2nd May, 2025

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Sub.: Transcript of Q4 FY-25 Earnings Conference Call of UltraTech Cement Limited ("the Company")

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached transcript of the Q4 FY-25 Earnings Conference Call conducted after the meeting of the Board of Directors of the Company held on 28th April, 2025, for your information and record.

The same is available on the website of the Company viz. www.ultratechcement.com

Thanking you,

Yours faithfully,
For UltraTech Cement Limited

SANJEEB KUMAR CHATTERJEE
Digitally signed by SANJEEB KUMAR CHATTERJEE
Date: 2025.05.02 16:24:26 +05'30'

Sanjeeb Kumar Chatterjee
Company Secretary and Compliance Officer

Luxembourg Stock Exchange BP 165 / L – 2011 Luxembourg Scrip Code: US90403E1038 and US90403E2028	Singapore Exchange 11 North Buona Vista Drive, #05-07 The Metropolis Tower 2, Singapore 138589 ISIN Code: US90403YAA73 and USY9048BAA18

“UltraTech Cement Limited

Q4 FY 25 Earnings Conference Call”

April 28, 2025

MANAGEMENT: **MR. KAILASH C. JHANWAR – MANAGING DIRECTOR**
MR. ATUL DAGA –CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen good day and welcome to the UltraTech Cement Limited Q4 FY '25 Earnings Conference Call. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore, viewed in conjunction with the risks that the company faces. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent development, information or events or otherwise.

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

I now hand the conference over to Mr. Atul Daga, Chief Financial Officer of the company. Thank you, and over to you, Mr. Daga.

Atul Daga: Thank you so much, Michelle and good evening, and a very warm welcome to all of you for this earnings call for Quarter 4, FY '25 for UltraTech. It's a maze of numbers, which we'll try and help you decipher.

I believe the world is redefining its ways of working. The uncertainties around the U.S. tariffs are making people wonder what to do next. I believe investors and industry captains globally must be revisiting their business strategies. But we, in cement in India, continue our work with a renewed focus on the growth opportunities that are unfolding in the country.

To give you a heads up, this year cement industry has ended with a capacity of about 655 million tons, up from 625 million tons. And at UltraTech, out of this 30 million tons of new capacity addition, almost 57% has been added by UltraTech. However, our overall capacity share in the country has gone up from 140 million tons to 184 million tons, an addition of 42.6 million tons under our fold with the 2 new acquisitions that we had done.

We believe that this quarter, cement demand overall for the country would have grown around 4%. And in that backdrop, UltraTech has done close to 10% volume growth. Last quarter of fiscal '25 was very eventful for us at UltraTech. After a tedious long-drawn process, we successfully completed the transfer and registration of mines in Telangana and Karnataka for the cement units that we acquired from Kesoram.

With effect from 1st of March 2025, we have fully taken charge of these units. After obtaining an unconditional CCI approval, we had started working with these units earlier on, helping them improve their performance. Happy to inform that our efforts have been reflected in their performance in the first month of operating control that we took charge.

We started operating these assets from the 1st of March '25, though as per NCLT approval, the financial performance of Kesoram with effect from 1/4/24 has to be consolidated with the financials of UltraTech. As a result, in the quarter ended March '25, whilst effectively we were managing the operations from 1st March '25, the results for the quarter are a mix of performance by old management and the new management.

India Cements, we took over the company from the Christmas of December '24. I'm delighted to inform you that the company has achieved an EBITDA breakeven in the first quarter after the takeover. Second case of sweet success was sales of more than 1 million metric tons in the month of March by India Cements.

With prices improving in the South markets from April, this will only reflect in further improvement in the company's performance. During this year, we target to cross an EBITDA per metric ton of INR500. FY '27 should be crossing INR800 and thereafter, a 4-digit mark. The team has chalked out a capex plan of about INR1,500 crores for India Cements, out of which INR1,000 crores is towards WHRS and other profit improvement opportunities with a payback period of less than 3 years. This will be spent in fiscal '26 and '27 and the benefits will start reflecting in the performance of the company in the quarter of Jan, March '27.

We have also identified brownfield expansion opportunities in the network of India Cements for future. At UltraTech, we never have a dull moment. We grabbed a small opportunity to strengthen our position in the white cement business with the acquisition of cement putty manufacturing facility. This is a small transaction, which should get concluded in the next few days.

Good things have a cost. Yes, we have leveraged our balance sheet, but are not alarmed at all with the current position. Net debt-to-EBITDA is what we ended with 1.16x at the end of March '25. With the sales volumes continuously increasing, performance of the company continuously improving, EBITDA profile improving, the debt will start receding rapidly.

To tell you about capex plans, we spent about INR9,000 crores on our organic capex this year. FY '26 also would amount to about INR9,000 crores to INR10,000 crores of capex, out of which INR7,000 crores is towards strategic investments, the ongoing expansion program, which will take us from the current capacity of 184 million tons, 184 million includes India Cements and Kesoram capacities also from 184 million to take us to close to 212 million tons of capacity in India.

Cost improvements, we are on course to deliver the overall plan in the 3-year time window. Last quarter, several questions had been asked, and I promised to present to you the annual performance because quarter-to-quarter measurement might not be meaningful. Hence, we have disclosed a detailed calculation of the cost improvement, efficiency improvement that we have achieved already by the end of fiscal '25. This program will continue as promised.

We will deliver upwards of INR300 per ton in efficiency improvement. As for demand, we are seeing positive movement in government spending. Several new projects have been contemplated, which will assist in a steady cement consumption year-on-year. The beginning of the year is slightly weak because of very heavy heat or high heat that is prevailing, the heat wave that is prevailing in the country, which slows down the construction activity in a bit.

States like Andhra and Bihar, in particular, are seeing renewed focus in terms of spending on roads and other infrastructure growth. I believe once this heat subsides, in fact, Bihar, I understand rains have already come in and temperatures are coming down, we should start seeing improvement in sales performance or volume uptick in all the parts of the country.

Urban real estate has shown some signs of slowdown, but this, I believe, as per experts is only temporary and will start seeing -- we will start seeing urban housing demand to go up further. As for costs, fuel prices, as you're all aware, increased during the early days of the quarter. However, it seems to be in check with the continuous increase in oil output of the U.S. refineries and softening global crude prices, the overall cost of coal, pet coke have not seen too much of movement.

We've also seen the various initiatives or various announcements which the U.S. government has made about the tariffs, which are having an indirect impact on ocean freight also, but we'll have to wait and watch on how things settle down and how the costs behave. As for prices, the quarter and the current month saw some improvement in prices, but I'm sure you are all very aware of how things are moving, and you have more information around that.

To conclude, this quarter, our organic capacities, if I were to measure like-for-like, we did an EBITDA per ton of INR1,270 per ton. With the performance of Kesoram added for full quarter January, February, March '25, this INR1,270 drops down to INR1,238 per metric ton. I think the going is good.

The capacity utilization that we achieved was 79% on an effective capacity available for the year of 150 million tons. Mind you, the effective capacity is important to know, whilst our year-ending capacity was significantly higher, the effective available capacity weeds out the impact of non-availability of capacity through the 12 months.

New capacity that were added have already given us a head start. This 150 million tons becomes about 158 million tons of capacity available. And further to that, the 25 million tons of the acquisitions, that is what makes up our available capacity to take advantage of the growth opportunities that will be available in the country.

Thank you, and over to you for questions.

Moderator: The first question is from the line of Prateek Kumar from Jefferies.

Prateek Kumar: Congrats for great results. My first question is on your remark in the press release. I understand like most other sector part -- industries are saying that there is generally an improvement in on the ground macro overall. But we have mentioned that the sector may face short-term challenges while the long term is better. Any specific reason for this remark? And how should we look at volume?

Atul Daga: Prateek, I'll define my short term as this quarter. As I mentioned, the heat impact is very high. Otherwise, things are going very good.

Prateek Kumar: What is the expectation on volume growth? I mean, while you mentioned like 7% to 8% like long term, but for FY '26 because heat wave impact was there last year also.

Atul Daga: Prateek, we expect to grow double digit this year on a higher base.

Prateek Kumar: Double digit on like-for-like or this is including -- of course, including India Cements, you should probably grow 20%, including the 2 new entities?

Atul Daga: Yes, like-for-like double digits. So I think I was informed about the concerns about the last line in our press release. But short term is really short term from that perspective, it's perhaps April and the month of May, which is essentially linked to the high temperatures that are soaring in the country.

Prateek Kumar: Lastly, on prices, can you just throw some light on the current pricing versus average last quarter pricing?

Atul Daga: I think I would have asked you that question. You know the prices on the ground better than we do. So generally, in fact, I had mentioned that prices have seen improvements in this month as compared to last quarter or as compared to March end.

Moderator: The next question is from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: A couple of questions. First, the 10% volume growth that you mentioned, that is organic like-for-like, right, versus 4% for the industry?

Atul Daga: No, that takes into account the Kesoram volumes also that we have rebranded as UltraTech also.

Indrajit Agarwal: Broadly, excluding that, we will still be above mid-single-digit, right? I mean organically?

Atul Daga: Yes.

Indrajit Agarwal: And you mentioned about the profitability trajectory for India cement and that the benefits come through in 4Q '27. So in this period in FY '26, '27, what are the levers that will take the profitability from breakeven to let's say 500 and 800...

Atul Daga: So let me again clarify or explain properly what I mentioned. The investments which are being done in things like WHRS, alternate fuel, renewable energy, etc, renewable energy will happen earlier. WHRS is the most long lead. There are some cooler upgradation. All those elements will start delivering returns after completion of work, which is the last quarter of fiscal '27. So that is one aspect.

Second, from here onwards, where this quarter, their operating EBITDA or total EBITDA was INR40 a ton, improvement in volumes, which is capacity utilization at India Cements, improvement in margins by way of prices, by way of cost efficiency, improvement in logistics cost, overhead optimization, practically, all elements of the P&L are getting addressed for improvement.

Indrajit Agarwal: Sure. And lastly, one more. In terms of Kesoram, are we looking to rebrand it entirely to UltraTech or we retain that brand?

Atul Daga: Over a long period of time -- long period as in short period, long period is very confusing. Over a period of time, yes, it will get rebranded.

Moderator: The next question is from the line of Amit Murarka from Axis Capital.

Amit Murarka: So just on India Cements as well. So Kesoram will be gradually rebranded, but India Cements will stay an independent brand? Or will you enter into some tolling arrangements?

Atul Daga: We will -- same thing, we will enter into a tolling arrangement and gradually convert India Cements brand also into UltraTech. India Cements, they themselves have some very powerful brands. So it will be a mix and match. And we will get into the rebranding exercise for India Cements also.

Amit Murarka: Sure, sure. So any sense by when can we expect a full transition of India Cements into UltraTech brand?

Atul Daga: 2 years' time, which is fiscal '27 -- by end of fiscal '27.

Amit Murarka: Sure. And I believe by then the upgradation program also gets completed for India Cements, as you mentioned.

Atul Daga: Yes, please, because quality upgradation is very important. So...

Amit Murarka: Okay. And the last question will be on the blending ratios. So there has been a consistent increase in your CC ratio now 1.45. So what is the number that we should think of 1 year hence or maybe like ultimately, if you have any target in mind to go to 1.6 or something like that?

Atul Daga: So we have already spelled it out. By the end of fiscal '27, we are targeting to reach 1.54.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: A couple of questions. First is, sir, on the leverage.

Atul Daga: Nobody is saying good set of numbers, why is that?

Ritesh Shah: Good set of numbers, sir. Congratulations.

Atul Daga: Thank you.

Ritesh Shah: Sir, a couple of questions. One is, what sort of leverage will we be comfortable with on net debt to EBITDA?

Atul Daga: 0.5x.

Ritesh Shah: Any time lines to reach that?

Atul Daga: Then I have to give you a forecast.

Ritesh Shah: That's what I want.

Atul Daga: I'm a little smart.

Ritesh Shah: Okay, fine. Sir, my question...

Atul Daga: On a serious note, Ritesh, you have seen UltraTech's performance. In the past, when we had leveraged, in fact, to 3x, we brought it down rapidly in about 2 years' time. I think this is -- and now when we are at 1.16x on India balance sheet, volumes growing up, EBITDA improving, we will bring it down rapidly.

Ritesh Shah: Okay. Sir, second question is on the supply at the industry level. As per your estimates, what are we looking at 40 million tons, 50 million tons for FY '26, FY '27 as future average?

Atul Daga: Anywhere between 40 million tons to 50 million tons and our 16.8 million tons is guaranteed.

Ritesh Shah: Okay. And sir, have you noticed anything difference in pricing and discounting trends, specifically in South? Given demand hasn't moved much, but pricing is one way up. How should we understand this?

Atul Daga: I don't think so any difference is there.

Ritesh Shah: Okay. Sir, possible to indicate the current prices versus March exit or Q4 averages?

Atul Daga: No, too difficult, yes, it's 28th of the month. But all I had said was, yes, we have generally seen an improving trend.

Ritesh Shah: Sure. And sir, just last question. You indicated on India Cements, we are looking at certain brownfield optionalities as well. Can you provide some color over here? And we understand there's a lot of lease expiry, which India faces come 2030. So how are we looking to overcome that particular variable?

Atul Daga: So as I mentioned, there are opportunities identified. Timing not decided. Timing will be decided taking into account the demand opportunity that exists in the marketplace. And just one second, Jhanwarji, go ahead.

Kailash Jhanwar: Yes, KC Jhanwar here. So I think as Atul said rightly, because it is a little early, yes, we have identified certain areas where we can do the brownfield expansion. And the lease of 2030 may not pose a problem because even as per the first right of refusal would be to the existing leaseholders. So it can be a little bit price, but not anything to do with the rescope the lease.

Atul Daga: So nobody will lose their mine, Ritesh, rest assured.

Ritesh Shah: Sure. Sir, just a follow-up. There was expectation about basically mines being auctioned in the state of Tamil Nadu. Has there been any progress over here? And would UltraTech also be interested if any of the events play out?

Atul Daga: We will be interested, but there is no date yet. As of now, I think May 4. We are in April. May 4 or 5 is a technical bid submission, the last date, which I remember. No extensions have been announced as yet.

Moderator: We'll take the next question from the line of Rahul Gupta from Morgan Stanley.

Rahul Gupta: Atul sir, I have one question, just a clarification on medium- to longer-term understanding of cost improvement. So you have guided for INR300 cost improvement and towards that, we have already achieved INR86 in fiscal '25. Now how do we see this from the lens of Kesoram and India Cements consolidation, given majority of the cost benefits will start reflecting from fiscal '27 end? Does this mean that we will see some tail benefits on the consolidated entity fiscal '28 and beyond? Just trying to understand how should we look going forward?

Atul Daga: Let me try and answer that question. When we made this plan, this was on our existing UltraTech operations, did not include India Cements and Kesoram operations. As for India Cements, we have started off this quarter with an EBITDA per ton of INR40, which will cross a 4-digit mark in fiscal '28, which is I'm giving us 3 years to deliver that. So their efficiency improvement program, of course, there are investments which are being done.

The efficiency improvement will be carried out in parallel for India Cements set of operations. So is the case for Kesoram set of operations. There, I believe they are already -- they are ahead of India Cements, and they will start delivering by 1 year prior to India Cements. So the efficiency improvement program for those entities or that capacity, 25 million tons of capacity will run in parallel without compromising on our 300-plus efficiency improvement for UltraTech as is. I hope I am able to answer your question.

Rahul Gupta: Got it. So just to understand this -- just one small clarification. So we may not have apple-to-apple comparison by fiscal '27, but we would continue to see benefits and India Cements and Kesoram would really start seeing fiscal -- every year actually.

Atul Daga: Every year, every quarter.

Moderator: The next question is from the line of Pulkit Patni from Goldman Sachs.

Pulkit Patni: And thanks for putting that slide where you've spoken about individually which are the cost line items and what is the contribution. Now if I look at the numbers that you have, your guidance for FY '27 and in case of renewables FY '30, plus what you are saying for India and Kesoram in terms of EBITDA improvement, then even if the industry doesn't take any price increase, for us as a consolidated entity to go up about INR250 to INR300 EBITDA per ton from here till FY '28 should be fairly easy. Is that understanding correct? Or in your assumption, there is some price increase that you have baked in when you talk about India's INR500 and Kesoram slightly higher EBITDA per ton next year?

Atul Daga: Pulkit, on our Excel spreadsheet, everything kept constant, yes, INR250, INR300 is very likely. It is happening. But there are so many moving parts in the country. Take the case of the royalty, which was imposed in the state of Tamil Nadu, which is INR150 a ton or something else that happens. So those factors have to be taken into account as well or pet coke prices moving up.

So many moving parts, it's really difficult to put all of them down in the Excel model. However, these efficiency improvement programs and if somebody were to do a math on lead distance, my team is so specific that they have calculated the advantage only on primary freight, okay?

So we are very, very specific. If you look at the calculation on renewable energy, it is on the basis of capacity utilization. It is on the basis of PLF that the renewable energy projects will deliver. So we are going very, very specific, very precise instead of giving you a rounded ad hoc number.

This 300, which is actually going to be upwards of 300 on our existing capacity will happen. Whether that amount gets translated into -- 100% of that amount gets translated into EBITDA per ton, I have -- I don't have an answer.

Moderator: The next question is from the line of Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia: Thanks for the Slide 24 with a lot of granular details. Just a few clarification on this. So this INR300, which you are saying is above this INR86 or it includes this INR86? Just what is the base here?

Atul Daga: I can be greedy. You don't be greedy. So we had made an INR300 program, out of which this is INR86 delivered.

Sumangal Nevatia: Okay. Understood. Understood. Got it. Okay. Atul, on FY '25 industry growth of 4% and our growth, is it possible to share some region-wise color, I mean, in terms of volume growth?

Atul Daga: So capacity utilization, if I look at, UltraTech operated at an average of 90% capacity utilization, which would vary, range from 85% on the lower side to 97% on the higher side.

Sumangal Nevatia: All right. Can I just ask one last question on the CW segment, since the time we had this call last month, any new update in terms of hiring, any tie-up, anything which you would like to share?

Atul Daga: Critical positions, 1 or 2 critical people have been hired or sorry, offers have been made. Orders have been placed for long lead item, drawings work has been completed, and we are committed to start revenues as planned by December '26.

Moderator: The next question is from the line of Raashi Chopra from Citigroup.

Raashi Chopra: And just on India Cements, Atul, you said that the EBITDA per ton should likely cross about INR500...

Atul Daga: This year, Raashi.

Raashi Chopra: Yes. So this is essentially -- I mean, is this largely to do with the whole rebranding? I mean if you could sort of break up the slide a little bit.

Atul Daga: Difficult to break up, a lot of efficiency improvement, which is being driven by working capital, improving the working capital cycle, which means cost of purchase is coming down, production efficiency is being improved.

Raw mix -- technical team is changing the raw mix design, which is helping reduce the costs. Prices will support overhead rationalization, which is taking place because we don't need same set of -- same kind of overhead, what else? So fuel efficiency is coming in. Everything is helping add to the improvement program.

Kailash Jhanwar: And just to add, I am Jhanwar here, because there are multiple moving parts, so it starts right from the cost side up to the marketing cost stage, as Atul already explained. It's difficult to quantify. But yes, the plan is very much in place.

Atul Daga: So Raashi, all elements are being addressed and attacked. I mean I was so thrilled when I saw March volumes, and I mentioned it on my -- in my commentary. March volumes, India Cements have never done 1 million tons in their history. It speaks for itself.

Raashi Chopra: Got it. Just to rephrase my question, is any of the INR500 going to come from pricing? Or this whole thing is on the cost and efficiency as in rebranding price?

Atul Daga: Price improvement also to the extent Jhanwarji you tell.

Kailash Jhanwar: Yes. Maybe the logistic cost optimization.

Kailash Jhanwar: Because fundamentally the NCR is also driven from the logistic cost. So the logistic cost, again, is in the 2 parts. One is the cost optimization, then the placement of product and some synergy benefits here and there. So it's an overall game plan to improve the working.

Atul Daga: To supplement what Jhanwarji just mentioned, it's market mix change. So we -- as we add one more plant to the network, our efficiency keeps on improving. There, I will not shy away from saying that prices can play a benefit, but we are not counting on that.

Raashi Chopra: Understood. And on Kesoram, if you were to exclude the Kesoram volumes and how much -- what was your volume growth or if you could just share the Kesoram volume?

Atul Daga: 6% to 7%.

Raashi Chopra: And here, I would imagine that there's not a lot of scope for the EBITDA per ton improvement.

Atul Daga: There is. No, no, there is. So we would touch a 4-digit mark for Kesoram set of assets in the last quarter fiscal '26. But mind you, again, it is very difficult for us to draw a P&L by plant because it's at a zonal level. Now just to give you further -- let me try and explain again.

We have Sedam one plant, which we acquired from Kesoram, and we have our existing capacity also in the same -- very close to the same location. Both combined start meeting the market requirements. So drawing up a P&L at a plant level is not practical from our perspective.

Moderator: The next question is from the line of Satyadeep Jain from AMBIT Capital.

Satyadeep Jain: A couple of questions. One on capital allocation and the other one on the acquisition. First, on capital allocation, given you have now 2 assets that you're looking to integrate, you have the wire and cable business also. Would you say that your plate is full and maybe any additional opportunity would not be of interest at this stage? Would that be a fair assessment?

Atul Daga: No. I think we are always hungry for growth and a good opportunity. Good opportunity has several parameters. So if something exciting is there, we will not shy away.

Satyadeep Jain: Okay. Second, on the acquisition. So first on the profitability for India Cements, you are suggesting INR800 per ton by next year.

Atul Daga: Fiscal '27.

Satyadeep Jain: Initially, the expectation was that this would be similar to UltraTech asset. So once the entire heat consumption, heat rate and power consumption comes down, would you expect this to be at parity with UltraTech assets or there are structural issues which might limit...

Atul Daga: It will be at par with our South assets. Because when we look at UltraTech EBITDA per ton of INR1,270, North markets would be doing significantly higher. So you cannot compare it with our average.

Satyadeep Jain: So typically, your southern assets would be at the lower end of that entire pie of EBITDA per ton that you...

Atul Daga: As of now...

Kailash Jhanwar: As of now, but maybe a year back or 2 years back, Southern was doing extremely well. So on the cost side, if I may add, actually, we would be well aligned with UltraTech, but the cost cannot be average of UltraTech because the zone to zone, even within UltraTech cost differs depending on the quality of limestone and so much -- so many technical parameters, hardness of the limestone and so on. So -- but yes, broadly, we would be in line with UltraTech.

Atul Daga: Tamil Nadu at one point in time was delivering more than INR2,000 of EBITDA per ton. So it will be in line with our South performance.

Satyadeep Jain: Just a follow-up to that EBITDA per ton that you mentioned in Tamil Nadu...

Moderator: May I request you to please re-join the queue for follow-up. There is a long queue that is awaiting to ask questions. Thank you.

We'll take the next question from the line of Navin Sahadeo from ICICI Securities.

Navin Sahadeo: Sir, two quick questions. Sorry, I missed this. Kesoram volumes in Q4 was how much?

Atul Daga: Ankit, how much volume?

Atul Daga: 1.53 million tons.

Navin Sahadeo: 1.53 million tons. And just my second question sir was since we took charge of this asset from 1st of March, so brand transition will happen over time in the sense or there is a fair amount of brand transition already happened? I'm only asking to understand from a perspective that South as a region has seen, I think, a decent price improvement in April. So will it be fair to assume that Kesoram gets a higher delta of brand conversion and the price hike?

Atul Daga: Difficult one. But yes, as brand conversion progresses, they will get an advantage.

Navin Sahadeo: And just one last clarification. When you give capex guidance of around INR9,000 crores to INR10,000 crores for FY '26, it includes the one for cables and wires business, right?

Atul Daga: Yes, they won't have too much of spending.

Moderator: The next question is from the line of Sanjeev Kumar Singh from Motilal Oswal Financial Services.

Sanjeev Kumar Singh: I have 2 questions. First, on the Building Products segment. So revenue is at INR921 crores, impressive growth of 21%. How are we looking at this segment in next 3 to 4 years? And can you guide us on the return ratios, ROCE which we make in this segment? Because we believe that it's largely related to construction chemicals.

Atul Daga: So easier questions first and nicer questions first. The ROCEs are upwards of 30% to 40%. Growth trajectory, we have achieved, let's say, INR1,000 crores of revenues. This should go up to INR3,000 crores to INR4,000 crores in -- INR3,000 crores not INR4,000 crores, sorry, INR3,000 crores in 3-year time window. So every year, we should see an expansion of INR1,000 crores of revenues.

Sanjeev Kumar Singh: Okay. And second question is regarding the South region prices. It has been discussed a lot on this call also. And historically also, we have seen that the price hike announcement is much higher in the South region. And that also follows the pricing in the East region. But over the next 2, 3 months, historically, we have seen that entire price hike, which has been taken over and that gets diluted. So are you seeing any change in the competitive intensity or any change in the player behavior in the South region, which gives us...

Atul Daga: I really don't know. I think it's a wait-and-watch game. You guys know about prices far higher than we do. We come to know only after we draw up our monthly accounts. And prices, to my mind, will remain a play of demand and supply.

Moderator: The next question is from the line of Rajesh Ravi from HDFC Securities.

Rajesh Ravi: Congratulations on strong numbers for sure on the margins front. On the demand front, could you share what was the industry growth in Q4?

Atul Daga: Our expectation is that it should be around 4%.

Rajesh Ravi: Okay. So it did not like inch up to 8%, 9% as was anticipated at the start of the quarter?

Atul Daga: No.

Rajesh Ravi: Okay. Because your like-to-like volume growth also seems to be around 5% for the quarter, excluding Kesoram and India Cements?

Atul Daga: 6% or thereabouts, yes.

Rajesh Ravi: And for the full year, how much is the Kesoram volumes which you are incorporating in the numbers?

Atul Daga: Full year Kesoram volume is 6.86 million tons or 6.87 million tons.

Rajesh Ravi: 6.87 million tons. Okay. And sir, if I compare the presentation with previous presentation, the corporate presentation, I see the WHRS expansion program has been curtailed because in the current program, which you have shared, I would assume you would be incorporating 50 million tons for India as well as Kesoram, including 9 so -- around 60 million tons, so 60 megawatt.

But if I look at the numbers in the presentation that is absolute number for FY '27 is lower versus what you had guided earlier. So ideally, it should have gone up by 50 megawatt, 60 megawatt, but the reported numbers are 10 megawatt, 15 megawatt lower for FY '27 target.

Ankit Sodani: It will come in FY '28, till FY '27 number which is...

Atul Daga: Till FY '27, the number. So, we are adding -- I have given you specifically the numbers on Kesoram assets, 24 megawatts. And ICL is about 22 megawatts. That's about -- 22 and 24, 46 megawatts of additional which will get added into our network.

Rajesh Ravi: Correct. So now FY '26 -- for FY '27, say, you have guided 500 megawatts, which will include this 46 megawatts plus 9 megawatts of India Cements so around 56 megawatts. So this 500 megawatts would otherwise -- the earlier presentation was 511 megawatts, which would obviously not be factoring in India and Kesoram's number.

Atul Daga: Correct.

Rajesh Ravi: So your organic expansion, are there any -- you have curtailed on any WHRS programs on the like-to-like assets?

Atul Daga: No. No. So once second, just go back to the Excel, that sheet you have. This does not include these assets, the Kesoram. I'll have to do a reco on that. No curtailment on our WHRS, 44 megawatts will get added further, but to the larger capacities.

Rajesh Ravi: Okay. And lastly, as you guided India Cements, for Kesoram, what was the total EBITDA for the year as a whole, which you are factoring in?

Atul Daga: For the year as a whole?

Rajesh Ravi: FY '25.

Atul Daga: INR112 per ton.

Rajesh Ravi: INR112 per ton, okay.

Atul Daga: I think somewhere around INR112 or INR115 per ton. Previous periods, I really don't have a handle. I'm just doing a console...

Rajesh Ravi: Lastly, if I just -- the volume growth for FY '26, have you given any guidance, if I missed out? Factoring in the 2 new assets in place?

Atul Daga: We will be growing double digit on our organic capacity.

Rajesh Ravi: So excluding Kesoram and India Cements, you're saying you'll be growing double digits.

Atul Daga: Yes. So that will be an added.

Moderator: The next question is from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

Pathanjali Srinivasan: Good set of numbers. I wanted to know some details on the region-wise profitability and volume growth.

Atul Daga: Very difficult. As I mentioned earlier, the average capacity utilization for us is about -- for our like-for-like is 90%, lowest being 85% and highest being about 97% capacity utilization. That's the best that I can give. Average...

Pathanjali Srinivasan: Industry level, would it be possible for you to share?

Atul Daga: Average EBITDA per ton of INR1,270 on our existing assets. North would be higher -- highest and others would fall in line because it's best to measure contribution instead of doing an EBITDA profiling at a regional level.

Pathanjali Srinivasan: Sure. And one question related to our acquisition. So the remaining stake that is, what is the plan there for us? And what would be our payback period for these assets, sir?

Atul Daga: Payback period for cement acquisitions would go to 7, 8 years. We are holding 81.49% 81.49% of India Cements. The first requirement will be to do an MPS to bring it down to 75%.

Pathanjali Srinivasan: Okay. So we -- would that mean that we would not be acquiring the remaining? Is that the right understanding or...

Atul Daga: Yes, yes, not required. With 75%, we have good control on the performance of the company.

Moderator: The next question is from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: I just want to understand your Northeast strategy. Any change in thought process over there? We have a stake in Star. So how do we wish to progress more organically or increase stake there?

Atul Daga: So we've been exploring the geography there. We created our entity to comply with all the regulations. There's something called single-window clearance that approval we have taken. But when we go down in that geography, there's a lot of issues that are surfacing.

It's not an easy terrain to operate because even if you find mines and plant land, the access roads are not really there and the economics of operating the plant go for a toss depending because of the various issues that are existing. And hence, we -- since that opportunity came about, we are investing and holding that -- our position in Star Cement. That's all.

We will continue to work on the Northeast market for a good clean mines and land parcel become available with access to the various things that are required for a cement asset, access to railway siding, close proximity to railway siding, access to the highway, if such an opportunity comes up, we will be the first ones to pounce on that.

Indrajit Agarwal: Sure, thank you so much.

Atul Daga: Just one second.

Kailash Jhanwar: One second, but as far as our presence is concerned, we are present in Northeast. We are supplying from our existing plants, and we are ramping our volumes in Northeast. So that would be -- continue to be there. So we have reasonably good presence, not to the level of the local players. But yes, we are moving forward as far as our presence is concerned.

Moderator: Ladies and gentlemen, we'll move on to the next question, which is from the line of Devesh Agarwal from IIFL Capital.

Atul Daga: Take the next question. He's dropped out.

Moderator: As the current participant is not answering, we'll move on to the next question, which is from the line of Raashi Chopra from Citigroup.

Raashi Chopra: Just a bookkeeping question. The realization increase sequentially was 1.6%, including India Cements and Kesoram. Do you have that with both of them, sequential move?

Atul Daga: This was only UltraTech, I mean, like-for-like.

Raashi Chopra: Yes. So if you -- do you have it with India Cements and Kesoram?

Atul Daga: No, we haven't computed that way. India Cements is a separate balance sheet and P&L. It will be an arithmetic exercise, Raashi, I don't have it.

Raashi Chopra: Okay. And I don't know if I missed this, but you gave INR112 as the EBITDA per ton for Kesoram for the year. And what was it for this quarter?

Atul Daga: INR400 -- INR399.

Raashi Chopra: And 1.53 was the volume.

Atul Daga: Yes.

Moderator: The next question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Most of the questions have been answered. A couple of things. Just to understand, sir, if I remove the India Cements and the Kesoram volume for this quarter, the number on like-for-like comes -- the growth is 5% and for year also 6%.

But do we think that this is -- are we satisfied with this number or given even the organic expansion that we have done, obviously, it is throughout the 4 quarters, though the capacity is not available for full year, but still don't you think that this number is on the lower side?

Atul Daga: What should I say? I mean, we want more -- obviously, "Dil Mange More wali baat hai". We will definitely want to increase our volumes and growth. As I mentioned, next year, we are targeting a double-digit growth for UltraTech stand-alone, which will get further bolstered with the capacity -- the sales volumes of Kesoram assets. India Cements assets will be visible separately in their own P&L.

Shravan Shah: Got it. Second, sir, what was the clinker utilization for the fourth quarter and if possible, for full year at consol level or whatever way you want to say?

Atul Daga: I think I focus more on cement utilization. Clinker utilization is obviously higher than cement utilization. So we achieved 90% cement utilization this quarter, 79% cement utilization for full year on UltraTech.

Shravan Shah: Okay. Got it. And second, sir, the INR300 cost reduction that we have spoken, so this is by FY '27 or FY '28, we are saying?

Atul Daga: '27.

Shravan Shah: Okay. Got it. Got it. And for FY '27, what would be the capex number, sir?

Atul Daga: '27. We'll talk about it next year. But it should come down because most of our -- the expansion plan will start coming to a close. So it will not be as high.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: Quick 2 questions, sir. Any update on the JP asset under arbitration? Any time lines?

Atul Daga: No, it's still -- award is still awaited.

Ritesh Shah: And sir, any time lines?

Atul Daga: I'll ask a judge and come back to you, Ritesh.

Ritesh Shah: Okay. Sir, second question, you -- basically, pet coke prices haven't come down as probably was anticipated. You did indicate in the initial remarks around indirect impact of ocean freight. Can you provide some more color over here? Is it specific with respect to the dry bulk cargoes we are looking at? Or are there any other variables which are coming to play?

Atul Daga: No. So see, ocean freight is spiking up, could spike up further. That is one. I have noticed Brent prices have been going down. U.S. output is going up. U.S. crude output is going up, which means availability of pet coke from U.S. refineries should be better. I don't know how China-U.S. trade will behave, how much pet coke will China consume. This will -- this is too difficult to quantify, Ritesh.

Ritesh Shah: Sir, just possible to break up the freight part out of, say, $120, $122 what you have indicated in the presentation?

Atul Daga: $37 to $40 is freight.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. Thank you, members of the management. On behalf of UltraTech Cement, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.