Ambuja Cements

Operator: Ladies and gentlemen, good day and welcome to Ambuja Cements Ltd. Q2 FY27 earnings conference call hosted by Motilal Oswal Financial Services. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sanjeev Kumar Singh from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

Sanjeev Kumar Singh – Motilal Oswal Financial Services: Thank you. Good afternoon, everyone, and thank you for joining the call. Without much delay, I will hand over the call to Mr. Deepak Balwani, Head of Investor Relations. Over to you, sir.

Deepak Balwani – Head of Investor Relations: Thank you, Sanjeev. On behalf of Ambuja Cements Ltd., it is my pleasure to welcome you all to our earnings call for Q2 FY27. Ambuja Cements Ltd. is the ninth-largest cement company globally and a key part of the diversified Adani portfolio, the country's fastest-growing portfolio of sustainable businesses.

Before we begin, I would like to remind everyone that today's discussion may include certain forward-looking statements based on our current expectations and assumptions. These statements are subject to various risks and uncertainties, and actual outcomes may differ materially.

At Ambuja, we remain committed to enhancing our transparency, strengthening our disclosure standards, and continuously raising the standards of our capital market communication in line with global best practices.

We are pleased to have with us today Mr. Vinod Bahety, Chief Executive Officer, and Mr. Rohit Soni, Chief Financial Officer. With that, I would now like to invite Mr. Vinod Bahety to share his perspective on the quarterly performance, key business developments, and our strategic priorities going forward.

Vinod Bahety – Chief Executive Officer: Thank you, Deepak. Good evening, everyone. Ambuja Cements delivered a resilient second-quarter performance for FY27, reflecting its focus on quality growth despite the headwinds of elevated fuel and logistics costs.

Our value focus has worked well, with trade volume growing 8.6% year-on-year and trade share increasing by 6% to 74%. Premium products now account for 37% of overall trade sales, compared to 35% last year. The share of blended cement has improved from 77% to 82%.

At the same time, we are now advancing the next phase of our growth journey. I am happy to share that we have 14 expansion projects to add approximately 30 million tonnes of cement capacity and 10.3 million tonnes of clinker capacity.

The expansion includes new grinding capacities of 15.2 million tonnes in the West cluster, 11.6 million tonnes in the East cluster, and 2.9 million tonnes in the North cluster.

In the West cluster, we are adding 2.9 million tonnes each at Mundra and Hazira in Gujarat, and 2.9 million tonnes each at Raigad, Kalyan, and Amravati, along with 1 million tonnes of bulk cement

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terminal capacity at Dahanu in Maharashtra.

In the East cluster, we are adding capacities at Rangia and Hojai in Assam, at 2.9 million tonnes each; Godda in Jharkhand, at 2.9 million tonnes; and Muzaffarpur in Bihar, also at 2.9 million tonnes.

In the North cluster, we are adding 2.9 MTPA to Dadri Line 2 in Uttar Pradesh.

The program also includes new clinker capacities of 4 MTPA at Maratha in Maharashtra, 4 MTPA at Umrangso in Assam, and 2.25 MTPA at Mundra. This will strengthen the upstream network required to support the expanded grinding footprint in the most profitable, high-EBITDA markets.

Operating conditions remain challenging, with geopolitical conflict, monsoon-related headwinds, higher energy costs, global uncertainty, and constraints on domestic coal availability.

Against this backdrop, we remain focused on market discipline, an improved product mix, sustainable profitability, and increasing the share of profitable trade volumes.

Plant shutdowns have been successfully completed for major clinker lines. This will help us achieve volume growth ahead of the industry in H2 FY27, supported by accelerated trade volumes and calibrated institutional sales.

Our strategy remains clear: creating sustainable value ahead of volume. As we move into the second half of FY27, our focus is on strengthening profitability through structural cost improvement, disciplined capital allocation, and calibrated expansion.

We continue to execute against our key strategic priorities. We remain focused on improving revenue quality through a stronger trade and premium mix. Trade volumes increased by 8.6% year-on-year, while trade share rose by 6% to 74%. Premium products increased by 2% to 37% of trade sales, while the share of blended cement improved from 77% to 82%.

Price has sustained at Rs. 255 per bag in an otherwise lean monsoon quarter. Meanwhile, we have seen good traction this month, where we have already realized Rs. 10 per bag.

Better receivables and inventory management have helped improve the business working capital cycle by 10 days. This is expected to sustain and help further improve profitability in the coming quarters.

Across regions, the North led in EBITDA and total volume growth year-on-year, with trade volume increasing 13% year-on-year. The Central cluster delivered the second-highest regional EBITDA, alongside 9% growth in trade volumes.

The West recorded 14% trade volume growth and the most resilient overall EBITDA performance across the regions. The East maintained trade volumes broadly in line with last year. The South grew trade volumes by 13% year-on-year and delivered a strong sequential volume recovery.

Our ready-mix concrete business achieved quarterly volume of 1.07 million cubic meters, up 19% year-on-year, with a current network of almost 125 plants. We expect the pace of growth in the ready-mix concrete business to accelerate in the coming quarters.

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We have also strengthened our market presence through differentiated brand initiatives. The Adani Ambuja Kavach and the Adani ACC Gold Water Shield Cement monsoon campaigns ran across more than 2,000 cinema screens and were supported by digital and outdoor media, reaching over 30 million consumers digitally.

We continue to strengthen the structural drivers of earnings through manufacturing excellence, energy efficiency, logistics optimization, and digitalization.

Green power share stood at 61%, while net power cost was Rs. 4.8 per unit, compared with Rs. 6 per unit in Q2 FY26 and Rs. 4.3 per unit in Q1 FY27. We expect the share of renewable power consumption to increase in the second half, further supporting lower power costs.

Logistics costs were moderately higher year-on-year due to higher diesel costs, which were partly offset by the reduction in the primary lead from 265 km to 254 km.

Higher utilization of the BCFC infrastructure for fly ash movement is expected to support further cost reduction for raw materials in the coming quarters.

The fuel mix improved with a higher share of domestic coal compared with high-cost petcoke. Fuel cost stood at Rs. 1.87 per 1,000 kcal in the second quarter of FY27. Last year, it was Rs. 1.60 per 1,000 kcal, and in the previous quarter, it was Rs. 1.66 per 1,000 kcal.

Total cost stood at Rs. 4,410 per metric tonne. However, if I exclude the impact of geopolitical conflict, it comes to around Rs. 4,182 per tonne on a normalized basis.

With these numbers and these measures, we are on track to achieve our FY27 cost target of Rs. 4,250 per metric tonne.

Volumes are expected to grow ahead of the industry in the second half of FY27, supported by accelerated trade volumes and calibrated institutional sales.

Our growth remains trade-led, in line with our strategy, while we continue to strengthen the institutional business through a comprehensive solutions approach focused on value and profitability.

During the second quarter, we commissioned 4.6 million tonnes of capacity across Dahej, Salai Banwa, and Kalamboli: Dahej in Gujarat, Salai Banwa in Uttar Pradesh, and Kalamboli in Maharashtra.

Another 3.2 million tonnes across Bhatinda in Punjab and Jodhpur, {? Mundwa-Jodhpur ?} in Rajasthan, has stabilized, and we expect it to ramp up in the second half.

In addition, the 2.4 million tonnes of capacity at {? Warsali Ganj ?} in Bihar will be commissioned in the second half of FY27.

Alongside these capacity ramp-ups and our expansion roadmap, we continue to focus on improving asset productivity and locating grinding capacity closer to consumption centres to improve utilization and reduce logistics and lead intensity.

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Management: ...holder support, the proposed merger of ACC and Orient Cement with Ambuja Cements Ltd. will now proceed to the NCLT for final approval.

Subject to the requisite regulatory, statutory, and NCLT approvals, we expect completion of the mergers within this financial year.

This brings us closer to the one-cement platform, which is expected to simplify the corporate structure, unlock operating synergies, and support long-term stakeholder value.

In addition to simplifying the corporate structure, the proposed merger is expected to be earnings-per-share accretive.

Let me now briefly summarize our consolidated Q2 financial performance.

The key highlights are cement sales volume of 15.5 million metric tonnes, revenue from operations of Rs. 9,197 crore, operating EBITDA of Rs. 1,271 crore, EBITDA margin of almost 14%, EBITDA per metric tonne of Rs. 770, PAT of Rs. 236 crore, net worth of Rs. 72,238 crore, and cash and cash equivalents of Rs. 1,070 crore.

We continue to remain debt-free, with the highest ratings of AAA for long-term borrowings and A1+ for short-term borrowings, which provide enough financial strength to support our expansion program.

Looking ahead, near-term conditions remain challenging amid geopolitical conflict, global uncertainties, higher energy costs, and a weaker monsoon as well.

At the same time, structural demand remains supported by infrastructure spending, urbanization, rural housing, and industrial activity.

We remain focused on premiumization, operational efficiency, network and logistics optimization, and prudent capital deployment.

With the strengthening of our business mix, a clear cost roadmap, a debt-free balance sheet, a well-defined expansion program, and continued progress toward the one-cement platform, we are well positioned to deliver sustainable, value-led growth.

Thank you. I will now hand over the call to the moderator.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: Hi, sir.

Management: Hi, Shravan.

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Shravan Shah – Dolat Capital: I have a couple of questions. First, to understand, what has changed such that we are now again looking at expansion plans of this magnitude? Also, just to get an idea, correct me if I am wrong, but broadly we will be reaching close to 148-149 million tonnes by FY29 from the current 113.5 MTPA. How much capex is needed to reach 148-149 million tonnes?

Management: Thank you, Shravan. In terms of our expansion plans, we had previously highlighted that we would reach 155 million metric tonnes. At that time, we said that this capacity ramp-up would take approximately 2 years. Earlier, we were saying 140 million tonnes by FY28, and we had added another 15 million tonnes on account of debottlenecking. We did mention FY30. So, there is no change in that sense.

We are now following the defined pathway that we had guided earlier. You are right: by FY29, we will reach 149 million tonnes, and by FY30, 155 million metric tonnes.

This is supported by the clinker that we have in hand. As you know, Maratha Line 2 is already at an advanced stage, and in the next couple of quarters you will see Maratha up and running.

We have surplus clinker facilities at Sanghi, for example. We also have Penna and Jodhpur operational. In Assam, we had already announced the clinker coming in at Umrangso. At Mundra, you are aware of our investment in clinker and grinding capacity.

I think this is in line with our previous communication and engagement.

What also brings more confidence is the vibrancy among our channel partners over the last few quarters, the overall improvement in trade-side sales, and the overall focus on the institutional business in a more value-focused manner.

I think we are now on a good trajectory to bring more market share in a value-focused manner. This is how we had chalked out the plan.

Coming to your second question about the capex plans, we will require closer to Rs. 14,500 crores for these 30 million tonnes, which comprises a combination of IUs and GUs. So, it is almost Rs. 7,500 crore per year for this investment.

Shravan Shah – Dolat Capital: Okay, understood. Second, given this, how should one look at volume growth at the consolidated level overall? Although we are definitely focusing on value and trade, on a reported basis, how should we look at volume growth for this year and next year?

Management: I will address this in a little more detail because there has been some apprehension about whether we are not looking at the institutional business. That is not the case.

When we said in June that our larger focus would be on value, it was because we have two strong brands, Ambuja and ACC, along with a strong supply-chain network. Therefore, trade naturally becomes a preference, and it has now grown by approximately 8% year-on-year.

As far as the institutional business is concerned, we wanted to recalibrate it. We have sacrificed the negative-EBITDA volumes, for example. What is now helping us is the overall focus on costs, and as costs come down, the business becomes more viable for institutional sales as well when

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approached with a value focus.

Therefore, if I look at the June quarter, both trade and non-trade were negative year-on-year, and overall volume growth was negative.

If you now see the shift that has happened in Q2, trade is positive at 8%, while B2B is still negative, and overall we are, let us say, broadly flat.

In Q3 and Q4, both will start becoming positive, and therefore overall volume growth will be positive. That is the entire trajectory we are following.

Rest assured, both segments are important, but with a clear vision and mission of focusing on value, we will not lose year-on-year growth from here onwards.

Operator: Thank you. The next question is from the line of Navin Sahadeo from ICICI Securities Limited. Please go ahead.

Navin Sahadeo – ICICI Securities: Good evening, and thank you for the opportunity. My first question is again on the same subject. I take our discussion back to the March quarter, when we thought we would recalibrate.

Since then, over the past 6 months, I think the industry outlook from a demand perspective has also been a little soft, and our volume growth has been negative in the first half.

To understand this better, are we looking at significantly higher volume growth now, or what is driving us to initiate this capex now rather than push it by another 6 months or 2 quarters and then start the same thing? I am trying to understand the change of heart in just 2 quarters.

Management: Navin, this quarterly performance is not influencing our capex decision, first of all.

We were looking at the first wave of our capex program, which is now almost through. We know that we have added and commissioned the capacities I highlighted at Salai Banwa, Penna, Jodhpur, Bhatinda, and so on.

I think the first wave of our capex program is almost complete. Warisaliganj will be commissioned in Q3. That gives us ample opportunity to learn from our first phase and solidify our next growth phase.

We had highlighted this earlier, and we had mentioned that we would come with specific plans. In fact, in some of the calls, you had highlighted this.

Now we have a specific plan. If you look at it, this capacity is being developed with more focus on value. The West, East, and North are our primary expansion areas, particularly the West with almost 15 million tonnes, the East with almost 12 million tonnes, and the North with approximately 3 million tonnes.

These are all value-accretive investments, particularly when you already have clinker available. This will help us have an optimized cost because these capacities will be built at very efficient manufacturing costs. Most of them are brownfield expansions, and therefore the risk relating to

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construction costs comes down substantially.

That is how we have gained enough confidence to move toward the 149 million tonnes to 155 million tonnes capacity ramp-up in the coming years.

As for whether the focus is on market share or volume, we have been clearly highlighting that we are not going to lose market share. We will focus on market share, but in a calibrated, value-focused manner.

All of this is now coming through with the help of analytics. There is a market for everyone to obtain volume. We will pick up the value and continue on our market-share journey.

Navin Sahadeo – ICICI Securities: Understood. I appreciate the capex plan because it is attempting to utilize the surplus clinker, whether at Jodhpur or Sanghi. That part is well appreciated.

Just one question there. At the grinding units at Bhatapara and Jamul, with Godda and Muzaffarpur as locations, where will the clinker for these units be sourced? Do we have surplus clinker there as well? Thank you.

Management: That is a very good question, Navin. You have identified the point.

One of the interesting aspects of our value focus is that some of our units that are very high-cost and low-efficiency will be phased down, and I will have adequate clinker from my eastern plants to sustain these more efficient grinding units that are closer to the market.

We have taken a very calibrated approach on this. In a way, we will have some surplus grinding capacity, which will give us ample flexibility to select the right market at that point in time.

Of course, Jamul is a very old asset, and there will be an opportunity to recalibrate some of these old assets that are very high-cost or less efficient.

Navin Sahadeo – ICICI Securities: Thank you.

Operator: Thank you. The next question is from the line of Pinakin from HSBC. Please go ahead.

Pinakin – HSBC: Thank you very much, sir. My first question is regarding the May conference call, when the company highlighted two things: that it would focus on sweating the assets and on profitability.

However, it seems that there has been a change in strategy, with an aggressive capex plan over the next 2 years and a focus on market share. Can we then assume that, between pricing and volume growth, the company is now going to focus on volume growth and market share over profitability and pricing?

Management: Pinakin, thank you. While you are describing it as aggressive capex, we would actually have been more aggressive in an earlier phase. Right now, we are moving in a very calibrated manner without losing sight of value.

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Market share, as I am re-emphasizing, will be a priority without losing market share, but with a clear focus on value. I think both are achievable. It is not as though we are going to choose only one; we intend to sustain both, and that balance will remain.

Whether aggressive or less aggressive, we are following our journey from 140 million tonnes to 155 million tonnes. From the beginning, we had highlighted that we would reach 140 million tonnes by FY28, and then we said 155 million tonnes. I think we are walking the talk.

The balance sheet is further strengthened, with net worth of Rs. 72,000 crores. We have enough ammunition and financial strength to sustain this growth.

Again, to highlight, it is coming with a clear value focus because [trails off]

Management: These investments are now coming into my most profitable markets, where brand equity is very high, market shares are already high, and the share of premium cement is very high.

Look at the West, the East, and the North. To highlight one example, in the East, in many of the markets we have almost 90% of cement as premium cement.

We are now going to take much greater advantage of this trend, and therefore this capex program is progressing very well.

It is also beneficial that we have adequate clinker available in those locations, as well as in some of the off-fit locations such as Assam, which has substantial potential going forward.

Mundra will give us the advantage of low cost, for example. I think this is a very well-defined capex program to support the value proposition.

Pinakin – HSBC: Understood, sir. My second question is regarding the absolute capex amount between FY27, FY28, and FY29. You have announced Rs. 14,500 crores, plus whatever ongoing capex and maintenance capex may be required. How do you see the balance sheet changing? What debt component do you expect by the end of FY28 or FY29 to fund this capex?

Management: I can say honestly that we are not looking at debt for this. This is a completely self-sustainable capex program, and the cash flows over the 3 years, when I refer to Rs. 14,500 crore of capex, should make the business self-sustainable.

For any specific interim requirement for funds, the balance sheet is strong enough to handle that. It can be purely an interim line, but otherwise, as of now, our position is that the program will be self-sustaining.

Pinakin – HSBC: Understood. Thank you very much, sir.

Operator: Thank you. The next question is from the line of Jashandeep Chadha from Nomura. Please go ahead.

Jashandeep Chadha – Nomura: Hello?

Operator: Yes, sir. You are audible.

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Jashandeep Chadha – Nomura: Yes. Thank you for the opportunity, sir. My first question is largely regarding utilization.

I understand that you are saying this capex plan is broadly in line with your long-term vision. I wanted to understand the assets acquired under Penna and Sanghi. What sort of utilization are they currently operating at? If you could provide that, it would give us a much better understanding of how we should model this.

Management: Jashandeep, you are absolutely right. That is also my concern as of now, and it is something we are addressing.

Penna and Sanghi are both operating at approximately 50%, broadly speaking. At the overall company level, we also still have to improve utilization. That is a good opportunity for us now.

When we come to Q3 and Q4, we are looking for a good utilization factor for our existing capacities, including both Penna and Sanghi.

Therefore, when I talk about good volume growth in Q3 and Q4, this is also one of the opportunities for us to expand, apart from the new capacities that have been commissioned.

Jashandeep Chadha – Nomura: Understood, sir. Just another question. While your upcoming capacities are largely focused on the East, West, and North-East, other major companies are also putting up significant capacities. Your peers are putting up similar levels of capacity in these regions.

While profitability currently looks quite attractive, by the time these capacities come online and you ramp up the volumes, could profitability have declined? How do you view competitive intensity in the regions where you are putting up capacities over the next couple of years?

Management: Jashandeep, I think there is a market for everyone, and it depends on which segment you are looking at.

We have been highlighting which segment we are targeting. The brand equity that Adani Cement carries is significantly higher. This is not merely a claim; we have also conducted independent surveys.

That is helping us improve our price or realization differentials.

Coming back to overall profitability, my projected improvement in profitability is based more on cost optimization. Prices will depend on market sentiment and market forces.

Our journey toward improving profitability is largely based on the cost component. We have made certain investments in efficiencies, including WHRS, AFR, BCFC, and several other initiatives that you are aware of.

Some efficient capacity is coming in. The timing mismatch that existed between us and another major company is going to be eliminated.

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Therefore, when you compare us with others after considering this timing mismatch in the arrival of efficiencies, you will see that we have significant positive potential compared with others.

Jashandeep Chadha – Nomura: Understood, sir. Just one last question. We have given a target of approximately Rs. 4,000 per tonne of operating cost. If my understanding is correct, that is largely based on existing capacity and the capacity already announced.

As you put up the next stages of capacity, your fixed costs will obviously increase. Therefore, while the Rs. 4,000 per tonne target may be for existing capacity, will the actual deliverable cost be slightly higher than Rs. 4,000? Is my understanding correct, or is Rs. 4,000 for the complete capacity after accounting for these new capacities?

Management: No, sir. For the company as a whole, we are giving Rs. 4,000 as the cost for a combination of existing and new capacity. We cannot really fine-tune it in that manner.

What is important is that, for the entire combined capacity of 155 MTPA in FY30, the cost will be Rs. 4,000 per metric tonne. That will be the overall guidance from the company's perspective.

And, sorry, the guidance was for FY28. In FY28, we will reach 149 MTPA, and that is how the guidance should be understood. It includes both existing and new capacity.

Jashandeep Chadha – Nomura: Understood, sir. That makes it clear. Thank you so much, sir. I will join the queue again.

Operator: Thank you. The next question is from the line of Siddharth Mehrotra from Kotak Securities. Please go ahead.

Siddharth Mehrotra – Kotak Securities: Thank you for the opportunity, sir. I have one question.

If you look at our expansion since the time we acquired Ambuja, and add the inorganic growth, that is approximately 30 MTPA. If you strip out that number, the combined capacity was approximately 70 plus 30, or 100 MTPA, while our total capacity today is 113 MTPA.

We have added perhaps 10-15 MTPA over the past 3 years. What gives us the confidence that we will be able to execute this time in line with the capex plan?

Secondly, almost 20 MTPA of capacity is coming together sometime between March and May 2028, as per the revised plan. I wanted to hear your thoughts on how confident we are about adhering to the timelines as well as the capex this time.

Management: Thank you, Siddharth. I mentioned that there are learnings along the journey, and we have also learned from the first phase of the expansion program.

Last time, we also highlighted some specific challenges that we faced with one of the contractors.

To highlight the execution timeline, we are looking at approximately 14 months for a GU and approximately 18 months for an IU on a completion basis.

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This time, we are following a much more robust standard execution plan. I will discuss this in greater detail in the coming quarters, but suffice it to say that there were some issues in the past, and those have now been overcome.

This time, execution will be carried out in a much sharper manner.

Siddharth Mehrotra – Kotak Securities: Understood, sir. All the best. Thank you.

Operator: Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah – Investec: Thank you for the opportunity. First of all, congratulations on a thoughtful capex plan in which the cement-to-clinker ratio is increasing sharply and the implied capex intensity is quite competitive.

I have a few questions. First, is it fair to assume that all the announced projects will be eligible for state-level fiscal incentives based on the current industrial policies?

Management: Mostly yes. When it comes to the North-East, we will have a higher degree of incentives. The same applies to Uttar Pradesh.

There are incentives in the other states as well. To add to this point, even the existing projects that are being commissioned or have been commissioned will also be incentive-accretive to us in the coming quarters.

So, it is a combination of both the existing projects that are being commissioned and the new projects.

Ritesh Shah – Investec: My second question is about the cement-to-clinker mapping given in the slides. There are 4 assets—Godda, Muzaffarpur, Kalyani, and Dadri—where the clinker lead is upwards of 700 km, except Dadri to Jodhpur, which will probably also be 700 km.

Given this long clinker lead, how should we look at the underlying economics?

Management: What we have done in terms of overall transportation versus overall market potential is fairly good. It is beneficial to have grinding closer to the market, which will be substantially positive even after considering the higher movement of clinker.

Clinker is moved by rail, while cement movement happens by road. It is always better to have a short lead in the cement market.

Ritesh Shah – Investec: Let me put it the other way around. Given that the cement-to-clinker ratio will increase, are we looking to use more group-captive fly ash? We mapped a few assets, and I think it covers a lot of the requirement.

What is the strategy for fly ash procurement, and what will be the ex-plant fly ash transfer pricing? This could aid the economics and reduce the risk from a longer inbound clinker lead to the GU. If you could provide some numbers, it would be useful.

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Management: Thank you, Ritesh. It is very important that you touched on this point.

Fly ash is one of the important synergies and strengths that the group brings to us. As you know, we have a long-term agreement with the group's thermal power plants for the supply of fly ash.

This comes to us at very competitive landed-cost pricing. This is also one of the important initiatives of BCFC, which we are soon going to implement and which will be further expanded over the next few quarters.

Fly ash will give us a competitive advantage compared with other players. At present, we have tied up 20 million tonnes of fly ash with our group's thermal power plants.

As they expand, we will have the opportunity to tie up further quantities with them. We will therefore be substantially well covered.

We also have the opportunity to sell this fly ash, and we have the opportunity to move into value-added fly ash products.

So, it is a three-pronged strategy for us. Even now, if you see, we have been selling fly ash in the market, and it was value-accretive to us this quarter as well as last quarter.

This is an important benefit that we are going to receive.

I also want to highlight another important point that has not come up. Regarding fuel, I am sure you would have compared our fuel cost with that of other peers, and you will see that we have good mitigation against the escalation caused by the Middle East crisis.

We have successfully consumed a larger portion of domestic coal and have therefore controlled the escalation in fuel costs. This approach will continue, and group synergies will also help us mitigate any such abnormality in energy or fuel costs.

These synergies have now started to benefit the business through cost optimization.

Ritesh Shah – Investec: Sir, just one last question. Which wholly owned subsidiaries have redeemed the OCDs? Would it be possible for you to name the [trails off] [cut off]

Ritesh Shah – Investec: ...settled down. Regarding the option, particularly in OCDs and so on, I do not see any meaningful or material issue here. These are purely accounting structures, but the holding will remain, correct?

Management: You are right. One would have been the ICD of ACC, which is now with the merger or otherwise, and that is also carrying an 8% interest rate. With the upcoming merger, I think all of that will be sorted out.

Ritesh Shah – Investec: Understood. Thank you so much for the detailed answers. All the very best.

Operator: Thank you. The next question is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

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Rahul Gupta – Morgan Stanley: I have 2 questions. The first question is on volume growth for the second half. You guided that you would grow faster than the industry. In your presentation, you also highlighted that you expect industry demand to be around 6–7% for the full fiscal year FY27.

The first half has been around 8%. I am trying to understand how you are looking at industry demand for the second half and, to that extent, how we should build your second-half growth. That is the first question. Thank you.

Management: We are also looking at growth slightly higher than the industry. I would say it will be in the higher single digits, if not double digits.

The effort will be to move above double digits, but as of now, higher single-digit growth is what we will be targeting.

Rahul Gupta – Morgan Stanley: My second question is on costs. Now that you have guided to approximately Rs. 160 per tonne of improvement through the second half, how should we look at third-quarter costs, particularly if the current environment continues to remain inflationary?

Management: That has already been factored in, Rahul.

However, in the third quarter, I would like to highlight some of the support that we will receive. For example, in terms of green power, I am going to have higher consumption.

The BCFC infrastructure will contribute more value by helping reduce costs. In terms of WHRS, 18 megawatts will come up at {? Katangi ?} in Q3, along with some AFR initiatives.

We have a proper cost-optimization plan, which will help us sustain costs and then bring them down so that our overall Rs. 4,250 estimate continues, unless there is a further abnormality or escalation in the global market.

The current trajectory has already been factored in and gives us a good level of conviction regarding our FY27 target.

Rahul Gupta – Morgan Stanley: Understood. What would be the spot fuel cost on a per-kcal basis?

Management: Your question is about the current spot cost? The current cost for the imported fuel is almost Rs. 2.80–2.85 per 1,000 kcal.

Rahul Gupta – Morgan Stanley: That was Rs. 1.87 for the second quarter, correct?

Management: The Rs. 1.87 was a blended figure. It was not Rs. 1.87 for the imported component; that was higher. The blend was Rs. 1.87.

I highlighted that we now have greater opportunity and an advantage from domestic fuel. Therefore, we will be able to perform better than industry peers on this factor.

Rahul Gupta – Morgan Stanley: What would the Rs. 1.87 be on a spot basis?

Management: I am not able to understand your question.

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Rahul Gupta – Morgan Stanley: Currently, the fuel cost in the second quarter on a blended basis was Rs. 1.87 per 1,000 kcal. What would that number be on a spot basis right now?

Management: At that point in time, it would have been approximately Rs. 2.20, and it is now approximately Rs. 2.85.

Rahul Gupta – Morgan Stanley: Understood. Thank you very much. I wish you all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi – Nuvama Group: Good afternoon, sir, and thank you for taking my question. Now that we are expecting better-than-industry volume growth in H2, in your estimate, what would be our exit capacity utilization rate by the end of FY27?

Management: Hi, Parvez. Thank you. I wish I had a much larger number to share, but at least we are now looking at approximately 75% utilization.

Parvez Qazi – Nuvama Group: What would that number have been in Q2?

Management: In Q2, it was slightly low, at around 61-62%.

Parvez Qazi – Nuvama Group: Thank you, and all the best.

Management: I would also like to highlight that when you calculate the weighted-average capacity, you will obviously factor in the time at which the capacity will be commissioned.

The volume will therefore come in, but in terms of capacity, we will factor in part of the period according to the weighted average that we calculate. The ramp-up will then happen.

Parvez Qazi – Nuvama Group: Thank you.

Operator: Thank you. The next question is from the line of Indrajit Agarwal from CLSA. Please go ahead.

Indrajit Agarwal – CLSA: Thank you for the opportunity. Most of my questions have been answered. I just want to understand the current cost focus once again.

Over the last couple of quarters, are we comfortable with where we are in terms of our trade and non-trade mix, which has led us to announce this expansion and industry-leading volume growth in the second half?

The reason I ask is that, if you look at our EBITDA-per-tonne differential versus the first and third players, it remains fairly elevated at approximately 15-20%. In terms of bridging that gap through the mix, are we comfortable with where we are?

Management: I would put it slightly differently, in terms of the blended cement ratio.

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Our effort is to increase the share of blended cement. Right now, we are closer to 82%, and we would be comfortable sustaining an 80:20 kind of ratio.

When I say blended cement, it gives us an advantage because fly ash is available to us. This also connects with our earlier discussion: there is a very good market for blended cement in the non-trade segment as well.

We will be comfortable on this journey across both trade and non-trade by focusing more on blended cement. Our expectation is to maintain an 80:20 kind of blended-to-OPC ratio.

Indrajit Agarwal – CLSA: Thank you.

Operator: Thank you. The next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka – Axis Capital: Thank you for the opportunity. I want to discuss the capacity plan in a little more detail.

In FY26, when I look at your production and utilization numbers, clinker utilization is much higher than cement utilization. Clinker utilization appears to be 75%, while cement utilization is 67%.

There is already excess grinding capacity, as I see it. We have now announced almost 3 times as much grinding capacity as clinker capacity again.

I want to understand how this math will work between clinker and grinding, given that we already appear to have either a balanced or excess grinding portfolio.

Management: Some of our very high-cost grinding units are currently temporarily closed, and going forward we have the opportunity to review some of the other grinding units.

Our focus is very clear: we want efficient assets to be part of this entire growth journey.

This gives us the opportunity to get closer to the market, where we see good value in trade and where we have stronger brand equity and market penetration.

It will give us that flexibility going forward. You may be right that we will have some surplus grinding capacity, which is good for us.

Amit Murarka – Axis Capital: Understood. Regarding the Assam capex, could you give the specific capex number for the Assam plant?

Management: Amit, we will discuss those specific details separately. Broadly, I have mentioned that Rs. 14,500 crore is the capex program for this 30 million metric tonne expansion program.

Amit Murarka – Axis Capital: Sure. Lastly, you shared green power sales last quarter. What was the revenue from green power?

Management: Revenue from green power sales was approximately Rs. 136 crores in the second quarter.

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Amit Murarka – Axis Capital: How many units were sold?

Management: The units sold were approximately 352 million units.

Amit Murarka – Axis Capital: Understood. That is all from me. I wish you a Happy Diwali.

Management: Thank you.

Operator: Thank you. The next question is from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi – HDFC Securities: Good evening to the team. My first question relates to the capex plans.

There were several debottlenecking projects announced earlier, and I see that they are not part of the current expansion plan. Most of the announced expansions are largely centered in Maharashtra and the North-East, with a few in the Eastern region.

Could you please revisit what has happened to the earlier announced debottlenecking projects?

Management: Regarding those debottlenecking assets, we are already working with Loesche on almost 4 of them, and they are progressing very well.

I will give you an update upon completion, which is expected in the next 4-5 months. That program is continuing.

My emphasis here is more on the 30 million tonnes. You are right that the West has been predominant, with 50% of the capacity coming in the West.

That is precisely because of the Mumbai market, where we are setting up Kalamboli as a grinding unit. Dahanu has an excellent market and is closer to our thermal power plant, which gives us an advantage.

These are important, high-EBITDA markets. Amravati in Maharashtra will also be served from my Maratha clinker unit.

The idea is to obtain the right value mix from the investment quickly.

Rajesh Ravi – HDFC Securities: When you refer to Maharashtra and Gujarat, our understanding is that they are also very high in non-trade and are large non-trade markets led by infrastructure projects.

When you ramp up these assets, would that mean that the non-trade sales share would again increase above 30-35% at the portfolio level?

Management: As I said, our focus across trade and non-trade will be blended cement.

You know, Rajesh, many governments are now promoting blended cement. They are promoting green cement. In fact, I have an opportunity to take the leadership position in green cement, and that could be a significant market for us.

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It can be present in both segments. Trade is obviously a blended-cement segment, but even now, if you look at it, my blended-cement ratio is much higher than my trade percentage because a good level of blended cement also goes into the institutional business.

That is a great opportunity for us because of the overall cost economics, including fly ash, BFS, and other factors.

With governments introducing policies and providing support, many projects are now willing to qualify for blended cement. We are very optimistic about that.

Rajesh Ravi – HDFC Securities: That is good to know. Regarding this capex, has the equipment ordering already been completed? A good portion of the capacity is scheduled to come up within the next 2 years, so what is the progress on equipment ordering?

Management: The equipment has already been ordered, and we have already appointed the PMC consultants.

We have completed the preparatory work. As I told you last time, once we were ready, we would come to you. In the meantime, we have completed all the background work, which gives us confidence in the 14-18-month execution plan.

That is what I wanted to inform you.

Rajesh Ravi – HDFC Securities: Understood. For this financial year, what capex guidance are you looking at? We have incurred close to Rs. 3,000 crore in the first half.

Management: For the financial year, we had a program of Rs. 6,500-7,000 crore for this year.

Rajesh Ravi – HDFC Securities: Right.

Management: And this [cut off]

Management: [cut off] is already through, and the balance of Rs. 3,000-3,500 crore will come in the second half.

Rajesh Ravi – HDFC Securities: So, one should look at approximately Rs. 6,000-7,000 crore this year and Rs. 7,000 crore in each of the next 2 years?

Management: Yes. The second half will also include the Warisaliganj and Amravati capex programs. The Amravati address is part of this Rs. 4,500 crore, but part of it will also come in the second half.

Rajesh Ravi – HDFC Securities: Understood. Regarding the power cost that you mentioned, where you have sold surplus green power, is that part of revenue in the consolidated books from a consolidated accounting perspective, or is it netted off at the power-cost level?

Management: No, it is part of other income in revenue. It is other operating income.

Rajesh Ravi – HDFC Securities: Other operating income.

Management: Other operating income.

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Rajesh Ravi – HDFC Securities: It is part of other operating income. Understood.

Lastly, regarding the cost-saving journey, particularly from Q2 to Q4, we are looking at fuel costs increasing by at least Rs. 50-100 per tonne, given the other escalation that we have seen in fuel costs.

What are the offsetting factors that could help you reach the full-year target of approximately Rs. 4,100? From Rs. 4,410 per tonne in Q2, you would be targeting close to Rs. 4,150 in Q4—a sharp reduction of approximately Rs. 250 per tonne.

What could drive those savings, given that fuel prices are increasing?

Management: Rajesh, that is a very good question.

First, we are placing greater focus on securing domestic coal. That is our primary objective, and it also allows us to operate the kilns.

As you know, domestic coal sometimes has higher fly ash content, and therefore many companies do not operate with it. We have the skill and the opportunity to do so.

Second, as I mentioned, the current escalation has already been factored in. If there is any further abnormality, the only opportunity would then be price improvement.

We have already realized the price increase in the first month, as I mentioned. We expect more progressive hikes in the coming months because the industry will pass on some of these costs to customers if they rise beyond a reasonable level.

That is the hedge available to us.

Rajesh Ravi – HDFC Securities: Understood. Lastly, were the volumes we achieved in October in line with your targets for industry-leading growth in Q3 and Q4?

Management: I would say that, according to our management expectations, we have much greater potential. Therefore, I would increase my expectation for a higher degree of trade growth in Q3 and Q4.

Operator: Thank you. The next question is from the line of Ashish Jain from Macquarie Capital. Please go ahead.

Ashish Jain – Macquarie Capital: Good evening, sir. Most of my questions have been answered. I have 2 short questions.

First, you said that some of the older plants that are inefficient are currently not operating. Should we therefore assume that, over time, the 155 million tonne figure could come down as some of those plants are permanently mothballed or brought down?

Management: There could be 2-3 million tonnes here and there because we are still carrying out detailed engineering to determine how the cost of those plants can be reduced.

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You may consider a reduction of 2-3 million tonnes in that regard.

Ashish Jain – Macquarie Capital: Secondly, freight was a major driver of the medium-term cost-saving roadmap. We have done a phenomenal job on green power, and there is visibility for further ramp-up.

Could you speak about how you have progressed on freight-led cost savings and where we are on that journey?

Management: In terms of the freight-led cost journey, the first step is to reduce the lead. That is one of the important initiatives I was highlighting when discussing setting up plants closer to the customer base.

You have seen that our lead has come down in Q2 versus Q1. With the ramp-up of our new facilities, it will come down further in Q3 and Q4. The first advantage is the reduction in lead.

The second aspect relates to initiatives such as electric vehicles. We expect almost 400 electric vehicles to start operating by March 2025.

Our team members have already sent me pictures. At Sanghi, for example, the green vehicles are already stationed and will start operating. The same applies to {? Ahmednagar ?} and other locations.

You will see both elements in the mix.

The third aspect is the use of BCFC, which is more related to fly ash. As you know, the Government of India has also introduced a specific incentive scheme for BCFC.

These initiatives will help. For example, at Kalamboli, the movement of fly ash from Tiroda gives us an advantage, and the same applies elsewhere.

We have a complete mapping of logistics savings from using BCFC, apart from the incentive under the railway policy.

Another important point is overall OET, or Order Execution Time, and the use of technology in this area.

We have highlighted how DigiTwin has now been successfully mapped across India. The overall master database, which historically existed with ACC and Ambuja, has now been completely revamped.

This includes tracking inefficiencies such as backhauling and enabling the right negotiations with transporters.

All these inefficiencies, which had previously remained hidden, are now coming to the surface and helping us capture the advantage.

There is a great deal involved. One aspect is investment-driven, the second is efficiency-driven, and technology will help us substantially with both.

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When you come to our headquarters, we will show you CINOC, which is helping us significantly with logistics. In our case, CINOC stands for Cement Intelligent Network Operating Center.

Ashish Jain – Macquarie Capital: Great, sir. I look forward to that. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah – Investec: Thank you for the opportunity again. I wanted some color on the fuel mix.

Would it be possible for you to quantify how much linkage coal you are drawing? Secondly, I believe captive Gare Palma IV/4 is operational. How much are we getting from it? I also wanted to know the status of the other blocks, namely Dahegaon and Saraipali East. If you could provide some timelines and volumes, it would be useful.

Management: I will not provide specific volume details, although I have them. I would just highlight that our reliance on domestic fuel is increasing.

If you want one percentage relating to imported fuel, it is less than 40%, while domestic fuel is more than 60%.

Ritesh Shah – Investec: Can you break the 40% down between petcoke and imported thermal coal?

Management: Broadly, I would say approximately 10–12% is petcoke, and approximately 28% or slightly less is imported coal.

Ritesh Shah – Investec: Thank you. As a second question, could you provide some color on the SLAs that we already have in place?

How should we look at SLAs? We heard that you were looking to extend SLAs from manufacturing to logistics as well. Is there any progress on that? With the new capex announcement, how should we interpret SLAs for incremental expansions and for the overall facilities already in place?

Management: SLAs are progressing quite well, Ritesh.

As we speak, Salai Banwa and all my new grinding units are operating under SLAs with our vendor partners. We are moving forward with a strong vendor-partner ecosystem.

I am happy to share that things are progressing extremely well—better even than we had anticipated.

Ritesh Shah – Investec: And regarding logistics?

Management: The logistics journey has started. In the case of 5 plants, we have already moved to SLAs, and the feedback is again quite positive.

The automation and SLA programs are both progressing well, and you will see the benefits in due course. The benefits of efficiency and accountability will come through over time.

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Ritesh Shah – Investec: As a follow-up, this was introduced after our cost targets had already been set. Does the cost guidance we have given already include this? Another way to ask the question is probably [crosstalk] what we should—

Management: [crosstalk] It is already included. It would be very difficult to synthesize each item individually. Everything is already included.

It is a going concern, and therefore all these initiatives are part of the guidance.

Ritesh Shah – Investec: Thank you so much. Thanks.

Management: Yes, please.

Operator: Thank you. The next question is from the line of Harsh Mittle from Emkay Global Financial Services. Please go ahead.

Harsh Mittle – Emkay Global Financial Services: Good evening, sir.

Operator: [pause] Harsh, please go ahead with your question.

Harsh Mittle – Emkay Global Financial Services: [line issue] Hello, can you hear me?

Operator: Yes, now we can hear you. Please proceed.

Harsh Mittle – Emkay Global Financial Services: Yes. Good evening, team. Thank you for the opportunity. I have 2 bookkeeping questions.

The first is on the low tax rate in this quarter. Could you provide some color on why it was so low?

Management: [pause] The idea is that, with this merger, we have the tax shields of Penna and others. Sanghi is also part of this merger.

When I say it is EPS-accretive, one component is the efficient tax rate.

Harsh Mittle – Emkay Global Financial Services: Understood. My second question is: what is the current consolidated clinker capacity and the clinker-to-cement ratio in the first half of FY25? Thank you.

Management: In terms of clinker, we have 69 million tonnes of capacity, and the clinker ratio is around 66%.

Harsh Mittle – Emkay Global Financial Services: Understood, sir. Thank you. These were my questions. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain – Ambit Capital: Thank you. My first question is on capacity expansion.

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We have already placed the orders, given what you have learned over the last few years with Chinese suppliers. I am not sure whether the delays at Maratha are also tied to delays in Chinese approvals and so on, but the Assam project will also involve a Chinese supplier.

I am trying to understand how you are assessing the supply chain.

Management: Satyadeep, I would not specifically highlight any particular name.

As a process, there is room for improvement, and therefore we have now reinforced the execution plan. I think all our partners are willing to work in line with our defined timeline.

Satyadeep Jain – Ambit Capital: In terms of building flexibility for GUs, how would that work? Are you saying there would be opportunities to use one GU over another depending on which is more efficient?

Management: Not in that manner, Satyadeep. That point related specifically to the East.

Across the rest of the network, there is complete risk mapping of clinker and grinding. When we refer to some flexibility, it means that within a market and based on market share considerations, we can operate both grinding units at an optimum mix rather than operating one at 100% and the other at 0%.

That mix and match will be present in the business, and it gives us that flexibility.

Satyadeep Jain – Ambit Capital: Regarding Sanghi, since you are building more capacity tied to Sanghi, and given its current utilization levels, is that confidence coming from the clinker silo that you have built? What exactly is driving the confidence to add more GU capacity tied to Sanghi, given the current capacity utilization?

Management: We have always had confidence in Sanghi and never had any doubt about it.

Both kilns are now fully up and running. You will see a very substantial improvement in Sanghi's utilization as well as cost efficiency.

This is one asset for which I will share some very positive developments regarding a complete turnaround at Sanghi.

Likewise, let me reiterate that the same applies to Penna.

Satyadeep Jain – Ambit Capital: Okay. Thank you, ma'am.

Operator: Thank you. The next question is from the line of Navin Sahadeo from ICICI Securities Limited. Please go ahead.

Navin Sahadeo – ICICI Securities Limited: Thank you so much for the follow-up. I have a few clarifications.

One is on the share of green power. In the Q2 presentation, I see that you have mentioned a 61% share of green power, whereas in Q1 it had been reported as 48%. However, when I refer to the Q1

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presentation, it says approximately 34%. I wanted to understand whether I am missing [crosstalk]

Management: Let me clarify that. When I say 61%, it includes the company-level figure.

There are 2 components: consumption and sale. The 61% includes both. In the previous quarter, we may have reported it on a consumption basis.

I have now reported it on an overall company-level basis because, whether we consume it or sell it, at the company level we are net green power at 61%.

Navin Sahadeo – ICICI Securities Limited: Understood. Just to confirm again, cash outflow from a capex perspective, including maintenance capex and the new capex we have announced, is approximately Rs. 6,000-6,500 crores this year, which is FY24, and approximately Rs. 7,000-7,500 crores in FY25 and FY26. Is that correct?

Management: That is correct. This year's guidance was approximately Rs. 7,000 crores. Rs. 3,500 crores has already been incurred, and the balance remains.

For the next 2 years, it will be approximately Rs. 7,500 crores, broadly speaking.

Navin Sahadeo – ICICI Securities Limited: My last question is about the deficient monsoon.

Ambuja was the first to highlight the potential impact of a deficient monsoon. We had estimated industry growth at 5%, and now there has been a drought declared in states that are large markets for us, including Maharashtra, Karnataka, Andhra Pradesh, and Rajasthan.

How are we viewing this? In light of this impact, how should one look at demand, or do you think it should not really matter?

Management: It definitely matters, Navin, and you are right. We were the first to highlight the expected deficient monsoon, sometime in the first quarter itself.

You are right that a few states have declared a drought. There will obviously be repercussions, perhaps with some lag.

At least in Q3 and Q4, we will see the impact. I am told that some states will also moderate the construction cycle and related activity.

We will see how this develops. As of now, we have not faced that problem, and hopefully we do not. However, these are headwinds for the industry.

Navin Sahadeo – ICICI Securities Limited: Very clear, sir. Very helpful. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Gaurav Nagori from Elara Capital. Please go ahead.

Gaurav Nagori – Elara Capital: Thanks for the opportunity. Is it possible to share the capacity utilization of the acquired assets, specifically {? Penna and Sanghi ?}, in the first half of FY24?

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Management: I would prefer to completely revamp those facilities in Q3 and Q4. That would be a better opportunity for us to discuss this, Gaurav.

I have indicated where we are at the company level. Earlier, I indicated approximately 61%, and there is a good opportunity for us to ramp up this capacity without losing sight of value.

Gaurav Nagori – Elara Capital: I have one question on realizations.

If we look at your 6-month realization and compare it with the Q4 average, your blended realization has shown the lowest growth compared with peers, even though your trade mix has increased.

Your non-trade business has not grown as quickly as trade. Despite that, realization growth is quite underwhelming. Is there a reason for this? Is it due to the regional mix or any other factor?

Management: The journey has started, and the benefit will come. Sometimes, you have to jump-start it, and that is what we have done with trade.

I think it will become value-accretive with every passing quarter. According to my estimate, with this focus, I am gaining approximately Rs. 40 per tonne extra compared with what would have happened otherwise.

This will become an additional Rs. 40 per tonne in each of the next 2-3 quarters. By June, we should be receiving almost Rs. 150 per tonne of benefit from this value focus on trade.

So, do not worry.

Gaurav Nagori – Elara Capital: Thank you.

Management: Okay.

Gaurav Nagori – Elara Capital: Sir, just one last question.

Management: Yes, please.

Operator: Yes, please continue.

Gaurav Nagori – Elara Capital: Regarding the concept of outsourcing cement operations that you discussed a few years ago, could you provide a status update? How much of the total cement capacity is currently operated under contract by third parties, and what is the target for the incremental capacities being added?

Management: As we speak, many of our new GUs that are being operationalized—including Kalamboli, Salai Banwa, Bhatinda, {? Pennada ?}, Jodhpur, and Dahej—already have partners.

When you say third party, I would describe them as vendor partners. We now have a strong ecosystem with them.

With each successive month and quarter, you will see this becoming a defining part of our operations. These vendor partners will bring significant efficiency and experience to our business.

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Gaurav Nagori – Elara Capital: Understood. Do you have any internal target for the percentage of total consolidated capacity that you want to place with partners, or is there no such target?

Management: There is no fixed percentage target. We will proceed as we become comfortable and make our partners comfortable as well.

This is a mutual progression.

Gaurav Nagori – Elara Capital: Understood. Thank you for the answers, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: I have 2–3 data points, sir. How much was fly ash revenue in Q2, as part of other operating revenue?

Management: Shravan, fly ash revenue was approximately Rs. 25 crores.

Shravan Shah – Dolat Capital: And that roughly [crosstalk]

Management: Yes, Q2.

Shravan Shah – Dolat Capital: At the EBITDA level, would that be approximately 10%, and would renewable energy be approximately 5% of EBITDA on the Rs. 136 crore revenue?

Management: Let me clarify this again. I am not sure exactly what you are highlighting.

I am saying that fly ash sale revenue was Rs. 25 crores, and I mentioned earlier that renewable energy sale revenue was approximately Rs. 136 crores.

Together, that is approximately Rs. 160 crores.

Shravan Shah – Dolat Capital: At the EBITDA level, would renewable energy contribute approximately 5% and fly ash approximately 10%?

Management: Together, the contribution is close to approximately Rs. 97 per tonne. That is the calculation.

Shravan Shah – Dolat Capital: Understood. Would RMC EBITDA be approximately 6–7%?

Management: Yes, I think it is close to 7%.

Shravan Shah – Dolat Capital: Understood, sir. Thank you, and all the best.

Management: Thank you, Shravan. Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

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Management: Thank you. It has been a very interesting question-and-answer session, and I hope we have addressed all the questions in detail, as we always do. Our presentation is also very exhaustive and covers the matters in much greater detail.

My team is available for any further questions you may have.

Before I log off this call, on my behalf and on behalf of my entire team at Adani Cement, I wish you all a very happy Dhanteras, a very happy Diwali, and season's greetings.

Thank you very much.

Operator: Thank you. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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