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Symbol: DALBHARAT

Subject: Transcript of Q4 FY26 - Earnings Conference Call

Ref : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In terms of Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, please find attached transcript of the Q4 FY26 Earnings Conference Call held on April 28, 2026 for the quarter and year ended March 31, 2026.

The same will also be uploaded on Company's website: www.dalmiabharat.com

This is for your information and record.

Thanking you,

Yours sincerely,
For Dalmia Bharat Limited

Rajeev Kumar
Company Secretary

Encl.: As Above





“Dalmia Bharat Limited
Q4 FY26 Earnings Conference Call”
April 28, 2026



**MANAGEMENT: MR. PUNEET DALMIA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – DALMIA BHARAT
LIMITED
MR. DHARMENDER TUTEJA – CHIEF FINANCIAL
OFFICER – DALMIA BHARAT LIMITED
MR. YATIN MALHOTRA – CHIEF FINANCIAL OFFICER
– DALMIA CEMENT BHARAT LIMITED
MR. PRASSAN GOYAL – LEAD, INVESTOR RELATIONS –
DALMIA BHARAT LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Earnings Conference Call of Dalmia Bharat Limited for the Quarter Ended March 31, 2026. Please note that this conference call will be for 60 minutes, and for the duration of this conference call, all participant lines will be in the listen-only mode. This conference call is being recorded, and the transcript will be put on the website of the company. After the management discussion, there is an opportunity for you to ask questions.

Before I hand over the conference to the management, I would like to remind you that certain statements made during the course of this call may not be based on historical information or facts and may be forward-looking statements. These statements are based on expectations and projections and may involve a number of risks and uncertainties such that the actual outcome may differ materially from those suggested by such statements.

On the call, we have with us Mr. Puneet Dalmia, Managing Director and CEO, Dalmia Bharat Limited; Mr. Dharmender Tuteja, CFO, Dalmia Bharat Limited; Mr. Yatin Malhotra, CFO, Dalmia Cement Bharat Limited; and the other management of the company. I would now like to hand the conference call over to Mr. Prassan Goyal, Investor Relations Lead. Thank you and over to you.

Prassan Goyal:

Good evening, everyone. We are happy to welcome all of you to the FY26 annual results investor call. As you would have taken a note of our vision, this time we have made a change in the way we are holding our investor call. The purpose of this change is to present our investor deck during the call and share our perspectives and insights in an endeavour to make the overall interaction richer. Looking forward to a robust session. Handing over to Puneet sir to take this forward. Thank you.

Puneet Dalmia:

Thanks, Prassan, and good evening, everyone. I'm happy to be back with all of you. Let me start with some thoughts about the Indian economy. As we all know, the India growth story remains strong, and we continue to be one of the fastest-growing major economies in the world, marching forward to become the third-largest economy in a few years. During the year, India's macroeconomic fundamentals have demonstrated confidence, driven by robust consumption and investment demand.

At the same time, supportive fiscal deficit and robust forex reserves put India on a strong footing to navigate through any of the geopolitical or geo-economic headwinds. As India progresses to become a \$5 trillion economy by 2028 and achieve the vision of Viksit Bharat by 2047, we will need substantial investments in infrastructure, and we are already beginning to see strong traction on this front.

From industrial corridors and affordable housing to high-speed rail and smart cities, progress is visible across the country. Central and state Capex has also been increasing year-on-year. We strongly believe that this momentum is going to accelerate in the years ahead. As India grows, so does the cement sector. I expect the cement demand to grow at a CAGR of 7% to 8% in the medium term.

Let me now touch upon costs and cement prices. As mentioned in our earlier calls, the cost trends for the cement industry were largely flattish in the recent past. However, this situation has changed due to the West Asia conflict. The industry is seeing cost impact in three key areas: power and fuel, packing bags, and both inbound and outbound logistics. Petcoke prices have soared to about \$160 per ton, and Rupee depreciation is an added impact.

Supplier crunch of bags and rising cost of PP granules has led to increase in packing costs. Fuel costs have also gone up, and there might be some more increases in the pipeline. Having said that, we are taking various measures internally to mitigate the impact of rising costs to the maximum extent possible. On the price side, we have seen improvements in the month of April in most of our key markets. We are optimistic that this positive momentum on prices will continue in the near term and could well mitigate the impact of the cost impact.

Moving on to the company overview. As you are all aware, we are the fourth-largest cement player in India with almost 50 million tons of cement capacity. In financial year 26, we delivered our best-ever EBITDA of Rs 3,083 crores and a PAT of Rs 1,157 crores. We have a diverse product offering catering to all consumer segments and are happy to share that we are adding a new premium product to our line-up called Weather 365. With this new addition, we are confident of strengthening our premium product offering to the end consumers and our channel partners.

We take pride in the journey of Dalmia over decades. We began our operations in 1939 with just 250 tons per day of cement capacity in the state of Tamil Nadu, and today we serve over 23 states with our cement capacity close to 50 million tons. As you are all familiar with our geographical footprint, I will not go deep into that, but in this slide, we have included the status of our limestone reserves.

As can be seen, we have sufficient reserves across all our regions. In totality, we have 2.7 billion tons of limestone reserves at our operational plants. In addition to this, we have virgin mines across the country which will support our future expansion into new geographies, and we are progressively augmenting our reserves as we go along.

I want to now spend some time on our strategic priorities. Maximizing ROCE from all our assets has been one of the top agenda items for the company, and most of the management bandwidth is being deployed to drive this. Capacity expansion and becoming a pan-India player is a key strategic priority. All our announced projects in South and West are progressing well. We are now working on new projects to reach the 75 million tons capacity milestone. We will share details of the same with all of you in the near future.

Our balance sheet is our strength, and as we pursue our capacity expansion journey, we would be extremely mindful of continuing to maintain a healthy balance sheet in future as well. We are committed to have the highest corporate governance and a strong organization culture. Both of these will continue to guide our actions as we take Dalmia from strength to strength.

I will now hand it over to Dharmender to take you through the progress on our operating parameters. Thank you.

Dharmender Tuteja:

Thank you, Puneet ji. Good evening, everyone. Please pardon me for my sore throat today. Just to re-emphasize what Puneet ji just mentioned, delivering high returns on capital employed is a key strategic priority for us, and we are addressing this on multiple fronts. Delivering industry-leading volume growth, backed up by strong value proposition for our channel partners and customers, is the key to higher capacity utilization.

We have recently refreshed our brand identity and have adopted a new logo, keeping pace with the New Bharat of today and tomorrow. We are doubling down on our efforts towards premiumization at both product and price level. Various initiatives are being taken for better channel engagement and offering reliable delivery to our partners.

We have also made positive strides on our cost leadership. In this quarter, we delivered the lowest quarterly total cost per ton in the last five years, which demonstrates our unwavering commitment to be one of the lowest-cost producers. We'll talk a bit more about costs in the coming slides.

Let me give you a brief snapshot of our ROCE performance. For ease of understanding the numbers, we have categorized our capital employed into core cement operations and non-core line items. The key components of non-core line items are CWIP of about INR 2,500 crores, intangibles arising out of group restructuring of another about INR2,500 crores, and the rest is largely treasury and investments, partially mitigated by deferred tax liabilities.

In financial year '26, we have been able to improve our ROCE from core cement assets by more than 200 basis points, going up from 9.9% to 12.1%. As more of our projects get commissioned, the CWIP value will keep getting converted into core cement assets and start generating strong returns.

Our ongoing expansion projects at Belgaum and Pune, as well as Kadapa, will take our cement capacity to 61.5 million tons per annum in the next 18 to 20 months. Civil work at Belgaum project is complete, while E&I work has started. We are actually expecting commissioning a little ahead of our earlier announced schedule. Ordering for all key equipment at Kadapa project is already done.

There have been some minor delays in Q4'26, which have also resulted in lower than planned cash outflows during the quarter. Things are now back on track, and we are confident that we will be able to commission this project somewhere between Q2 to Q3 of FY28. Progress on Pune GU and Chennai bulk terminal are also progressing satisfactorily.

Total cash outflow on account of project capex has been about INR 3,200 crores in the last two financial years. With all projects picking up pace, we expect expansion linked cash outflow in FY27 to be in the range of INR2,200 crores, with a total capex outlook for FY27 being INR3,200 to INR3,400 crores.

Moving to our performance for the year, we have closed the year with 2% volume growth and 6% revenue growth. We delivered ever-highest EBITDA of INR3,083 crores, up 28% versus previous year. Our PAT in FY26 was INR1,157 crores, which is a jump of 65% versus previous year.

Let me now cover each metric in the following slides. During the quarter, our sales volume grew 3% YoY to 8.8 million tons. Trade percentage for the quarter was 67%, and our premium product share was 24%. We'll continue to drive the agenda of premiumization aggressively in FY27 as well.

Revenue from operations improved, driven by both realizations and volume growth. Although our realizations appear flattish, it has actually improved by about 1.7% on a QoQ basis if we adjust the one-off incentive accrued last quarter amounting to INR46 crores.

Our incentive accruals during the quarter was INR45 crores. Total incentives outstanding at year-end has increased to INR839 crores, as collections for the quarter were subdued at just INR14 crores. This was due to delays in pay-outs by a few state governments on account of elections. We expect this to normalize soon.

Raw material cost per ton of production reduced by 1% YoY to INR734 per ton. This was despite the additional levy of mineral tax in Tamil Nadu at INR160 per ton. Compared to previous quarter, raw material cost has come down by 6%. Our blended ratio has improved to 83% during the quarter, which led to marginal improvement in CC ratio as well.

The power and fuel cost per ton of production has reduced 6% versus previous quarter despite cost headwinds. We have been able to mitigate inflationary pressures with mix optimization and other initiatives. On full-year basis, our cost per ton is flat. Share of renewable energy jumped from 39% in Q4 last year to 47% this quarter, while fuel cost stood at INR1.36 per Kcal. Given the volatile environment, we will continue to focus on all big and small initiatives to keep power and fuel cost in check to the extent possible.

We continue to deliver one of the lowest logistic costs in the industry and have further improved on that. During the quarter, our cost declined 6% YoY to INR1,064 per ton, driven by multiple initiatives. We achieved highest-ever direct dispatch share during the quarter at 65%. As we move forward, we'll continue to balance the twin objectives of reliable service to our customers and cost excellence.

During the quarter, other expenses increased by 4% YoY to INR694 per ton, primarily due to increase in packing cost towards the end of the quarter.

If we look at the total cost level, we have continued to deepen our position as one of the lowest-cost cement producers. Happy to share that Q4 per ton cost is the lowest quarterly cost in the last five years for Dalmia.

At reported cost basis, our cost per ton since Q1 FY25 has come down by INR183 per ton, from INR3,973 to INR3,790. If we see on adjusted basis, that is, after removing impact of Tamil Nadu mineral cess and fuel prices, the fall is even steeper, that is INR211 per ton. On a full-year basis, FY26 adjusted cost is lower by at least INR100 versus FY25.

This decline is in line with the guidance we had given few years back. And as we look forward, we are confident of further improving on our cost trajectory. Since cost reduction is a continuous journey in a very dynamic environment, we don't want to guide the speed. However, internally, we will always keep looking to deliver INR50 to INR100 cost take-out on an annual basis going forward.

Our EBITDA has grown to INR902 crores, driven by all key levers, that is volume, realization, and cost. The jump in EBITDA is 14% versus previous year and 50% versus previous quarter.

EBITDA per ton was INR1,023 against the reported Q3 number of INR823. However, adjusted for the one-off incentives of INR46 crores last quarter. Our EBITDA has improved by INR260 per ton on a sequential basis.

As Puneet ji mentioned, balance sheet health is a key priority. Our net debt stands at INR1,428 crore, translating to a net debt-to-EBITDA of 0.46x, which is well below the threshold level of 2.0x as per our capital allocation framework.

Sustainability is central to how we operate and grow as a company. Our net emissions have been one of the lowest among the cement companies globally at 471 kg. Our DJSI score has also significantly improved to 70 this year.

We continue to scale up our renewable power capacity at a strong pace, adding around 180 megawatt this year. We will also be commissioning 128 megawatts of RE capacity soon, which will take us to 576-megawatt renewable energy capacity. This will further increase our share of renewable power consumption and reinforce our commitment to sustainability.

This is just a glimpse of some of the CSR interventions across our locations. We take immense pride in the impact we bring to the lives of people we touch and will continue our relentless focus in this area.

Talking about governance, we have a strong Board construct at the company which brings diverse expertise and reputation. The layer below the Board is the Executive Committee with seasoned professionals bringing together diverse industry expertise and functional strengths. And some of the best names in the industry are engaged with us either as auditors or giving us assurances and ratings on various parameters.

Talking about contingent liabilities, our tax-related liabilities have come down drastically in FY26. There was increase in mining and mineral-related matters, details of which will be covered in our Annual Report. Our total contingent liability as percentage of equity is 6%, which is among the best in the industry.

Last on the key legal matters, one of the key positives this quarter has been the progress in the ED land attachment case. The alleged proceeds of crime have been substantially reduced from INR793 crores to INR93 crores, which is nearly a 90% reduction. The ED has also ordered for the release of the entire land parcel by substituting the same with a bank guarantee of equivalent amount of INR93 crores. With this, I open the floor for questions and answers. Thank you.

Moderator: We'll take our first question from Amit Murarka from Axis Capital.

Amit Murarka: So just firstly on the volumes, like this quarter you had some impact of the capacity, the kiln shutdown. But generally speaking, also in the last couple of years, there has been continued market share loss. So what is the outlook that we can expect on volume and market share, let's say, in the coming couple of years?

Puneet Dalmia: I think as I've said earlier, we want to look at a profitable volume growth. This quarter we had an unexpected breakdown in East India and we lost some volume on account of that. But we have commissioned new lines in Northeast. And we are also going to commission our line in Belgaum this year. For all these new investments, our priority remains to increase capacity utilization as fast as possible.

And I think we will continue to ensure that we are able to scale up the utilizations in the right context. And as I said, in some markets we have to improve the quality of sales, which we have been doing, and you've seen that in our profitability. So it's a work in progress. And overall, I think we are pretty happy with the progress that we are making.

Amit Murarka: Just and one more question on capacity. Like usually, like there was a chart talking about 70 million tons and 110, 115. So this time it's missing. So how to read that and what's the current targets on capacity now?

Puneet Dalmia: As I said, I think our first milestone is, by financial year '28, we want to reach 75. You know, so we are continuing to work on that, and our long-term target also remains the same as we had outlined earlier. There's no change.

Yatin Malhotra: Just to add, I think Puneet ji covered in his opening remark that we are pretty much on our way to chase 72 to 75 million tons in the next two years by FY '28. So that is pretty much a milestone that we are chasing. So it's not missing. The 110, 130 million milestone, we will be declaring more as we go along to, even that destination as a part of being a Pan-India player is pretty much there.

Amit Murarka: And just a last question if I may. So there has been a lot of cost inflation due to the West Asia crisis. How are you placed to combat that, and if you could give a like some guidance on the cost inflation that you expect in Q1 and Q2?

Yatin Malhotra: So Amit, we have done this assessment actually, as you have seen our cost numbers for the quarter have been, really good. I think there are challenges, there are headwinds as Puneetji mentioned on power and fuel, on packing, and a little bit on logistics also.

Overall, if you were to see versus Q4 to Q1, we are expecting an impact of somewhere between INR125 to INR150 per ton. But that is, what's coming and, something we have to handle. We are working on ways and means to mitigate these in terms of our fuel mix, in terms of our, other initiatives on logistics to mitigate these impacts. So, we will see how the quarter pans out. Right now, we are looking at a risk of 125 to 150 on the horizon, and we are in the process of mitigating those costs.

Amit Murarka: Sure. Thanks a lot.

Moderator: Thank you. Our next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Good evening. Am I audible?

Moderator: Yes.

Rajesh Ravi: Yes. Sir I wanted to ask, in the presentation you have mentioned the like-to-like cost, opex-led efficiencies, that's INR100 per ton which is achieved in FY '26. Is this reading, correct?

Yatin Malhotra: Sorry?

Rajesh Ravi: This is cost reduction in FY '26 on the efficiency basis. You have achieved INR100 cost reduction, right?

Yatin Malhotra: Yes, on an annualized basis, year-to-year, INR100 is the reduction that we have achieved.

Rajesh Ravi: Yes, annual basis. And what more is expected or targeted for FY '27?

Yatin Malhotra: So, actually we guided roughly I think eight quarters ago, on the path we are today. We have lived that journey as we have shown, if you were to look at Q4-to-Q4 on an adjusted basis, we are looking at INR125, INR130. As an organization, we are chasing cost reduction, I would say, on a continuous basis. Internally, we are targeting, as Puneet ji mentioned, somewhere between INR50 to INR100 take-out every year. So I think that's the way we want to see it. We don't want to see it like a permanent, milestone. It's a moving target, and we need to keep chasing more and more as we go along.

Rajesh Ravi: Understood. And the 125 to 150 cost increase expected in Q1 over Q4, could you break it up between packaging and fuel cost? What sort of numbers you're looking at?

Yatin Malhotra: I can give you an indication. I think the entire industry is seeing the same numbers. Packing would be somewhere between INR80 to INR90, and the balance would be split between logistics and power and fuel.

Rajesh Ravi: So this power and fuel, the current inflated 30% odd or factoring in the Rupee depreciation, some 40% increase, if suppose the prices were to hold on at the current level, since when would that start hitting numbers?

Yatin Malhotra: So, a part of it has already started hitting, but, the real question is how do we respond to those increases. I think we have been able to, optimize our fuel mix to make sure this impact is mitigated, and that is exactly what we are looking at for quarter one. So, it is not that the high costs have not started to impact us; it's our alternative ways of sourcing and the fuel mix that is basically the lever to mitigate the impact.

Rajesh Ravi: So, can you explain what was the fuel mix in Q4? And how you're looking at?

Yatin Malhotra: I think we can speak offline and I can give you those numbers.

Rajesh Ravi: Sure, sure. Next question comes on the, the capex. You have (to) spend about INR2,200 crores Capex for FY '27. So incremental this is only for the ongoing project. So, for full year, what sort of number total capex for FY '27 we are looking at?

Dharmender Tuteja: INR3,200 crores to INR3,400 crores range.

Rajesh Ravi: Okay, okay. And sir, lastly...

Yatin Malhotra: The basis all the announced project, that INR3,200 crores to INR3,400 crores, but as, we mentioned we would be coming out with more, announcements, so we'll revise.

Rajesh Ravi: Okay. And one last question --

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

Rajesh Ravi: Yes, Yes. Sure, thank you.

Moderator: Thank you. Next question is from Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi, can you hear me?

Yatin Malhotra: Yes, please go ahead.

Satyadeep Jain: Hi. So, first question is on that 75 million tons that you mentioned. Can you maybe break it down to come in in the next two years? Can you talk about what options you're looking at, where are you in the ordering stage?

Puneet Dalmia: I think we can't talk right now. You know, we'll share with you whenever, we are ready.

Satyadeep Jain: I was just confirming that 75-million-ton target by the end of FY '28, right?

Yatin Malhotra: Yes, we are pretty much chasing that. Puneet ji mentioned that, we could take a quarter here and there, take a few million here and there, but that is what we are chasing.

- Satyadeep Jain:** Okay. And sir, just on the IEX investment. I know the stake is also been locked down by all these news around market coupling, but what's your expectation on the remaining stake that you have?
- Yatin Malhotra:** I think we have said that IEX is a non-core asset for us and we have to, liquidate that asset. We are waiting for the right opportunity to do that, and we will do it.
- Puneet Dalmia:** We've already liquidated half our position, and I think the balance position also we will liquidate as and when we find the right time.
- Satyadeep Jain:** Okay. Thank you so much.
- Moderator:** Thank you. Next question is from Prateek Kumar from Jefferies. Please go ahead. Give me a moment please. Prateek Kumar, kindly unmute and go ahead with your question please.
- Prateek Kumar:** Yes, good evening. Congrats for great numbers. My first question is on your clinker utilization. Can you give clinker utilization for the year and if clinker utilization in specific regions impacted volume growth for the quarter?
- Yatin Malhotra:** Prateek, we don't share the capacity utilization for clinker and that too region-wise. So we will not go there. I think we have made quite a lot of additional disclosures this time in our investor deck, but this is something that we would not. But I think we do share our CC ratio, so I think that can give you an indication of things.
- Prateek Kumar:** But is this not a factor which would have impacted your volume growth in peak quarter, which is this quarter?
- Puneet Dalmia:** No, we've already said that in our slides that, there was about, an unexpected one-off breakdown, which has resulted in a 3% Y-o-Y growth lower.
- Yatin Malhotra:** Prateek, in quarter 3 we registered a 10% volume growth. I think we were able to, exhibit performance a little ahead of the industry. Quarter four started on a high note. In the month of March, as you would have seen in our intimation to stock exchange, we actually had a breakdown.
- We lost somewhere of roughly 1.5 lakh tons of clinker and 300,000 (tons) of cement, and that is the reason that, you see subdued growth in quarter 4. I think in the long-term basis, I think we are very optimistic that we'll get back to our sales growth momentum and, outperform the industry in the coming quarters.
- Prateek Kumar:** Sure. Other question is on pricing. We talked about price increases in the month of April. So is it enough to cover the cost inflation expected over next 2 quarters? How do you think about that?
- Puneet Dalmia:** Look, we are in a dynamic world and nobody knows, what the cost inflation will be. But if I look at the first, fortnight of April, so far whatever are the cost increases, we've been able to pass

on through the price increase. And we are quite hopeful that this will sustain, so largely hopefully we should be able to protect the margins.

But again, it's a dynamic world. We'll have to see how the, prices behave and whether the energy prices cool off, whether the, supply chains become more reliable. We have to see all of that. But as of now, I think, the impact of cost has been passed on.

Prateek Kumar: Sure. Thank you. These are my questions.

Moderator: Thank you. Next question is from Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Sir, is it possible to quantify both trade, non-trade hike in your core operations of the regions in April?

Yatin Malhotra: I think it's a moving number, it's not that, one market, one price is stable. So but overall, as Puneet ji has mentioned, the price increases have happened, and we are looking at recovering more than the cost impact. That's the answer.

Shravan Shah: Okay. And sir, given that now for the expansion Kadapa that previously we were looking at Q2 FY '28, that now we are saying it could be a Q3 FY '28 also. And at the same time, we are still not announced the next expansion to reach a 75 million ton, but still we are sticking to it. So what gives the confidence because that's the one thing which is not even if when you announce and whether we will be able to reach a 75 million ton. Can you help us more there?

Yatin Malhotra: I would just say that you have to take confidence from our confidence to do this. As I said, this would be a couple of quarters here and there, a couple of million tons here and there. But just wait for, us to come up with more announcements, and then we'll be able to share more details on that. But as of now, I think, Kadapa one quarter, we also said Belgaum is a little ahead of schedule. Can we get the other muted please?

Moderator: Shravan, can you please mute your connection? There's a lot of background noise from your line. Yes, sorry sir, please go ahead.

Yatin Malhotra: Yes, as I said, Kadapa might be a little delayed, Belgaum a little ahead of time. By and large, the story is intact. In the next 8 to 9 quarters, we are looking forward to reach somewhere between 72 to 75 million tons of capacity.

Shravan Shah: And sir, on the volume growth, I understand in last two years also just a 2% kind of a growth. Sir, is it possible to say that we are saying 7%-8% kind of a industry growth for couple of years? For us, for FY '27, '28, how one can look at? Will it be a still lower than the industry growth or at par or better than industry growth?

Yatin Malhotra: We are aiming to deliver better than industry.

- Shravan Shah:** Okay. And the capex for FY '28 would be once we announce, a broader would be the last time we said '27, '28 put together would be a close to INR9,000-odd crores. So that way one can look at?
- Yatin Malhotra:** I think last time we said that for the next three years, we are looking at INR3,000 crores to INR3,500 crores every year. So I think that's pretty much what we are saying today also, pre-new announcement.
- Shravan Shah:** Because that math will not tell if we want to add another 10 odd million ton to reach that, we need to do a decent capex. So at least INR6,000 crores, INR7,000 crores to reach that so...
- Dharmender Tuteja:** Let's wait for the next announcements.
- Puneet Dalmia:** We have said this is the capex without any new announcement.
- Shravan Shah:** Okay, okay. Thank you.
- Moderator:** Thank you. The next question is from Siddharth Mehrotra from Kotak Securities. Please go ahead.
- Siddharth Mehrotra:** Thank you for the opportunity. Sir, just wanted some sense of the breakup of the capex guidance for 2027. So roughly this INR3,200-odd crores, INR3,400-odd crores, if you could help me understand different projects, maintenance capex, any other capex such as renewables, that would be very helpful, sir? That's my first question?
- Yatin Malhotra:** So I think in the deck, Dharmender ji covered that INR3,200 crores to 3,400 crores is the overall guidance. Roughly INR2,200 to INR2,300 would be on account of the expansion projects under way. So I think balance is by and large our regular capex in plants, that's the way it is. And any further details we would rather avoid. I think our balance sheet should keep talking as and when we spend that capex.
- Siddharth Mehrotra:** Okay. So basically the INR1,000 crores, which is over and above the projects announced, basically maybe we can split them half into maintenance capex and half into efficiency projects. Is that the correct way to think about it?
- Yatin Malhotra:** So this cyclical nature is not the right way, but I think we can keep it at that, that the INR1,000 crores would be for our regular operations. This will be a mix, this is a moving thing, there are return capex's, expansion, some small futuristic Capexes and maintenance capex. So we don't want to split here beyond this.
- Siddharth Mehrotra:** Understood, sir. And out of this total capex of like INR6,800 odd crores for the two announced projects already, roughly what proportion of capex is pending?
- Yatin Malhotra:** We won't have that percentage handy. The way we look at it, the projects keep running and the payment cycles keep coming after a while. So what cash outflow has happened versus what is the progress done on the project are two different numbers. We won't have that handy, but I don't

think we should worry about that. Just look at the commissioning outlook for the organization. We are on track as we have said and that's where we want to leave it.

Siddharth Mehrotra: Sir, are we expecting a meaningful change in the fuel mix to happen, say, away from petcoke maybe higher coal mix, higher AFR and if that is the case, maybe can we sort of quantify what sort of change in mix will happen, the fuel mix?

Dharmender Tuteja: Situation is quite dynamic from region-to-region, plant-to-plant. So giving any kind of guidance may not hold true after that month.

Yatin Malhotra: But directionally as petcoke gets more expensive, we have to look at alternatives and (that's) exactly what we are doing, washed coal and local petcoke and alternates. That's directionally what we are chasing.

Siddharth Mehrotra: Got it, sir. Thank you. Thank you for your time. Thank you.

Moderator: Thank you. Before we take the next question, we'd like to remind participants to ask a question, please use the raise hand feature. Next question is from Jainam Shah from Indsec Securities. Jainam, please go ahead with your question. Jainam, we are unable to hear you. Since there is no response, we'll move on to our next question from Saket Kapoor from Kapoor and Company. Please go ahead. Saket, can you please unmute your connection?

Saket Kapoor: Yes, namaskar sir. Hope I'm audible.

Yatin Malhotra: Yes, Saket.

Saket Kapoor: Yes, thank you, sir. Sir, firstly if you could give some color on the the capacity addition for the industry as a whole for the year ending March 26 and what is envisaged as the capacity addition for the current year? Which are in the pipeline, yes sir?

Prassan Goyal: Yes, Saket, Prassan here. So if I just broadly talk about the entire industry, I think the cement industry is adding somewhere around 160 to 170 Million ton

Moderator: Sorry sir your audio is not very clear.

Prassan Goyal: Saket just to repeat again I am saying that for the industry as a whole. The cement industry expected to add somewhere around 160 tons to 170 million ton of capacity between 26 to 28. And out of that around 40-odd million ton has been commissioned in FY26 so far. So somewhere the balance of around 110 to 120-odd million ton of capacity is expected in the next 2 years.

Saket Kapoor: Correct, sir. And sir, in terms of the average utilization, if you could just give some color on how the utilization for the industry has been for year ending March 26?

Prassan Goyal: So as of now, most of the companies are yet to announce their results, so it would be a little difficult to estimate that. But if I just broadly say, we have seen as a trend, industry somewhere

operates between 65% to 70% of utilization and we believe that it will be of a similar ballpark number in this year as well.

Saket Kapoor: And sir, as you alluded in your presentation about the benefits that we have garnered out of the cost reduction exercise, but now with the inflationary trends in petcoke prices and even industrial diesel prices being hiked earlier. So are these gains would be weaned out in the time to come or what should be our trajectory in terms of cost reduction per ton? I think so we did some very good numbers last year. So where do you see ourselves placed for the current year in terms of the inflationary trends which we are witnessing currently?

Yatin Malhotra: Look, we don't know, Saket, how to answer this question. We have said we are chasing INR50 to INR100 reduction internally. This is our initiative. What happens externally is something that we'll have to see and, bake in our numbers as and when they come. So that's where we'll have to leave it for any modelling that you want to do. I think both these line items have to be modelled separately.

Saket Kapoor: Sir, I didn't understand. Come again, sir?

Yatin Malhotra: I am saying we are chasing internally, as we said, INR50 to INR100 cost take-out every year. That's internally what we want to chase. What happens as an external impact in terms of inflation and headwinds, we will have to factor in as and when they come in.

Saket Kapoor: No, sir, you are correct there, but what I was trying to make sense is how have the inflationary trends affected our gains that we have booked last time because of the cost reduction exercise. With the type of inflationary trends currently we have, how much have that been mitigated?

Yatin Malhotra: I think you can look at the right-hand side of the chart where we have shown, adjusted numbers for the Tamil Nadu cess and petcoke. I think that is the right way for you to understand our operating performance.

Dharmender Tuteja: And as Yatin covered in his remarks also earlier that we expect about INR125 to INR150 increase in the coming quarter, which is imposed on us by the war.

Saket Kapoor: Right, sir. Thank you. Thank you, sir.

Moderator: Thank you. Next question is from Indrajit Agarwal from CLSA. Please go ahead.

Indrajit Agarwal: Hi, hi sir. Thank you for the opportunity. I have one question, actually two questions. One, how has the demand trend been in April so far? I know it's too early, but given the price hikes across commodities, are you seeing any weakening of mainly IHB demand?

Puneet Dalmia: I think, demand in April seems to be holding up. In cement, we have usually seen based on our past experience that even if there is a slowdown, it takes some time to feel the slowdown in the industry. So it takes a little time to apply the brakes because the existing projects keep getting completed, the new projects could get deferred. And similarly, when the economy picks up, our acceleration may be time-lagged.

So I think it's too early to decide whether there's a slowdown or not in April. I think the effects in my view will get visible in probably a couple of quarters only. So month-to-month seeing I don't think we can conclude anything. So I think maybe H2 will be the real test of what's going to happen. So it's too early to say right now.

Yatin Malhotra: But as Puneet ji mentioned, for the full year, we're looking at a decent demand growth. So, we are hopeful, and anyhow we had a little lower lesser base also last year in the quarter 1 and quarter 2 on account of higher monsoon. Let's see, we are optimistic on the demand scenario.

Indrajit Agarwal: Sure. And we are confident of growing ahead of the industry for FY27, right?

Yatin Malhotra: Yes.

Indrajit Agarwal: My second question is on availability of key raw materials like, let's say, petcoke which is imported or PVC granules. Are you seeing any issues with that? Pricing aside, but is availability of some of these raw materials a concern now?

Dharmender Tuteja: The cost has gone up, and supply disruptions we've been able to overcome through timely interventions. So we have not faced issues in terms of availability, and I don't foresee that as a problem to come. But naturally, cost cannot be controlled like this.

Indrajit Agarwal: Sure. And one more, if I may. What would be the sensitivity of freight cost to diesel price increase? Let's say if there's a 5% diesel price increase, pump price increase, how much could our freight cost go up?

Yatin Malhotra: Typically, I think if you have to use a formula, every 5% jump is INR15 per ton cost for us, roughly. That's the ballpark.

Indrajit Agarwal: So 5% rise in diesel price is INR50 per ton increase in cost?

Yatin Malhotra: INR15

Indrajit Agarwal: Yes, Yes. 15. Right. Thank you. That's all from my side.

Yatin Malhotra: And just to your first point what Dharmender ji said, I think the situation in March was a little tough for the industry. I think we take a lot of pride in the way we have been able to navigate the month of March. And without taking too much pressure on cost, at the same time ensuring regular supply. So, I think we have played this game well, and we are confident that we'll continue to do.

Indrajit Agarwal: this is very helpful. Thank you so much.

Moderator: Thank you. Next question is from Harsh Mittal from Emkay Global. Please go ahead. Harsh, please unmute yourself. Yes, please go ahead.

Harsh Mittal: Thank you. Thank you for the opportunity. The first question is that in the Slide number 11, we have mentioned that our limestone reserves is more than 48 years in the southern region. So sir,

as per public data, we have seen that Dalmia has been selected as the preferred bidder in multiple mines in Tamil Nadu in the month of February this year. So does this reserve include the reserves won recently?

Yatin Malhotra: Yes. Yes, Harsh.

Harsh Mittal: So what would be the quantum of the reserves which we have added, if you can share that data?

Yatin Malhotra: Quantum? I don't have it offhand, Harsh. Maybe we can share with you separately.

Harsh Mittal: Okay, okay. Second question, sir. Our cement and clinker, there is a mismatch in the particularly in the Northeast region. So do we expect any grinding capacity addition in the Northeast region as part of your 72 million to 75 million ton plan?

Yatin Malhotra: Yes, Harsh. I think you can expect that. But let's wait for more announcement. But yes, you are right, and we might be looking at a grinding capacity in the region soon.

Harsh Mittal: And is the size of the grinding capacity, sir, if you can will it be 2 million ton, 3, 4, any capacity if you can just share it?

Yatin Malhotra: I would suggest just wait for the opportune time to have a chat.

Harsh Mittal: Sure, sir. Thank you. These were my questions.

Moderator: Thank you. Next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hi, sir. Two questions. One, if I am I audible?

Dharmender Tuteja: Yes, please.

Moderator: Yes.

Rajesh Ravi: Yes. So, if I look at the change in the fixed asset on the annual basis, I see a number of much higher number of around INR3,500 crores, whereas in the capex outflow has been close to INR2,000 crores for the full year. Could you reconcile why there is a sharp difference of INR1,500 crores between the two numbers?

Yatin Malhotra: Rajesh, I think there is one more line item that you need to look at, see other financial liabilities. A lot of CWIP that we have incurred during the year is still standing as payable in our books, and that is actually one reason that, you know, the guidance we gave earlier in terms of the cash outflow on capex, which is much lower in this quarter. And, you know, as we were, you know, we all know towards the end of Feb, you know, this entire geopolitical situation started. So I think we have just deferred our cash flows a bit, and that is sitting in our liabilities and that should get sorted in the next couple of few months and quarters.

- Rajesh Ravi:** Understood. So this INR3,300 crores capex outflow which you're targeting for FY27, that includes this one or this will be over and above the, you know, INR1,000 crores odd or whatever number which is sitting as liabilities in FY26 end?
- Dharmender Tuteja:** Next year's number includes the liability of this year which will get paid off next year.
- Rajesh Ravi:** Okay. So in fresh capex amount would be much lower. Is this understanding correct for FY27?
- Yatin Malhotra:** This would be cyclic, so you might, we would actually see the opening-closing in a similar way.
- Rajesh Ravi:** Okay, okay. And last question from my end would be on the recent, you know, news going on where the SFIO has, you know, filed, has tried to reopen the mutual fund case, and I think MCA, MCA has initiated or have been instructed relevant bodies to reinvestigate. Could you please throw some light if there is any progress or if you have as a company received any notice from the relevant authorities?
- Yatin Malhotra:** Rajesh, we can't be responding to rumours. If there is anything that has to be reported, it will be reported in the proper manner. Right now, we don't want to respond.
- Rajesh Ravi:** So nothing has come at a company level?
- Dharmender Tuteja:** We have not received any communication.
- Rajesh Ravi:** Okay. Understood. That's, that's nice. Yes, that's all from my end. Thank you.
- Moderator:** Thank you. Next question is from Hiten Boricha from Sequent Investment. Please go ahead. Hiten, please unmute your audio.
- Hiten Boricha:** Am I audible now?
- Moderator:** Yes, please go ahead.
- Hiten Boricha:** Yes, sorry, I was on mute. Yes. So I have only one question, and most of the questions have been answered. So sir, you mentioned we have taken a price hike in April which all the cost has been passed on. So if you can quantify what is the total price hike we have taken in April so far?
- Dharmender Tuteja:** We are still in the middle of April.
- Puneet Dalmia:** I think we've already said that, you know, so far we've been able to pass on the cost increase through price hikes. And hopefully we should be able to maintain it, and there should be no margin compression. So that's the most broad answer.
- Hiten Boricha:** Okay, okay. Sir, understood, understood. Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we request you to limit your questions to two at a time please. Next question is from Shravan Shah from Dolat Capital. Please go ahead.

- Shravan Shah:** Hi. Sir, our CC ratio, if I look at last two years, almost it has declined from 1.7 to now 1.6. So any specific reason and will it remain here or we will try to increase?
- Puneet Dalmia:** I think again, it's a dynamic situation. We will take a call market to market. But our long-term goal is to increase the CC ratio and, you know, decrease our cost. So quarter on quarter, I don't think we can look at this. This has to be looked over a three to five years period, and our endeavour will be to improve it over a medium term.
- Shravan Shah:** Yes, because I look at for last two years, so in two years it has from FY24 till FY26 in almost three years it has declined. That's what I asked. I am not looking at on a Q-on-Q. No issues. Last sir, incentive for FY27 in terms of booking would be around INR200 odd crore?
- Puneet Dalmia:** Yes.
- Shravan Shah:** Okay, okay. Got it, sir. Thank you and all the best.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to Mr. Puneet Dalmia for closing comments. Over to you.
- Puneet Dalmia:** Thank you. I think we've had a, you know, very good year in terms of profitability and a close quarter also. We've done the highest-ever EBITDA over INR900 crores this quarter, and we've topped INR3,000 crores for the first time. Our capex is ongoing. We are, you know, very optimistic about the future of the Indian economy, and we will continue to invest behind the growth in India.
- There will be headwinds along the way, and I've always said that this is not a straight road to paradise. There will be bumps along the way. We will navigate those bumps as we've shown resilience over the last 80 years. You know, we've never been more excited about the future as we are now. And I'm also very happy that our executive committee and our team is coming together very well.
- So thank you for your interest, and I look forward to continuing this conversation in the coming quarters. Thank you.
- Moderator:** Thank you members of the management team. On behalf of Dalmia Bharat Limited, that concludes this conference. Thank you for joining us, and you may now exit the meeting. Thank you.