NCL INDUSTRIES LIMITED

NCLIL/SEC/2026-2027 **18-11-2026**

Bombay Stock Exchange Limited **Phiroze Jeejeebhoy Towers, Floor.25, Dalal Street MUMBAI – 400001** **Tel No.022-22721234**	**National Stock Exchange of India Limited** **Exchange Plaza, Bandra Kurla Complex, Bandra (E),Mumbai – 400051Tel: 022-26598235**

Dear Sir/Madam,

Sub: Transcript of the Earnings Call on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2026

In furtherance of our letter dated November 09, 2026 & November 13, 2026 please find the enclosed transcript of the Earnings call held on November 13, 2026 on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2026.

The same is also being made available on the Company's website at www.nclind.com

Request you to take the above information on records.

Thanking you,

for **NCL INDUSTRIES LIMITED.**

DIVYA BHARATHI MAREEDU

M. Divya Bharathi
Company Secretary &
Compliance Officer

NCL Industries Limited
Q2 & H1 FY '27 Earnings Conference Call
November 13, 2026

Moderator: Ladies and gentlemen, good day and welcome to NCL Industries Limited Q2 and H1 FY '27 Earnings Conference Call.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Thank you. Good evening, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of NCL Industries Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the 2nd Quarter and Half Year ended of the Financial Year 2027.

Before we begin, a quick cautionary statement:

Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's conference call is purely to educate and bring awareness about the company's fundamental business and financial performance for the period under review.

Now, I would like to introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks:

We have with us Mr. K. Ravi – Vice Chairman and Managing Director, Mr. Prasad – Executive Director and Chief Financial Officer, Mr. Utkal B. Goradia – Executive Director, Mr. Suresh Kumar – Vice President Finance and Accounts, and Ms. Divya Bharathi – Company Secretary and Compliance Officer.

Without any delay, I request Mr. K. Ravi to give his opening remarks. Thank you, and over to you, sir.

K. Ravi: Thank you. My name is Ravi – Vice Chairman and Managing Director. Good evening, everyone. I would like to welcome you all to our Q2 H1 Financial Year '27 Earnings Conference Call. We are pleased to have this opportunity to engage with the investment community, share an overview of our business, and discuss our performance.

Before we take you through the business segments, quarterly and half-yearly performance, in the interest of some of the people who may be new to the company, let me first start by giving you a brief overview about NCL Industries. Established in 1979 by late Sri Ramachandra Raju, NCL Industries has built a diversified presence across building materials and renewable energy. Over the years, the company has developed a strong operating platform supported by established brands, manufacturing capabilities, and wide distribution network.

We have 10-member strong board of directors headed by Mrs. Renu Challu as Chairperson, who brings over 40 years of experience, expertise in banking, merchant banking, risk management, and corporate governance, having held leadership positions in State Bank of India.

Our business operations are spread across 4 segments: cement, ready-mix concrete, cement bonded particle board, and green energy. Our flagship brands include Nagarjuna Cement, Nagarjuna RMC, and Bison Panels have established their presence across their respective markets. The diversified portfolio allows us to participate across multiple stages of construction and infrastructure value chain, while our green energy business complements our focus on operational efficiency and sustainability.

Over the years, we have also built relationships with distinguished clientele including Tata Projects, Larsen & Toubro, ITP, NTPC, IVRPL, and Shapoorji Pallonji, among several other reputed organizations.

I will now hand over to our Executive Director, Mr. Utkal Goradia, who will take you through the business segments in detail.

Utkal B. Goradia: Thank you so much, sir, and good evening to all. I am Utkal Goradia, Executive Director of NCL Industries.

Cement remains our largest business. We operate 3 manufacturing facilities with an installed capacity of 4 million tons per annum and clinker capacity of 2.6 million tons per annum. Our manufacturing locations at Simhapuri, Kondapalli, and Vishakhapatnam, together with a distribution network of more than 2,400 dealers across Andhra Pradesh, Telangana, Karnataka,

Tamil Nadu, Pondicherry, Kerala, Maharashtra, Chhattisgarh, and Orissa, support the reach of Nagarjuna Cement across our key markets.

Our product portfolio includes OPC and greener products like PPC and PSC and other cement variants catering to diverse construction requirements. Our ready-mix concrete businesses complement our cement operations and serve customers in key urban markets. We currently operate 10 ready-mix plants comprising 6 plants in Hyderabad and 4 in Visakhapatnam with a capacity of 60 cubic meters per hour at each plant.

In cement bonded particle boards, we operate 3 manufacturing facilities with a combined installed capacity of 90,000 tons per annum. The business is marketed under the brand Bison Panel with portfolio that includes Bison Panel plain boards, designer boards, laminated boards, and planks, which are suitable for ready-to-install and low-maintenance solutions from premium interior applications, decking, flooring, and wall slidings with an attractive wood-like finish.

We have continued to expand our distribution reach with the dealer network from 229 in FY '24 to 343 in H1 FY '27 across India.

Our green portfolio comprises 42 megawatts of installed capacity, including 15.75 megawatts of hydropower, 18.3 megawatts of solar power, and 8 megawatts of waste heat recovery. This portfolio supports the energy requirements, with a substantial portion of the power generated being used for captive consumption.

Building on this foundation, we have taken a further step to scale up our renewable capacity. In continuation to our announcement in April 2026, when the Board had approved Phase 1 of the 50-megawatts solar and wind power projections at Tuticorin, Tamil Nadu, the Board has now approved Phase-2 and 3 covering the balance capacity of 80 megawatts at an estimated cost of INR 595 crores.

With this approval, the entire 130 megawatts project, which entails an aggregate investment of approximately INR 987 crores, which will be funded through a mix of debt and internal accruals. The required debt financing has already been sanctioned by ICICI Bank and HDFC Bank. Approximately 40% of the power generated from this project will be utilized for captive consumption, while the balance is proposed to be sold to other bulk consumers or through the Indian Exchange, IEX.

Upon implementation of this project, the company's debt-to-equity ratio is expected to increase from present levels of 0.26 to approximately 0.9. This project is expected to further strengthen our renewable energy portfolio and enhance our long-term energy security.

Alongside strengthening our existing businesses, we continue to focus on strategic initiatives to enhance the operational capabilities, improve cost efficiencies, and support sustainable long-term growth. One such important initiative is the acquisition of Vishwamber Cements Ltd, which has a limestone mining lease spread across 322 acres. This acquisition is strategically significant as it strengthens our raw material security and provides an opportunity for greater backward integration, supporting the long-term requirements of our cement business.

Another notable development is that the company is exploring the opportunity to set up a cement plant in Orissa and approaching the government to pursue any relevant applications and approvals. The proposal is at a preliminary stage. Any further decisions to proceed with the project will be subject to applicable approvals and the company's further evaluation, approvals as applicable.

I now hand over to our Executive Director and Chief Financial Officer, Mr. Prasad, Who will take you through the operational and financial performance of the quarter and half year.

Prasad: Thank you, Mr. Utkal, and good evening to everyone. The period from July to September is generally considered as off-season for the cement industry due to the monsoon, during which demand typically remains subdued. However, this year the second quarter witnessed healthy demand, primarily driven by the housing sector and infrastructure developmental activities.

On the pricing front, cement prices remain subdued while rising coal costs and fuel costs continue to exert pressure on margins. Despite these near-term challenges, the long-term outlook for the cement industry remains encouraging, supported by sustained infrastructure development and demand from the housing and infrastructural and industrial sectors.

Let me take you through the performance of each of the business segments. Coming to cement division, which continues to be the key contributor to the company's operations. During this quarter, our cement sales volumes registered a growth of 16%, reflecting a healthy demand across our key markets and consistent operational performance despite the seasonal challenges associated with the monsoon.

Consequently, revenue increased by 12% on quarter-on-quarter basis and 11% on year-on-year basis, primarily driven by the higher sales volumes. Capacity utilization stood at 79% during the quarter and 74% for the first half year based on our expanded capacity. For the first half of the year, cement sales stood at 14.59 lakh tons compared to 12.63 lakh tons in the corresponding period of the previous year.

On the operational front, EBITDA per ton stood at INR 480 for the quarter at INR 475 for the first half of the year. In absolute terms, the Cement division reported an EBITDA of INR 38 crores during this quarter and INR 74 crores for the half year.

While cement remains our principal business, our ready-mix concrete operations provide us with an additional presence in the construction value chain. Let me now share the performance of this division.

RMC division sales volumes registered a growth of 9% on quarter-on-quarter basis. However, volumes for the first half of the year declined by 18%. This decline was primarily attributable to challenging market conditions, constraints in manpower availability, and intense competition from the unorganized sector. The RMC division reported an EBITDA of INR 1 crore during this quarter and INR 1.47 crores for the first half of the year.

Moving on, our Cement Bonded Particle Board business, that is Bison Panel, continues to be an important part of our diversified product portfolio. During this quarter, we undertook certain initiatives to strengthen the brand and improve its market reach. The Bison Panel division registered a volume growth of 6% during this quarter as well as for the first half of the year.

With this objective of strengthening our market presence and addressing the issue of duplicate products being sold under the Bison Panel name, we have launched an advertising campaign across various media platforms, including social media and television. In addition, we have reduced Bison panel selling prices by approximately 17% to 20% to improve affordability and enhance market penetration. We expect these initiatives to strengthen our brand presence and support higher sales volumes in the coming periods.

The division maintained a healthy EBITDA margin of 14% during this quarter as well as for first half of the year. In absolute terms, this division reported an EBITDA of INR 5 crores for the quarter and close to INR 10 crores for the first half of the year.

Coming to Energy Division:

We have 2 small hydropower plants with an aggregated installed capacity of 15.75 megawatts. Both the projects are canal-based and power generation is entirely dependent on the availability and release of the water into the canals. During the first quarter, there was no power generation from either plant due to the unavailability of water.

However, during the second quarter, the plants generated 9.22 million units of power. Of these, 1.81 million units were utilized for captive consumption while the remaining power was sold to the grid under the respective PPAs, power purchase agreements. The Energy division reported an EBITDA of INR 0.63 crores during this first half of the year.

Coming to the company's overall financial performance:

Revenue from operations for the quarter, second quarter of this financial year, stood at INR 386 crores, registering a growth of 12% year-on-year as well as quarter-on-quarter basis.

EBITDA for the quarter stood at INR 37 crores, declining by 26% year-on-year and 6% quarter-on-quarter basis. EBITDA margin stood at 9.64%, contracting by 502 basis points year-on-year and 189 basis points sequentially.

Profit after tax stood at INR 20 crore for the quarter, increasing by 1% year-on-year and 15% quarter-on-quarter basis. PAT margin was 5.18%, lower by 60 basis points year-on-year, but higher by…

So, I will start from this financial performance:

Financial performance:

Overall financial performance of the company. Revenue from operations for the 2nd Quarter stood at INR 386 crores, registering a growth of 12% year-on-year and also on quarter-on-quarter basis. EBITDA for the quarter stood at INR 37 crores, declining by 26% year-on-year and 6% quarter-on-quarter basis. EBITDA margin stood at 9.64% contracting by 502 basis points year-on-year and 189 basis points sequentially.

Profit after tax stood at INR 20 crores, increasing by 1% year-on-year and 15% quarter-on-quarter. PAT margin was at 5.18%, lower by 60 basis points year-on-year but higher by 12 basis points sequentially.

Moving to the half-yearly performance:

Revenue from operations for the first half year stood at INR 730 crores, registering a growth of 7% year-on-year. EBITDA stood at INR 77 crores, declining by 25% year-on-year. EBITDA margin was at 10.53%, lower by 453 basis points compared with corresponding period of the last year.

Profit after tax for the first half year stood at INR 37 crores, declining by 7.2% year-on-year. PAT margins stood at 5.11%, down by 80 basis points. The compression in EBITDA margins during the quarter was primarily attributable to decrease in selling prices and increase in raw material costs, which exerted pressure on the overall cost structure. These cost pressures impacted operating profitability despite the growth in revenue.

At the segment level, cement contributed about 84% of first half of the year, followed by cement bonded particle boards at 10% and ready-mix concrete at 7%. We are happy to report that the company has a CRISIL A Stable rating and a net worth of INR 969 crores as of 30th September 2026.

Going forward, our priorities will include strengthening the performance of our core cement business, improving operational efficiencies, expanding the reach of our building materials portfolio, pursuing our renewable energy activities in a disciplined manner. We will continue

to focus our prudent capital allocation, customer service, and sustainable long-term value creation.

With that, we conclude our opening remarks. Thank you for your continued interest in our company. We would be happy to take your questions now. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Kinnar Mehta from Eureka Investments. Please go ahead.

Kinnar Mehta: My sincere appreciation to management for holding this con call. This would go a long way in improving the goodwill of the company. Sir, for this, my query is regarding the CAPEX which we are planning. Operations, we have limited control, but the CAPEX. Now, sir, we are doing INR 987 crore CAPEX, which has increased from, I guess earlier it was lower by INR 70 crores. So, what in April it was communicated around INR 920. So, why this has gone up?

My question is regarding what is the component of wind and solar, because we have been told it is a combo of wind and solar. So, what is the wind component? What is the solar component?

The third question is, how much unit shall we generate from this INR 1,000 crore CAPEX? How much shall be internally utilized? How much will be sold? What would be the ROI on this CAPEX? And how much amount we intend to fund it through debt? Because it is a very large CAPEX, and we are also talking of Odisha Cement CAPEX. So, what are our plans? How much would be through debt? How much would be through internal approvals?

And sir, when you Google it, the standard cost appears to be much lower. So, why our cost is so high? So, I would request management to give much more clarity on this CAPEX part.

Prasad: Thank you, Mr. Mehta. Yes, this is a hybrid power project consisting of solar and wind power. Solar will be about 170 megawatts and wind will be about 30 megawatts. So, initially in the month of April, so that time we envisaged that some INR 917 crores. Keeping that in mind, we will be using only non-DCR, that is domestic content requirement will be zero. But afterwards there is a government stipulation that we should use some domestic solar panels. So, as a result of that one, the total project cost has gone up by INR 68 crores. So, that is the reason for the escalation in the project cost, overall project cost.

See, regarding this funding, so 70% of this project cost will be funded through debt, so balance will be through internal accruals. So, we got the sanctions from HDFC Bank and ICICI Bank for INR 675 crores, representing the 70% of the debt.

Coming to the consumption point of view:

We will be using almost 40% of the power generated from this project for our captive purposes, and balance will be sold to other bulk consumers or through the exchange. So, that is about this project.

Kinnar Mehta: Sir, just, there is a follow-up question. So, basically 100 megawatts solar would cost around 400 and 30 wind would cost around 250. Even if we total it, it would become around 650. So, why our cost is this high? And this would how much unit exactly? Because my maths says that we'll be able to generate around 30 crores unit. Is my calculation right? And what would be ROI based on this 28 crores unit?

Prasad: Yes, solar capacity would be around 170 megawatts. So, each megawatts will cost us almost INR 4 crores to INR 4.5 crores. So, that itself will be around INR 700 crores. And balance INR 250 crores, that is towards wind. That is your observation is also correct. So, 30 megawatts into INR 8 crores per megawatt, that will be roughly about INR 250 crores. Totaling to 950 crores, something like that, including transmission line and all those things, that will be costing INR 980 crores for this project.

Kinnar Mehta: What would be our units? How much would save? So, what is the EBITDA we will be able to generate with this?

Prasad: EBITDA in terms of this for captive consumption, there will be a saving of almost INR 3 per unit. See, as of now we are purchasing about INR 7 per unit, and the cost of generation from this plant would be around INR 4 per unit. So, there will be a net saving of about INR 3. So, balance in the exchange, through the bulk consumers, we can earn almost INR 4 per unit. So, total will be same. INR 4 per unit we can generate in forms of revenue.

Kinnar Mehta: So, we will be able to generate around INR 90 crores of EBITDA. I mean, in the same price it would be sold, right? I mean, the excess.

Prasad: No, savings will be around INR 3 per unit and sales revenue will be around INR 4 per unit for the balance surplus power.

Kinnar Mehta: So, on 25-28 crores unit, we will be able to make around 90 to 100 crores of EBITDA. I mean, saving or generating, am I right? I mean, this broader calculation.

Prasad: Yes, correct.

Kinnar Mehta: So, this leads to—

Moderator: Sorry to interrupt, Mr. Mehta. May we please request you to rejoin the queue, sir, for the follow-up question? Next question is from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg: Sir, taking from the earlier speaker, so, basically, we are investing approximately INR 1,000 crores, which is more than our net worth. And basically we will generate INR 90 crore kind of EBITDA. And so, don't you think it is a very low ROE project? And why, if we are only using 40% captively, then why not invest only INR 400 crore instead of investing 1,000 crore?

Prasad: See, the thing is that once we repay this debt, see, we have taken this loan for 3 years moratorium, 9 years repayment, that is for the period of total 12 years. After repaying this debt, the project will be completely debt free, and total generation, whatever is there, that can be used at whatever is the bottom line, that will be straightaway saving to the company.

K. Ravi: Future expansion.

Prasad: Yes, for the future expansions also, the balance power can be utilized. This is the 40% of the project capacity.

Keshav Garg: Since the CAPEX is being done in Tamil Nadu, I understand, so will we be able to wheel the power to wherever Orissa or wherever we are planning to set up the new cement plant?

Prasad: Yes, sir. This is an ISTS project. We got the connectivity from the central transmission utility. This is a Power Grid substation in Tamil Nadu near Tuticorin. So, there we are setting up this plant. The power will be transmitted through that PTCL substation. So, throughout India we can use this power.

Keshav Garg: And what is the cost of debt that you are getting the 70% loan at?

Prasad: This is around 8.5%.

Keshav Garg: Is this fixed or floating?

Prasad: Yes, floating, floating. That is related with MCLR.

Keshav Garg: Sir, so if we see, our net worth is INR 974 crore and our market cap itself is INR 760 crore. And the stock price is where it wasn't way back in 2015. So, why not just do a share buyback? That will make more sense. I mean, our net worth per share will increase, book value per share will increase by doing that instead of going for low ROE projects like this hybrid renewable project that we are setting up. I think the loss that we did in the door division should have been a lesson for us. Not to get into such misadventures.

Prasad: We are into cement business. Cement is power intensive. So, naturally, once we repay this debt and all those things, definitely there will be a lot of savings in power cost. For keeping the- our future expansions also in view, definitely this project is going to be a revenue contributor to the top line also. That is what we feel.

Keshav Garg: So, now 4 million tons is our capacity, cement capacity. So, by when will we reach that volume?

Prasad: We may not be in a position to utilize completely, but at least to some extent we will be in a position to utilize for captive purposes. Balance can be sold.

Keshav Garg: So, why are we putting all this upfront investment? Okay, let the Orissa CAPEX come. Because setting up a cement plant also takes some 5 years. So, what is the need to set all this CAPEX in an unrelated area, and that too on upfront? I mean, we can put incrementally.

K. Ravi: No, no, that is not possible. You can't keep on adding transformers and see, the Power Grid has given us 130 megawatts. That is what is available there. So, I mean, if you ask less than that, probably they will give preference to the other party. The transmission line and all that, I mean, if you are doing in smaller, you can't do it in number of phases. See, because the transmission line you have to lay from the project site to the Power Grid substation, and you have to erect a substation, our own cooling substation. And see, with all that, and see, if you start doing it in phases, see, it is not viable. And the Power Grid also, see, we prefer to give balance to somebody else. There is only 130 megawatts was available. Only that much they have given us, and we have agreed to set up for that facility.

And see, the another feature here is the solar power you can also store it. Nowadays, the battery is coming up, and once you store it, and then you can utilize it. Cement being a continuous process industry, you can utilize it during nighttime also. If you start utilizing it nighttime, round the clock, obviously, there may not be any surplus. All the whatever we are generating, all that will be consuming only in existing cement plants itself.

And see, without power, you cannot survive in cement industry, being a power intensive, and all our competitors, they have their own captive power. In the long run, see, definitely those who do not have their own captive power, definitely they cannot remain in cement business. That is the background.

Moderator: Next question is from the line of Vikram Damani from Damani Family Office. Please go ahead.

Vikram Damani: So, one clarification, I thought I misheard. Are you setting up 100 megawatts of solar, or is it more than 100 megawatts?

I just want to clarify one thing to the first gentleman who came on. Are we doing 100 solar plus 30 wind? Is that what you said?

Prasad: No, 170, 170 DC capacity will be 170 solar. And 31 megawatts of wind.

Vikram Damani: Your investor presentation says 130 megawatt.

Prasad: Yes, that will give us AC capacity of 130 megawatt. This is the DC capacity.

Vikram Damani: And sir, to the points the earlier gentleman made, we are spending about INR 125 crore a year on power currently. After we set this up, strip out the bit that we are selling to the market, how much of that cost would come down from the INR 125 crore?

Prasad: Approximately almost 30%-40% that should come down.

Vikram Damani: So, say we save about INR 40 crores there, and how confident are we? Given that it is solar and wind, and then we have no plans to set up BESS, which would additionally cost more money, given the time of the day this power is generated, can we still get INR 7 a unit at that time?

Prasad: Yes, yes. Presently, there is a procurement cost. We are purchasing at INR 7.

K. Ravi: INR 7 is going up to INR 9.

Prasad: Yes, yes. The peak hour, that is going up to INR 9 also.

K. Ravi: INR 9 peak hour.

Prasad: Yes. The cost of generation would be around INR 4 including--

Vikram Damani: So, once this plant is set up and we get INR 7 to INR 8, whatever it is that we sell in the market, so we expect that our power costs will go down to about INR 10-20 crores per year from INR 125 currently. Is that a right way to look at it?

Prasad: Not INR 10-20 crores, it will be much higher. How much?

K. Ravi: INR 60 per MT. INR 3 per unit into 20, INR 60 per MT into 28 lakhs into 50%, it is around INR 70 crores will come down.

Prasad: INR 70 crores.

K. Ravi: INR 70 crores will come.

Prasad: INR 70 crores.

K. Ravi: Yes, INR 70 crores per annum is going to be the saving.

Vikram Damani: And what part of that be set off by what we sell in the public, in the open market?

Prasad: I didn't get you. What exactly is that?

Vikram Damani: So, 40% we utilize in-house. So, the INR 125 that we spend, say, goes off by INR 50 crores, plus it will increase a little bit due to our CAPEX, but we will get additional INR 60-70-odd crores

from what we sell out in the open market. So, our net power cost should be trending towards maybe INR 10 crores a year.

Prasad: Yes, more or less that same number.

Vikram Damani: Fantastic.

Moderator: Sorry to interrupt, Mr. Damani. May we please request you to rejoin the queue, sir?

Vikram Damani: I just asked the question.

Moderator: Next question is from the line of Aditya Nair from Front Wave Research LLP. Please go ahead.

Aditya Nair: For the kiln was around INR 144 per ton of cement in Q2, which was 22% up from a year ago. So, as I understand, you use a split of pet coke as well as imported and Indian coal. So, I would like to understand why the cost has been increasing. Of course, the whole fuel prices have been increasing, but other than that, also what is the split between the pet coke and the coal which you burn together, and how hard and difficult is it for you to change the mix of the two, if the Indian coal prices decreases or the pet coke price decreases?

Prasad: See, earlier we were using this pet coke, but as of now we are using 100% coal only. That is also we are using mostly almost 100%, we can say, this is Indian coal only we are using.

K. Ravi: And changing from pet coke to coal or coal to pet coke, I mean, no problem at all. See, overnight we can change it with any percentage also. See, we have that infrastructure. See, that is not a problem at all.

Aditya Nair: So, that takes away the price sensitivity then. Okay, understood.

Moderator: Next question is from the line of Pranay Shah from Caron Capital. Please go ahead.

Pranay Shah: So, I just want to know that in terms of the timeline of the commissioning for the Phase 1 and Phase-2, so like how we can see the ramp-up happening on that part? I understand that you have marked February 28th, but what will be about Phase 1 and then when can we see the Phase-2?

Prasad: Yes, the total project will be commissioned by that time.

K. Ravi: By March.

Prasad: March '28.

K. Ravi: March ‘28. See, because the Power Grid, see, they said they will be ready only by March ‘28th, sorry, February 28, end February. So, we are trying to be ready with 100% by that time.

Pranay Shah: So, we will not be doing on installment basis, like entire Phase 1, Phase-2 will be completing at the same time, not on phase--

K. Ravi: Because they are ready to receive power, and we have no other choice but to go do it in one phase. So, that is the reason now we are going in one phase.

Pranay Shah: And alluding to the earlier participant's point where he said we are comparing the cost of the hybrid power project, like it is looking a bit as compared to the industry norms, there is a cost elevation. So, does it also include a BESS part to it, or we are not Investing on the storage side?

K. Ravi: No, no, as of now the project BESS is not there, but, see, that is, in fact, we are discussing with some technical experts. So, our team is working on that. So, if at all we are going for BESS, maybe to certain extent we will come down, the wind to that extent will come down, but overall, see, project cost will remain the same.

Pranay Shah: And have you signed any PPA?

K. Ravi: What is that?

Prasad: PPA?

Pranay Shah: Have you signed any PPA for the 43% which will be selling in the March?

K. Ravi: Not sir, no sir, not yet.

Prasad: We have understanding with CTEOL, and from their side, they have started work from their end, and we have started. In fact, we have finalized the transmission line, say about 7 kilometers transmission line. We have initiated. We have contract given. And similarly substation also, the work started, and that is the progress so far.

Moderator: Next question is from the line of Saket Kapoor from Kapoor& Co. Please go ahead.

Saket Kapoor: Sir, I joined the call a bit late, but if you could just explain to us, firstly, how are our EBITDA margins likely to trend, sir, going ahead for H2. And when we look at our contribution from the three verticals, cement, board, and the energy part, it is cement that has the largest pie, and boards and other having margins at higher side, but still the contribution is small. So, going ahead, what should be the margin profile and how are these segments likely to shape up, especially the board division? If you could just give an understanding and the seasonality aspect also in terms of the utilization levels for the board division.

Prasad: Coming to the cement, so for the first half of the year, cement has given us an EBITDA of about INR 470 per ton, and for the second half also we are expecting there can be some improvement to the extent of some INR 50-60. Anyway, for the year it cannot be more than INR 550 kind of thing.

So, coming to segment-wise, see, 84% to 85% we are getting from cement division only, total revenue. Regarding the margins, we are at 14% as of now. This board division, Bison Panel is giving us 14% margin. So, that is likely to improve in the coming periods because of the higher volumes of sales and all those things.

Saket Kapoor: And sir, in terms of then the utilization levels, and, sir, for the board division, do we have any seasonality impact or is it linear in all the 4 quarters?

Prasad: It is pretty much linear in all the 4 quarters.

Saket Kapoor: And the utilization level, sir, for the board division?

Prasad: So, presently we are close to 60%, so it is likely to improve in the coming periods.

Saket Kapoor: And are these markets considering that, that leads only to 60%, or is the industry practice that the nameplate capacity we can go higher to only 60%-70%, or can we eye for 80%-85% also going ahead? I just wanted to understand what does 60%, how can 60% go to 80%?

Prasad: So, we are talking of Bison Panel. Bison Panel, we are at 60%. Cement, we are operating at 75% plus.

Saket Kapoor: I am talking about the boards only, sir. Cement, you have mentioned.

K. Ravi: Not a problem. See, once we get the orders, we will see, we can go to 75-100% also in the boards division.

Saket Kapoor: Come again, sir. I missed your point.

K. Ravi: I mean, boards division, see, that's not a constraint. Capacity, not a constraint. Market, see, if we get orders, yes, we can go up to 100%.

Saket Kapoor: Sir, we also find—

Moderator: Sorry to interrupt, Mr. Kapoor. May we please request you to rejoin the queue, sir? Next question is from the line of Amit Saxena, an individual investor. Please go ahead.

Amit Saxena: Sir, on capacity utilization that you talked about, close to 75% that we have, ballpark, is it better than the industry average in our region? And if so, what are the advantages that we have that, we do have a higher capacity utilization. That is my first question.

K. Ravi: Sorry, you are talking about cement, isn't it?

Amit Saxena: Yes.

K. Ravi: What was the question, please?

Amit Saxena: So, we talked about the capacity utilization, cement capacity utilization of close to 75% for the, for the first half of the year. So, in general, I understand that the South have close to 60-65% of capacity utilization. So, our capacity utilization, is it better than the average? And if so, do the company possess some inherent advantages because of which we are able to utilize more of our plants?

K. Ravi: That means Nagarjuna Cement is considered a premium brand in these markets, particularly Andhra Pradesh and Telangana. And see, we sell at a premium price. This is an excellent brand image we have. That is the added advantage we have compared to most of our competitors in this part.

Amit Saxena: You are saying we sell at premium prices, is it?

K. Ravi: Yes, we sell about INR 5 to INR 10 higher than most of our competitors' price in the market. High quality we maintain, and it is a premium brand image we have.

Amit Saxena: And sir, the way the industry is structured as of now, in the South, the capacity utilization has been less than 70% for more than a decade or so, in general. So, at this going price of cement, which has also not moved much during the last decade, do you think it makes sense for a greenfield plant to be commissioned as of today? Does the investment make sense for a new cement player?

K. Ravi: Depends on the location. See, maybe in the same belt it is meaningless to add capacity. At the same time, see, one more thing, while there is a lot of capacity, there are a number of smaller plants, see, they are dying down. See, I can quote about half a dozen names who went out of operation, see, like Panyam Cement and see, so many other plants, see, they stopped their operations because it is not working out to them.

So, all the smaller capacities, less than a million ton plant, more or less they perished in this market. So, to that extent, that additional volume is coming to the existing plant and if you are talking about our Orissa project, that Orissa not much of capacity in not many integrated cement plants exist in Orissa. So, that is the added advantage we have once we set up that facility there.

Moderator: Next question is from the line of Vikram Damani from Damani Family Office. Please go ahead.

Vikram Damani: So, just first off, let me start by saying thanks for hosting these calls. It is really useful for us to get our questions answered. I hope you continue doing that. Just a follow-up, I think it was the AGM in 2025, there was one promoter group that was selling shares in the open market, and that selling just stopped. I think in fact the same entities have started buying shares from the market again. So, any sort of comments or clarification on that? Can we expect any further movements there? I think it was P.N. Raju and NCL, I think one of them.

K. Ravi: Okay, P.N. Raju, see, he was a promoter, but he started a big venture in Amaravati, Andhra Pradesh, assuming that going to that market is going to boom. He left right and he borrowed money, then set up built big housing complexes. But he was not able to market because by then the government changed and the Jagan government came and Jagan government did not encourage that Amaravati area. So, he lost very badly. So, he sold his shares in the open market. But more or less the promoters, other promoters, more or less, see, they have purchased the similar quantity of shares. But overall, if you see, I think we are maintaining the promoters' stake overall is maintained. What is the--

Prasad: 42%.

K. Ravi: 42% is intact.

Vikram Damani: That makes sense. Looking forward to the next call.

Moderator: Next question is from the line of Naresh Ranka, an individual investor. Please go ahead.

Naresh Ranka: Thank you, management, for hosting this call. So, my question is on the Vizag. So, we have started this Vizag grinding unit in FY '25. So, I would like to know what is the capacity, current capacity utilization in this new, in the Vizag plant? And what cement grade are we selling there? And what will be the margin profile, EBITDA per ton in that Vizag plant?

K. Ravi: What the capacity--

Prasad: 77%

K. Ravi: 77% is the capacity utilization in that Vizag grinding unit, and we are manufacturing 4 different grades. One is of course the OPC. Then we are also manufacturing PPC, Visistha we call it. Then we are also making slag cement there, excellent quality slag cement we are able to make because, see, for that unit, in fact, we are getting a very good slag from NMDC. NMDC in Chhattisgarh, we are getting it.

So, by rail we are able to get an excellent quality SteelKrete, we call it. We are making, and we are able to penetrate into Orissa market. We have launched our product last one year into

Orissa and reasonably doing good volumes. And we are also manufacturing GGBS, that is ground granulated slag, that is used for mainly the coastal areas, all these RMC units. And see, some of this concrete, for production of concrete, they mix this GGBS. That also we are manufacturing and marketing from that unit.

Moderator: Sorry to interrupt, Mr. Ranka. May we please request you to rejoin the queue, sir, for the follow-up question? Next follow-up question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Sir, I am just referring to the asset held for sale, which we have mentioned in our balance sheet. What is that attributable to, sir? And what are we eyeing in terms of the realizable value for the thing?

Prasad: Yes, Doors division, fixed assets as well as the inventories have been shown there. Doors division that was closed in the last financial year, March 31st, the assets held in that division is being shown there.

Saket Kapoor: Sir, we have not realized the value for the same as of now.

Prasad: Not yet, not yet. That is in process.

Saket Kapoor: So, what are we eyeing, sir, in terms of what should be the realizable value for the same?

Prasad: More or less, whatever is the amount shown there, more, in all probabilities we should realize that amount. So, that we have to see.

K. Ravi: That we have advertised now and we started getting inquiry.

Saket Kapoor: Sir, our net advance tax payment is, I think, you mentioned here at INR 5 crore 50 lakh income tax paid. So, that is totally attributable to the advance tax, or is it any net of refund? Or if you could share what have been our advance tax?

Prasad: Advanced tax. Advanced tax only.

Saket Kapoor: This is for the first half as of December?

Prasad: Yes.

Saket Kapoor: We hope for the continuity of this call and also meeting you people in person.

Prasad: Sure.

Moderator: Next question is from the line of Divyesh Vora, an individual investor. Please go ahead.

Divyesh Vora: Sir, I just wanted to, at the outset, let me congratulate you for coming on the call along with the shareholders.

Sir, we are setting up such a large CAPEX plan and we really know that it is a very sensitive plan that we are going ahead with, which is almost equivalent to the net worth of the company. Who is the EPC contractor that we have in mind? And are we going to take any guarantees from him for the cost and cost overruns and the generation of the solar and the windmill capacities? Because if anything goes wrong on the cost part, we are again in trouble, and if anything goes wrong on the generation also, we are again in trouble.

K. Ravi: Nothing can go wrong in this. See, we are not trying anything new technology. See, solar is tested all over. And see, in our units also, last 10 years or so, we are utilizing solar power everywhere. And see, we are not dealing with any state government. Normally, see, if you are dealing with the state government, there are a lot of hiccups, and see, there can be some problems when we are dealing with the central government and the Power Grid substation. I don't foresee anything wrong.

Divyesh Vora: I am talking about the EPC contractor who is going to set up this plant. So, I just want to know the credibility check on the contractor who is doing it and the company taking guarantee on these two counts.

Prasad: See, we have not given any EPC contract. These panels and materials, whatever is required, that will be sourced by the company directly. And for the execution part, we will be engaging some contractors.

K. Ravi: See, mainly the major problem is acquiring the land. See, that we acquired almost 418 acres we acquired, and already that is in our possession. And see, we have our own team. See, they have long experience in this power and wind, and we are directly, I mean, we are not giving it to any contractor as EPC. We are doing ourselves. So, I don't foresee any problem.

Divyesh Vora: So, are you saying that this purchase of all the materials which will be there for this project will come as a project expenses in our books only directly?

K. Ravi: No, is it going to come as a project expenses?

Divya Bharathi: Whether all this comes under project expenses?

Prasad: Yes, yes.

Divya Bharathi: Yes, sir, apparently yes.

Divyesh Vora: And can you throw light on what is the ROE of this project? Because this question remains unanswered. ROE of this project?

Prasad: Around 10%. Yes.

Moderator: Mr. Vora, does that answer your question?

Divyesh Vora: No, no, no, they have not spelled out the ROEs.

Prasad: That is 10%, around 10%.

Divyesh Vora: 10%?

Prasad: Yes.

Divyesh Vora: One more question. Can I go ahead with one more question please?

Moderator: Sir, we will take that as the last question for the day, sir. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management for the closing comments.

Divya Bharathi: Thank you all for participating in this earning con call. I hope we were able to answer all your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our investor relations managers at Valorem Advisors. Thank you.

Moderator: Thank you. On behalf of NCL Industries Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.