“JSW Cement Limited

Q3 FY26 Earnings Conference Call”

February 05, 2026

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Moderator: Ladies and gentlemen, good day, and welcome to the JSW Cement Q3 FY '26 Earnings Conference Call hosted by JM Financial. 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Dharmesh Shah from JM Financial. Thank you, and over to you, sir.

Dharmesh Shah: Thank you. Good morning, everyone. On behalf of JM Financial, we welcome you to the JSW Cement Q3 FY '26 Results Conference Call. I will now hand over the floor to the management for their opening remarks, which will be followed by interactive Q&A. Thank you, and over to you, Kunal.

Kunal Mukherjee: Thank you, Dharmesh, and good morning to all. I would like to welcome all of you to the Q3 FY '26 earnings call of JSW Cement. I trust you have had the chance to review the financial results and investor presentation, which have been shared with the stock exchange and uploaded on our website. We are pleased to have with us today Mr. Nilesh Narwekar, CEO; Mr. Narinder Singh, CFO; and Mr. Hitendra Jariwala, Chief Marketing Officer. With this, I will hand over the call to Mr. Nilesh Narwekar for his opening remarks. Over to you, sir.

Nilesh Narwekar: Yes. Thank you, Kunal, and good morning, everyone. I'd like to start by reiterating 4 key messages about the company. First is with the total volume growth of 14% Y-o-Y in quarter 3 FY '26 and a 12% Y-o-Y in 9 month FY '26, JSW Cement remains among the fastest-growing cement companies in India in terms of sales volumes. It is our goal, as we have maintained, to continue with this growth trajectory over the next few years as we build and ramp up our new capacities.

The second message is our GGBS business continues to deliver exceptional results in terms of volume growth and momentum across all key customer groups. The third, along with strong volume growth, we are also delivering substantially improved Y-o-Y performance in terms of EBITDA per ton and PAT, as we had highlighted to investors during the IPO. Our cost saving program are on track to deliver the promised savings. And the fourth message is we are continuing to deliver an efficient capex program, while controlling leverage levers as promised.

Let me move on to list out a few key highlights for quarter 3 FY '26. Our total sales volume in Q3 FY '26 increased by 14% Y-o-Y to 3.56 million tons, which is significantly faster than the industry growth in our regions which we believe is around 7%.

Taking this product-wise, cement volume sold was 1.89 million metric tons increased by 7% Y-o-Y and GGBS volume sold was 1.53 million tons increased by a robust 17% Y-o-Y. Within cement, the trade mix was 47% versus 52% in the previous quarter. This was primarily due to the strong demand from the institutional channel for us. Revenue stood at INR1,621 crores, increased by 13% Y-o-Y.

Operating EBITDA for the quarter was INR285 crores, a 32% Y-o-Y improvement against last year. In terms of some of our key operational highlights, our clinker utilization in quarter 3 was 96% and grinding unit -- the grinding utilization was at 64%. Our clinker to cement factor was 52% in Q3 FY '26, a slight increase versus 50% in the previous quarter.

With respect to our 2 main products, cement and GGBS, cement realization for quarter 3 FY '26 was INR4,459 per ton, a decrease of 4% Q-o-Q. As all of you are aware, there is a softening of cement prices, particularly in the South and East regions, where we operate.

GGBS realization for quarter 3 FY '26 was INR3,655 per ton, broadly flat on a Q-o-Q basis with minor variations from market to market rather than any structural change in our pricing strategy. The lead distance reduced by 10 kilometers to 273 kilometers in quarter 3.

In terms of capacity expansion, just to reiterate, our capacity expansion plan will take the company to a grinding capacity of 41.85 million with a clinker of 13.04 million as is outlined in our investor presentation.

I would like to provide a brief update on the North region. Our Nagaur integrated unit in Rajasthan is being set up in 2 phases. In the first phase, we have a 3.3 million ton per annum clinkerization unit along with 2.5 million ton grinding. It's on track to be commissioned in this quarter. In fact, we've received the CTO as well. In the next phase, the WHRS and the additional 1 MTPA grinding unit will be commissioned. On the Punjab grinding unit, we have progressed significantly on the preparatory streams, including engineering and ordering of main packages. We are hopeful of receiving the EC and the CTE this quarter. And thereafter, of course, we'll update you on the commissioning time lines.

On green power, we are happy to note that we have added 8 MW of solar capacity across Nandyal and Vijayanagar during quarter 3 of FY '26. And let me recap our plan for green power capacities. We started in FY '26 with 27 MW of solar and 21 MW of waste heat recovery in our existing plants across South, West and East. Our plan is to add a further 127 MW of RE power, of which 8 MW was commissioned in quarter 3 FY '26, and we are on track to commission the remaining RE capacity in the coming quarters. In addition, we are planning 60 MW of RE power at Nagaur plus a 19- MW waste heat recovery, which is a total of 79 MW linked to Nagaur operations.

I'd like to comment briefly on ESG. We continue to have the lowest CO2 emission intensity in the cement industry with Scope 1 and Scope 2 emission intensity at 270 kg per ton of cementitious material in Q3. Our RE share has increased from 21% in FY '25 to 25% in Q3 FY '26. And we are making all efforts to increase our alternate fuel usage further from the 13% levels we are at in Q3 FY '26. We continue to have a strong focus on health and safety of our employees and continue to pursue community initiatives in the focus areas around our plants.

Finally, on the industry context, cement demand improved in December '25, supported by pickup in infrastructure activity after a relatively sluggish environment in October and November. Demand is expected to remain healthy in quarter 4 of FY '26.

While cement prices were weak in quarter 3 FY '26, we have seen improvement in January, as all of you will also know through your channel checks. Pricing in the non-trade segment showed meaningful improvement in South zone and marginal improvement in West, which is the Mumbai market. The trend is expected to support the channel price increase in the near term.

We expect pricing momentum in Q4 FY '26 to remain stable and mildly positive, led by non-trade segment recovery and a gradual transmission of this increase in price across to the trade segment or the channel segment as we referred to. The added impetus, of course, is the capex spend by central and the state government continues, and this will give sustained momentum to the cement institutional business and GGBS.

We are encouraged by the announcement of the Finance Minister in the recent Budget that the central capex is moving up to INR12.2 trillion in FY '27, an increase of 11% over the revised estimates for FY '26. And we believe strongly that this will support the cement demand in the coming years.

Let me now hand over to Narinder Singh, our CFO, to walk us through the rest of the piece. Narinder, over to you.

Narinder Singh: Good morning, everyone. I will add some points to the financial performance on Q3 as well as 9 months for the year. In terms of Q3 FY '26 financial performance, revenue was INR1,621 crores. That's an increase of 13% year-on-year. Despite weaker pricing in Q3, operating EBITDA improved by 32% year-on-year to INR285 crores. That's a very healthy INR802 per ton for the quarter.

Our operating EBITDA margin was 17.6% in the quarter, which is a jump of 250 bps over the last year same quarter. Total EBITDA, including other income, was INR371 crores, an increase of 51% year-on-year. PBT stands at INR184 crores in the quarter, including positive contribution of INR15 crores from our JV operations in Fujairah. PAT for the quarter is INR131 crores.

I would like to add two points out of the above, which are one-offs during the quarter.

During the quarter, we signed an SPA with Nuvoco to divest our investment in Vadraj Energy for a consideration of INR191 crores. This transaction has been completed in this week, and we have received the sales proceeds. We have recorded a gain from this disposal of INR53.6 crores, which has been shown as part of other income in the quarter and 9 months also. To be clear, this item is not included in the operating EBITDA and operating EBITDA per ton number, as I mentioned earlier, is INR802. Second, as a result of the New Labour Code, we have recorded an expense in respect of prior financial years of INR33.7 crores, and this has been shown as an exceptional item in the quarter.

Note that we have already recorded INR1,466 crores of exceptional expense, which was the fair value expense arising from the conversions of CCPS. This was recorded in the first quarter of the year. So for the 9 months, total exception item expense is about INR1,500 crores.

In terms of the major cost elements during the quarter, raw material and power and fuel increased on quarter-on-quarter basis by INR81 a ton. Broadly speaking, this was due to three reasons: higher OPC volumes in the overall sales mix, higher volume of interplant movement of raw material, higher clinker cost in West region. This higher raw material cost was partially offset by lower power and fuel cost due to increased RE share, which is now 25% as against 21% in the previous quarter. And of course, plant operating efficiencies did help in bringing down the power cost. Blended fuel costs for the quarter was stable at INR1.49 per Mcal versus INR1.50 per cal in the previous quarter. Our current fuel inventory is sufficient till March or April '26, and we should see further improvement in power and fuel cost in Q4.

Logistics, lead distance reduction by about 10 kilometers quarter-on-quarter. However, the logistic costs were stable due to withdrawal of railway busy season surcharge and change in source mix, that is reallocation of volume between plants.

In terms of our 9-month performance, total sales volumes increased by 12% year-on-year to 9.98 million, with cement and GGBS volume increasing by 8% and 14%, respectively. Revenue is at INR4,617 crores, an increase of 13% year-on-year. Operating EBITDA is INR875 crores, a 43% increase, which equates to INR877 a ton for 9 months. Total EBITDA, including other income, was INR953 crores.

Adjusted PAT, which we define as PAT, excluding the CCPS non-cash payment -- expense is INR306 crores in 9 months. In terms of the balance sheet, net debt is INR3,557 crores at the end of December. Net debt to EBITDA stands at 2.9x.

Average cost of debt for the quarter is 7.8%. Happy to note that during the quarter, CRISIL upgraded the company's long-term credit rating to AA- stable from A stable. During Q3 and 9 months of the year, the company incurred capex, including maintenance capex of INR491 crores. That is for the quarter and for 9 months, INR1,455 crores.

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

Moderator: Thank you. We will now begin the question and answer session. Our first question comes from the line of Rajesh Ravi from HDFC Securities.

Rajesh Ravi: Congrats on good set of numbers. Sir, my first question pertains to, you mentioned non-trade prices have improved and expectations of trade prices recovery. What is the overall demand traction in Q4 that you are witnessing across your market of operations? How is the demand traction stepping up in Q4? How has been January in terms of industry level growth?

Hitendra Jariwala: So we are expecting a very healthy growth in terms of the infrastructure and housing demand in the South. The payments from the government departments also have been released in the month of October and November, which has given a lot of speed to the kind of projects, which are going on, be it infrastructure projects, be it road projects.

All these payments have been released by the government department. And so, we are expecting a very healthy demand from all these sectors. In fact, a lot of parts of South were also affected due to this intermittent rains in the month of October and November, which had not caught up speed for the projects.

But in the month of December, we have seen a healthy trend. January has been much better, both in terms of prices and demand, and we are expecting this to go on in quarter 4 also.

Rajesh Ravi: And a few more questions. On the GGBS, we have seen steel prices witnessing a sharp recovery in December onwards. How does that impact your margins in the GGBS positively, negatively? What is the thoughts over there?

Hitendra Jariwala: Sorry, we didn't catch your question, Rajesh. Can you repeat that, please?

Rajesh Ravi: Yes. GGBS, with the steel prices shooting up 10% to 14% in this quarter, fourth quarter, December and January, we have seen strong price uptick. What is your thought on the GGBS profitability? How is that -- how does that move along with steel prices?

Narinder Singh: No, no, GGBS and steel, I mean, we have a long-term contract (for slag sourcing) and the annual pricing is linked to the wholesale price index of slag cement. So we are not impacted. Steel prices can move wherever. But for us, the price is locked unless there is a price escalation attributed to wholesale price index.

Rajesh Ravi: So even your selling price do not change materially with steel prices movement, right?

Nilesh Narwekar: No.

Rajesh Ravi: And given the…

Nilesh Narwekar: And price is a good thing.

Rajesh Ravi: Yes, right. And given that the prices -- if steel prices were to remain steady at the highest side that we are seeing currently, are there a potential of the next year's prices to slag GGBS going up?

Hitendra Jariwala: No. In fact, due to the rising demand in the infrastructure segment and with this recent announcement of a lot of packages of high-speed rail coming up, we are seeing a lot of activity in terms of construction in the railway segment, where there is a good demand for GGBS and PSC cement. So these are the -- that may, in fact, help us in marginal improvement of GGBS prices for the coming year.

Rajesh Ravi: Understood. And sir, in GGBS, until your next expansion, what is the growth opportunity you have available until you reach full utilization?

Hitendra Jariwala: This is likely to continue. This kind of growth is likely to continue. It all depends on which area. We are seeing a very healthy demand in the West with a huge number of infra projects being announced in particularly MMR region, we are seeing a healthy demand here.

We are also seeing a very healthy demand in Telangana and Andhra Pradesh areas with this continuation of this Capital Region Development Authority projects. We are seeing a healthy demand in both AP, Telangana as well as in case of MMR region.

Rajesh Ravi: And lastly, on the cement business, your -- the North plant is -- Phase 1 is on the verge of getting commissioned. So what sort of market seeding we are already doing that? And what is the thought process for FY '27 in terms of volumes and in terms of trade, non-trade mix on the first 2 years? Any direction on the same?

Hitendra Jariwala: To answer your first question, we are not doing any kind of seeding over there, unless and until we get our own clinker, we are not going to put our product in the marketplace. And trade and non-trade demand will depend on -- the projections will depend on the kind of demand we generate in that area.

Nilesh Narwekar: We have added a significant amount of network already onboarded, Rajesh, which has already come on stream. So they've already signed up with us. So there's a very healthy interest across the geography. Last count, I think we had already crossed 500 channel partners and close to around 37 MMC agents in the direct segment.

So we're seeing a good amount of traction in terms of interest for us. And as Jariwala mentioned, only when we get our own clinker, which is just around the corner, we'll make the cement and that's when we enter the market.

Rajesh Ravi: One last clarification…

Moderator: Sorry to interrupt Rajesh. I would request you to rejoin the queue.

Rajesh Ravi: I'll just complete my…

Moderator: We move on to the next participant. That's Rashi Chopra from Citi Group.

Rashi Chopra: Just on the point that you mentioned on GGBS that infrastructure demand should help pricing. Last time you talked about strategy of trying to keep pricing more stable to get more favorable demand for GGBS. Any change in that strategy?

Hitendra Jariwala: No, there is no change in that strategy. We would maintain that strategy of maintaining healthy realizations for GGBS segment, ma'am.

Narinder Singh: See the thrust is on improving the -- increasing the volumes. So we feel unless there is a drastic change in prices of OPC, we will continue to maintain the same prices.

Rashi Chopra: And against that, I know you don't give the split between cement profitability and GGBS profitability, but is it safe to assume that given that GGBS pricing has more or less been stable and slag prices don't really change for you, the profitability should also have been mostly stable for GGBS and probably corrected a bit for cement in this quarter sequentially?

Narinder Singh: Yes, you are right.

Rashi Chopra: And then on the -- I think the last time around, you've spoken about your cost improvement, which was INR200 still pending for cement and about INR35-odd for GGBS. Any update on that, please?

Nilesh Narwekar: Yes. Rashi, we are progressing on all the levers. So as we've noted in our presentation, lead has reduced during the quarter. We have also commissioned some RE capacity, which has increased our RE share as well Q-on-Q. So I think it would be best for us to update you in the next quarter because it's -- we calculate that cost saving on an annualized basis. But we have made progress on the remaining INR200 per ton saving as well.

Rashi Chopra: And sorry, just one last question. In the 9 months, could you share the regional growth trends for your volume side between Southeast and West for the third quarter?

Hitendra Jariwala: Except for Bihar, South Tamil Nadu and South Kerala from where we have strategically withdrawn from a few markets. All other markets, we have grown. We've grown in the East, we've grown in the South, and we've been stable in the West because we don't operate in many areas in the West. We will be -- we are more or less stable in the West.

Rashi Chopra: This is for the 9 months?

Narinder Singh: This is for the 9 months.

Moderator: Our next question comes from the line of Siddharth Mehrotra from Kotak Securities.

Siddharth Mehrotra: Congratulations on a good set of results. I wanted to know what sort of volume guidance are you sort of building in given the fact that our major North capacity sort of slated to come online this quarter. So on a blended basis, perhaps if you could sort of give us some guidance and color on regional volume growth for next year, that would be helpful, sir?

Narinder Singh: So the target continues to be a volume growth of mid-teens, probably high teens. That's the target, and that's the guidance probably we'll be giving for the next year also. But let's wait for the performance for this year get over. We are seeing very healthy improvement in volumes, and we are hopeful we'll continue to grow at this pace. And this when I say mid-teens, high teens, I'm not factoring in the North into this. This is excluding North will be over and above this number.

Siddharth Mehrotra: Secondly, sir, I wanted to understand what is the strategic intent behind us setting up this grinding facility in UAE. So what I understand our clinker is in a JV held in that geography. So I mean, we were supposed to service Dolvi from UAE. So with this new capacity coming up, what sort of time lines are we looking at, number one? And number two, why the strategic shift in terms of clinker utilization within UAE itself? What happens to Dolvi clinker now?

Narinder Singh: No. So our current capacity in Fujairah clinker capacity, we are producing about 2.7 million tons a year. And this grinding unit is going to be 1.65 million. At let's say, 80%, 85% utilization, we are looking at 1.45 million to 1.5 million clinker requirement for this grinding unit. So we still have 1 million plus to feed into Dolvi, and that would continue.

Dolvi requirement will be around that number only for a couple of years more. Now regarding the rationale behind it, one, this plant will be coming up within 12 months. It's a very short construction period. So it should be up and running by April 27. And today, as you might be knowing, the market in UAE has been very hot last year or so.

And the industry expects this to continue for next 5 to 7 years just because of all the construction activity that is happening in UAE, primarily Dubai, Ras Al Khaimah, Abu Dhabi. Kuwait is on a rebuilding phase or building phase after 1991 war. So there is a very, very active interest from all our current customers if we can feed them cement.

And most of the large builders out there, without naming any, I have met three of them, they are willing to do a long-term agreements with us for cement supplies or concrete supplies. So we feel this is a very attractive business opportunity and hence, the rationale behind putting up this unit.

Siddharth Mehrotra: Just one small clarification. This plant is fully owned. Your clinker plant will continue to be owned in a JV. Is that understanding correct, say for the next 2, 3 years?

Narinder Singh: Yes, correct.

Moderator: Thank you. The next question comes from the line of Prateek Kumar from Jefferies Group.

Prateek Kumar: Hello. Yes, good mornings. Congrats for good results. Sir, my first question is on your North operations. When you say that you onboarded channel partners, so are some of these channel partners, your steel business partners or these are like some of the other competition cement partners, who have like now come with you?

Hitendra Jariwala: See, the majority of the dealers that we have appointed or we are on the process of appointing in the North, be it in Rajasthan or Haryana, they happen to be core cement and paint dealers, cement, paint and hardware dealers. But we are surely getting a lot of support from the steel dealers that are there in our system.

We are getting a lot of support from them also. But the total number as of now who have been onboarded is low. So it is majority of the dealers, like I would like to say, close to about 90% of the dealers, 95% of the dealers are core cement dealers who are operating with other brands also.

Moderator: Sir, does that answer your question?

Prateek Kumar: Yes, that does. Also now into FY '27, what is your expectation for…

Narinder Singh: Can you repeat, Prateek, please? We couldn't hear you.

Prateek Kumar: Yes. I'm saying that what is the outlook for volumes in the year 1 from the North operation?

Narinder Singh: So we expect about 50%, 55% utilization in the first year and this will gradually go up.

Prateek Kumar: One separate question on GGBS. While we have been saying that the prices are expected to be stable, there is a mild dilution Q-on-Q again. Last quarter, you said that there is a change in customer mix and that has reflected in this. What is the specific reason here?

Narinder Singh: No, the only reason is we are running short of slag in Dolvi today. And we even have to move slag from Vijayanagar to Salem. That number is up in the current quarter. So this is a very good position situation to be in, wherein we have almost exhausted all the slag that's available in Dolvi.

And it would continue this way for another year or so until the next blast furnace is up and operational within the next few months. So it's only the cost, which is impacting us because of the way we have started distributing the GGBS. There is no change in strategy.

Nilesh Narwekar: It's a geography mix change.

Narinder Singh: Yes, it is only a geo mix change, nothing else.

Moderator: The next question comes from the line of Shrey Mehta from Goldman Sachs.

Shrey Mehta: Congratulations on a great set of results. Sir, just a clarification. When we say that we aim for mid-teen to high-teen growth, excluding the North expansion, is it fair to assume that the cement segment should be growing in tandem with the industry growth as we understand that GGBS will continue to grow in high teens?

Hitendra Jariwala: We are targeting growth for both cement and GGBS. In fact, GGBS, we are targeting a much higher growth because of the acceptance in larger market segments. But yes, cement, we would like to get it in line with whatever we are doing as per the industry. We will definitely outperform the industry.

Shrey Mehta: And sir, with Nagaur expansion coming in Q4 and Punjab grinding unit and the Phase II coming somewhere in FY '27, '28, do you see any competitive intensity increasing in the Northern region considering that bulk of capacities are lined up in the next 12 to 15 months?

Hitendra Jariwala: See, if you go through the kind of projects coming up in Rajasthan and Haryana and the NCR region, any kind of capacity coming there will definitely be consumed and absorbed in those markets. Additional capacities will definitely not be sufficient to cater to the kind of demand coming up over the next 2, 3 years.

Moderator: The next question comes from the line of Kunal Shah from DAM Capital.

Kunal Shah: Congratulations on the performance. Sir, first question is on the non-trade pricing levels in South, right, the kind of levels we have seen during the third quarter. Now would it be fair to assume that the OPC and GGBS mix during 3Q was at par or more expensive than the traditional mix at the RMC level?

Hitendra Jariwala: See, people are accepting GGBS at a particular price. Whatever pricing levels we have maintained, people are accepting at that. And we don't see any kind of threat with the ups and downs in the cement prices in non-trade segment. Though in the beginning of January, we've seen a little bit of improvement in the non-trade prices across all territories in South and marginally in the West. But that normally doesn't affect us because everywhere it is -- majority of the places, the mixes are prescribed.

Nilesh Narwekar: Just to weigh in, typically, as Jariwala mentioned, the customers operate on a design mix. They don't change it that often because they do the entire testing process all over again in the source team. So the increase in January, while it would have been a little more favorable in December, but I think it's back to being more favorable in terms of the design mix than the traditional mixes.

Kunal Shah: No, sir, what was interesting was despite the kind of cement pricing we've seen and even if the mix was at par, you're still able to get a 17% sort of a volume growth. So my question was just more related to the product. Like is it now entering into that stickiness phase wherein customers are even willing to pay that marginal premium or even at par at the RMC? I mean, I was just referring more towards that?

Nilesh Narwekar: We believe so, Kunal. We actually believe so. But I would like to see this play out for a couple more quarters. The hard work put in by the technical teams around trying to emphasize the green properties of GGBS and the quality of the concrete that gets made is nevertheless. So we keep doing more and more of it.

So we believe that's what is causing it. I think the proof of the pudding would be once we see the performance in quarter 4 and there on, I think that's when we can probably authoritatively say that, yes, it's a stickiness factor, which is driving this.

Kunal Shah: Understood. And just a follow-up on this, just trying to dissect it further. Now this 17% growth, like could you touch upon whether the underlying RMC demand was also this strong or the GGBS penetration within the RMC TAM is improving? I mean, I'm just trying to understand on the penetration levels here?

Hitendra Jariwala: Definitely, the penetration levels have increased. We have reached a much larger number of customers in the last quarter and the quarter before that. We have seen a very, very healthy acceptance by both RMC and new infrastructure projects across our operating markets.

Moderator: The next question comes from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Sir, for capex for FY '26, so INR1,455 crores we have done in 9 months. Last time we said INR2,300 crores for '26 and INR2,000 crores for FY '27. So if you can again specify and even possibly for FY '28 also, if you can broader range would be helpful.

Narinder Singh: No, for next year, that is FY '27, we would be spending about INR2,000-odd crores. And for FY '28 also, the number would be somewhat similar. And '26 about INR2,300 crores is what we are going to end up spending. So if you look even at the start of the -- a few months back, we had given a guidance that we will be spending about INR7,300-odd crores to complete all our projects. So -- and we have just one addition into that, that's be Fujairah grinding unit.

That's about $39 million. So adding up all of these, I think we should be spending about INR2,300 crores this year, INR2,000 crores and INR2,000 crores in the following 2 years. That should be sufficient to complete all the projects.

Shravan Shah: So for Nagaur, the -- by March, how much -- or maybe till December, how much we have already spent?

Narinder Singh: Just one sec. INR2,700-odd crores has been spent.

Shravan Shah: I didn't hear, sir.

Narinder Singh: About INR2,700 crores has been spent till December.

Shravan Shah: Okay. Out of INR3,350-odd crores.

Narinder Singh: Correct. Because the project is nearing completion. It's only some payments which are pending.

Shravan Shah: So -- and sir, in terms of the time line, if you can just specify the remaining 1 million ton for Nagaur, when it will come and this Punjab 2.75 when it will start?

Narinder Singh: So I think the additional 1 million should be up and running before September current year. That is FY '27. Yes. Regarding Punjab, we are just awaiting the ECs and all. Any time they are there, we should be starting the work because the land is in control with us. And from then, it shouldn't be more than 18 months. Of course, our target would be 15 months.

Shravan Shah: And the Vijayanagar and Dolvi, 2 million Vijayanagar and 4 million Dolvi, when it will be coming?

Narinder Singh: So we are going to start them both the projects in FY '27. In the next call, we should be updating you.

Shravan Shah: And lastly, sir, is it possible to share the RMC revenue and the clinker revenue for third quarter FY '26 Y-o-Y, Q-o-Q and 9 months also would be helpful?

Narinder Singh: RMC during the quarter, we have done about INR168 crores revenue.

Shravan Shah: INR168 crores in third quarter?

Narinder Singh: Yes, in third quarter.

Shravan Shah: And clinker revenue, sir?

Narinder Singh: Clinker revenue is about INR36 crores.

Shravan Shah: INR36 crores. And is it possible for Q-o-Q, Y-o-Y and 9 months, if you can share the numbers?

Kunal Mukherjee: We'll share it with you, Shravan offline.

Moderator: We take the next question from the line of Navin Sahadeo from ICICI Securities.

Navin Sahadeo: Just a couple of clarifications. In your opening comments, the management said clinker utilization is almost 95%, 96%, if I heard that correct. And so is it only for the Indian market or the India-based clinker capacity that we are talking about because you also said that cement volumes without Nagaur can continue to grow in double-digit rather mid-teens, as you said. Just wanted to understand that?

Narinder Singh: You're right. The Nandyal and Shiva that's India operations only is at 96%. As regards Fujairah, that operates at more than 100%. So -- but we have not considered in this calculation of 96%.

Navin Sahadeo: Of course. So if it's already -- the domestic capacity is at 96%, are we banking on a significant increase in blending for the cement volumes to grow in double digits?

Narinder Singh: It is both. Currently, we are selling some clinker. This number of INR36 crores revenue, which I mentioned, that is the clinker sold to third parties. That will go off, which we are expecting in this March itself. So that clinker would be available. And of course, the product mix would change.

Navin Sahadeo: And this purchase of stock in trade, which is there in the P&L, is this purchase of clinker from Fujairah unit?

Narinder Singh: This is more of slag that we purchased recently.

Navin Sahadeo: That is slag. That is not clinker purchased from Fujairah.

Narinder Singh: A very small volume of clinker.

Navin Sahadeo: Understood. And just one more question, if I may. You mentioned 2.5 million ton grinding in Nagaur coming in Q4, but there is -- and Punjab, you said it's awaiting EC and 15 to 18 months thereafter. But what about the 1 million ton additional grinding unit in North? What is the -- is that -- is it at the same location? And what is the timeline for that?

Narinder Singh: Same location. And as I mentioned, that would come up by September '26.

Moderator: We take the next question from the line of Jain Nayanbhatia, an Individual Investor.

Jain Nayanbhatia: Congratulations on the good numbers. I hope you are able to hear me.

Narinder Singh: Yes.

Jain Nayanbhatia: Just ask you about Shiva Cement or is a separate con-call has been scheduled for the same?

Narinder Singh: No, there's no separate call for Shiva.

Jain Nayanbhatia: So we can ask right?

Narinder Singh: Yes, you can go ahead.

Moderator: Sir, I'm sorry to interrupt, Jain, you are not audible. Could you please change your location? Your voice is breaking.

Jain Nayanbhatia: Am I now audible?

Moderator: Yes, go ahead, Jain, please.

Jain Nayanbhatia: Yes. Now I just wanted to ask you about the grinding capacity that has come up in Shiva. What is the breakup of the revenue of clinker and cement in Shiva Cement?

Narinder Singh: Just one second. For cement, the revenue is about INR14 crores for the quarter. And clinker is INR112 crores.

Moderator: The next question comes from the line of Rashi Chopra from Citigroup.

Rashi Chopra: Just a basic follow-up. What is your green energy target for next year? There are 25%...

Narinder Singh: Yes. 63% is the overall target. And hopefully, this should be up and running by this March. We may slip very small capacities into the next financial, but the target continues to be 63% of the overall in the existing operations, excluding North. North will be a much higher number.

Rashi Chopra: And in this quarter, what was the percentage of the premium cement?

Hitendra Jariwala: It was 60%.

Moderator: We take the next question from the line of Rajesh Ravi from HDFC Securities.

Rajesh Ravi: My questions have been answered.

Moderator: The next question comes from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Yes. Sir, just a couple of clarifications. When we said INR7,300 crores is the total capex, so this is still 33.85 MTPA, which as per the presentation is by CY '28, we are planning to start or if you can specify?

Narinder Singh: Yes, that's right. It's up to calendar year '28.

Shravan Shah: By MTPA this is the -- INR7,300 crores is the total capex.

Narinder Singh: Yes. So for the first leg, as we've given in our presentation, so it's about 33.85 million, right, as per our presentation, it's up to that.

Shravan Shah: And sir, is it possible to break it down the current 21.6 MTPA capacity? Out of that, how much is for GGBS and how much is for cement?

Kunal Mukherjee: No, the capacity is fungible. The same grinding unit can grind slag and it can grind clinker as well. So there is no specific capacity split as such.

Moderator: The next question comes from the line of Navin Sahadeo from ICICI Securities.

Navin Sahadeo: My question was regarding this UAE facility. So you said it operates at 100% utilization, but entire volume is sold in that region only. We don't intend to bring it here because I thought initially maybe that was the plan to have those clinker imported on the West Coast and utilize it. So is it more remunerative there, and that's why we are not bringing it? Or how should one look at it from a volume addition to domestic growth point of view?

Narinder Singh: Navin, I'll break this up into how we sell -- what we sell there and what we bring into India. So our current capacity there production is about 2.75 million tonnes and Dolvi requires slightly less than 1 million tonnes at the moment. So whatever Dolvi needs, we bring it here. And the balance is sold domestically. Now today, we are selling clinker.

It is more remunerative to sell cement because we have this surplus capacity, we thought we will put up a grinding unit to sell cement there. So what comes to Dolvi will continue to come. Dolvi's requirement would continue to be met from Fujairah.

Navin Sahadeo: And that cost is captured in purchase of trade -- stock in trade, right? Or in raw material?

Narinder Singh: That's in raw material.

Navin Sahadeo: Then my second question was on the GGBS front. So I think in the previous calls, you said because OPC prices were a little soft, that is why GGBS prices were a little under pressure. But in this quarter, then we saw a significant -- like your numbers itself are like a 4% sort of a decline, but GGBS has not seen a major decline as such. So is it fair to assume that the GGBS price because there is some improvement now in the March quarter, as we speak, as you said.

So is it fair to assume that GGBS prices also have bottomed out and here to stay? Or is there is more dynamic pricing to it? It competes with other additives? And if that is the case, then is it a project-based pricing? Is it like a contract -- 1-year contract, 3-month contract? How does this pricing, it may -- if you could just help us understand.

Hitendra Jariwala: The way we look at it is, we would like to hold on to the present levels of prices. But definitely, as you said, if any project is there of national importance, then we tie up with the respective contractor or the company to give them a long-term perspective or commitment on the price. But our strategy holds. We would like to maintain the prices or, in fact, go up but not go down.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Kunal Mukherjee: Thank you, everyone, for taking time to join our call. And we look forward to staying engaged, and you can obviously reach out to us if there are any further questions. Thank you, and good morning to everyone.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of JM Financial, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.