



“JK Cement Limited  
Quarter and Year Ended 31st March 2026 Conference  
Call”

May 25, 2026



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**MODERATOR: MR. VAIBHAV AGARWAL – PHILLIPCAPITAL INDIA  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the JK Cement Limited Earnings Conference Call for the Quarter and Year Ended 31st March 2026, 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 this conference, please signal an operator by pressing star then zero on your touchtone 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, sir.

**Vaibhav Agarwal:** Thank you, Darwin. Good evening, everyone. On behalf of PhillipCapital India Private Limited, we welcome you to the Q4 and FY26 call of JK Cement Limited. On the call, we have with us Mr. Ajay Kumar Saraogi, Deputy Managing Director and Chief Finance Officer; and Mr. Prashant Seth, President, Business Information and Investor Relations at JK Cement.

I would like to mention on behalf of JK Cement 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.

These statements are subject to a number of risks, uncertainties and other important factors, which may cause actual developments and results to differ materially from the statements made. JK Cement Limited and the management of the company assumes no obligation to publicly alter or update these forward-looking statements, whether as a result of new information or future events or otherwise.

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

**Ajay Saraogi:** Thank you, Vaibhav. Good evening, and welcome to Q4 and annual call. The Board of Directors met on 23rd of May to review the working for the quarter ended 31st March 2026 and the year ended 31st March 2026. The major highlights during the quarter, the net sales has increased by 15% at INR3,614 crores as compared to INR3,132 crores vis-a-vis the previous quarter. And year-on-year, it was higher by 11%. The previous year, the turnover was INR3,261 crores.

Year-on-year, the net sales has increased by 16% at INR12,568 crores as compared to INR10,802 crores. The EBITDA during this quarter was INR670 crores as compared to INR536 crores in the previous quarter, an increase of 25%. However, it was lower by 9% year-on-year as the previous year number was INR736 crores. Year-on-year, the EBITDA is higher by 18% at INR2,318 crores as compared to INR1,968 crores.

The EBITDA margins for this quarter was 18.5%. Previous quarter, 17.1% year-on-year 22.5%. For the full year, the EBITDA margins were 18.5% as compared to 18.2% in the previous year. The profit after tax was INR345 crores for this quarter as compared to INR181 crores in the previous quarter, an increase of 91%.

And it was lower by 17% as the previous -- year-on-year -- previous year, it was INR412 crores. For the full year, the profit after tax was INR1,033 crores as compared to INR851 crores in the previous year, an increase of 21%. The earnings per share was INR44.50 in this quarter. And for the annual, it was INR133.70 as compared to INR110.1.

The Board of Directors also proposed a dividend of INR20 per share, subject to the approval of the shareholders. If we look at the status of the project, during this quarter, the company has commissioned the greenfield expansion at Buxar in Bihar. And with this, the total 6 million ton capacity expansion taken up in Central India get commissioned.

Also increased the capacity of the plant at Muddapur by 1 million tons from 3.5 million to 4.5 million tons. And we started the work on the new greenfield project at Jaisalmer, a 7 million ton plant, 4 million ton integrated Clinker capacity at Jaisalmer along with 3 million ton grinding and 2 million ton each grinding locations at Bikaner and in Punjab.

Here also, the work for the integrated plant is in advanced stage. The civil construction and erection work is progressing well. The project cost for this -- for the integrated unit is expected around INR3,630 crores, and we have already spent about INR742 crores up to March.

We expect the commissioning in H1 of FY28. The work on the grinding station at Bikaner, the orders for main plant and equipment has already been placed. The construction work at the site has begun. And here also, we expect the commissioning in H1 '28.

For the grinding units at Punjab, we have already acquired the land, and the other approvals are in process. So, we have already placed order for main plant and equipment. And here also we expect that this would also get commissioned in H1 '28. The company had also taken up for installation of 6 lakh ton Wall Putty plant at Nathdwara in Rajasthan.

The work is in advanced stage of completion, and we expect that by September, this plant should get commissioned. If we see the balance sheet position -- the gross debt as on 31st March is INR5,136 crores. The net cash is INR1,765 crores and the net debt is INR3,370 crores. The net debt to EBITDA is 1.45. The equity is INR6,961 crores. The net debt to equity is 0.48. These are the major highlights.

We'll be pleased to address your queries. Thank you.

**Moderator:** Our first question is from the line of Harsh Mittal with Emkay Global.

**Harsh Mittal:** Sir, my first question pertains to the employee expenses. So it grew 25% Y-o-Y. So I believe majority of this inflation could be attributed towards the commissioning of the grinding units. But was there any other one-off expenses included in employee expenses because there is approximately INR32 crores of sequential rise in the expense cost. This is my first question.

**Ajay Saraogi:** So yes, as far as employee is that the commissioning of the new plant in Central India which has been done in this year. So earlier the salaries were all capitalized. It has gone into revenue. On account of increased business requirement also, there have been additional manpower requirement.

Normal increments also impact is there. And because of the Labor Code also, whatever is the impact during the year, that is also provided in this quarter. There is also onetime some liability pertaining to the leave travel assistance. So that is also provided in this quarter.

**Harsh Mittal:** So sir can we safely assume a sustainable run rate of INR260 crores going ahead or there is some dilution there -- provided your dilution in this employee expenses?

**Ajay Saraogi:** So around -- see, we feel that around INR250 crores or so would be the -- there is -- see, what would happen even on this base number, there would be an increment impact of the annual increment with effect from 1st April. So that impact is we have already declared our annual increment, and that impact is around 10%.

And there would be as a business requirement, certain additional power would be required. Even Nathdwara, the project will get commissioned in September. So some manpower increase there -- it would be there also. So we do expect that from the whole year number of INR937 crores, there could be about 12% to 14% increase year-on-year.

**Harsh Mittal:** Right. Sir, second question is on the other expenses. Again, there you have mentioned in the PPT that there is an increase in advertising expenses and packing cost. So what is the component of the packing cost in the INR80 crores rise in the other expenses cost?

**Ajay Saraogi:** Packing cost see the composition is like it has increased on two accounts. One is because of the volumes and second is because of the price. So combined impact is around INR30 crores.

**Harsh Mittal:** Got it. Sir, last question is on the incentive income. It seems to be a bit lower than the guidance provided in the earlier quarters of around INR75 crores. What is the reason for the same, sir? Can we assume the same run rate going ahead or should we expect any pickup?

**Ajay Saraogi:** There is a reduction in the incentive one of the Aligarh unit there is incentive has already been availed for the full 10 years. And then because of reduction in GST and also in case of Rajasthan, not able to avail the incentive because we are getting the [inaudible 12:55] on the investment. So we can't avail that input credit is being done on the project. So as a result, we are not able to claim the incentive and that GST input credit we get immediately.

**Harsh Mittal:** Got it. Sure, sir. I will fall back in the queue. Thank you. These are my questions.

**Moderator:** Thank you. Our next question is from the line of Amit from Axis Capital. Please go ahead.

**Amit:** Hi, thanks for the opportunity. One, I just wanted to understand the White Cement outlook. I believe White Cement was also coming from your UAE plants, which is impacted because of [inaudible 0:13:51] the situation. So what is the outlook on White Cement volumes for FY27 and particularly in the near term? That is the first question?

**Ajay Saraogi:** So one, as far as the domestic White Cement is concerned, we -- well, since we have -- we'll be able to meet out the entire demand from the domestic production. Yes, we were feeding as it was more economical certain regions in the South from UAE. At this point of time, we are

feeding that from Gotan plant. So we don't see losing any market of White Cement on account of the present geopolitical situation.

**Amit:** And has the pricing increased because the flow has reduced from Middle East?

**Ajay Saraogi:** So we have been able to increase the prices of both White Cement and Wall Putty on account of increase in the input costs. The chemical costs have increased substantially. So we have been tried to pass on the cost increase to the customer.

**Amit:** And what is the capex guidance for FY27, '28?

**Ajay Saraogi:** For this year, the capex should be in the range of INR3,500 crores to INR4,000 crores.

**Amit:** Okay. And next year?

**Ajay Saraogi:** Next year, it would be INR1,500 crores to INR2,000 crores.

**Amit:** Understood. That's it. I will come back in the queue.

**Moderator:** Thank you. Our next question is from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

**Rajesh Ravi:** Yes. Some of my questions have been answered. On the incentives, what was the incentive accrued in Q4 and what is the outstanding on books as of March?

**Ajay Saraogi:** See, the -- I'll just tell you the Q4 incentive. The outstanding as on 31st March is close to about INR300 crores and in this quarter, it is about INR29 crores.

**Rajesh Ravi:** Okay. So this INR29 crores, INR30 crores would be the assumed run rate here on in subsequent quarters?

**Ajay Saraogi:** It would not be the assumed run rate. The run rate -- see, actually what is happening, we are not -- because of the GST input credit for North we are not able to take the incentive which we were getting for our -- for Nimbahera. So that loss would be there, but whole year, we got an incentive of about INR230 crores and this year, we should close to about INR250 crores to INR260 crores because Bihar, we though -- we are not accruing the incentive as on date because our policy is once we get the sanction letter, then only we start accruing it.

So we expect the sanction letter, so the Bihar incentive would also come in whenever we get the sanction letter, we will account for the incentive for Bihar. And other grinding units also now for Prayagraj, Hamirpur and all, we shall be getting the incentive. So we feel that it will be around INR250 crores for FY27.

**Rajesh Ravi:** Understood. And sir, just for clarification the sanction letter is just a formality, or you will start -- and hence, you will start reporting it or accruing it once you get the sanction letter or you're eligible to accrue it now and only -- we will report it when you get the sanction letter?

**Ajay Saraogi:** As our accounting, unless you have a document – see the scheme says you are eligible. But sanction letter says now it's an official eligible, then we -- after receipt of the sanction letter, we will submit our application for the -- for getting the amount from the state government. So it is probably as a prudent accounting policy, we account for -- we start accruing in the books of accounts, though it will be from the back date, but only after receipt of the sanction letter from the government.

**Rajesh Ravi:** Understood. And sir, second question, which even on the current geopolitical situation, the cost increases, given that INR150-odd sort of cost increase everyone is looking at in Q1 versus Q4 on the variable cost side, how much of that has been passed on in month of April and May?

**Ajay Saraogi:** So we could say that because you had inventory and other things in the month of April in the May, we would have on an average a price increase of about INR10 a bag. So INR10 would mean, say, 18% less of that. So broadly, it is passed on as on date that's what we could say, but how we are able to pass on the new impact of diesel and all which we have to wait and watch.

**Rajesh Ravi:** Okay. Understood. And sir, second, with the Jaypee plant, these 5 million tons would get operational somewhere this year, do you see the competitive intensity would increase in the central market, which is already reeling under margin pressure because of multiple companies ramping up capacities?

**Ajay Saraogi:** No, we don't see. Again, it is not something we were not expecting. So this was already there for past 3, 4 years. In fact, Dalmia earlier had already started sending material and seeding the market and they could not. So this is not -- this is something not as a surprise, but now it has come, okay, we will address it as it comes.

And we don't see immediately large volumes coming up. We feel that even they will be able to -- it's only from beginning of Q3 that you should start seeing some material coming from the Jaypee plants.

**Rajesh Ravi:** Correct. Okay. Understood. And sir, 2 questions just on the -- again, similar trajectory for Rajasthan market where a lot of capacities are coming up during FY28. So how would that market shape up in terms of volume and pricing FY28 onwards?

**Management:** So again, see, I'm saying we are well prepared. When we took the expansion, we had factored in that competition would definitely intensify. So we are prepared for it. We are confident. We have strengthened our team processes.

We have planned how will we seed the market, strengthen, not seed, we're already there in the market, how will we consolidate our position in the market and how will we send our material from Jaisalmer and the 2 grinding units.

So this will actually -- this is an opportunity for us. We will be serving the market now from -- earlier, there was only practically one source of supply only coming from Nimbahera, Mangrol, which is one entity, if you look at practically.

Now you will have 3 more locations, and we will have advantage on serving the market in shorter distance, which will be able to have a better market grip and improve upon our market share. We are very confident on that.

**Ajay Saraogi:** And even after been commissioning of all those capacities, I mean not has the highest utilization levels. So that could be slightly reduced by, say, around 4% to 5%, but would again remain higher than the overall average for the country as a whole.

**Rajesh Ravi:** Agree, agree sir. And anything -- any update on the Saifco expansion in Andhra, the Odisha expansion plans?

**Ajay Saraogi:** So no, at this point, no plan for expansion. What we are -- for Orissa, we have not got any mining lease as yet. As and when mining lease comes, then we will think about the expansion with time lines. So as of now, there is nothing. Even for Saifco though we have the mining lease. First, we will stabilize and our position in the market, stabilize the plant and start earning profit from there, and then we will look at the expansion.

**Rajesh Ravi:** Great, sir. Nice to hear this. Thank you and I'll fall back in queue.

**Moderator:** Thank you. Our next question is from the line of Parvez Qazi with Nuvama Group. Please go ahead.

**Parvez Qazi:** Hi. Good afternoon, sir. Congratulations for a great performance and for taking my question. So my first question is regarding our expectation for FY27 in terms of volume growth in the gray cement business?

**Ajay Saraogi:** So we should be in FY27, we should also be growing in a double-digit growth. So we expect the market to grow, say, around 6% to 8%. And as far as our volumes are concerned, so as we said, we should get incremental definitely 2.5 million tons incremental volume, maybe more.

**Parvez Qazi:** Great to hear, sir. The second question is regarding the progress on the cost reduction front. Any commentary on that would be great.

**Ajay Saraogi:** So see, as we have already achieved the major cost savings, but it's ongoing. We see another INR50 which we should get in this fiscal, mainly coming -- mainly driven by, a, on the green power and some -- and on AFR in the South and the North plants.

**Parvez Qazi:** Sure, sir. And last question, what was the fuel mix in Q4?

**Management:** See, we were using based on the heat value around 50% of the [petcoke 0:25:45] and 12% is the alternate fuels and balance is the Indian coal.

**Parvez Qazi:** Great sir. Thanks and all the best.

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

**Management:** Hello.

- Moderator:** Pathanjali Srinivasan, your line is unmuted. You may proceed with your question. As we're not receiving a response from the current participant, we will proceed to the next participant. Our next question is from the line of Tejas Pradhan with Citigroup. Please go ahead.
- Tejas Pradhan:** Yes. Hi, sir. Most of my questions were answered. Just a couple more. On the recent Limestone Block that you have won in Andhra Pradesh that you have filed, any color on any update to our medium-term expansion plans based on this block? I mean, what's the reserves here, if you are planning to add any capacity, in any?
- Ajay Saraogi:** No immediate. See again, limestone deposits are being looked at and are being acquired looking into way forward how we would like to expand and become maybe become a more national player. So as of now, see, we already have a plan for 2030. I mean this limestone of Telangana may be our next phase of expansion.
- Tejas Pradhan:** Okay. Understood. Do we -- what is the limestone reserves over here in this block?
- Ajay Saraogi:** 500 million tons.
- Tejas Pradhan:** Okay. Okay. I understood. Just 1 more question on the cost savings guidance that you have given, INR50 per ton this year. Does this include generally you have a cost benefit when the new commissioned plants ramp up, right, because you have been seeding the East India market through your other capacity, right? So -- and you would have waste heat recoveries, etcetera, coming up in this plant. So does this include this thing, or some additional cost benefit could come from?
- Ajay Saraogi:** No, no, no. Actually, these are for the existing operations. When we look at what are the initiatives -- some of -- I mean one is increasing. See, if we optimize more on the -- whatever we optimize on the existing waste heat, that is part of the cost saving. Installation of new waste heat is not part of the saving.
- Tejas Pradhan:** Okay. So could there be any additional benefit from the Central India ramp-up that you could get?
- Ajay Saraogi:** So Central India ramp-up cost benefit will definitely be there. It's when it's reflected because Central India, we have a major because cost advantage in that region.
- Tejas Pradhan:** Okay. Understood. And just one last question. Could you share the consolidated cash balance as of FY26?
- Ajay Saraogi:** Actually, our standalone and consolidated cash balance is the same because the subsidiaries are mainly Saifco and Fujairah, where there hardly there's no cash balance as such.
- Tejas Pradhan:** Okay, okay. Thanks. Yes.
- Moderator:** Thank you. Our next question is from the line of Siddhart with Kotak Securities. Please go ahead.

**Siddhart:** Thank you for the opportunity, sir. One of our peers mentioned that they're having some regulatory clearance issues in Punjab, which is also the location for one of our plants. So I just wanted to check, are we sort of also anticipating some similar issues, especially given the fact that there may be election related slowdown there?

**Ajay Saraogi:** As of now, I mean it's very difficult to say, but we are -- we don't foresee I mean wherever -- what we have identified that there should be any issues. But if there are, we will inform everyone. But as of now, there are no issues.

**Siddhart:** Understood, sir. That is very clear. Secondly, sir, just wanted to get a sense of what sort of cost inflation we are looking at. So could you just break it down perhaps into different segments such as fuel, packaging, etcetera?

**Ajay Saraogi:** See, as far as fuel is concerned, yes, it is an impact, but every day situation changes. Even as of now, today, you see the situation. But again, it will take things -- it will take some time for the things to be -- if everything gets normalized, even to get things normalized, it will take about 3 to 4 months.

So I don't think so that what will be the fuel situation for supply, whatever we have new orders, which we have already secured for up to September. So we have to have a planning till September. So that inflation -- that cost trend, we have already informed you. I mean that it's about 150 and it may go up to INR200. There are other cost increases on account of whatever is the diesel price increase because that has -- whatever it comes that has an impact.

We are really not -- we do not know what could be the impact of that. But again, our efforts would be that we would try to pass on that increase. Packing cost, it was there, but now it has already reduced. The packing impact, which was there sudden because of increased demand and now the alternatives have already been worked out and the packing cost factor, which was there, that has reduced I think substantially, it has been addressed.

**Siddhart:** Understood, sir. Sir, if I may, say, in the recent, say, 10-odd days, we've had a fairly substantial increase in diesel prices about, say, INR8 to INR10 per liter. So what sort of impact does this sort of increase have on our freight cost a ballpark figure, is okay?

**Ajay Saraogi:** See, as of now, whatever increase had taken place, there has not been any significant impact, maybe about INR10 because it did not -- yes, there were people facing -- there's always -- there is already some shortage in the market of diesel. So it is pain. But now there has been an increase announced only yesterday. We have to see what is coming in the pipeline, how does -- how much we have to pass on. It will depend. We have to wait and watch.

**Siddhart:** Understood, sir. Just a last bookkeeping question. Sir, what was your paints revenue and EBITDA for this year?

**Ajay Saraogi:** So the paint top line was INR380 crores. And there was...

**Management:** Around INR40 crores.

- Ajay Saraogi:** INR40 crores plus loss was there in the paint business.
- Siddhart:** Got it, sir. And we expect it to breakeven next year?
- Ajay Saraogi:** Yes, yes. So now we expect a top line of INR500 crores to INR550 crores in this fiscal. And with the improvement in the gross margins and other things, we expect that this year, we should have a breakeven on the way of marginal EBITDA, but definitely...
- Moderator:** Our next question is from the line of Pathanjali Srinivasan with Sundaram Mutual Fund.
- Pathanjali Srinivasan:** Sir, I have a couple of questions. So firstly, with respect to our other expenses, is there any onetime or promotion kind of expense, which we have spent on the higher side because on a year-on-year basis, the increase seems pretty steep?
- Ajay Saraogi:** See, other expenses, one is an increase because of increase in the business in the volumes. So it has -- other expenses includes packing costs, includes stores and space and certain selling expenses, which are variable in nature. So as our volumes increase, there is the impact is there.
- The other head where the increase is there that we are investing on some of the branding both in the gray and the white business. So because of the investment in branding, which with the current market, we need to do that. There is an increase, which is not very substantial, but incremental company may be doing about INR50 crores to INR60 crores additional branding.
- Pathanjali Srinivasan:** And one more area which we have like kind of changed our lead distance has come off quite a bit. So will we start seeing benefits from this on a per ton per kilometer basis going forward?
- Ajay Saraogi:** Yes, we have to see, per ton per kilometer as we enter new areas, what is happening, every region has a different per ton per kilometer range. And now in our case, what is happening, all the incremental volumes which are coming, which is all road-based.
- We do not have the incremental volume on not rail-based, which will come with the new expansion when we do at Jaisalmer. So on per ton per kilometer, though we are -- we'll be able to maintain. But again, lead distance depends as you have to reach out to new markets. So more or less, we are -- we should be able to maintain the same lead distance and increase upon our volumes.
- Pathanjali Srinivasan:** Got it, sir. Just one related question, sir. What is the impact for us with the sensitivity with respect to increase in diesel prices? Like do you give me some rough numbers for that?
- Ajay Saraogi:** See, diesel prices may have an impact both internal and external. One is the internal material movement. I think if -- suppose it goes up to INR10, INR11, which is a fair number. I think it will go up as the way the government is doing. Today, it has already been now INR7. So INR11, INR12, it may have an impact of maybe about INR50 a ton, INR60 a ton.
- Moderator:** Our next question is from the line of Girija Ray with Nirmal Bang.

**Girija Ray:** A couple of questions. Do you see any kind of -- first thing is about the pricing? Do you see any kind of pre-monsoon price hike? And second will be on the demand. So don't you think we are a bit conservative on giving the full year industry growth of around 6% to 7%?

Because post-COVID, we saw some kind of revive in demand. Again, in FY25, we saw a drop year-on-year volume growth or demand. So what's actually happening in ground level things are not working kind of infra work or anything, any kind of issues or challenges we are facing that we are a bit conservative on our industry demand growth?

**Ajay Saraogi:** No, we are conservative. Again, 6% to 8% is a fair -- if you look at the cement industry, it has been growing at 6% to 8%. Normally, it was an old formula. The cement grows at 1.2x the GDP growth or GDP sometime, but that was the old one. I think cement infrastructure, as you said, on infra spend, that is -- there is a good demand. But we have to see, what we are saying 6% to 8%, look at the present geopolitical situation, which is having some impact on many businesses.

All this impact does have an impact on housing. We may see. We have not seen any major, but we have to factor all this because people -- I mean, if they are short of -- their businesses are down, they may have to defer their housing investment for some time.

**Girija Ray:** So is there any kind of -- do you see any kind of liquidity crunch or cash flow issues from the government side? Do you see any kind of things?

**Ajay Saraogi:** Government side, I don't have to comment on that. Everybody knows you may be in a better position to know what is the cash position in case of government.

**Girija Ray:** Okay. And this pre-monsoon price hike, do you see any kind of...

**Ajay Saraogi:** Definitely with the cost increase, yes, it would like to pass on all the cost increase prior to the link period, that would always be the effort, and we will see wait and watch and see whatever price increase we can do at least pass on all the cost increase.

**Moderator:** Our next question is from the line of Shravan Shah with Dolat Capital.

**Shravan Shah:** A couple of questions from, sir, my side. Sir, first, when we said that for this year, we are looking at least 2.5 million ton incremental volume and maybe more. So similar way, one can also look at for FY '28 also given Jaisalmer, all the Bikaner, Jaisalmer, and the Punjab would also support the incremental volume at least for second half? And maybe if you can also highlight, maybe even if we can try to start the plant by 2, 3 months earlier, so that can also have some extra volume. So similar 2.5 million, 3 million ton extra volume is also one can look at in FY '28 also.

**Ajay Saraogi:** Sure, sure. Again, we are making investments. If we are making a capital investment on capacity, definitely, we will like to have that volume growth. And we are working. We will -- going forward with our plans on 2030, you will see that minimum earlier I said that we should get on an annual 2 million additional volume.

Now I've already revised that to say 2.5 million. And going forward, hopefully, we'll revise it to minimum additional 3 million every year. So we have to get that. We have to give the return on investment also.

**Shravan Shah:** Yes, sir, yes, Yes. Second, sir, in terms of CC ratio, so currently, maybe in fourth quarter or maybe entire FY '26, is it still at 1.55? Is there a way to further improve this?

**Ajay Saraogi:** See, there are ways, again, it also depends on the demand pattern. As we see, there is a good infra growth. And infra is more on OPC. So we have to see in which way the demand is growing. And it's not -- so all the clinker cement ratio depends upon the mix and as we cannot just ignore and it is not possible to get this growth only on trade.

**Shravan Shah:** Okay. Okay. Got it. Sir, just to clarify on the staff cost, the previous answer, I think it was on a stand-alone basis. On a consol basis also similar way when we are looking at 12%, 14% kind of on the full year basis kind of a growth because on this quarter, the consol employee cost is INR291-odd crores. So from Q1, we should further see the further increase here?

**Ajay Saraogi:** Yes. Of course, from Q1, you will see an increase. The increase, as I said earlier, increase is on account of the increments and we have already -- as per the Labor Code, we have reclassified the salaries to meet out the Labor Codes requirements. So that is also having some impact on the wages.

**Shravan Shah:** Okay. And sir, on the capex front, sir, has mentioned that FY '27, we are looking at INR3,500 crores to INR4,000 crores kind of capex. But Jaisalmer balance capex is INR3,900-odd crores. So -- and then from next year, so does that also mean mostly we would be completing this and the extra FY '28, what we are saying INR1,500 crores to INR2,000 crores. So this will be for Muddapur expansion that will be our next?

**Management:** No, we have not considered the next expansion in days, because this INR3,500 crores is not going towards the Jaisalmer expansion, the entire capex, it includes the normal capex. It includes the capex on the putty plant, which is going on. Then we also consider the investment as part of this like whatever we are doing for the solar tie-ups or investing in the Saifco or the paint.

**Ajay Saraogi:** So there is an investment also in coal block and there is other normal capex. So what we -- so out of INR3,500 crores, which we expect maybe the overall capex, about INR1,000 crores -- INR800 crores to INR1,000 crores would be the normal capex and other capex and about balance could be on the greenfield expansion.

**Shravan Shah:** Okay. And in Panna, entire roughly INR680 crores was supposed to be spent the balance capex out of the announced INR2,850 crores. So have we entirely done in the fourth quarter or something is pending?

**Management:** What is happening in case of Panna, there is some spillover capex and expenditure remaining to the railway siding. Number two, I'm happy to inform that out of INR2,850 crores, there would be a good amount, at least INR200 crores to INR250 crores saving -- about INR300 crores saving in Panna. So we will end up the project at a lower cost.

- Shravan Shah:** Great. That's a great thing. And sir, on the paints, when we said that the INR500 crores to INR550 crores revenue that we are looking at for FY '27 and EBITDA breakeven or maybe positive. So this will be the for entire full year on an average basis, we are saying, not for by exit of FY '27?
- Management:** No, no, no. I'm talking about the full year. The INR550 crores is not exit. It is a full year number. INR500 crores is a full year number. I mean I said EBITDA positive is the full year number.
- Shravan Shah:** Okay. And then the incentive from the -- maybe the INR29 crores that we have seen for fourth quarter, from third quarter onwards, we should start seeing this number should be significantly jumping up to INR70 crores...
- Management:** So it may vary quarter-on-quarter, but I'm saying full year number should be around INR250 crores.
- Shravan Shah:** Yes. I'm trying to understand the FY '28, that number, if the run rate goes to INR70 crores, INR75 crores, then this number would be INR300 crores for FY '28. So I'm trying to understand?
- Ajay Saraogi:** Yes, could be, yes, definitely, it will increase going forward then.
- Shravan Shah:** Yes. And on the wide business front, on the volume front, now the 0.6 million tons, 6 lakhs will be there by Q2 or maybe 1 or 2 months early. So we should be seeing for a full year basis, how one can look at on the volume at a consol white cement?
- Ajay Saraogi:** So consol white cement, we expect you should see an 8% to 10% growth.
- Shravan Shah:** Okay. So that run rate will keep on going on for us?
- Ajay Saraogi:** Yes, yes.
- Shravan Shah:** Yes. And lastly, sir, thermal power plant capacity, 27.5 megawatt that we have reduced in this quarter. So from which plant or any specific reason...
- Ajay Saraogi:** Actually, we have -- the thermal power plants at the white cement and one thermal power plant at the gray cement. That is -- now we have discarded that power plant. As it is -- we are not operating, it is not economical to operate. Now we are going for more green power.
- Shravan Shah:** So are we going to sell as a scrap or can we get some kind of a revenue or it will remain as it is or maybe we can use as and when required?
- Management:** So mostly, we should sell it as a scrap only.
- Shravan Shah:** Okay. And then green sir, now the WHRS is there. So this 51%, 52%, how we can look at for full year FY '27, this number going up?

- Ajay Saraogi:** FY '27, it should increase by 2%, 3% because we are -- some approvals from the state government and from the [group 0:49:26] power, the listing is there. I think this should be closer to 55% by FY '27.
- Shravan Shah:** Okay. Because if we -- the target is to reach 75%. So I'm just trying to -- so the main increase will start coming from FY '28 onwards to reach that 75%...
- Ajay Saraogi:** We will reach that number once when we put up green power, it takes time before it gets installed when combined, we have about already 80 megawatts in process. So, once it gets commissioned, it will substantially improve the green power.
- Shravan Shah:** Okay. Lastly, sir, what you said is basically the cost increase overall and the price increase. So, net-net, for Q1, we should be -- at least should be seeing a similar kind of a profitability if everything is one considered as on today's date, if everything remains as on. And maybe Q2, if the price increase is not there, then maybe some pressure can come in on the profitability. That's the way one can look at it.
- Management:** You can look at that way, it depends.
- Moderator:** Our next question is from the line of Prateek Kumar from Jefferies. Please go ahead.
- Prateek Kumar:** I have two questions. Firstly, on your white cement profitability. Is this on an EBITDA per ton basis, including putty similar? Or how does that compare to gray cement performance?
- Ajay Saraogi:** See, we don't share separately the white cement profitability and putty.
- Prateek Kumar:** But directionally, I mean, I know it has been coming down from an industry perspective?
- Ajay Saraogi:** Yes. That's been coming down because of increased competition. And I think now going forward, it should not further reduce.
- Prateek Kumar:** Okay. And bookkeeping question. Your North operations will be now running at close to 100% utilization. And Central region, you have -- your capacity has now increased to almost a similar, I think, maybe slightly higher than North. How is the North?
- Ajay Saraogi:** North still remains the highest capacity out of 32 million. Basically, if you say 15.5 million is North and 16.5 million South and Central is 12%, 4.5% is South.
- Prateek Kumar:** As a debottlenecking which you have done in this year are one which one plants?
- Ajay Saraogi:** Mainly it is in the South plant where we have increased the capacity from 3.5 million to 4.5 million.
- Prateek Kumar:** Okay. South has seen 1-million-ton increase. And just related question on Central region. We have crossed in Central region on expanded capacity, what would be the utilization?
- Ajay Saraogi:** So expanded capacity overall utilization should be around 65%, 75%, combined.

**Prateek Kumar:** Okay. On a 12-million-ton volume, you have 65%, 70% utilization, right?

**Ajay Saraogi:** The run rate.

**Prateek Kumar:** Okay. Sure. These are my questions.

**Moderator:** Ladies and gentlemen, we will now take our last question from the line of Parvez Qazi from Nuvama Group. Please go ahead.

**Parvez Qazi:** Hi, good afternoon and thanks for taking my follow-up question. Just a couple of bookkeeping questions. What was our Kcal cost this quarter, the rail share and the CC ratio?

**Ajay Saraogi:** The Kcal cost was INR1.48.

**Parvez Qazi:** Yes sir, the rail share, sir?

**Management:** It was 8%.

**Parvez Qazi:** And lastly, the CC ratio?

**Ajay Saraogi:** CC ratio like, we were at 67%.

**Parvez Qazi:** Great sir. Thanks, and all the best.

**Moderator:** I would now like to hand the conference over to Mr. Vaibhav Agarwal for closing comments. Over to you, sir.

**Vaibhav Agarwal:** Sir, I had a couple of questions. Actually, the first question was that a lot of your -- this is especially regarding Central India operations. So, a lot of your peers have been kind of -- since the time you started the new kiln. They have been kind of giving the feedback that JK Cement is trying to push a lot of volumes, especially in non-trade segment, which is actually bringing the broader pricing to a subdued level in Central India. And so, what is your response to this? Is this -- what is your strategy in Central India operations in terms of ramping up utilization and correlation to pricing? How do you respond to that?

**Ajay Saraogi:** No, no. That was about 2 quarters back. But definitely, as per -- it's not non-trade, but as per KAM, we see KAM as a major driver for the volumes, and we are not only Central India, of course, we are working out on key management account. to increase our volumes. And so, we are not dumping any material anywhere.

**Vaibhav Agarwal:** So, in Central India per se, you are -- there's no reason for worry from JK Cement perspective?

**Ajay Saraogi:** No.

**Vaibhav Agarwal:** Okay. And sir, second question was that, when we had our recent Investor **[Road 56:09]** in March, so you had actually guided for -- and you have been guiding for a 50 million capacity by FY30. But now given that a few players are kind of holding on their expansions, whereas

companies like the industry leaders, especially UltraTech Cement, they are now talking about 300-million-ton capacity.

So, what would be JK Cement thought process would be after Jaisalmer? So, I know it's a little early to give a response to this, but because you have been executing very well and you have shown in your execution all the time through that you can execute capacity as well as volumes given by several things.

So, going forward also, assuming that geopolitical situation doesn't settle out and other peers' kind of reduce that capacity expansion, will JK Cement continue to move forward to the 50 million road map? Are you confident of it? Or there could be a possible delay?

**Ajay Saraogi:**

See, Vaibhav as on date, we are confident that whatever we have planned for 2030, and we don't foresee any change in that plan. However, in case some -- because of geopolitical situation, there is a major challenge on cash flows because of geopolitical external factors, and we may have to shelve for another 6 months or so, but nothing wrong. We are quite sure that, I mean as of now, we don't see any problem. We are quite confident that we will go ahead with our plan for '28.

**Vaibhav Agarwal:**

So, sir, just a follow-up on this. So, Prashant sir gave a guidance of INR1,500 crores of capex for FY28. So that factor in your road map of INR1,500 crores or should there would be additional...

**Ajay Saraogi:**

See, what he has given a guidance is only with respect to the commitments as on date. When we give a guidance, we don't include what we have not committed so far. The next expansion is definitely there on the cards. We are planning for it. We will go ahead with it. But we will give the capex commitment plan only once it is approved by the Board.

**Vaibhav Agarwal:**

Understood, sir. Thank you, sir. On behalf of PhillipCapital India Private Limited, we would like to thank the management of JK Cement for the call, and also many thanks for the participants in the call. Thank you, everyone for joining the call. Thank you, sir.

**Ajay Saraogi:**

Thank you, Vaibhav. And thank you everyone, for joining the call. Thank you.

**Moderator:**

Thank you. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.