

May 10, 2026

To

National Stock Exchange of India Limited	BSE Limited	Luxembourg Stock Exchange
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**Sub.: Transcript of Earning Call pertaining to the Audited Financial Results of the Company for the Quarter and Financial Year ended March 31, 2026.**

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Dear Sirs/Madam,

In continuation of our letters dated April 14, 2026 regarding Analyst/Institutional call scheduled on May 04, 2026, please note that the transcript of the earnings conference call on the Audited Financial Results (Standalone & Consolidated) for the quarter and financial year ended March 31, 2026 is uploaded on the website of the Company at [www.ambujacement.com](http://www.ambujacement.com). The said transcript is also attached herewith.

The Web link to access above transcript is as under - [Investor Presentations | Ambuja Cement](#)

Kindly take the above on your record.

Thanking you,

Yours faithfully,  
**For Ambuja Cements Limited**

**Manish Mistry**  
**Company Secretary & Compliance Officer**

Encl: As above



“Ambuja Cements, ACC Ltd and Orient Cement  
Q4 FY '26 Earnings Call”  
May 04, 2026



**MANAGEMENT:** **MR. KARAN ADANI, DIRECTOR – AMBUJA CEMENTS**  
**MR. VINOD BAHETY, CHIEF EXECUTIVE OFFICER –**  
**AMBUJA CEMENTS**  
**MR. ROHIT SONI, CHIEF FINANCIAL OFFICER –**  
**AMBUJA CEMENTS**  
**MR. DEEPAK BALWANI, HEAD INVESTOR RELATIONS –**  
**AMBUJA CEMENTS**

**MODERATOR:** **MR. DHARMESH SHAH – JM FINANCIAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Ambuja Cements Limited Q4 FY '26 Earnings Call hosted by JM Financial Institutional Securities Limited. As a reminder, all participant lines will be on listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

**Dharmesh Shah:** Thank you, everyone. Without much delay, I will transfer the call to Mr. Deepak Balwani, Head of Investor Relations. Mr. Deepak, over to you.

**Deepak Balwani:** Thank you, Dharmesh. On behalf of Ambuja Cements, I'm pleased to welcome all the participants to our earnings call for the fourth quarter of FY '26. Ambuja Cements is the ninth largest building material solutions company globally and part of the diversified Adani Portfolio. Before we start, please note that this call may include forward-looking statements based on our current beliefs and expectations. These are not guarantees of future performance and may involve unforeseen risks and uncertainties.

We remain committed to further strengthening our disclosure standards and improving the quality of our capital market communication to the best in the industry. We are pleased to have with us on the call Mr. Vinod Bahety, Chief Executive Officer; and Mr. Rohit Soni, Chief Financial Officer.

Now I invite Mr. Bahety to provide his valuable insights on the quarterly performance.

**Vinod Bahety:** Yes. Thank you, Deepak. Thanks, Dharmesh. Good evening, everyone. FY '26 was a year of resilience for the Indian cement sector marked by industry consolidation and the GST 2.0 reforms on one side, while the adverse and the extended weather conditions, global geopolitical factors and the various state elections also affected the industry and demand in some or the other way.

Against this backdrop, Ambuja delivered a resilient performance for the year, achieving its highest ever annual sales volume of 73.7 million tonnes, up 16% Y-on-Y, year-on-year in that manner. And on a normalized basis, the EBITDA of INR6,539 crores, up 31% at INR887 per metric ton, which is on a PMT basis, up 12% and the PAT of INR2,647 crores, up 17%. The company continues to remain debt-free and with highest credit rating. Annual volumes grew well ahead of the industry. Trade sales volume grew steady at 10%, while the premium cement accounted for 35% of the trade sales during the year, reflecting sustained progress on premiumization.

During the year, company's cement capacity increased to 109 million tonnes, supported by commissioning of 10.7 million tonnes of new grinding capacity at various locations like Marwar, Farakka, Sankrail, Sindri, Krishnapatnam and the additional clinker capacity of 7 million tonnes at Jodhpur and Bhatapara.

During financial year '26, we also made meaningful progress on the portfolio integration. Successful amalgamation of Sanghi Industries and Penna Cement with Ambuja Cements is now completed, while ACC and Orient Cement is under process.

The One Cement platform is a strategic initiative and will help to bring sharper focus on the operational performance, business synergies and the overall higher degree of compliances. Therefore, this time, the balance sheet of Ambuja consol now has finalized purchase price allocation of Orient and Penna. Till December, it was on a provisional basis. The numbers, you will find marginally changes in the balance sheet, basis the classification of goodwill and the other intangible assets. While in the P&L, you will find some changes in terms of amounts for depreciation and the deferred tax accounting treatments.

Further friends, you will see in the notes of the accounts, you will see various tax-related provisional notes with respect to reversals. Details are there in the published financials. Please also note, financial year '25 and financial year '26 are not comparable like-to-like since FY '25 does not have Orient Cement, while Penna was acquired and consolidated from 16th of August '25, that is only 7.5 months for the FY '25 as against 12 months for FY '26. And while Orient is only for 11 months in FY '26 and was not there in FY '25.

Now let's again come back to the business part. My green power share increased almost 32% now in Q4 compared to 26% before. The newly acquired assets, particularly Sanghi and Penna, they witnessed lower utilization levels. Sanghi still remains at around, say, at 57% on cement capacity utilization, while Penna is 46%. However, last time I mentioned to you that in December quarter, we have seen a good improvement, especially for Sanghi.

The turnaround initiatives have taken a little longer than the expected time lines. And some of these plants, especially of Penna, needed higher than expected time for maintenance capex and overall upkeep of the assets. So on a cost front, we have seen a bit of higher cost compared to our own expectations and therefore, some disappointments.

Primarily, if I have to look at the reasons, higher freight cost due to increase in the overall sale lead, primary and secondary both, increase in some of the states like the additional goods tax, especially in Himachal.

Then in terms of the higher packing costs, which we more so have seen that in the month of March, which has seen some abruptions given the West Asia war. The higher fuel cost on account of a little higher-than-expected heat consumption, what we have and more so for the acquired assets, the higher branding cost, now that we have focused more on trade sales starting from the Q4.

And while we have also improved our trade sales to 74% compared to in December quarter of '25, it was 68%, so which would clearly mean we are focusing on blended cement. And if you also see my clinker factor has improved from 67% in December quarter to now 65% -- this has also one of the costs, which is the branding cost and the sales promotion costs have gone up.

And some of the other issues like the raw material costs, which we could have improved in terms of the fly ash, but pending some of the railway infrastructure, which will be completed in the

coming months, and you will see a good level of improvement on that. But pending that, we have not been able to meet our -- some of the raw material costs to our desired levels.

Essentially, there is a 3 to 6 months delay on some of the efficiency capexes, which has happened. And hopefully, like in coming quarter, we should be gaining momentum to complete and get the benefits of it. So therefore, in FY '27, our focus firmly remains on streamlining the operations and margin expansion.

So we will continue to focus on trade sales and more so on the premium product sales, which we have a huge leadership. Almost 36% of my trade sales has been premium cement sales for Q4. We will continue to improve the reliability at Penna and Sanghi and the overall asset utilization. Together, they have 19 million tonnes of capacity, and the target is to increase the utilization by at least 5% to 10% for these assets.

In terms of the cost, so while we are cognizant of the overall ongoing global geopolitical situation, and we have already seen cost escalation in Q4, more so in the month of March, almost by INR25 a bag, closer to, let's say, ballpark, INR400 to INR500, if I have to go on a full-blown basis, cost increase is there in the industry and so it's to our company. So we are recalibrating our cost for this financial year.

I have mentioned earlier about our journey to achieve cost of almost INR4,000 a tonne by March '26 exit. Meanwhile, in terms of the full year of '26, we have given a figure -- we have achieved a figure of INR4,400 a tonne, which is almost 10% higher to our own target for the reasons which I have mentioned before. Although in the month of March, we are closer to INR4,100 a tonne.

Since there are -- these are like fast-moving global situations and dynamisms over the energy costs and other basically expected hikes in the fuel and diesel and all, therefore, it will be very difficult to provide any long-term estimates for right now till the time things stabilize over the next 2, 3 quarters.

Therefore, I would say that on strong conviction on certain components of costs, for example, which I have, a, is in terms of the overall, say, raw material cost led by fly ash and in terms of the green energy cost, for example, which is going to see a substantial improvement further in our overall utilization. Therefore, I strongly believe INR150 to INR200 savings will come from these components.

On our overall consol volumes, we are expecting it to grow in FY '28 -- '27 by almost, say, 8% to around 80 million-odd tonnes. And we are cognizant of the fact that we will focus on value with trade volumes and premium cement. And therefore, we are keeping it till moderate overall, say, growth in the volumes part.

At an industry level, we believe that given the headlines of inflation and weak monsoon, the industry may grow at around, say, 5% to 5.5%. We continue to remain committed to our end-state sales volumes targeted, supported by a sharper focus on higher utilization of the existing capacities and while operationalizing the new capacities and stabilizing them. Therefore, with this proposed ongoing additions of 10 million tonnes of GU, which you are aware of -- which

I've already shared with you in the Investor Deck, some of them, for example, Salai Banwa and Warisaliganj and so on and so forth. We are expecting to hit capacity of almost 119 million tonnes by end of FY '27.

Capacity expansion plans, we are recalibrating in line with our approach to take the advantage of the recent railway policies on bulk cement terminals, with additions pursued more gradual in terms of first focusing on optimizing the current capacities in hand. This will also help in terms of a very disciplined allocation of capital and a steadfast commitment to maximizing the returns on the capital employed.

Looking ahead, India's long-term infrastructure story remains fundamentally very strong and secular. However, with the expected inflationary pressure, weak monsoon and cement demand is expected to remain a little soft. Against this backdrop, Ambuja remains focused on disciplined execution, strengthening brand penetration, scaling trade sales, driving premium cement sales and maintaining the cost and capital discipline.

Thank you, and I will now hand it back to the moderator back.

**Moderator:** Thank you very much. We'll take our first question from the line of Navin Sahadeo from ICICI Securities. Please go ahead.

**Vinod Bahety:** So friends, also just to inform you that we also have our Director and senior, Mr. Karan Adani also on the call. He has just joined us. So I welcome Karan bhai. And yes, I just -- basically Karan bhai did the opening remarks, and we are now on the Q&A. So over back to the moderator, please.

**Moderator:** Yes. We have a question from Navin Sahadeo.

**Navin Sahadeo:** My first question was on the volume growth front. So in this quarter, as per the investor deck, volumes have grown by about 10-odd percent. But if I adjust them to the Orient cement volumes, they are more like flattish on a Y-o-Y basis. And here, my question is that if we are seeing some pressure on volumes because for FY '27, we have given a guidance of 80 million tonnes, which is roughly a growth of 9% to 10% against the backdrop that we are expecting a much softer industry growth of 5%. So I'm just wanting to request overall color on your volumes?

**Vinod Bahety:** Yes. Sorry for this. So Navin, so you're right, absolutely, in terms of the volume, especially for this March quarter, it has been a little muted. But now for the FY '27, when I given you indication of 80 million, which is around closer to, say, 8%, we have the visibility in terms of, a, stabilizing the acquired assets of Sanghi, Penna, which I told you; b, the ongoing expansions, which will get commissioned in the next few months, like between, let us say, now to September, we'll see the capacities will get commissioned, and we'll also then stabilize them.

So I have the incremental volume also coming from these capacities, which I mentioned almost around 10 million tonnes and of course, stabilizing the acquired assets of Penna and Sanghi. Yes. So on that basis, basically, we are expecting although with a softer demand for the year. Did I answer your question, Navin?

**Navin Sahadeo:** Yes, yes. My second question then was on the overall capex plan. So as mentioned in this presentation, we are recalibrating our entire growth plan. We have visibility of taking that overall capacity to 119. But I'm just trying to understand by when will we get a color on the next leg of capex because the first day when the asset was acquired, the vision was to like, I think, double the capacity and take it to 140 in the interim, we even increased it to 155.

And now we are taking a slightly a step back. So my question was, from a growth point of view, is there a -- by when, first of all, can we get a color of the big picture or the next longer-term plan? And in the same breath, is it that we are more open to pursue inorganic growth, which helps us catapult to that overall growth target? Or we still believe organic is the way to go? That will help.

**Vinod Bahety:** So, Navin, our primary focus remains organic in terms of stabilizing our ongoing expansions and also already acquired assets. So therefore, I would say that, that remains the primary focus. I think we have a good headroom to improve our overall, say, market share by improving the capacity utilization of these plants. And therefore, as I said, we are going to follow quite a disciplined capital allocation.

And given the headwinds right now for the industry, it makes sense to push a little bit of the capex, but without losing eyesight on the overall, say, market share and the volume improvement from the existing assets and the ongoing expansions. To answer your question, I think maybe what I would say that the target plans of FY '28, it could move a year or 2, let us say, on a safer side, I would say that FY '30.

But as I said, it doesn't really matter. What matters is how you're able to ramp up the volume from your overall existing assets. And I have a substantial good headroom to ramp up over there. Even if I hit 120 million tonnes by end of '27, it will give me a good leverage of the overall market opportunity.

**Moderator:** Next question is from the line of Raashi Chopra from Citi.

**Raashi Chopra:** Just on the -- continuing on the previous question, what is the clinker capacity as of now?

**Vinod Bahety:** So Raashi, as of now, we are sitting on 69 million tonnes of clinker capacity.

**Raashi Chopra:** And you will be adding another 4 million this year?

**Vinod Bahety:** Yes. So at Maratha we have 4 million.

**Raashi Chopra:** Okay. And the next question on cost. Now for the full year, the cost is INR4,400. For the quarter, what was the average cost, INR4,500 for FY '26 for the same?

**Vinod Bahety:** In terms of quarter cost, Raashi, we are sitting at almost INR4,250 for the overall quarter and plus some of these increases what we have seen from the overall escalation. So I would like -- let us say that a normalized was almost INR4,250 and plus another INR250, which we have seen increases. So almost we are at now INR4,500 a tonne for the quarter of March.

- Raashi Chopra:** Right. And you are saying that the industry costs have gone down by anywhere -- gone up by anywhere in the range of INR400 to INR500. So is it safe to assume that because of the crisis, you will see another INR200, INR250 increase in costs, which will get offset by your fly ash, green energy, et cetera? Is that how we should be thinking about it?
- Vinod Bahety:** So Raashi, like as I said, the INR4,500, which is for the March quarter has already taken the hit of existing increases of almost, say, INR250. So I would say that INR4,500 safely, I would say, is on a peak basis, let us say, on a higher basis, which we have seen, barring like any aberration of plus/minus INR50.
- But otherwise, you will see a journey which will actually start coming down in passing quarters. So although like, for example, with the overall situation, how the overall energy situation emerges, I would not give with conviction, but I strongly believe that, yes, this is like the peak which we have hit and should see a progressive improvement.
- Raashi Chopra:** So if I can just rephrase this, if nothing increases further in terms of global prices, you will see a decline of at least INR150 to INR200.
- Vinod Bahety:** Absolutely well summarized. Absolutely.
- Raashi Chopra:** Okay. And on the pricing, what has happened to offset these cost pressures, cement pricing?
- Vinod Bahety:** So that's interesting, Raashi. So you're hitting on both the right questions. On the pricing, like industry has seen a modest improvement of, I would say, INR10 in a few pockets, let us say, INR15, INR20, but that's like in a very selected area, geographies. Otherwise, ballpark for the quarter of March, around ballpark INR10.
- Now with the demand getting a little softer, the pressure on pricing definitely is higher. And despite the circumstances of costs gone up, unfortunately, industry is still under the relentless pressure and not able to pass on the price.
- Raashi Chopra:** Got it. And just last question for me, what was the capex for the year?
- Vinod Bahety:** So capex for the year, we are keeping it a little moderate and ballpark, when you say this year - - so you're saying for FY '26. FY '26 is closer to about INR7,500-odd crores. And I will just answer because there would be another question. So for FY '27, we are keeping an estimate of almost INR6,000 crores to INR6,500 crores. And that too will also -- which is how things span out. It may change a couple of hundred crores here and there, but that's the estimate what we have.
- Moderator:** Next question is from the line of Indrajit Agarwal from CLSA.
- Indrajit Agarwal:** Congratulations on increasing both trade sales and premium mix. But on that note, if I look at Slide 27, the realization has hardly moved Q-o-Q versus for peers, it is up somewhere between 1.5% to 2%. So is it mainly because of mix? Or what is driving this weaker revenue?
- Vinod Bahety:** So Indrajit, absolutely, you are right. I think the journey has just begun when we change the gears. And therefore, you will see more differentiated benefits coming in the subsequent

quarters. What we have done is we have sustained the price levels at INR254 a bag compared to in December. So from our own December quarter, we are up by, say, modestly at say, INR1. And compared to, say, last year, we were at say, INR255 -- so yes, the journey would further see improvements with higher blended cement and more premium cement sales. So it has just begun.

**Indrajit Agarwal:** Second, if I look at your blended utilization for next year would we add best 71%, 72% on your expanded, let's say, weighted average capacity. So on that note, probably you will not need additional capacity in FY '28 as well. Is that what is driving a more calibrated capex approach?

**Vinod Bahety:** So I have Karan Bhai to answer this question, just a sec.

**Karan Adani:** So I think the way we are looking at this -- how we would look at capex is 2, 3 things. One is when we look at our performance, we need to -- we know where are the places we need to improve on. There are certain capacity which is there, which is in the wrong places. And -- so we will be adding a few capacity in places which will help us in terms of reducing our cost, logistics cost, especially as well as help us improve our penetration into those markets.

I'm talking specifically into the markets where we have high market share and high recall value. So those are the places that we would definitely look at expanding our capacity over there.

The second thing is as we would be looking at as we are expanding our clinker capacity, the correspondingly GU capacity will also increase. And this year, we are -- apart from Rajasthan and Maharashtra, as you know, that we have won a limestone block in Assam. Again, that's a completely new territory for us. So that is one new area which we will start in maybe end of this year.

And the second new area that we will be starting is in Mundra, which is, again, a completely new clinker line. So these are the 2 new projects apart from the new GUs that will help us in terms of reducing our costs.

**Indrajit Agarwal:** One last one, if I may. In light of this, how would we see any inorganic opportunity that comes up? Would you be interested or the focus would squarely be on organic growth right now?

**Karan Adani:** Inorganically, we keep evaluating, but our focus right now is on organic development and greenfield expansion. That is our number 1 priority.

**Moderator:** Next question is from the line of Jashandeep Singh Chadha from Nomura.

**Jashandeep Singh Chadha:** Sir, my first question is regarding the cost structure, especially in the fourth quarter also, we saw that the fixed cost, which is employee plus other cost has increased significantly Y-o-Y versus when we compare it to your peers also. I just wanted to understand while you say there were some West Asian conflicts that impacted the cost. However, the conflict started towards the end of February and the packaging cost was also in the mid of March, which impacted the industry. I want to understand why among all your peers, Ambuja is seeing such an increase in its cost structure?

And secondly, in your presentation, you also mentioned that the freight cost was high because of some planned shutdowns. If I'm not wrong, in third quarter also, you took planned shutdowns. Normally, the industry takes shutdowns in the second quarter. So in quarter 3 and quarter 4, where the volume growth was really strong, the management decided to take planned shutdowns, which resulted in higher cost. So I just want to understand what is the rationale behind taking planned shutdowns in volume push quarters and why Ambuja's fixed cost is increasing way higher than its peers? My first question is regarding this.

**Vinod Bahety:**

So Jashandeep, I think when Raashi asked this, and we have tried to explain. So in terms of picking out on our cost at INR4,500, which I mentioned, and from here, you will see improvements. But yes, your question is in terms of compared to the competition, why? Now a few components which are relevant to my business, I mentioned about a higher focus now on the branding advertisement to promote the trade sales and premium cement.

Second is in terms of higher repairs and maintenance costs. And you're right that ideally one should do it during the off seasons like monsoons, but not all the machines can be done during that period. And there have been a few breakdowns also of the acquired assets of Penna's and all. So under the planning and also under out of planning, we will do it. So therefore, there have been those additional expenses of repairs and maintenance.

Then in terms of the bad cost, which although came in the last week of February to the overall, say, full month of March. When you promote and sell more premium cement, then there also some additional costs of logistics and handling, which also sits into to increase your cost. I also mentioned to you the journey which we want to achieve in terms of improved heat consumption, it is still not coming in the range.

And therefore, we still have a higher heat consumption, and I would say, ballpark, 35, 40 kilocalories minimum which we have to improve. Again, I will attribute to some of the acquired assets. Actually, when I look at the EBITDA of Ambuja and ACC, minus of the acquired assets, the EBITDA is actually higher by INR70, INR80. So it will be almost like INR800 and actually more when I normalize it, but it is at least INR800.

So I would say that the acquired assets still are not basically coming in the range to our desired levels and for which I had mentioned that the first priority is to stabilize the overall operations, achieve a good level of performance improvement. Hence, in the -- I think maybe a couple of months, we had taken the entire investor community to Sanghi plant just to showcase that how Sanghi is now in state of readiness and give higher improved volume improvement. This, I think we did in somewhere like March itself, right? Okay, March itself. Now that is like, for example, we want to showcase that, yes, some of the assets have taken time, but now they are in the state of readiness.

Sooner that I will take you -- take all of you to Penna assets also. But before that, we took you to Marwar. Now -- so the journey is known. The issues are known. And therefore, in my opening remarks also, I mentioned about certain disappointments to us also where we think that INR4,500 is on a higher side, and we are basically in a position to bring it down in coming

quarters. So therefore, like you will see this is peaked out, and you will see an improvement prospectively from here.

**Jashandeep Singh Chadha:** My next question is largely taking forward Navin's question only. So first of all, Ambuja is the only company which has given such a bearish scenario for FY '27, and I understand, will be the rationale that you have given behind it. But with 5% industry growth and Ambuja expecting an 8% growth, there are certain capacities which are coming. I completely understand that. But what is your target utilization from the assets of Shanghi, Orient and Penna for FY '27? And I understand there are some challenges. So will there be additional capex required to bring the acquired assets to Ambuja's set of standards? I just want to understand this.

**Vinod Bahety:** Thank you, Jashandeep. So like Orient, for example, is operating at full capacity. So far as Sanghi is concerned, I will peg myself at almost like 65% to 70%. And so far as Penna is concerned, I will consider around 55% to 60% in terms of the utilization factors. And the existing assets of Ambuja and ACC, I would peg it to closer to around 75% to 80%.

So on an overall basis, at the Ambuja consol level average in the situation -- the scenario which I have mentioned to you, I would say 70%, 75% ballpark utilization for -- and you're right, like we have -- we anticipate the softer demand, and therefore, we would go with this belief. But if for any surprises positive in the industry and which we would all wish to, this number will definitely look positive. But as of now, situation is softer.

**Jashandeep Singh Chadha:** And sir, any further capex to bring these assets to Ambuja Cement?

**Vinod Bahety:** So as mentioned by Karan bhai, the overall, say, disciplined approach of capex where we want to now set up in the high potential market, which we have now completely done mapping, where we have market leadership, so which we will -- we have -- so he has already indicated a few of the assets in his narrative.

But progressively now, for example, let me first commission the existing assets in hand, which are ongoing, basically this 10 million and come to you all with the stabilization and achievement of the capacities for them. But passing quarters, then we will also highlight to you the capex program as it firms up. Mundra is very much now in the pipeline and so are a few assets which he mentioned.

**Moderator:** Next question is from the line of Manish Somaiya from Cantor.

**Manish Somaiya:** Vinod bhai, I just wanted to ask, we have talked quite a bit about fiscal '27 outlook. But what I'm trying to reconcile is how should we reconcile between the improvements that you're planning in fiscal '27 is that dependent -- how much of that is dependent on internal execution versus external normalization? Maybe if you can just help us understand that.

**Vinod Bahety:** I would say that the external factors will affect most of the industry players. Therefore, I will give more weightages on the internal factors and the execution of the same, which will bring the overall differentiation and leadership leverage on that. So that I would put it in this manner.

- Karan Adani:** So Manish, if I may just come here, Karan here. I think if you look at our performance, we realized that where the gaps are. And that's exactly where we are hyper focused on and improving on those performance. And based on whatever guidance we are giving, this is 100%, which is controllable by us. And if we are not able to achieve the guidance, it's purely because of our internal execution and not any other factor. And that's where the whole team is really focused on and delivering on the numbers now that we are talking about. And we are very confident that this year, we will be able to hit the numbers that we are talking about.
- Manish Somaiya:** The other -- my second follow-up is on the premium products. Now they constitute about 35% to 36% of trade. What should be the realistic target that we should have in our models as we go out to fiscal '27 and maybe even beyond? What's the upside to that 35% to 36%?
- Vinod Bahety:** So Manish, right now, for example, I would say that 36% is a good number for us to sustain. And therefore, that is what, for example, can be considered in terms of the share of premium cement as a percentage of trade sales.
- Moderator:** Next question is from the line of Prateek Kumar from Jefferies.
- Prateek Kumar:** My question is on cost again. Yes. So in the last third quarter con call, which happened like around start of the February, management talked about like cost of INR4,000. Yes, we are talking about INR4,100 -- INR4,000 in January. We're talking about INR4,100 in exit of this quarter. So how the quarter cost is INR4,500, I'm unable to understand.
- Another question is on the balance sheet. So your ACC's operating cash flows are negative, sharply negative for the year. And your overall consolidated Ambuja's cash flows also like negatively impacted by negative working capital. Can you throw some light on this?
- Vinod Bahety:** I will take the second question first. In terms of the ACC Ambuja, if you see ACC has receivable from Ambuja under the MSA. And you also would be aware that we have taken shareholders' approval in terms of the ICD, wherein the receivables will get paid off. So like you will find in the coming quarter, this will get knocked off with the ICD number one.
- So it's like as a one consol business under the MSA, the receivables are there. Therefore, ACC will find negative operating cash flow. So far as Ambuja is concerned, I think if you would have seen, we have a good level of inventory, which is higher. But when it comes to receivables, these are under good control with the higher degree of trade sales. And therefore, on an overall working capital of Ambuja, you will see only improvement for the March quarter compared to December quarter.
- Your question about the cost. So Prateek, I think what we had envisaged to what is the reality, yes, there are differences because of the overall acquired asset situations. And many times, those anticipations, for example, have not worked upon. And then suddenly, the packing bag situations which have come up and which also, for example, when Navin mentioned about a tepid 10% growth, we also lost a good level of volume because of the packing bag issues and all.

So there are these situations which will have to be dealt with. But luckily now, at least we know that this is the peak level of, say, cost, which we have hit. And from here, for example, as Karan bhai also mentioned, that the numbers will be tapering down with every passing quarter.

So reasons I've already explained right from branding to repairs and maintenance to the higher freight costs, the higher lead, for example, the AGTs or the -- for example, when it comes to EBITDA, the lower government incentives, which we are now -- that also, for example, we have a lower government incentive, a, because of the GST rates, which have come down; b, we have also exhausted some of the plants which we are giving -- having the incentives.

And third, in some of the states, we are now accruing on incentive on virtual visibility basis, basically, certainty basis basically so that we don't want to have pending long-term accruals and all. So there are a combination of these accounting policies and the situation of some of the plants, which have not matured to what we thought, more so for the acquired assets.

**Prateek Kumar:** So just some clarification on -- yes, one clarification in the opening remarks, it was said that you had like INR4,100 of cost. Is it just a day cost or a month cost or a last? Like what is that cost?

**Vinod Bahety:** We had basically hit it INR4,100 for the month of March, Prateek, but as I said, that except those -- the escalations of war, for example, almost INR250, which affected us. So on a normalized basis, I was saying INR4,100 for the month of March.

**Moderator:** Next question is from the line of Amber Singhania from Nippon India AMC.

**Amber Singhania:** Just my question is also following up with the Prateek's question on the cost front. So if I see on the first week of February when we had the last con call and if I may quote the average cost for the quarter was INR4,500 along with the one-off, whereas we have exited December quarter well below INR4,000 of cost?

That was the commentary on the first week of February. I understand we do carry a good amount of inventory as well, at least a month on that account for most of the raw material and inputs on that part. Further, we had some one-off in the Q3. We have increased or enhanced our premium contribution in this quarter. Pricing was slightly better than the previous quarter. Seasonally, this is a better quarter which logically contribute towards better profitability.

Despite everything and also with the previous answer that March month was INR4,100 which is of course, we trying to understand how should one add up the entire cost for the quarter on the light of the previous commentary of December INR4,000 that was given on first week of February with the inventory, generally the people carry along with your comment currently on the March INR4,100 average cost. Also the reason which most of them are generally macro factors which should impact every player or most of the players in the industry.

So far whatever results we have seen from the large size with smaller size or the medium size. These factors are not effecting too much in a totality in this quarter, in Q4. So just wanted to understand how should we reconcile your last quarter commentary along with the exact numbers which were reported along with the peers who have reported numbers, then how should we look at making our outlook on that? Just help us to understand.

**Vinod Bahety:**

Okay. I think, see, basically, when -- in the December, for example, we have been very upbeat in terms of some of the turnarounds, which you will see in some of our acquired assets of Penna, for example, more so especially. And as you know, Penna is geographically more in South. And if you actually look at the numbers and South, for example, has been one of the most affected geography for the March quarter. Therefore, we have taken some of the machines on shutdown.

And basically, there have been a couple of breakdowns also and therefore, which has increased my higher repairs and maintenance for the quarter of March number one. Number two, in terms of some of the acceleration which we have to give to our sales and branding and advertisement is what we have given.

And the results of the same, we will get actually as an investment on our supply chain, but this will more be accounted as an operating cost. So that is where, for example, the branding and advertisement costs are higher. Then, of course, for the month of March, there have been this abnormal cost for the packing, for example. And we have also seen a higher fuel cost and higher fuel consumption.

Also, for example, the moment if you don't have a right blend of fuel, the consumption of the fuel -- the feed consumption is also higher. So those also, for example, technically, the technical KPIs have got affected. Now that was when we also -- in December, our quarter was at INR4,500 cost for the quarter, INR4,500.

And March also, for example, we are almost at say, INR4,500, yes. So I think look at it in this manner that certain planned movements for the March could not fructify or we could not also fulfill. And therefore, we have basically been at the same level to what we were in December '25.

**Amber Singhania:** So just I understand that part of INR4,500 versus INR4,500. I'm just trying to reconcile the commentary this quarter of INR4,000 exit in December vis-a-vis current commentary of INR4,100 for the month of March. Just because 1 month in February, I'm just trying to understand how the entire cost shoots up because of that when we move that inventory gets carried on for a couple of months, which is there. I mean I will appreciate if you can share us quantification of various cost item -- large cost item along with the benefits also which has come in from exit of INR4,000 to now exit of in March. It may not be now, but later on, if you can release that...

**Vinod Bahety:**

No, I think because the commentary, I think, again, even if you remember the last call, I had always said that the exit month of March. So while you are considering for the whole March quarter of '26, no, that was not the -- the commentary was more about our aspiration and our plan to get closer to INR4,000 by month of March. Now basically. Therefore, while the average would still be higher than not at INR4,000. Therefore, please don't mistaken with INR4,000 as average for the March quarter, number one.

Number two, of course, like -- therefore, I was highlighting that month of March, for example, barring this aberration of the West Asia prices, and you might say that we would have got a little bit affected more compared to -- as compared to others could be. But yes, we have -- we got affected with the overall packing bags and all.

And therefore, the pressure of volumes and therefore, the pressure on sales and hence, the higher advertisement branding or sales promotions have been there. So therefore, like we unfortunately could not come below INR4,500 for this entire quarter of March '26.

**Moderator:** Next question is from the line of Pulkit Patni from Goldman Sachs.

**Pulkit Patni:** I have a couple of them. One is, sir, for the Sanghi plant, which is operating at 57% utilization, how important is for the Naliya railway line to be ready? And how far do you see Naliya being connected and ramp up in volumes at Sanghi? That's question number one, sir.

**Vinod Bahety:** So Pulkit, our base model is not linked to Naliya railway line. It is more with the our marine infra, for example. And therefore, as you would know that we have already ordered 7 vessels, which will be delivered in a progressive manner starting from next year. So that is what, for example, Sanghi will bring the strength. And then otherwise, we are counting on the road movement from Sanghi. The railway line only will be an add-on, but not being considered in the base model.

**Pulkit Patni:** Sure. So the plan is to ramp up even if Naliya takes a little longer to be ready. Is that the right way to look at it?

**Vinod Bahety:** Yes, yes. For right now, although in Sanghi, we don't have a ramp-up per se of capacity expansion, but yes, ramp-up of the existing capacity, the utilization part. Correct.

**Pulkit Patni:** Absolutely, sir. Sir, my second question is, is it fair to assume that as and when there is a final resolution on the JP assets that those assets would come to us? Or is there a possibility given that we already have our own organic growth plan, a lot of work to do on increasing capacity utilization that we could also not be considering having those assets? How should we look at it?

**Vinod Bahety:** So Pulkit, I will still consider that for JP, the RP is another listed company, and therefore, it would be inappropriate from my side to answer anything on that. But as things progress, whatever development happens, we'll come to know.

**Moderator:** Next question is from the line of Pinakin from HSBC.

**Pinakin:** I have 2 questions. My first question is, given Ambuja is the fourth company to have reported earnings and the EBITDA per tonne is the lowest with high-cost inflation. Do you see the industry and the company raising cement prices in the next few months to pass on the full cost inflation? Or can we expect further margin deterioration with the inability to raise cement prices?

**Vinod Bahety:** So Pinakin, I would say that given the scenario of demand will be very important to basically see the price being passed on to the customers. And as of now, I anticipate the overall demand looks to be for right now, when I look at, say, April and now in May, a little subdued and soft. Therefore, for example, when you attempt for, say, X, I would be happy even if the industry gets half of the same. So that is like, for example, right now, the situation is.

But yes, cost on the other side has gone up by at least INR25. So that is like the only way then to resolve and protect the margin is to focus on our own cost of production. And that is --

therefore, I was highlighting the internal factor will be playing more important what Manish Somaiya had asked. The internal factor will be more important compared to the external factor.

**Pinakin:** Sure. My second question is, given Ambuja's cost delivery has been all over the place over the last few quarters, can you give us some guidance where you move away from cost to EBITDA per tonne by FY '28? Given where your EBITDA per tonne is today and over the next 2 years, where do you see the EBITDA per tonne reach? And what are the building blocks of that margin? What kind of price increases, what kind of cost savings? What kind of turnaround do you want to see or do you expect in the next 2 years?

**Vinod Bahety:** So Pinakin, I think it will be Herculean task for any industry person to give any estimate of EBITDA per tonne at this stage. I would rather still continue my efforts on cost and therefore, for example, one thing is like INR4,500 a tonne, let us say, it peaks out and then it starts coming down from here to what journey we will go. I think progressively, we'll keep you posted and especially in next 2, 3 quarters as things look some more brighter and clear. But for right now, cost remains a key focus area. Obviously, like when you focus on trade sales and when you focus on premium cement, this will keep giving you more mitigations. But I think any guidance on EBITDA will be difficult at this stage.

**Karan Adani:** But let me just add that cost, we are looking at roughly INR250 a tonne reduction this year and then another reduction of INR250 next year as well. That is the minimum reduction that we are looking at.

**Moderator:** Next question is from the line of Rahul Gupta from Morgan Stanley.

**Rahul Gupta:** My first question is now that you have talked about cumulatively INR500 per tonne of cost improvement over the next couple of years, are we shying away from the earlier target of INR3,650 that you had shared earlier? That is my question number one.

**Karan Adani:** So we are not shying away from our target. I think as we told earlier also, we need to focus on our execution. We still have -- there are multiple steps on the cost that we need to take between manufacturing, between raw material and between logistics. And we are confident that we will be able to achieve that number.

I think it's just -- we are giving you realistic in terms of where we will be able to achieve in the next 2 years' time. But that does not mean that we don't have the runway to go to the earlier target that we have said. We know what are the steps we need to take. We know where we need to improve in terms of our efficiency, and that's where we are focused on. But this is something INR500 is what we can commit right now for the next 2 years.

**Rahul Gupta:** Got it. Got it. So I have one more clarification that I want, Karan, is you talked about shifting away from 155 million tonne capacity. So just a clarification that the company had earlier guided for 15 million tonnes of debottlenecking exercises across assets. So does that stay or there will be some change on that as well?

**Karan Adani:** So those still continues. I think it's just timing, which will differ based on where we get the maximum return of the -- return on the investment.

- Rahul Gupta:** Got it. One final question. I remember in second quarter and third quarter, the company was already accelerating your branding and advertisement cost. So it would be helpful if you can help us understand what would be overall branding and advertisement cost for full fiscal '26?
- Vinod Bahety:** So for the full fiscal year '26, we are closer to almost like INR700 a tonne basically -- INR70 a tonne basically -- yes, INR70 a tonne basically on the full year basis of '26.
- Moderator:** Next question is from the line of Ritesh Shah from Investec.
- Ritesh Shah:** One question for Karan bhai, one for Vinod ji. Karan bhai, one question. What prompted us for a reset right now? If you could highlight 5 key monitorables that probably you have set for yourself for last -- for next 1 year? And how does SLA fit in overall scheme of things after the reset?
- Karan Adani:** Sorry, can you repeat the question? I couldn't hear you properly.
- Ritesh Shah:** Yes. So the first question is, what prompted us for a reset right now? Second, what are the 5 key monitorables that you have laid out for yourself? And third, how does SLA fit in overall scheme of things after the reset?
- Karan Adani:** Yes. So I think why the reset, I mean, it's quite evident our performance has not been great. We've not been able to -- we've not been able to deliver what we have promised to our shareholders. And so that is number one. I think if we have to assess ourselves, we really need to improve on our cost. That is number one. I think the key KPIs that we are putting for ourselves is we need to reduce. We need to -- I would say 5 things that we need to focus on.
- One is L1 plants delivering to the market, the discipline on L1 plants delivering to the respective markets. Second discipline is on trade versus non-trade sales. Number three is on our raw material consumption, reducing our cost on raw material as well as on the electricity front, energy consumption. And number four is improving our, I would say, channel network. In terms of to help us increase our sales. So I think these are the 5 things.
- But predominantly, if I would say, 80% of it is to do with the cost, and we really need to get our act in order in terms of to make sure that we are able to reduce our costs. And so that is what we are looking at. Until the time we are not able to deliver on what we are promising. I don't think so it makes sense to make more capital investment because you don't get the returns on those capital invested as well. You had a second question?
- Ritesh Shah:** Yes. On SLA service agreements, I think, for a few of the plants that we have tied up with, how should we look at that on overall?
- Karan Adani:** So SLA-based contracts. This is something that is part of these initiatives because we do believe that what we need to -- what we need our teams to focus on and what -- where do they need to put their energy on. We do believe that there are -- at least in India now there are enough competent partners out there who can run the plants at the efficiency level that we would aspire to. And that's how we are looking at.

And second, obviously, given the history of Ambuja in ACC. I think the SLA partners help us in terms of cleaning up all the past union issues and all of that. So from that perspective, it really helps us in terms of reducing our cost and improving our efficiency.

**Moderator:** Next question is from the line of Ashish Jain from Macquarie.

**Ashish Jain:** Sir, it is great to see explicit capital discipline. But in that context, I just want to understand this INR65 billion to INR70 billion of annual capex for the next 2 years that we're talking about, can you break it down ballpark in terms of growth versus cost efficiency versus any other initiative that it includes?

**Karan Adani:** Yes. So roughly INR4 billion is what is already the capex, which is already under execution, and it is implementation of that, which includes capacity, which includes WHRS, which includes your fly ash transportation system that we need. And the balance is, I would say, debottlenecking plus maintenance capex.

**Vinod Bahety:** So yes, Ashish, basically, I hope that answers your question.

**Ashish Jain:** Yes.

**Moderator:** Next question is from the line of Amit Murarka from Axis Capital.

**Amit Murarka:** I just wanted to understand more from a strategic perspective, like when Adani had acquired these cement assets, you had voiced out an ambition to kind of become the industry leader and double capacity and volume. So in that context, the current guidance seems to be quite subdued. So is it fair to say that there is a reset in ambition kind of from the earlier kind of thought that was there at the time of the acquisition?

**Karan Adani:** So we'll be honest with you. Yes, partially, there is a reset. We are not moving away from the target. Yes, we are moving away from the time line. That is to do with the -- we know that we are not delivering in terms of what we have what we had committed. And so it definitely makes sense to step back to look back and to see where we are going wrong and to course correct and then to -- and then that's where we are. And that's why we are giving you the new guidance in terms of where -- what is the capacity -- revised capacity enhancement that we are looking at and the time frame that we are looking at.

**Amit Murarka:** Sure. And is there a target IRR in mind when you are doing your capex program now?

**Karan Adani:** It's capex -- I mean, the project IRR has to be 18%. this is all equity money. So you have to look at equity return like anybody else.

**Moderator:** Next question is from the line of Rajesh Ravi from HDFC Securities.

**Rajesh Ravi:** Happy to know that the management focus is more graded on capex and also focused on cost execution. My only question, while you have been candid on the guidance, when you say INR250 cost reduction you're looking for FY '27 over FY '26. And at the same time, from exit Q4, we are seeing around INR250 to INR300 cost inflation because of the packaging and fuel price increase. So is this INR250 net off? Or net-net, we would see INR300-odd increase and

INR250 decline. So from current level, we would still see our cost going up by INR50 to INR100 in Q1 or in FY '27?

**Vinod Bahety:** So Rajesh, thank you. What we would put it is INR4,500 is the peak and this INR250 reduction is from here. So essentially, then it would mean INR4,250 as a target for '27.

**Rajesh Ravi:** Right. This is factoring in the cost inflation that we have already in place?

**Vinod Bahety:** Yes, that is true.

**Rajesh Ravi:** Okay. And in Q1 also, you are looking at similar cost structure in Q1 versus -- Q4 versus Q1, what sort of you're looking at basically the current inflation and your cost savings?

**Vinod Bahety:** So right now, for example, the headwind still continues, and therefore, it could be flattish for Q1. And as things comes out better, that it will start tapering.

**Rajesh Ravi:** Sorry for the -- flattish means your current cost, which is some of the cost inflation is factored in Q4 the energy and the packaging.

**Vinod Bahety:** Almost like INR4,500, I would peg it for say, Q1. And then from there, we will have the reduction journey continue. And for the year, therefore, we are targeting to have reduction of INR250.

**Rajesh Ravi:** Right, right. And on the non-core working capital, if I look at your core working capital has come down year-on-year from 30 days to 20 days. But if I look at your non-core working capital ex cash, that seems to have gone up significantly. So is there any strategic reason from what 40 days, which has now gone up to 49 days. That is where your total noncash working capital seems to have shot up significantly from INR1,300 crores to INR5,500 crores.

**Vinod Bahety:** Rajesh, therefore, like, for example, some of the points which I mentioned that on certain incentives and all now, we will be looking to book it on an actual basis when received, then the actual basis, for example, so that this non-core working capital of operating working capital can be controlled.

Second is, I think some of these are -- which you are referring to could be purely accounting working capital. So maybe separately, we can connect. But generally, the core working capital, as you also mentioned, has come down and that efficiency of working capital will continue. Which specific non-core you are referring to, for example, you can connect to me offline and I will...

**Rajesh Ravi:** Yes, just on this 2 clinker plants which you are looking forward to. One was Mundra And what was the other beyond what is getting commissioned right now?

**Vinod Bahety:** So 2, the ones which I mentioned was one was -- so in our 73 million, for example, the 4 million -- and just to correct to what Raashi asked me the first question, my current capacity is 69 million and this 4 million tonnes we'll have at Maratha, that would be like 73 million. Now on top of it, the upcoming Mundra will be another 2 million of clinker. So that will be over and above this 4

million, which I mentioned. And then the Assam one, which will be another 2 million. So that will be pair of additional new assets.

- Rajesh Ravi:** And that would actually take 2, 3 years from now?
- Vinod Bahety:** Let's say 24 to 28 years, 28 months is what we are targeting.
- Moderator:** Next question is from the line of Shravan Shah from Dolat Capital.
- Shravan Shah:** Sir, just to clarify this INR250 cost reduction, this is on a full year average FY '27 that we are saying?
- Vinod Bahety:** Yes. So thanks, Shravan. This is for the full year FY '27 as an average. And therefore, for example, when I said that June quarter will be flat from the March quarter, then the degree of acceleration will have to be more for the rest 3 quarters. So you're right, the INR250 will be average for the year.
- Shravan Shah:** Got it. And second, when you mentioned about the prices, was it INR10 and the INR15, INR20 hike that you mentioned, this was for the April you wanted to say or this is for March. So currently, on an average, from the exit of March, have the prices for us have increased by INR10-odd. That's what we are trying to say?
- Vinod Bahety:** Yes. Basically, I was hinting on that only. So April over March as a trend for the hike cost.
- Shravan Shah:** Okay. And lastly, for full year FY '26 RMC EBITDA in Q4, you mentioned INR102 crores. But for full year FY '26, what could be the number?
- Vinod Bahety:** Just a sec. I have to just dig on this number. So full year RMX EBITDA you're asking, right?
- Shravan Shah:** Yes, sir.
- Vinod Bahety:** Okay. Around INR300 crores. So full year RMX EBITDA is a number of INR300 crores basically for the FY '26.
- Moderator:** Next question is from the line of Raghav Maheshwari from Equirus Securities.
- Raghav Maheshwari:** Sir, just one question from the capex side. Our capex is continuously getting delayed. As Adani standard, we are known for a pro capex and the very fast execution. But at the cement side, we are continuously getting delayed, especially like Maratha plant, we have already delayed plus our earlier plant also got delayed for this one, Chhattisgarh one. What is the issue behind the and continuously, we are getting some breakdowns at our bigger plants. Is it the maintenance-related issue or what we are facing currently right now?
- Karan Adani:** So you're right. Your observation is right that capex -- our capex has not been up to the mark, and that's one of the reasons why we are pausing and correcting ourselves, and we want to first complete our projects that we have taken in our hand before we start any new projects. One of the main reasons why we have not been able to deliver as per what our standards are is 2, 3 things. I think one is we did not choose the right contractor for execution.

Number two is, we started these projects when we acquired Ambuja and ACC. And at that time, there was no team. So it took us time to build up that team as well. And we are confident that at least now we will be able to complete these projects in the time line that were given.

And number three is a lot of these projects were started without full engineering being done in place. So we are using the 6 months to complete all our engineering for the new projects that we are thinking of starting. And once that is in place, then we will be looking at starting the project. So that's where you are -- but you're right, that's a correct observation that we've not been able to deliver projects in the stipulated time.

Number two, I think the breakdown, I would say it is predominantly in the acquisition assets where we have seen major breakdowns happening, especially Penna and Sanghi. And that's where the problem area has been for us, and that's where the team is focused on in terms of improving the reliability of the plants. And that's one of the reasons why you are seeing higher R&M costs in this year, partially because a lot of the repairs and maintenance, which was supposed to be done was not done and which is why we are -- why one of the reasons for this breakdown as well.

**Moderator:** Next question is from the line of Harsh Mittal from Emkay Global.

**Harsh Mittal:** So my first question is that in your pursuit to focus on premiumization, what is the current average gap between Ambuja brand versus the nearest competitor currently? And what is the target to narrow it further? That my first question.

**Vinod Bahety:** So you are referring to premium cement, and I can highlight that the gap between my base product and the premium cement product is closer to, let us say, INR50, INR55 for the super premium and INR20, INR25 for the premium one. I think that was like first.

Then second, your question is about the gap between our price and compared to that competition. I think, see, everyone looks to his price better than others. And therefore, every time when the industry people try and compare us, there is always different opinions. I would say that the pan-India players like us and basically the other player, number 1 Ultra trade, I think the prices are more or less in the similar range in a few districts, INR5, INR10 here and there, either they are higher or we are lower or whatever reverse way. But that's how the trend has been. And that is also reflected in the overall NSP of the quarter, which is close to each other for the number 1 and number 2.

**Moderator:** Next question is from the line of Satyadeep Jain from AMBIT Capital.

**Satyadeep Jain:** This question is for Karan. Karan, I just want to understand the comment you made about recalibrating capacities that earlier, the capacities were not in the right location. Now the capacity you're looking at are in the right location. So where were you initially looking at these capacities? I believe Sanghi was also there in terms of expansion initially. So maybe could you just discuss where is this recalibration coming from in terms of capacity?

**Karan Adani:** No. So the recalibration is coming basically -- especially where we have the integrated units, those are the locations where we are recalibrating because we find that the grinding units, the

operating cost, the logistics cost -- one of the reasons for the logistics cost being so high compared to competition is because the distance travel by the integrated units is quite higher than what it should be.

So one of the things that we are working towards is shutting down the grinding units in a lot of these places and moving them closer to the market. So that is the recalibration we are looking at. I don't think so we are looking at recalibration of, let's say, clinker units.

The second is, we are -- Sanghi is predominantly a clinker plus cement. We are moving towards in the next 3 years, you will see Sanghi moving predominantly into clinker, and you will see new capacities coming up on the coastal region of Gujarat.

And Dahej Line 2 is one of the classic examples of that, where we would look at Sanghi supplying clinker and moving and cement being supplied from these. So some of this recalibration is happening. Majority of the recalibration is happening in the North UP and Bihar region and Southern Gujarat -- Southern Gujarat and Maharashtra.

**Satyadeep Jain:** So this is not something ACC specific because I believe ACC had more integrated units. But you're mentioning...

**Karan Adani:** It's both ACC and Ambuja. It's ACC and Ambuja, both of them had issues. So I'll give you an example. Like today, we move -- we supply our Bihar market through Chhattisgarh and though we get the EBITDA, but it is not the optimal movement of the cement that we are seeing. So that's where we are looking at. We need to set up grinding units in Bihar to serve the Bihar market and Chhattisgarh unit should be just a clinker unit.

**Moderator:** Ladies and gentlemen, we'll take that as a last question for today. I now hand the conference over to Mr. Deepak Balwani for closing comments. Over to you, sir.

**Deepak Balwani:** Yes. Thank you, Karan bhai, for joining the call and sharing your insights. Thank you all. I trust most questions have been answered. You have my contact numbers, please feel free to call me. Thank you.

**Moderator:** On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

**Note: This transcript has been edited to improve readability and accuracy**

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