

JSW Cement

Operator: Ladies and gentlemen, good day and welcome to JSW Cement Ltd. Earnings Conference Call for the quarter and half year ended September 30, 2026. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and 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. Thank you, and over to you, Mr. Agarwal.

Vaibhav Agarwal – PhillipCapital: Thank you, Riju. Good morning, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q2 and H1 FY27 call of JSW Cement Ltd. On the call from JSW Cement Ltd., we have with us Mr. Nilesh Narwekar, Chief Executive Officer; Mr. Narinder Singh Kahlon, Director Finance and Commercial and Chief Financial Officer; Mr. Hitendra Zariwala, Chief Marketing Officer; and Mr. Kunal Mukherjee, Head of Investor Relations.

I would like to mention on behalf of JSW Cement Ltd. and its management that certain statements that may be made or discussed on this conference call may be forward-looking statements based on current management expectations and may relate to future expected business developments by JSW Cement Ltd.'s management. Such statements are subject to risks and uncertainties, and the actual developments and results could differ materially from any management projections made on this call. JSW Cement Ltd. and the management of the company assume no obligation to publicly update or alter these forward-looking statements, whether as a result of any new business development information, future events, or otherwise.

Also, participants can download a copy of JSW Cement Ltd.'s Q2 FY27 results presentation from the company's website or stock exchanges. I will now hand over the floor to the management of JSW Cement Ltd. for its opening remarks, which will be followed by an interactive Q&A. Thank you, and over to you, sir.

Kunal Mukherjee – Head of Investor Relations: Thank you, Vaibhav. Good morning to all, and we welcome you to the Q2 FY27 earnings call of JSW Cement Ltd. We uploaded the results and investor presentation last night, and I hope you have been able to review them. With this, I will hand over the call to Mr. Nilesh Narwekar for his opening remarks.

Nilesh Narwekar – Chief Executive Officer: Thank you, Kunal, and good morning to all.

Q2 FY27 has seen a challenging external environment marked by geopolitical uncertainties arising from the ongoing West Asia crisis and a weak monsoon, which has impacted the broader operating environment. However, the underlying fundamentals of the Indian economy remain resilient, supported by healthy GDP growth, sustained government capital expenditure, and infrastructure activity continuing to support cement demand.

We remain constructive on the demand outlook for the balance of the year, particularly as infrastructure execution and construction activity gather pace.

We have seen robust cement demand during the quarter, and this has supported price increases across our markets in September and October. With fuel and other input costs remaining elevated,

Report is AI-generated and may contain inaccuracies.

JSW Cement

we expect these price increases to sustain and support the company's margins.

I would also like to highlight our continued momentum in the North region. Utilization at this plant has increased to 75% during the quarter. We are also continuing our dealer network expansion while focusing on product quality, service levels, and cost-reduction initiatives.

I am happy to announce that at Nagaur, we achieved EBITDA breakeven in Q2. The additional 1 million ton per annum grinding capacity commissioned in October further strengthens our ability to serve this region, and our cost will continue to reduce over the coming quarters.

As I highlighted in our previous calls, we have received several project approvals on the demand side, which has reflected in the current quarter's numbers for GGBS volumes, which grew by 7% YoY. The business continues to witness encouraging momentum, driven by growing demand from infrastructure and the RMC sector.

Moving to the key operational highlights for Q2 FY27, firstly, on volumes, our total volume increased very strongly by 26% YoY to 3.93 million tons, which is among the highest in the industry.

Taking this product-wise, cement volume sold was 2.29 million metric tons, an increase of almost 40% YoY. We saw good momentum in both the channel and the B2B segment. Comparatively, if I were to exclude the North operations, cement volumes grew by around 13% YoY. GGBS volumes grew by 7% YoY, as I had already mentioned.

I also wanted to touch on realizations. As shown in our presentation, cement realizations for Q2 FY27 were Rs.4,781 per ton, an increase of 3% YoY, but a softening of 3% quarter-on-quarter. We saw a decline in prices across regions in the early part of the quarter, but as I mentioned in my opening remarks, cement prices increased across zones in September, towards the latter half, and of course in October.

GGBS realizations for Q2 FY27 were Rs.3,749 a ton. We would consider this a normal variation due to mix, and we continue to maintain our strategy of stable pricing.

Within cement, the trade mix remained stable at 52%. Our clinker-to-cement factor increased to 58% with the ramp-up of North operations, especially as we continue, as we currently are, to sell a higher quantity of OPC to maximize our kiln usage.

Lead distance increased by 9 kilometers in the quarter to 294 kilometers.

Lastly, I would also like to briefly touch on the capacity expansion program. As committed during Q2, we commissioned the waste heat recovery system and the alternate fuel handling and co-processing system at the Nagaur integrated unit. Early this month, we also commissioned the additional 1 MTPA grinding capacity at Nagaur and the overland belt conveyor for transporting limestone from the crusher to our plant.

These initiatives are expected to substantially reduce our costs in Q3 and Q4.

In addition to the Nagaur WHRS unit, we added 36 megawatts of wind capacity in Q2 at Nandyal and Vijayanagar, and together this has increased our green power share to 41% in Q2.

Report is AI-generated and may contain inaccuracies.

JSW Cement

Let me now hand over to Narinder to take you through the key financial highlights.

Narinder Singh Kahlon – Director Finance and Commercial and Chief Financial Officer: Good morning.

I will summarize the performance of Q2.

Consolidated revenue was Rs.1,912 crores, an increase of 33% year-on-year and 0.8% quarter-on-quarter, despite this being a monsoon quarter.

Consolidated operating EBITDA was Rs.278 crores, an improvement of 4% year-on-year. We saw improvement in realization in both cement and GGBS on a year-on-year basis. However, both fuel and packing costs also increased on a YoY basis. Consolidated operating EBITDA per ton was Rs.708 for the quarter.

As has already been mentioned, the company achieved EBITDA breakeven in the North in this quarter, with a slightly positive EBITDA contribution. Excluding the North region on a like-for-like basis, revenue grew 14% YoY in Q2, while operating EBITDA increased by 3% YoY to Rs.275 crores, which equates to Rs.821 per ton.

On a consolidated basis, total EBITDA, including other income, was Rs.295 crores. PBT was Rs.101 crores during the quarter, including a positive contribution of nearly Rs.20 crores from Fujairah. PAT for the quarter was about Rs.77 crores.

In terms of the trend in the main cost elements during the quarter, raw material and power and fuel decreased by 2% quarter-on-quarter, with slightly higher fuel cost on a QoQ basis offset by product mix changes. Blended fuel cost increased slightly from Rs.1.80 per Mcal in the first quarter to Rs.1.84 per Mcal in this quarter.

As all of you are aware, petcoke prices are at very high levels, and this will create more cost pressure in the coming quarter. However, we are actively working towards increasing our share of domestic fuel and optimizing our costs.

Logistics cost was stable on a QoQ basis, with the impact of higher lead distance offset by savings in, [pause] savings from the railway busy-season surcharge waiver, and reallocation of volumes between the Vijayanagar and Dolvi plants.

Employee and other expenses per ton were stable on a QoQ basis.

In terms of the balance sheet, net debt was Rs.4,287 crores at the end of September. Net debt to EBITDA stood at 3.2x. The average cost of debt for the quarter was stable quarter-on-quarter at 7.67%.

The company incurred capex of Rs.483 crores during the quarter and Rs.820 crores during the first half of the year. This is on the basis of cash outflow, though the capex number will be slightly higher.

We will be happy to address your questions now. Thank you.

Report is AI-generated and may contain inaccuracies.

JSW Cement

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Pratik Kumar with Jefferies. Please go ahead.

Pratik Kumar – Jefferies: Good morning, sir. A question on your cement realization, which is falling by 3% QoQ and seems to be the highest versus peers, especially against the background of your lead distance also increasing. Why is there this divergence? Have we sold more aggressively in terms of volumes versus the competition, driving a pricing decline?

Nilesh Narwekar – Chief Executive Officer: Pratik, the thing is, it is good to compare with the industry numbers on the decline, but our geographic spread, our geographic footprint compared to others, is quite different, and that is actually what is playing out. We have not taken any aggressive price cuts, because of which—that is what you were alluding to—the volume increases have happened. That is not what has led to it. In terms of price, we maintained ourselves at the same level as in Q1 as well. It is primarily the geographic spread that has led to the kind of numbers that we are looking at.

Pratik Kumar – Jefferies: Sure. And does that flow through to your EBITDA as well? Does the change in geographic mix, which impacts your realization, neutralize on cost, and, as a result, is the EBITDA-per-ton impact not there?

Nilesh Narwekar – Chief Executive Officer: It flows through all the way to EBITDA, and what we reported is fundamentally factoring that in.

Pratik Kumar – Jefferies: Sure. The other question is on leverage. There is an increase in leverage QoQ and interest costs QoQ, while your capex does not seem higher on a run-rate basis. What are the key reasons attributable to this?

Narinder Singh Kahlon – Director Finance and Commercial and Chief Financial Officer: Capex continues in the North, and some land acquisition also continues for the projects that we had shared with you earlier in the previous calls. We have been utilizing the IPO proceeds, and that reflects in the net debt situation. There has been a marginal additional drawdown of debt, but that number is quite small. It is more the utilization of the cash proceeds from the IPO.

Coming to finance cost, we all know that [laughs] there has been a reset in the repo, and MCLR's have been going up. So, all this—of course, this number is very marginal, but we will see more impact of this going forward. However, although I make this statement, we do not see a huge impact on our average debt cost because of the way we have financed, or the debt mix that we have. And we do [cut off]

Management: Have FX losses. Not every foreign-currency debt is hedged by us. As per our policy, we follow our Forex policy. You all know that there has been a sharp appreciation in the dollar, so that has reflected in our finance cost.

Report is AI-generated and may contain inaccuracies.

JSW Cement

Pratik Kumar – Jefferies: Sure. I have more questions, but I will get back to the queue.

Management: Thank you, Pratik.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Sanjeev Kumar Singh with Motilal Oswal Financial Services Limited. Please go ahead.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Thank you for the opportunity, sir. In the previous answer, you mentioned that there has been some regional mix change in this quarter. Even on an ex-North basis, my sense is that the volume has grown by 11% year-on-year. Does it mean that you have sold a higher volume in the East market, where pricing was under pressure?

Operator: Mr. Singh, please go ahead.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Did you hear me in the—

Operator: Yes, sir. Ladies and gentlemen, the management line has been disconnected. Please be on hold while we reconnect them.

Operator: Ladies and gentlemen, the management line has been reconnected. Please go ahead.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Sir, my question was—

Management: Yes, Sanjeev.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: My question was that, in answer to the previous question, you mentioned that there has been some regional mix change which led to a sharper fall in realization. On an ex-North basis, volume seems to be around 11% up year-on-year. Does it mean that you have sold higher volumes in the East region, where we believe that prices were under pressure? Can you give some sense of your regional volume growth in the South and East markets in this quarter?

Management: Definitely, in the East, our volumes have gone up substantially. We will just share the number.

Management: For cement, the volume growth in the East has been around 20% YoY, and across the South and the West, the South has been around 13%. Because of that, the mix is fundamentally changing. I think you are right there, Sanjeev. That is what was fundamentally causing it.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Okay. My second question is on North India operations. With the kind of cost initiatives, such as WHRS commissioning and AFR, that we have seen in this quarter, how do you expect the variable cost or cost of production to move in the second half for this plant?

Management: Our own reading is that we expect our costs to come down by anywhere in the range of Rs.550–600 per ton with all this. Despite the increase in fuel costs, we expect to be broadly in line with the industry numbers. With the commencement of OLBC, which is a significant cost saving, and with the commencement of WHRS and AF coming into full effect, as our volumes start

Report is AI-generated and may contain inaccuracies.

JSW Cement

to ramp up and our clinker utilization starts to increase, we expect these numbers to start getting corrected.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Okay. And my last question would be on the fuel consumption cost. You mentioned in your opening remarks that there has been an increase in fuel prices. With current fuel prices, how do you expect variable costs to move in Q3 and Q4 FY27?

Management: As was mentioned by our Director Finance, Rs.1.84 per Mcal is moving up to Rs.2.10 per Mcal, which translates to, based on our clinker factor, an increase of approximately Rs.90 per ton in cement cost.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Yes.

Management: We believe that, because of our increase in green energy—we are moving from 41% to a higher number, upwards of 50%—and the price increase that came through in the second half of September and continues in October, this should offset the increase. The impact primarily on margins, which is what you were referring to, would probably be held, and we will be able to maintain that.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Okay, sir. Thanks a lot. I will come back in the queue.

Management: Sure, thank you.

Operator: Thank you. A reminder to all participants: press star and one to ask a question. The next question comes from the line of Siddharth Mehrotra with Kotak Securities. Please go ahead.

Siddharth Mehrotra – Kotak Securities: Thanks for the opportunity. A small question on our capex numbers. I was under the impression that we did not have sufficient land in Dolvi for an immediate expansion. The capex number given here, roughly Rs.500–550 crores, does that include the land?

Management: I will give you a small brief. Earlier, our plan was to put up a unit across the creek next to the PNP Jetty. Now, at our existing location, JSW Steel has cleared up some land that we are in a position to use. So, answering your question, it will only be the lease rental or the lease premium for this additional piece of land that we will be receiving from JSW Steel. This is where we will be putting up an additional 2 million ton grinding unit.

Siddharth Mehrotra – Kotak Securities: Okay. So, only expansions post 6.5 MTPA will perhaps require that land again, right?

Management: Yes. We continue to buy that piece of land. But right now, it will be this piece of land that I just mentioned.

Siddharth Mehrotra – Kotak Securities: Understood, sir. Secondly, on our GGBS volumes, they have somewhat disappointed us with respect to growth compared to the cement growth that we have just highlighted in other regions. What would be a sustainable number to assume for GGBS volume growth? Would it be closer to 10%, or perhaps higher or lower? How should we think about it?

Report is AI-generated and may contain inaccuracies.

JSW Cement

Management: As we had guided last time, high single digits is the forecast that we had given for the year, and we continue to hold to that. If you go back, in Q1 we were at 2.3%, and this quarter we are at 7%. With the momentum that exists, we expect to meet what we committed to in Q1, which is high single digits, and hopefully beat that.

Siddharth Mehrotra – Kotak Securities: Okay, sir. Just one last question. Do we expect the cost to have been fully reflected at its highest level this quarter, or do we expect further pressure on margins in the remaining half of the year?

Management: I think on [cut off]

Management: It is only the fuel. It is only the fuel which, of course, today we have enough of until the end of December and early January. But let us see how things behave after the midterm elections and once the US results are out.

Management: The positive part here, honestly, is, first, of course, the fuel cost, which is going up. The positive side, as I mentioned a bit earlier, is that our power cost is something which will come down as the percentage of green energy increases from 40% to 50–55%. The third aspect is the price increase that we have seen. We have seen a marked increase in October. With the kind of cost pressures that the industry is facing, we believe that the price table that the industry is targeting will hold.

Siddharth Mehrotra – Kotak Securities: Got it, sir. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. Press star and one to ask a question. The next question comes from the line of Harsh Mittal with Emkay Global. Please go ahead.

Harsh Mittal – Emkay Global: Good morning, sir. Thank you for the opportunity. My first question is that you have alluded to cement prices increasing in the latter half of September and early October. Can you quantify the amount of price increase in both trade and non-trade in your operating regions?

Management: Sure. Let me start with non-trade. In the South, non-trade, as we speak for October, we are seeing a Rs.15–20 per bag increase. In the East, we are seeing a Rs.25–30 per bag increase, Rs.10 in the West, and around Rs.20 per bag in the North. This is for non-trade. On trade, we are seeing a Rs.10–15 per bag increase only in the East. In the other regions, the prices have yet to see the increase; we are yet to see the reflection of that play out. Our view is that prices should hold firm, primarily because of the cost pressures that the entire industry is facing.

Harsh Mittal – Emkay Global: Got it. Sir, my second question is on the demand scenario. We have been hearing a lot about drought situations, and our core operating regions are primarily Maharashtra and somewhat the South. These regions are mostly impacted by drought. Given that we are today at the month-end, how has the month of October been trending in terms of demand? Can you throw some light on that?

JSW Cement

Management: It has been fairly positive, in fact, across GGBS and cement, all across. For us, Maharashtra is primarily Mumbai and the Mumbai urban agglomeration because our cement unit in Dolvi is hardly around 110 kilometers away. So, that has not been impacted. The infrastructure growth that we have seen is significant, and that supports it. Otherwise, in all the zones and the other regions and markets where we operate, our growth has been fairly positive.

Harsh Mittal – Emkay Global: Understood. And, sir, my last question: what would be the RMC revenue this quarter, and what is your expectation for the full year FY27? Thank you.

Management: Give me a second. For Q2, RMC revenue was around Rs.170 crores.

Harsh Mittal – Emkay Global: And what is the expectation for the full year, sir, FY27?

Management: We would refrain from going down that path because it is still being set up, and there are several things being sorted out. Going forward, we will probably see if we can provide that.

Harsh Mittal – Emkay Global: Okay, sir. Thank you. These were my questions.

Management: Thank you.

Operator: Thank you. Press star and one to ask a question. The next question comes from the line of Gaurav Nagori with Avendus Spark. Please go ahead.

Gaurav Nagori – Avendus Spark: Hi. Thanks for the opportunity. Just two questions related to the GGBS segment. First, can you provide some color on how the cost pressure in GGBS cost per ton compares to grey cement? Second, have you taken price hikes in GGBS in this quarter?

Management: I think you understand the GGBS product, so there has been no major cost pressure other than a marginal increase in the power cost or fuel cost for drying the GGBS. That has been marginal and not significant. Coming to the second part, in terms of price hikes, no, we have not taken any. We maintain our stance of continuing at the current price point so that we can drive more penetration of GGBS across all concrete applications.

Gaurav Nagori – Avendus Spark: Understood. Just to understand it better, is your slag procurement price also similar to last year?

Management: Yes.

Management: Yes, absolutely.

Gaurav Nagori – Avendus Spark: Understood. Thank you for that.

Management: The previous speaker did make a reference to RMC revenue. I just want to highlight that, because we are still setting up the unit, our margins are very minimal. Please keep that in mind. They are very minimal because we have not yet ramped up the volumes enough to cover the fixed costs.

Operator: Thank you. Press star and one to ask a question. The next question comes from the line of Navin Sahadeo with ICICI Securities. Please go ahead.

Report is AI-generated and may contain inaccuracies.

JSW Cement

Navin Sahadeo – ICICI Securities: Good morning, and thank you for the opportunity. My question was on GGBS realization. If I am not wrong, what we understand from the past is that whenever OPC prices are under pressure, GGBS realization also tends to come under pressure because of the product mix at the RMC level, which the RMC maker has to match. I would like to hear your thoughts or feelings around that. In the current scenario, where costs are rising and the industry is attempting price hikes, directionally—

Navin Sahadeo – ICICI Securities: Do you see scope for some pricing improvement in GGBS, or, as you mentioned, is the priority still toward volume and not really prices?

Management: Navin, that is a great question. In fact, we evaluate that on a regular basis. We keep evaluating concrete mix designs for different geographies and keep assessing fly-ash mixes versus GGBS mixes versus pure OPC mixes. However, our current stance is to drive volume and drive penetration of GGBS in RMC by maintaining the GGBS price. If the arbitrage becomes fairly significant, we may revisit it, but if that is the case, we will definitely get back to you. For now, it is about maintaining the GGBS price so that we can drive penetration of GGBS across concrete applications.

Navin Sahadeo – ICICI Securities: Understood. And the previous participant did touch upon the question about the drought situation. In Maharashtra, I understand our sales are largely concentrated around Mumbai and perhaps around Pune at most. But in Karnataka, where again there is a water situation, and also in Andhra, I think there is a government press release about trying to impose some restrictions. Do you see any red flags there, or does it not really matter for our catchment market areas?

Management: For now [line issue]

Navin Sahadeo – ICICI Securities: Hello? I think—hello?

Operator: Speakers, please go ahead.

Navin Sahadeo – ICICI Securities: Hello, am I audible? I am not able to hear anybody.

Operator: Mr. Sahadev, I can hear you. Speakers, please go ahead.

Management: Hi. Hi, Naveen, I am sorry, I think the line dropped at our end. Apologies for that. If you could just tell me what you were able to hear and where I dropped off, because otherwise I will end up repeating the whole statement.

Navin Sahadeo – ICICI Securities: I could just complete my question. I do not know if you got it. My question was basically about the drought situation, not in Maharashtra, but in the Andhra and Karnataka markets. Are we of the view that it is a potential red flag, or does it not really matter in our catchment area?

Management: Okay, sure. Thanks, Naveen. Before I answer that, I will take your previous question, where you mentioned the opportunity for a price increase in GGBS to drive realization since OPC prices are going up. Trust me, we evaluate this regularly, and our current thrust is to drive GGBS penetration in the concrete mix design. Currently, it is around 35–40%. Our endeavor is to take it to

Report is AI-generated and may contain inaccuracies.

JSW Cement

50%, which is approved as per the BIS norm, and then probably move it beyond that because there are certain applications where it can go significantly beyond. Those trials are underway, the conversations are underway, and the technical conversations are underway. That is the direction in which we are headed. If the opportunity definitely arises, and if the arbitrage is significant, then over time we will definitely evaluate that as an option to increase realization.

Coming to your specific question around the drought situation, in our catchment area, we are not seeing that play out for now in the geography where we sell, and we are having a fairly healthy run in terms of volume for the month of October.

Navin Sahadeo – ICICI Securities: Thank you. Just one more question, if I may. This was around the net debt position and the capex plan in general. Of course, the company has ambitious, aggressive growth plans, and I totally appreciate that, more so coming from the group, because I generally have a view that the JSW Group itself is known to be very aggressive in terms of capacity expansions, even with high leverage. Specifically for cement, since the current net debt-to-EBITDA is around 3.3x, what is the comfort level for us to continue pursuing these aggressive expansions? Should we take a pause in terms of leverage, or do you think leverage is just an interim number and we will still pursue our expansion plans very aggressively?

Management: No, Naveen, the plan is always to stay aggressive, but at the same time, we have a mandate to keep net debt-to-EBITDA below 3. It will continue to be around 3 for perhaps another year or so, and it will definitely be below 3 in the coming years.

Navin Sahadeo – ICICI Securities: Understood. Thank you.

Operator: Thank you. Press star and one to ask a question. The next question comes from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: Hi, sir. A couple of things. First, in terms of the capex guidance, just to get the absolute number for this year, FY27-FY28, last time we said Rs.2,300 crores and Rs.2,000 crores. Does that number remain intact?

Operator: Ladies and gentlemen, the management line has been disconnected. Please be on hold while we reconnect them.

Operator: Ladies and gentlemen, the management line has been reconnected. Please go ahead.

Shravan Shah – Dolat Capital: Hi, sir. Just to recheck the capex number that we mentioned last time, Rs.2,300 crores and Rs.2,000 crores for FY27-FY28: does that number remain intact?

Management: Yes.

Shravan Shah – Dolat Capital: Okay. To reach 43.5 MTPA, is the total capex from here on around Rs.7,500 crores that we still need to spend?

Management: Correct.

Shravan Shah – Dolat Capital: Okay. Further, just to get a timeline on the expansion that we announced yesterday with the results, when are we looking at starting the 2.5 million ton Nagaur

Report is AI-generated and may contain inaccuracies.

JSW Cement

plant? Also, when is the 2 MTPA Vijayanagar—sorry, 2 MTPA Dolvi—supposed to start? The presentation shows 4 MTPA, while yesterday we mentioned 2 MTPA in the timeline. When will the balance come, and when will the 1.7 MTPA Fujairah expansion start?

Management: I will answer each of them. Nagaur 2.5 should be ready in Q4 FY28. Fujairah, Q1 FY28.

Shravan Shah – Dolat Capital: Q1 FY28?

Management: Correct. It should be around the end of May or June next year.

Shravan Shah – Dolat Capital: Okay. Okay.

Management: For Dolvi, the work starts and should be completed within 20–21 months from January 2027. So, that is again FY28, probably the second quarter, or the end of the third quarter, early third quarter. Sorry, FY29. Not FY28, sorry, FY29.

Shravan Shah – Dolat Capital: So, Dolvi—

Management: And Vijayanagar [cut off]

Shravan Shah – Dolat Capital: Yes, so Dolvi is for 2 MTPA, but the presentation has 4 MTPA, so—

Management: I agree. Initially, because of the land, and because we did not want to wait, JSW Steel's blast furnace is ready sometime in calendar 2028, so we want to be ready for that slag. Hence, there is this urgency to go ahead with the 2 million ton unit. In parallel, we are still working on the land. As I mentioned earlier in the call, we are working on the land piece at the PNP Jetty. As and when that happens, we will take a decision on the balance 2 million tons.

However, we are starting Vijayanagar again because the Vijayanagar steel plant is ramping up from 18 million tons to 24 million tons, and we want to be ready to receive that slag. That work starts in December this year, and it will take 1.5 years to commission.

Shravan Shah – Dolat Capital: Okay, got it. In terms of cement volume for this year, how should one look at GGBS? You have mentioned that. On the cement front, how should we look at it? At the same time, Nagaur is now at 75% utilization, so in the second half, can we see similar utilization, or will it improve further?

Management: We continue to maintain that it will be high-teens growth over last year.

Shravan Shah – Dolat Capital: Okay, got it. And for Nagaur, how should one look at utilization in the second half?

Management: Nagaur should definitely improve from here. If you can see, we did about 580,000 in this quarter, including the sale of clinker. This number has to improve from here. We are consistently working on it. Now that we have another 1 million ton grinding capacity operational—

Management: [off-mic discussion] Hello? Good, good. Yes, hello.

JSW Cement

Management: Right now, we have about 3.5 million tons of grinding capacity operational, so the number will definitely go up from here, compared with the 580,000 that we did in Q2.

Shravan Shah – Dolat Capital: Okay. Lastly, regarding incentives, have we finalized anything with the auditors for Nagaur, the Rs.650 crore incentive that we were expecting for 10 years—

Management: We are awaiting [cut off]

Shravan Shah – Dolat Capital: In terms of booking.

Management: We are awaiting the entitlement certificate from RIPS, the Rajasthan body. That should be coming at any time. We are awaiting the date of the next meeting there. We were expecting this by month-end, but it has not happened, so perhaps it will happen sometime next month. Once we have the entitlement certificate, we will recognize this revenue.

Operator: Thank you. Mr. Shah, please rejoin the queue for more questions. A final reminder to participants: press star and one. The next question comes from the line of Amit Murarka with Axis Capital. Please go ahead.

Amit Murarka – Axis Capital: Hi. Thanks for the opportunity. On the North, I can see that there is a Rs.3 crore EBITDA loss in the quarter, and you had earlier mentioned breakeven by the end of September. Could you provide some further guidance on the North EBITDA bridge from here through Q4, which is generally the high quarter for the sector?

Management: It is not a loss. I think I mentioned that it was a Rs.3 crore profit for the quarter. It is not an EBITDA loss.

Amit Murarka – Axis Capital: Is it? Okay, sure. But generally, how will this EBITDA scale up now?

Management: It should be reaching approximately Rs.650–700 in Q4. That is mainly due to the underutilization of the clinker line as of today. As you can figure, we just have 3.5 million tons of grinding capacity, while clinker is 3.3 million tons. About 2.2–2.3 million tons is sufficient to give us the cement capacity, the cement volumes that we are looking at. Once that ramp-up happens, probably when we have the additional 2.5 million tons of grinding capacity ready, we will be hitting a higher number, much higher, perhaps close to the industry numbers. But in Q4 we [trails off]

Management: To around Rs.700.

Amit Murarka – Axis Capital: Rs.700 for the North. Okay. And for WHRS and OLBC, is there any cost-reduction number that you would like to provide for the North plant?

Management: It is part of that Rs.700.

Management: As I mentioned earlier, there was a Rs.550–600 per ton reduction in clinker cost because of OLBC [cough] and WHRS. That has been factored in. It is part of the entire EBITDA number that has been discussed.

Amit Murarka – Axis Capital: Sure. Also, in the previous quarter, I think you mentioned that you had spent Rs.33 crores on marketing in the North. Is any further marketing spend planned in the North

Report is AI-generated and may contain inaccuracies.

JSW Cement

as you scale up?

Management: No, not as of now. We may look at that number sometime at the end of Q4, but not as of now. We do not have any plan.

Amit Murarka – Axis Capital: And in Q3 there was no high spend, just normal marketing? Q2, sorry.

Management: No.

Management: Yes, it was normal. Due to the monsoon, there was nothing extraordinary.

Amit Murarka – Axis Capital: Sure. Just one last question, if I may. Could you also give a split of trade and non-trade in the North?

Management: Yes, give us a—

Management: We are currently at around 53% trade. We expect this number to start going up. We are targeting closer to 60% by the end of the year.

Amit Murarka – Axis Capital: Okay, sure. Got it. That is all from me. Thank you.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Rajesh Ravi with HDFC Securities. Please go ahead.

Rajesh Ravi – HDFC Securities: Hello.

Management: Yes, Rajesh. Please go ahead.

Rajesh Ravi – HDFC Securities: Good morning to the team, and congratulations on the healthy ramp-up of the North operation and on turning EBITDA positive. My first question is on cement and clinker. You said 581,000 in North operations, which would imply that clinker sales from the North operations would be more than 1 lakh tons. Would that be fair, given the 75% utilization?

Management: Yes, you are right.

Rajesh Ravi – HDFC Securities: Understood. The GGBS capacity that was planned was 4 million tons, and the capex number earlier was pegged at Rs.1,600 crores. Now, for this 2 million ton capacity, you have mentioned roughly Rs.550 crores. Does the remaining Rs.1,000 crores still remain on the books for the remaining 2 million tons because of the expensive land additions or the preparation that would be required?

Management: No, that number will be much less.

Rajesh Ravi – HDFC Securities: Okay. Would the second phase come immediately afterward, or should we factor in a lag of a year or two?

Management: There will be a slight lag. Once we have this 2 million ton unit that we are setting up, we will wait for utilization levels to reach about 65–70% before we start work on the next 2 million

Report is AI-generated and may contain inaccuracies.

JSW Cement

28 October 2026

tons.

Rajesh Ravi – HDFC Securities: Okay. One more question on GGBS. This year you are targeting high-single-digit growth, but from next year onward, is it fair to assume that a 15% CAGR can resume? Is that a possibility?

Management: No, it should not. Once we start, we will probably see a small slowdown in FY28, but then the number will start going up once we have additional slag coming from both Dolvi and Vijayanagar.

Rajesh Ravi – HDFC Securities: Understood. So, for FY28, we may be factoring in high-single-digit growth? Is that—

Management: Yes.

Management: Yes.

Rajesh Ravi – HDFC Securities: Understood. Lastly, if you look at your balance sheet, trade payables stand at around 80 days at the consolidated level, which is more than the industry average of 30–40 days. There is a large amount of acceptances. Can you please elaborate on it?

Management: As you understand, today we are in a growth phase. Somewhere, something suffers, right?

Rajesh Ravi – HDFC Securities: Okay.

Management: It is not that our vendors are unhappy with us. These numbers will come down very shortly. At the same time, keep in mind that I have to be mindful of the debt number as well. I do not want my debt to go up beyond a certain number.

Rajesh Ravi – HDFC Securities: Okay.

Management: At the same time, I want to do my capex.

Rajesh Ravi – HDFC Securities: Mhm.

Management: There is a lag between when I spend and when I start generating cash from the investment. Once this starts, such as Rajasthan, when it starts generating enough cash, probably at the end of Q4 or sometime in Q1 next year, you will see a substantial drop in payables.

Rajesh Ravi – HDFC Securities: Understood. And lastly, regarding the capex number mentioned, we are short of the run rate for the full year, Rs.2,300 crores. Are you still confident that we will be able to complete the full Rs.2,300 crores by the end of FY27? Rs.800 crores in H—

Management: As I mentioned, the number that we read earlier, Rs.400–something and Rs.800–something, is the cash outflow that we are talking about. We will have some acceptances, etc. So, definitely, we will close the actual capex spend at approximately Rs.2,200–2,300 crores. It is not that we have slipped on that number.

Report is AI-generated and may contain inaccuracies.

JSW Cement

Rajesh Ravi – HDFC Securities: Just to clarify, the cash flow statement, which shows Rs.800 crores for H1, would that still go to Rs.2,300 crores, or would that include acceptances?

Management: Definitely, there will be some outstanding amounts. Whatever spending is done in February or March may get paid either at the end of March or in April. So, although we may end up doing the capex, the payments may get deferred to April.

Rajesh Ravi – HDFC Securities: Understood. Great, that is all from my end. Thank you. I will come back in the queue.

Management: Yes.

Operator: Thank you. The last question comes from the line of Shravan Shah with Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: Hi. Sir, two things. First, this Rs.100 crore employee cost this quarter: should we expect this kind of run rate to continue?

Management: Yes.

Shravan Shah – Dolat Capital: Okay. Second, regarding the CC ratio, the North plant has improved from 1.82 to 1.72 this quarter. How should one look at the CC ratio going forward?

Management: The clinker ratio will continue to be around this number. We have ramped up. Today we are selling OPC, and this OPC number will start coming down in the North. So, my clinker factor should ideally be lower than this number.

Shravan Shah – Dolat Capital: Okay. And the total clinker sale for this quarter was around 0.15–0.16 million tons?

Management: Correct. It was 150,000–160,000 tons, of which about 120,000–130,000 tons was from Nagaur, and the balance was from Shiva. In Q3, we do not see any sales from Shiva. Our intent is to run the kiln at full capacity in Nagaur, and if we have to do that, we necessarily have to sell clinker.

Shravan Shah – Dolat Capital: Sure.

Management: At least until December 2027.

Shravan Shah – Dolat Capital: Okay. Thank you, and all the best, sir.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Navin Sahadeo with ICICI Securities. Please go ahead.

Navin Sahadeo – ICICI Securities: Thank you for the follow-up. I have just one question. Regarding the cost per kcal that you shared, moving from 1.80 to 1.84, based on your fuel mix and the current spot rates for the various fuels that we use—petcoke, imported coal, and even domestic coal, where

Report is AI-generated and may contain inaccuracies.

JSW Cement

the premiums have increased significantly—how high has this cost per kcal gone at the current spot rate? I know it will not hit Q3 entirely, but I want to understand the upper end of this fuel cost. Thanks.

Management: It is a blend. Petcoke is now Rs.3.08 today if somebody has to buy it on the spot, and it can be as high as Rs.3.17. Imported coal, today, US {? NAPP ?} is close to Rs.3. Domestic coal is much lower. We also work with laterite for some volumes in the North—lignite, sorry, in the North. Our intent is to keep the cost down. As I mentioned, we have enough stock until the end of December and January. That will be at Rs.2—

Management: Rs.2.10 per Mcal.

Management: Rs.2.10 per Mcal for us in Q3, the fuel cost. Q4 will depend on where we are.

Management: One important thing to add to what Narinder sir said is that it is also the proportion of alternate fuel mix and other cheaper coal that we put into the mix. It is a weighted average of that. With the AF systems now fully geared up across all the plants and our operability at a higher level, we should be able to maintain the numbers that we are discussing.

Navin Sahadeo – ICICI Securities: Great. Thank you so much.

Management: Yes.

Operator: Thank you. The last question comes from the line of Pratik Kumar with Jefferies. Please go ahead.

Operator: Mr. Kumar, please go ahead.

Pratik Kumar – Jefferies: Hello. My question is on cement prices. You mentioned that trade and non-trade prices have risen by up to Rs.30 per bag, but trade prices have risen only by Rs.15 in the East market. In the other markets, have there been any reversals, or have attempts not been made? As you said, costs have gone through the roof.

Management: I am not sure about the reversals or the attempts, but we are not seeing the reflection of the price in the market. As we stand, we are price takers. However, with the cost pressure that we were referring to earlier and the general increase in demand, we expect the entire price level to start increasing, or pricing power to move toward the supplier side. As happened in non-trade, trade will start to reflect shortly, and all of you understand this: non-trade sets in, and then trade numbers will automatically start to look healthier.

Pratik Kumar – Jefferies: Regarding the Rs.30 price hike in non-trade in the East, is there a material difference between your trade and non-trade prices in the East?

Management: No, the Rs.30—sorry, there is a—could you repeat your question again, please?

Pratik Kumar – Jefferies: You talked about a Rs.25–30 per bag hike in non-trade in the East. What would be the gap in pricing between trade and non-trade in the East?

JSW Cement

Management: The gap in trade and non-trade pricing in the East, particularly? One second. There is also a commensurate price increase of Rs.15 per bag in trade. That is also being taken. So, it is the combined effect that we see. Our trade ratio in the East is at 70%, so I guess that is going to flow through in effect. If you want the exact differential, you can get in touch with our investor relations team, and they will get back to you with the exact number.

Pratik Kumar – Jefferies: Sure, thank you. This was the only question.

Management: Yes.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I now hand the conference over to Mr. Vaibhav Agarwal for closing comments.

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

Operator: Thank you. On behalf of PhillipCapital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.