Q1 and Q4 FY25, we have the number with the results, but Q2 and Q3, if possible, if you can share would be helpful?
- Management:** FY25, I can separately provide. I do not have a readily for the four quarters as of now.
- Shravan:** Okay. Okay. No issues. And just one thing. I wanted a clarification, sir. Did we organize a plant visit in this quarter for BICET [ph] 39:52?
- Management:** Yes, Mr. Vaibhav had advertised a lot for that plant visit, invited the participants to go for the plant visit.
- Shravan:** Yes, because it was not there announced on the exchanges. So, that is what just wanted a confirmation.
- Management:** It was put there. I am not sure. Mr. Vaibhav had talked to various people whom he had spoken to. I think all the institutional players. So, obviously, maybe you must have missed it out. Others had been able to join.
- Moderator:** Thank you. Next question is from Nidhi Hasija from Goldman Sachs Asset Management. Please go ahead.
- Nidhi Hasija:** Yes. Hi, sir. Congratulations on the good set of numbers. Sir, just one clarification. On the third plant, our CAPEX number seems to have increased from Rs.2,500 crores to Rs.3,000-odd crores. Can you let us know what led to the CAPEX increase in one quarter?
- Management:** There were certain additional equipments we had talked of which were not earlier including the triplex, etc., plus some cost escalation going forward. That was about one year back that we had estimated it. So, normative in that.
- Nidhi Hasija:** Okay. Understood.
- Management:** Thank you.
- Moderator:** Next question is from Milind Raginwar from BOB Capital Markets. Please go ahead.
- Milind Raginwar:** First question is what was the cement revenue for the quarter?

- Management:** We have given separately for Rs.144 crores for the value-added products. So, remaining is all cement and the corresponding quarter was Rs.132 crores.
- Milind Raginwar:** Okay. And the second question from my side would be the freight cost on a per ton basis. That is showing some escalation. Any specific thing that you want to call out on that as to why would that be on an inflationary side?
- Management:** Yes, I think that is what I mentioned fact before, right. So, it has gone up a little bit. If you look at, lead was 393 kilometers, it has gone to 399. And the reason I mentioned that we are in fact feeding those markets where we are going to be present in the coming maybe a year or a year and a half. So, we have started kind of feeding those markets and creating our brand awareness so that once we have plant there, then we can quickly ramp up. So, that is why it has gone up a little bit.
- Milind Raginwar:** Okay. The increase in the lead is the only reason for the increase in the logistic cost, is that what do you think?
- Management:** I think it is all intact.
- Milind Raginwar:** Okay. And any specific reason we seeing the other expenses on a higher side again on a year-on-year basis?
- Management:** That is basically because of the increase in the volume. It is not 100% fixed cost. With the volumetric increase, it is there.
- Milind Raginwar:** Okay. There is nothing specific beyond volume side that we have something loaded in the June quarter in terms of the expenses?
- Management:** Yes, nothing.
- Milind Raginwar:** Okay. Thank you, sir. Thanks.
- Moderator:** Next question is from Uttam Kumar Srimal from Axis Securities. Please go ahead.
- Uttam K Srimal:** Yes, sir, thanks for the opportunity and congratulations on a very good set of numbers. My question pertains to your total debt profile. So, what is the consolidated gross debt currently?
- Management:** That is there in our presentation which we have uploaded on the website.
- Uttam K Srimal:** Sir, that is standalone you have given?

- Management:** Now, it is consolidated, because now UCWL has merged. So, there is nothing called standalone, consolidated, it is all together.
- Uttam K Srimal:** Okay. Sir, how much debt are we going to take this year to finance the expansion project?
- Management:** We have talked of a CAPEX of about Rs.1,500 crores in the current year, for that, we may take Rs.1,000 crores additional debt in this year.
- Uttam K Srimal:** Okay. Sir, how is the current pricing compared to Q1 prices?
- Management:** So, pricing is more or less stable, but non-trade has gone down a little bit in some markets. Like in case of north and even in east, west trade and non-trade, both prices have gone down a little bit. So, prices have gone down a little bit than what we had last quarter. If you compare this with exit, then yes, at least in June, I see that prices have slid a bit.
- Uttam K Srimal:** Okay. Sir, with regard to premium cement, this quarter it has come down to 23% compared to 25% last quarter. So, where do you see this premium cement growing this year?
- Management:** So, our target is to reach to minimum 27%-plus premium cement. And what happens is when your volume goes up, I told you that in some markets where we have ventured into, we have sold a base product. And that is why premium percentage has gone down. But in all those markets where is a core market, our premium proportion is intact. But newer market, I told you that UP East market and part of Central market where we have gone, premium product has not done that well. But nevertheless, I think our plan is to take it to 27% by end of this year.
- Uttam K Srimal:** Okay, sir. That is all from my side and wish you all the best.
- Moderator:** Next question is from Parth Bhavsar from Investec. Please go ahead.
- Parth Bhavsar:** Hi, sir. I have just one question. This cost savings of Rs.100 to 120 per ton, can you tell us from what and which initiatives, be it renewable energy or whatever, so, what sort of CAPEX are we putting in and how would the renewable energy move in terms of capacity over what period or if there are any other levers as well?
- Management:** Renewable, we are there at 49% now. And we do have a plan wherever we have possibility, we are enhancing that like in Gujarat and in Rajasthan, we are improving our renewable portfolio and we see that our renewable portfolio will go around 52% in this year. So, this is one initiative, of course, I think is going to give us some kind of saving. Second, I told you that TSR or AFR, which we are using in our integrated units. So, from there also, we are going to have saving. And third, on manufacturing area, we are initiating some AI-led initiatives in our manufacturing process. So, we will have some saving in power and fuel also once we deploy that. So, I think this is in the

manufacturing area. And on top line, I told you that further consolidating our newly rejuvenated brand, which we call Green Plus. And of course, I think just now I replied on premium products, so that is another area on top line. Improving price positioning further, so that is the third one. So, these are the initiatives on top line part of it. And of course, I think supply chain remains a constant factor whenever it comes to drive efficiency. So, there also, we have plan to further improve our direct dispatches kind of work on different modes of transportation to reduce distribution costs, and reduction of leads. So, this is what the initiative, which is in our sight in case of supply chain. So, these are the three major areas where I think where from this 100-plus saving is going to come in the next 12 to 18 to 24 months' time.

Uttam K Srimal:

Okay, sir. That was my question. Thank you so much for answering.

Moderator:

Thank you. Next question is from Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka:

Yes. Hi. Thanks for the opportunity again. So, just coming back on CAPEX, so, you mentioned like I think Rs.1,500 crores this year, Rs.1,800 crores and then Rs.1,500 crores. So, could you also provide a split of it between Durg and Northeast, how is that split?

Management:

Basically, we are talking of about Rs.3,000 crores of Durg and balance will be Northeast, other than some minimum CAPEX of about Rs.70 to Rs.80 crores every year.

Amit Murarka:

Rs.3,000 crores over next two years or three years?

Management:

Yes, three years.

Amit Murarka:

Three years. Okay.

Management:

We started acquiring land both at Nagore and Kutch, bit will go in there also.

Amit Murarka:

Sure. Why I ask is because Northeast, for instance, is still going to take a bit of time to figure out. But like -

Management:

It will not take that much of time. It is almost there now. So, this CAPEX number which we have given for the three years includes three basic things -- One, the Durg expansion, Two, the Northeast, and Three, the land acquisition at Nagore and Kutch, and the other normative maintenance CAPEX.

Amit Murarka:

Okay. Sure. Also, lastly, like I do not have the number. For FY25 what would have been your split for clinker and cement sales?

Management:

FY?

- Amit Murarka:** For full year FY25, how much was the clinker sales that you had done?
- Management:** For the full year, total we have done 121 lakh tons. So, out of that 7 lakh was the clinker, balance was all cement.
- Amit Murarka:** 7 lakh? Okay. Got it.
- Moderator:** Next question is from Ritesh Shah from Investec. Please go ahead.
- Ritesh Shah:** Yes. Hi, sir. A couple of questions. First is, for the East expansion, do we have any incentives in place?
- Management:** Yes. So, East also, they have some incentives. So, since we are in the initial phases of our preparedness, so, we are going to approach the government. So, they do have some incentives and we will try to obtain some customized package also if possible.
- Ritesh Shah:** Okay. And, sir, my basic question is -
- Management:** No. So, specific number I think I will not be able to put now. Once we approach them and then come back as to what we are going to get.
- Ritesh Shah:** Okay. Sir, my second question is, we have optionality in Northeast. You indicated Nagore. We have a lease in Gujarat. We also have something in Madhya Pradesh. Sir, how should we look at it? So, after Durg, what is it that we are looking at? Is it Northeast, then Gujarat, then MP, what is the thought process? And if you could marry your answer with the limestone lease expiries that we have specifically in Rajasthan? I do understand that we have one lease in Nagore, but I think the premium over there is quite steep. I think similar thing is also probably for Central India as well. So, sir, how are you looking at incremental growth and how are you marrying it with the cost curve increase that we will potentially see?
- Management:** Broadly, you have answered in your question only. You are right. We are first targeting Durg expansion followed by Northeast, then Kutch and then Nagore in that order.
- Ritesh Shah:** Okay. Answer on the lease expiry, how should one understand?
- Management:** Our Sirohi mines will go for re-auction in the year 2030. So, this is one thing which is there. And a couple of years later, Udaipur also. But this is the phenomena all across India you know that. So, a lot of mines are going for re-auction in the year 2030, right? So, one of our mines, of course, I think is part of that. So, yes.

- Ritesh Shah:** Okay. Sir, just a simple follow-up. So, would it be possible for you to quantify how much can be the peak cement and clinker capacity first in Northeast, then in Nagore, then in MP and then in Gujarat? Just trying to appreciate the growth pipeline that we have, which can unfold over the next say five years, 10 years?
- Management:** So, we are starting with Durg where we are going to add about 2.3 million tons of the clinker and 4.6 cement. In next quarter, definitely for sure we will be able to tell what will be the size to start with at the Northeast. And as regards the Nagore and Kutch, they are still far away. You can broadly say 3 million tons each for Kutch and Nagore. Northeast is the only thing which we need to finalize on the exact size of both the clinker as well as the grinding capacity, which hopefully we will be able to firm it up by next quarter.
- Ritesh Shah:** Sure, sir. This is very helpful. Thank you so much.
- Management:** Thank you.
- Moderator:** Thank you. Due to time constraints, we will be able to take one last question. We take the last question from Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Hi, sir. Just a follow-up question. You mentioned in the press release, there was this East expansion cost increased from Rs.2,500 crores to Rs.3,000 crores.
- Management:** Yes.
- Rajesh Ravi:** Any specific reason because we do not see any increase in the capacity.
- Management:** As I mentioned in response to a query from an earlier question, we had included some additional equipments like Triplex, etc., Two, we have also added railway siding at the three grinding units, which were earlier not part of that. So, that is why it has gone up from Rs.2,500 crores to Rs.3,000.
- Rajesh Ravi:** Okay. So, that will only increase the efficiency of these assets?
- Management:** Absolutely.
- Rajesh Ravi:** Right. And when you mentioned the total project CAPEX for the next three years of around Rs.4,800 crores, and Rs.3,000 crores is being earmarked for the Durg and if I look at maintenance, it would be close to Rs.300 crores. And how much you are factoring in for the two land acquisitions at Nagore and Surat? And how much we have already spent for the Northeast expansion so far?
- Management:** In Durg, the land acquisition is already there. So, Nagore and Kutch may be there. So, that may not be a very high figure, balance would go for the Northeast.

Rajesh Ravi: Okay. And how much we have spent for the East project?

Management: East project for the Durg?

Rajesh Ravi: Yes. Out of this Rs.3,000 crores?

Management: Rs.70 crores to Rs.80 crores only.

Rajesh Ravi: Only Rs.70 crores to Rs.80 crores? Okay. And Northeast, whatever you have just paid Rs.130-odd crores -

Management: No, we have already done of about Rs.80-90 crores on land.

Rajesh Ravi: And plus Rs.130 crores?

Management: Yes.

Rajesh Ravi: Okay. Great, sir. That is all from my end. Thank you.

Management: Thank you.

Moderator: We will take that as the last question. I would now like to hand the conference back to Mr. Vaibhav Agarwal for closing comments.

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

Management: Thank you.

Management: Thank you, Mr. Vaibhav. Thanks, everyone.

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