6th August 2025

To,
BSE Limited
PJ Towes, Dalal Street
Mumbai – 400 001
Scrip Code: 526521

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400 051.
NSE Symbol: SANGHIIND

Sub.: Transcript of Earning Call pertaining to the Unaudited Financial Results of the Company for the Quarter ended 30th June 2025

Dear Sirs/Madam,

In continuation of our letters dated 18th July 2025 and 31st July 2025 regarding Analyst/Institutional call scheduled on 31st July 2025, the transcript of the earnings conference call on the Unaudited Financial Results for the quarter ended 30th June 2025 is uploaded on the website of the Company at www.sanghicement.com. The said transcript is also attached herewith.

The Web link to access above transcript is Investors Contact | Sanghi Industries Ltd.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For Sanghi Industries Limited

Pranjali Dubey
Digitally signed by Pranjali Dubey
Date: 2025.08.06 19:18:07 +05'30'

Pranjali Dubey
Company Secretary & Compliance Officer

Encl.: as above

Ambuja Cements, ACC, Orient Cement and Sanghi Industries

Q1 FY '26 Earnings Conference Call

July 31, 2025

MANAGEMENT	
	
MR. VINOD BAHETY **CHIEF EXECUTIVE OFFICER**	**MR. RAKESH TIWARY** **CHIEF FINANCIAL OFFICER**
MR. DEEPAK BALWANI – HEAD, INVESTOR RELATIONS	
MODERATOR	
MR. SATYAM KESARWANI – PRABHUDAS LILLADHER PVT LTD	

- **Ms. Nidhi - Moderator:**

- Ladies and gentlemen, good day and welcome to the Ambuja Cements Limited Q1 FY26 Investor Call hosted by Prabhudas Lilladher Pvt. Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Satyam Kesarwani. Thank you and over to you, sir.

- **Mr. Satyam Kesarwani - Equity Research Associate, Prabhudas Lilladher Pvt. Ltd.:**

- Thank you Nidhi. Good evening and a very warm welcome to everybody. On behalf of PL Capital, I am pleased to welcome you all to the earnings call of Ambuja Cements for the first quarter of financial year 2026. We are very happy to have the management with us today for the Q&A session with the investment community. The management is represented by Mr. Vinod Bahety, CEO, Ambuja Cements, Mr. Rakesh Tiwari, CFO, Mr. Deepak Balwani, Head of Investor Relations.

- We will begin with the opening remarks from the management followed by an interactive Q&A session. With this, I hand over the call to Mr. Deepak Balwani. Over to you Sir.

- **Mr. Deepak Balwani – Head of Investor Relations, Ambuja Cements Ltd.:**

- Thank you. On behalf of Ambuja Cements, I am pleased to welcome all participants to our earnings call for the first quarter of FY 2026. Ambuja Cements is the ninth largest building material solution company globally and part of the diversified Adani portfolio. Ambuja Cements is one of the four large-scale cement companies globally and the only one in India to have its science based net zero and near-term targets validated by the SBTi.

- Before we start, please note that this call may include forward-looking statements based on our current beliefs and expectations. These are not guarantees of future performance and may involve unforeseen risk and uncertainty.

- We are pleased to have with us on the call, Mr. Vinod Bahety, Chief Executive Officer and Mr. Rakesh Tiwari, Chief Financial Officer. Now I invite Mr. Bahety to provide his valuable insights on the quarterly performance.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Thank you Deepak. Good evening and a warm welcome to all of you joining us for the first quarter of FY26 earnings call. Ambuja Cements started this fiscal year on a high note. Our momentum is built on strong value focus, robust volume growth, price improvement, deeper channel engagement, premium product sales improvement, agile supply chain, stronger brand pool, market across and smart cost efficiencies, amplified by seamless integration of Orient Cement, which we acquired in April 25.

- We have reimagined business fundamentals. This has helped us achieve the highest revenue in a quarter, highest quarterly EBITDA and improve our market share by 2%. Our channel network is vibrant, our assets are reliable more, our efficiencies have improved and our EBITDA gains are well noteworthy. This sets a bold tone for the year ahead as we scale with purpose and precision. We are up on our demand estimates by 1% from 6-7% before to now 7-8%.

- Our consolidated financial performance highlights for the quarter are as under - Highest ever sales volume of 18.4 million tonnes, up 20% YOY with market share up 2% to 15.5%. Revenue crossed 10,000 crores mark at Rs.10,289 crores, up 23% YOY with price gain of 4% supported by higher share of premium products as a percentage of trade sales which is now at 33%, up by 43% YOY. Cost has improved by Rs.119 per metric tonne YOY. This has also supported in achieving the highest quarterly EBITDA at Rs.1,961 crores. EBITDA per metric tonne of cement at Rs.1,069 of 28% YOY and EBITDA margin stood at 19.1%, up 3.8% and we have a blueprint to achieve our targeted EBITDA of Rs.1,500 per metric tonne by 2028. PAT, we have achieved at Rs.970 crores, up 24% YOY. Earning per share at 3.20, up 22% YOY and net worth stood at Rs.66,436 crores and we continue to remain debt free.

- Our rating remains highest at CRISIL AAA stable and A1 plus ratings.

- In the best interest of time, I am not going to discuss the standalone financial performance of the listed companies separately as they are available on the stock exchanges. The merger of Adani Cementation Industries Limited has received all the statutory approvals. For Sanghi and Penna, we have received approvals from both the exchanges BSE and NSE and further process of completion is ongoing.

- We continue to make decisive strides in operational excellence in the quarter. Some of them are as under. We are proud to be the lead cement supplier for the world's highest single arc Chenab Railway Bridge which speaks volumes of our product quality and trust. For the fourth year in a row, TRA Research has recognized us as the most trusted cement brand. This brand equity is also immensely supporting in terms of volume improvement and price improvements. Our privileged exclusive partnership with CREDAI has gone very well. Continuing this, we have launched NirmA Anotsav program along with CREDAI wherein the first event took place in Ahmedabad and this will be hosted in almost 20 plus cities going forward in this financial year.

- Our supply chain is becoming smarter, leaner and agile with AI enabled technology. We are proud to be the first in the industry to adopt Digipin.

- We commissioned 5 million tonnes of grinding capacity over the last 3 months and target additional, another 13 million tonnes this financial year. We are getting younger with new assets, digitally smart platforms and latest cohort of future young leaders fueling a culture of continuous innovation and excellence. Digitalization initiatives continue to be a focus area leveraging the business growth with strong focus on EBITDA maximization, AI driven advanced business and cost optimizer tools, end-to-end seamless applications of channel partners and the plants of future concept is progressing very well.

- On growth and journey expansion, our total cement capacity currently stands at 104.5 million tonnes. In our larger aim of achieving 140 million tonnes by FY28, we are well poised to achieve 118 million tonnes by end of FY26 powered by our strategic brownfield expansions across various sites including Bhattapada, Salai Banwa, Dahej, Marwad, Kalamboli, Krishnapatnam, Bhatinda, Jodhpur and Warishali Ganj. Our disciplined capex management is ensuring these timelines are made efficiently enabling us to deliver both scale and profitability.

- On the cost leadership, our targeted cost reduction journey with the planned initiatives primarily envisages reduction in power and fuel cost, logistics cost and raw materials cost optimization. We have one of the lowest manpower cost at Rs.223 per metric tonne amongst the peers in the industry.

- Green power share uptake with every passing quarter. It improved by 9.7% to 28.1% and it is targeted to reach 60% by FY28. This will reduce the existing power cost which is around Rs.5.9 per unit to almost Rs.4.5 per unit by FY28. The power consumption per metric tonne of cement also is expected to improve by at least 5 units. This is the efficiency of the new assets and the efficiency improvement of the existing assets. Coal cost has improved from Rs.1.73 to Rs.1.59 per 1000 kilo calories and expected to sustain near these levels. Importantly, the heat consumption will improve by at least 35 to 40 kilo calorie per kg of clinker for the various initiatives outlined including mix of the new kilns.

- Primary lead distance reduced by 8 km this quarter at 269 km and is expected to further reduce by almost 50 km when we achieve 140 million tonnes by FY28. This will help to reduce the logistics cost by almost Rs.150 per metric tonne, also supported by a higher component of rail and sea logistics. Currently, our cost is almost around say, Rs.3 tonne per km.

- On the ESG leadership, sustainability remains our strategic operating system as we are India's only and globally the fourth large-scale cement company to have our science-based net zero and near-term targets validated by SBTI. We have commissioned 473 megawatt of renewable energy out of 1000 megawatt, achieving almost 28%. As I mentioned earlier, we want to achieve 60% by FY28.

- Our green power share has risen consistently and improved by 9.7% this quarter. We remain an industry leader, achieving 12 times water positivity, 11 times plastic negativity, exemplifying responsible stewardship. We continue active global collaborations with WEF, GC, CA, UNGC and AFID, reinforcing our commitment to setting and achieving ambitious environmental goals.

- On the community and social impact, we continue to positively impact our community through engagement initiatives in education, healthcare, livelihood and infrastructure. We are upskilling our communities through robotic labs, drone labs, rural KPOs, youth skilling, women empowerment, creating a blueprint for our inclusive growth. Making the new era of a holistic education in the presence of our board members, we inaugurated a new building of DAV, the ACC Public School, Kalpashila and a heritage wing at our Kymore plant. Through the Adani Vidya Daan initiative, our leadership continues to inspire and shape the future of more than 10,000 students across the Adani Vidya Mandirs, Tezi campus institutions at our plants.

- In the first quarter of 26, we accelerated our efforts to build, recognize and purpose-driven partnerships across our network. *CEO se Samvad*, a direct engagement platform with channel partners and contractors, has deepened trust through open dialogue, recognition and shared growth. These efforts have sparked a strong homecoming of more than 500 dealers, strengthening our distribution network and reaffirming the mutual confidence. Adani's certified technology, ACP, was implemented at more than 21,000 customer sites, enhancing the construction reliability and technical superiority, making a significant milestone in scalable impact and customer trust. With more than 325 scale building workshops conducted, we have empowered almost 9,000 plus contractors creating ripple effects in quality, safety and upskilling across the regions.

- CEO Club, a first-of-its-kind recognition platform in the industry, now anchors top-performing channel partners and contractors into a unified community. Through certified training, plant visits, safety gear distribution and family-focused experiences, we are building a family of builders aligned with our vision. Dhan Varsha Grah Lakshmi Saubhagya Awards embodied emotional intelligence in action. This hybrid celebration brought together over 50,000 plus families of our dealers, merging performance with purpose and laying foundations for enduring relationships beyond the balance sheet. Coincidentally, today also we have a program which is for our influencers, which will see more than 25,000 influencers online and offline coming together to celebrate a program similar to Dhan Varsha.

- On the industry outlook, cement demand grew by almost 4% Y-on-Y in first quarter FY26, driven by Pradhan Mantri Awas Yojana, Pradhan Mantri Sadak Yojana, Bharat Mala, Sagar Mala and other INSA projects and we remain bullish for this financial year. We are upping our demand estimate by 1% from earlier 6-7% to now 7-8%.

- I now invite our CFO Rakesh to detail our financials in detail further. Thank you.

- **Mr. Rakesh Tiwari – Chief Financial Officer, Ambuja Cements Ltd.:**

- Thank you Vinod for giving such a strategic and comprehensive outline for Ambuja Cements. It was really great.

- Good afternoon, ladies and gentlemen. It's a pleasure to connect with you all at this pivotal junction in our growth journey. Over the last few quarters, we have consistently articulated our sharp focus on four key pillars, growth, cost leadership, ESG and stakeholder value creation and I'm pleased to share that Q1 financial year 26 has reinforced our conviction and momentum across all these dimensions.

- Our cement capacity has now reached 104.5 MTPA following the successful commissioning of Sankrail and Sindhri Brownfield Grinding Unit. We remain firmly on track to scale up to 118 MTPA by March 26 and 140 MTPA by FY28.

- Our inorganic growth story strategy is progressing seamlessly. Sanghi, Asian, Tuticorin, Penna and more recently, Orient, which we have successfully integrated. The results were out a few days back, accelerating our market presence all across the geographies. Integrating synergies are being realized ahead of schedules, validating our disciplined M&A playbook. Alongside M&A, our Greenfield and Brownfield projects are designed with an emphasis on long-term competitiveness and roughly close to 40% of our capacity now falls under new generation assets that are optimized for capital efficiency, lower op-ex costs, increased use of renewable energy and improved logistics, including rail infrastructure. In this quarter of 26, we commissioned 57.7 megawatt of wind energy, taking our total renewable power to 473 megawatt. Additionally, our WHRS capacity stands at 228 megawatt. Together, our green energy is contributing close to 28.1%, underscoring our position as a sustainable leader in India.

- We are also laying a strong digital foundation for the future. Our end-to-end digitization of the value chain, from quarry to lorry, is yielding measurable operational benefits and improving EBITDA delivery. Our Cements Network Operating Center, which is live at our headquarters, is growing in scope, enabling predictive analysis, real-time visibility and agile decision-making. So this is a transformative journey and I am proud that Ambuja is at the forefront of making this traditional industry younger, smarter and more efficient.

- We continue to maintain a fortress balance sheet. As of quarter 1 financial year 26, our net worth stands at 66,500 crore, up from 63,811 crore in March 25. We still are debt-free with AAA ratings, giving us a lot of headroom to fuel growth and return value to the shareholders.

- To conclude, Ambuja is uniquely positioned at the intersection of capacity growth, margin expansion, digital evolution and ESG leadership. As the industry enters an exciting new phase, we are confident that our strategy and execution will drive superior stakeholder returns in the quarter and years ahead. With that, I now hand over back to Deepak.

- **Mr. Deepak Balwani – Head of Investor Relations, Ambuja Cements Ltd.:**

- Yeah Nidhi, we can open the call for Q&A.

- **Ms. Nidhi - Moderator:**

- Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. 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 is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Hi, thank you for taking my question. My first question is, if we look at on a sequential basis, there is a sudden increase in power and fuel logistics and other opex, even adjusted for volumes. Can you please help us understand in detail what's happening over here? Thank you. That's my first question.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Rahul, I am presuming you are referring to consolidated financials, right?

- **Mr. Rahul Gupta – Morgan Stanley:**

- Yes.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Okay. If you actually refer to Rahul and I am not sure which line items you are referring to because there is an overall reduction in terms of the power and fuel and raw material on a y-on-y basis. If you go to slide number 12 of the investor presentation.

- **Mr. Rahul Gupta – Morgan Stanley:**

- I am looking at slide 19 and I am more concerned about quarter-on-quarter changes. Any color on that will be very helpful.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Let me just go to slide 19 of the investor deck.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Yes, that's right.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Okay. Let me just pull the particular slide, Rahul. Again, if you refer to slide 19, there is a reduction in…… the only point which is the 'other expense' is 12%. Otherwise, there is a reduction in all the other items, Rahul?

- **Mr. Rahul Gupta – Morgan Stanley:**

- Not really. If you look at power and fuel, it has moved from 1263 to 1367.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- That you are comparing q-on-q while I was referring to y-on-y. In terms of q-on-q also, Rahul, for example, when it was 1263 for the last quarter and with for example, when you have these acquired assets, especially when you have now Orient also, there will be some disruption on the overall say, cost compared to say, March. In March, for example, you did not have Orient and now you have, say, Orient.

- Second is, if you also notice, the fuel cost, in fact, has come down from 1.73 to 1.59 actually. The second element of cost, which is the power cost, over there I have highlighted that we have a higher, as of now, consumption of the power units. Some of these again, acquired assets have that but there is a good opportunity for us to reduce by at least five units minimum in coming quarters in terms of the power consumption. So both this power and fuel basically will come back to the sequential numbers very soon.

- In terms of the fuel, for example, we have demonstrated a sharp reduction by almost, say, 20 basis points this quarter compared to last quarter and prospectively also, I am sustaining myself at those levels. So this is like, one time when you have a quarter, when you have an acquired asset. Otherwise, you will have quite sustainable numbers on this front.

- Coming to the other expenses, where, for example, my overall branding and sales and promotion expenses, we actually are investing into our marketing and brand expenses and our supply chain network. And you have seen some uptake over there.

- And on top of it, the Orient asset also, for example, when you have acquired, it has also actually added to my overall other expenses. So this quarter, you will have to look at the color of Orient being acquired and consolidated as compared to the previous quarter. But on a y-on-y basis, you will see all of them are on a really healthy trend, even with the Orient acquisition.

- **Mr. Rahul Gupta – Morgan Stanley:**

- No, I understand. Thank you for the color that this is because of Orient acquisition and that's exactly why I want to understand this. What would be this number without Orient? Because, see, Orient would not be that big in the overall console numbers perspective, right? So any color from that perspective would be very helpful. And second, by when should we expect this number to normalize to pre-Orient acquisition levels? Thank you. These are my questions.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah. No, I think coming to this quarter itself, you will see a sharp improvement on that. And in terms of my outline also, when I said that now the assets have started generating, giving us good results, for example, my power costing with the renewables push this quarter has come down. So this quarter itself, you will see a good level of improvement in terms of sequential quarter. So that is how, for example, when we have this acquisition and when we have this integration, it will take you a couple of months here and there. But if you look at the volume part and that is like very interesting, and all of my, for example, therefore, this acquired assets have done very well in terms of the volume part. So integration has gone very well in terms of the revenue and therefore, you have seen a 20% jump on the volume part. And so far as the costs are concerned, like this quarter itself, you will see a good level of stabilizing there.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Got it. Just for the bookkeeping, what would be volumes out of Orient business this quarter?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- No, I would refrain doing that because we, for example, as we have highlighted, overall 18.4 million tonnes, because Orient and all these are part of the MSAs and therefore, per se, Orient does not have its own, say, direct sales because we have migrated from Orient brand to now Ambuja and ACC. But I am happy to say that these assets, for example, are operating at a very healthy level, at clinker and cement both, and therefore, on an overall basis, we have a good, healthy utilization of the cement capacity.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Great! Thank you so much. Just one final question. On an unadjusted basis, your volume grew by 20% year-on-year. Now, when you say that industry grew by 4%, where would be Ambuja Console compared to that 4% for the industry?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Ambuja Console is what we have said, the 20% overall improvement.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Yeah, but that's unadjusted, right? I mean, for fair comparison, when industry grew by 4%, then……..

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Okay, let us see. This is unadjusted here, right? So if I adjust and if I only consider Ambuja and ACC erstwhile capacity, it comes to almost 13%.

- **Mr. Rahul Gupta – Morgan Stanley:**

- Got it. Thank you so much. This is very helpful.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Thank you.

- **Ms. Nidhi - Moderator:**

- Thank you. Ladies and gentlemen, please limit to two questions per participant and rejoin the queue for the follow-up question. The next question is from the line of Atishy Rathi from J.P. Morgan. Please go ahead.

- **Mr. Atishy Rathi – J.P.Morgan:**

- Yeah, hi. Thank you for the opportunity. I just had one question. This is pertaining to slide 18 of the deck. So I noticed that the same volume on a consolidated basis is 18.2 for the last quarter in the deck. But if I look at the last quarter's deck, the number was at 18.7 and the EBITDA, on the EBITDA, total EBITDA hasn't changed. So just trying to understand how do I, how should I reconcile the two numbers?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah, hi. Thanks. So basically what we have done, because so far CLC, which is like clinker plus cement, both were considered but we are not in the business of selling clinker. We are more in the business of cement and therefore like all the other competitors, we also now will move into reporting in terms of factor of cement and therefore, for example, what we have done is also for the March, 18.2 is the cement sale. The difference between cement and clinker at 0.5, primarily is actually for the CLC factor and therefore 18.4 when I am saying is purely a cement sale. There is no clinker factor here. That's how the whole basically calculation is.

- **Mr. Atishy Rathi – J.P. Morgan:**

- Understood. Thank you so much.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Thank you. And that is how all the other industry players what I understand, they do it and that's how we have also recalibrated and put it on basis of the cement volumes and therefore EBITDA and everything as a factor of cement.

- **Mr. Atishy Rathi – J.P. Morgan:**

- Understood. Thank you so much.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Harsh Mittal from MK Global. Please go ahead.

- **Mr. Harsh Mittal – MK Global:**

- Thank you for the opportunity. Good evening. Firstly, congratulations to the management for a great set of numbers. So my question was pertaining towards the earlier participant’s concern on the volume front. So continuing with his statement, if I just exclude Orient's and Penna Cement's volume in this quarter, we are standing at around 1-1.5% of volume growth YOY. Is it a fair set of assumptions, sir?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- No, no, no. Absolutely not! In fact, as I said, if I adjust, for example, the acquired assets, I am sitting on still a very good healthy volume growth of 13%.

- **Mr. Harsh Mittal – MK Global:**

- So what would be the volume for Penna Cement this quarter, if you can just share that number?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Penna, Orient, Sanghi for example, as a fact, for example, we are at 18.4 million tonnes for a capacity which has now gone up to 105 and you can safely assume that the average capacity would have been almost 95. So therefore, on an overall capacity utilization, I am around 77-78%. So please allow me to give a larger volume instead of going with, because all of these are companies under the MSA, so it will be inappropriate to give you for individual unlisted company. It will be better to speak on a console volume and a console capacity. I can give you this number that around 78% is the capacity utilization.

- **Mr. Harsh Mittal – MK Global:**

- So that was my question. Thank you.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah, so this will answer you and now you can do your math actually.

- **Mr. Harsh Mittal – MK Global:**

- Yes.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

- **Mr. Amit Murarka – Axis Capital:**

- Yeah. Hi. Thanks for the opportunity. So the first question is on capacities. I see that the timelines are no longer indicated in the presentation. So what is the commissioning for each of those capacities which you were giving earlier? So like what is the updated timeline now? If you can throw some light on that?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Okay. Amit, perhaps I think because we are actually hitting now, so out of the earlier we used to indicate almost like 18 million tonnes out of which 5 has already been achieved. So 13 is also in fairly advanced stages of each passing month. I'm going to announce the commissioning. So I can tell you that this quarter, you will see some of these capacities and by, for example December, most of my capacities will be there including Salai Banwa, Penna Jodhpur, the Bhattapada and couple of more. And then by March, whatever we have indicated here is what, for example, we are going to achieve. So 118 million by fiscal year FY26 is there to be achieved.

- **Mr. Amit Murarka – Axis Capital:**

- Sure! Got it. And Bhattapada, like, is facing some delays, is what I understand, because I remember, right, you had earlier indicated March 25 as commissioning. So, like, why is it getting delayed? I mean, frankly like, concern is more around, because what I understand is that the Chinese equipments is what these plants are based on and we have been reading that Chinese engineers are not being allowed into the country. So is it something to do with that or like, is there any other issue over here?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- No, no, per se, not, I mean, like, in fact, we already have this particular company who has, who is the vendor which you are referring to, already, like, a vendor to us for a couple of our other assets. So we do not see any issue on that. This March, what you are indicating is something which is our management target and so far as but….. the outline timing is concerned, we are well on that. I do not see any, per se, any issues over there. So to rest you on any anxiety, no concerns on the vendor, no concerns on the execution and completion. Of course, projects of this scale, for example, when you have a brownfield expansion, a couple of months here and there, because you are operating for, you are actually executing in an established estate, which is also, should not be derailed in any form and manner. So these are, like, very nominal months, couple of months here and there. I do not see any issue or any anxiety over there.

- **Mr. Amit Murarka – Axis Capital:**

- No, thanks for clarifying that. Very comforting. Also, you could provide, like, the cash position at the end of June.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So Amit, we can pick up from where we left and I think March end was almost 10,250 odd crores, if I remember. And from there, for example, when I look at the overall, say, cash flow, we are sitting right now closer to 3,000 odd crores. And this includes the overall acquisition of, say, Orient, then also my capex of almost 2,000 crores, which has been for the June quarter, then almost 600 CR, 550 to be precise, for the dividend and so on and so forth. So overall, basically, right now, we are holding 3,000 odd crores of cash and cash equivalent. Yeah?

- **Mr. Amit Murarka – Axis Capital:**

- Sure. And lastly, what was the effective date of Orient acquisition?

- **Ms. Nidhi - Moderator:**

- Sir, sorry to interrupt but I request you to rejoin the queue for the follow-up question.

- **Mr. Amit Murarka – Axis Capital:**

- Sure, sure. Thank you.

- **Ms. Nidhi - Moderator:**

- Thank you so much. Thank you. The next question is from the line of Naveen Rameshwar Sahadev from ICICI Securities. Please go ahead.

- **Mr. Naveen Sahadev – ICICI Securities:**

- Yeah, yeah. Good evening. Good evening, Vinod ji, Rakeshji. Thank you for the opportunity. Two questions and I think that is similar to what Amit was trying to ask. Is the expected date for Orient is 22nd April to be merged or consolidated or will it be 18th June to understand the, like, you know, integration better?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah, Naveen, it is 22nd April.

- **Mr. Naveen Sahadev – ICICI Securities:**

- Understood sir. And my second question was on the overall, like, you know, cash outflow towards capacity creation. So as you mentioned, current cash balance is more like 3,000 crores. So just wanted to understand, how much do we have to pay for Penna? Because I believe there was some retention money and of course, subject to the capacities which were to get commissioned. So to answer the question is, how much money for PENNA is likely to be paid? I am assuming it will happen this year. And when will these PENNA capacities, especially the clinker in North, will come on board?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So Naveen, clinker should be coming to us, you know, let us say, Q2 itself, by the end of September. And so far as then, there are a couple of other assets like Krishnapatnam, which will be there and small CAPEX at Tandur. So these are all actually going well, so far as PENNA assets are concerned. And when we have factored in the CAPEX program, the balance small payments which are left to be paid, those will be paid within the overall guide, our contractual terms of the DSPA. Yeah, but in terms of the progress on the Jodhpur asset, it is absolutely bang on time, progressing well. And personally also, I have a couple of times, a beautiful asset which has come out actually. And this is like technology.

- **Mr. Naveen Sahadev – ICICI Securities:**

- Great. Only one related just a clarification. So, of course, you said Penna the balance payment is included. So, is it safe to assume ₹10,000 crore kind of CapEx for FY26 as a number?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- You can consider maybe couple of thousands. So, you can actually consider ballpark 1,000 here and there. So, 10,000 is a good amount to assume. I would have considered between say 9-10, but, yeah, 10 is okay. That includes Penna also.

- **Mr. Naveen Sahadev – ICICI Securities:**

- That's very helpful, Sir. Penna, of course. So, all in ₹9,000 crore kind of an outflow for FY26. Thank you, Sir. Thank you so much.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah-yeah

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

- **Mr. Rajesh Ravi - HDFC Securities:**

- Good evening and congrats on good set of numbers. Firstly, could you share the volume numbers for the full year now adjusted for the clinker sales? And second, can you share for the 2 listed subsidies, Orient and ACC, what would be the CapEx in these 2 companies individually? And what are the capacity enhancement? For Orient, particularly, there were talks of a grinding unit and a clinker expansion in Karnataka and a grinding unit in M.P. And, similarly, for ACC any progress on the Wadi clinker? Or any other asset beyond what we have recently commissioned?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah, thanks, Rajesh. So, first to start with, your question was about the overall volume.

- **Mr. Rajesh Ravi - HDFC Securities:**

- Console volume ex of clinker sales for full year.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah. So, for the full year, while in terms of the capacity, as I mentioned, we are targeting to hit 118 million tons. And what is my overall say estimated volume? That is like, for example, you can broadly consider a current trend of 75%-78% and that you extrapolate that.

- So, far as the second question, which is about the CapEx at Orient, I think right now our priority is to improve the overall efficiency at Orient then immediate expansion. And, therefore, this financial year it is more of achieving the desired cost numbers and some of the deep bottlenecking. But definitely there's an opportunity for us, as the previous promoters also, we're doing in terms of expansion at Chittapur and a bit of at Devapur but that is like we will look at it in the next financial year.

- So far as M.P. is concerned, again, that for example, we'll work it on but not an immediate priority. The immediate priority for us right now is the 7-8 sites, which I mentioned to you and which are strategically well located and integrate very well in our overall plan of 140 million tons. But more detailed plan for Orient in terms of the growth will come out separately.

- Your third question was…Is that good for you? Anything else?

- **Mr. Rajesh Ravi - HDFC Securities:**

- Yeah, ACC. CapEx at ACC.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So far as ACC is concerned, as you know, Ametha was the one which we did followed by acquisition of Asian and now Salai Banwa right now is progressing very well and in next few months you will see Salai Banwa up and running. Salai Banwa, as you know, is in U.P.

- Then, again, for ACC I have been highlighting our focus has been in terms of improving it's, again, cost efficiency, its green power, WHRS. Apart from Salai Banwa, if you also know Sindri we have expanded when we announced in March in terms of expansion. So, Sindri, Salai Banwa. Wadi line is also very much in the plan and that is in the drawing boards and I have highlighted before the dismantling of the line 1 is already been commissioned. Therefore, that is very much in the pipeline but not for this financial year, it will be limited initial groundwork but it will come in the next financial year.

- So, these are like the CapEx program for ACC but more importantly is on the efficiency factor because the bridge between the overall EBITDA for ACC versus other peers is what for example we will bridge it very fast. And as you see that in last many quarters ACC has been catching up on that.

- **Mr. Rajesh Ravi - HDFC Securities:**

- Sir, out of this ₹9,000-10,000 crore, how much of the CapEx one can work out in the standalone ACC…

- **Ms. Nidhi - Moderator:**

- Sir, sorry to interrupt but I request you to come back for the follow up question.

- **Mr. Rajesh Ravi - HDFC Securities:**

- I am just completing this follow-up. Just completing this follow-up.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah, okay. Nidhi, I will just answer that. So, Rajesh, generally like you will factor off 75:25 between parent company and…So, which is like Ambuja and ACC. Sometimes like 70:30 or 75:25 kind of thing.

- **Mr. Rajesh Ravi - HDFC Securities:**

- Okay, great. I will come back in queue, Sir. Thank you. All the best.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Sure.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

- **Mr. Ritesh Shah - Investec:**

- Hi, Sir. Thanks for the opportunity. A couple of questions. Sir, first is on ACC, there was a significant cost bump on a sequential basis for both raw mat as well as other costs. How should one look at it? And is it by any means tied to a few clinker units that we have actually shutdown in South? Is it because of higher inter-regional trade, higher clinker cost? How should we treat it to that?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, Ritesh, as you know that given the early set of monsoon which started in June basically, what we have also done is in terms of the scheduled maintenances and, therefore, like Wadi and all, for example, which is ACC, we have actually done that. So, therefore, you will find a bump. Whenever you have scheduled maintenances, you will generally find a bump in the particular quarter but on an overall year basis you will see it gets neutralized basically. So, the benefits of that will come in the subsequent quarters.

- So, that was like say one part. And, again, like in terms of the other expenses, I actually mentioned earlier that especially for ACC in terms of the settlement cost, the VRS, the employees separation and also in terms of the brand promotion and sales promotion activities which will get intensive this year and lots of investment is being done on the brand equity, on the channel vibrancy. I also put in my initial remarks and you are already seeing the results of that in terms of the price improvement, in terms of the overall volume improvement. This will continue.

- So, the delta positive impact is coming on the revenue part while some of these investments will happen in terms of this brand and sales promotion. So, those are basically the trend.

- **Mr. Ritesh Shah - Investec:**

- Sir, my question is basically we have taken out Wadi 1 Bargarh and Chaibasa, so how are we substituting that clinker for the GUs in South for ACC?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah. So, therefore, like if you see in the MSA, there is also a good moment of clinker between Ambuja and ACC. So, the high cost clinker which goes off of ACC, almost like if I have to highlight between ACC and Ambuja, this time clinker movement has been almost like 0.47 million metric tons. So, it gets applied, for example. So, Bargarh and Chaibasa. So, I have say Penna assets now, I have got say Orient also. So, sometimes when Wadi is down and I have say Chittapur for Orient which is available to supply and so on and so forth. So, therefore, the logistics wise whichever is the best suitable is what being used in terms of the clinker movement and, therefore, supplies of cement.

- So, do not worry, overall if you look at overall balance of the cement versus clinker, it is well balanced.

- **Mr. Ritesh Shah - Investec:**

- Sure. Sir, my second question is…

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- As you know, I have 64 million tons of clinker capacity and I have almost 105 million tons of cement capacity. So, you can apply the factor and then it is well balanced. Sorry.

- **Mr. Ritesh Shah - Investec:**

- Sir, my second question. Yeah-yeah. Hi, Sir. Am I audible?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yes, please. Yes, you are.

- **Mr. Ritesh Shah - Investec:**

- Sir, during the Marwa visit, you had indicated that we are looking to simplify our marketing structure, we will have like only 3 layers. Have you already progressed on that? What should we make out of that particular outcome? That is one.

- And other quick one is, one of our peers has announced commercialization of Telsa enclave, you did elaborate quite a lot on ESG, is this particular variable up for us on priority? If not, why so? Thank you.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- No, so, Ritesh, as you know like calcined clay or otherwise if you have fly ash and PPC, I think, I would say that I am sitting on a huge opportunity of fly ash and, therefore, those who do not have the opportunity they will look around for different types of products. But we have a natural advantage as a group synergy. So, therefore, I would right now focus on. And there is no better substitute to fly ash actually because the whole chemical process of fly ash which blends with cement, the cement quality and the cement strength is far, far superior and which is well demonstrated in many labs also. Point number one. And, therefore, the calcined cement and all the specific applications and all are, for example, different to what normally a cement can be.

- Point number two. What was your second question, Ritesh?

- **Mr. Ritesh Shah - Investec:**

- 3 layers.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- 3 layers.

- **Mr. Ritesh Shah - Investec:**

- Sir, on the marketing side…

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- That is more internal, Ritesh. I think not right to discuss on this forum. But, yes, we are simplifying and, as I said, we are reimagining the whole structure, the whole org structure, the whole plant structure and you will see prospectively a positive impact and results out of it. But exactly that is not the point to discuss on this forum, Ritesh. Offline we can connect on that.

- **Mr. Ritesh Shah - Investec:**

- Sure, Sir. Sir, can I just squeeze in one? In your initial remarks, you indicated…

- **Ms. Nidhi - Moderator:**

- Sir, sorry to interrupt but I request you to come back for the follow-up question, please.

- **Mr. Ritesh Shah - Investec:**

- Sure. Sure, sure. Thank you.

- **Ms. Nidhi - Moderator:**

- Thank you. Ladies and gentlemen, please limit to 1 question for participant and rejoin the queue for the follow-up question.

- The next question is from the line of Rashi Chopra from Citigroup. Please go ahead.

- **Ms. Rashi Chopra - Citigroup:**

- Thank you. Just had a question on realizations post the quarter. How have the realizations been across different geographies?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Rashi, thank you. I am very upbeat about realization. Although, definitely through your channels you will get a different impressions but especially when we are focusing on solutions oriented as a cement and, therefore, for example, at least we have the strong brand equity and we are actually able to get the right price and we have also upped the price of our premium cement while you would also hear this positive from our side. So, I think, realization is better off only and it will remain better off for the leaders and those who are decisive in terms of providing high-quality premium cement and addressing the solutions. And with good investment on brand equity, I think, it is also seeing a good turn and volume moment.

- So, that is like my submission overall but we will see different views from different corners of the industry but I would refrain because sometimes we are now following and bringing a good discipline in terms of adhering to the whole channel network and in terms of pricing and all. So, that will continue as a trend from our side.

- **Ms. Rashi Chopra - Citigroup:**

- So, just to understand this, are prices today better than what you expected in June?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- I would not say because that is like, again, I am saying June you have seen an improvement in prices and I can only say that our focus in terms of continuously addressing to the requirements of the customers is only going to help us and differentiate us better as compared to the industry in terms of prices. But I remain positive on demand and I remain positive on this factor also.

- **Ms. Rashi Chopra - Citigroup:**

- Got it. And just on the cash that you said ₹3000 crores, this is on a consolidated basis including Orient, everything?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah. Now, this call generally we always speak about consol because companies have their own MSAs and different companies are investing and they share the assets and also MSAs they always make sense to discuss consol.

- **Ms. Rashi Chopra - Citigroup:**

- So, on the cash balance of ₹3000 crores it is possible to split it up between ACC and Ambuja and Orient?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- I would say that as of now I do not have direct information but yes, it is broadly between like Ambuja and ACC you can say 60-40 or 50-50. So, that is the trend. Sanghi and Orient and Penna, for example, they would not have bearing the working capital because the cashflows have been used to make them debt free also, Rashi. Therefore, the major cash is lying with Ambuja and then ACC. So, that is like, for example, a broad split.

- So, Sanghi, Penna and Orient would not be sitting on that otherwise their minimum working capital.

- **Ms. Rashi Chopra - Citigroup:**

- Got it. Thank you.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Jashandeep Chadha from Nomura. Please go ahead.

- **Mr. Jashandeep Chadha - Nomura:**

- Yeah, hi. Thanks for the opportunity and congratulations on a good set of numbers, Sir. Sir, my first question is regarding the cost saving target, which we gave last year or maybe just last year of ₹530 per tonne. I understand there are some consolidation costs and higher fixed costs because of the assets that you…(*Audio lost*)

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Jashandeep, we are not able to hear you.

- **Ms. Nidhi - Moderator:**

- Sir, the current participant has been disconnected from the line. Can we move to the next one?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yes, Ma'am, please move to the next one.

- **Ms. Nidhi - Moderator:**

- The next question is from the line of Jyoti Gupta from Nirmal Bang. Please go ahead.

- **Ms. Jyoti Gupta - Nirmal Bang:**

- Good evening, Sir. Good set of numbers.
- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**
- Hi, Jyoti. Good evening.
- **Ms. Jyoti Gupta - Nirmal Bang:**
- I just wanted to understand what has been the contribution of South-based plants in terms of EBITDA per tonne? And since we are expecting that the prices in the South will further strengthen, will that have a significant impact on our EBITDA per tonne?
- And the second part is that while we have taken an estimate of EBITDA per tonne improvement of almost like 530 till FY25 and I think this year alone from cost we should be somewhere, I mean, price increase should commensurate to the overall EBITDA per tonne with cost. So, what is your sense that where should we end this year in terms of overall consol Ambuja's EBITDA per tonne?
- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**
- Thank you, Jyoti. Jyoti, as you know, South now we have a good large share. As part of my overall capacity almost 26% while West is 23%, which is disclosed on Slide#15 of my investor deck. Now, definitely South has been a good contributor for the June quarter but South you know that how it works because of the excess capacity. Therefore, you cannot predict in South generally. But I am bullish with respect to demand and, therefore, I am also positive with respect to prices.
- I would not comment about the overall price expectations or the EBITDA expectations but I can only say that the EBITDA which we have highlighted and given and reported is what the EBITDA we are targeting to sustain and improve from here and, therefore, like both demand and prices I am positive. Giving specific numbers will not be possible and will also not be appropriate.
- **Ms. Jyoti Gupta - Nirmal Bang:**
- Okay. Thank you, Sir.
- **Ms. Nidhi - Moderator:**
- Thank you. The next question is from the line of Jashandeep Chadha from Nomura. Please go ahead.
- **Mr. Jashandeep Chadha - Nomura:**

- Yeah. Hi, Sir. Am I audible now?
- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**
- Yeah, Jashandeep.
- **-Mr. Jashandeep Chadha - Nomura:**
- Yes, hi. Sir, sorry for that and congratulations on a good set of numbers. So, firstly, I want to ask about the cost saving, the target that we gave about ₹530 per ton and I understand in the last few quarters there have been some consolidation costs because of the assets you have acquired. But if we want to do an apple to apple comparison from FY24 days, how much of the cost benefits would have come in based on the initiative that you have taken? And under what major hedge will those be? If you can give insight on that, that would be great.
- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**
- Yeah. So, Jashandeep, you are right, the journey of ₹530 continues. And if I have to give a broad range, we would have hit almost 35%-40% of that journey by now. So, let us say closer to ₹200 a ton basically; ₹175-₹200. Now, primarily, let us say power is one of the factors, with the green power. Second is now you will see on the fuel side, for example. And third is the logistics. These are like my primary and, of course, my raw material cost which we have sustained with advantage in terms of the long-term agreement on fly ash which we have entered into on a competitive bid basis with the group company and all. So, I think raw material we have sustained and from here onwards I am going to see improvement on raw material, continued improvement on the power and the efficiency of the power also and also the heat consumption while we will sustain and improve on the coal cost.
- These are like major factors and apart from that logistics cost. With every improvement and increase in my grinding capacity and location, therefore, my overall lead distance comes down. And we are also working on a few initiatives on EV and all which will actually bring down the overall PTPK. So, these are like broad numbers and, therefore, gives me much more high visibility to achieve. Even for the acquired assets, they will actually complement and help us to move on our Rs.530 reduction.
- So, I am quite bullish about that. And this quarter for example, which we had to fix some of the issues on the revenue part which we have done successfully and which we will see a further improvement on that part with a more vibrant channel network and all and cost anyways remains our forte and focus. So, both will complement now to each other and, hence, my overall comfort to sustain and improve the EBITDA from here further is very high.

- **Mr. Jashandeep Chadha:**

- Understood, Sir. Just an extension to this before I ask my second question. On a consol basis does your Rs.530 target still is there? Why I am asking because when you gave this target, Orion was not in picture and now Orion comes in and I believe there will be some CapEx involved to bring it to Ambuja's cost structure. Just want to understand on a consolidated basis on the increased capacity is it still Rs.530 over FY24 days or the number has changed, the target has changed?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- No, it continues. So, even like, for example, when we had given the numbers, we had envisaged that there will be some acquisitions and all. Therefore, we will adhere to that number.

- **Mr. Jashandeep Chadha:**

- Understood. My second question is largely, Sir, I think I heard you…

- **Ms. Nidhi - Moderator:**

- Sir, sorry to interrupt but I request you to come back for the follow-up question.

- Thank you. The next question is from the line of Patanjali Srinivasan from Sundaram Mutual Fund. Please go ahead.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Thank you for the opportunity. I have a couple of doubts. I do not know if I made a mistake but our 'Other expenses' on our presentation is mentioned 678 but there is a footnote that says excluding new assets and one-time gain. Could you quantify or mention whether these are like startup costs or something because of the integration of the new assets or what is the difference? Will it continue or is it a one-time expense?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, you are referring to the 'Other expenses', which is 678 versus 699 of March and 689 of June. Is that the numbers you are referring to?

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Yeah. Because if I take it on a reported cost basis it is 788 but in the presentation it is mentioned as 678. So, I think there is a delta of about ₹110.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Ya it is the one-time gain which was there in the previous year. So, we have actually put it/aligned with the comparison and, therefore, comparison on YoY basis is what we have done. And if you see the footnote also which is there, so it excludes the new assets and it also excludes the one-time gain of the previous year.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Okay. So, it will not be recurring, would that be your right understanding for this?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- That gain was not recurring. Therefore, it has been aligned.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- No-no, the new asset cost. The new asset cost, it won't be recurring, right?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Yeah-yeah, that will not be recurring. That will not be recurring and, therefore, you will see now considerable improvement on these other expenses.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Okay. Sir, and just one last question. Like between ACC and Ambuja, why do we see such a big difference in profitability? Like given that this quarter south prices went up, ACC has better region presence in south and east but ACC still reported very weak numbers compared to Ambuja.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, Patanjali, thank you. But not very weak, for example. Let us say, yeah, ACC has its own and from beginning if you know, A, the advantage Ambuja has is with respect to the captive coal mine, while ACC is all third-party purchase. So, fuel becomes an important factor.

- Then in terms of the power cost also because of again the vintage and legacy of ACC, so therefore the power cost also, when I look at it, broadly in case of ACC, it is almost like ₹6.10 per unit compared to when I look at Ambuja it is say ₹5.30 and on overall it becomes say ₹5.90 paisa. Then some of the efficiency investment which are in process but Ambuja has a higher WHRS factor, almost21 %, while in case of ACC the WHRS factor is say 14%, one-fourth. So, there is a reason. Therefore, I said for ACC our primary efforts are to work on the investments and the efficiencies gain on the cost and that will help us to bridge this gap of whatever ₹300-₹400 a ton and come to 4-digits sooner for ACC as well.

- Of course, the brand equity, the brand pool is now started giving us very good results and more so the ACC Gold, that is a block buster product in the industry in terms of the premium and, therefore, more and more focus on that will also help us to further improve the topline and the realization, which has happened in fact this quarter also. But this certain, which is like a time bridge, so investments are being done, they are in the plan and, therefore, this journey of cost improvement when we say it, it has actually a significant improvement of cost journey for ACC.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Sir, I see a lot of spends being done for ACC in terms of market.

- **Ms. Nidhi - Moderator:**

- Sorry to interrupt but I request you to come back for the follow-up question.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- No, it is a continuation of the previous question, Ma'am. Sir, can I continue?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Nidhi, allow please. Yeah, Patanjali.

- **Ms. Nidhi - Moderator:**

- Yes.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Yes, Sir. So, we see a lot of brand spends, Sir, that is being done for ACC but the pricing gap between ACC and Ambuja is still pretty elevated. So, are we positioning the two brands slightly differently in the market or is there any other factor to it that I am missing out on?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Both the brands have a strong brand equity and both the strengths of the brand equity is leveraged very prominently now. So, there is no per se promoting differently but using their own advantages. So, in many pockets ACC has a better price compared to Ambuja for the brand equity and in many pockets Ambuja has because they have their natural strengths. For example, East and South is where ACC has been very dominant from past and North and West is where Ambuja has been very dominant from past and that continues.

- In fact, now with the synergy, the blend is actually helping us on an overall basis. So, please look it on an overall basis. And, of course, ACC, with its brand equity strength, it is getting the benefit. Therefore, my overall consol and also standalone ACC you will see a good improvement in the price per bag.

- **Mr. Patanjali Srinivasan - Sundaram Mutual Fund:**

- Sure, Sir. Thank you so much.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Sumangal Nivatia from Kotak Securities. Please go ahead.

- **Mr. Sumangal Nivatia - Kotak Securities:**

- Yeah. Thank you, Sir, for the chance. Most of the questions are answered. Sir, just one or two left. One on the next phase of expansion, which is 21 million tons, what is our preparedness? And, I mean, if you can give some color as per will it be largely greenfield now given the brownfield phase is in the first phase? And also what are preferred locations?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, Sumangal, good question. Again, the 21 million which will be actually from FY27-28 basically, lots of groundwork has been done. So, groundwork in terms of land, in terms of the overall approvals of CTOs, environmental, public hearings, for example, lots of this groundwork has been done. And, therefore, it will not take more time when we actually start the project execution. And, therefore, preparatory civil work, basic civil work and pre-operating expenses and all, for example, in some of the sites have already started to happen, including appointment of the technical consultants and owners engineers and so and so forth. And importantly, in terms of our negotiations with the vendors as well, which is already at a very, very advanced level and you will hear positive developments on that front also, so that 20 million tons is also well on track and, therefore, very confident to achieve 140 by end of March'28.

- **Mr. Sumangal Nivatia - Kotak Securities:**

- And, Sir, some color on which regions will be the priority there? Any geographical mix are we looking at?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Primarily, I think we are like PAN India but if you be more specific then north you will see a good capacity, in center also you will see a couple of assets, then east already we have commissioned, therefore, for example, east have already seen those additions, couple of them in west. So, you will see actually. So, that will balance it out because right now in center we are, let's say, on an overall basis 8% of my cement capacity. So, we'll see more of this balancing happening across these 5 regions of the country. So, it is not per se biased towards any particular belt.

- **Mr. Sumangal Nivatia - Kotak Securities:**

- Understood. Understood. Sir, for the JPA bid what would be a strategy in case we win for the non-core assets?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Sorry, I could not follow, Sumangal.

- **Mr. Sumangal Nivatia - Kotak Securities:**

- Sir, we, we are keen to acquire JPA through the NCLT, so what would be our strategy for the non-core assets which comes along with the cement assets there?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, Sumangal, basically as you know Adani Enterprises Limited as a company has actually applied for that and, therefore, would not be fair from my side to comment and, hence, cement and non-cement as a complete pack. It's AEL which is actually have applied for it, so I would refrain then anything further on that.

- **Mr. Sumangal Nivatia - Kotak Securities:**

- Okay. Thank you, Sir, for the clarification and all the best.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Thank you, Sumangal.

- **Ms. Nidhi - Moderator:**

- Thank you. The next question is from the line of Kunal Shah from DAM Capital. Please go ahead.

- **Mr. Kunal Shah - DAM Capital:**

- Yeah. Hi, Sir. Just one question from my end. So, just wanted to understand how is the brand integration process progressing in south, especially from Penna's plants? Like any positive or negative surprise there? And specifically, how is Ambuja's brand positioning in the trade channel in south?

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Very positive. Why Penna, in fact, now Orient also completely brand penetration has happened and migrated to Ambuja and ACC. So, both, for example, Penna and Orient have done very, very well. Dealers have received it very, very well. All the dealers have also got onboarded into Ambuja and ACC platforms. So, in terms of my overall volume improvement, for example, and when you see and obviously you can do an assessment because when I do the adjustment 13% is there and without adjustment almost say 20%. So, this 7%-8% which has come from Orient also and Orient and Penna is nothing but coming from this integration and penetration of this brand of Ambuja and ACC and they have also helped us to improve with a better price realization. So, I'm very happy with this transition.

- **Mr. Kunal Shah - DAM Capital:**

- Just clarifying this one thing, like geographies of north and west, where Ambuja is specifically A or A+, is it the same positioning in south also where, you know, Ambuja is not present like your AP, Telangana, Tamil Nadu? So, just wanted that bit clarity.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- So, yeah, I think from a positioning perspective, both Ambuja and ACC remain as an A category brands PAN India, including south.

- **Mr. Kunal Shah - DAM Capital:**

- Understood. This is very helpful, Sir. Thanks a lot.

- **Ms. Nidhi - Moderator:**

- Thank you. Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to Mr. Deepak Balwani. Over to you, Sir.

- **Mr. Deepak Balwani – Head Investor Relations, Ambuja Cements Ltd:**

- Yeah, thank you. I trust that most questions have been addressed. Should you wish to discuss any outstanding query, we are available for a separate conversation from 5:20pm to 5:45pm today. You have my contact number, please free to call me. Thank you.

- **Mr. Vinod Bahety - CEO, Ambuja Cements Ltd.:**

- Thank you, Nidhi. Thank you very much. On behalf self and Rakesh, thank you all again.

- **Mr. Rakesh:**

- Thank you.

- **Ms. Nidhi - Moderator:**

- Thank you very much. On behalf of Prabhudas Lilladher Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

- ***END OF TRANSCRIPT***