NUVOCO VISTAS CORP. LTD.

Ref. No.: Sec/20/2025-26

May 07, 2025

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: **543334** Scrip ID: **NUVOCO**	**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 Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2025

Further to our letter no. Sec/07/2025-26 dated April 11, 2025, letter no. Sec/16/2025-26 dated May 01, 2025 and letter no. Sec/18/2025-26 dated May 02, 2025, please find enclosed the transcript of the Investor and Analyst Conference Call held on Friday, May 02, 2025 on the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2025.

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

This is for your information and records, please.

Thanking you,

Yours faithfully,
For **Nuvoco Vistas Corporation Limited**

SHRUTA JATIN SANGHAVI
Digitally signed by SHRUTA JATIN SANGHAVI
Date: 2025.05.07 12:30:13 +05'30'

Nuvoco Vistas Corp. Ltd. MUMBAI 70

Shruta Sanghavi
SVP and Company Secretary

"Nuvoco Vistas Corporation Limited's Q4 FY'25 Earnings Conference Call"

May 02, 2025

MANAGEMENT: MR. JAYAKUMAR KRISHNASWAMY - MANAGING DIRECTOR, NUVOCO VISTAS CORPORATION LIMITED
MR. MANEESH AGRAWAL - CHIEF FINANCIAL OFFICER, NUVOCO VISTAS CORPORATION LIMITED
MS. MADHUMITA BASU - CHIEF INVESTOR RELATIONS, NUVOCO VISTAS CORPORATION LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY'25 Earnings Conference Call of Nuvoco Vistas Corporation Limited.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that the Company faces. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent development, information or events otherwise.

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

I now hand the conference over to Ms. Madhumita Basu, Chief Investor Relations. Thank you and over to you.

Madhumita Basu: Thank you, Yashashri. Good afternoon, everyone. And thank you for joining our fourth quarter and Fiscal 2025 Conference Call.

Let me start by briefly discussing the broader macroeconomic landscape linked to cement demand, followed by a review of our performance and key events for the quarter.

As we all know, the global economic landscape is shifting rapidly, with recent trade tariffs amplifying uncertainties. Nevertheless, India has demonstrated notable resilience underbid by robust economic growth, a solid macroeconomic framework, moderating inflation, and strong domestic demand drivers. After a muted first half, economic activity picked up in the second half, driven by rise in government capital expenditure. Real GDP growth accelerated to 6.2% via YoY by Q3 FY'25, up from 5.6% in the previous quarter, reflecting a robust economic recovery supported by stronger rural demand from good crop yields.

The forecast of above normal monsoons further strengthens prospects for the upcoming Kharif season. These developments collectively point to a favorable outlook for cement sector.

Now, I would like to provide you with key updates for Nuvoco's business:

This year we have taken a fresh look at our mission statement as we embark on a growth phase. Our new mission of trusted building materials Company creating value for our stakeholders embodies our commitment to operational excellence and enhancing value for our stakeholders.

Coming to a status update on our acquisition of Vadraj Cement Limited:

We have received approval from the NCLT for our resolution plan, marking a key milestone in our growth strategy. This acquisition will enable us to reach a total cement capacity of 31 million tons per annum by the third quarter of FY'27, further strengthening our position in the industry. Additionally, we are planning to set up a GU at Kutch as we remain very optimistic on Kutch operations considering the Gujarat Government is actively focusing on developing this region. Furthermore, the state government has favorable incentive programs in place to encourage the establishment of cement operations in Kutch, making it an attractive destination for investors.

To reiterate overall, the Vadraj cement transaction is a strategic value buy and will be funded without a significant increase in our consolidated debt levels. By adding Vadraj Cement assets, we are well positioned to expand and consolidate our presence in the Western region. This acquisition will also allow us to further consolidate our presence in the Northern region as the release of additional capacity from Chittorgarh Plant enables us to better serve that market. With that acquisition, we will become the third largest cement producer by capacity in the combined Gujarat and Maharashtra markets, while also diversifying our operations and further strengthening our competitive position in these key areas.

Let's now review our quarterly performance, evaluate the progress we have made, and discuss the outlook for the coming periods:

In Q4 FY'25, the Company recorded its highest ever quarterly consolidated cement sales volume, increasing by 8% year-on-year to 5.7 million metric tons, with full year sales reaching 19.4 million metric tons.

While demand was subdued in the first half of FY'25, the second half witnessed a strong recovery. The Company acted swiftly to capitalize on emerging opportunities, strengthening its market presence and driving robust volume growth.

Consolidated revenue from operations through 4% YOY to Rs. 3,042 crore in Q4 FY'25, bringing full year revenue to Rs. 10,357 crore. Supported by back-to-back quarters of improving demand in H2 FY'25, the price environment remained supportive. The price hikes introduced towards the end of 2024 were maintained through Q4 FY'25. The Company continued to work on premiumization agenda, with premiumization reaching 40% during the year. Additionally, the Company maintained a sharp focus on operational excellence. This is reflected in achieving the lowest blended fuel cost in the last 14 quarters at Rs. 1.43 per million cal, reinforcing Nuvoco's position amongst the industry's lowest in power and fuel costs. On cost efficiency program, Project Bridge 2 delivered a saving of Rs. 56 per metric ton in FY'25.

Turning to our balance sheet:

We have continued to make progress on our deleveraging agenda during the year, reducing net debt by Rs. 390 crore year-on-year to Rs. 3,640 crore despite the challenging operating environment. Over the past few years, we have consistently focused on lowering debt, bringing net debt down from Rs. 6,730 crore in FY’21 to Rs. 3,640 crore in FY’25. We had committed that once Nuvoco’s debt level reaches the range of Rs. 3,500 crores to Rs. 4,000 crores, we would initiate growth CAPEX. With our debt now within the targeted range, the strength in financial position places us well to initiate the next phase of growth and commence operations at Vadraj Cement Plant by Q3FY’27. To quote Mark Twain here, “The secret of getting ahead is getting started.” We are now ready to embark on a significant journey to diversify our geographical footprint.

Turning now to the cement demand scenario:

As you are aware, FY’25 was a mixed period for the industry. The first half of the year experienced a subdued macroeconomic environment, primarily due to prolonged elections, slowing down government capital expenditure and later challenging weather conditions. However, demand rebounded strongly in the second half of FY’25. During H2, cement demand showed sustained growth over two consecutive quarters driven by increased CAPEX from both the central and state governments with supported infrastructure and housing projects. Correspondingly, pan India cement prices began to improve from Q3 FY’25 onwards. Most of the price increases implemented towards the end of Q3 FY’25 largely sustained through Q4 FY’25.

Capital expenditure by both state and central governments has started gaining momentum. For FY’26, the central government has increased its CAPEX by 10% YoY to Rs. 11.21 lakh crore, while state governments have planned an average 17% rise to roughly Rs. 10 lakh crore, providing a significant boost to infrastructure and housing initiatives. Specifically, the central government’s allocation for the Pradhan Mantri Awas Yojana is set to increase by 64%. And major states such as West Bengal, Bihar, Chhattisgarh, Gujarat, Rajasthan and Jharkhand have collectively earmarked approximately Rs. 35,000 crore for various housing projects. Given this plant’s CAPEX from both central and state governments, cement demand is expected to remain robust in FY’26.

Looking ahead, sustained demand growth is also likely to support healthy price levels. On marketing initiatives, our premium products continue to be the preferred choice for customers. Concreto UNO and Duraguard Microfiber, our flagship premium products, have shown encouraging growth.

We are pleased to share that our Haryana Cement plant has commenced production of Duraguard Microfiber which is helping us expand its availability and reach across the Northern markets. With improving market conditions, our trade share has gone up to 75% in our mix in Q4 FY’25, 71% in the previous quarter. Alongside this, we remain active with on-ground engagement programs that resonate strongly with our channel partners and end consumers.

The "Sabse Khaas Pehelwan" initiative in Haryana strengthened the product's positioning around durability and strength, while the Kumbh Mela gave us an important platform to create an enhanced experience for our channel partners and influencers.

Going now to the Ready-Mix and MBM businesses:

With respect to Ready-Mix, we added two plants in Ranchi and Nagpur in Q4 and remain committed to driving growth and enhancing market presence across India. The MBM segment provides an opportunity to strengthen our cement channels and garner wallet share of our end users. The Company is committed to delivering high quality, differentiated products that drive growth and create long-term value.

Strategic outlook for FY'26:

As we look ahead, our strategic focus remains on driving growth and operational excellence across all three business verticals:

Firstly, in the cement business, our priorities will be

- Refreshing our go-to-market strategy to align with our expanding footprint with a clear ambition to drive market share,
- Achieve market leadership in our home market while expanding our presence in the Western region.
- Continue to drive premiumization agenda for value growth.
- Deploy efficiency programs to optimize manufacturing, procurement, and logistics costs

In the Ready-Mix business, we plan to expand our manufacturing footprint to support volume growth. Alongside this, we will continue to deploy operational efficiency programs to enhance cost competitiveness.

For MBM business, our focus is on accelerating business growth by leveraging the strength of our existing cement distribution network. This will allow us to tap into additional market opportunities. Here too, efficiency improvement programs will be deployed to deliver cost savings.

Together, these strategic priorities are designed to enhance our market positioning. We will continue to build competitive advantage through customer-centric culture to delight stakeholders. Our sustainability, we remain committed to our sustainability focus.

With this, I conclude my opening remarks. I am joined here by Mr. Jayakumar Krishnaswamy – Managing Director of Nuvoco Vistas and Mr. Maneesh Agrawal – our Chief Financial Officer. We will be happy to answer any questions that you may have. Thank 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: Yes, good evening and thank you for the opportunity. Congratulations on a good set of numbers. A couple of queries, but let me start by congratulating the sales team first for the wonderful realization increase and also increasing the trade share from 71% to 75%. So, indeed, a great job. My first question was in your opening comments, madam, you mentioned that the acquisition of Vadraj will be pursued without any further increase in net debt. So, if you could just help us understand or just take us through how do we really plan to do that, of course, net debt has come down to 3,640. But I think there is an upfront payment to be made of Rs. 1,800 crore to the NCLT or to the bankers itself. And then I think it was guided that Rs. 1,100 crore to Rs. 1,200 crore is what we will require over 2 years. So, I am assuming that 1200 crore, partly at least 500 crore will come this year and the balance next year. So, the upfront payment is almost Rs. 2,300 crore and plus maintenance CAPEX. So, just want to understand how do you see this without increasing the net debt?

Jayakumar Krishnaswamy: Yes, thank you for this question. In the last 3 years ever since our listing and then our investor call started way back in 2021, one of the things which we have clearly mentioned is, for the size of the Company and the size of the business we have, we are comfortable operating with a net debt around Rs. 3,500 crores to Rs. 4000 crores. And our pursuit in the last few years have been to pare down the debt from where we were three years ago till now. And this quarter we reached 3,640. And you would have seen every quarter-to-quarter comparison and year-to-year comparison, every quarter we have debt levels of the Company lower than the previous quarters. So, we reached the stage and even in the last call, I had mentioned that we had successfully bid for a Vadraj and then we were waiting for the NCLT process to happen. And this quarter obviously the NCLT process happened and now the ruling is in our favor and then we should proceed on getting the investment going. We certainly earn the right to invest meeting the commitments which you have made consistently by reducing the debt of the organization.

Now comes to how do we kind of find a way to fund this acquisition as well as the rebuild of the facility. In the last call we had mentioned that the cost of acquisition is around Rs. 1,800 crores and our estimate at that time was to rebuild the Surat and the Kutch facility will be to the tune of about Rs. 1,200 crores. That was the messaging which I had done in the last quarter. So, when as we come to the consummation of the transaction, here is what we plan to do. We would find a way to fund this transaction to keep the debt levels of Nuvoco at a reasonable level. What do you mean by reasonable level? Out of this Rs. 1,800 crores of financing which we need to do upfront, we will take a long-term debt of Rs. 600 crores in Nuvoco's books and then the balance

Rs. 1,200 crores will be through instruments like CCDs and CCPs which will be on a long-term maturity. Interest cost of this will be at the fag-end at the end of the period, so that the balance sheet of Nuvoco doesn't get loaded. So, Nuvoco will pick up a debt of close to Rs. 600 crores in short term and till the financing happens, we will also take a Bridge loan of about Rs. 1,200 crores for a max-max period of 6 months, but it will be much before six months before we complete the payment for the transaction. So, in short, Rs. 600 crores will be on the books of Nuvoco in the form of long-term debt and balance Rs. 1,200 crores will be through CCPS and CCDs which will be long-term and not figure in the debt level of Nuvoco. That's the first bet in terms of paying that Rs. 1,800 crore.

The second thing is about the investment of about Rs. 1,200 crores. I just want to inform all of you in this meeting that subsequent to the last investor call and now some important positive welcome development happened which Madhumita mentioned in her speech. We have also identified there are fiscal opportunities available in the state of Gujarat for expanding in Kutch and we have decided to set up a grinding unit in Kutch facility for 2 million tons. Hence the overall CAPEX needed to rebuild Kutch facility, Surat facility and also put up a GU in Kutch will now be turned up from the original number of Rs. 1,200 crores to about Rs. 1,500 crores but the timeline to do all these things will be in three calendar years of 2025, 2026 and 2027 and the phasing of the investments would be in the tune of about 600, 600 and 300 in the next 3 years, 24 to 30 months. And along with that, to fund this CAPEX from internal accruals, we will pare down our capital expenditure to run the current operations to a max of 100 crores to 150 crores so that we have adequate cash flow in the organization to fund the CAPEX of Vadraj. So, that's the sum and substance of how the Rs. 1,800 crore funding will happen and also the Rs. 1,500 crores which was Rs. 1,200 plus the current change into 300 of setting up the grinding unit in Kutch plus also expand refurbishing Kutch and Surat facility. Hope that's clear to you. If you have any further queries, you can ask.

Navin Sahadeo: Yes, sure. Just on this bit, when you say CCPS, and I am assuming you are talking about compulsory convertible preference shares, is it the promoters who will be looking to subscribe this? Are they putting in more money, or are we looking at an external investor or a combination of both? How should one look at it?

Jayakumar Krishnaswamy: We will have investors who will invest into Vadraj in the form of CCPs and CCDs and at an opportune time with a long-term maturity and when maturity happens then we kind of repay the CCPs and CCDs at the maturity time.

Navin Sahadeo: Understood. And just one last question from me. Are we building in the acquisition or the, I think that there's a power plant which is in control of JSW. It's not part of the deal, but it's in the vicinity and we need it for operations. Are we accounting for that acquisition cost as well?

Jayakumar Krishnaswamy: Currently, we are in discussions for the CPP. The deal is not concluded. But as and when it is done, we will find a way to incorporate in the refurbishment cost.

Navin Sahadeo: That's helpful. Thank you so much. I will come back in queue for more queries.

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

Prateek Kumar: Yes. Hi good evening sir. And congrats for great results. My first question is on your cost savings. So, you have been like sort of rolled out cost saving programs. If you can quantify how much of on a per ton basis was achieved in FY'25 as a Company and how are you looking at in terms of FY'26-27 in terms of any more incrementally initiatives there?

Jayakumar Krishnaswamy: Okay, Madhumita mentioned in speech that program Bridge delivered close to about Rs. 56 per ton.

Overall raw material cost reduced by close to about Rs. 5 to Rs. 8. The power and fuel cost from FY'24 to FY'25 reduced by Rs. 13 to Rs. 33. And then the distribution cost, which is including of SFG, okay, I am sorry. It reduced by Rs. 130. I am sorry, I just missed a number there. For the full year, raw material cost reduced by about Rs. 5. Power and fuel cost close to about Rs. 130. Distribution cost reduced, including the semi-finished clinker movement reduced by close to about Rs. 120 odd.

So, all this came through cost savings, which were planned through the railway siding in Sonadih, railway siding in Jajpur which is more or less complete but will be completed in the quarter. Setting up of alternate fuel systems in Nimbol and Chittor which brought us the fuel cost down and also ramp up of the AFR facility at Risda. Namely, three buckets, raw material cost reduction, second one is power cost savings and the third one is paring down of distribution cost. Overall, when compared to FY'24 to '25, we had these savings and project Bridge is one part of overall cost savings and the Project Bridge delivered close to about Rs. 56 per ton. And the second part of your question was what is the future targets for us? I think we are targeting at this with the implementation of full ramp up of Sonadih railway siding, full ramp up of Jajpur siding and also other productivity improvement programs in terms of getting the full benefit of AFR in these sites. We are targeting close to about Rs. 100 to Rs. 150 per ton in the next 2 to 3 years.

Prateek Kumar: Just for clarification for 25 over 24, you said Rs. 8 from RM, 130 from P&F and 100 from... So, total like Rs. 240 kind of savings, did I get it right? 240 per ton savings from...

Jayakumar Krishnaswamy: Yes, it will be more than Rs. 200. But overall, if you remember rightly, a year ago, we defined what all items came in the form of Bridge Agenda. So, in the speech, Madhumita clearly mentioned the Bridge Agenda which we announced delivered close to 56. But on top of that, programs which are not part of the Bridge, which is namely ramping up of AFR and also getting the allied slag and other projects in raw materials, delivers the balance savings. The Bridge Agenda typically had new batch sourcing models. It had grid integration program out of Chhattisgarh. It had an efficiency improvement in variable cost and also it had a component of SO percentage increase in sales. All this was part of the Bridge Agenda. We delivered Rs. 56 out of the Bridge Agenda in this year. Over and above the Bridge Agenda, there was a fuel cost saving which came through rate variance as well as through AFR improvement and also enhanced semi-finished goods movement through the railway setting.

Prateek Kumar: Thank you, sir. Very clear. Another question is on pricing, like the exit of March quarter saw some price hikes and in April some more price hikes. How is Q1 trending over the average of last quarter's pricing?

Jayakumar Krishnaswamy: Just to jog the memory, when we did the earnings call in January, I had mentioned that we ended the quarter with a 6% increase in realization. Happy to report that the kind of realization we ended Q3 almost continued throughout the quarter with some changes. I mentioned at that time itself that we will see the benefit of price corrections which we made in Q4 which did happen and that's one of the main reasons for our improvement in results. Also, quite confident that the price increases and the changes which we did in Q4 a large part of it is sustaining as we entered April, completed April entered in May. But as we stand on the 1st of May, a large component of what happened in Q4 continues to be present in April and as of now in May.

Prateek Kumar: Thank you, sir. I will get back in the queue.

Moderator: Thank you. We will take our next question from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi. Thank you. Just a couple of questions around Vadraj only. Just a clarification question. When you say you are looking at CCPS from external investors, Mr. Jayakumar, do you already have an agreement in place with these investors would largely be, I am getting private equity investors who put in the CCPS. When you say 600, you already have an agreement in place?

Jayakumar Krishnaswamy: We are in term sheet exchange levels right now. As you know that we signed, the court order came on 3rd of April and sometime earliest could be 3rd week of May. We are still working on the various procedural issues with CoC and RP. Over the next 2 to 3 weeks, we should be able to firm up the term sheets. So, we are pretty confident that these two instruments, CCDs and CCPs will be concluded before we kind of conclude the deal. In any case, what we have done, as I mentioned in this earlier remark, while the shake hand has happened, it may take a week or two here and there. We will do a Bridge financing to ensure that if the D-date of paying the money happens, so we will do a bridge financing in the interim. And that's why I mentioned in my speech that we are doing a bridge financing of Rs. 1,200 crores for a max period of 6 months.

But we are fairly confident in completing the CCPS and the CCD route before the timeline which I mentioned.

Satyadeep Jain: Okay, fair enough. Just secondly, on the Vadraj, now that you have completed the formality for acquisition, you have a better idea. When you look at the refurbishment, the entire commissioning of plant, can you maybe walk us through the timelines, the milestones that we can also track from here, let's say for the next 24 months?

Jayakumar Krishnaswamy: Sure. As I mentioned, the original plan when we did the due diligence as well as the closer to the date when we did technical discussion with our technical partners, the original scope was to refurbish Kutch and also get the Surat grinding unit going. Along the way, we also realized that the incentives are available in the state of Gujarat and so we have changed the scope, we increased the scope in Kutch to refurbishment plus also the setting up a grinding unit in Kutch. So, the broad timelines of this, obviously we cannot do the expenditure till the deal is consummated. So, I am assuming in the next few weeks we will consummate the deal. But to get a head start of the place, we have done a couple of recce trips to the place, we have already appointed a technical consultant who is going to design the plant for us. Internally, we have a very clear-cut understanding of what are all the changes which we need to make in Kutch as well as Surat. Namely, I will just give a little bit of a broad highlights of what we are planning to do in Kutch and then I will talk about Surat. The broad highlights of Kutch being basically many things are in very good shape there in Kutch in terms of the kiln per se, in terms of the CCR, in terms of overall crushing equipment, mines equipment, all those things just needs overhauling. The VRM there, the coal mill as well as the raw mill, all of them I think we have had all the OEMs having visited and made a technical estimate as to the cost estimates are ready in terms of how long it will take, how much it will cost to kind of refurbish these assets. The housing is also kind of half complete residential complex for the employees. The mining area is almost, equipment is in fairly decent shape. So, lot of things are in good shape in terms of our original assessment as well as what we saw later. I guess we are very happy that our due diligence was fairly accurate and we have not gone quite away from the original estimate in terms of what we needed to do. The broad timelines we as soon as we complete the deal, our target is in the next 6 to 8 weeks, all the purchase orders will be rolled out. The longest lead time item for Kutch could be the desalination plant and some of the other infrastructure should take typically 12 to 13, 14 months, an outside limit of delivery to the site. And then pre-commissioning should start sometime end of Q2 next year and then by Q3 we should have commissioning completed in Kutch in terms of the clinker manufacturing. The GU per se again will start in parallel, but that again should take close to 15 to 18 months so we should be having matching timeline give or take one month here and there for the GU to be operational in Kutch.

Coming to Surat, while we knew what was available there in Surat so we now have a clear cut idea what all needs to be done in terms of the mill, in terms of the packing line, the truck loaders, the CCR, rest of all the stuff. Again, here again, our current estimate is, it should take after the purchase order which released in close to 6 to 8 weeks, anywhere between 12 to 15 months for the mills to be operational. So, technically, as we speak, we are timing in such a way that 6 to 8 weeks purchase orders goes before the technical design is completed, contractor mobilization, as well as rest of all the stuff can happen in parallel and by the time we hit Q3 next year we should be ready for pre-commissioning trials in both the sides and GU should be operational in Kutch by the end of Q3. That's broadly the timeline. When we meet up for the next earnings call, I will be able to give a little bit more color to the plant which we are building right now.

Satyadeep Jain: Thank you for all the details, Mr. Jayakumar. Just on the decision to have the GU in Kutch, if you look at coastal transport, would it not have been more prudent to transport clinker rather than transporting clinker? What's the thought? I know you also have a rail line you are looking at from Mundra side. Just want to understand the thought behind putting up a GU in Kutch rather than Surat?

Jayakumar Krishnaswamy: No, Surat GU is very much active. Surat has got 3 VRMs. So, we are going to operationalize 2 of the VRMs from day 1. That's the plan. And certainly one will be commissioned at the timeline. So, we are targeting all the 5 regions of Gujarat, mid Gujarat, South Gujarat, at the Saurashtra and Kutch, then you have the Banasghata, as well as the Ahmedabad area. All the markets we are targeting. Currently we sell in Baroda, Surat and Banasghata. But then with the Kutch facility coming, we are targeting the markets of Saurashtra, Rajkot, Porbandar and that part of Gujarat through the grinding unit in Kutch. And the clinker movement via jetty will continue to happen in the original plan which we spoke about in the last call, all the way from Kutch into the jetty in Surat. And we would be grinding cement in Surat as well for the markets in South Gujarat as well as West Maharashtra and North Maharashtra.

Satyadeep Jain: Okay, thank you. I have a couple of more questions I will join the queue. Thank you so much.

Moderator: Ladies and gentlemen, in order to ensure that management is able to answer queries from all participants, kindly restrict your questions to 3 at a time. You may join back the queue for follow-up questions. We will take our next question from the line of Tejas Pradhan from Citi. Please go ahead.

Tejas Pradhan: Hi sir. Like breakup of the refurbishment cost that you have mentioned Rs. 600 crores, Rs 600 crores and Rs. 300 crores in 3 years FY'26, '27, '28. So, just wanted to understand is this just related to the plant startup or considering that there is some CAPEX to be done in FY'28 as well. Whereas the commissioning is expected for 3rd quarter of '27, is this Rs. 1500 crore split into some part of CAPEX which is not required to start the plant or is that different just timing delays of like, I mean the delay in making payments to your contractors?

Jayakumar Krishnaswamy: Okay, so it's very clear actually when we are going to start the plant, when I mentioned Q3 kickstarting the facility, we will certainly start the clinker facility in Kutch, end of Q3 will be the GU, Q3 means December'26 FY'27 and also then comes the Surat. Out of the 3 mills, at the first stage we are going to commission one mill because at the day one we are not going to sell the 6 million capacity so we need to ramp up the market. So, we are not in a hurry to kind of set up all this on the first 1.5 years. So, that is why we kind of phasing the expenditure in such a way, investment in such a way that get the clinker line going, get the Surat grinding unit going, one unit, one VRM, and also get the GU going, which means this year, FY'26, there will be a set of expenditure. FY'27, there will be set of expenditure. But part of the investment will get into maybe Q1 of FY'28 and hence the saving is what I mentioned. All that is needed to get into the market and be in the market will happen by the end of Q3 next year, which is FY'27. However, the overall project should be completed, will be completed not by the end of December next year. It will get into another 3, 4 months, which will technically get into FY'28.

Tejas Pradhan: And just in addition to that, I mean, what would be the pace of ramp up that you would be expecting over here once you start the commissioning? How long would it take for you to fully utilize the capacities over there?

Jayakumar Krishnaswamy: I guess I will go back 3 months ago during our earnings call in January. We did speak about it. I will just kind of refresh the stuff. Currently in Gujarat, we already sell close to a million tons of cement in trade and not trade. And as we speak, we have the facilities in Chittor and Nimbol which service the entire North market as well as Gujarat. And one of the rational for Vadraj is to kind of, it's a value buy and gives us the opening in the West market of Gujarat and Maharashtra plus also frees up capacity for North when the plant is more or less sold out next year same time. The thought process being once the Vadraj starts up Q3 next year, the 1 million ton which we have been selling in Gujarat during the course of this year, certainly as for market growth as well as our trade channel expansion, this number itself is going to increase. So, I am really giving a, it is not a kind of a number which I am kind of targeting, but I am just giving a regular course of things, this number certainly would have gone from a million tons to million and a quarter. So, the thought process is the million and a quarter tons will move from Gujarat, the cement which is spared out of Gujarat will be used in Rajasthan, Haryana, Western India and up North. So, FY'27 Q3 onwards, the capacity which is freed up from Gujarat will get into North and when Vadraj starts, we will already have a million and a half market which is already developed from our product in North open for Vadraj production. Along with that, during the course of this year, Q3 and Q4 and Q1 next year, we plan to start appointing dealerships in Gujarat, expanding the market, spend behind our brand, spread the network, employ people, establish the channel, create key accounts. It is we call it the Project White. So, this is the project which is set up to kind of expand Gujarat. And when the plant is ready, we already have a market which is 1.5 million tons and then a channel which will be ready by Q3 next year. So, in FY'27, half month, probably 0.3 mt - 0.4 million tons from Vadraj will be sold in Gujarat. And in FY'28, we are targeting a full year, 2 million tons sale in Gujarat and in FY'29 this will go to higher number and then on the build up average. That's the kind of target which we have in mind.

Tejas Pradhan: Sure, sure, thanks, thanks. That's all from me.

Moderator: We will take our next question from the line of Parag Thakur from Fort Capital. Please go ahead.

Parag Thakur: Yes, hi. Thanks a lot and congratulations for excellent set of numbers. So, I just wanted to understand that in this quarter itself, after paying interest, I think your cash profit was close to Rs. 400 crores. So, what I am trying to say is that how much of the entire Rs. 3000 crore you feel that actually on a cash flow basis, net debt addition due to the Rs. 3000 crores in Novoco's book, as you said, you are just taking Rs. 600 crores right now. But since Vadraj is your Company, ultimately the investors are going to look at consolidated net debt, right. So, I would like to say that you can generate around 1200 to 1300 cash profit every year based on if the demand and pricing remains favorable, which is looking to be favorable right now. So, at the end of the CAPEX cycle, again what your net debt to EBITDA can be. Is there any number in your mind?

Jayakumar Krishnaswamy: At this point of time, end of CAPEX cycle 3 years from now, I won't be able to tell you what is the kind of number which we will have. But suffice to say, the target which we have is 3 years cycle from now, we certainly will be back at anywhere between Rs. 3,500 to Rs. 4,000 crores. Because that is the number which we have always maintained that we are comfortable carrying a debt of close to Rs. 3,500 to Rs. 4,000 crores in our books because eventually we have to grow as much. And when we have to grow, we need to fund the CAPEX. And as we have mentioned in the past, we would be targeting a number anywhere between Rs. 3,500 and Rs. 4,000 crores around the end of CAPEX cycle for us to be ready for the next wave of expansion once the Vadraj is done.

Parag Thakur: Correct. So, basically you are saying that at the end of this CAPEX also, your net debt on a consolidated level will remain at around Rs. 4000 crores only because of the internal accruals which you are generating and funding your CAPEX through internal accruals?

Jayakumar Krishnaswamy: If we have to kind of, okay, I have to do a math modeling for you. If I were to look at the current market condition and the volume growth and the EBITDA per ton and the overall cash that the business will generate, if I simply one swallow doesn't make a summer, doesn't quantified Q4 into full year in the next 3 years, I won't do that. But still I would be kind of very balanced in terms of projecting the numbers for the organization because the market conditions may not be the same all the time. But suffice to say that at any given time during the tail end of this CAPEX period and also at the end of this CAPEX period, our target will be to kind of keep a debt level anywhere between Rs. 3500 to Rs. 4000 crores.

Parag Thakur: Thanks. That is very helpful. And just to ask one last question, when you said that large part of the price increases done in Q4 are sustaining and it will flow into up till now in April and May. How is the demand behaving after March in terms of volumes?

Jayakumar Krishnaswamy: I would not be able to give a forward looking statement in terms of volumes as well as how the price will pan out going forward because I mentioned as we stand complete April as well as the threshold of May, we are looking at this kind of numbers but as the market estimates as well as our read of market as well as what is being projected for the cement industry, the industry is looking at close to about 7%-8% volume growth in the coming year. And then that's the kind of number which I am foreseeing going forward.

Parag Thakur: Thanks a lot. All the best.

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

Shravan Shah: Yes, thank you. Ma'am just to get some data point, first is the lead distance for 4th quarter, railroad mix, Pet Coke share in the 4th quarter and AFR share in the 4th quarter?

Madhumita Basu: Yes, Shravan, I think I have got some of the data points here. So, let me take it Q4 FY'25 lead distance. We did get some incremental improvement, stood at 324. The road share was 63%. What was your third question?

Shravan Shah: AFR and Pet Coke share?

Madhumita Basu: So, the fuel mix, I will just call. 38% of which 26% was linkage. Pet Coke 52%, as North plants depends on Pet Coke and volumes were high, operational volumes were high. And AFR was 11%.

Shravan Shah: Got it and ma'am, sir when mentioned 7% to 8% industry demand growth, we said that so similar volume growth in FY'26?

Madhumita Basu: Yes, some of the context was how we are looking at FY'26 growth. As you know that the year gone by, the growth has been more in the region of 4%, but this has since improved and our outlook I shared earlier too that we see a demand growth of 7% to 8% over 2 or 3 quarters should also create a favorable environment for prices to sustain. That is the outlook as of now.

Shravan Shah: Okay, got it. And then just to clarify in terms of the whatever the way we will be funding the Vadraj, just to put you a simple number in terms of the CAPEX at a consol level in FY'26-27. So, obviously this Rs. 1800 crore, whatever way we will be funding, that we will be spending immediately by maybe by June this and then another maybe Rs. 150 odd crores. So, is it fair to say for this year, FY'26, it would be close to Rs. 2200 crore plus kind of CAPEX will be there and next year would be a kind of Rs. 1500 to Rs. 1700 crore CAPEX will be there in FY'27 at consol level?

Madhumita Basu: Shravan, if I might make a request. Mr. Krishnaswamy has been taking this question in many forms, almost 3 times in this call. May I request you to reach out to the Investor Relations Department, we will give you a specific perspective.

Shravan Shah: Got it and also when sir was mentioning that even by end of 3rd year, we are also looking at Rs. 3,500 to Rs. 4,000 crore kind of a net debt. I was just wondering how that will be even if I let's say look at the way that we were saying 1.5 million ton volume for Vadraj in FY'27, then 2 million, 3 million. So, 5, 6.5 million even if I take a Rs. 1000 EBITDA would be close to a Rs. 650 odd crore kind of EBITDA that we will be generating. So, is it still are we confident that at the end of FY, even FY'28 we will be having a Rs. 3500 to Rs. 4000 crore kind of a net debt?

Madhumita Basu: Right, that is our operating framework, Shravan and with that said, because we cannot be doing a full financial modeling on the call, so do please reach out to us and we will walk you through the part.

Jayakumar Krishnaswamy: We can add one more thing to Shravan. You are looking at Vadraj. Vadraj is going to be a wholly-owned subsidiary of Nuvoco. So, it is Nuvoco which is going to invest on CAPEX in the group companies of Nuvoco Vistas, NU Vista Limited and Vadraj Cement Limited. So, we have to look at the overall results of the P&L of the Company to find out where the cash will come out, how capital deployment will happen. Suffice to say, I mentioned one statement, at a Nuvoco Group level in the coming year, we are looking at a CAPEX not more than Rs. 100 crores to Rs. 150 crores. Hence all the money which will be generated in Nuvoco Group will be used to fund the Vadraj CAPEX. Hope that meets your question.

Shravan Shah: Yes, got it. And the clinker, we have 3.5 million…

Moderator: Sir, I request you to join back in the queue, please, as we have other participants waiting for their turn.

Shravan Shah: Okay. Thank you.

Moderator: Thank you. We will take our next question from the line of Jyoti Gupta from Nirmal Bang. Please go ahead.

Jyoti Gupta: Good evening, ma'am. Good evening, sir. I hope the performance that we have done in quarter 4 is spilled over in quarter 1 FY'26 as well. And to that, to this, I want to add, we are adding almost 150 million ton capacity in the next 2 years, 26 and 27.

Moderator: Jyoti, sorry to interrupt. Can you speak a bit louder, please? Your volume is very low. Can you use your handset mode?

Jyoti Gupta: So, we are adding literally 95 million ton. And at 7% growth, we will have an incremental demand of only 67.9, that will be on 68 million ton. How do you think, is this not going to depress prices going forward and how do you think we are going to manage or be able to maintain our market share going forward?

Madhumita Basu: Hi, Jyoti. Actually, when we look at the numbers, firstly, the kind of operating mix we have. For us, the dominant space in which we need to take a look at these numbers is still in the Eastern Asian market, particularly in the perspective of FY'26. So, here again this is a discussion we have heard it earlier calls too. There are two things we should look at. What is the additional cement capacity that is coming in and what is the clinker based cement capacity that we are expecting? So, if we take a look at the clinker based effective clinker capacity during this period I am looking at FY'25 to FY'27, clinker in East will go up from 56 million tons to 62 to 67. So, clinker backed cement capacity will go up from an estimated 96 million ton to 105 million ton to 114 million ton. And this, if you take a look at the percentage growth in the cement demand, even at a 8-ish percent 2 years in a row, because that is the outlook we are taking now, the capacity utilization backed by clinker in East continues to be 90% levels. So, there is not a radical change in the supply situation to dampen the prices. And again as we said, we have gone through a period in the East of severe dips in demand cycle. This is now improving and the outlook of anywhere between 6% to 8% sustained quarter-on-quarter on a YoY basis, we see that the good environment for prices to stabilize.

Jyoti Gupta: What about North ma'am? Because if I understand your regional mix is 60% East and 40% North, we have lot of capacities coming in the North as well?

Madhumita Basu: Jyoti, that is right. But in the North, we have a scope to grow. We are a 6-million-ton player there. It is not that our leadership position in the top three is being challenged. So, we do believe that there is growth given our strategic intent and our product portfolio to grow at the North.

Jyoti Gupta: Thank you, ma'am.

Madhumita Basu: Thank you.

Moderator: Thank you. Thank you. We will take our next question from the line of Sanjay Nandi from VT Capital. Please go ahead.

Sanjay Nandi: Thank you, ma'am. Thank you, sir, for the opportunity. Congrats on a good set of numbers. Sir, can you please throw some light on the pricing front? Like what has been the price movement from the exit of Q4 to as we talk to?

Jayakumar Krishnaswamy: Yes, I think from Q4 average to March exit, overall the realization has increased close to about Rs. 8 to Rs. 10 per bag.

Sanjay Nandi: So, from exit of Q4, it's up by Rs. 8 to Rs. 10 per bag, right?

Jayakumar Krishnaswamy: Yes. End of December to Q4, the price, the realizations increased between anywhere between Rs. 8 to Rs. 10 per bag.

Sanjay Nandi: And sir, I was asking like from the exit of Q4, like for the March quarter and as we stock in the like…

Jayakumar Krishnaswamy: We can again look at close to about anywhere between Rs. 8 to Rs. 10 per bag increase in the prices from Q4 all the way to Q1 next year.

Sanjay Nandi: Okay, from Q4 exit to Q1, Rs. 8 to Rs. 10, right?

Jayakumar Krishnaswamy: That's right.

Sanjay Nandi: Great. Sir, that's from my side. I will come back in the queue sir. Wish you all the best.

Madhumita Basu: Thanks, Sanjay.

Moderator: We will take our next question from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi, just a couple of follow up questions. One was that you mentioned you would be running lean on maintenance CAPEX for the next 3 years, somewhere about Rs. 100 odd crores. Just want to understand this long duration going lean on maintenance CAPEX, how does it impact the maintenance and operations of the assets? It's just relatively low number sustaining for such a long period of time, just wanted to understand the implications?

Jayakumar Krishnaswamy: Okay. When I mentioned, Satyadeep, the maintenance CAPEX is not maintaining the plant. So, these are all routine CAPEX, which are there to kind of do debottlenecking, increasing small like small capacity increases or basically all of them is technically mandatory safety CAPEX or improving product quality or increasing productivity, that's the kind of CAPEX. Historically, our Company spends in the tune of Rs. 100 crores to Rs. 150 crores. We used to be less than Rs. 100 crores before the Emami acquisition. Now with the Emami plants coming in, that number is anywhere ranging between Rs. 100 crores to Rs. 150 crores. When I mentioned that the maintenance CAPEX is not bearing down the maintenance of equipment. Maintenance of equipment comes up, repairs and maintenance that gets into the operational expenditure of the Company. There is no kind of compromise on keeping the equipment on shipshape. All I mentioned was at 19 million tons in East and 6 million tons in North, right now in this year and the coming year, we do not intend to expand the capacity big time in any place in terms of clinker increase or grinding increase or the AFR which we did or the siding in Sonadih or the siding in Jajpur, such kind of capex we don't intend to invest in the coming year and the year-next.

However, maintaining equipment is part of the routine expenditure that anyway will incur to ensure that the lines are in good shape. So, suffice to say, the philosophy of the Company is to maintain the reliability of greater than 98% and we run total productive maintenance in all our plants. And maintaining equipment health and equipment well-being and ensuring equipment productivity continues to be of the highest level and it is our competitive advantage.

Satyadeep Jain: Just one more follow up on the marketing strategy, there is now a new marketing team looking at this quarter also. Has there been any change in branding strategy? Is it more status quo so far? Just want to understand, you mentioned price correction. I didn't understand. Is it generally industry pricing fees or has it been any brand positioning or something, especially with the new team in place?

Jayakumar Krishnaswamy: People are there occupying positions, so guess I am not going to talk about who occupies the chair or not. Eventually, Nuvoco leadership team runs the Company where all of us are part of the leadership team of the Company. There might be odd changes always at the top, so I don't think people changing is going to change the strategy of the organization. So, we have been consistent with the top leadership of the Company. So, I want to assure all of you that Nuvoco's strategy in terms of being a premium player, being a blended cement player, priority in slag cement and having a higher trade share and getting a C/K ratio, one of the top in the industry. All those have been consistent for many years. We don't intend changing any of those core principles of the organization. Our brands being Concreto, Duraguard, are the two flagship brands. That's how we run our organization. On the Concreto side, very happy to report that in fiscal 25, we launched Concreto Uno at a price point of close to Rs. 35 more than the regular Concreto. And we are very, pleased. In the month of March, we sold 80,000 tons of Concreto in the states of Bihar, Bengal, Jharkhand, and expanding the same to Orissa going forward. Our target is to get a million tons of Concreto Uno in the coming year. Along with that, Duraguard Microfiber, as Madhumita mentioned, we now make in Haryana Cement Plant, to make it available in Haryana, Rajasthan, Western MP, and rest of North India. And this product currently, it used to sell about close to about 16,000 to 20,000 tons per month. We have ramped it to about 35,000 tons per month. And going forward, our target is to take it to half a million tons in the coming fiscal and beyond. So, no-cost strategy of premiumization and super premiumization continues to hold good. So, if you were to ask me a question, did we do anything different in FY'25? Yes, we did something very, very different in FY'25. Launched Concreto Uno at a price point which is right at the top in the market, and we have demonstrated that it sells in excess of …, and only Duraguard microfiber through the Duraguard franchisee of India. So, these are the two salient points. Other than that, Q4 trade share increase versus Q3, the C/K ratio is at 1.72 and above. So, all those things continue to hold good. Marketing strategy is strong. Brand strategy continues to be stable and consistent with the past. And we have things in order and in place.

Satyadeep Jain: Thank you for the detailed answer. Thank you so much and wish you all the best.

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

Madhumita Basu: Thank you, Yashashri. Ladies and gentlemen, thank you for your questions, which we trust have been well addressed. Our Investor Relations team will remain available for any clarifications required.

To conclude, we remain optimistic about the cement demand. As we look ahead, our focus will be on scaling growth and expanding our market footprint. The Company will continue to drive key initiatives pertaining to premiumization, geo-optimization, and cost optimization. This aligns with our renewed mission of being a trusted building materials Company, creating value for our stakeholders. Thank you once again for being with us today. Good day to all of you.

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