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

**Re: Conference Call organized by PhillipCapital on 4<sup>th</sup> February 2026 at 4:00 P.M. IST**

In continuation of our letters dated 28<sup>th</sup> January 2026 and 4<sup>th</sup> February 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: 2026.02.06 13:08:58 +05'30'  
(Amit Chaurasia)  
Company Secretary

Encl: a.a.



## “JK Lakshmi Cement Q3 & 9M FY-26 Earnings Conference Call”

**February 04, 2026**



**MANAGEMENT: MR. ARUN KUMAR SHUKLA – PRESIDENT &  
DIRECTOR, JK LAKSHMI CEMENT  
MR. SUDHIR BIDKAR – EXECUTIVE DIRECTOR  
(CORPORATE AFFAIRS) & CHIEF FINANCIAL OFFICER,  
JK LAKSHMI CEMENT**

**MODERATORS: 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 Quarter and 9 months ended 31<sup>st</sup> December 2025 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 an operator by pressing '\*' then '0' 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 for opening remarks. Thank you and over to you, Vaibhav.

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

On the call, we have with us Mr. Arun Kumar Shukla – President and 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 we made or discussed on this conference call may be forward-looking statements related to future developments and such statements may be 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 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 Limited has uploaded a copy of the Q3 FY26 Results Presentation on the Company website which participants can download.

I will now hand over the floor to the Management of JK Lakshmi Cement for the opening remarks, which will be followed by thereafter Q&A. Thank you.

**Management:** Thank you so much. Good afternoon to all of you and welcome to this call of JK Lakshmi Cement Quarter 3 and 9 months of financial year 2025-26. We have already uploaded the presentations and we can right away start with questions and answers.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. We take the first question from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

**Pathanjali Srinivasan:** Your trade share has fallen quite a bit on a quarter-on-quarter basis in your overall volume, trade cement sales. So, can you explain why this has happened?

- Management:** So, you are asking about trade sales drop, so that has happened in Quarter 3 of this year. And this is precisely because of two things. One, of course, I think our volume in Gujarat has gone up. Whatever we sell in Quarter 3, we have sold more than that. This is one. Second, that is also coming from the fact that we commissioned our Surat grinding station in the month of September 22<sup>nd</sup> September 2025. So that volume was also available with us and there was a good demand in Gujarat beyond 15<sup>th</sup> November. So, our volume went up in Gujarat, which is predominantly a non-trade market. And that is why our trade share has gone down by about 4%, 53% to 49%. So, this is what the reason is.
- Pathanjali Srinivasan:** And why would our trade volumes on a year-on-year basis decline? I get the fact that your non-trade has gone up because you got more business, but why is there a degrowth in volume for trade year-on-year?
- Management:** So, trade also, if you really see, post GST reduction on 22<sup>nd</sup> September, there was some confusion in the market with respect to passing on prices to customers and things like that. In fact, prices went down quite a bit post GST reduction. So, there was a demand in non-trade segment during that point in time. Also, the fact is during this Diwali season and extended rains also during this time, labourers have not come back to their respective sites. I will just take you back a little bit because there were also elections in Bihar during that time. So, labourers went back to their respective states, and they came back to the site only after this election of Bihar. Scarcity of labourers and hence there was more demand in sites where onsite ready-mix plants were there and hence more of a demand in non-trade segment. So that is what the reason is.
- Pathanjali Srinivasan:** Can we confirm that this situation was a temporary thing and in the current quarter our share of trade should be like back to a fairly decent level?
- Management:** I think, in the month of December and January only we have gone back even little better than what we have done before. So not an issue. That was a very temporary thing. Extremely temporary.
- Pathanjali Srinivasan:** Got it, sir.
- Management:** Mr. Srinivasan, you need to understand. We commissioned our plant in the month of September and also, we had to really kind of test that capability of plant. We need to ramp up that plant. I think that was also one of our priorities during that time.
- Pathanjali Srinivasan:** No. My concern is not about the non-trade volumes growing. My concern is about trade volumes, why it did not grow, but I got the answer from you. Thank you, sir.
- Management:** We have come back very strongly in December and even in January.
- Pathanjali Srinivasan:** Got it, sir. Thank you so much.
- Management:** Thank you.

- Moderator:** Thank you. We take the next question from the line of Sanjeev Singh from Motilal Oswal, Financial Services Limited. Please go ahead.
- Sanjeev Singh:** Thank you for the opportunity, sir. So can you throw some light on the pricing scenario in your respective markets, North Gujarat, as well as East region during 3Q, because the license seems to be down around 10% on a sequential basis. And also, what was the gap between trade and non-trade prices in the markets where you operate?
- Management:** So typically, if you look at our footprint, which is there in part of Western market, which is Gujarat, heavy on institutional sales. We go to Mumbai, which is also a little heavy on institutional sales. And part of North, I would say, Rajasthan, Haryana and West part of UP, right. So, if you really look at distribution of our sales, then because I told the earlier questions, I was replying to that, post GST reduction, there was some sluggishness in the market. And hence, effort was there to really at least sell some volume from this newly installed capacity, which was Surat. Also in other markets, there was some sluggishness in trade segment and that is kind of common with the industry. If you really look at, I think that cut across, majority of the players who have reported volume, their volume has gone down percentage wise in trade, in majority of the cases, not all. And that has happened with us also. In our case, more predominant because our dependence on Gujarat is much higher than other players. So that is what the case has been for us.
- Sanjeev Singh:** So secondly, how is the pricing scenario as of now in the month of Jan and plus, if we look at your employee expense, then sequentially that has gone down from 130 crores to around 160 crores. So, what has been the reason for that?
- Management:** So, I will ask second question first. As I said before also that we have been optimising or improving productivity at our different locations. First phase we had done last year, second phase we had started a couple of months back, 3-4 months back. And in fact, going forward also, I think we do have plan to improve our productivity. One, of course, through improved volume and second also per person productivity in terms of cement revenue, per ton cement revenue you get. So that effort even is still continuing. So that has benefited us in terms of reduction in employee costs, so one. Second, you asked about pricing scenario. Almost in all markets post, I would say December onward, maybe in the latter part of December, non-trade prices have gone up everywhere. Trade prices have not gone up that much, but I see since demand has been very good in the month of December and that is still continuing in January and February also is a similar situation. I see that prices in trade also will go up from two counts. One, improved demand situation and also fuel prices are going up. So that also I think will have to recover from the market. So, from these two counts, trade prices also we expect that will go up and even non-trade also, the gap, which is still very high in different markets, that will also get shortened going forward. So, price-wise, I see a good improvement in non-trade segment in the last 1.5 months. Going forward, I see improvement happening in trade as well, along with non-trade. So, pricing-wise, I see things are improving for sure.

**Sanjeev Singh:** So should we assume that employee costs will remain at Rs. 150-120 crores kind of range going forward?

**Management:** I think our endeavour is...

**Moderator:** Sanjeev, if you could please repeat your question for the management. Thank you.

**Sanjeev Singh:** I was asking about the employee cost. I think he answered it.

**Management:** So, you asked two questions. One on pricing, which I said non-trade has gone up, even trade also is expected to go. Second on employee costs, we had taken some previous projects. In fact, our endeavour is to further improve the productivity, which we are working on. So, these are the two things he asked.

**Sanjeev Singh:** Thank you, sir.

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

**Harsh Mittal:** Good evening, sir. Thank you for the opportunity. I have a few questions. First one being given as a continued to previous participant question. So, do you feel that the realisation could improve in the similar quantum, what we lost in Q3?

**Management:** Yes.

**Harsh Mittal:** In the coming Quarter 4?

**Management:** I think, as I said, prices are improving and volume also is improving. So, we will get some leverage as well. So yes, I definitely see that.

**Harsh Mittal:** And what was the clinker sales for this quarter? If you can just bifurcate between cement and clinker sales in the quarter.

**Management:** 1,51,000 tonnes.

**Harsh Mittal:** And the clinker utilisation level?

**Management:** So, we had 90%.

**Harsh Mittal:** The last question, what is the CAPEX that we have already incurred for the Durg Line-2? And have we ordered each clinker unit for Durg Line-2?

**Management:** Basically, in Durg Line-2, we have not incurred much of the CAPEX other than what we had mentioned in the last call. So, in the first 9 months of the current financial year, we have incurred

about 250-260 crores, we have incurred. Balance will happen in the, we have talked of a figure of about close to 400 in the current financial year of the Durg project. So, balance will happen in the current quarter.

**Harsh Mittal:** So, we will be spending Rs. 400 crores out of the Rs.3,000 crores planned in this year?

**Management:** Yes. Only up to 400 in the current financial year, you are right.

**Harsh Mittal:** Right. And we are aiming for everything commissioning, including the clinker and grinding unit by March '27. am I right?

**Management:** Entire project will get completed by March '28, including all the spread location.

**Harsh Mittal:** Okay. So, these were the questions. I will join back the queue. Thank you.

**Management:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Harshal Mehta from AMSEC. Please go ahead.

**Harshal Mehta:** Hi, sir. Thank you for the opportunity. Three questions from my end. Firstly, in terms of realization, just harping on that. So, this quarter, like we have seen a very sharp decline of 9% on QOQ, could you please help understand the drivers behind the same? And additionally, if we see what the last few quarters volatility in terms of realizations and in the EBITDA per ton continues to remain much higher versus peers. So, any colour on the structural or operational factors behind this volatility will be helpful. Also, in terms of price, if you can just throw some number on how our spot prices versus Q3 average for the trade and non-trade segment in our core operating market. Secondly, on the project update, so two clarifications. Firstly, we already understood that it was planned to be commissioned into phases 2.2 by March '27 and 2.4 by March '28. So, does this season remain intact? And secondly, on the overall Durg CAPEX of Rs.3,000 crores is a number what you said earlier that still remains. That was the clarification. And lastly, in terms of, if you can just share some data on regional mix for this quarter, CC ratio and the clinker season 2Q and 3Q FY25. So that will be helpful.

**Management:** All right. I will answer first part of it on the realization part of it. I will explain that. So, drivers were, one, non-trade prices went down drastically post GST reduction, one. Second, in our case, because you also mentioned about peers. So, our dependence on Gujarat is a little higher. And since non-trade prices went down everywhere, including Gujarat and our trade sales was also not that great. I think 49%, that is what our trade is. So, these are the drivers why realization has gone down. This is one. Second, I think you also mentioned about on this realization quarter-on-quarter basis. I think one thing we need to understand is our footprint. Our footprint and since I think we are limited to some geographies, like in north, we are only in part in north. So north limited to only Rajasthan, Haryana, and west UP, we don't go anywhere. In west, we are only limited to Gujarat and part of Mumbai. We don't go anywhere else. In east, we are only limited

to Chhattisgarh and maybe a little bit of neighbouring states. So, anything kind of happens in this market, either upward or downward, that impacts us. And this is a little different than other players because they have a little spread footprint in different markets. So that gets kind of assimilated and that gets averaged out. But in our case, as I mentioned that, let's say, take last quarter. Last quarter, our sales in the west part of India, which is predominantly Gujarat for us, was higher than the previous Quarter 1 and second, non-trade prices went down. So, we were impacted much more than what others would have been. And if you see the last quarter, if you go back to July to September, during that period, Gujarat did better. And in fact, all markets were better wherever we were present. In our case, I think Chhattisgarh did very well, Rajasthan, Haryana was very good and Gujarat also kind of performed very well. I think everything ticked together and that is why you see a good performance in Quarter 2 and not so great in terms of realization. Though if you really look at the bottom line, whatever the estimation was, I think we are close to that. There is no miss on that count. But yes, because of the footprint which we have in our case, I think that definitely has bearing on us. So, this is what on realization. Second, pricing, I told you, I see prices are going to do better. One, because of improved demand. Second, also cost is going up. So, prices definitely will go up going forward. Non-trade prices have gone up in majority of the market. Even trade also is likely to follow. That is what my estimation is. So, this is what you asked. I think your question was quite overloaded. You asked about clinker factor, which I think I will give you. That is 1.44. You asked about CAPEX of Rs. 3,000 crores. So that remains. This is what I remember. If anything is missing from my end, just let me know.

**Harshal Mehta:**

So multiple things. First on pricing, if you can list any particular number in terms of trade and non-trade, how we are at spot versus Q3 average. That was one thing. Secondly, on project update, I was just asking 2.2 million ton by March '27 and 2.4 by March '28. That still remains intact. That was just a clarification. And lastly, I was asking on the regional mix, if you can share for this quarter and clinker sales for the last year like Q3 FY25 and Q3 FY26.

**Management:**

So last year it was 7.23 lakhs ton. And this year, we have already told you last quarter it was 1.51 and for the whole 9 months, it's 5.34. On this pricing and all these things, this is not handy with us. We can give it to you later.

**Harshal Mehta:**

Sure sir. Thank you and all the best.

**Management:**

Thank you so much.

**Moderator:**

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

**Amit Murarka:**

Thanks for the opportunity. So, a lot of questions have already been asked about your pricing decline. But honestly, I mean, it's still a little confusing still, because while I see that your share of non-traders dropped by about 4 percentage points from 53 to 49, even looks like even the overall portfolio seems to have deteriorated in pricing, including trade. So, what generally in North, I think the trade pricing was pretty steady. So is it like your non-trade price decline kind



of influences even your trade pricing in the market, even let's say the other category players, let's say like Ultratech and all. Essentially, does your gap increase between trade also versus the higher price players in the market when non-trade goes down? Because it's such a sharp decline was not there in the market, essentially in any of the markets. So, it's still a bit confusing over there why it has gone down so much.

**Management:**

So, Mr. Murarka, yes, I will repeat once again. So, trade prices almost were intact. The gap which you are having with the leading players, that remains. That has not widened. I told you two reasons, precisely two reasons and we do have that detailed reconciliation also with us. One is, of course, I think, Surat we started on 22<sup>nd</sup> September and we had to really ramp it up. And Surat expansion, typically, this caters to market of Gujarat and Mumbai, which is heavy on non-trade. This is one. So increased volume in non-trade and decreased price in non-trade. I think that has impacted the most. That non-trade is not limited; reduction is not limited to this market. Non-trade prices went down in other markets as well. But the most impact on us was from Gujarat state. So, this is why this has gone down, one. This is what I think you asked, right? Anything else?

**Amit Murarka:**

I mean, if I simply put, if I think of it, that trade was steady, which is, let's say, 50% of your volume, 9% overall realization decline would imply about an 18% fall in non-trade pricing, honestly. So, which I don't think was the case in the market.

**Management:**

If I give you detail, the kind of price drop, and in fact when I was doing this road show in Mumbai during that quarter, I did mention to some of you, I don't know who all are there in the call. That, what kind of price drop we see in non-trade. So, non-trade, particularly in western market, non-trade prices were not that great. And in fact, post GST reduction, since demand was sluggish, non-trade prices went down in other markets also. For instance, let's say, we have a grinding station in Cuttack, Odisha. Odisha was not that great, non-trade price wise. Even Chhattisgarh, I think our non-trade presence is not that much. There also prices went down drastically, gap increased. So, if you put things together, I am just giving you the major impact which is having on us. I think that has impacted us. That is what I am trying to explain to you.

**Amit Murarka:**

Sure. Could you also share the non-cement business revenue in the quarter?

**Management:**

I will tell you. So, it's a Rs. 147 crores.

**Amit Murarka:**

And how much was RMC in that?

**Management:**

RMC was Rs. 67 crores.

**Amit Murarka:**

Also, AAC blocks?

**Management:**

AAC Rs. 56 crores.

**Amit Murarka:**

Got it. And the EBITDA margin would be roughly how much in this?

**Management:** 4%.

**Amit Murarka:** Sure. And lastly, the CAPEX number for this year, if I understood right, you said 260 has been spent and another 400 will happen. So, it's what Rs. 650 odd crores CAPEX for FY26, then?

**Management:** No, it is about around that. You are right. Total CAPEX.

**Amit Murarka:** 650 odd?

**Management:** Yes.

**Amit Murarka:** And then next year would be how much?

**Management:** The next year, we are targeting anywhere between Rs. 1,600crores to 1,700 crores.

**Amit Murarka:** Sure. And then balance will be in '28 then?

**Management:** You are right.

**Amit Murarka:** Thank you. That's all for my side.

**Management:** Thank you.

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

**Rajesh Ravi:** Hi, sir. Good evening. You shared the operating numbers and just wanted to understand. See, your non-trade mix did increase quarter-on-quarter. And you also mentioned that there was a sharper drop in non-trade. Broadly, could you suggest what would be the fall if trade prices would have declined on a like-to-like basis by 2%? How much would have been the drop in your non-trade realizations broadly?

**Management:** I think that varies, sharper drop.

**Rajesh Ravi:** Broadly, on an average, on an average, 5%-10% just wanted to understand. Because trade, we understand it would have been dropped by 2% to 3% at max, seeing results of various years. So just wanted to understand non-trade markets where you operate, what could have been the quantum of correction?

**Management:** Correction would be about more than 10%. Exactly, I will tell you maybe straight away.

**Rajesh Ravi:** And could you also share what was the clinker volumes in Q2? You mentioned 1.51 lakhs for Q3. For Q2, what was the number?

**Management:** I will just tell you, Ravi. 1.71.

**Rajesh Ravi:** So, it dropped quarter-on-quarter?

**Management:** Yes.

**Rajesh Ravi:** And what explains the sharp decline in your input costs on a Q-on-Q basis by almost Rs. 150, given that your fuel costs remain steady at around 1.4-1.6, and green power mix has also been stable, and then there would not be any, even the clinker production was lower. So, there would be more power consumption and whatsoever. So, if I look at the total input costs, raw material, power, and fuel and chain in stock, that number has come down by Rs. 150. And secondly, the fall in the freight cost, sharp fall by more than Rs. 100 per ton. Is it on account of higher non-trade sales, which is mostly ex-factory?

**Management:** You are right on point, Ravi. Because this happens only for plant and if you look at, our lead has also gone down. You are right.

**Rajesh Ravi:** And for the input cost reduction?

**Management:** So, power cost has, Ravi, gone down from 5.52 to 5.37 per unit.

**Parth Bhavsar:** And year-on-year, how was the number?

**Management:** Year-on-year, just give us that. I'll give you.

**Moderator:** Ladies and gentlemen, we have the management line reconnected. Sir, please proceed.

**Rajesh Ravi:** So, you were explaining the input cost reduction on a sequential basis? .

**Management:** So, 5.52 to 5.37, that is what I told you.

**Rajesh Ravi:** So, this is the nominal change, on the power cost.

**Management:** If you want, we can give you the details also. We are not handy with that.

**Rajesh Ravi:** No issues. And second, on the CAPEX project, you mentioned that you have spent 260 crores and another 400 crores is targeted for Q4. So, given that January is already out, can we assume the 400 crores is on track or are there chances of any major slippages? And second, given that you are targeting the Durg expansion brownfield over the next 12 to 13 months, so what is the status of the execution on that? Has the civil work already started? What is the status on the equipment ordering? When would the equipment installation would start because that will require some time to get executed?

- Management:** Yes, we are broadly on track for the CAPEX, which we are talked of in this. We spend about 400 crores in the current quarter. And all the equipment, most of the equipment have all been ordered. And construction should start as soon as the excavation has started. And once the equipment land there, we start the installation there.
- Rajesh Ravi:** This 12-month target for the clinker is good enough for getting the plant operational by March next year?
- Management:** Yes, as of now, it's okay. We are monitoring it regularly. We will keep you updated on that.
- Rajesh Ravi:** Great. Just two last more questions. One on the railway siding Phase 2, what is the status? And second, how is the demand traction so far you are witnessing in the Q4? And January has passed on and we are hearing non-trade prices across India have improved. What is the status on trade price improvement? And why is that not picking up? Is only non-trade price firming up leads to a better trade price?
- Management:** As far as the railway siding is concerned, the second phase that is expected to be completed by March '28. And then the other part.
- Rajesh Ravi:** Demand and pricing. How is the demand stepping up in Q3? Are we expecting a similar type of growth in Q4 for the Company as well as for the industry? Industry also would have grown 7%-8% in this Q3.
- Management:** The Q4 being the base little higher. So, I think demand momentum is good. What we see definitely, double digit growth in Quarter 4 as well. So, industry and of course, I think we will also grow in line with industry volume-wise. On pricing, with yearly basis, if you look at, I think our estimation is industry would grow by about 7% or so. Quarter 4 is going to be a double digit. This is what we see as of today. Pricing-wise, non-trade prices have gone up in almost all market markets. Maybe I think some of the markets like Odisha and all, still prices have not gone up that much. And in the trade, since demand is good and cost also is going up, prices are likely to go up in trade as well. Now, you asked why trade prices did not go up. I think trade prices were almost intact. That did not go down that much. So, non-trade prices, which went down practically in almost all markets, that is resurrecting. And then since demand and cost also is now pushing, so trade prices also will go up.
- Rajesh Ravi:** Just last question, if I squeeze in, how much is the fuel price outlook for Q4, given that the surge in pet coke prices and also for Q1, if there is some indicative number you are looking at?
- Management:** Pet coke, coal prices, it's going up. I think definitely it will go up because whatever we have in stock, that we have almost exhausted. Now, new buying is also happening. It will go up by at least 1.58 to 1.60, that is what we see in our case.
- Rajesh Ravi:** Great. That's all from my end. Thank you and all the best.

**Management:** Thank you so much, Ravi.

**Moderator:** Thank you. We take the next question from the Pushkar Jain from Mili Capital. Please go ahead.

**Pushkar Jain:** Hi, sir. I just wanted to ask that our non-cement revenue currently operates at like 4% EBITDA margin, which is significantly lower than the core business. So, what is the tipping point volume where operating leverage kicks in for EEC blocks or to match the double-digit margin of grey cement business or something to that effect?

**Management:** So, all these businesses, you have a very good ROCE. But EBITDA margin, I think we are in almost alignment with the industry. So, that varies. Ready Mix operates at about 3% to 5% kind of thing. Plaster of Paris business, that is a little on higher side and AAC block is somewhere in between. Though we are working on improving productivity all across, and our effort is to really focus much more in case of Ready Mix on value-added concrete, in case of AAC block improving AAC footprint. So, we are working on that as well. And now, we are also in the process of ramping up our Alwar plant, which produces Putty and little bit of white cement. So, perhaps that will take our margin a little better than what we have today. But right now, I think since all these product lines and installations are in the ramping up phase, we see that improved margin going forward. But not closer to the cement, I would not say that we will reach to the cement level, but definitely a higher single limit. That is what our effort is.

**Pushkar Jain:** And aim to reach there by?

**Management:** It will take at least 2 years' time.

**Pushkar Jain:** Thanks a lot.

**Management:** Thank you.

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

**Tushar Chaudhari:** Thanks a lot for the chance. Sir, most of my questions have been answered. I just had one doubt. We have seen 4 percentage point decline in trade share in this quarter. But our blended share is flattish or constant. What could be the reason for this?

**Management:** Blended is 62%, I suppose, last quarter.

**Tushar Chaudhari:** Yes, it has not fallen at all.

**Management:** Yes, sir. So, institutional cement is not only about OPC. Institutional cement is also about blended cement. For instance, we have started pushing. So, institutional sales, we are trying to push blended cement, that is PPC. In a lot of Ready-Mix plants, we have supplied now PPC, which was not the case before. So, non-trade percentage increase necessarily doesn't mean that

OPC goes up. Because our effort is also to work on the carbon footprint and the carbon net zero roadmaps, which we have defined for ourselves. We are working parallelly on that. Effort is to really push blended cement in institutional sales.

**Tushar Chaudhari:** All right. I missed your employee cost. Did you say that employee cost will continue to go down further also in the next few quarters?

**Management:** No, it will not go down. I think it will get stabilized or maybe I think if you look at some of the sites we are adding. So, Surat, we have now added. So, Surat we need to reinforce. Then we have some increased footprint in Ready Mix business. So, our aim is to really kind of improve productivity rather than employee cost focusing only on employees.

**Tushar Chaudhari:** Right. And then lastly on CAPEX, FY26, you said 650 crores. Out of which 400, we have planned for 3,000 crores CAPEX, which is ongoing. Am I right?

**Management:** Yes.

**Tushar Chaudhari:** Thanks a lot, sir.

**Moderator:** Thank you. We take the next question from the line of Kamlesh Bagmar from Lotus Asset Managers. Please go ahead.

**Kamlesh Bagmar:** Just one question. So far, whatever results have come from the sector, we haven't seen this sharp fall in realizations. So, 10% quarter-on-quarter fall in realizations, ex of non-cement revenues. So, how do we define that because it's a significant fall, Rs. 456 quarter-on-quarter. And same market is there for all other peers as well. So, why we have seen such a sharp fall? And over the quarter, I really don't understand how the communication has been. So far in the last con-call, we were saying that realizations are not going to fall that much. But what we are seeing is a massive fall of Rs. 450 quarter-on-quarter realization.

**Management:** I think I explained to you, Mr. Kamlesh, whatever I had to say and whatever something exceptional happens. I told you our footprint and wherever we are. I do not know which peer group you are comparing with. I am not too sure. Maybe I think you have something in your mind. But I told you that our presence in some of the market which is heavy on non-trade is high. And that increased in the last quarter. And there were reasons also for that. So, I explained to you that. That is what I think I have to say. Nothing more.

**Kamlesh Bagmar:** No, but like now going forward, have we been able to recoup the fall in the realizations in this quarter? Where do we see our realizations in the current quarter?

**Management:** So, as I said, in all these markets, we are in the competitive scenario. We are competing with other players. The way that market moves we will move in that alignment only. And I told you the pricing scenario also. Because for us, I think priority in Quarter 3 was to really ramp up the additional capacity which we had. And I think that was the right decision, right call. So, that is

now getting stabilized and things will come to semblance for sure. That is what we have seen that in the last 3 or 2 months.

**Kamlesh Bagmar:** But if you can quantify how much, what our current realizations are compared to Q3 average or whatever we have recorded in this quarter.

**Management:** Right now, we cannot quantify because still 2 months are left in this quarter. So, let us wait for some time because there are volatilities in the market. So, if I tell you something and tomorrow again you will ask me a question, then you had mentioned that. So, I think that is not fair from my part. So, I will keep you updated. Only 1 month is over in this quarter. Things are moving in a positive direction. And hopefully, I think that direction will not change. This is what my conviction is today. But quantifying things as of today is perhaps, I may not be able to.

**Kamlesh Bagmar:** Great. Thanks a lot.

**Management:** Thank you.

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

**Parth Bhavsar:** Thank you for the opportunity. I have two questions. One is what was your fuel cost on consumption basis in Q3?

**Management:** It was 720, 1000 kilocalories.

**Parth Bhavsar:** On kcal basis?

**Management:** Yes, kcal basis and it is 1.56, yes.

**Parth Bhavsar:** One more thing. Would it be possible for you to quantify the Gujarat sales maybe for the Q3 quarter as well as base year and previous quarter?

**Management:** I think this is not handy with me. We can talk on this later.

**Parth Bhavsar:** Thank you, sir. Those are my questions.

**Moderator:** Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:** Thanks. Finally, got the opportunity. Sir, most of the question-answers are again coming on the realization part. Just to get a quantitatively better understanding, since 1<sup>st</sup> January till now, non-trade prices for us has gone up by how much, Rs. 15-20? Is that the fair understanding?

**Management:** So, Shravan, this varies in different markets. And the range I would put is Rs. 10 to 15.

**Shravan Shah:** And in terms of trade, you said it remained at the same level?

**Management:** Trade, I think we have been around 54%-55% level. So, this is what.

**Shravan Shah:** But now we are seeing that the trade prices to also go up.

**Management:** Likely to go up.

**Shravan Shah:** But given that, sir, some of more capacity is still to come up and everybody will try to push the volumes for the March. So, even we are considering that there will be some rollback in the month of March.

**Management:** So, that is what I was trying to make understand earlier, gentleman, Mr. Kamlesh, that whatever we say, based on what we see today, I think there is a lot of volatility and dynamism in the market. And based on that, we will have to take our call, business call, which we keep on taking. So, definitely, we know forecasting sitting today, I think it becomes very difficult. I agree with you.

**Shravan Shah:** Understood. Because the issue for us, why everybody is trying to harp on the same thing is because to make the number or the estimates as an analyst, this kind of deviation at Rs. 200-300-400 makes our entire estimates goes on for a toss. So, it will be difficult. So, from buy to it can become a sell, from sell to it can become a buy. So, that's why everybody is trying to understand why such a significant volatility in the price is for us. So, that's the only thing. Just more clarification in terms of total CAPEX in 9 months at consol level is how much? Is it Rs. 260 crores because Rs. 250 crores was there in 1H?

**Management:** On a consol basis, including the various projects which we are doing in 9 months is about a Rs. 350 crores, Rs. 260 crores we are talking of only for the Durg expansion.

**Shravan Shah:** And more another we will be doing a kind of Rs. 400 crores on Durg and maybe if you can specify in terms of on a yearly basis, the maintenance CAPEX would be how much, Rs. 200 odd crores for us?

**Management:** No, maintenance of us is not 200. It's totally 50 crores in a year.

**Shravan Shah:** So, for FY26 would be a then 350 plus or 750 to 800 crores would be the total CAPEX.

**Management:** That's why initially it could be ending up maybe anywhere between, it will not touch 800 within 650 to 700.

**Shravan Shah:** Understood. And then sir on the conveyor belt, is there any update or it is the same what we said last quarter?

**Management:** Yes, same status. So, still is in the final stages.



- Shravan Shah:** And then in terms of the further expansion beyond this, the Nagore, Kutch and Assam, so whatever we say to reach a 30 million tons, so that stand remains same. And in terms of the net debt to EBITDA, that 3-3.5X that we will try to maintain.
- Management:** Yes, we would like to not cross that limit.
- Shravan Shah:** And, in terms of the cost reduction, so from here on, from Q2, would be a difficult even for on the cost business, because when you say the staff cost, so there also want to understand more, was there a from Q2 to Q3, the number of employees, has there a decent decline or was there a salary cut?
- Management:** So, no salary cut productivity improvement. And that is what we will keep doing even going forward. So, we don't do salary cut.
- Moderator:** Thank you. We take the next question from the line of Harsh Mittal from Emkay Global Financial Services. Please go ahead.
- Harsh Mittal:** Thank you for the follow up question. Just one question. So, we are already working at more than 90% clinker utilization. And our Durg Line-2, as mentioned earlier in the call, will not be coming before March of 2027. So, what can be a safe assumption for the volume growth for FY27?
- Management:** So, FY27, we have some headroom in Surat. One, we have some headroom in Udaipur. Second, we do have some headroom in even Jhajjar, Jharli. And fourth, we have some headroom in Cuttack. So, I think this is what we see that this will keep us on the growth path. So even next year also, we see a similar kind of growth, of course, contingent to the industry growth. But we see a similar kind of growth even next year.
- Harsh Mittal:** So, are we sourcing clinker from outside or something like that?
- Management:** No.
- Harsh Mittal:** Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraint, we take the last two questioners in the queue. We take the next question from the line of Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Hi, sir. I just wanted to confirm the depreciation impact in this quarter increase. Is it totally on account of Surat?
- Management:** Basically, you are right. Surat got commissioned in the last week of September. So, interest and depreciation increase is the capital related cost increase on account of Surat. As compared to...

- Rajesh Ravi:** This is totally for one quarter impact in depreciation, because from 78 crores it has gone to 85 crores. There is a sizable 7-8 crores. If we analyse it, then it becomes 36 crores and while the project cost of expansion was, if I recollect, it was less than 300 crores. It is one quarter impact in December quarter.
- Management:** I was told that about 6 crores is on account of the Surat and some normal CAPEX that has happened. And third is on account of the leasehold land depreciation also being charged.
- Rajesh Ravi:** Understood. And sir, could you give what was the clinker production for FY25 consol basis?. Clinker sales total full year.
- Management:** 7.23 lakhs ton.
- Rajesh Ravi:** Because if I see, you told your CC ratio is at 1.44. So, are you looking to increase the CC ratio in FY27?
- Management:** Yes.
- Rajesh Ravi:** You told earlier, in FY21-22-23, you operated at 1.54 and more than that. Now, it has come down to 1.44. What is the safe assumption for next year?
- Management:** I think our effort is to take this blended cement from 62% to about 67%. To that extent, our CC ratio will improve.
- Rajesh Ravi:** Understood. That's all from my end. Thank you. All the best.
- Management:** Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Hi. Thanks for the follow-up opportunity. So, just wanted to clarify on Durg CAPEX. I see that your November corporate presentation mentioned the CAPEX number as Rs. 3,300 crores. So, can you just clarify, is it Rs. 3,000 crores or Rs. 3,300 crores?
- Management:** We had included some expenditure on the conveyor belt also therein. Otherwise, it is Rs. 3,000 crores only.
- Amit Murarka:** So, the conveyor belt is added to that, but that's already going on I mean, what you mentioned.
- Management:** No. That is not going on. That is stalled because of this issue of the land, as we have been talking of. So, that includes the expenditure already incurred plus the balance to be incurred, which is about Rs. 170 odd crores.

**Amit Murarka:** So, if there's no progress on the conveyor belt, then it is 3,000 crores then.

**Management:** Yes.

**Amit Murarka:** Thank you. That's all I wanted to clarify.

**Management:** Thank you.

**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 for his closing comments.

**Vaibhav Agarwal:** Thank you, Ryan. 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. Ryan, you may now conclude the call. Thank you. Thank you.

**Management:** Thank you, sir.

**Management:** 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.