JKLC:SECTL:SE:26
6th August 2026

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 (India) Pvt. Ltd. on 6th August 2026 at 4:00 P.M. IST

In continuation of our letter dated 30th July 2026 on the above subject, we have to inform you that 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: 10044705

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

Yours faithfully,
For JK Lakshmi Cement Limited
Amit Chaurasia
Digitally signed by Amit Chaurasia
Date: 2026.08.06 17:33:15 +05'30'
(Amit Chaurasia)
Company Secretary

JK LAKSHMI CEMENT LTD.

JKLC:SECTL:SE:26
7th August 2026

1 **BSE Ltd.**
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Security Code No. 500380
Through: BSE Listing Centre

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Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital (India) Pvt. Ltd. on 6th August 2026 at 4:00 P.M. IST

In continuation of our letters dated 30th July 2026 and 6th August 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
Digitally signed by Amit Chaurasia
Date: 2026.08.07 16:34:13 +05'30'
(Amit Chaurasia)
Company Secretary

Encl: a.a.

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E-Mail: jklc.customercare@jkmail.com | Website: jklakshmicement.com | CIN L74999RJ1938PLC019511
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E-Mail: lakshmi_cement@lc.jkmail.com

"JK Lakshmi Cement Limited

Quarter Ended 30th June Earnings Conference Call 2026"

August 06, 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 Earnings Conference Call for the Quarter Ended 30th June 2026 of JK Lakshmi Cement Limited, hosted by PhillipCapital (India) Private Limited.

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 conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital (India) Private Limited. Thank you, and over to you, sir.

Vaibhav Agarwal: Yes, thanks Ryan. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q1 FY27 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's 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 new business development, information, or future events or otherwise. Also, the participants of the call can download a copy of the Q1 FY27 Results Presentation from the company website.

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

Management: Yes, thanks Vaibhav. Good afternoon. Good afternoon to all of you. Thanks for joining this call of JK Lakshmi Cement which we are discussing, going to discuss Quarter 1 results. So, before we take questions, I'll just give you a brief update, though we have already uploaded our result and also all those -- parameters. Still, I think couple of things which is important to note here.

One, of course, I think if you really look at, you know, demand side, Quarter 1 FY27 was reasonably all right, despite having lot of issues externally and one of them was, you know, geopolitical situation which we are in. Despite that, I think demand was better, industry has grown by about 8% or so. Supply side, around 11 million ton has been added, that is what I think information which we have and overall addition is going to be about, you know, 52 million ton as per the estimation which we have with us.

Overall installed capacity of cement in India after 11 million ton addition is about 725 million ton. Capacity utilization last quarter industry level was on an average about 73%, 74%, couple of players higher than that and some of them were lower than that. This is on supply side. If you look at, you know, cost side of it, all of us know that cement industry is being impacted by geopolitical situation which is existing in different parts of the world, and the major being Middle East conflict which is happening.

That has disrupted entire supply chain and impact of that is on the import which we do, particularly fuel from outside and coal and pet coke. So, those players who are there in Northern part of India, I think they were dependent more on imported coal and pet coke, so that has impacted our cost part of it. Even, you know, related other products also because of geopolitical situation, be it explosives, chemicals, other things also, prices have gone up.

If you look at price side of it, price increase has happened but not to the extent, you know, cost has gone up. Pass-through has happened partially and in our market where we operate, non-trade prices have gone up. Trade largely were kind of, you know, flat, in some of the market even trade also improved a bit. But overall, pass-through has not happened to the extent cost has gone up.

Internally, JK Lakshmi Cement, we have been working on various ways to mitigate this external situation by working on different levers which we have within our control and of course how we can really readjust to the reality of, you know, fuel situation or energy situation which is existing. How we can use, let's say, a little more of indigenous coal and replace, you know, pet coke which is getting, which was getting imported.

And similarly on, you know, renewable energy front, AFR, on logistics front, and even on top-line, you know, elements like volume, premium products, geo mix and all. So, which I have been kind of telling all of you that this is what our focus is. We focus internally and externally wherever we can mitigate with our internal actions, that is what we have been doing in the last quarter as well.

So, this is what just a brief, so there's a kind of, you know, uncertainty in terms of cost landscape and particularly on fuel part of it. Now we are through this, you know, cyclicity, so of course I think this is going to be a kind of, you know, double impact this quarter. One is on leverage part of it and second, cost impact which is going to be little more in Quarter 2 than what it was before. So, this is what is there from my end as of now.

Now this is open for question-and-answer from your end.

Management: Yes, before we take up the question-and-answers and throw the floor open, I would like to make a mention that you would all investors would know that we had an AGM last week and in which we had proposed various resolutions and unfortunately, despite the fact that all these resolutions were in full compliance of the law and as per the SEBI LODR guidelines, the proxy advisors had proposed a negative voting for some of the resolutions.

And some of the investors just based on the negative recommendation of the proxy advisors had casted negative vote on some of the resolutions. Fortunately for us, very many mutual funds and FIIs took a pragmatic view based on the representation made by the company to these proxy advisors. Though they issued the addendum attaching the company's response to their recommendation, they did not change their recommendation.

And you would be surprised that even the re-election of the professional director Mr. Shukla was recommended to be negatively voted by some international proxy advisors. Fortunately for us, as I mentioned, very many mutual funds and FIIs took a pragmatic view and casted the vote in favour of these resolutions and all these resolutions were passed with overwhelming majority and whatever majority was required to be passed to get these resolutions through.

So, we expect our investors to take a pragmatic view in the matters, discuss the matter with the company and take a conscious view rather than just basing it on the recommendations of the proxy advisors. That is the opening comment I wanted to make and we can now throw the floor open for question-answers please.

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. Please go ahead.

Sanjeev Kumar Singh: Thank you for the opportunity, sir. My first question is on realization. So, as you mentioned that trade prices did not move up materially, there was some improvement in non-trade prices, but overall your realization seems to be up by around 9% on a sequential basis. So, what is this related to? Is this related to some sort of market mix, some sort of product mix? Can you throw some light on this?

Management: Yes, so non-trade prices went up in some market and even, you know, trade prices also went up in few market, not all market, but major increase was there in non-trade, so that has helped us. But the major, you know, impact has come about through our, you know, focus in geo mix, the material where we are going to sell and that has impacted our realization a bit.

So, one of course, non-trade because we are little heavy on non-trade, you know that, even last quarter also 41% is our non-trade, right? So, non-trade price increase in markets like Gujarat and Mumbai area, even East also it went up and North as well. Trade was kind of, you know, stable in North, went up a bit in West and also in East, so that has helped us. helped us to improve our realization.

So, geo mix and the price increases which we had. And of course, I think other levers which we keep on working on. So, for instance like if you really look at our lead, lead has, you know, gone down by 20 kilometres last quarter. So, all these, you know, combination of all these parameters has helped us to improve our realization.

Sanjeev Kumar Singh: So sir, would it be possible to share some more colours on this geo mix change? Like in which markets you have seen some improvement in your volumes or where have you reduced your volumes?

Management: No, so I think that is evident because if my lead is going down by 20 kilometres, so my sales have increased in nearby area. I think I do not have that, you know, breakup geography wise as to where we have sell how much, but yes, of course I think far-off market we have reduced quite a bit in last quarter.

Sanjeev Kumar Singh: Okay. And second question is on your variable cost. So this also looks higher than what peers have reported. So can you share some, can you give some information on per Kcal cost in terms of fuel in this quarter versus what was in 4Q and currently what is it as of now?

Management: Yes, so last quarter fuel cost was 1.65, which went up from 1.54 preceding quarter. So there is an increase of about, you know, INR0.11. So that is one of the major element, I think fuel per Kcal increase is one of the major contributors to this.

Sanjeev Kumar Singh: And what is it currently, sir, in this quarter in 2Q?

Management: So Quarter 2 I think we have just, you know, closed one quarter, so it is going up for sure, I think it's more than it's more than 1.65.

Sanjeev Kumar Singh: Okay, sir. Thank you. I will come back in the queue.

Management: Yes, thank you.

Moderator: Thank you. We take the next question from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Yes. Hi. Good evening and thanks for the opportunity. Could you share the number of other operating income which you had in the quarter?

Management: Other operating income. Yes. Treasury one. Not much. No the other operating income is basically other income which we have shown separately. Other income, not the other operating income, it is the income from the treasury.

Amit Murarka: Yes, no, other income I know, it's there in the results, but like there are others, other kind of non-operating, non-revenue related operating incomes also, right, which are booked in revenues?

Management: Other operating income. We don't have any other non-operating income.

Amit Murarka: Okay. Sure. So then on this price improvement of 8%, 9%, so I understand that you say that it is geo mix optimization, but could you still explain like what are the markets where let's say you sold more? Because this is a really meaningful increase as you would also agree. So just to have better understanding?

Management: Yes, so major I think we have, you know, four major markets where we sell. So Gujarat, Rajasthan, Chhattisgarh, and Haryana and part of Western UP. So just to give you a sense, we have sold about, you know, close to 90% sales in these markets.

Amit Murarka: Okay. And last quarter what was that number for that?

Management: Sorry?

Amit Murarka: Last quarter was that number lower for Q4?

Management: Yes, of course lower. Of course lower. And must be about, you know, at least, you know, 10 percentage lower than this. And that has impacted our lead also. If you look at our lead, you know, it has gone down from 388 to 368.

Amit Murarka: Okay. Okay. Understood. And how much capex has been spent on the Durg expansion so far?

Management: Total in this quarter we have spent about INR300 crores in this three months period. And if you want to know separately on how much has been spent on Durg only for that expansion is about 400.

Amit Murarka: 400 in aggregate so far you mean?

Management: Yes, Yes, 400 is aggregate in so far, including what has been spent in the previous year. Total for FY27 in 12 months period we expect a total capex of about INR1,500 crores and thereafter next year slightly higher at INR2,000 crores and then again 1,500. This is without taking into account the expenditure to be incurred on land acquisitions for Kutch and Nagore which is slightly going slow. So that is what guidance for as of now is.

Amit Murarka: Right. So this guidance includes the Northeast expansion also?

Management: Yes, Northeast, this does include Northeast also of INR1,500 crores.

Amit Murarka: Understood. Also could you share the numbers for the non-cement revenue in the quarter?

Management: Non-cement revenue in this quarter were INR185 crores. Yes, INR185 crores. This included RMC of INR93 crores and other products AAC 60, 70, POP 23. That is how what was made up of INR185 crores.

Amit Murarka: Got it. And while fuel cost you said will increase a bit in in 2Q, like is there another any other area of cost inflation which will be there? I believe packaging would be moderating now, correct?

Management: No, no, packaging cost also the recent trend is now the, you know, granule prices have gone up. I was just kind of, you know, looking at it. It went down little bit, you know, 134 or something, now it has gone to gone up to 145. So that is also going up and the impact of that, you know, to my calculation, initial calculation is about on bag itself is about, you know, INR3.5 to INR4 per bag.

Amit Murarka: Over and above Q1 you mean?

Management: Yes, yes, because this is the recent, you know. So this cost has gone up, bag packing cost is going up. Now pet coke was kind of softening a bit little bit in between, but it has gone up shot up once again. It has gone up more than, you know, 140, 145 now. And same goes with, you know, imported coal also about USD130, USD135 per ton.

Yes, raw material cost is constant, it has not gone up with respect to last quarter, but fuel cost, packing cost, this is definitely I think is on increasing trend now. And if, you know, something happens something positive externally then I think things may improve, but this is what it is as of today.

Amit Murarka: Sure. So would you be able to share a number let's say for cost inflation for Q2 then in aggregate as in per ton basis?

Management: I think see, major is contributor is going to be fuel cost, so from 1.65 to maybe it can touch even about 1.8 plus or even 1.85 times.

Amit Murarka: Understood, understood. Got it. And just the last data question also, on the non-cement business what would be the EBITDA margin in the quarter?

Management: 5%.

Amit Murarka: Okay. That's it from me. Thank you.

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

Rajesh Ravi: Hello, am I audible?

Management: Yes, Rajesh, good afternoon.

Rajesh Ravi: Yes. Good evening. Hi, sir. Good evening. So first starting with what was the clinker sales volume in Q1 out of this 35.98 lakhs?

Management: Yes, just hold on I'll let you know. 1.63 lakh ton, right? 1.63.

Rajesh Ravi: 1.63 lakhs. Okay. So there is a fall in the clinker sales volume quarter on quarter. Is this understanding correct?

Management: Yes, Yes, absolutely.

Rajesh Ravi: Okay. And second, the reported cement realization which you share, that number is up by almost INR20 per bag quarter on quarter. You mentioned that trade sales -- trade realization barely moved and non-trade would have improved. So this sharp INR20 increase, so even, you know, would you

Management: Yes, go ahead.

Rajesh Ravi: Yes, so on a like to like basis, what was the price improvement seen in the trade and non-trade segments? So I just want to split the benefit, you know, on account of price movement and on account of geo mix optimization?

Management: So I do not have granular, you know, figure but I'll just let you know, so based on geo mix the reduction is about 20 kilometres. That translates to about, you know, INR60, INR70 per ton, right? And rest is your, you know, price increase and see, if you really look at, you know, West prices like Gujarat and, you know, even Mumbai where we sell, you know, little bit, and our non-trade proportion is very high, their prices went up and that has helped us. Trade prices went up in East, so that has helped us. North was almost kind of, you know, constant, a little bit here and there, not much, but non-trade even North also has gone up.

Rajesh Ravi: Understood. So if I look at your -- you have mentioned in the presentation that your lead distances come off, but the if I look at the freight cost, that number has inched up by INR30 per ton. Obviously there would be some impact of, you know, diesel price increase for a month, but we haven't seen the benefit of the lead distance in the freight cost.

Management: So we kind of hold on to freight for some time, but, you know, in certain route, certain lens we had to increase this because of, you know, diesel prices went up, right? But the reduction has been much more than what, you know, inflation we gave in terms of, you know, freight. Okay?

Rajesh Ravi: Sorry, didn't understand the last part.

Management: So the reduction which we have taken 20 kilometers, this has surpass the cost inflation or the freight increase which we had given to our transporters. That is what I'm trying to tell.

Rajesh Ravi: Okay. So you're saying that your freight operators have taken a larger increase, but that impact is moderated because of the lead distance reduction which you have seen. And were there any maintenance shutdowns across plants which would have inflated the other expense numbers in this quarter because even that is at very high at INR770 per ton?

Management: Yes. No, no, we took maintenance also in some of the kilns like, you know -- so there were some maintenance part, not major because major maintenance is happening annual shutdown this quarter, but packing cost is one cost which has gone up, right? And some of the plants I think we had some shorter shutdown also to kind of work on few things.

Rajesh Ravi: Understood. So now between Q1 and Q2 you're looking at your fuel cost going up by INR0.20, which would be like INR100 per ton. And even packaging you're implying INR3 to INR4 per bag, means, around INR80 increase in packaging cost. So, even if I take it for the -- at least, Yes, INR50 to INR60 impact. So we are talking about 150 plus variable cost increase.

Additionally, there will be an [uplift 0:23:53] loss sequentially and also maintenance related expenditure piling up in Q2. So -- and obviously cement prices haven't moved up rather they would have a negative bias versus Q1. So are we looking at margins tapering off significantly in Q2 versus Q1 basis current cement prices?

Management: See, typically July-September is cyclical, you know, demand cyclicity.

Rajesh Ravi: Correct.

Management: So, all of us take maintenance during this time. So that definitely impacts our margin, right? Now as I said before that on energy front, fuel front there is an uncertainty. If things improve then I think is going to be good. And also since this is impacting across industry, then pass-through also definitely will happen, that is what I believe. So [inaudible 0:24:46] is not going to kind of hit our margin, we'll try to pass it on to our customers because absorbing this much cost is not possible. I think we'll have to pass it on.

The only challenge would be that this is falling or coinciding with demand cyclicity. So how much pass-through that is going to happen, that is a kind of big question mark, how much we'll be able to pass it on. So that is what the crux is. Otherwise definitely pass-on pass-on will happen and cyclicity will impact, so that is something which is kind of every year phenomena.

Rajesh Ravi: Understood. Understood. But so far in July and early August what has been the pricing trend versus average of Q1?

Management: July, August if you compare I think I have not seen much upward trend, but prices have not gone down even, right? So this is happening in all market till now, because we are just, you know, 6th of the month, August and July has just passed, so prices have not gone down. Maybe I think if you know that, you know, July has been little better than earlier July previous years, right? So I think demand will improve or maybe I think little bit upward in demand will definitely help us to take up some price increase also.

Rajesh Ravi: Understood. And sir, lastly on the capex, what is the equipment ordering status on the Eastern and Central expansions and on the railway siding phase 2 as well as on the conveyor belt in the Durg?

Management: So on ongoing projects major equipment ordering we have already done, for instance like Durg, our second Clinker 9 plus grinding facility, plus grinding at our Patratu and Madhubani, sorry, Prayagraj and Madhubani. So that major equipment ordering we have already done. Okay. And this railway project which I said before also that, that is contingent to the kind of collaboration with Steel Authority of India and other stakeholders, right?

And even, you know, since we are just passing through some road also, PWD road, so I think that has to kind of a collaborative approach with all those stakeholders also to take it forward. But that is no way impacting our operations because we are operating our railway line full-fledged, no issue. And whenever that kind of collaboration happens then we'll take this railway project forward, whatever is remainder.

Rajesh Ravi: And the overhead conveyor belt project?

Management: Overhead conveyor belt, so as I said that this approval was pending with Steel Authority of India Limited. That has been approved. Now this is proposed agreement is now lying with Steel Authority of India Limited and they have to kind of go ahead to do this agreement and contracting. So we have reached to that level till now.

Rajesh Ravi: Understood, sir. That's really great. I'll come back in queue. Thank you and all the best.

Management: Thank you so much. Thank you.

Moderator: We take the next question from the line of Girija Ray from Nirmal Bang Securities. Please go ahead.

Girija Ray: Hello, sir. Good evening and thanks for this opportunity. I have few questions. One number related question that is first, what is our total thermal capacity and if you can provide me RE component installed capacity as of today? And what is our progress towards increase of RE capacity and for power and fuel cost savings preposed? This is my first question.

Management: Okay. So you asked, so right, last quarter we have renewable energy 49%, right? So whatever energy we consume 49% is our renewable energy and that includes solar, wind and WHRS, right? So this is in terms of our renewable energy, 49%. And of course I told you that our plan is to take it up. We are working on some other projects also and going forward maybe 6 months, 8 months down the line will further improve this percentage. So this is part one of your question, right? Part two was what? Yes, I'm missing.

Girija Ray: I wanted to know..

Management: Clinker capacity.

Girija Ray: No, no, thermal capacity and renewable component capacity like solar, wind and WHRS installed capacity?

Management: Yes. So, I think I can give you that breakup, right? So solar is 129 megawatt, WHRS is 45 megawatt and wind is 4 megawatt.

Girija Ray: And sir thermal, thermal capacity?

Management: 74 megawatt.

Girija Ray: Okay. Okay. Coming back to my second question. See, if we talk about the regional pricing, right now if we see North and East, generally these prices are very high cement prices I can say, as compared to other regions. So if in case there is a price hike across the geography, so do you think that we still have some kind of potential of a price hike?

In fact, in a, different way if we see if there is a price correction there might be a, significant chances that, North and East can impact much rather than other regional prices. So how do you see, means like, already we are in a very high price in North and East region. So if I'm please correct me if I'm wrong or just give me some view of yours.

Management: I have a different view. I don't know from where from you're coming [inaudible 0:31:26] prices are high. Because North cost is also the highest and as I told you in my, the one of our investors they were asking impact of these geopolitical situation, I explained in my opening remark also that North has been impacted the most because we were importing coal and pet coke, right?

So to my mind, I think pass-through has not happened in North. So North has a better headroom to increase prices than other zones. This is what my take is, which is little different than your understanding.

Girija Ray: Okay. Okay fair enough.

Management: Second is, if you look at, the lowest price perhaps which is existing in entire India is Eastern part of India and particularly in Chhattisgarh, okay? So perhaps, prices have not really gone to the level by which, cost has gone up, right? And this industry is so capital intensive, right, then and that kind of ROC or ROI different players are getting, right? So I don't think that prices have gone to that level that there is no headroom. I feel other way that, there is a headroom because, cost has gone up drastically.

Girija Ray: Okay. Last question if I may. So our non-trade segment share is 41%, right? So few years before most of the, players they were trying to increase their trade segment, right? So now do you see for next two years non-trade segment is going to work out more rather than trade?

Management: So in general I think it's very difficult to really see non-trade or trade because this segmentation is also based on the margins to my mind and other segmentation of course, B2C and B2B. But when you really focus on, margin part of it, you have different landscape in different state.

So in general I think if you ask me then yes, of course trade is better than non-trade on two things. One, of course, overall margin is better and second in trade you sell mostly blended cement, so that is anyway beneficial. But if you go to that, regional nuances then I think you have a different kind of thing. So a player like us, I think we'll have a different strategy in different market with respect to trade and non-trade, right?

But overall if you ask me yes, of course effort is going to be there on trade even going forward, more so because, mostly blended cement gets sold in trade segment. And that gives you a better equivalent realization than selling other product, right? Maybe I think absolute price or the margin if you look at then maybe other product will look little higher.

But if you really look at, equivalent concrete equivalent contribution considering clinker factor, then blended is always better. So overall I think trade is going to kind of focus area in, coming future also. I don't see that's going to tilt, maybe in couple of years.

Girija Ray: Got it. Got it. Thank you, sir. Thank you very much and all the best.

Moderator: Thank you. We take the next question from the line of Aditi from Abakkus. Please go ahead.

Aditi: Hello, sir. Could you share some more colour on the SPV that you guys have done for the solar power purchase?

Management: Yes, this SPV we have taken about captive power route for having these 42 megawatts of the solar power in SPV in which we are likely to invest about INR20 crores and that will give us a payback of less than two years. We have contracted that solar power at a fixed tariff of INR4.10 which landed to us will cost us about INR5.85. So, it will substitute the grid power which is presently costing INR7.50 so per unit INR1.65 saving would be there. So that gives a payback of less than two years.

Aditi: Okay, sir. Thank you.

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

Prateek Kumar: Yes, hi, sir. Good evening. My first question is can you discuss how after reporting 8% growth in volumes, what would be your region-wise or regional growth or regional utilization for the company?

Management: So overall utilization is at 76%. I do not have regional wise growth. I think it's difficult now, maybe I think we can give you little later, but right now I am not having that data.

Prateek Kumar: Okay. Also, can you discuss the progress on your Northeast expansion program?

Management: So, in Northeast yes, two mines which we have got through auctions, now mining plan submission, getting environmental clearances and all those processes are happening and…

Prateek Kumar: Sir, you're not audible.

Management: Am I audible? Hello?

Prateek Kumar: Yes, Yes, now it's better.

Management: Yes. So, what I said was so as you know that we had got mines in Northeast through auction, so that leased mines are at different stages of approval. So, mining plan submission, getting environment clearance and things like that, so that we are doing. And parallelly, also we have a plan to put up of course initially 1.5 million ton in Northeast. For that also we have started activities, of course plant land and then getting all those clearances before identifying locations for grinding stations. So those things are happening. So, we are on track.

Now Northeast project has come back on track. Maybe in next quarter I'll give you some discrete details because now different activities are at different level of stages of approval. So, one, we achieve some milestone, then we'll update you further in perhaps in next quarter or a quarter later.

Prateek Kumar: The related capex of INR1500 crores to INR2000 crores over next three years is not including this expansion, right?

Management: It does include that. It does include that.

Prateek Kumar: Oh, it does include. Okay. And my last question is on your opening remarks; you said that annual shareholder resolutions were opposed by proxy advisors and some investors also voted against them. Could you share how company engages with these proxy advisory firms because you also got similar query and institutional shareholders for such key resolution, and any changes in the process if you think so to reduce the likelihood of such outcomes?

Management: We directly don't get engaged beforehand with the proxy advisors. What these proxy advisors do, they have their own set of guidelines for various resolutions, and there they are having their own regulations which is over and above what the Companies Act or the SEBI LODR guidelines are. Two days before the voting starts, they issue their report, recommendatory report and give us 48 hours to comment on that. Beforehand they don't give.

They make it public and then they give us. Once the we submit our representation based on their recommendation, then they, if they feel right, they issue an addendum. Generally, addendum doesn't -- they just attach the company's response and may or may not change their recommendation. In for last several years where I have, we have been engaging with these proxy advisors, they just attach the company's response and don't change their recommendation.

Fortunately for this when we made the representation this time, the proxy advisors, I don't want to name, said yes, we agree to what the company says but our guidelines doesn't allow us to change the recommendation though we think that the what the company says is right, that is one of the proxy advisors' response there to was.

The second advisory proxy advisory said yes, we fully agree, earlier they had said your the resolution is non-compliant legally, then they changed that to yes, the resolution are fully legally compliant but still they are not changing their recommendation. So, we don't have any mechanism nor do they entertain any direct interaction of the company beforehand. It's only after they release the report, they give us either 24 hours or 48 hours to comment on that and then they issue addendum attaching the company's response there to without changing the their recommendation, that is what it is.

And then the we expect the mutual funds and the FIIs based on the company's response to take a pragmatic view and fortunately for us as I mentioned in my opening remarks, very many mutual funds and FIIs were able to understand the company's point of view and despite there being a negative recommendation by these proxy advisors, voted in favor of the resolutions and all these came out all these resolutions were passed with the requisite majority whatever was required, including the special resolution.

Pratik Kumar: Thanks for the details.

Management: Yes, and as far as international proxy advisory is concerned they don't even give us that opportunity nor the is the you know I don't want to name the international proxy advisor based on whom the some of the FIIs and very many Indian mutual funds which have some foreign linkage cast their opinion or cast their vote on.

Pratik Kumar: Sir, thank you. This is from my side.

Management: Yes. Thank you.

Moderator: Thank you. Press star and one to ask a question. We take the next question from the line of Aditi from Abacus. Please go ahead.

Aditi: Hello, sir. Just a follow-up question on the solar power purchase. You said that the cost saving is around INR1.5. When can we see that reflected, in which quarter exactly?

Management: The we expect this to take about eight to nine months for the project to get implemented. So the real benefit will start flowing from the fag end of the fourth quarter. Nine months from now is almost the year-end. So hopefully from the first quarter of next financial year, or if we are lucky the project gets implemented in February or in January, February, then we get some benefit in the fourth quarter, but otherwise for sure in the first quarter of the next financial year.

Aditi: All right, sir. Thank you so much.

Management: Thank you.

Moderator: Thank you. Participants, this is a final reminder and no further reminders will be announced. To ask a question, press star and one. We take the next question from the line of Harsh Mittal from Emkay Global Financial Services. Please go ahead.

Harsh Mittal: Yes. Thank you. Thank you for the opportunity. Good evening to the management. Sir, my first question is for your response to earlier participant's question of change in geo mix which was the reason for the higher realization this quarter. Sir, if I just look back in quarter 3 also there was a 10% sequential dip in the realization and now 8.5%.

So, my question is, frequent change in geo mix doesn't it lead to loss of market share temporarily in that particular zone and how is the response from your stakeholders, your channel partners in that particular market, sir? This is my first question.

Management: So, geo mix is not about, you know, doing this, you know, knee-jerk, okay? This is a very systematic approach and perhaps you may be hearing from me that, you know, we are working on this for the last, more than couple of years, right? And, you know, during demand months, I think we have an opportunity to further kind of, improve our geo mix, okay? So that also you need to understand.

So maybe I think in lean months since you want to utilize your capacity, then you can, you know, go to some other market also. But during demand months, you have an opportunity to maximize that. And, you know, that is what I think and for that you need to have that, channel capability to maximize. So this is what has happened. It's not a kind of, knee-jerk thing that last quarter we did something else and this quarter is something else.

No, that is not the case, right? So that I think we need to understand that little bit of demand support helps you to kind of speed up your actions which you are intending to take. So this is what, my response is. And all those core markets and still I am telling you, I think we have, you know, four five states where our, concentration is, right?

So, during demand months you improve that, your presence in those markets and when demand is not supportive you go little, you know, kind of, wider dispersion as well. So, we track our market share in our core market. Core market I told you, you know, four five states we just see that we are maintaining our core market. So that is what our strategy is.

Harsh Mittal: Got it, sir. Got it. Sir, given our timelines of achieving 30 million ton by FY30, so are we still maintaining that guidance or there is some recalibration in this capacity target?

Management: No, we are maintaining that. So, we are on track and on track of achieving 30 million tons by 2030.

Harsh Mittal: Okay. So then what would be a threshold of net debt to EBITDA going ahead till you achieve your 30 million tons goal?

Management: We would not like to cross net debt to EBITDA 2.5x to at best 2.75x. So you are right based on our plan which are slightly bullish and aggressive to achieve 30 by 30, we may towards the end, maybe 29, 30, we'll see that level touching that. But so long as the roadmap for tapering it down is clear, we'll pursue our plans.

Harsh Mittal: Got it, sir. Last question, what was the clinker utilization in this quarter?

Management: Clinker utilization, 95% I suppose last quarter. Just see that. Yes, 95%.

Harsh Mittal: Sure, sir. Thank you. These were my questions. Thank you so much.

Moderator: Thank you. We take the next question from the line of Milind S. Raginwar from BOB Capital Markets Limited. Please go ahead.

Milind S. Raginwar: Thank you, sir, for the opportunity. My fourth question is on the raw material cost spike. Is there any specific reason that you like to call out on?

Management: Raw material cost you're talking, let me have a look.

Milind S. Raginwar: Yes, sir, I was I was on the raw material cost.

Management: Sorry.

Milind S. Raginwar: We see some inflation there, both sequentially as well as on a year-on-year basis. Would you like to call out on what would be the reason for that?

Management: Yes, so I'll tell you. One is of course, you know, higher cost because during April, May, June some of our kilns go for shutdown. And during shutdown, we are required to procure fly ash from far-off places. So that has impacted a bit. This is one.

And in case of, you know, gypsum also at times, you know, gypsum availability, right? So combination of various gypsum which we use like, chemical gypsum, mineral gypsum, bold gypsum, right? So sometimes, based on the availability and that has happened in last quarter, our cost has gone up.

And Yes, and of course I think since our footprint has gone up in case of SBS business or non-cement business and since that raw material cost also is included in this, as I said that, you know, our last quarter turnover was INR185 crores, right? So raw material consumption has gone up in SBS and that has impacted overall, you know, raw material cost inflation.

Harsh Mittal: Sir, did I hear that the fly ash availability wasn't an issue or the cost went up?

Management: No, so combination. In some of the places I think issue was some of the thermal plant went for shutdown which they do every year. And since fly ash is something which is necessity for our operations, we procure this from other source which is I would say L2 source. So temporarily that cost goes up, right? In some of the places we also took part in auction. And where fly ash cost has gone up little bit.

Harsh Mittal: Yes, sir, I'm asking this because our blending on a Q-on-Q basis has gone up from 62 to 64%...

Management: Yes and also along with this diesel price, diesel price impact has also been there, right? So combination of diesel price, temporary increase in fly ash cost and some of the auctions which we participated, this has impacted and non-cement business raw material requirement, that has added up to this increase in raw material cost.

Harsh Mittal: Yes, sir. The blended cement product mix has gone up from 62 to 64%. This is when our availability of other things were slightly tighter. So how do we try to calibrate this?

Management: Come again. I think I didn't get you properly. Your voice was not so clear. Yes, go ahead.

Harsh Mittal: I am saying the blended cement percentage has gone up from 62 to 64%.

Management: Right.

Harsh Mittal: So how do we I mean try to when we were having issues procuring certain raw material our blended cost is a blended cement proportion is going up. So is it I mean will you like to throw some light on this?

Management: Yes, I'll do that. So our trade percentage has gone up last quarter, it went to 59%. And trade is mostly goes blended cement and blended cement you need other than clinker other cementitious material and majorly fly ash and slag, right? Now when your trade volume goes up, your raw material cost goes up then whatever fly ash availability is there L1 source, I think you may have to go to L2 source to cater to your increased demand. Getting me? So trade sales increase necessitated us to procure more fly ash or more cementitious material which asked us to go little L2 source to kind of fulfill our demand, right? So I think everything is connected.

Harsh Mittal: Fair enough, sir. And the inward freight is inbuilt in the raw material cost or in the in some other line item?

Management: Yes, Yes, raw material.

Harsh Mittal: Okay. Sir, what would be our pet coke mix vis-a-vis year-on-year and Q-on-Q?

Management: Okay, so pet coke was last quarter 16%. And if you compare that with earlier quarter it was 14.

Harsh Mittal: Sir, I just missed the earlier number. Last quarter was 40, this quarter it was?

Management: 16% pet coke this quarter, means quarter which has ended on 30th June.

Harsh Mittal: Okay, okay. Understood. Sir, the third thing is that we hear some litigation issues in Assam land procurement. What is I mean you will like to call out on that some in details?

Management: Yes, Yes, so we had acquired land from local council, Assam government for setting up plant in Northeast, right? So some of the nearby villages they have gone for PIL claiming that this land belongs to us or maybe I think they are inhabitant somehow for so many years and this happens everywhere you go and this is what the hassle across India is.

So they filed one PIL in the High Court of Guwahati, Assam, right? And this was Mahabal Cement I think that we were planning to set up a grinding plant in the name of Mahabal Cement which is our subsidiary. Now since Mahabal Cement was subsidiary or is subsidiary for JK Lakshmi Cement, they have kind of made us also one of the recipient of the notice of that PIL. So this is what the case is. This case was going even from before. This time they have added JK Lakshmi also because Mahabal Cement is subsidiary of JK Lakshmi Cement.

Harsh Mittal: Okay. And on the lead distance that we are highlighting on how is this going to be a permanent improvement or this can go back to in typically in the monsoon quarters we try to pay...

Management: It will go up in monsoon, it will go up. I just told before, because it will go up little bit in monsoon, though we'll try to contain it because we need to kind of we have target to our team members, but it will go up during lean months like July-September. But nine months we do have an opportunity to kind of squeeze in.

Moderator: We take the next question from the line of Nilesh Sharma from Monomer Capital. Please go ahead.

Nilesh Sharma: Sir, my question is what will be the company's installed and operational capacity by the end of this financial year?

Management: 18 million ton.

Moderator: Thank you. We take the next question from the line of Tushar Chaudhari from Prabhudas Lilladher Private Limited Please go ahead.

Tushar Chaudhari: Hi, sir. Thanks a lot for the opportunity. Sir, I missed your capex number. Did you say INR1500 crores, INR2000 crores and INR1500 crores for next three years which is like only INR5000 crores? Am I correct? But then are we going slow on capex because our Durg and Kutch are ahead in order than Northeastern Nagore. Durg we have only spent INR400 crores till now out of INR3000 crores. So do you think by FY28 end we will be able to complete Durg?

Management: Durg it does include Durg because out of 5000 capex which the number we have given we are talking of about INR3000 crores for Durg and INR1500 crores for Northeast. This capex number doesn't include the land acquisition cost which are presently doing for Nagor and Kutch. And in any case Nagor and Kutch would come later than Northeast and Durg, right? So your number what you have noted are correct.

Moderator: Thank you. We take the next question from the line of Philip Mathai from Geojit Financial Services Limited. Please go ahead.

Philip Mathai: Thank you, sir, for taking my question. Just with regard to your recent acquisition of STLC, you had mentioned you are going to set up a 28 megawatt battery energy storage system. Just want your rationale on that.

Management: So this is based on the demand-supply balancing which we do. So what happens is in case of Rajasthan you can set up solar power to the extent of twice of your contract demand. And based on the demand pattern we have within our plant, we see that how much we can store this without losing even a unit because if you let's say, produce excess unit, this goes back to the grid.

And maybe perhaps the banking facility which Rajasthan government has given you can set it off within one month. So based on the demand pattern how much we are going to solar power, how much consumption is there within the plant, and over and above how much we are required to kind of store within storage so that we are not wasting energy which is being produced out of it. So based on that we have decided on 28 megawatt BESS.

Moderator: Thank you. We take the last question from the line of Uttam Kumar Srimal from Axis Securities. Please go ahead.

Uttam Kumar Srimal: Yes. Thanks for the opportunity, sir. Sir, with regard to non-cement revenue, how do you see full year non-cement revenue this year?

Management: Non-cement revenue for the whole year you're talking? Projected figure, right?

Uttam Kumar Srimal: Yes, sir.

Management: Okay. This year, so last year it was INR613, crores so perhaps I think we'll be around INR800 crores plus types, this is what I think our estimation is. We'll be closer to about INR 800 crores top-line in case of non-cement revenue by end of this year.

Moderator: Thank you. Ladies and gentlemen, with that we conclude the question-and-answer session. I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital India Private Limited for closing comments. Please go ahead.

Vaibhav Agarwal: Yes, thank you. Sir, just one small question from my side. Sir, in the Q1 FY27 results, what I see is there is a sharp jump in other expenses also on a Y-o-Y as well as Q-o-Q basis. So any specific reason for this sharp jump in other expenses? I don't know whether you have explained this on the call already or not, but sorry for the repetition.

Management: Other expenses, as mentioned in the response to one of the question Vaibhav, that it was basically because of the increase in the packing cost and the normative increase in the because of the volumes. That's all. Other than that it's nothing.

Vaibhav Agarwal: Okay, sir. Got it. Thank you, sir. On behalf of PhillipCapital, I would like to thank you for the call opportunity. Also many thanks to the participants for joining the call. Thank you very much, sir. Ryan, you can now conclude the call. Thank you.

Management: Thanks, Vaibhav. Thank you, everyone.

Management: Thanks, everyone. Thank you.

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