



SAGAR CEMENTS LIMITED

SCL: SEC: NSE: BSE: 2025-26

29th October, 2025

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

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

Scrip Code: 502090

Symbol SAGCEM
Series EQ
ISIN INE 229C01021

Dear Sir,

Sub: Submission of transcription of Conference Call under Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015 on Q2 & H1 FY26 financial results

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Pursuant to the above said Regulation, we are forwarding herewith the transcription of the Conference Call held by on 24th October, 2025 in connection with the recently announced Un-audited Stand-alone and Consolidated financial results of the company for the second quarter and half year ended 30th September, 2025.

Thanking you

Yours faithfully
For Sagar Cements Limited

J.Raja Reddy
Company Secretary
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Encl: a/a



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Presentation

Vibha Jain: Good morning, ladies and gentlemen. Welcome you all to the 2Q FY '26 Results Conference Call of Sagar Cements Limited. We have with us today Mr. Sreekanth Reddy, Joint Managing Director; Mr. K. Prasad, Chief Financial Officer; Mr. Rajesh Singh, Chief Marketing Officer; and Mr. Raja Reddy, the Company Secretary.

I would now like to hand over the call to Gavin Desa for his opening comments and then over to management. Over to you, Gavin.

Gavin Desa: Thank you, Vibha, and thank you for introducing the management. I would just like to add that some statements made in today's discussion may be forward-looking in nature and a note to this effect was stated in the con call invite sent to you earlier. We trust you have had a chance to go through the result communications that was shared with you yesterday.

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

Sreekanth Reddy: Thank you, Gavin. Good morning, everyone, and welcome to Sagar Cements' earnings call for the quarter and half year ended 30th September 2025. Let me begin the discussion with a brief overview of the market, post which I will move on to Sagar-specific development.

As anticipated, overall demand during the quarter was relatively subdued, reflecting the typical seasonality of the monsoon period. Despite this, we recorded positive volume growth on back of a softer base from last year. The pricing environment remained broadly stable

with a marginal softening in line with seasonal trends. On the cost front, input prices particularly for power and fuel remained steady through the quarter. Looking ahead, we expect demand conditions to strengthen in the second half of FY '26, supported by the pent-up consumption and higher government spend.

Moving on to Sagar specific performance. Q2 registered a volume growth of almost 17% year-on-year, while our revenue for the quarter stood at ₹602 crore compared to ₹475 crore Q2 FY '25, an increase of almost 27%. EBITDA for the quarter stood at ₹51 crore as against ₹20 crore in the prior year period, margins improving to 9% from 4% a year ago. EBITDA per tonne stood at ₹377.

For FY '26, we expect overall sales volume to be around 6 million tonnes. Our profitability outlook remains positive, supported by ongoing cost optimisation initiatives such as freight efficiency through shorter lead distances, lowering the clinker factor, upgrading the Andhra plant and increasing the share of renewable energy in our power mix.

As capacity utilisation across our plants continue to rise, we also expect to gain from operating leverage in the coming quarters. Loss after tax during the quarter stood at ₹44 crore. Power and fuel cost stood at ₹1,428 per tonne as against ₹1,446 per tonne reported during Q2 FY '25. Freight cost for the quarter stood at ₹855 per tonne as against ₹830 per tonne during Q2 FY '25.

From an operational point of view, Mattampally plant operated at 48% utilisation, while Gudipadu, Bayyavaram, Jeerabad, Jajpur and Dachepalli plants operated at 82%, 63%, 94%, 34% and 32%, respectively, during the quarter. As far as the key balance sheet items are concerned, gross debt as on 30th September 2025 stood at ₹1,610 crores, out of which ₹1,216 crores is a long-term debt, the remaining constitutes the working capital.

The net worth of the company on a consolidated basis as on 30th September 2025 stood at ₹1,758 crores. Debt equity ratio stands at 0.69:1. Cash and bank balances were at ₹175 crores as on 30th September 2025. Our capacity expansion projects at Andhra Cement and Jeerabad are progressing as per the plan. The construction of new 6 stage preheater was successfully completed at Dachepalli plant. And after trial run, it got commissioned on 23rd October, 2025. Further, we expect to commission the cement capacity by end of Q1 FY '27. The 4.35-megawatt waste heat recovery project at Gudipadu unit and the

expansion of Jeerabad capacity from 1 million tonnes to 1.5 million tonnes is expected to be commissioned by the end of FY '26.

In summary, the expanded capacity strategically positions the company to capitalise on the projected growth in infrastructure, real estate development in coming years. Furthermore, our ongoing initiatives to diversify revenue streams will reinforce our regional presence and will further support our overall profitability.

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

Question-and-Answer Session

Vibha Jain: So, we will now begin the question-and-answer session. Anyone who wants to ask a question can indicate through raise of hand. First question we will take from Mr. Shravan Shah. Shravan you can unmute your line and go ahead with your question.

Shravan Shah: Hi, thank you. A couple of things to understand. So particularly volume you already said that you are maintaining the 6 million tonne kind of guidance for this year. So next year, also last time, we have said around 7-odd million tonne for FY '27. So that also remains the same?

Sreekanth Reddy: Yeah. The next year guidance, probably we would like to revise upward. As we come closer probably, there might be some upward revision for the next year.

Shravan Shah: Okay. Got it. Second, coming on to the costing front, particularly. So just wanted to understand each line item better. So first, let's say, starting with RM cost and then the employee cost. So, employee cost this time, we have seen ₹5-odd crores QoQ increase. So how one can look at? So, any specific reason for that? And will this ₹39-odd crore kind of a quarterly run rate will continue in the third and fourth quarter?

Sreekanth Reddy: With the overall appraisal that has taken place, annual increment of close to around 10% has been implemented. So, the run rate more or less for the quarter is what you should look for going forward. The raw material cost and everything more or less in our belief, should remain flat. Though we are seeing slightly an uptick in terms of the pet coke pricing. But fortunately, the domestic coal as well as the imported coal more or less with the increase that we have seen in pet

coke, we are not seeing a significant change in the overall power and fuel mix probably going from pet coke to the imported coal more because there has been a price drop in terms of the imported coal and domestic price increase as we have seen in the pet coke pricing.

Shravan Shah: Okay. But this quarter, what particularly is the change in inventory that we have seen the significant kind of a consumption in whatever the inventory we were having in the Q1 that has actually kind of impacted the profitability. So, in the Q3 itself, can we see the kind of - - whatever we have seen the increase, ₹80-odd crores change in inventory, will the entire will be getting kind of reversed?

Sreekanth Reddy: EBITDA per tonne for the current quarter, except for the inventory adjustment should have been close to ₹530. So, for the overall, we don't see a challenge to be very close. Overall, yearly number we are keeping the same outlook.

Shravan Shah: Yeah. But now if somebody has to look at, let's say, next year or going forward, in terms of increasing the profitability from ₹600, do we think -- so we are one of the lowest cost producers. So, unless we can see the kind of a confidence or we have the confidence that now the prices can structurally go up, do we think that even for next year or even for FY '28, what's the possibility to do or the percentage or whatever way, how much one can look at in terms of increasing the profitability?

Sreekanth Reddy: Let us take one step at a time, Shravan. The advantage that we see from Sagar perspective way. Yes, there are some green energy initiatives which are work in progress. Solar just got commissioned. In the current quarter we could not capitalise fully. At the same time, waste heat recovery project and expansion of 0.5 million tonne at Jeerabad will significantly contributed to the profitability. I think it's something, which I cannot comment. But from an internal efficiency perspective, these works we believe that should end up benefitting quite significantly to us. By how much is a function of time. For the current year, we believe it will be ₹600 EBITDA per tonne. Going forward, closer to the date, I think we can start discussing on.

Shravan Shah: Yeah. Last two things. One is in terms of now post the GST cut, do we see the prices structurally going up at least in near term? Or do we see at least next two, three months, it will be very difficult and maybe whatever is likely to happen maybe post January, one can see. And there also, given the kind of supply that the industry will be

witnessing, do we think that the cement prices can structurally can go up?

Sreekanth Reddy:

Yeah. So, from a pricing perspective, if you look from a quarter before the start of the Q1 to what it is right now. And what is right now from exit of Q1, there is not a significant difference, but for the adjustments that have happened in terms of the seasonal, price did not drop significantly. Yeah. What we have seen in our own case is a 3% to 4% drop in terms of the realisation, which is primarily on account of seasonality.

This in spite of midway through GST correction. So now can we take the prices up from here? How it is going to shape up? Only time would tell. Our internal understanding is that as the demand picks up, which is likely to happen because demand in spite of having extensive monsoon, I'm sure you all agree that across India, the monsoon has got extended quite a bit.

Even now it is raining. In spite of this, the volume pickup has shown a significant kind of an upturn. So, this should help us have better pricing. By how much and all time would tell. But I would always assume that Q4, we should be in a much better situation. Q4 should lay the foundation for a better pricing regime going into the next year or else by now, if pricing was weak, we would have seen an extremely weak pricing. We should have gone back to pre-Q1 kind of a scenario like how it was last year.

Shravan Shah:

Okay. Okay. Got it. And lastly, sir, in terms of the land sale, so last time we were looking at that this FY 2026, around ₹100 crore, ₹150-odd crore and then the...

Sreekanth Reddy:

Yeah, let me give you an update. See, we almost got the clearance, but they then observed a few typographical errors in the collectorate and the paperwork that was done. So, it had to go back again to get some of the typos corrected, especially some of the survey numbers and all. So, we do expect the approval process and everything to be concluded in the current financial year.

Probably there could be a shift of a quarter to six months in the overall sale process. But the good news that we can always celebrate is that Vizag with all the activities that is happening, likely that we might get a better realisation than what we anticipated than before. With the Google and Adani's large data centre getting opened up and a lot of land being given to Wipro and Infosys and HCL. All these things are

auguring well for Vizag getting a huge lift in terms of potential growth, which was in the side line. So that should help us realise more. Probably there could be a three to six months delay in the overall process that we have indicated from before.

Shravan Shah: Sir, how much extra we can think...

Sreekanth Reddy: I think let us wait. Yes, as soon as we get the approval, that is when we would want to reach out to the potential kind of buyers. Yeah, that is when we would exactly know. As indicated, the government rate has not been upgraded, but there is a discussion that the government reckoner rate is likely to get upward revised.

Shravan Shah: Okay, thank you, sir and all the best. I will be in queue. Thank you.

Vibha Jain: Thank you. We will take the next question from Mr. Guru Darshan. Guru Darshan, you can unmute your line and go ahead please.

Guru Darshan: Thank you. Sir, could you please elaborate more on EBITDA per tonne decline in Q2? There's a steep decline of around 30%, 35%. Just wanted to understand please.

Sreekanth Reddy: There are two parts to the EBITDA decline, sir. One is an incentive because there was large incentive that was received during Q1. So obviously, that was once in a year. So that got added up to Q1 that is missing. If we net off those incentives, yeah, the normalised EBITDA per tonne was to the tune of around close to ₹600 EBITDA per tonne for Q1, if I have to net off.

So, from ₹600, yes, we came down to ₹377 at this point of time. The biggest delta in this is a small drop in the realisation. As I mentioned, it is a 3% to 4% drop in realisation. Coupled with that, the inventory got adjusted because during the last quarter, we had to shut Andhra plant completely, the clinker.

So, though we were doing grinding, so most of the time, we were consuming the clinker, which was in the stock. So was the case for most of the time in Mattampally, which is another large capacity in our portfolio, that was getting maintenance shutdown. That was to tune of almost 40 days, sir. These two, but for the inventory adjustment, we should have actually gone to somewhere around ₹350 plus kind of a number EBITDA per tonne. So, except for that realisation drop of 3% and inventory drop, there is not much of a change in the overall kind of profitability position.

Guru Darshan: Sir, how much incentive did we receive in this quarter?

Sreekanth Reddy: Around ₹11 crore, sir.

Guru Darshan: Okay. So, in total, we'll be receiving around ₹46 crore, right for FY 2026?

Sreekanth Reddy: Yes, sir. What we have received in Q1 was around ₹34 crores. And this is ₹11 crore, almost ₹45 crore is what we have received.

Guru Darshan: All right. So, from next year onwards, how much incentive we are expecting to receive?

Sreekanth Reddy: See, I think around ₹25 crore to ₹26 crore as a minimum is issued. Over and above that is subject to the power incentive. That is likely to be anywhere between ₹3 crore to ₹5 crore as indicated.

Guru Darshan: Okay. I'm sorry, my question is, I repeating the same question. So, you said exit of September, you're not taking any price hike yet, right? And only in Q4, you'll get to know what would be the situation, right, in terms of price hikes and demand situation?

Sreekanth Reddy: Your understanding is correct, but let me again clarify. Yeah, the challenge for us was two counts. One, the GST change, yeah, we could survive through that. So, there is a small drop, which is again a seasonal correction. But for that, we did not lose the price, sir. So, the potential price increase is likely to get aligned with the demand, which is likely to come up. As you know, in some portion of South, monsoon is due in November and December. Yeah. So, post monsoon, that is post end of this Q3, that is where we believe the demand is likely to shoot up. And that is when potentially industry could start trying to recover some amount of the price. So, till such time, we believe the current pricing might continue.

Guru Darshan: Understood, thank you so much, sir. All the best.

Sreekanth Reddy: Thank you.

Vibha Jain: Thank you. We have next question from Mr. Pinakin Parekh. You can unmute your line and go ahead.

Pinakin Parekh: Yeah, thank you. Sir, my first question is on demand. We have seen the announcements on the Google data centres and obviously, the

capital city has always been in the news. When do you see a big spurt in demand in Andhra Pradesh, which has on paper, a lot of projects being lined up?

Sreekanth Reddy:

Yeah, Good morning. So, let me again not sound that cynical but I think this time around, the financial closure, he's actually seriously followed up with the paper announcement. So, some of the key projects actually got the financial closure, be it from World Bank or ADB or the central government support.

So, there are a lot of these projects which actually got the financial closure also done. Some of the contractors have already got the tenders. Fortunately, in our case, people who aligned with us did bag a few large orders. But we do expect the pickup in terms of the full cement demand to start from end of Q3. And for the next year, it might start picking up sometime middle of next year because in the initial phase, as you know, it will be more to do with the documentation and the groundwork.

That may not significantly consume cement, but we do expect from end of Q4 all the way up to middle of Q2 before the monsoon sets in, the volumes to start picking up significantly. But I think the real demand surge is likely to happen in H2 of next year. Again, I'm only limiting myself to Andhra.

The other good news that what has happened is in Telangana, especially with the low-cost housing, the Indiramma Pathakam, the government already has negotiated the prices with the industry players. The scheme is very straightforward, sir. The material, the beneficiaries' money would be transferred. They in turn have to buy for an indicated price from designated godowns, they need to pick the material.

So that also is likely that post the season, post this off season, the demand towards that for cement also is likely to pick up in a big way. We had multiple rounds of discussion, discussing about the logistics and the issues that are hovering around that, especially to do with the payment terms and all. Yeah, though I would not say this is fully concluded, but it has reached to a good shape. So that also is likely going to trigger a big demand from Telangana perspective.

Pinakin Parekh:

Thank you, sir. Going back to the Andhra demand, when you as a company and the industry look at this data centre demand, do you see

this as an isolation related only to data centres or you see a broader ecosystem of housing and everything?

Sreekanth Reddy:

See, I think data centre probably may not consume significant portion. It could be a few million kind of square footage. But the kind of cost to rub off, each of these investments could lead. See it's not just one data centre that we are discussing, sir. We are talking of amount of IT parks coming up, even IOCL coming up with a very large kind of refinery and some amount of industry.

There is a partnership summit, which is due in the coming few months and also the COP that is happening in Davos. Usually, most of these investment commitments would come from The Davos Partnership Summit. Again, it is followed up with a large partnership summit that is being hosted in Andhra.

So, these announcements probably should also start trickling in the peripheral investment, which was in side lines, now waiting for good announcements to happen. All these things are likely to start getting fructified, probably end of this financial year to the early part of next year. These announcements should start triggering a huge demand, which is likely to be sustained over the next couple of years because these are just initial announcements, right?

By the time they get grounded and start implementing, it should take at least a year, two years from now. But we are very, very hopeful and very positive that demand is likely to be sustained in a similar kind of double-digit growth over the next couple of years, especially in Andhra.

Pinakin Parekh:

Got it, sir. My second question relates to pricing. Now your Q-on-Q decline of 3%, 3.5% just looks a bit high compared to what we thought was in the industry. Now when you look at Q3, the December quarter versus the September quarter, given that there has been no price change on the ground, I think prices will be flat to higher?

Sreekanth Reddy:

I think it should be flatter. I would not expect it to be higher, but I would expect it to be flatter because see, the monsoon in South Peninsula of South would kick in now. And with that, there are a couple of storms that are likely to happen. The monsoon got extended in the northern part, sir. So even now as we speak, it's raining, which is very unusual. So, the number of wet days this time have been very, very high.

So, given the scenario, yeah, we do not expect a significant change in the overall kind of a pricing, though there could still be some positive changes in the non-trade, but quantifying them would be a challenge as we speak. I would keep my neck out to assume that prices may not drop. Prices may remain flat for the Q3 and start picking up at least from early part of Q4, might sustain till end of February to early part of March and probably small correction for year-end kind of a push. That has been historical scenario. So that's what we expect even this time around.

Pinakin Parekh: Got it. My last question just relates to industry capacity addition. We saw one of the large players announce their next wave of capacity addition, but it had North and West in it. In your view, do you see South capacity addition being muted compared to other regions over the next three, four years and that would potentially bode well for pricing?

Sreekanth Reddy: Yeah, the capacity announcements in South, actually, I don't know whether it lagged or lead the industry. But the reality is that some of the capacities just got added up, and they are in a ramp-up phase now. So, till this happens, we don't expect any new capacities that come up, except for one large line that was announced by UltraTech, not in this quarter, a quarter before, which is at Petnikota. That is one which is likely to happen over the next 12 to 15 months' time. But we do expect a ramp-up from Deccan. We also expect ramp-up from all the capacities that came up. The one which is under construction, which is likely to happen over the next six to nine months would be Ramco Line 2 in Kolimgundla.

Pinakin Parekh: Got it. Thank you very much.

Sreekanth Reddy: Thank you.

Vibha Jain: Thank you. We will take the next question from Mr. Vijay Pandey. Vijay you can go ahead with your question.

Vijay Pandey: Hi, thank you for taking my question. I have two questions. In terms of industry demand, how are you seeing in terms of the industry demand in the second half of this fiscal and FY '27? And where do you see the biggest growth? I'm talking about the industry, so whether it will be North, West, South or East. If you can help guide us a little bit on the industry demand that will be very helpful.

- Sreekanth Reddy:** So, from a demand perspective, so let me stick to the areas that we operate, primarily the South. So, the South, as indicated in the past, so we do expect high-single digit for the current year, primarily on account of Andhra, to a certain extent Telangana, more or less flat to slightly positive in Tamil Nadu and 3% to 5% in Karnataka for the current year. So, we probably could be surprised positively. It could inch up to low-single digit -- double digit for the current year. Next year, we do expect around 15% plus kind of a year-on-year growth for Andhra and Telangana. We expect 5% to 10% in Tamil Nadu and 3% to 5% in Karnataka, which has always been very, very stable.
- Vijay Pandey:** Okay. And just wanted to understand the significant increase YoY in terms of operating expenses. Any particular reason what is driving this expense?
- Sreekanth Reddy:** It is more to do with the operating leverage and the other expenses, it has gone up purely because of maintenance-related issues. So usually, we take the maintenance during an off-season. So, we did take the large capacity, which is at Mattampally for the maintenance, the annual maintenance. Coupled with that, the lower operating leverage did add up to the expense. But at the end of the year, it should get aligned.
- Vijay Pandey:** The other expenses should come down as a percentage.
- Sreekanth Reddy:** Those are maintenance expenditures. That includes maintenance expenditure, which we did incur for this time. It should get normalised by the end of the year.
- Vijay Pandey:** And just one more clarification. So, the total incentive for full year is expected to be ₹45 crore, of which we have already received ₹40 crores.
- Sreekanth Reddy:** Yes. We did receive. Yeah.
- Vijay Pandey:** Okay. So only additional ₹5 crore is left for the second half?
- Sreekanth Reddy:** No, we did receive the entire incentive of ₹46 crores. We did receive ₹46 crore.
- Vijay Pandey:** Okay. Thank you.
- Vibha Jain:** Thank you. We will have next question from Mr. Sucrit Patil. Sucrit you can go ahead with your question.

Sucrit Patil:

Good morning to the entire team. Sorry about the earlier thing. My question is with cement demand showing regional divergence and input costs remaining volatile, how is Sagar Cements recalibrating its capacity utilisation and market mix to protect margins while sustaining volume growth over the next two quarters?

Sreekanth Reddy:

Yeah. we have been on the same mix for close to a decade, except for one Madhya Pradesh plant and Odisha plant got added up. It's a very cyclical kind of a thing. So, we have to leave with it where the assets are. From a regional diversification, as we have mentioned, yeah, the Madhya Pradesh plant is where we are expanding. So that should help us reduce the regional dependence on South. But South is not always like this. So even for past more than a decade, though the operating capacities did not change purely because of realisation changes, for at least more than half of the time, the South has been extremely profitable.

So, we don't see that as a challenge. Yeah, we are going through some rough weather because whenever the margins actually are healthy, some new capacities keep coming in that region, that puts pressure from time-to-time. But our assessment is each region has its own pluses and negatives. So, given that scenario, for whatever reason, we are very south focused. We wish we want to have an equal balance in all the regions, but it would take time. Given this scenario, it's a large Capex, and it's not something which you could do overnight or you cannot wish away things which are not good so fast, but we have to leave it the way it is.

So, what we internally do is to improve the efficiencies in spite of having low capacity utilisations, we continue to focus on cost management with a very low operating leverage. Those initiatives are still on. Fortunately, in our case, the waste heat recovery at Gudipadu and the capacity addition at Madhya Pradesh should add up to our margins going forward. That should help us increase our margins as we progress into the future.

Sucrit Patil:

Just an extension to the question. Since you have mentioned about the South part, say, in case if you're planning any entry into the northern area, northern regions, is Sagar Cements in talks with any partnership deal with any other company from that particular region or space? Can you shed some light on that?

- Sreekanth Reddy:** Yeah, at this point of time, nothing has reached significant milestone for us to announce with all the stakeholders that includes you. We'll be the first people and happy to come back to you if anything has progressed to an extent that we should come and address to our stakeholders. At this point of time, there is nothing that is happening.
- Sucrit Patil:** I think that's a very good answer. And I wish you the best of luck for the next Q3.
- Sreekanth Reddy:** Thank you.
- Vibha Jain:** Thank you. We will take the next question from Mr. Amit Murarka. Mr. Amit, you can go ahead with your question.
- Amit Murarka:** So, yeah, thanks for the opportunity. So just quickly on pricing, I just wanted to understand like the pricing has actually been correcting quite consistently for the last four, five months to the point that last hike that we have seen in April and it has been taken out. And I noticed that you mentioned that you don't expect any further declines. But generally, to understand like why kind of this sharp correction after a steady increase we saw in April and May. And also given that supply kind of an issue also been there, do you think that, that will not be an impact on pricing in the coming quarters?
- Sreekanth Reddy:** Yeah, I think there is a disconnect in terms of the pricing understanding. Prices significantly moved up from middle of Q1 or probably middle of April '25. They moved up very well. They sustained more or less all the way up to middle to end of July. And it got seasonally corrected. There has been a drop of around 3% to 4%, because we believe this is more a seasonal correction. This cannot be attributed to any additional capacity that is coming into the market. This we typically have seen even in the past; less than 5% price correction is expected during the off-season. So that's what it has been.
- Now our ability to increase the price also got, I would say, limited because the season again got extended. And at the same time, the GST rate correction and some amount of, I would not say confusion, but with the regulatory kind of a push-through in terms of anti-profiting and all did not help us recover the price that we have lost or else by now, once the season is getting over, we should have recovered the small price drops that we see during the off-season, and it should have got corrected. Probably that correction is what we are expecting it to happen by end of this Q3. And we expect the demand to start picking up quite sharply from here on. But the prices probably will start

becoming healthier than what they are right now in our assessment either end of Q3 or early part of Q4.

Amit Murarka: Even in October, my understanding is the price has corrected another ₹5, ₹10, even like beyond the GST cuts we saw in September. So, the correction is continuing actually even in October as per the weaker feedback.

Sreekanth Reddy: I can only comment our own this thing. The prices got corrected by that 3% to 5%, and they remain there. It's not that our prices are dropping. Yes, there is some amount of information about some large non-trade orders having some price correction, but we are not in that space.

Amit Murarka: On the new clinker capacity, like you mentioned Kurnool coming up for Ramco and then UltraTech also coming up with the plant. So, with a 55%, 60% utilisation, like don't you think that these units could also kind of create some pressure in the market? I mean I know it's a six, nine months away situation, but it's surprising to see new units come up with strong mobilisations.

Sreekanth Reddy: So, we have not come up, so I cannot comment much. So, we have to leave with that. That has been the case historically in South. So that remains so even now. The good news is that probably when they are coming up, the demand is likely to be higher. So, it may not significantly erode the operating capacity utilisation. It may not help in increasing the capacity utilisation for existing ones.

Amit Murarka: Right. And sir, lastly, on your debt levels, they seem to have moved up from March 2025 levels.

Sreekanth Reddy: I think these are marginal correction. As indicated, our gross debt and net debt positions may not be significantly different from what we have started. That narration remains irrespective of expansions and some amount of investments into the green energy generation. Our gross debt position would remain very similar for the current year from the last year. So, it is not very different. It will remain where it is, sir. So, whatever we are repaying is what we have borrowed, but we are investing into the efficiency improvement as well as the capacity, sir.

Amit Murarka: Okay, sir. Thanks, and best wishes.

Sreekanth Reddy: Thank you.

- Vibha Jain:** Thank you. We will take the next question from Mr. Deep Lapsia. Mr. Deep, you can go ahead with your question.
- Deep Lapsia:** Thank you for the opportunity. Sir, only just one question from my side. On capacity expansion front, we are in process to commission 0.5 and 0.25 at Jeerabad and Gudipadu and 0.75 at Dachepalli. So total 1.5 MTPA of expansion. So, from current 10.5, it is expected to reach 12 MTPA by FY 2027. Is my understanding correct, sir?
- Sreekanth Reddy:** Except for 0.25 in Gudipadu, sir, your assessment is correct because we are yet to start. Yeah, it is for FY 2027. Yes, it's likely that we should reach 12 million by end of FY 2027.
- Deep Lapsia:** Okay, thank you. That's it from my side. Thank you.
- Vibha Jain:** Thank you. We will take the follow-up question from Mr. Shravan Shah. Shravan, you can unmute your line and go ahead.
- Shravan Shah:** Sir, first is on the Capex front. So, in 1H, we have already done ₹180-odd crore. So, in the balance, how much we are planning to do a CapEx and for next year, how much given that this WHRS, which also, if you can explain this 4.5 megawatt of Gudipadu, why the CapEx is so much high, ₹84-odd crores?
- Sreekanth Reddy:** Yeah, the Capex, what we have indicated was around ₹360 crore for the current year, sir. It has slightly gone up not because of anything, but we are able to push some implementation slightly ahead of time. So, this ₹360 crore probably should end up at around ₹450-odd crore for the current year. So out of that, we did ₹180 crore. Yeah, we should end up spending another ₹250-odd crore for the current year, sir.
- Shravan Shah:** Okay. And next year, sir, FY 2027?
- Sreekanth Reddy:** Yeah. FY 2027, we expect it to be anywhere between ₹250 crore to ₹275 crore. This includes the maintenance Capex also.
- Shravan Shah:** Okay. And this WHRS, why the CapEx is so...
- Sreekanth Reddy:** Waste heat recovery CapEx is usually anywhere between ₹18 crore to ₹20 crore per megawatt, sir. We are very much well within that limit.
- Shravan Shah:** Okay. Because if I look at then the -- okay. Got it. And the...

- Sreekanth Reddy:** So, in that case, it's all inclusive, sir. This includes the GST. It's the total CapEx, inclusive of IDC and everything. So, it is well within that cost.
- Shravan Shah:** Got it. And this Jeerabad, we will be 0.5 million tonnes will be starting in the Q1 FY 2027 or by March FY 2026?
- Sreekanth Reddy:** We should commission before March of 2026 itself, we should have commissioned it.
- Shravan Shah:** Okay. So, the volume will start coming from the Q1 FY 2027.
- Sreekanth Reddy:** It's a grinding plant, so we don't expect it to have a longer kind of commissioning time. So, the volume should start kicking in ASAP.
- Shravan Shah:** Okay. Got it. And another thing I just wanted to understand is this quarter, in terms of whatever we are saying 3%, 4% price decline. So, the non-trade prices have declined much higher versus the trade?
- Sreekanth Reddy:** Yeah. So, for us, the drop, what we have witnessed is primarily on account of non-trade. Trade is only, GST pass-through happened. We did not see a bigger drop in terms of the trade prices. So, what we hear, again, we are not in that space. Some of the non-trade large accounts, we hear that price drop is more than this.
- Shravan Shah:** Okay. And then just for this second quarter of FY 2026 in terms of the demand growth for individual state of South, if you can help us.
- Sreekanth Reddy:** Yeah, if you can connect, we would be happy to share that with you.
- Shravan Shah:** Okay. Okay. Got it. And then just again clarifying this staff cost, you said 10% increment. And from third quarter onwards, we should see some moderation or this kind of a number will continue?
- Sreekanth Reddy:** So, the absolute number will remain like Q2 number. Yeah, it should be in the range of around ₹36.5 kind of crore per quarter, sir.
- Shravan Shah:** Okay, got it. Thank you and all the best.
- Sreekanth Reddy:** Thank you, sir.
- Vibha Jain:** Thank you. We will take the next question from the chat box. So Mr. Rajakumar Vaidyanathan has asked, when is the rights issue planned

for Andhra Cement? And also, is the company having OFS option to reduce the stake to comply with minimum public shareholding norms?

Sreekanth Reddy: Yeah. Let me comment. I think we will be happy to come back at the timing. The regulations actually go all the way up to March of 2026. Yeah, we did apply and got the SEBI clearance for the rights issue. Up to December of 2025, the current application is valid. The option for an OFS also is something which we are evaluating. But I think we should come back to all the stakeholders fairly soon. At this point of time, our thinking is that we should have completed this before the current financial year itself.

Vibha Jain: Thank you. And the next question is, any update on Vizag land sale?

Sreekanth Reddy: Yeah. I did mention, yeah, there is a slight delay because of some typo errors in the paperwork that was done. So, we do expect the clearance anytime soon. We are expecting at this point of time a six-month delay from what we have indicated before.

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

Satyam Kesarwani: Hi, sir. Thanks for the opportunity. Just wanted to ask you about the state-wise mix for this quarter. Like in last quarter, we did around 50% in AP and Telangana. I just wanted to ask if it is the same in this quarter as well. And the next question would be if you can share the procurement price for pet coke since it was up for this quarter, right?

Sreekanth Reddy: I think we did indicate in our Slide 15 about the pet coke current trends. Those are the indicative offers that we did receive. If you look at our investor presentation, slide 15, yeah, you would have the pet coke pricing trends and at the same time, our own acquisition costs. Yes, if you look at the state-wise mix, sir, it is not very different from what we have indicated in the past. It is very, very similar, how we have indicated from last quarter to now. Yes, more or less, the state mix are very, very same.

Satyam Kesarwani: Okay, sir. Understood. Thank you so much.

Sreekanth Reddy: Thank you.

Vibha Jain: Yeah, okay, fine. Vincent, you can go ahead with the question.

Vincent Andrews: Thanks for the opportunity. I have only one question. See, one basic question, like Andhra Cement as per the presentation, Andhra Cement is now showing EBITDA per tonne of, it is a loss of around ₹24 crore. So what is the current utilisation in this plant? And at what utilisation it will breakeven? And what is the optimum EBITDA per tonne you are expecting and at what utilisation?

Sreekanth Reddy: Yeah, as indicated, it operated at 32%, sir. The operating losses are primarily on account of, we actually did a shutdown for upgrading the plant. For the whole of quarter, we did not produce any clinker. We actually shut the plant. Going forward, we believe that at 50%, it should break even. At 50% capacity utilisation, it should break even because the new pre-heater is a lot more efficient because it's energy efficient.

Yeah, we should have at least close to 100 Kcal saving at least for the coming few quarters. So that itself should help us break even relatively faster. But just to have a thumb rule kind of a thing, at 50%, we should break even.

Vincent Andrews: And what is the optimum utilisation you are expecting? And at this optimum utilisation, how much would be the EBITDA per tonne?

Sreekanth Reddy: See, for the next year, we expect it to reach to the optimal kind of utilisation, which is close to around 60%. We should generate close to around ₹500 to ₹600 EBITDA per tonne like the average Sagar. But that is subject to realisation also, okay? So, any change in realisation could add up. But what we have pencilled in is 60% capacity utilisation at an average ₹600 EBITDA per tonne.

Vincent Andrews: Thank you very much.

Sreekanth Reddy: Thank you, Mr. Vincent.

Vibha Jain: Thank you. As there are no further questions, we will request management to give the closing commentary.

Sreekanth Reddy: Thank you, Vibha. So, we would like to once again thank all of you for joining us on the call. I hope you had all the answers what you're looking for. Please feel free to contact our team at Sagar or CDR India team. Should you need any further information or have any further queries, we'll be more than happy to discuss them with you. Thank you. Have a good day.

Vibha Jain:

Thank you, and we will now conclude the call. Thank you, everyone.
Have a good day.