



“JK Cement Limited Q4 & FY ‘2025 Earnings Conference Call”

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MODERATOR: **MR. VAIBHAV AGARWAL – PHILLIPCAPITAL (INDIA)
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Moderator: Ladies and gentlemen, good day and welcome to JK Cement's Earnings Call for Quarter and Year Ended 31st March, 2025, hosted by PhillipCapital (India) Private Limited.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

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

Vaibhav Agarwal: Yes. Thank you, Michelle. Good morning, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q4 and FY '25 call of JK Cement Limited.

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

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

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

Management: Yes. Thank you, Vaibhav. Good morning, everyone. And welcome to this Q4 Call. The Board of Directors met on 24th of May to review the working of the company for the quarter-ended 31st March, '25, as well as for the whole year. I will be presenting to you a brief synopsis and then we will take up the questions.

So, for the quarter, the net sales was Rs. 3,225 crores as against Rs. 2,606 crores in the previous quarter, an increase of 24%, and 13% increase year-on-year which was Rs. 2,856 crores. The EBITDA for this quarter was Rs. 736 crores as against Rs. 490 crores in the previous quarter, an increase of 50%, and Rs. 548 crores the previous year, an increase of 34%. EBITDA margins comparative was 22.8% in this quarter, 18.7% in the previous quarter, and year-on-year 19.2%.

If you look at the profit before tax was Rs. 593 crores as against Rs. 295 crores in the previous quarter, and Rs. 358 crores previous year. The per ton EBITDA was Rs. 1,265 a ton as compared to Rs. 1,040 in the previous quarter and Rs. 1,078 previous years.

These are the standalone results. And for the year the net sales have increased only marginally by 1% at Rs. 10,708 crores as against Rs. 10,563 crores. The EBITDA was down by 1% at Rs. 1,978 crores as against Rs. 2,005 crores. EBITDA margin for the year was 18.5% as against 18.9%. Profit before tax was higher at Rs. 1,243 crores as against Rs. 1,212 crores, an increase of 3%. And the profit after tax was higher at Rs. 870 crores as compared to Rs. 831 crores year-on-year. The EPS was Rs. 112.59 as compared to Rs. 107.5, an increase of 5%. For the year, the EBITDA per ton was Rs. 1,017 as compared to Rs. 1,087 in the previous year.

As far as the consolidated position, the net sales, again, consolidated for the company was higher by 23% at Rs. 3,466 crores as against Rs. 2,119 crores in the previous quarter and 15% up year-on-year at Rs. 3,000 crores, which was Rs. 3,016 crores. The EBITDA for the quarter consolidated was Rs. 765 crores as against Rs. 492 crores and, Rs. 560 crores in the previous quarter. EBITDA margins comparative was 22.1%, 17.4% and 18.5%. The earnings per share consolidated was Rs. 46.60 as compared to Rs. 24.50 and Rs. 28.30.

Consolidated position for the year as compared to previous year:

The net sales were higher by 3% at Rs. 11,493 crores as compared to Rs. 11,203 crores. The EBITDA was marginally lower at Rs. 2,027 crores as compared to Rs. 2,060 crores. And the profit before tax was higher by 6% at Rs. 1,242 crores as compared to Rs. 1,174 crores, and profit after tax was higher by 10% at Rs. 872 crores as compared to Rs. 790 crores. The earnings per share was Rs. 111 as compared to Rs. 102.

These are the major highlights on the performance of the company. After reviewing the performance, the Board also declared a dividend to the shareholders, they proposed a dividend for consideration of the shareholders at Rs. 15 per share.

I would also like to inform you about the debt profile of the company. So, the gross debt as on 31st March stood at, for the standalone position at Rs. 5,101 crores as compared to Rs. 4,593 crores. The cash balance was higher at Rs. 2,536 crores as compared to Rs. 2,006 crores. And the net debt as on 31st March was Rs. 2,565 crores as compared to Rs. 2,587 crores. The net debt to EBITDA for the year was 11.3 as compared to 1.29. And the net debt to equity was 0.42 as compared to 0.48.

The expansion project, we are doing an expansion, a brownfield expansion at Panna along with the Greenfield split grinding location at Bihar of 6 million tons. The work is in progress and as per schedule. And we will definitely complete within this fiscal, though our target is that maybe by December or January the entire thing is on stream.

So these are the major highlights. And if you have any questions, we will be happy to address the same. Thank you.

Moderator:

Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Amit Murarka from Axis Capital. Please go ahead.

- Amit Murarka:** Yes, hi, good morning. And thanks for the opportunity. So first of all, congratulations on a great, great result actually. So my question was, I see that in Q4 you were at 94% clinker utilization, could you also provide the clinker produced in FY '25?
- Management:** Yes, Prashant, can you share the numbers?
- Management:** Yes, yes. Clinker production for the year as a whole is 12 million tons.
- Amit Murarka:** Could you provide the decimal as well?
- Management:** Its 11.92 million tons.
- Amit Murarka:** Yes, right. Okay, great. So, like with this Panna 2 expansion coming through in December, I believe you will have good leeway for growth even beyond the '26 then. I also wanted to understand what would be the expansion plans beyond '26 now that Panna is now nearing completion I am sure you would want to plan ahead as well.
- Management:** Yes, definitely. See, we are working out on the various options. As we have already told on our journey beyond for 2030 to become a 50 million producers. So we have options for Jaisalmer may and we have options in the in Karnataka as well as Orissa, and another line at Panna. But mostly, we are just working out the possibility, could be any other things but we are working out on the nitty-gritties. And I think mostly in next three to four months' time maybe by closer to commissioning of this plant we should be in a position to know our next plans of expansion and we will let.
- Amit Murarka:** Sir, any priority that you think should be there, like Panna line 3 will come --
- Management:** I think it should. Mostly we are working, it could be not, but again we are evaluating everything, we are looking at all the approvals, status.
- Amit Murarka:** And lastly, CAPEX plan for '26 in rupees crore.
- Management:** CAPEX will be again in the range of Rs. 1,800 crores to Rs. 2,000 crores in this year.
- Amit Murarka:** Sure. Thank you. I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Harsh Mittal from Emkay Global. Please go ahead.
- Harsh Mittal:** Thank you for taking my question. Congratulations to management for a great set of numbers. Sir my first question is that has there been any update on the Orissa limestone mining lease agreement with the state government? That is your first question, sir.
- Management:** So, not yet. I mean, the update is that we are still pursuing and unless we get either on getting the mining lease or the a long term arrangement which could support a project, we are still

pursuing with the government. It has concluded yet, the grant has not been done, so I think maybe. It looks challenging, but I think we should have an answer sometime in the next three to four months' time.

Harsh Mittal: Sure, sir. Sir my second question is, sir, what has been the incentive booked this quarter and the guidance for FY '26?

Management: Prashant, can you give the numbers, the incentive for the quarter?

Management: Actually incentive, we are booking on the accrual basis, so there's not much of a difference on the quarter-on-quarter basis, it is like normally in the range of Rs. 75 crores to Rs. 80 crores every quarter. And that is likely to continue in this year also.

Management: Except in this quarter we have incentive which we got for Prayagraj, so that is the incremental incentive of Rs. 12 crores which has come in this quarter.

Harsh Mittal: Sir lastly, what is the consolidated gross debt and net debt? Sorry if I missed in the opening remarks but if you can share, consolidate gross debt and net debt?

Management: There's no difference on the consol because they are paying off cash on the consol level, okay?

Management: And there's no borrowing in in any of the subsidiaries.

Harsh Mittal: Okay. Thank you, sir. These are my questions. Thank you.

Moderator: Thank you. The next question is from the line of Vikram Suryavanshi from PhillipCapital India. Please go ahead.

Vikram Suryavanshi: Good morning, sir. Sir, there was news regarding Container Corporation working with you on tank containers for bulk cement movement as well as LNG vehicles for end-to-end logistics. Can you highlight the scope of work and how it will benefit for the company?

Management: So see, on a tanker movement this is another line which some companies are doing. So, we are in discussion with them. And we will work out. Everything is for freight optimization and we are able to resolve container cost, because again even there, there is a lot of competition. And we had a meeting with the Chairman of Container Corporation. And then he suggested that on the container rate. So we will need to work out, because there is an increased demand for bulk cement going on, so how that that would benefit on movement of bulk cement.

Vikram Suryavanshi: Okay, got it. And tank containers are purchased by Concor on behalf of some of the customers or we will buy our own containers and use Concor networks, how that will be planned?

Management: We have discussed, they will give a proposal. We will review the proposal. And then take a final call.

- Vikram Suryavanshi:** Understood, sir. Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Navin Sahadeo from ICICI Securities. Please go ahead.
- Navin Sahadeo:** Hello. Good morning, sir. And congratulations on a great set of numbers. I think everything has fallen in place, be it volumes, realization and the cost as well. My question was, are there any one-offs in the quarter? Like be it on the cost front or let's say the realization front, which are unlikely to continue in the next quarter.
- Management:** No, there are no one-offs, but we have got the good volume numbers, mainly driven by the Central India. And where we are more or less have been able to ramp up the entire capacity now. So, in fact we are ready for the expansion. And if we had more clinker, we could have done extra volume. But that is there may be if you see in terms of year-on-year there would be certain of the numbers where the some of the numbers were we had changed the method for, because more material was in transit so that's why the sale was less than this year the transit quantity has been lower. So that could be the only reason. Otherwise, we do not see there no one-offs in terms of any realization or on the cost.
- Navin Sahadeo:** And there would also be some impact because of the Maha Kumbh in the previous quarter?
- Management:** No, no, actually see, that is one of the reasons why we have a good growth that somehow our logistics team has done a very fantastic job in ensuring when there has been actually a minimal loss to us and we could just plan it in a way that during the Kumbh itself all the material reached wherever it was required. But year-on-year if you see, the growth in the eastern region is there, it's reflected. So that is not one-off, it is going to continue now going forward.
- Navin Sahadeo:** Right. My second question then was about the difference in the EBITDA of consol and standalone. So what I observe is that this quarter the difference between the same is almost Rs. 28 crores, which is I think the highest company has ever seen. So is it the UAE subsidiary only which is doing well? Is it Toshali which has done exceptionally well? I mean, I am just trying to understand the sustainability of this number.
- Management:** No, no. See, it is the UAE. See, as we said, the UAE plant has a turn around and the UAE profitability is better. Toshali is again for the quarter if you look at, yes, the loss has reduced in Toshali during the quarter as we are ramping up the things the loss has definitely reduced for Toshali. Year-on-year, definitely, there is a loss of about Rs. 8 crores, Rs. 9 crores in Toshali. But otherwise, the UAE numbers will definitely, I mean, if you look at on a quarterly basis, it could be around anything between Rs. 15 crores to Rs. 20 crores quarterly.
- Moderator:** Mr. Sahadeo, does that answer your question sir?
- Navin Sahadeo:** Yes. Sorry. I was on mute. Just one follow-up here is that, in the past whenever we have seen this improvement in the UAE facility, it was said as one-off in the sense for some special exports

to Australia or something like that. Can we now say that UAE as an entity can generate about Rs. 1,800 crores of EBITDA on a sustainable basis, is that the confidence? Or we still need to be treading with caution?

Management: Yes, yes, I said between Rs. 15 crores to Rs. 20 crores on a quarterly basis.

Management: Again, there is a seasonality effect because if we see in the heat or sometimes festival falls and there's a Eid or something so it gets affected. Otherwise, if you look at I think between Rs. 15 crores to Rs. 20 crores quarterly they should be sustained.

Navin Sahadeo: Right. Just one more question, if I may slip in, is about our like preparedness for the Jaisalmer project. Now I understand we were awaiting some incentives or some package from the state government. But from our channel checks I also understand competition, some of the like regional players there are moving a little ahead of us in terms of equipment ordering or inquiring. So is it fair to assume that the state has already clarified the incentives and package and hence that could be the next project for us and for the peers? Or in general that cluster is ready to get developed? Or there needs more clarity. Thanks.

Management: So I think the cluster is ready for development, that I would say whatever things, I mean, there's an activity by us, there is some activity by the competition. I am not aware of whether the competition has finalized orders, that I am not aware because none of the equipment suppliers also have informed that because we do check-up, I am not aware of that. We are working out on all the details. We will work out, it will be a Greenfield site with railway siding and if we go ahead many things. So we are in the process of working out the details. And then when the project gets completed look to the balance sheet. We will definitely put up, we will see what the management or the board decides. So I think clear picture, as I said earlier, should be there between next four to six months' time.

Moderator: Thank you. The next question is from the line of Pathanjali Srinivasan from Sundaram Mutual Fund. Please go ahead.

Pathanjali Srinivasan: Hello. Sir, congrats on a very good set of numbers. I just have a few questions. So, we were indicating about the cost reduction journey, so could you tell us about where we are in that?

Management: So on the cost reduction journey, as we said, we have a scope for Rs. 150 crores to Rs. 200 crores. So, we have already achieved in case of the exit. The average would be less but the exit in the logistics cost is close to Rs. 35, Rs. 40 in the exit in the logistic cost. On the green power also there's an exit, so we I would say that around Rs. 75 a ton is the exit which we have already achieved. And we feel that during this year also the exit, so we would get this Rs. 75 a ton benefit now going forward during the full year. The incremental benefit which this year we could get is maybe another Rs. 25, though the exit would be high.

- Pathanjali Srinivasan:** Okay, sure, sir. But just to follow-up on what you are saying, like if we look at it on a per ton basis, so I think our freight costs have gone up on a full year basis as a lead distance. So when you say that it has reduced on a year-on-year basis, how to understand this better?
- Management:** See, lead distance is a consequence of where we are meeting out the customer. We are working out on where the cost reduction is not, we are not talking related to lead distance, it is negotiating a better rate. I mean, you are going through a bidding process, you are dispatching at the L1 bases, you are reducing the detention at the locations which is again helping you in the freight. Lead distance is a result of where the customer, like we have opened up Bihar, so it's a new market and so the lead distance has increased because of that. But that is not a freight reduction, I mean, that would have been there. If these tests would not have been taken, the cost would have been still higher.
- Pathanjali Srinivasan:** Okay. Sure, sir. I get it. Basically you are saying that you are entering your geography, so there's some bit of cost involved towards that, sure sir. Sir and just one more question, like with respect to some region wise dynamics, like you are saying that Central the ramp up was good in this quarter and you did volumes better than the previous quarters. So can you tell us directionally like which sectors are doing better within centers, like is it the individual housing or is it government infra projects, any guidance there?
- Management:** So as you would have seen, that's for the sector. See, again, why Central because we had made investment in Central and that was the biggest area we are now catering the entire state of MP and UP, and gradually ramping up the volumes. And when the expansion comes up, going forward the increase in volumes would be from Central. In the North and South, we will be at par with the market so that we do not lose our market share in these regions. As regards the demand, see, presently you see the first year after elections is normally lower, which was there.
- But now there the demand was good in the month of March, which is again quite normal. But this year it was a bit more exceptional. But in this month it is driven by housing and infra, it's a combination of all, we have not seen any. I cannot say that this particular sector is resulting in increase in demand, but rural demand is definitely good.
- Pathanjali Srinivasan:** Sir, is trade growing faster or is non-trade growing faster, sir, in Central?
- Management:** See, for us we concentrate more on the trade volumes. And we are working because we have to get a market share, and our main emphasis is to increase the trade share, because non-trade is more on a price driven also.
- Pathanjali Srinivasan:** Yes. Sure sir. So just one last question if I may squeeze in. Our other cost on a per ton basis has gone up, is there anything that has changed here in terms of our cost structure or is there any element to this?

- Management:** Yes, it is sir mainly of the advertisement and the marketing spend which we have done extraordinarily in this quarter. And the other cost also includes some of the costs which are variable in the nature, and which go up along with the volumes.
- Pathanjali Srinivasan:** No, sir, I am talking not about the quarter, I am talking on a year-on-year basis. So it's gone up from Rs. 980 per ton to Rs. 1,035. So, I just wanted to understand like the jump is like pretty sizeable, it's almost Rs. 200 crores increase on a year-on-year basis. So I just wanted to understand any specific thing that we are doing extra which is like resulting in this cost to go up.
- Management:** No, no. See, again, the cost going up is –
- Management:** Prashant, carry on.
- Management:** So I was telling that basically it is on account of the network creation and the advertisement spend for the new market, so we are doing the extraordinary cost on that account. And that is why we are seeing the volume hike which is higher than the industry. So that is something which is an extraordinary cost.
- Pathanjali Srinivasan:** So this may not be a recurring entirely, would that be correct?
- Management:** No, no. See, I would say that a marketing investment would continue to be there as we are growing. And you have to maintain the trade share, so the marketing spend will continue. It's an investment. See, again the accounting entry says that, okay, it is part of revenue. But as we are expanding and you are entering new markets, you are trying to maintain, so this spend will continue to be there. This year there was a lot of demand to have a brand ambassador for the grey cement, so we introduced a new logo. And we changed the design of our bags. We had brand ambassador. Again, all this is a positive and this is why in the new region we have been able to grow substantially during the quarter as well as during the year.
- So this branding and this expense or we call I would treat it as an investment for some time as we have growth plans is going to continue. Yet the per ton impact would have been lower, but it is more reflected because overall the volumes have not grown this year, it is only in the quarter that it is higher. But if you look at the year, because of subdued demand the per ton cost seems to be higher.
- Pathanjali Srinivasan:** Sure sir. Just one last question, I wanted guidance for volumes of FY '26.
- Management:** So '26 volume guidance is close to about 20 million for the gray. And if you look at 22 million, it should be combined volume.
- Pathanjali Srinivasan:** Sure sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Hello. Yes. Good afternoon, sir. And congrats for great results. My first question is on your clinker utilization on an annual basis in North, Central and South operation, so if you can give that number.

Management: Annual basis the clinker utilization is 82%.

Prateek Kumar: Yes, 82%. And how is it in like North and Central plants for yourself, clinker utilization?

Management: We are not giving numbers for each region.

Management: No, it is more or less same, in the range of say 80%.

Prateek Kumar: Sure, no problem. And what was the paint segment with the loss for the quarter and for the full year?

Management: Rs. 45 crores is the loss for the paints for the full year.

Prateek Kumar: Okay. And can you highlight on competitive intensity in the putty segment, because there is some improvement in realizations which you have seen in this quarter, this specific one-off or like that competitive intensity has like softened a bit in 4th Quarter?

Management: No, the competitive intensity has not softened. This is the mix number, and the putty continues to be, when the competition on, especially on the putty is continuing to be very competitive, as a result is a declining realization per ton quarter-on-quarter. We every time feel that it has bottomed out, but we are yet to see even beginning of the year there are some, though not that big, but still it is on the sliding trend. There is no particular one-offs in the quarter, what I would say, it's an annual certain things maybe some, I mean, it's sort of a mix difference.

Prateek Kumar: Okay. And last question on cement pricing, like post March how has been the cement pricing trend, markets since March?

Management: Post March if you see that North and Central there could be about 1% increase in the pricing, at least from the exit what we see. And in case of the South, yes, definitely about 5% to 7% increase is there in the pricing in the South region.

Prateek Kumar: Sure. Thank you, sir. Those were my questions.

Moderator: Thank you. The next question is from the line of Pushkar Jain from Mili Capital. Please go ahead.

Pushkar Jain: Hi, sir. My question was also regarding pricing, can I confirm post margin is 1% in North and Central, and 5% to 7% in South?

Management: Yes, 5% to 7%.

- Pushkar Jain:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.
- Parvez Qazi:** Hi, good afternoon for taking my question and congrats for a great set of numbers. So the first question is with regards to the paint business, now with increasing competitive intensity in that business, I mean, how do we see the outlook for that business, let's say, in FY '26? And secondly a bookkeeping question on the railroad mix. Thank you.
- Management:** So on the paint, despite the competition, as we had planned and we have been able to close the year with the top line of Rs. 275 crores. And again, we feel that in next fiscal again we should have a top line anything between minimum Rs. 400 crores to Rs. 450 crores. And we are working on as we are doing, we should be able to improve upon our margins as we have during this year there was some modernization activity done at the paint plant which is resulting in cost savings. And we are working out on the discount structure, since we were a new entrant, our discount structures were marginally high as compared to competition. So we are correcting on that. The competition continues. We are not competing with the top guys still. Our primary reason to enter the paint business was we were already there with putty and we are using those counters and we are successful. And we hope that we should be able to maintain this trajectory of growth.
- Parvez Qazi:** Sure. Thanks.
- Management:** Prashant, you can inform with the rail road mix.
- Management:** And our rail is 12% in this quarter, rail movement.
- Parvez Qazi:** Thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Uttam Kumar Simal from Axis Securities Limited. Please go ahead.
- Uttam Kumar Simal:** Thanks for the opportunity and very good afternoon. And congratulations on a very good set of numbers. Sir, my question pertains to premium cement, we have already reached 15% in this quarter, so how do you see premium cement reaching in FY '26 as a percent?
- Management:** So for the quarter we have, I mean, achieved 15%, but we hope that we are working towards increase in premium, maybe another 2% increase overall, I mean, for the year the overall was about 14%. So we should do about anything between 15% to 17% in this year.
- Uttam Kumar Simal:** Okay. And sir, what was our fuel mix this quarter?
- Management:** Prashant.

- Management:** Yes. Our fuel mix was like around 70% of the pet coke. And balance the alternate fuel and the imported, Indian and the imported crude.
- Uttam Kumar Simal:** Okay, sir, that's all from my side. And I wish you all the best.
- Moderator:** Thank you. The next question is from the line of Jaspreet Singh Arora from Equitas PMS. Please go ahead.
- Jaspreet Singh Arora:** Yes. Hi, good afternoon, Mr. Saraogi and Mr. Prashanth, and congratulations. My first question sir was on, thanks for sharing that paints trajectory, what's the EBITDA breakeven for us, at what level do we do that?
- Management:** I think in FY '27 we should be able to achieve that, maybe it's one year extension because we bought the plant, so about FY '27 we should have a breakeven.
- Jaspreet Singh Arora:** Okay, got it. And the volume growth that you highlighted, so you said about 20 million tons. So did you mean at a consol level, so from 18 million we moved to 20 million tons if we achieve that?
- Management:** Yes, yes, 18 million we moved to 20 million tons.
- Jaspreet Singh Arora:** So that's about 10% growth.
- Management:** Yes.
- Jaspreet Singh Arora:** And in terms of white I did not understand, so white we did totally put together, including subsidiary, 2.2 million, so now you are saying 2 million tons?
- Management:** Yes, I say it's a broad number. But in case of white the growth trajectory will not be much. I mean, it is very nominal 1 lakh ton here and there difference, it doesn't make on the broad numbers.
- Jaspreet Singh Arora:** Fair point. Got it. And on the EBITDA per ton, sir, we have closed the year on a multi-quarter high, Rs. 1,265, but the year as a whole was about Rs. 1,020 as you have highlighted. So what aspiration or what would be that broader range that will give you satisfaction for the current financial year FY '26 on a full year basis, EBITDA per ton?
- Management:** Satisfaction is definitely much higher that we should be able to maintain what we have achieved in the last quarter. That is a satisfaction level. But actually it will not be so as, I mean, yes on a year-on-year basis we will definitely be happy if we achieve a number which is at more than FY '24 the EBITDA per ton was Rs. 1,087, so we will be definitely happy if we are able to achieve more than FY '24 because FY '25 it was lower.
- Jaspreet Singh Arora:** So Rs. (+/-1,100) I think.

- Management:** But that's not in our hands.
- Jaspreet Singh Arora:** I know, I know. And both the upcoming expansions of the grinding unit, Bihar and Panna, is you mentioned December for commissioning. So do we get one quarter of benefit, the March quarter?
- Management:** No, no, what I said that our target was within FY '26, right? But we are we are working maybe by December, January, the grinding unit is upstream. As far as the brownfield expansions are concerned, which is clinkerization and 1 million ton each at Panna, Prayagraj and Hamirpur, I am confident that we could be able to achieve that within December. The Greenfield grinding maybe would take a month or so extra, but though we are targeting by December, latest January, they should be on-stream.
- Jaspreet Singh Arora:** Understood, sir. That's all for from my side. And all the best for a fantastic year ahead, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Yes. Thank you and congratulations on great set of performance for this quarter. Sir, a couple of questions. First is, sir, as we are saying, if we will be starting the 6 million tons by December, January, is it fair to say that the next year FY '27 at least we should have a 50% plus kind of utilization? So kind of looking at 3 million ton extra volume should be there in FY '27?
- Management:** So, definitely 2 million, 2.5 million, 3 million I mean as of now it is difficult, because even in this year some of the buckets when we have the volume, some of the volume numbers would be there, will be part of the expansion in this year also.
- Shravan Shah:** Okay. Got it. Secondly, sir, this quarter the trade mix has increased significantly, 71% versus third quarter it was 66%. So, obviously, it is a great thing. So is there a further possibility to increase this trade, sir?
- Management:** No, no, see what is actually happening, the new markets which we are entering like for Bihar for example, the entire volume is in the trade segment only. So when the grinding unit gets started, then we will enter. It doesn't make sense to send non-trade in the new market from the existing plant, because it will not be able to compete. When the grinding unit is there, we will be able to compete in the non-trade segment also.
- Shravan Shah:** Got it. Sir, another just to clarify, this quarter paint EBITDA loss was just Rs. 3-odd crores versus the last quarter was significantly higher, Rs. 15 crores, Rs. 17 odd crores, but still we are saying that by FY '27 we should be seeing a breakeven, rather, this year we should be reaching a breakeven.

- Management:** See, what will happen is that as the branding investment more or less remains the same or marginal increase, when I am getting an incremental top line with an improved gross margin, we are working on improvement in gross margin, that will bring down the losses. So we are hopeful, we are working as a target. So initially, well before what we said, initially it was a FY '28, what we are targeting is to have a break even by FY '27.
- Shravan Shah:** Okay, okay. Got it. And in terms of the revenue, obviously, this year you said Rs. 400 crores, Rs. 450 odd crores, but FY '27 previously we said Rs. 600 odd crores, so that is --
- Management:** Yes, it should be Rs. 600 crores. So if we grow annually, year-on-year by Rs. 150 crores, that will definitely help.
- Shravan Shah:** Okay. And sir, whenever we will finalize our next expansion as we highlighted maybe four, six months down the line, so is it fair to say that because we want to add another 20 odd million tons, so roughly the number could be Rs. 11,000 crores, Rs. 12,000 odd crores kind of a CAPEX that we are looking at. So, on a yearly basis FY '27 onwards Rs. 2,000 crores kind of a CAPEX should be there. But nevertheless given the kind of profitability we have, so current net debt can easily be maintained. That's the way one can look at for the next two, three years.
- Management:** Yes, definitely. See, if we have two weeks, we target 50 million tons. The kind of investment that you mentioned will have to be made, otherwise without investment you cannot achieve that numbers.
- Shravan Shah:** True, true, got it. And sir, just the last clarification on profitability, you said that the Rs. 75 per ton cost saving we have achieved versus what we had Rs. 150, Rs. 200. But from next year FY '26, we are saying incremental Rs. 25. But if I have to see from average to average, maybe it should be a Rs. 50 kind of cost savings should be there in FY '26?
- Management:** So average, if we say the average cost saving during this year over last year, it would be about Rs. 40 a ton. The exit is Rs. 75 what I said. So, again, we used to get on an average another additional Rs. 40, Rs. 50 as an incremental in the next fiscal on year-on-year basis. But exit, again, next year's exit would be higher.
- Shravan Shah:** True, got it. And lastly on Greenfield, how one can look at FY '26 from 51% currently that we have?
- Management:** So, green share. by FY '26 should be closer to 60, we are working out on various things. I think after Panna should be closer to 60.
- Management:** Okay. Got it, sir. Thank you. And all the best, sir.
- Moderator:** Thank you. Ladies and gentlemen, we will take only last two questions for today. The next question is from the line of Sanjeev Kumar Singh from Motilal Oswal. Please go ahead.

- Sanjeev Kumar Singh:** Thank you for the opportunity, sir. So from UAE plant, I believe that we are running at optimum utilization rate. So can you please share that what is the import which is being done into India from UAE plant? And secondly, are we looking at some CAPEX on that plant also if the utilization seems to be more than 90% now?
- Management:** No, no. One, the UAE plant is not operating at that level as yet. One, we are exporting a certain volume from UAE plant for our certain markets in the Southern region, that volume is around 40,000, 45,000 tons annually. And besides that, some of the customers place order, the bulk buyers like even Asian Paints and some other players, they take cement from us from the UAE plant. So, because the white cement definitely will have a lot of competition, Asian Paints' plant is likely to commission sometime in Q2. And that will definitely have an impact on white cement consumption because they would also reduce the volume which they are taking from us going forward, because when their plant stabilizers, they will shift to their own production.
- Sanjeev Kumar Singh:** So, does it mean that in the white cement and putty business the volumes will largely remain flat in FY '26, right?
- Management:** Yes, not much. So we will be growing in the putty and there may be some slippage, though we are working out on new avenues we are introducing, for the UAE planned we have entered into a dry mix category where we are doing quite well. We are already one of the top three, I mean, we are number three in the dry mix set segment in the UAE. So again, as we told earlier that we have a plan for the UAE plant. So it is, one, the core business continues, the white business, but definitely we have to have more avenues for the income as well as the profit. That is why we will be able to, if we have all these challenges, and to maintain profitability, so this is why we are working out on Africa. Africa is growing, the putty there. So all that will result in the growth of the UAE business or if there are any challenges there we will be able to consistently maintain profitability over there.
- Sanjeev Kumar Singh:** And secondly for gray cement, when we speak about 20 million tons kind of volume in FY '26, what is the volume are we assuming from the new plant with the expansion which is going on? And when we speak about price increase in South market, how has been the price increase in Maharashtra, can you please share this? Thank you.
- Management:** So, from the new plant, means, as I said, the expansion which gets this year could be, major volume growth will again come from Central India as we talk about. The expansion itself could be another 0.5 million and balance will come in. Major quantity I think should come in from Central India which could be out of that 2 million tons growth we could see more than half coming in from Central India.
- Sanjeev Kumar Singh:** And about prices, sir?
- Management:** So prices, it has broadly mainly increased in the Karnataka, I mean, not so much in the Pune region but it is more in the Karnataka region.

- Sanjeev Kumar Singh:** Okay, sir. Thank you. Thanks a lot sir.
- Moderator:** Thank you. This will be the last question for today, which is from the line of Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Yes, hi. Thanks for the opportunity again. So I just wanted to have a sense around the volume mix around various geographies for FY '25, like between North, Central, and South, if you would just give a broad split, I believe you are selling in Bihar also now. So just if you would give a rough understanding of the same.
- Management:** See, Amit, broadly I would say, I think maybe 65% and 35% broadly, I mean, exactly from North and South should be about 65% and 35 in the Central.
- Amit Murarka:** Okay. And the East sales?
- Management:** The Central means the East plant, I mean, East is part of Central plant.
- Amit Murarka:** Okay. So the new Bihar grinding unit that is coming up, so like broadly I see that there is a plan to raise volumes even in East, while you are flat in Central, but I see that there's a plan to grow East as well now. So like in that sense, any sense you would give on let's say maybe going ahead what is the plan on region-wise growth?
- Management:** So see, again, Central plant, that's a natural extension into Bihar from Central India. So, I mean, because, again, Bihar does not have any limestone. So it is only fed by Central India plants. So it's a natural growth where we are setting up there. So clinker will definitely go from Central India into Bihar.
- Amit Murarka:** So just wondering that frankly generally Bihar as a market has been having lower pricing than the Central markets, maybe almost Rs. 20, Rs. 30 lower, in fact that too after the recent price hikes. So what really is the rationale of going more into Bihar when you can actually maybe cater to UP, MP with better realization as well?
- Management:** See, when you want to expand, rational what you are talking about, there is definitely some subsidies in Bihar which we may get. As you grow, growth you cannot pick and choose that only we will have the desired growth and we continue to remain only in this area. If you do not expand your territory then you cannot grow. How will you get the volumes? It will be very difficult to get volumes only in existing territory.
- Amit Murarka:** Sure. Understood. Yes. That's all from me. Thank you.
- Moderator:** Thank you. As that was the last question for today, I would now like to hand the conference over to Mr. Vaibhav Agarwal for closing comments. Thank you and over to you, sir.

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

Management: Yes. Thank you everyone for joining in. Thank you. Have a good day.

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