

File No: 1010/02

October 22, 2025

BSE Limited
P J Towers, Dalal Street,
Fort Mumbai - 400001
Scrip Code: 542216

National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C-1, Block G
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051
Symbol: DALBHARAT

Subject: Transcript of Q2 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 Q2 FY26 Earnings Conference Call held on October 17, 2025 for the quarter and half year ended September 30, 2025.

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 Q2 FY '26 Earnings Conference Call”

October 17, 2025



**MANAGEMENT: MR. PUNEET DALMIA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER, DALMIA BHARAT
LIMITED
MR. DHARMENDER TUTEJA – CHIEF FINANCIAL
OFFICER, DALMIA BHARAT LIMITED
MS. ADITI MITTAL – HEAD (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 30th September 2025.

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. Should you need any assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone.

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; Mr. Dharmender Tuteja – CFO; and other Management of the company.

I would now like to hand the conference call over to Ms. Aditi Mittal – Head, Investor Relations. Thank you. And over to you.

Aditi Mittal: Good evening, everybody. Welcome to Quarter 2 Earnings Call of Dalmia Bharat Limited.

We have declared our Results today and all the relevant data and presentations have been uploaded on the website. I hope you have had a chance to go through it.

This is the time of the year. I am sure all of you are in a rush to go back home, so I will not take much time and hand over the call. But before that, I wish you and your family a Very Happy, Prosperous and Safe Diwali. Over to you, Mr. Dalmia.

Puneet Dalmia: Thank you, Aditi. I also would like to extend my warm wishes to everyone for a Happy and Prosperous Diwali.

And I want to jump straight away into what has been one of the biggest gifts for India this festive season. And without a doubt, it has been the GST rate cuts. This is a commendable initiative by the Indian Government aimed at boosting consumption and demand at a time when the economy is navigating through external geopolitical pressures.

Together with this, the RBI rate cuts, income tax rebates announced in the FY '26 budget and easing inflation, these measures create strong levers for driving a consumption-led recovery in the economy.

The reduction in GST on cement from 28% to 18% is a long-awaited fiscal relief and a very welcome step. As a responsible citizen, we had pledged to pass on the entire benefit to the consumers, and we have accordingly undertaken the same. This significant reform is expected to boost consumption and support housing demand over the medium to long term.

Additionally, the 10% tax cut on cement will ease working capital requirements for channel partners, thereby improving liquidity across the supply chain.

Now, I turn to industry demand, prices and supply.

Coming to the demand side:

While I believe that the Indian cement demand should continue to grow at a CAGR of 7% to 8% during this decade, the current year has started a bit softer than expected. Both Q1 and Q2 demand grew at about low-single digits, driven largely by erratic and heavy rains and flash floods across the country. Last month of September was slightly slow as the change in GST regime further led to slowdown in inventory pickup by the channel and postponement of non-critical purchases.

Having said that, I believe that the second half of the year should witness pickup in momentum, with improvement in customer sentiment, pent-up demand and consecutive good monsoon. In fact, the recent RBI move to potentially allow ECBs for the real estate sector could further support cement demand from the housing sector in the medium to long term.

On the pricing front, cement prices largely held up during Quarter 2 as well, despite much heavier rainfall, which I believe is a big positive.

Now I turn to Dalmia performance during this quarter.

Coming to Dalmia's performance:

Profitable growth remains our top priority. And, we are focused on driving it through sustained improvement in revenues and deepening our cost leadership. I am personally working with the team to strengthen our brand positioning in the market, and I am happy with the progress we have made so far.

During the quarter, our revenues improved by 11% Y-o-Y to Rs. 3,417 crores, while EBITDA grew by 60% Y-o-Y to Rs. 696 crores, which works out to be Rs. 1,013 per ton for the quarter. This is the second consecutive quarter where we have delivered four digit cement EBITDA per ton driven by better realization and our control on costs.

Coming to the capacity growth plans of Dalmia Bharat:

In the last earnings call, I had detailed out our capacity expansion roadmap. And in continuation of the same, I would like to mention that both Belgaum and Kadapa expansion projects are progressing as per plan, which will give us 12 million tons per annum of cement capacity for West and South markets in the next couple of years.

Beyond this, we have commenced the trial run production of the new 3.6 million ton per annum clinker line in Umrangso, Assam in September and are expecting commercial production to begin in Q3 of FY '26. This clinker capacity will give us an additional opportunity to add 2 million to 2.5 million tons of split grinding capacity in future in the fast-growing markets of Northeast and potentially East India.

Furthermore, the insolvency process for... (Line disconnected)

Dharmender Tuteja:

Dharmender here. Sorry for this brief interruption. I will start my address once again.

Let me give an overview of our financial performance:

As Puneet ji mentioned, our performance for the quarter was continued to be guided by profitable growth.

During the quarter, we witnessed impressive revenue growth of 10.7% Y-o-Y to Rs. 3,417 crores, supported by increase in realization by about 7.6% Y-o-Y and volume growth of about 2.9% on Y-o-Y basis. Our trade share stood at 62%, while premium product share was at 22% during the quarter.

Coming to the cost line items:

Our raw material cost per ton of production marginally increased by 1% Y-o-Y to Rs. 799 per ton despite the impact of mineral tax imposed by the government of Tamil Nadu.

Further, our power and fuel cost per ton of production marginally increased by 1% Y-o-Y to Rs. 1,017 per ton. During the quarter, we have achieved RE share of 48% on consumption basis. Power cost efficiencies will continue to improve with the rising share of renewable energy in our consumption mix.

We have commissioned 93 Megawatt of RE capacity this quarter mostly through group captive mode. And we are on track to scale our operational renewable capacity to 576 Megawatt by end of Financial Year '26.

During the quarter, our blended Pet Coke and coal consumption cost has remained range bound at about \$100 per ton on a Q-o-Q basis. Blended fuel cost during the quarter stood at Rs. 1.38 on per Kcal basis, while the CC ratio was 1.62x.

Our logistic costs during the quarter declined by 3.8% Y-o-Y to Rs. 1,060 per ton. Our DD% stood at 60% this quarter, while lead distance was at 287 kilometers. We continue to strengthen our position as one of the lowest cost cement producers.

Our EBITDA per ton stood at Rs. 1,013 per ton, and we achieved an absolute EBITDA of Rs. 696 crores. This is a significant improvement of 55% plus Y-o-Y on both absolute and per ton basis.

Our EBITDA margin during the quarter stood at 20.4% in Q2 FY '26 compared to 14.1% in the same quarter last year, which is again a big jump of almost 1.5x over 12 months.

On the GST front:

As you are aware, the government has reduced GST on cement sales from 28% to 18%, which is a big welcome move. Another implication of the same for the sector will be on the accrual of incentive income. With the lower GST rate, the accrual of incentives will now get deferred. Therefore, we expect total incentive accrual for the year to be around Rs. 240 crores compared to our earlier guidance of Rs. 300 crores.

However, at the same time, government has also removed the coal compensation cess, which will give us benefit of about Rs. 20 crores during H2 this year.

During Q2, we have accrued incentives of Rs. 64 crores and received Rs. 50 crores. For H1 FY '26, the total accrual was at Rs. 138 crores and collection was Rs. 91 crores. At the end of Q2 of FY '26, our total incentive outstanding is Rs. 800 crores.

During H1 of FY '26, we have incurred CAPEX of about Rs. 1,189 crores and our CAPEX spend for FY '26 is estimated to be about Rs. 3,000 crores. We have already started the trial runs into Umrangso clinkerization project in September. Belgaum and Pune projects are also on track to being commissioned as per announced schedule.

The work on Kadapa projects has also commenced on expected lines. FY '26 CAPEX spend will be lower versus earlier announced estimate due to favorable credit terms we have been able to negotiate with equipment suppliers and some postponements of non-budget CAPEX to next year.

On the debt front:

At the end of the quarter, our gross debt during quarter end stood at Rs. 6,621 crores, and our net debt stood at Rs. 1,602 crores. The increase in net debt is largely attributable to reduction in the value of IEX shares, which is part of our treasury.

Our cost of borrowing also reduced to 6.9% during the quarter as we have taken most of the long-term loans linked to the external benchmark like T-bill rates, which are corrected in line with the repo rate cuts, while the bank MCLR takes longer to correct. Our balance sheet position remains strong, and our net debt-to-EBITDA stood at 0.56x.

Lastly, the Board has declared an interim dividend of Rs. 4 per share.

With this, I open the floor for Q&A. Thank you and Wish all of you a Very Happy and Prosperous Diwali.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: So, the first question is on the update on the land expansions at Jaisalmer and Northeast. So in the last call, you had alluded to that. So, what is the status and by when do you think it can be actioned?

Puneet Dalmia: I think Northeast has already started trial run..

Amit Murarka: Sorry. I am talking about the 2-to-2.5-million-ton new grinding unit that sir had highlighted in the last quarter.

Aditi Mittal: So, Amit, last year, we had added 2.4 million ton of grinding capacity in the Northeast. The idea of starting work on another split GU, we will probably do it as we ramp up the GU that we added last year. So, as we expand capacity and the clinker comes onboard and we ramp up utilization of our previously added unit, we will start work on the next split GU. So, I think we are still a couple of quarters away before we give clarity on that one.

And on Jaisalmer, the work on land acquisition and getting permissions and working towards the EC, the work is on. And, we have time up until March 2026 before which we can break ground and come back to you. By then, we are reasonably also optimistic that we will have an outcome on what happens in the JP transaction. So, I think wait till March '26 before we will update you on both the Northeast and the Jaisalmer expansion.

Amit Murarka: Also, on the statement on profitable growth, which I think was mentioned last quarter and this quarter too, but when I see realization, actually, surprisingly, it has dropped 4.3% actually, which is higher, I believe, than industry price behavior. So why the declines will be higher than the industry?

Puneet Dalmia: I think, again, as I said, every quarter, there will be regional mix. There will also be segment mix, which will impact. I think directionally, we are heading in the right direction. And I think we will not be able to comment quarter-to-quarter because there are lots of variables which are at play in every micro market. But directionally, you will see that after 5 quarters of 3-digit

EBITDA, Q1 of this year and Q2 of this year is four digit. And I think consistently, we think we are improving our price positioning in every market. And I think we are on the right track.

Amit Murarka: And any guidance on volume? Generally, like, I believe you have been growing 1.5x of market. So, any number that you would want to give for that?

Puneet Dalmia: I don't want to give any number, but I just think H2 will be better than H1, hopefully.

Amit Murarka: And just lastly, if I can, the CAPEX cut that was highlighted, Rs. 3,000 crores. So, what exactly has led to that? Better credit terms is what was said, but generally, if you can explain it a bit more?

Dharmender Tuteja: As I said, some of the critical equipment suppliers, we were able to negotiate better credit terms. So, that is reflected in lower outgo of the cash flows in this year.

Puneet Dalmia: Our projects are on schedule in terms of commissioning time. So, there is no delay in that. both the projects are on time.

Amit Murarka: I will come back in the queue.

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

Satyadeep Jain: Puneet, just had a question on the compensation structure change. That seems interesting. I mean, maybe it seems like there was no variable compensation structure, I think. And, what are the changes outlined in this?

Puneet Dalmia: Sorry. Can you repeat the question, please, once again?

Satyadeep Jain: Just wanted to ask on the variable, in the presentation, it is mentioned that there is a variable compensation structure that has been introduced. Does it mean there was no variable compensation earlier? And what are the changes? Just want to understand the metrics.

Puneet Dalmia: Yes. So, earlier, I think, before this year, it was all 100% pay was fixed pay. We have introduced a variable pay structure for the senior and middle management from this year onwards, which is Financial Year '26 onwards. And this will be the first year.

And, there are three variables which will impact this. One is the company's performance. Second, is the individual performance, and third is safety. So, these are the three metrics. And the weight is different at senior level and middle level. At a senior level, company performance has a larger weight. At a mid-level, individual performance has a slightly larger weight than the company performance.

So, I think, overall, we just want to start this journey this year. And from next year onwards or over the next few years, we will make it more broader. And the total amount of variable pay will be around 15% to 25% of total pay.

Satyadeep Jain: And, how do you define company performance? Is it ROCE? Is it volume, EBITDA? Is there any metric that you would use to measure performance?

Puneet Dalmia: I think these will be our internal metrics where we have certain budgets in terms of what we need people to perform on. But these metrics will basically align management compensation to shareholder outcomes.

Satyadeep Jain: And secondly, maybe, touching on the question that Amit had asked earlier. In terms of maybe directionally, if you look at volumes maybe for this year and next, are you looking to grow in line with market? What is the thought process generally on I know profitable growth, but just wanted to ask this question another way. Would you grow in line with industry? Would you look to take market share?

Puneet Dalmia: I think, I have said this repeatedly that our strategy will be different in different micro markets depending upon what our objectives are. And I think other than that, I just cannot say more because depending upon the demand supply situation, depending upon the strategic importance of a micro market to us, we will decide. And, depending upon how much excess capacity we have, we will decide our strategy based on these parameters.

So, I think, I cannot reveal more than that because there will be a different strategy in every market. In some markets, we will go for share. In some markets, we will go for margin.

Moderator: We take the next question from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: So, my first question is on the capacity expansion plan. So, we are still continuing with the 75-million-ton milestone for FY '28. So, my question is just wanting to understand the 13.5-million-ton gap, which we have. Do we have a bottom-up organic plan or there is JP or some other inorganic contribution also in the 75 million tons?

Puneet Dalmia: Sumangal, I have said this earlier also. I think, we are waiting for the JP outcome and which we expect, hopefully, this quarter. Let's see how it plays out. And parallelly, we are developing, all other projects to be in the state of readiness. So, basically, I think we will be able to give you some more color on this by March '26.

And as I said, we still have 2 years after that. So, we don't see a major challenge. We also have 2-2.5 million tons of low lead time expansion possible based on the Northeast clinker. So, I think I will be able to give more visibility only in March '26.

- Sumangal Nevatia:** Maybe I will keep this discussion for later. Second question, sir, is on the volumes, 3% odd growth. Do we think we have kind of compromised on market share for the realization and profitability as we discussed earlier? Or our sense is that the market itself was quite weak in the second quarter?
- Puneet Dalmia:** Sumangal, as I said, our goal is profitable growth in some markets based on what is our unutilized capacity and the demand-supply situation and what is our strategic goal, we will go for market share. In some markets, we have high utilization of capacity. But again, depending upon the competitive dynamics, we may go for better margins.
- So, I think there is no one size fits all approach here. I think we want to be very, very focused and balanced in our approach. And, I think I cannot reveal more than this micro market by micro market how we are going to play it.
- Sumangal Nevatia:** And, just one last question. It was good to see that we have offloaded some stake in IEX. Are we continuing here? And do we expect in the next, I mean, any timeline you would like to indicate as to when do we completely exit?
- Puneet Dalmia:** I think there was a recent a SEBI order on the fact that there was some insider trading in IEX shares by some people involved in the regulatory agency. So, let us see what happens and how this will play out. I think, we have said that this is not a core investment for us. It is a short-term investment.
- There is an overhang because of this regulation. But it seems like there is probably some investigation happening by the government. So, we need to just figure out how this plays out. And I think I cannot say more than this. We have already sold more than half our position. And the rest of it, we will liquidate as and when we need the money.
- Moderator:** We take the next question from the line of Pinakin from HSBC. Please go ahead.
- Pinakin:** So, I have three quick questions. My first is on cost. We have seen Pet Coke prices in international markets inch higher; USD/INR has changed. So, should we assume that the costs have bottomed out and they would move higher in the second half? Or the seasonally high volumes should offset any variable cost increase?
- Dharmender Tuteja:** The Pet Coke prices currently are around 116. So, naturally, pressure on the external front will be coming into the cost. But, of course, we are also on track to reduce our variable cost. So, we will try to partly cover this and ensure that the impact on the P&L is minimum.
- Pinakin:** My second question is again on going back to pricing. Just trying to square the prices decline that Dalmia reported versus flat prices in the market. Has there been a material change in the trade mix or the ratio of premium cement being sold this quarter versus the previous quarter, which could partly explain the headline ASP for the decline?

- Dharmender Tuteja:** The trade percentage is 62%, which is lower than the previous quarter. So, that is one of the reasons you see the realizations seem lower.
- Pinakin:** My third question is, again, on industry pricing. If the demand does improve in the second half of the year as government CAPEX picks up and the other initiatives and the economy starts flowing through, can we see higher prices by the industry, especially given the way Pet Coke prices have moved higher or cement price hikes look difficult in the current regulatory environment?
- Puneet Dalmia:** I think right now the industry has passed on the entire reduction of GST. And I think our focus right now is to ensure that we comply with the law that whatever is the gain has been completely passed on to all our customers.
- I think, how will prices behave in the future is anybody's guess. All I can say is if I look at the last quarter, the last quarter was despite being a monsoon quarter, prices were reasonably stable. So, I think I am a little bit more optimistic in terms of price stability. If demand improves, hopefully prices should remain stable from there.
- Moderator:** Pinakin, does that answer all your questions?
- Pinakin:** Yes, it does.
- Moderator:** We take the next question from the line of Navin Sahdeo from ICICI Securities. Please go ahead.
- Navin Sahdeo:** Good evening, and thank you for the opportunity. Also, congratulations on maintaining the 4-digit EBITDA per ton number. Only one question. In this reduced GST rate regime, are you witnessing any trend of premiumization in the sense, as you mentioned, that prices is anybody's guess and maybe, like, we want all the consumers to benefit first before the prices take their own course? But from the premiumization front, is there any gain that you are seeing either for you or at a broader industry level?
- And in the same breath, if I may also ask, if the prices on its own have come down, then is there a way that, like, a certain volume push schemes to dealers could be controlled a bit so as to fetch a better, like, profitability or maybe a better realization for us? These were my questions.
- Puneet Dalmia:** I think our premium product percentage is flat only from last quarter to this quarter, I mean, on a Y-o-Y basis. And as far as, again, dealer margins are concerned, this will depend upon the competitive pressures in every market. You have to make sure that your value proposition for your channel is competitive compared to what other brands offer. And, it also depends on how fast your rotation is, how quickly your product sells so that they can make, they can turn their inventory quickly.

So, I think the only good news is that because the GST rates have come down, there is more liquidity in the system. So, I think that should impact the ability of the channel to take more cement than or finance more as compared to what they would do earlier.

- Moderator:** We take the next question from the line of Raashi from Citi. Please go ahead.
- Raashi:** Just on the cost side, how much is the Pet Coke or the fuel consumption cost today versus the \$100 in the second quarter?
- Dharmender Tuteja:** Currently, it has come to about 1.38 on per kcal basis, and we can expect a marginal increase in the coming quarter.
- Raashi:** And are you still maintaining a cost reduction target of 150 to 200 over the next two years?
- Dharmender Tuteja:** Yes. That is on track.
- Raashi:** Just on the incentive, the accrual you said was Rs. 60 crores and received was Rs. 50 crores. We are double checking this number.
- Dharmender Tuteja:** Yes, Rs. 64 crores accrual and Rs. 50 crores collection. And we expect to catch up on the collection in the Quarter 3.
- Raashi:** CAPEX for FY '27?
- Dharmender Tuteja:** That we expect to be about close to Rs. 4,000 crores.
- Raashi:** And just last question on the volume front for the industry and for your like, I think earlier you had quantified that you were expecting a 6% to 7% industry volume growth for FY '26. Is there still some quantification from your side? And second is, are you likely to sort of be in line with industry or higher?
- Dharmender Tuteja:** Can you repeat the question, please, Raashi? Sorry.
- Raashi:** So, I think earlier, you had highlighted that you had expected the industry volume to grow 6% to 7% in FY '26. So, is there still a quantification to FY '26 expectation for the industry? And where do you stand vis-a-vis the industry for this year?
- Dharmender Tuteja:** The first two quarters' growth has not been upto expectations, but still we expect that in the second half, the growth should be much better. And of course, our focus continues to be on profitable growth. Exact levels we will not be able to hazard a guess.
- Moderator:** The next question comes from the line of Prateek Kumar from Jefferies. Please go ahead.

- Prateek Kumar:** My first question is on benefit of removal of coal cess. You said Rs. 20 crores for second half. So, full year benefit, like, it's, kind of Rs. 40 crores benefit from this and Rs. 60 crores loss from the other incentives which you are accruing. Is that right?
- Dharmender Tuteja:** Yes. Current year benefit is about Rs. 40 crores because we are still carrying some opening stock. But next full year, it will be close to about Rs. 50 crores to Rs. 55 crores.
- Prateek Kumar:** For coal cess next year, benefit is Rs. 50 crores to Rs. 55 crores. That's what you said?
- Dharmender Tuteja:** That's right. Yes. Because current year, in fact, that's slightly reduced due to the opening stock which we are carrying.
- Prateek Kumar:** And coal prices have generally been languishing versus Pet Coke which has been rising. So, is there an evaluation on increasing coal mix in the business also in context of the SPE rate changes benefit related to that?
- Dharmender Tuteja:** Yes, we do take a call depending on the suitability of the pricing between coal and Pet Coke. And whatever is the cheapest fuel mix, we try to use it.
- Prateek Kumar:** One other question. We recently announced KMP (key management personnel) from BCG. Can you discuss that role, please?
- Puneet Dalmia:** We have hired a person who is our Chief Strategy Officer, and his name is Anirudh Tara. He has come from Boston Consulting Group, and he has 15 years of experience in building materials and also leading growth and transformation for several of his clients.
- Prateek Kumar:** So, he is, like, kind of replacing Mr. Bansal, who was earlier Transformation Officer as well?
- Puneet Dalmia:** No. I think he is the Chief Strategy Officer of the company. And, that role is shared between the CFO and the Chief Strategy Officer.
- Moderator:** The next question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** First question pertains to this incentive run rate you mentioned to come down to Rs. 240 crores just for this financial year, or this is, like, next year onward, the run rate you are talking about?
- Dharmender Tuteja:** Rs. 240 crores, which I mentioned was for the current financial year, which is taking the GST cut impact of the second half. And next year, it can be around, again, Rs. 200 crores.
- Rajesh Ravi:** So, from Rs. 100 per ton, which we are currently seeing for the last few quarters, this should come down to Rs. 60 per ton. Is this understanding correct?
- Dharmender Tuteja:** Yes. Close to Rs. 60, Rs. 65 or so. Yes.

- Rajesh Ravi:** And second, if I look at your trade sales share, which you mentioned at 62% is almost at four-year low. So, any specific reason or strategic thought behind being more aggressive in non-trade?
- Puneet Dalmia:** Sorry. What? Can you please repeat your question?
- Rajesh Ravi:** So your trade sales share, which you mentioned is at 62% for Q2. If I look at the numbers shared earlier, this is almost four-year low this quarter, trade sales share. So, is there any specific thought to be aggressive in the non-trade segment and hence the trade sales is lower?
- Puneet Dalmia:** I don't think so. I think, a few percentages point variation may happen quarter-to-quarter. But I don't think it's material.
- Rajesh Ravi:** So, broadly, can we assume that you would be targeting to keep a trade mix, between 60% to 65%?
- Puneet Dalmia:** I don't think we want to give a trade sales target. I think it is, again, as I said, a strategy that we will follow in terms of achieving profitable growth. And I don't think, we want to give you a guidance on what will be our trade mix.
- Rajesh Ravi:** And third is on the cement prices. What we understand from channel check with East market, cement prices in October have come up more than the GST pass through. Any comments on that?
- Puneet Dalmia:** I have already given the comment in my opening remarks. We have passed on the entire GST benefit.
- Rajesh Ravi:** Right. Yes. So, what we hear is that the prices have come down beyond the GST pass-through. Not just the GST pass-through 30-odd rupees, but even prices have corrected beyond that. And given the Tamil Nadu market, December quarter is generally weak, given it is a monsoon quarter. So, would it be that Q3, we would be looking at a NSR decline Q-on-Q?
- Puneet Dalmia:** I think we cannot forecast prices. And I think, as I said earlier also, we are in the business of making long-term investments and making sure that we create structural advantages on cost, deepen our cost leadership and build a pan-India footprint and build scale in our business. I don't think we will be able to predict prices quarter-on-quarter. And I think we are not in the business of predicting quarterly prices.
- Rajesh Ravi:** Last question on the freight expenses per ton, which has come down by around Rs. 80 per ton, while lead distance number which we look at is come up by 7 kilometers on a quarter-on-quarter basis. So, how do we explain this reduction in per ton number while lead distance is higher?

- Dharmender Tuteja:** We are on our cost reduction journey in logistic also, so that is also contributed. And, of course, very small portion is also because of the railway busy season surcharge. This year, we had a two months relief from the busy season surcharge. Last year was only one month.
- Rajesh Ravi:** And did you share that, because of this coal cess reduction, what will be the savings?
- The savings from the recent reduction in the coal cess by Rs. 400, Rs. 500 pe ton. How much that would further convert into?
- Dharmender Tuteja:** Yes. The coal cess benefit in the second half this year is about Rs. 20 crores. And next year, the full-year basis will be about Rs. 50 crores to Rs. 55 crores.
- Rajesh Ravi:** Happy Diwali to the team.
- Dharmender Tuteja:** Thank you, and same to you.
- Moderator:** We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Sir, just wanted to understand, sir, in the opening remarks, when we said that we are looking at 7% to 8% kind of CAGR for the decade, and when two to three people have asked in terms of the growth for this year for industry also, we are hesitant to even answer that. So, just trying to understand why you can't tell when the 1H is already there. So, I understand we can't guide for our volume growth, but as for industry, a ballpark number would also help. So, just trying to understand what is stopping us to even give us some number.
- Puneet Dalmia:** I think what is stopping us from giving a number is that it is hard for us to predict quarter-on-quarter what will happen. And I think on a longer-term basis, we have seen that there is a easier model that is easier to predict. Because even though some investments may get postponed one year, but next year, they catch up. So, quarter-on-quarter, it is very hard.
- But on a long-term basis, we have seen that in a cycle where the growth is infra-led, the cement growth is typically 1.2x the GDP growth. And I think that is something that we have seen over many, many years across cycles. And, year-on-year, it may sometimes be quite bumpy and unpredictable, but then it catches up. So, if there is a growth which is lower somewhere, it catches up the next year or the year after, and the reverse also happens. So, overall, the thing that we have seen is 1.2x GDP growth is what the cement sector is likely to grow at.
- Shravan Shah:** I understand, sir. Second is, on the CAPEX front. So, just wanted to understand. I understand we will be announcing the Jaisalmer expansion. Obviously, it depends on the JP in terms of the timing, but by March. But broadly, so currently, whatever the Belgaum, Pune, Kadapa, which is already announced and ongoing and the Assam one where trial run is there, so just wanted to understand how much is still pending to be spent on that.

And broadly, even if, let's say, Jaisalmer we go for a 5 or 6-odd million ton, broad understanding would be, will it be a 5-6,000-odd crores? So, I was just trying to understand. So, roughly, it seems like 14-15,000 crores needs to be spent by FY'28 if you want to achieve. So, I am not even including the JP. So, then the number would even go higher. So, ultimately, that will impact our net debt decently. So, if you can help us.

Aditi Mittal:

So, if you see the last two projects that we have announced, each Belgaum and Kadapa at about Rs. 3,200 crores to Rs. 3,800 crores, for the Greenfield that we will do at Jaisalmer because it will be a pure Greenfield in the newer market, it will be close to what the industry is used to achieving between \$90 to \$100 per ton.

So, that translates to about Rs. 5,000-odd crores for a 5-million-ton plant. Ballpark as the size of the kiln may go up and down by a million. The numbers could change, but I think ballpark \$90-\$100 per ton is fully achievable even in that market where it is going to be a Greenfield.

Shravan Shah:

Yes. So, that is what I am saying. So, this Belgaum, Kadapa put together is Rs. 6,800 crores. Jaisalmer is Rs. 5,000 crores. That comes at Rs. 12,000-odd crores. Plus, if you can help us in terms of Assam what is left to be spent, and then there will be RE and maintenance CAPEX will also be there. So, that is the way I just wanted to understand. Even to reach a kind of 70 million tons also, we need to spend Rs. 15,000 crores, Rs. 16,000 odd crores by FY '28. So, how can one look at in terms of the net debt?

Dharmender Tuteja:

Based on the announcements which we have made currently, FY '28, you can expect the CAPEX to be about Rs. 10,000 crores to Rs. 10,500 crores. And additional CAPEX which comes maybe about then take a ballpark of Rs. 3,500 crores to Rs. 3,800 crores for 6 million tons capacity.

Shravan Shah:

Sorry, sir. Can you repeat this? Rs. 10,000 crores to Rs. 10,500 crores you said for which year?

Dharmender Tuteja:

For the announcements till FY '28.

Puneet Dalmia:

I think that this is ballpark. I think we will be firm of our CAPEX plan. I think we will give you a better sense by March of '26.

Shravan Shah:

Yes. No, no, sir, that I understand. What the point is that even if we, let's say, the difficulties that for given the supply, which will be coming in terms of the capacity, which are there for next two years, particularly till FY '27, and the GST cut has happened and maybe the focus can shift to the non-trade. In terms of the price, high growth would be very, very difficult. So, the only option is the cost reduction to improve profitability. That also kind of to limit it. So the net debt would be significantly rising from here on. So, that's the worry.

Dharmender Tuteja:

Net debt, as we said earlier also, with all these expansions also will be comfortably below 2:1. Net debt to EBITDA will not cross two is to one.

- Moderator:** We take the next question from the line of Milind Raginwar from BOB Capital Markets Limited. Please go ahead.
- Milind Raginwar:** Just wanted to understand the management assessment on the headwinds on the cost side, probably from here on to, say, the next two quarters or beyond that?
- Puneet Dalmia:** I think we see some rise in Pet Coke cost recently, but again, it is very, very driven by geopolitical factors, which is quite volatile and uncertain. Other than Pet Coke, I think we do not see any major cost spikes in any other area. And I think as Dharmender said, we will try to minimize this cost spiking as much as possible.
- Milind Raginwar:** Because the second half base is slightly lower, so that was the reason for my question. My next question is as CFO earlier mentioned that the second quarter industry growth was weak. Any number that you like to put on that?
- Puneet Dalmia:** I think we think it is likely to be low single digit.
- Milind Raginwar:** And finally, just if you can allow me one, any clinker sales in our volume?
- Puneet Dalmia:** No. Not really.
- Dharmender Tuteja:** No, Cement sales only.
- Moderator:** We take the next question from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, as you alluded to the fact that the impact of the higher Pet Coke prices and also the lowering of the GST the compensation also will get mitigated with the other cost rationalization. So, what should be the steady-state number for EBITDA per ton that we can look forward for the second half? And so we have seen this decline of EBITDA, quarterly EBITDA from 883 to 696. So, if you could just give the factors that has led to the decline because the volume decline was only marginal?
- Dharmender Tuteja:** See, the reduction of profitability, I will try to cover your question. The reduction of the profitability from Q1 to Q2, this is a seasonal impact which comes in Q2 every year because, first, the monsoon season leads to lower volume and the some of the plants going to shut down, so those costs are coming to picture. And since we have seen in the current year, the prices have held up.
- So, ultimately, the profitability of second half will largely be dependent on how the prices behave, but we are quite confident that the profitability will be much higher. Volumes will also be much healthier in the second half. Getting exact guidance may not be the right way

- Saket Kapoor:** Sir, can you give me the last year's annual numbers? What was our volume? We have the first half right now, and how was the second half numbers were, sir?
- Aditi Mittal:** So, our full-year numbers were 28.8 million tons and minus the first half.
- Saket Kapoor:** So, we are equitable in that way. H1 and H2 have remained almost the same for the last fiscal year. That is with your understanding. So, we are expecting on the base of what H2 was last year to we will be growing and just like the industry trend will be. That is what the base understanding should.
- Aditi Mittal:** Sorry. The last year numbers were 29.4 million tons. And this year, first half, we are at about 13.9 million tons, H1.
- Saket Kapoor:** Last year, it was 29.4. And this year, we have done 13.9.
- Aditi Mittal:** Yes.
- Saket Kapoor:** That translates into 15.5 for H2. So, as sir was alluding to the fact that we are looking to exhibit volumes in excess of this 15.5 for the H2. This is what our endeavor will be depending upon how the market conditions are.
- Dharmender Tuteja:** Yes, please. Yes.
- Saket Kapoor:** And just taking into account, on the infrastructure part of the story, and sir, we have seen that in lot of EPC players have been taking the cash crunch over the last 9 to 12 months. So, have you factored that also in your growth number? Because cement, steel, and other element goes into the infrastructure and those and your main buyers are these EPC players only who are the people who are building these infrastructures. So, how do those cash crunch for them works out in terms of the payment which should be made to you? I am just talking about the ecosystem getting choked up because of this receivable table mismatch.
- Moderator:** Ladies and gentlemen, we have the management line reconnected. Saket, if you can please repeat your question.
- Saket Kapoor:** Yes. I will repeat it. Sir, as we have seen that we are more inclined towards the non-trade mix. Sir, as you were mentioning in your opening remarks that we have a higher non-trade mix. That means a majority of the sales is towards institutional. That is the government. So, how are the receivable days being from the government side since we are hearing a lot of payment delays from those funds?
- Puneet Dalmia:** We do not see any spike in receivables, and I think the receivable days are normal as it was earlier.



*Dalmia Bharat Limited
October 17, 2025*

Moderator: Thank you. Ladies and gentlemen, we take that as the last question. And I now hand the conference over to Mr. Puneet Dalmia for his closing comments.

Puneet Dalmia: Thank you very much for your interest in Dalmia Bharat. I once again wish all of you A Very Happy, Prosperous, and Safe Diwali. And I look forward to seeing you next year in after the third quarter in 2026. Have a great time. Bye.

Moderator: Thank you. On behalf of Dalmia Bharat Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.