Ref. No.: Sec/168/2025-26

October 22, 2025

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: **543334** Scrip ID: **NUVOCO**	**The National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Trading Symbol: **NUVOCO**

Dear Sir/Madam,

Sub: Transcript of Investor and Analyst Conference Call on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2025

Further to our letter no. Sec/154/2025-26 dated October 07, 2025, letter no. Sec/163/2025-26 dated October 15, 2025 and letter no. Sec/165/2025-26 dated October 16, 2025, please find enclosed the transcript of the Investor and Analyst Conference Call held on Thursday, October 16, 2025 on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2025.

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

We request you to take the above on record.

Thanking you,

Yours faithfully,
For **Nuvoco Vistas Corporation Limited**
SHRUTA JATIN SANGHAVI
Digitally signed by SHRUTA JATIN SANGHAVI
Date: 2025.10.22 12:51:44 +05'30'
Shruta Sanghavi
SVP and Company Secretary

Encl: a/a

Nuvoco Vistas Corporation Limited Q2 FY'26 Earnings Conference Call

October 16, 2025

MANAGEMENT: **MR. JAYAKUMAR KRISHNASWAMY – MANAGING DIRECTOR, NUVOCO VISTAS CORPORATION LIMITED**
MR. MANEESH AGRAWAL - CHIEF FINANCIAL OFFICER, NUVOCO VISTAS CORPORATION LIMITED
MR. BISHNU SHARMA – HEAD OF INVESTOR RELATIONS, NUVOCO VISTAS CORPORATION LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Nuvoco Vistas Corporation Limited Q2 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Bishnu Sharma – Head of Investor Relations from Nuvoco. Thank you and over to you.

Bishnu Sharma: Thank you, Yash. Good afternoon and thank you for joining us today for second quarter of fiscal 2026 conference call.

The quarter has been marked by numerous key events.

To begin with, we witnessed an unusually intense and prolonged monsoon across our key markets. The monsoon arrived earlier than usual and extended well into the latter part of the quarter.

Secondly, we also navigated the implementation of revised GST rates which required facilitating with channel partners for smooth transition and compliance. While the transition was managed effectively, it did add a layer of operational nuances as stakeholders adjusted to the new regime. However, having said that, the reduction of GST rate on cement from 28% to 18% is a structurally positive move for the sector. This step should enhance affordability for infra and housing and benefiting both the industry and end users in the long term. Demonstrating our commitment to customer value, we passed on the benefit of the GST rate reduction to customers.

Thirdly, this quarter was also unique because the festive season as well as the sacred periods were all concentrated within the quarter itself, unlike last year when they were spread across Q2 and Q3. Despite facing this headwind, we sustained our YOY improved performance by achieving a higher second quarter EBITDA of Rs. 371 crores, reflecting a year-on-year increase of 62%. Thus, the company successfully delivered a 1% rise in revenue per ton quarter-on-quarter. The team remained dedicated to driving growth, enhancing premium product offerings, and maintaining operational excellence.

Briefly to touch upon, premiumization reached a high of 44% in Q2 FY'26, while trade mix remained at a favorable level of 74%. The strong offtake reflects strengthening brand momentum for Concreto and Duraguard which is steadily gaining recognition as reliable choices for high-quality construction applications. On the cost front, following a recent uptick in petcoke prices, the blended fuel cost inched up quarter-on-quarter to 1.46 per Mcal. Nevertheless, Nuvoco continues to drive efficiency through optimization of fuel mix and strategic sourcing.

Friends, the company is on a robust capacity growth path supported by continuous de-leveraging initiatives. Let me begin firstly by updating you on the recently acquired Vadraj Cement Ltd.:

As you are aware, Vadraj was funded through a mix of long-term debt and short-term bridge financing of Rs. 600 crores and Rs. 1,200 crores respectively. As communicated earlier, Vadraj Cement Ltd. proposes to issue up to Rs. 1,200 crores of unsecured CCDs to external investors to replace short-term bridge financing, divided into two series of Rs. 600 crores each with maturity of 3 years to 6 years. This equity-like instrument will have features of call and put options, whereby Nuvoco will have the right but not the obligation to exercise the call option subject to market conditions at that point of time. Also, the external investors of CCDs will hold a put option, which gives them the right to put the CCDs to promoter group entities.

Continuing with Vadraj, I would like to brief you on the progress of the refurbishment activities at the plants. We have completed inspection of all major equipments in Kutch and Surat. Critical goods and service orders for the Kutch clinker unit, Kutch grinding unit and Surat grinding unit have also been released. The site execution overhauling activities for the plants are now underway. We have also received initial project clearance for railway siding at Kutch from Indian Railways. The plants at Kutch and Surat along with associated equipment, including the jetty, are on track to be ready for trial runs by H1FY'27 with full commissioning targeted by Q3FY'27.

Secondly, I am happy to state that all internal projects in the East, that is the railway sidings and wagon tipplers and cement loading system at Odisha Cement Plant as well as the clinker wagon loading system and coal loading system at Sonadih Cement Plant have been completed. The construction of railway sidings enable more economical and efficient servicing of key markets across eastern UP, eastern MP, West Bengal, Odisha. Coupled with this, the growing success of premium and blended cement products driven by brands such as Concreto, Concreto Uno and Duraguard Microfiber highlights the need for expansion to meet increasing demand, especially for blended cement varieties like composite cement and slag cement. Hence, we are embarked on expanding the capacity in the East by 4 million tons per annum at an investment of less than Rs. 200 crores through installation of one cement mill at Arasmeta along with equipment upgrades and internal debottlenecking and process improvements across three plants. Out of this planned expansion in East, we are targeting capacity addition of 1 million tons each in December 2025, March 2026, June 2026 and FY'27. Moreover, the state incentive schemes make this investment highly appealing. Overall, the expansion is set to further strengthen our presence in the East, facilitating the catering to the markets of East UP, East MP, Andhra Pradesh, Telangana, Maharashtra and Northeast.

Thirdly, in the medium term, once operations at Vadraj commence in FY'27, our growth momentum will continue as we have the option to expand in north through brownfield project or pursue greenfield development in the Gulbarga region, with a focus on western and central markets. For the time being, the expansion in north is expected to take precedence over Gulbarga expansion.

Turning to the balance sheet:

Improved results have enabled us to make further progress in reducing leverage. During the quarter, the Company lowered like-to-like net debt by Rs. 1,009 crore year-on-year to Rs. 3,492 crore. Moreover, thanks to significant efforts in managing working capital, the Company has contained working capital requirements, resulting in net debt increasing by only Rs. 18 crore quarter-on-quarter.

To briefly highlight on digitization efforts:

We are driving efficiency, transparency across operations. Our customer portal now handles over 95% of total orders, providing real-time control and accuracy in order management. The vendor portal has streamlined onboarding compliance and transactions. In manufacturing, we are leveraging artificial intelligence for predictive maintenance, heat loss prediction, and developing dashboards to optimize waste heat recovery, kiln operations, and fuel blending strategies. For analytics and decision support, SAP Joule integration is underway to deliver faster, smarter predictions and KPI insights. Going forward, we are working on building a business data cloud to enable real-time AI-driven analytics across functions, integrating all data points via a unified data warehouse.

On cement demand, the quarter witnessed moderate growth in cement offtake as construction activities slowed due to the intense monsoon and onset of festive season. However, looking ahead, we remain positive on demand. As of August 2025, only about 38% of the central government planned CAPEX and 21% of the state government planned CAPEX for FY'26 have been spent so far, indicating substantial CAPEX potential for the rest of the fiscal period. Cement demand is expected to pick up in the second half of the year, supported by increased execution in housing and infra projects, along with the positive impact of the GST rate reduction and lower interest rates.

Lastly, to touch upon the sustainability front, as highlighted we have demonstrated the continuous leadership in minimizing the carbon emissions within the industry. Carbon emissions at 454 kg per ton of cement as of FY'25 demonstrates the Company's ongoing efforts to promote environmental responsibility while maintaining industry excellence.

That concludes my opening remarks. I am here with Mr. Jayakumar Krishnaswamy, Managing Director of Nuvoco Vistas and Mr. Maneesh Agrawal, Chief Financial Officer. We are happy to answer any questions you may have. Thank you. Yash, over to you.

Moderator: Thank you very much. We will now begin the question and answer session. We will take our first question from the line of Navin Sahadeo from ICICI Securities. Please go ahead.

Navin Sahadeo: Good evening and congratulations on this set of numbers. Two questions. So, first question is on the net realization front. So, of course, post-GST rate cut, all the benefits were passed on to the consumers. My question was how should one look at the net realizations in Q3 in the sense that both the rate cut and as all mentioned the entire benefits passed on, but is there any benefit of premiumization that we can get because there has been a price drop or is there any like, I mean to say how should one look at the normalization of demand supply coming back and when can price increases resume? That's my first question.

Jayakumar Krishnaswamy: Okay. First of all, as mentioned by Bishnu, as our commitment to nation building and as per the expectations of the union government for the basic decision to reduce GST, we passed on the entire benefits to the customers as a part of our corporate governance philosophy. So, that one is done. Second, as in our speech, this entire GST cut happened at a time when the demand is interrupted by festive season and the sacred period. So, there was a little bit of a dealers that stopped buying 15 days before the GST announcement happened because announcement happened technically on the independence day and then the final announcement happened in first week of September and then the implementation date was 22nd. So, some disruption happened in those times, but post 22nd September till end of the month, demand did pick up, but one can say that is because of the pent-up demand because people didn't buy cement, dealers didn't lift cement in the prior period. So, I think that entire up and down bit is behind us and also Dussehra happened in our core states of East. So, with now Diwali finishing of next week, my estimate is from now on till the balance two months of this year as well as the three months of quarter four, it is going to be only a steady increase in demand plus this is the winter month and construction activity peaks up and then overall everything is going to be in the right side for the industry. I see a demand uptick of close to about 7%-8% in the coming months and that should really augur well.

As regards to your question regarding what do we look at realization going forward, basically my read is in the short run, it will be a little bit difficult for any price increase because we are morally obligated not to tinker with prices in the short term, unless until a big event and raw material prices happen, then I think we will continue to be in the same window for certain period of time. But as you mentioned in your question itself, then what are the levers as a Company we have to improve realization? Number one lever is certainly I think we have the geo-mix lever, now with the festive season over, so we still have the ability to sell in higher NODT, higher realization markets and higher contribution margin market that will be a big focus for us namely Rajasthan, Chhattisgarh, Haryana where we have incentive and these are the markets we will focus to increase our numbers. And the number two is premiumization has been a constant agenda, continuous agenda for the Company for many quarters now. As mentioned, we have hit an all-time high of 44% premiumization at this point of time, but I have to say that still we have not kind of reached the peak level at all actually. One thing which we have noticed is more and more we focus on premium, there are consumers who are ready to buy premium. Our Concreto Uno in Bihar is runaway hit, our Duraguard microfiber with renewed trust in Rajasthan, Western MP still is showing a wonderful uptick in terms of dealer placement as well as offtake. We are looking at a big time goal of increasing these two products Concreto Uno and Duraguard microfiber by at least 25% increase in Quarter 3 versus Quarter 2 and then on at a stable level to about another 10% in Quarter 4 versus Quarter 3. So, we have got very ambitious plans to increase premiumization. Overall volume will also increase, so the 45% may not kind of go up by the number which I mentioned, but certainly I am looking at, at least 150 to 200 basis points increase in premium product sale in the coming quarters as we navigate. These two levers will certainly improve our realization going forward.

Navin Sahadeo: Thank you. My second question then was about the expansion that you are pursuing or announced in the East region which is 4 million ton, but I also understand there is no clinker addition or debottlenecking which is planned which basically means that the entire premise rests on the increase in the blend ratio or the CC ratio as we call it. So, if you could just help us understand what is the current CC ratio in particular in East and how much then is the scope to increase it in the sense are there already companies which are offering that high a blend ratio in the region or we will be pioneers there also to sell the highest blended cement in the region to be able to use this 4 million ton expansion? Thank you.

Jayakumar Krishnaswamy: Excellent. So, this question I will have to explain you in three ways, three rational reasons for us to expand this 4 million tons in East. First was we had Jojobera at peak capacity, then we have Sonadih, Risda, all these, so Risda doesn't have a railway siding and so we have railway siding in Sonadih, Arasmeta, Jojobera and then in Panagarh and Mejia. During peak months we have noticed that our capacity utilization reaches close to about 85%-90% and many a times we have staffed for capacity from these plants because factories are running at full capacity. So, one of the reasons for us to expand in East is to get more capacity going. In Jojobera because we got a railway siding, then we have in Panagarh we have a railway siding and also in Arasmeta we have two mills but we have a full-fledged railway siding, we wanted to put a third mill because the mill was existing about 20 years ago. It was kind of removed at one point of time. We are kind of rebuilding a mill on the third line. So, this was the first criteria to ensure we have surplus capacity in our grinding units to serve the market during the season. Number two, as we have increased our premium products in microfiber as well as Concreto Uno, more and more in the coming quarters and months we would go into more and more blended cement category which means some clinker will get released and I will have more clinker to supply more products in the market, that is the second criteria. We operate at close to about 2.1 CK ratio, I won't name the company but there's another company which operates higher CK ratio than us in East, so there is an opportunity for us to increase the CK ratio from 2.1 to 2.3. And if we kind of move on totally into, we are big time into blended cement but when we move from PPC to composite cement then clinker release happens and CK ratio goes even further high and then we get our additional capacity. So, that's the reason number two is, exploit the blended cement opportunity by increasing the CK ratio and for which we need grinding capacity. Number one is peak capacity headroom, number two is blended cement ratio and the third one is we've also realized that we have been focused only on the 4 states of Bihar, Bengal, Jharkhand, Chhattisgarh and Odisha but then there's a market beyond these five states which is Eastern UP, Eastern MP, North East, Telangana borders, Chhattisgarh as well as Andhra Pradesh borders, Odhisha. So, these are the markets where we get an opportunity. Once we expand Jojobera, rail feed we can do, once we expand Arasmeta which has also got railway side, so we can move material through these markets. So, we get opportunity to participate in more markets, that's why grinding unit is improved. CK ratio is the second reason, third one is headroom during peak season and last but not the least, Chhattisgarh offers incentive for new capacities in grinding. So, putting a 1 million ton grinding unit in Arasmeta helps us exploit, get the favorable benefit of incentive offered by the state of Chhattisgarh. These were the four rational in getting it done and last but not the least, the cost of CAPEX is also very very attractive, we are going to spend less than Rs. 200 crores to do it. In Arasmeta where we just put the mill, that most of the civil structure is already ready, so we kind of get the ball mill going in Arasmeta at a much lower CAPEX cost, plus in Jojobera, Panagarh and Jajpur, we are going to simply copy what we did in Risda two years ago by modifying the classifier, the collection systems as well as the motor HP and various other matching equipment. At a very minimal CAPEX, we can get a million-ton additional in Panagarh, Jaipur and Jojobera and a million-ton ball mill capacity in Arasmeta. All this put together gives us 4 million tons in less than Rs. 200 crores CAPEX.

Navin Sahadeo: Thank you, sir. I will come back in queue for more questions.

Moderator: Thank you. We will take our next question from the line of Pinakin Parekh from HSBC. Please go ahead.

Pinakin Parekh: Yes, thank you very much, sir. My first question is that what would be your sense of the demand growth for the industry would have been in this quarter? Your volume growth was around 2%, so just trying to understand the industry growth across India and in your key markets?

Jayakumar Krishnaswamy: That would be very difficult for me to estimate what the industry growth would be. But I guess in the market East, I think the demand has been a little bit tepid, East as in East. But then I think if you really look at various regions of north, center, west and south, I think demand has been kind of mixed. So, I won't be able to put a number at how industry would have grown in this quarter. We will wait for the results of other companies. But I think from our perspective, we had handsome growth in north. East was a little bit subdued. But overall, I am looking at growth between 2% to 4% kind of a number.

Pinakin Parekh: Thank you, sir. So, my second question is trying to understand the second half. You said you expect demand of 7% to 8% in the coming months. For the company, should we expect a similar kind of volume growth for yourself as well? Or would you go faster or slower than the industry?

Jayakumar Krishnaswamy: Okay, I'll have to go back to my conference call in Q2-Q3 last year, Q3-Q4-Q1. So, very clear, I think we will match the industry growth at a minimal level, if the industry is at 7%, certainly we will kind of catch the growth at 7%. But in key markets of Chhattisgarh, Haryana, Rajasthan and Gujarat, our aim will be to grow faster than the market of minimum 1.2 to 1.5 times the market. That's our ambition. That's our goal. We will have to execute very well going forward to catch this wave. But certainly, I am looking at not leaving any product on the table if the market goes at 7% to 8%.

Pinakin Parekh: Sure. And so my last question is, you highlighted that while you don't see cement prices moving higher given the GST cuts and everything, but you expect your realizations to move higher in the second half. You mentioned premiumization and you mentioned Geo-mix. So, broadly, sir, if industry prices remain stable, in your view, how much of these two drivers can uplift your realizations? Can we look at a 3% to 5% ASP increase in the second half or a more muted ASP increase? I am just trying to understand how will this aid your realization?

Jayakumar Krishnaswamy: First of all, I think, overall, I think every company currently is looking at premiumization. So, I guess in general, I think if the market doesn't support price increase through these kinds of internal levers is when companies will get improved realization, we would follow a similar road. I am really targeting Rs. 25 to Rs. 50 per ton increase in net of discounted tax price for the Company going forward. That's the kind of number through realization we will be able to deliver.

Pinakin Parekh: Got it. This was very helpful. Thank you very much, sir.

Moderator: Thank you. We will take our next question from the line of Tejas Pradhan from Citigroup. Please go ahead.

Tejas Pradhan: Yes, hi. Just my first question. On the spot pricing trends versus the last quarter average, if you exclude the GST impact, how much would the prices be in the regions of East and North?

Jayakumar Krishnaswamy: I just missed that first few words of yours. If you can repeat, I will be able to answer you properly.

Tejas Pradhan: Sorry. Just the spot prices, where they are versus the last quarter average, excluding the impact of the GST change.

Jayakumar Krishnaswamy: Okay, I would say between Q1 to Q2, it's more or less flattish.

Tejas Pradhan: Okay. And the October prices versus second quarter average?

Jayakumar Krishnaswamy: It has not dropped since GST other than what we have passed. As of now, there has not been price drop in the market ever since GST has happened other than the, what do you call, GST pass-on. While there are one or two markets like East UP and all, there is some dilution in price, but I think it is all seasonal. But that's not a very big market for us, so I am not greatly worried. Our co-markets of Bengal, Jharkhand, Bihar, Chhattisgarh, Odisha, Rajasthan, Haryana, Western MP, I think, price is holding.

Tejas Pradhan: Okay. Then on the Petcoke costs, so given some increase that we have seen in Petcoke prices over the last few months, do you think there will be an increase in the cost that you have in 3Q and 4Q, or would they be more stable?

Jayakumar Krishnaswamy: Yes, I guess as Bishnu mentioned, our 1Q and 2Q number changed from 1.43 per million cal to 1.46 per million cal, but I think we are kind of really doggedly attacking this number because Petcoke may not help us in the short run. But this 1.46 in this quarter is also due to a couple of shutdowns in the kilns and overall the fuel cost is slightly higher than Q1, but I think with Q3 post-November all shutdowns is all done and I think that's one first agenda is going to be we will run flat out and then certainly I think our entire system will be fully lubricated to get the full efficiency of lines running. Number two, our AFR thrust continues to be there in the company. Q3 and Q4, our AFR consumption will go from 10% to targeting 12% on that and our key factories of Nimbol, Chittor and Risda, that should give us a tailwind for us. By doing all these things, we are targeting a number again 1.43 in Q3, give or take 0.1 here and there, but certainly I am really looking at **1.46** pullback to 1.43, but big time reduction I don't see happening in the near future, but if the current prices hold good for next few months, I think we should be able to maintain at 1.43 for the next quarter.

Tejas Pradhan: Okay, and lastly, I think earlier you used to give a breakup of RM, power and freight cost in the presentation, stripping out the RMC impact. Could you share what those numbers were for this quarter?

Jayakumar Krishnaswamy: No worries, what I'll do is, I've not put it on the chart, if you can reach out to Bishnu and his team, I think we will give you all the details, but suffice to say, I guess RM has been flat from Q2 to Q1. In terms of fuel cost, there's an increase a little bit, but other than that, I think that the raw materials and distribution cost, things are equal to slightly less as well. If you reach out to Bishnu, he will give you details.

Tejas Pradhan: Sure, no problem, thanks.

Moderator: Thank you. Next question is from the line of Ashutosh Murarka from Choice Institutional Equities. Please go ahead.

Ashutosh Murarka: Firstly, thank you for the opportunity. I want to ask on the volume side, how we are looking the volume for H2FY'26?

Jayakumar Krishnaswamy: I am looking at a close to about, industry, our view is close to 7% growth and YoY H2 versus this year, I am really looking at 7%-8% growth.

Ashutosh Murarka: And on CAPEX side, like we are looking to enter in this western region, so any further plan there?

Jayakumar Krishnaswamy: Yes, I'll just give you all the details. Overall, CAPEX this year, as I mentioned, our routine CAPEX was close to about Rs. 100 crores to Rs. 150 crores. So, we continue to stick to that number of Rs. 100 crores to Rs. 150 crores. H1, we have spent about Rs. 78 crores and our target in H2 is about Rs. 70 crores. So, we will be kind of managing the routine operation, routine CAPEX requirements at this kind of number of Rs. 100 crores to Rs. 150 crores. Then comes the rebuild CAPEX, where in the last call, I've given a phasing of that 1,600 plus 200 crore overall 1,800 number at 600-600-600 over a period of three financial years of '26, '27 and '28. So, which means we have to spend close to about Rs. 600 crores in this year. As we stand today, we have spent close to Rs. 45 crores at the end of Q2 for this. So, we won't be spending all 600 in the balance period of FY26. While we're releasing purchase orders for all of Rs. 600 crores, the cash flow will not happen at 600. I am estimating and targeting cash of about Rs. 300 crores going away in the H2 of this year. And last but not the least, the East expansion CAPEX, which just now announced overall outlay of less than Rs. 200 crores. In H1, we didn't spend anything. H2, I am looking at about Rs. 50 crores ordering the mill and rest of all this stuff will happen, the civil work will start. So, overall, I am looking at in H2, CAPEX outflow of close to about 370 plus 50, Rs. 420 crores as the cash outflow. And H1 has been close to 78 plus 45 is 123.

Ashutosh Murarka: Okay, thank you.

Moderator: Thank you. Next question is from the line of Milind Raginwar from BOB Capital Markets Ltd. Please go ahead.

Milind Raginwar: Thank you for this opportunity. First on line item, the other expenditure on a year-on-year has grown up sharply. So, any specific reason for this? It's about 12% higher on a year-on-year basis. So, last year also, we should have had the maintenance. So, anything other than maintenance that we have to read here?

Jayakumar Krishnaswamy: No, it's only maintenance, pure and pure maintenance. This time in Q2 FY'25, we had Rs. 14 crores was there in this quarter for shutdown. This year, we have done Rs. 33 crores. So, all the impact on other expenditures is coming out of the shutdown which happened in this quarter. So, one more shutdown is left, which will happen in the coming month. By November 15th, all shutdown for the year will be over. So, it's purely because of shutdown expenditure, phasing of shutdown which happened and that's why this quarter is reflecting this number.

Milind Raginwar: Okay. And the next question I have is, what would be the amount of incentive that we would be building in on a per ton basis or absolute number for the quarter?

Jayakumar Krishnaswamy: You will have to repeat. I missed the first few words of yours again. Per ton basis of what?

Milind Raginwar: So, the incentive amount, whether on an absolute basis?

Jayakumar Krishnaswamy: I think in this call, I will not be able to quantify and give you. Certainly, as far as East expansion, I think Chattisgarh government gives incentive for, I think, medium projects, large projects at a percentage of SGST. But if you can reach out to Bishnu, we will have a detailed conversation on the overall cost per ton, the incentive per ton we will get out of the expansion in Arasmeta. So, bear with us. We will give you if you reach out to our team.

Milind Raginwar: Sure, sir. Thank you. That is it from my side. Thanks.

Moderator: Thank you. We will take our next question from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Thanks for the opportunity. I have a couple of questions. Firstly, just on CAPEX, you said like, FY'26, we are looking at around, I think, Rs. 650 crore CAPEX, or sorry, Rs. 550 crore CAPEX, including some pending flow through to next year. What is the absolute number for FY'27 and FY'28 without any specific details, like total number?

Jayakumar Krishnaswamy: Okay, I am looking at 600 each of three years is what I said last time for the Vadraj build-up. And then we are looking at close to about less than 200 for the East buildup, let me target 200, give or take 10 here. Out of 200 east capex, FY'26 and FY'27 would be, say, 50 to 80 and 120 to 150. So, looking at close to about 680, 720 and 600, and routine CAPEX of 150, 150, 150. So, let me just give you a breakup for next year. Including 150 routine CAPEX and close to 600 of Vadraj CAPEX will be 750 next year plus capex for East expansion. This year capex will be ~550 as targeting cash outflow of only about Rs. 300 crores going away in the H2 of this year.

Prateek Kumar: Sure. And regarding the refinancing, you said that refinancing is done, right? The short-term refinancing is done. So, now FY26 second half, will it reflect into, just for accounting purposes, will it reflect into your interest expense changing from like Rs. 102 crores in FY Q2 to like a higher number or how will it reflect on your P&L?

Jayakumar Krishnaswamy: Maneesh will answer this bit.

Maneesh Agrawal: So, the interest component will by and large remain the same. In fact, it may go down in Q3.

Prateek Kumar: Okay. So, I was asking that how will that reflect in your P&L, like the refinancing costs**?**

Maneesh Agrawal: So, basically this Rs. 1,200 crores of CCDs, it is broken up into two tranches of Rs. 600 crores each. And the deal is about to end very soon. So, since it is an equity like instrument, this is going to be forming part of the equity and to the extent of interest that gets reduced. So, in the P&L, you will see some impact of it in Q3. So, you will see the impact of this positive impact in Q3.

Jayakumar Krishnaswamy: Right now, all of it is considered as a debt of 600 plus 1,200. So, there will be interest charge which is happening as you see. The moment we move away this 1,200 from debt into CCD, then the interest will go away from that bit. So, whatever is the interest bit on Q2 and Q3, you will see some changes happening. Technically, it will be less than that. So, you will see the impact of it in the P&L in Q3.

Prateek Kumar: And eventually, your number of shares from Rs. 35.7 crores will increase to a higher number?

Maneesh Agrawal: So, it is not the Nuvoco shares that are going to be issued. So, the number of shares of Nuvoco will continue to be the same. So, basically, the CCD is getting issued in Vadraj. So, for the CCD at the time of conversion, which is at the end of the maturity, the shares of Vadraj will be issued to the CCD holder.

Prateek Kumar: Sure. I will take it offline. Thank you.

Moderator: Thank you. We will take our next question from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Thank you. First, just two data points, lead distance for this quarter and road-rail mix was how much?

Jayakumar Krishnaswamy: Quarter lead distance at 331, road at 60%, rail at 40%.

Shravan Shah: And now, first, if you can specify this 4 million ton East expansions. So, in Q3, will it be a Jojobera and in Q4, Panagarh will come 1 million ton?

Jayakumar Krishnaswamy: Yes, that's the target. We are looking at Jojobera going from ~6.3 currently to ~7.3 by end of December. And the next sequence will be to do Panagarh at the end of March so that I have capacity of additional million for fiscal '27. And then June of next year will be Jajpur. And then during the course of the year, targeting by Q4 FY'27 Arasmeta to come on stream. So, 28 onward full 4 million. This year, Q4, 1 million addition. Next year, we will have truncated 3 million and next '28 all of 4 million.

Shravan Shah: Yes. So, considering this 3 million ton will be there for entire year of FY'27. So, how one can look at in terms of the volume for FY'27? So, roughly, even if you take, let's say, kind of the current utilization 70%-73%. So, 2 million ton kind of a number should be there from only just this expansion and plus even to some extent the Vadraj also will be there for at least in the 4th Quarter, even 3rd Quarter also will be there. So, is it fair in terms of broader level, if I look at 2.5 to 3 million ton, is it possible that translates to 10% to 12% kind of a growth in FY'27?

Jayakumar Krishnaswamy: I can't put numbers to it so easily simply because Vadraj is going to have one quarter or two quarters coming in. And then this one will be phased increase. But suffice to say that we can look at anywhere between 1.75 to 2 million incremental sales volume happening next year versus this year.

Shravan Shah: Okay. Great. And then the third is, in the opening remark, we have mentioned that the Chittorgarh Brownfield expansion will be the first preference versus the Gulbarga. But the whatever left of 4 million ton at the Vadraj is there. So, out of this currently, we will be having a 4.5 million ton and then the 4 million ton is left. So, will we prefer Chittorgarh first over this 4 million ton left of Vadraj or?

Jayakumar Krishnaswamy: Okay. I think we will have to go back to my previous call. So, we have an installed capacity of 6 million ton in North and the rationale for getting Vadraj was simple because out of the 6 million ton installed in North, I bring 1 million into Gujarat and already sell a million ton in Gujarat. And by the end of this year, we will be sold out in North if we don't expand in North. So, the idea of getting Vadraj was to get Vadraj going in Gujarat and Maharashtra and in year 1 get about additional 1 million tons from Vadraj. Already, 1 million tons is coming from North into Gujarat. So, I get a 2 million tons head start in Gujarat in year 1. But as the Gujarat market grows, Vadraj expands, I will pull back 1 million tons which comes from Chittor into Gujarat and put that 1 million tons into the Northern markets of Rajasthan, Haryana. So, I get a breathing time in Northern markets for at least 2 years after this fiscal. So, I navigate for 2 years and then Vadraj ramps up for Gujarat and Maharashtra and then come back, once the CAPEX is done, obviously, we are mindful of the debt which I keep telling in every call that we are comfortable with the debt of 3,500 to 4,000. So, deleveraging will be a big agenda for the company going forward as well. So, with this deleveraging and expansion in Vadraj, so the next available opportunity for us will be a somewhat lower cost CAPEX which will be a brownfield CAPEX. Hence, Chittor comes in the scheme of things. We need capacity, we need to spend low cost and hence in the end, priority will be Chittor unless and until the market conditions in North of Karnataka and Maharashtra dramatically changes by higher price, we may look at even Gulbarga at the time.

Shravan Shah: Okay. So, once this 4.5 million ton of Vadraj will be there, that is by Q3 FY'27, then the next plan is to go for the Chittorgarh and then maybe we can think of again coming back to the remaining 4 million ton of Vadraj and or maybe Gulbarga depending on the market condition.

Jayakumar Krishnaswamy: We got mines in Nagaur, we got mines in Gulbarga, we have mines in Guntur, multiple locations we have mines. I think really doing a crystal ball gazing at 2030 will be not appropriate at this point of time but suffice to say we want to kind of exploit already the market and the brand equity which we have which is the northern market. So, we will expand in North first. Gulbarga will be somewhat a new territory for us but certainly as per the growth ambitions of the Company, we have ambition to become a West-North, Central and East player. So, certainly I think at appropriate stage even that becomes a focus area for the Company.

Moderator: Thank you. We will take our next question from the line of Raghav Maheshwari from Equirus Securities. Please go ahead.

Raghav Maheshwari: Hi, sir. Just one question from my side. What are plans regarding the ABGs spare 4 million ton capacity at Surat because we are already putting up a 2.5 million ton in Kutch and 2 million ton, we will be revamping Surat. Then remaining 4 million ton, what is our plan regarding to that?

Jayakumar Krishnaswamy: The mill which we are putting up in Kutch will be a 2.5 million ton mill and as we know that even in the Jajpur and Panagarh and Risda, we have taken the capacity from 2 to 3 million ton. So, our target is the mill which we commission in Surat as phase-1, we will commission as a 2 million ton but I guess within a span of a year or so, we should take it up to 3 million ton. So, with the 3 million ton in Surat and 2.5 million ton in Kutch, we should have adequate capacity in Gujarat market. That is the reason why we are not commissioning these 2 new mills. The old mills, we are not reconditioning in Surat. So, our thought would be that at some stage, relocate this mill from Surat to elsewhere where we set up either a brownfield or a GU unit or something. So, it is for that actually. If we get into Chittor, we might have to put a GU. So, this mill goes at a much lower cost or we expand in Gulbarga, we will have a split grinding unit. That is where this mill can come at a much lower cost. So, it is kind of using it at a later stage and not kind of spend all the money to commission it right away.

Raghav Maheshwari: So, basically, we can assume Surat will operate 2 million ton in the first phase and then 2 million ton will go for a 3 million ton in the next upcoming years.

Jayakumar Krishnaswamy: Absolutely. So, our target is to get FY'27-'28-'29 and '30. I have a simple number 2-3-4-5, 2 million in '27, 3 million in '28, 4 million in '29 and 5 million in '30. I guess in span of 2 to 3 years, we will exhaust all the capacity which we have bought from Vadraj.

Raghav Maheshwari: But sir, our clinker is only sufficient for best case in a 5 million ton according to the Gujarat condition because Gujarat is almost operating more than 50% in OPC product. That is why I am asking that then we need more clinker.

Jayakumar Krishnaswamy: No, we will debottleneck the kiln. The Risda kiln was a 10,000 TPD kiln when we acquired erstwhile Emami. Currently, we have kind of done engineering modifications to take the kiln to about ~12,000. The Vadraj kiln is even shade bigger than the Risda kiln. So, I guess we are pretty confident that as we expand the market, we would be able to take the capacity to current 10,000 to 12,000 odd. So, right now, we are also very clear that CAPEX, we are very mindful of CAPEX. So, we are not spending the money to modify everything. Our focus is to have the kiln running, have the WHR so that we have the power cost in control, start the CPP so that we have the power requirements, energy requirements in place, railway siding because it gives us, totally opens up the entire Gujarat market as well as the Surat market through rake movement from the side. So, those are being the CAPEX and also putting the GU because of the incentive benefit in Gujarat. So, we have focused our entire expansion strategy based on a cost-effective and prudent use of capital. But going forward, when we need capacity, it takes only 6 months to 8 months for us to de-bottleneck from 10,000 tons to 12,000 tons.

Raghav Maheshwari: So, the best is, we can assume this existing kiln can go up to the 4 million ton as a clinker level and the cement we can assume in the Gujarat from this mill around 6 million tons. It is the best…?

Jayakumar Krishnaswamy: That's our target, I think. I think even market at that time may change from current OPC mix to PPC. Currently, Gujarat is at 50:50. But I think I am assuming over a period of time, everybody wants to make more cement from this plant and then certainly go from OPC to PPC market. And last but not the least, if and most likely the Commonwealth Games is going to happen in Ahmedabad and you will see cement demand perking up in 2030, I think. I am really looking at a very positive signs for us because with our plant ramping up and the demand for cement is going to big-time increase in Gujarat with the opening up of Ahmedabad, so, I think we are in a very good wicket to utilize all our capacity which we are invested on.

Moderator: Thank you. Next question is from the line of Harshal from AMSEC. Please go ahead.

Harshal: Thank you for the opportunity. So, few quick questions from my side. First is in terms of costing targets we had of Rs. 50 per ton for full year. So, are we track on that? Secondly, in terms of our strategy for each market like East, we used to focus on value or volume and how to do that with our recent remarks where we say, Chhattisgarh, we want to grow at 1.2x to 1.5x the market. And lastly, in terms of Gulbarga and Chittor expansion, if you can give some details as to the timeline in terms of capacity, so that will be quite helpful.

Jayakumar Krishnaswamy: In terms of the cost savings which I mentioned in the last call, we should target Rs. 50 in FY'26 over '25. We are well on the way on the course. You will see the reflecting of that happening in H2 of this year. Broadly, it will come from using alternate raw materials. Second one will be increasing the efficiency of our WHR and CPP and third one will be, lead distance reduction and the benefit coming out of the Odisha siding which is already commissioned. Now, as we speak, it is commissioned. So, this quarter onwards, Jajpur siding will happen. Then the lead distance reduction is a big agenda the company is running. And all this, I am looking at 50 rupee reduction happening in H2 certainly versus last year. So, it is on course. The second one which you asked was about the timing of Gulbarga and Chittor and all. So, as we stand today, our CAPEX timeline, our Vadraj CAPEX is H2 of next year I commission the Suraj grinding unit as well as the Clinker unit will happen during the course of H2 next year. And then we have the WHR and the Kutch grinding unit happening in Q4 FY'27. Around April is the time when I have the grinding unit happening there. So, I guess we are booked for expansion in '26, '27 and Q1 of '28. So, we will take up any and in parallel, the East expansion is happening. So, two big activities happening. One is the Vadraj expansion and East expansion in the next 24 to 36 months. And I think around 24 months, we will start evaluating whether Chittor becomes the apt site for us to kick start or the Gulbarga site. So, I will wait and wait for some time. As it stands today, our priority is Chittor is what we say. But sometime Q4 of next year, the exact thing will crystallize.

Harshal: Thanks. And one more question on the strategy like East region, can you focus on?

Jayakumar Krishnaswamy: I missed that. I think if you have attended our quarterly calls, I think sometime in Q3 last year, because the industry was in a somewhat very muted growth and prices at that time in Q2, Q3 were kind of 10-year low which was happening at that time. So, one of the things which we adopted at that time was to at such low prices, Nuvoco has got premium products and we need to kind of exploit our standing as a premium product and that is when we had the value strategy. But I think if you had seen Q3 last year, we had delivered a high single-digit growth and then on, we have been on a growth phase continuously. Four quarters, we have been growing at single-digit and in one quarter, we even grew 16%. So, that is the kind of stuff. But we will not take our eyeball away from the premiumization. But certainly, I think we will not leave volume growth against value growth. Both will run concurrently.

Harshal: This will go for both the markets, right? East and North?

Jayakumar Krishnaswamy: East is where our premium products of Concreto Uno Microfiber are there. North, as we say, at this point of time, we are at a capacity utilization pretty high, but even in North, I think moving away, moving towards premiumization in the microfiber which gives us close to about Rs.20 per bag more than the base product. I think if our capacity is going to be constrained in the quarters going after next year, I think our focus will be to move more and more into premium. We used to be 7%-8% premium product sale in North. Today, we are at 16%-18% premium product sale in North. Already, we have doubled our premium sale in North markets.

Moderator: Thank you. We will take our next question from the line of Navin Sahadeo from ICICI Securities. Please go ahead.

Navin Sahadeo: Thank you for the follow-up. Before I ask my question, I would request a clarification because in the previous one of the answers on premiumization, you mentioned the endeavor is to increase prices by Rs. 25 to Rs. 50. I just wanted to confirm, is it per bag that we are expecting or it's a per ton number?

Jayakumar Krishnaswamy: Per ton of cement. Rs.25 per bag means then we will go with... How would I do that? I don't think it's possible. So, looking at Rs. 25 to Rs. 50 per ton of cement. I wish we could do that.

Navin Sahadeo: No, even I wish so. Even I wish so and I would have been super impressed.

Jayakumar Krishnaswamy: Jokes apart, I guess we're looking at this kind of number of Rs.25 to Rs.50 per ton.

Navin Sahadeo: Thank you. My question was again on the premiumization plan. So, is there a seasonality aspect to it? Because last year also in Q2, the premium percentage as an overall sale did see an increase, but thereafter it has tapered again in Q3-Q4. So, the reason I am asking is because GST rate cut has reduced prices and there is every incentive or every tendency by a customer to uptrade the value proposition, so are you seeing that kind of trend already into October, further premium sales or it can be similar to last time when there can be a slight drop?

Jayakumar Krishnaswamy: Too early to comment with it. Ideally, I think if one were to look at from a varying marketing perspective and looking at consumer habits and what a consumer would do. So, if you're able to get a high value product at a lower price, technically all of us will go and buy a high value product which is available at a lower price now because of GST cut. But I won't kind of put all my eggs on the basket and say it is going to happen overnight. But things will happen over a period of time when I think premiumization focus will improve. But one point which you said, whether our percentage will increase or not, I think I would not be, I won't be able to simply come and say that because my volume in H2 is going to be much more than H1 and there if I put the same percentage premium formula, I think the number will be pretty high. I am really looking at increase in premium product sale which is X lakh tons in Q1 and Q2, it's continuously increasing. That's where I am going to increase the amount of premium product sale in Q3 and Q4. I am looking at a 25% increase in premium product sale of Q3 versus Q2, another 10% from Q4 versus Q3. How much should we pan into the overall volume? Right now, I will not be able to tell. But certainly I think we will not drop our numbers from 44 to much lower. It could be give or take a percent here and there.

Navin Sahadeo: Understood. And then my second question was on the dealer discounting. So, our channel checks, and I am not referring here to your Company or brand, Nuvoco. I am talking about in general, our channel checks were basically revealing that this time round, there were no Diwali-related schemes or some incentive structure offered for dealers. And there is also some bit of maybe expectation or maybe I say some fear by the dealers that the overall discounts of schemes which earlier the company used to offer may go down because since the prices itself of cement has come down, there is that much more, what do you say, companies or the industry need not push extra sales by offering more incentives to dealers. Is there any such thought specific to you?

Jayakumar Krishnaswamy: I think our dealers and distributors are extension of our Company. The mission of our company is to become a trusted building materials company, creating value for our stakeholders. Our one of the principal stakeholders for the Company is our dealers. Since some of our dealers might also have connected to this call, I just want to pass on a message that never ever we will reduce our discounts to our dealers. That is our commitment because they are an important part of our growth and we are obligated, we are very proud for our dealers and we will never ever reduce the discount scheme just to make some short-term gains.

Navin Sahadeo: Understood. Very, very clear. Just one question, if I could slip in, have we purchased the captive power capacity in the premises of Vadraj which was to be, I think, in control of JSW?

Jayakumar Krishnaswamy: Last stages of discussion happening, I guess it should be done in the next few weeks.

Navin Sahadeo: Thank you, sir. Very helpful. Thank you so much and a very Happy Diwali.

Jayakumar Krishnaswamy: Thank you. Same to you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Bishnu Sharma for closing comments. Over to you, sir.

Bishnu Sharma: Thank you, everyone, for your insightful questions. I hope all your questions have been addressed. Otherwise, you can reach out to me or Adit from my team for any further clarification.

Before we close the call, I just wanted to state to you the statement I just wanted to make. We remain firmly focused on sustaining growth and enhancing our market position. The Vadraj cement project is progressing as per schedule with plants targeted to be commissioned by Q3 FY'27, strengthening our footprint in the western region. Our plant expansion in the eastern region driven by rising demand for blended cement under the Concreto and Duraguard brands will further reinforce our leadership position in that market. Following these projects, along with balance sheet discipline, brownfield expansion at Chittor in North and greenfield development in Gulbarga will underpin long-term structural growth. Moving forward, we will continue to prioritize strategic initiatives such as premiumization, geo-optimization and cost efficiency to enhance our competitive edge and deliver long-term value to our stakeholders. Thank you, everyone. Thank you for being here today.

Moderator: Thank you, members of the management team. On behalf of Nuvoco Vistas Corporation Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.