



SAGAR CEMENTS LIMITED

SCL: SEC: NSE: BSE: 2026-27

20th May, 2026

The National Stock Exchange of India Ltd.,
“Exchange Plaza”, 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

The Secretary
BSE Limited
P J Towers
Dalal Street
Mumbai -400 001

Scrp Code: 502090

Symbol SAGCEM
Series EQ
ISIN INE 229C01021

Dear Sir,

Sub: Submission of Earnings Call transcript under Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015 on Q4 & FY26 financial results

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Pursuant to the above said Regulation, we are forwarding herewith the transcript of the Earnings Call held on 14th May, 2026 in connection with the recently announced audited Stand-alone and Consolidated financial results of the company for the fourth quarter and year ended 31st March, 2026.

Thanking you

Yours faithfully
For Sagar Cements Limited

J. Raja Reddy
Company Secretary
M.No: A31113

Encl: a/a

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MANAGEMENT: Gavin Desa - CDR India
Sreekanth Reddy - Joint Managing Director
K. Prasad - Chief Financial Officer
Rajesh Singh - Chief Marketing Officer
J. Raja Reddy - Company Secretary

ANALYSTS: Rajat Setiya
Raghav Malik
Rajesh Ravi
Satyam Kesarwani
Kamlesh Bagmar
Inderpreet Bansal
Rahul Agrawal
Parth Bhavsar

Presentation

Vibha Jain: Good morning, ladies and gentlemen. Welcome you all to 4Q FY '26 Results Conference Call of Sagar Cements Limited. From the management team, we have with us today Mr. Sreekanth Reddy, Joint Managing Director; Mr. K. Prasad, Chief Financial Officer; Mr. Rajesh Singh, Chief Marketing Officer; and Mr. Raja Reddy, the Company Secretary.

I would now like to hand over the call to Gavin Desa from CDR India for his opening comments, post which we will hand over the call to management. Over to you, Gavin.

Gavin Desa: Thank you, Vibha. Just to add, we will begin this call with opening remarks from the management, following which we will have the floor open for an interactive Q&A session. I would also like to point out that while some statements made in today's discussion may be forward-looking in nature, a note to this effect was stated in the con call invite sent to you earlier.

I would now like to hand over to Mr. Sreekanth Reddy for his opening remarks.

Sreekanth Reddy: Thank you, Gavin. Good morning everyone, and welcome to Sagar Cements earnings call for the quarter and year ended March 31, 2026. Let me begin the discussion with a brief overview of the market, post which I will move on to Sagar-specific developments. As indicated earlier, overall demand during the quarter remained resilient,

particularly in the first two months, supported by a sustained construction activity.

However, momentum moderated towards the later part of the quarter due to labour shortages, during the festive season and the impact of the unseasonal rains. The pricing environment also remained stable, largely driven by improvement in realisations in the non-trade segment.

Moving on to Sagar-specific developments. During the year, we completed the minimum public shareholding requirement in Andhra Cements through OFS, providing added financial flexibility at the parent level. We also closed the year on a strong note with volumes for both quarters and the full-year growing by 8% and 11%, respectively.

Our total volumes for the year stood at 6.1 million tonnes, broadly in line with our expectation, reflecting steady execution despite a dynamic operating environment. Demand remained resilient across our key markets, particularly driven by sustained traction in infrastructure and rural segments, which supported the top line growth of 20% during the quarter. Revenue were also added by favourable pricing trends in the non-trade segment, leading to an improvement in overall realisations.

Looking ahead, we remain optimistic about the demand outlook across our core regions. Continued construction activity supported by government-led infrastructure spending and stable rural demand provides a strong visibility. Based on this, we expect our volumes to be in the range of around 7 million tonnes for FY '27. On the operational front, our EBITDA per tonne for the quarter stood at ₹445 as against ₹218 per tonne reported during Q4 FY '25. Going forward, we expect profitability to improve, supported by structural cost efficiency initiatives.

This includes benefit from WHRS and increasing share of renewable energy through solar power, logistics optimisation and efficiency improvements from ongoing plant upgrades. Power and fuel cost stood at ₹1,422 per tonne as against ₹1,406 per tonne reported during Q4 FY '25. Freight cost for the quarter stood at ₹848 per tonne as against ₹822 per tonne during Q4 FY '25.

From an operational point of view, Mattampally plant operated at 59% utilisation while Gudipadu, Bayyavaram, Jeerabad, Jajpur and

Dachepalli plants operated at 84%, 69%, 95%, 44% and 38%, respectively, during the quarter. During the year, the group opted to be taxed under Section 115BAA of the Income Tax Act, 1961. Accordingly, deferred tax assets and liabilities have been remeasured. The group has recognised the deferred tax asset on the carryforward business losses and unabsorbed depreciation in Andhra Cements Limited based on projected future taxable income, which provides convincing evidence that sufficient taxable profits will be available to utilise the losses.

Profit after tax for the quarter stood at ₹100 crores. As far as the key balance sheet items are concerned, the gross debt as on 31st March 2026 stood at ₹1,672 crores, out of which ₹1,379 crores as a long-term debt and the remaining constitutes the working capital. The net worth of the company on a consolidated basis as on 31st March 2026 stood at ₹1,861 crores. Debt equity ratio stands at 0.74:1. Cash and bank balances were ₹107 crores as on 31st March 2026.

On the CapEx front, the company has successfully commissioned 2.8 megawatts of the Waste Heat Recovery System pertaining to the AQC boiler out of the 4.35 megawatt on 12 May 2026. The balance capacity of 1.55 megawatts relating to the preheater boiler is expected to be commissioned by end of June 2026. Further, our expansion projects at Dachepalli and Jeerabad are progressing and we remain focused on executing these projects within defined time lines and budget. These expansions, along with our existing surplus capacity, position us well to capture the incremental demand.

The Board of Directors of the company in their meeting on 30th March 2026 have accorded in principle approval of amalgamation of the Andhra Cements Limited, subsidiary company with Sagar Cements, subject to necessary approvals from the authorities concerned under Section 230 and 232 of the Companies Act 2013.

Further, the Board of Directors in the meeting held on 13th May 2026, approved the establishment of a new division, the Superfine Building Materials to capitalise on the growing demand for advanced, durable and eco-friendly construction solutions. The division will focus on high-performance superfine materials derived primarily from GGBS and fly ash, catering to precision construction and sustainable building applications. These products will support applications such as Ultra-High-Performance Concrete, structural repairs, interior finishing and cladding solutions.

The initiative aligns with the company's long-term growth strategy and aims to strengthen its presence in advanced building materials segment. Overall, we are confident of sustaining healthy growth over the medium to long-term, supported by capacity additions, operational efficiencies and business diversification.

That concludes my opening remarks. We would now be glad to take any questions that you may have. Thank you.

Question-and-Answer Session

Vibha Jain: Thank you sir. We will now begin the question-and-answer session. Anyone who have the question can ask through raise of hand or through Chat box. We will wait for a minute for questions to assemble. Meanwhile sir, The first question is from my side. Sir Can you please elaborate more on the expected cost impact that we can see in the coming quarter because of the West Asia crisis?

Sreekanth Reddy: Yes. Vibha, as you would have seen, the pet coke and the coal prices are on an uptrend, which we did indicate in our presentation. But fortunately, in our case, the inventories of the fuel is relatively available till middle of Q2. We do not expect a significant cost increase in the short term. But on a medium to longer term, yes, we have to see the outcomes of the war. But as it stands, the pet coke prices are on an increasing trend from what it used to be close to around \$120 is already hovering around \$136 to \$140 on a CIF basis.

So that should invariably add up another ₹200 up to clinker level. At cement level, it should definitely add close to ₹100 to ₹150 on the current kind of a blend for us. But we expect things to shape up better and fairly quickly, but we have inventories all the way up to middle of Q2, Vibha.

Vibha Jain: Thank you. Thank you sir. Next question we have from Mr. Rajat Setiya. Sir Please go ahead with your question.

Rajat Setiya: So, you were saying that we won't be impacted till middle of next quarter, like Q2. And the prices that have gone up so far, the impact is ₹100 to ₹150 per tonne basis. Is that what you are saying?

Sreekanth Reddy: On a cement basis, yes sir, if the current price trends that we see in the market where the pet coke landed cost and everything we did indicate in our presentation, when it fully starts impacting us, I think that

should be the net impact on us too. But we see that impacting us from middle of Q2 onwards if prices don't come down soon.

Rajat Setiya: Okay. And have we started stocking up inventory at current levels or we are waiting?

Sreekanth Reddy: Not yet. Not yet. I think we are still in negotiation. We are switching to some amount of domestic coal. So we are still evaluating options to source mostly domestic. Our ability to switch to any of the fuels is helping us to focus more on domestic coal.

How much of imported coal substitution would be known probably by end of this quarter itself Mr. Rajat. So we'll be in a much better situation to communicate exactly what the real impact is going to be for us by end of this quarter.

Rajat Setiya: Okay. And sir other expenses have gone up by 28% on a Q-on-Q basis. So is there anything that you can share to understand this?

K. Prasad: Yeah. I'll update on that. There are one-off expenses for the quarter. There is a Mine bearing lands expense close to ₹7.5 crores we considered during the current year. And also, there is one District Mineral Foundation expense, which is related to one of the subsidiaries that is Sagar Cements (M) Private Limited that's close to ₹3.24 crores now we considered during the quarter. Both put together close to ₹11.5crores, of the expenses we considered in the current quarter.

Rajat Setiya: Okay. So if we remove ₹11 crores, so then the impact -- I mean the growth, which has been 28% will come down to 26%. So everything else would you say is normal or...

K. Prasad: Yes, yes, that's all is normal in line with the operations. So these two elements are the one of expenses.

Rajat Setiya: Okay. So has anything shot up in this quarter in terms of the prices and that's why this is up so much because even on a year-on-year basis, it is 14%.?

K. Prasad: There are a couple of promotional activities we spent during the quarter. So that's part of the other expenses. So there we will give you details in this meeting.

Rajat Setiya: Sure. And sir second, if you can talk about how is the current quarter progressing in terms of the volume and the pricing?

Sreekanth Reddy: Yeah, Mr. Rajat the current quarter progress on a volume front, year-on-year number is up of 7%. It's reasonably progressing in line with what we have indicated for a 7 million for the complete year in terms of our volume outlook. Though there is some amount of slowdown because of the elections, the labourers out go they are coming back, we expect things to start stabilising before end of this month. But for that, we see a very strong demand outlook for the current year for most of our operations Mr. Rajat.

Rajat Setiya: And pricing compared to...

Sreekanth Reddy: From middle of April to now, the prices have been stable. From exit of March to the middle of or rather end of April, the prices picked up by almost ₹25 per bag. And more or less from then on, it has remained flat in our case Mr. Rajat.

Rajat Setiya: Okay. Thanks. Last one, last couple of years, I mean, you must be seeing that the volume guidance that we talked about at the beginning of the year, we generally are not able to meet it because of various reasons. So now that we are targeting 7 million tonnes, which is 15%, 16% kind of volume growth, maybe 15%, so...

Sreekanth Reddy: You should note like last year, we did indicate close to 6 million. We crossed 6.1 million. So we do expect even in the current year, the 7 million target that we are trying to achieve is purely because of the ramp-up as you should be aware that our Jeerabad plant is upgrading itself, and we are hopeful that before the end of this quarter, the plant upgrade would happen by additional 0.5 million. And at the same time, ramp-up of Andhra Cements also is happening both in terms of capacity, but notwithstanding the capacity expansion, we do expect a ramp-up at Andhra level. That is the reason why we are expecting a 0.9 million tonne kind of an additional volume.

Though the markets that we operate are likely to grow anywhere between 12% to 15%, we did not pencil in the entire 15% growth for ourselves in the region alone. There is a 0.5 million tonne. And for more than three quarters, the incremental 0.5 million should be available in Jeerabad, where we have always been operating up of 90% Mr. Rajat So, yeah, we are hoping that to be very close to the indicative target Mr. Rajat.

Last couple of years, as you know, the prices did not support us for volume growth. We usually don't want to lose cash for the sake of volume. So we probably would have underperformed on the volumes purely on account of not wanting to lose money. We don't chase market share. We actually conserve the cash. That is our philosophy and that remains. But given the current demand outlook and the current pricing kind of a thing, we are more than hopeful to achieve 7 million tonnes for the current year.

Rajat Setiya: Thank you so much and wish you all the best.

Sreekanth Reddy: Thank you sir.

Vibha Jain: Thank you. We will take next question from Mr. Raghav Malik.

Raghav Malik: Yeah, hi. Thank you for the opportunity and congrats on a good set of numbers. Just a few questions on the Superfine Building Materials division that we're setting up. So I understand beyond it's that might be a little similar to the one existing player that has started off with GGBS. Is there some sort of cost synergies we also have in this space? Or like what is, is there some advantage to getting into this venture?

Sreekanth Reddy: Yeah, Mr. Raghav Good morning. See, it's an extension for our existing business, because we are in GGBS space. We have been one of the old players in the GGBS space, but we are limited to only two of our manufacturing facilities, one at Bayyavaram that is close to Vizag in Andhra and Jajpur in Odisha. We have access to both fly ash as well as the GGBS.

As I mentioned, there are advantages because we do produce GGBS and we need to invest a very minimal amount to separate superfines. Currently, the GGBS is sub 4,000 Blaine on a fineness. With a minimal investment, we could separate ultra fine fractions that come out of the production. Our target is to look at anywhere between 10,000 to 20,000 kind of a Blaine separation for both fly ash as well as GGBS, along with micro silica.

Yeah, these products primarily cater to advanced construction material and also into the high-performance concrete. We are already in that segment, especially we do have a very strong relationship with players who would definitely need this product going forward, especially into the precast segment. So we are leveraging on our relationship.

But at the same time, our target is to get into advanced building materials, which are very similar to the product range that we already have. We are also looking at some of the innovations and the technical solutions that we want to offer. Part of that, this is the first step towards giving advanced solutions where we could definitely do a lot of value add to ourselves as well as to our customers, Mr. Raghav.

And we will be more than happy keeping the stakeholders updated on the progress that we are making. This is only a first step towards getting into a much higher end and technically advanced kind of solutions and the materials that as a company, we would want to enter, Mr. Raghav.

Raghav Malik:

Sure sir. And any kind of longer-term maybe volume targets from this? And also like is there some indication of versus current products in the advanced space or just cement, what would the kind of premium maybe be in terms of pricing premium or discount for some of these products?

Sreekanth Reddy:

See, I would not like to comment on the price premium because they are into very, very different segment, because GGBS, as I mentioned, for a low Blaine that is sub 4,000 Blaine, typically sells on an export basis anywhere between ₹2,500 to ₹3,000 per tonne, whereas the superfine sell up of ₹30,000 per tonne Mr. Raghav. That's the delta.

But volumes typically would be very, very low for these. And these are more techno marketing related. So this is not something which is sold like commoditised kind of a product like cement. It needs team, it needs the technical capability. It also needs a lot of R&D, which we are already into it. So we would want to come into that segment with a lot of experience handling these materials even in the past. So that's what I would like to highlight at this point of time.

But we'd be more than happy to come back to all of you at appropriate time and it's not too far. So we would be keeping you updated from time-to-time about the progress that we are making in this particular product. It's not only this product, but also into the solutions.

Yeah, we have been engaged with some of the very advanced construction solutions where there are not many players or no players in some of the activities that we have done, which is purely technical in nature where we definitely like to add value to ourselves as well as to the clients that we have been servicing Mr. Raghav.

- Raghav Malik:** Sure sir. Thank you.
- Vibha Jain:** Thank you. We will take the next question from Mr. Rajesh Ravi. Mr. Rajesh you can go ahead with your question.
- Rajesh Ravi:** Hi sir, good morning. First question pertains to Jeerabad grinding expansion expected to come in Q1. Would we be engaging in clinker sales in FY '27 also? or there will be fully drastic in Cement.
- Sreekanth Reddy:** Yeah. I think in the current year, we do expect some amount of clinker sale. Quantifying that at this point of time is definitely going to be a challenge because the ramp-up takes time. So during this time, there is a possibility that we still might do some clinker sale. But it is subject to the price of the clinker. So we never lost margin at the expense of the clinker. But we do expect some amount of clinker sale as the grinding unit is likely to ramp up in a phased fashion. So during that time, we definitely would have some clinker sale Mr. Rajesh.
- Rajesh Ravi:** Okay. And clinker margin would be, and EBITDA margin level would be similar to number which you have reported in...
- Sreekanth Reddy:** For that location, yes. For that location as a margin, as a percentage, we do not compromise in a big way because that location has its advantages Mr. Rajesh.
- Rajesh Ravi:** Correct. Understood. Second on the cost on the exceptional items in Q4, What exceptional cost line items are there in the operating cost or one of the nature.
- Sreekanth Reddy:** Yeah. Rajesh our CFO did update on, just for the clarity sake there is a MBL cess as well as DMF contribution related expenditure at our Jeerabad unit actually needed clarity from regulatory this thing. We did make the provisions, I think from here onwards it would be accumulated for last 3 years since we started the unit, from here on it is going to be part of the operational expenses and it's not very significant amount either way Mr. Rajesh.
- Rajesh Ravi:** Ok sir.
- Sreekanth Reddy:** If we compound it, it looks higher but from a straight perspective, from an operational impact which we are going to make provision on a month-on-month, or a quarter-to-quarter. Yeah. It may not impact significantly either in a big way Mr. Rajesh.

- Rajesh Ravi:** In Q4 the number which you would have accrued would that be the long raid number? That would be for multiple quarters, right?
- Sreekanth Reddy:** Yes, it is for multiple years Mr. Rajesh.
- Rajesh Ravi:** Multiple years, If I want to remove the impact for preceding period that would be how much?
- Sreekanth Reddy:** Yeah. I think Mr. Rajesh we will revert you with information but it spread over three, three and half years, again it's a volume specific kind of number on ton of a limestone, so we would be happy sharing that data offline Mr. Rajesh.
- But sir, since it's three and half years spread, so from the cost perspective once we normalise it, it will not be a very significant one. It should be less than Rs. 2 Crores per year kind of impact, if I may have to say, but with increased volume of sale, I think that number probably on a per ton basis. This is going to be very tapped out to much lower number.
- Rajesh Ravi:** Okay. And in the other income, there is a higher number, ₹11 crores. What is that pertaining to? And is there any land monetisation which has happened? Other income level...
- Sreekanth Reddy:** I think it's mostly to do with the incentives that we received during the current year quarter.
- Rajesh Ravi:** That would be -- what I understand that would be part of your revenues, right? The Jeerabad incentives?
- K. Prasad:** Yeah, the other income is the income on OFS, so, we diluted stake in Andhra Cements. So other income is inclusive of that.
- Rajesh Ravi:** Understood. Okay. Understood. And lastly, is there any guidance on the Superfine business on revenue and EBITDA? I understand it would be too early, but any ballpark number you're working with for FY '27, '28?
- Sreekanth Reddy:** Yeah Mr. Rajesh. I think we would revert with very specific presentation pertaining to that in due course of time. Kindly bear with us. But what we do except is off of 30% kind of a margin as a minimum in that business line. But the top line and the bottom line

numbers, we would be happy to come back to all of you. Kindly bear with us till the next quarter end, please.

Rajesh Ravi: Understood. And lastly, on the operating cost, with the clinker unit at Andhra also stabilised, so excluding the fuel price increase and the packaging cost increase. Have our numbers stabilised? Are there rooms for further reduction in the operating cost?

Sreekanth Reddy: Yeah, so it is in line right now. Earlier it was close to ₹200 to ₹250 per tonne higher when we compared with other units of ours and even in line with the sector. So now post commissioning, yeah, everything, the fuel related and it comes back to normal. See today, we are incurring around 700 kcal per tonne of clinker. So that's what earlier it is around 775 to 780.

So at clinker level, it is normal. Going forward, we are going to commission the new VRM for the cement grinding that is going to be commissioned by September this year. So post that, the overall whatever cost saving we estimated, we are going to achieve that.

Rajesh Ravi: Okay. And given the current scenario, any guidance on the margins? Can we expect further improvement in margins from this quarter margin performance ₹430, ₹440 level odd?

Sreekanth Reddy: Yeah, yeah definitely, it is going to be in line with the sectors now, In line with the other units of Sagar. Yeah, we have seen going forward based on the cost pressures and again, it is correlate even onto the cement price. So probably this year, we were expecting it is going to be better than the last financial year.

Rajesh Ravi: Understood. Great. Thank you. I'll come back in queue.

K. Prasad: Thank you sir.

Vibha Jain: Thank you. We will take the next question from Mr. Satyam Kesarwani. Satyam Please go ahead with your question.

Satyam Kesarwani: Yeah, hi. Thanks for the opportunity. So my first question would be about overall market. Overall in south particularly, if you could just tell us about the pricing trend across south region and overall for all markets as well, it will be great, please.

K. Prasad: Yeah. We took the price increase during second week of April across all the regions. Yeah, we are able to achieve close to ₹25 to ₹30 per bag most of the regions.

Sreekanth Reddy: Prasad let me answer that. See, the price that we have seen right now in Hyderabad from a retail price perspective, we are close to ₹295, which was at ₹290 and the wholesale price was soaring at ₹225, which got increased to ₹268 by exit of April to even the current price.

As I mentioned earlier, we did get ₹25 kind of per bag price hike. If you look at Vizag, yeah, the current retail price is at ₹295 with the wholesale price reading around ₹265. Again, it's product-specific. For each market, there is a specific product. For Hyderabad, it is PPC.

Yes, now you look at Solapur, the current price is at ₹288. Bharatpur, the price is at ₹295. Bhubaneswar is at ₹300. Indore is at ₹278. Bangalore is at ₹310. Chennai would be close to -- again, this is for our product. We are typically in a B segment, B category segment, it's hovering anywhere between ₹290 to ₹295, Mr. Satyam.

Satyam Kesarwani: Understood. Thanks for that sir. Is the price sort of, is it sustaining? Like is the demand there?

Sreekanth Reddy: As I mentioned, the price picked up primarily in the non-trade segment in the middle of April. Though we tried to increase at a few places, price more or less remained where it was without any kind of price increase till 15th of this month or rather till 12th of this month.

In some cases, of course, we did see whatever we tried to increase, especially in the Eastern India to a certain extent in Indore markets, yes, the ₹5 increase that we attempted, we could not sustain. So prices more or less have been very, very flat.

It's slightly negative bias in the central as well as in the eastern markets for us. Whereas in south, we could sustain the same price what we have increased middle of April, even so far, it is holding up. Though I have to admit that the additional price increase we could not get, but more or less, the prices remain where they are.

Satyam Kesarwani: Understood. My next question would be about the incentives. How much incentive did we book in this quarter and for the whole year? And also, what are we expecting for FY '27, if that could be given?

- Sreekanth Reddy:** Our incentives primarily receivables in Telangana remain where they are. So there has not been much. But we expect some amount of incentives to be picked up where we have accumulation of around ₹100 crores for the last 10 years. We have seen a small trickle down in Andhra. We are not pencilling in either of them. The only incentives which we have been receiving consistently is from our Madhya Pradesh asset, where we expect anywhere between ₹25 crore to ₹30 crore for the coming year, Mr. Satyam, from the Madhya Pradesh asset.
- Satyam Kesarwani:** Understood. My last question would be...
- Sreekanth Reddy:** Capital subsidy as well as some amount of electricity incentives that we have.
- Satyam Kesarwani:** Okay. Okay. Got it sir. My last question would be about your sales mix across the state, like what percentage did you sell across?
- Sreekanth Reddy:** I think we made it part of the presentation. If you look at our investor presentation, it's on Slide 6, Mr. Satyam, I think it is very elaborate rather than giving you a number. If you need any further refinement to that, we will be more than happy to furnish. But we did indicate those in our investor and analyst presentation.
- Satyam Kesarwani:** Sure, I will look at it. Thanks.
- Vibha Jain:** Thank you. We will take the next question from Mr. Kamlesh Bagmar. Kamlesh you can go ahead with your question.
- Kamlesh Bagmar:** Yeah, thanks for the opportunity. One question with regard to your MP plant. So just wanted to know like how much incentives are available like for -- will it continue till FY '30 or how much we can expect there?
- Sreekanth Reddy:** Yeah Mr. Kamlesh, the incentives there are to the tune of around ₹171 crores so far. We are also eligible for the expansion project additionally, but this ₹170 crores is spread over seven years. This is primarily on the capital subsidy. So is the case with the electricity incentive. So these are valid for seven years. Out of that, we are close to completing close to four years now. So they are available for next three years Mr. Kamlesh.
- I'm talking only of the first asset that we have built. For the expansion project, yeah, they would be available for the next seven years to be

paid in seven equal instalments for the overall kind of incentive. Yeah, we would revert to you once the Cap-Ex is firmed up. There is a government sanction, which we need to get for the expanded project. Once we get to know the numbers, we will be happy furnishing. The numbers that I've indicated is for the first investments that we have done.

Kamlesh Bagmar:

So in total for the first phase, we are expecting ₹170 crore. And out of that, we have already got roughly around ₹70-odd crore, upto last year Close to that number, close to ₹65-odd crore we did receive. Yeah, we have another ₹110 crores to be spent over four years' time. Added to that, we would also have an electricity incentive, which again is a performance driven. So we are not able to quantify that at this point of time, but that should be anywhere between ₹7.5 crore to ₹10 crore additionally over what I mentioned.

Sreekanth Reddy:

Kamlesh Bagmar:

And lastly, if you see stand-alone performance, our margins look to be very subdued, like say, below ₹150 mark. So where do we see these margins? I do understand that prices are not under our control and we can work only on our cost part. But like year-after-year, we are seeing this performance. And on top of that, we have seen a benefit of consolidation in the industry as well. But overall, the performance looks to be very subdued. And what are our aspirations like say, over the next one to two years, where do we see these margins going?

Sreekanth Reddy:

I'm sure you would appreciate, I think the Andhra has been a significant drag on us in terms of performance. Fortunately, the CapEx and everything is working out extremely well. So you would have seen even in the last quarter, we are very close to the breakeven. I think with the turnaround in Andhra, I think from a cost perspective and everything, we are back to where we were once.

But for the pricing and the cost front, we are back to a very good kind of a position with Andhra, a new preheater coming up, the efficiency of the new preheater is extremely good. And at the same time, our investments, which we have done over the last three years, we are extremely confident on our margins going forward irrespective of the prices, I think we should start delivering the numbers from here on Mr. Kamlesh.

Kamlesh Bagmar:

Great sir. Thanks a lot and best of luck.

Vibha Jain: Thank you. We will take the next question from chat box. Mr. Shikhar Naipal wants to understand about the state-wise price hike and demand outlook for the state?

Sreekanth Reddy: Yeah. As I indicated for most of the southern states, we did get ₹25 per bag on an average kind of a hike starting from middle of April. As indicated earlier, we are able to sustain most of it. The growth numbers from what we did narrate even during the previous call, yeah, we do expect a strong demand growth in both Telugu states of AP and Telangana. Yeah, we do expect anywhere between 5% to 10% growth in Tamil Nadu. Karnataka, we expect a 5% growth for the coming year.

Going back to Odisha, yeah, there has been a lag, but fortunately, the government spend has started picking up. But internally, we did pencil a 5% growth for the demand for Odisha. For Madhya Pradesh, we are expecting anywhere between 5% to 7.5% growth for Madhya Pradesh markets.

Vibha Jain: Thank you. And another question is from Mr. Mahim Bharadwaj he wants to understand the expected cost increase, like ₹150 per tonne is attributable to pet coke cost. So what about the other costs like, for example, bags, etc?

Sreekanth Reddy: Yeah, I think bags, there has been a taper down. From what we have seen, we were paying extra ₹5 to an average cost that we used to pay before. We have seen almost ₹2 kind of a drop per bag, it has come down. But the real impacts of war, I think we just started seeing them. So given this scenario, yes, what we have pencilled in is almost additional another ₹100 on account of all the miscellaneous things that includes the bags and at the same time, availability and also the pricing of explosives.

Also, there has been a ₹23.75 per litre hike in terms of commercial diesel, which has its impact on the mining. So we have pencilled in almost additional ₹100. So we are factoring around ₹225 to ₹250 per tonne kind of a price increase on account of both fuel and as well as miscellaneous expenditure. I'm talking this in general, yeah, it could vary on the inventory and all. That's what we have pencilled over a period of time. Again, this is kind of a moving number.

As it stands, that's what we have seen if everything had to be passed on at this point of time, it is impacting almost ₹250 per tonne on

account of fuel and various other cost items that have gone up during this time.

Vibha Jain: Thank you. We will take the next question from Mr. Inderpreet Bansal. Inderpreet, you can go ahead with your question.

Inderpreet Bansal: Just wanted to know, actually I have joined late. Any update on the land disposable, the time lines on the land bank and when can we expect the proceedings?

Sreekanth Reddy: Yeah. I'm assuming that you are talking about the Vizag land of Andhra Cements?

Inderpreet Bansal: Yes. Yes sir.

Sreekanth Reddy: Yeah. We got all the approvals. So the government indicated that they are preparing the final GO, not for us alone, but in general for monetising all the industrial lands, which the grant has come from the government historically. So like in Telangana, where the government promulgated government order where there is a small fee which we need to pay to the government and it automatically gets converted.

So even Andhra government is contemplating similar kind of an GO, we are just waiting for it. But some of the critical approvals have already we have received primarily from GVMC, that is the Greater Vizag Municipality and the Urban Development Authority, we did get the approvals. But yeah, the GO from the government is awaited.

We were to receive the GO, specific to us, but the government wanted to come up with a generalised kind of a GO to get most of these conversions simplified, they wanted to come up with the GO. So we are expecting any time it might come. So at this point of time, it is still fluid, but we are more than hopeful that over the next six months, we should have got the GO in place for us to monetise.

Inderpreet Bansal: Thanks a lot sir.

Vibha Jain: Thank you. We will take the next question from Mr. Rajat Setiya. Rajat, you can go ahead with your question.

Rajat Setiya: Yeah, thanks again. Last year at the starting of the year, we had guided for a net debt position of around ₹1,300 crore, while we ended the year at almost ₹1,550 crore plus. So what really happened that we had

to take more debt? And what gives us confidence that the number that we have put up for the next year debt we will be able to achieve it?

Sreekanth Reddy:

Yeah. What you have to remember Mr. Rajat, is this debt includes an unsecured debt from the promoter group for fulfilling the Andhra project. So we were not wanting to draw the entire amount. If you track us, we were to do the rights issue for Andhra, yeah, which we could not do the rights issue, but we went for an OFS. So that actually has elevated.

We always have indicated that the debt levels would not be higher than what it is so that we would not cross the current levels. And at the same time, yeah, we did accelerate some of the solar investments and everything, where the payback period was fairly short. So that is actually adding up to our EBITDA. So we thought that is more prudent than trying to keep debt at the static level. But having said that, yeah, from here on, we expect debt to be paid out fairly quickly with the operating income.

Rajat Setiya:

Thanks. And in terms of our EBITDA per tonne, there was a time when we used to do ₹600, ₹700 per tonne basis. Do you think we are in a position to go back to those levels in the next one, two years?

Sreekanth Reddy:

I think in the current year itself, we should be very close to ₹600 because the significant improvement for us has come from the cost itself Mr. Rajat. So the last year ended at almost ₹450 to ₹480. And we are more than hopeful that with the Andhra plant becoming as efficient with both the grinding plants becoming operationalised, for us adding this ₹150 is not an issue. It is more an internal issue. And we believe that the current pricing may not deteriorate, that's the caveat that I need to put. Even if it doesn't go up, with the current prices remaining flat, I think we should be close to that number Mr. Rajat. It's primarily on account of the savings that we are getting from the investments that we have made so far.

Rajat Setiya:

Okay. And these internal investments that we contribute, the timeline wise by when they will start kicking in from...

Sreekanth Reddy:

I think Andhra is already operationalised, especially on the clinker line. The waste heat recovery as well as the grinding capacity at Jeerabad should be completed before end of this quarter itself though three-fourth of the WHRS is already operational as we speak. But before end of the quarter, we are more than hopeful that these savings should start kicking in at the levels that I've indicated. Andhra's

grinding capacity, which again should also save on the energy side should be completed before end of September itself Mr. Rajat. So that also should start contributing for half year for the current financial year.

Rajat Setiya: Got it. Thank you.

Sreekanth Reddy: Thank you.

Vibha Jain: Thank you. We take the next question from Mr. Rahul Agrawal. Rahul you can go ahead with your question.

Rahul Agrawal: Thank you for the opportunity. This is a continuation to the last participant's question. How much CapEx is pending for us to be incurred on both the Jeerabad expansion as well as on the Andhra Cements side? And how much will be incurred in FY '27? And by when do you expect both of these units to start commissioning?

Sreekanth Reddy: Yeah, I would appreciate if you could look at Slide No.16 on the presentation that we have uploaded. Yeah, just for the convenience, the Andhra expansion, the pending CapEx is close to ₹140 crore, which we are likely to complete in the current financial year. Gudipadu is at ₹17 crore and Jeerabad expansion, we have ₹33 crore pending.

As mentioned, the Jeerabad expansion should be completed before end of this quarter itself. So is the case with the waste heat recovery at Gudipadu. Andhra's expansion should be completed before this September.

Rahul Agrawal: Got it. And on the Vizag land, you mentioned that a lot of clearances are in place and you're still awaiting the final notifications from the government. But as of today, what is your assessment of the market value of that land?

Sreekanth Reddy: See, again, I'm going with the reckoner rate, though there has been some increase, but I'm going with the old reckoner rate. It is at ₹4 crores an acre. Net of expenditure, we are likely to receive around ₹3.5 crores per acre. And we have around 100 acres. So we were expecting ₹350 crores spread over two years' time. When the GO gets received in the first year, we expect it to receive around ₹150 crore and ₹200 crores over the next 12 months' time post that Mr. Rahul.

Rahul Agrawal: Got it. And one last one sir, on top of the expansion CapEx that you highlighted earlier. Is there any recurring maintenance CapEx that we need to do? And what is the quantum of that you expect on an ongoing basis?

Sreekanth Reddy: Yeah, again we did as present part of our presentation, just for the convenience at each location, the general maintenance CapEx across all the units should be around ₹50 crores sir.

Rahul Agrawal: Got it. Thank you so much sir.

Vibha Jain: Thank you. We will take the next question from Mr. Parth Bhavsar.

Parth Bhavsar: Hi sir. Thank you for the opportunity and congratulations on good set of numbers. I just had one question, which is related to balance sheet and more on working capital. Your working capital days has increased significantly from March '25 to '26 and this is largely driven by decline in payable days. Can you throw some light on like what happened during the year? And also how do you see this going forward?

Sreekanth Reddy: Yeah. I think when market situation is very, very difficult sir, the credit days and everything gets extended. At the same time, as indicated, the fuel prices were at elevated level. So when you stock up, you end up using higher working capital. I think by end of the year, we more or less have reached to stability. And I think going forward, we would like to minimise the utilisation of the working capital.

But this happened because the business itself has expanded. So if you look at the working capital limits were very similar, even for a 5 million sale, but the sale got extended. So was for some of the clients, the credit days also got extended. So that definitely puts some amount of pressure on the overall kind of working capital utilisation, but we expect moderation going forward. But please keep in mind that we are going to add another 1 million tonne sale into the overall kind of numbers what we have done previously. So there is some amount of reassessment.

Especially the fuel with the increased price for same volumes, if we have to do, still we need to put in more money. So I think that's the scenario that we are in. But with slightly better realisations and better margins, we do expect moderation in the overall kind of utilisation of the working capital Mr. Parth.

- Parth Bhavsar:** Largely the payables is linked to basically raw material stocking up or fuel stock up?
- Sreekanth Reddy:** It's on either side. One is the credit days for the finished products and at the same time for the raw material, for the import of raw materials.
- K. Prasad:** Yeah. In addition to that, in Q4, in the month of March, we secured close to 76,000 tonnes of U.S. coal, which is close to ₹80 crores worth of value. So that we took based on by opening the foreign LC, so that is going to have 180 days credit period. So that is one of the reasons to reflect the higher numbers.
- Parth Bhavsar:** Okay. Perfect. Got it sir. Thank you so much for answering the question.
- K. Prasad:** Thank you.
- Vibha Jain:** Thank you. We will take next question from Mr. Rajesh Ravi. Rajesh, you can go ahead, please.
- Rajesh Ravi:** Hi, thank you. My question pertains to your discussion on saying that 100 numbers would rather remain flattish. So just wanted to understand first in the working capital, what is the incentive outstanding at the end of March '26?
- K. Prasad:** It's around ₹23 crores we have to receive incentives.
- Sreekanth Reddy:** So most of the ₹67 crores, ₹68 crores, which is accrued in P&L, large amount of that was received this year.
- K. Prasad:** Yes it is. Even this ₹23 crore we were expecting in second quarter. Since now the numbers are in place, now we have to reach government to submit an application to get the money so that we are going to initiate probably in the next week. So we were expecting somewhere in mid of July, we can get these.
- Rajesh Ravi:** Understood. And when we are talking, this year we are talking of total CapEx of close to ₹300 crore to ₹320 crore, including maintenance CapEx and interest outflow, if I'm not wrong, would be close to ₹200 crore. So somewhere north of ₹500 crore of cash flow would be required. And if we assume all of that comes from EBITDA, we are talking about 7 million tonnes...

- Sreekanth Reddy:** Yes Mr. Rajesh, I think you should understand that CapEx may not come from EBITDA alone. We have structured even some of the energy efficient projects through lease finance. But yeah, except for this pending three and the maintenance CapEx, the other projects are subject to the market conditions. And at the same time, based on the payback, we would like to take a call with lease finance options that exist for us Mr. Rajesh.
- Rajesh Ravi:** Okay. So from a cash flow perspective for FY '27, what the CapEx outlook you are looking at?
- Sreekanth Reddy:** Yes, ₹190 crores is the total CapEx that is pending for three ongoing projects, but there is undrawn credit. And our broad plan is whatever we would have repaid, that is what is required for us to implement the project. So that is precisely is the plan and that's what we did indicate even in our presentation.
- Rajesh Ravi:** I was looking at your presentation where you mentioned is that we are looking at ₹275 crore.
- Sreekanth Reddy:** Yeah, there are three projects which are subject to, two of them are solar, both at Mattampally as well as at Jeerabad. And at the same time, Gudipadu in terms of optimisation, those are options which we would like to exercise as we progress. But our interest is to pay down the debt. So we are looking at other alternatives to implement the project primarily on something like an equipment finance kind of an option or lease finance option is what we are pursuing. Once you report that, we should be sub ₹240 odd crores, if that includes the maintenance Capex.
- Rajesh Ravi:** Okay. So that would be excluding any land sale you're factoring in your assumptions when you're expecting...
- Sreekanth Reddy:** Yeah. We did pencil in close to ₹150 crores for the current financial year.
- Rajesh Ravi:** Net of taxes?
- Sreekanth Reddy:** That is net of expenditure. Yeah, net of all the other expenditures.
- Rajesh Ravi:** Okay. Understood. So that means you are factoring in close to ₹500-odd at EBITDA margin level. And on cost side, if I look at -- yeah, please tell me sir.

- Sreekanth Reddy:** Yeah. From a budget perspective, we have pencilled in ₹580 crore, which is ₹100 more than what we have achieved last year. As I mentioned before, that ₹100 is actually coming from the overall savings that we are likely to receive in the cost optimisation alone Mr. Rajesh. What we have also pencilled in is whatever would be the incremental costs that are likely to happen from here on, we are assuming that it would be a pass-through where market should absorb them Mr. Rajesh.
- Rajesh Ravi:** Understood. Correct. And if I just want to understand the OpEx breakup between your stand-alone and Andhra Cements, they are at quite different cost levels. So if I look at your operating cost for your stand-alone entity, that average is close to ₹3,800 per tonne and the Andhra Cements...
- Sreekanth Reddy:** I'm sure you will appreciate that is one of the reasons why even in a difficult time, we went with an investment because whatever we invested in Andhra has a very strong payback. Now with the investment more or less coming to conclusion, the gap between Andhra and stand-alone should be very, very minimal. Because the gap, again, very specific to Mattampally to Andhra, the gap would be only the waste heat recovery cost-related issue else more or less there is a complete alignment on cost. That's what gives us confidence that from here on, our margins are going to be, I would not say very high, but healthier like how it used to be before. That is one of the reasons why we aggressively pursued the CapEx even in a difficult time.
- Rajesh Ravi:** Understood. Also looking at difference between both the entities on cost insights ₹3,800, ₹3,900 versus ₹4,800, ₹4,900. So am I missing something?
- Sreekanth Reddy:** Yeah Mr. Rajesh, again, it depends on what are all the line items that you are looking at because the logistics cost could be very different because the market spread is very different. But I think we'd be more than happy to run through on and offline Mr. Rajesh.
- Rajesh Ravi:** Yeah, sure. And lastly, on the land sale, I understand the GO you're expecting from the Andhra government. But in the interim, have you lined up or are you in some advanced stage of discussion with buyers? So once the GO is out, you may be able to dispose of and generate the...
- Sreekanth Reddy:** I think -- yeah, there has been an engagement. But as you know, everybody needs clarity, right? So we obviously have appointed a

consultant who has helped us to reach out to a few of them. Yeah, we are in discussion. But nothing is concrete till the timeline and everything gets evolved. So that I think -- and it should not be a big challenge selling a land in Vizag, though that size of land for Vizag is very big. But with the activity that is happening in Vizag now, we are reasonably sure and confident of executing the transaction fairly quickly because our idea also is not to sell it as a single block. The idea is to make it into viable blocks so that we don't have to break it down into smaller pieces, but some manageable pieces, I think sales should not take longer than two years Mr. Rajesh.

So that is the reason why we pencilled in the entire ₹350 crore spread over 18 to 24 months with bulk of it around ₹150 crore to be received in the first year and the rest in the next six to eight months, the balance to be received Mr. Rajesh.

- Rajesh Ravi:** Yeah, that's all. Thank you sir and all the best.
- Sreekanth Reddy:** Thank you, Rajesh.
- Vibha Jain:** Thank you. Since there are no further questions, we will request management to give the closing commentary. Over to you, Sreekanth sir.
- Sreekanth Reddy:** Yeah. Thank you again. Appreciate each one of you for joining on the call. I hope you could get all your queries answered. If not, please feel free to connect us at Sagar or CDR. We would be more than happy to address them. Thank you again. Have a great day ahead. Thank you.
- Vibha Jain:** Thank you. And now we will conclude the call.