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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 FY27 - 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 FY27 Earnings Conference Call held on October 26, 2026 for the quarter & half year ended September 30, 2026.

The transcript has already been uploaded and is available on the Company's website at www.dalmiabharat.com

This is for your information and record.

Thanking you,

Yours sincerely,

For Dalmia Bharat Limited

Rajeev kumar
Digitally signed
by Rajeev kumar
Date: 2026.10.28
14:49:42 +05'30'

Rajeev Kumar
Company Secretary

Encl.: As Above



“Dalmia Bharat Limited
Quarter Ended 30th September 2026 Earnings
Conference Call”
October 26, 2026



**MANAGEMENT: MR. PUNEET DALMIA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – DALMIA BHARAT
LIMITED
MR. YATIN MALHOTRA – CHIEF FINANCIAL OFFICER
– DALMIA BHARAT LIMITED
MR. PRASSAN GOYAL – 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 2026. Please note that this conference will be for 60 minutes and after that the management discussion there's an opportunity for you to ask questions. Please note that this conference is being recorded, and the transcript will be put up on the website of the company.

As a reminder, all participant lines will be in the listen-only mode and should anyone need any assistance during the conference call may signal the operator by pressing star then zero 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.

Today, on the call, we have with us Mr. Puneet Dalmia, Managing Director and CEO, Dalmia Bharat Limited; Mr. Yatin Malhotra, CFO, Dalmia Bharat Limited; and other senior management of the company.

I would now like to hand the conference call over to Mr. Prassan Goyal, Head of Investor Relations, Dalmia Bharat Limited. Thank you, and over to you, Mr. Goyal.

Prassan Goyal: Thank you, Neerav. Good evening, everyone, and thank you for joining us today. I hope you had an opportunity to look at our financial results and presentation we have uploaded. Let me now hand over the call to Mr. Dalmia for his opening remarks. Thank you, and over to you, sir.

Puneet Dalmia: Thank you, Prassan. It is good to be back with all of you as we discuss our Q2 results. I would begin by talking about the headlines shaping the world around us. The Russia-Ukraine war, the Gulf crisis, tariffs, financial and bond markets and El Niño, the world is going through multiple uncertainties. It seems that it has become the new normal, something we all have to live with day in and day out.

I'm happy to see how India is navigating through these geopolitical challenges remarkably well with its fundamentals intact and strengthening. The country has demonstrated resilience in absorbing unprecedented external shocks while staying firmly on its growth path. The Q1 GDP was a case in point where the economy grew at 7.8%. Fiscal and policy measures, including sustained public spending and efforts to absorb the impact of rising fuel prices have helped cushion domestic economic activity and consumer sentiment from external shocks.

We can see this reflected in a range of indicators. The RBI revised its financial year '27 GDP growth estimate upwards to 7.1%. GST collections remain close to record levels, while manufacturing output continues to show strong growth. Cement demand has also remained robust, growing in high single digit on a Y-o-Y basis during this quarter. This was supported by continued government capex spending, along with relatively low rainfall in several parts of the country.

In the first 5 months of the year, the central government has spent around 42% of its budgeted annual capex. The Ministries of Road Transport and Highways and Railways had also utilized around 45% of their respective annual budget outlays during this period, providing a meaningful impetus to cement demand.

Having said that, rising inflation and potential onset of rate hike cycle pose near-term risks. But I believe India's growth story is much bigger than the near-term challenges we see today. The country is strengthening, growing and aspiring. Just like India, we at Dalmia are also building a stronger and sustainable organization for the future. And despite near-term challenges, we remain firmly focused on executing our strategic priorities across the board.

I'm happy to mention that we have recently lit our new clinker line at Belgaum and commenced trial runs ahead of schedule. This additional capacity will help us deepen our presence in our stronghold markets of Karnataka and Maharashtra. As I couldn't think of a better time to bring this capacity online, we look to commence commercial production ahead of the peak demand season in Q4. Our expectations at Pune and Kadapa are also progressing as planned and are expected to come during financial year '28, taking our total capacity to around 67 million tons. The Central India story is another exciting one, which is unfolding.

Based on our initial integration experience, the assets are in good shape, and our teams are working relentlessly to restart operations and ramp up production as quickly as possible. At Rewa, we have restarted mining operations while both the clinker line and the cement mill are steadily ramping up under trial runs.

While Q2 saw some initial teething issues as we continue to build on network and stabilize plant operations, I'm confident that we are on track to achieve a 35% to 40% utilization of these assets by end of financial year '27. Another area I would like to touch upon is our sales strategy. While East and Northeast markets remained subdued during the quarter due to severe floods and heavy rainfall, we saw healthy momentum in both South and West markets with growth approaching double digits. Our focus on strengthening our brand position remains equally strong.

Premium product share continues to increase, and we expect this trend to deepen over coming quarters as we continue to drive this initiative of premiumization. Our recently launched premium offering, Weather365, has received an exceptional response from the market, prompting us to accelerate its rollout into newer markets. Let me briefly touch upon the current operating scenario. Elevated crude oil prices and rising input costs have been testing the resilience of the entire industry. With crude prices remaining above \$100 a barrel and maritime disruptions continuing, international petcoke prices has surged to about over \$180 per ton.

Against this backdrop, I believe we have managed the impact reasonably well through fuel mix optimization, better planning and several other initiatives. In the first half of the year, we have seen war-related impact of around INR220 per ton on variable cost with additional pressures from key input materials such as packing bags, adding another INR100 per ton.

While pricing in Q1 helped us absorb some of these cost pressures, the environment was relatively challenging in Q2 in a few key markets. Prices remained steady in South and West, while East pricing was under pressure amid subdued demand. That said, we are now beginning to see a more encouraging price trend. Both September and October have seen healthy price increases, helping us recover a part of the cost inflation.

We are hopeful that the positive momentum will continue going forward. While these industry cycles may come and go, our long-term strategic priority remain firmly anchored, maximizing returns from existing assets, expanding in a calibrated manner to become a pan-India player while maintaining a strong and healthy balance sheet. And underpinning all of this is our continued investment in our people, processes and organizational culture.

As we continue to march forward to chase our vision, one of my key priorities is to build a future-ready organization with strong leadership team and deep capabilities. In that spirit, in a planned transition, effective 1st January 2027, Navin Tewari, our Chief Marketing Officer, will transition as a key adviser to me on strategic initiatives and projects.

Over the past year, he has helped deepen our engagement with channel partners, sharpen our market positioning and strengthened our sales capabilities, thereby strengthening the foundation for the company. As a part of this transition, Yatin Malhotra, our CFO, will take additional responsibility for sales and marketing, along with his existing responsibility for the finance function.

Yatin joined Dalmia Bharat Group in March last year and has led various enterprise-level initiatives since then. I'm confident that his familiarity with Dalmia way of working and his C-level experience over the last 11 years across various consumer-facing organizations provide the right combination of business strategy and financial management.

I wish him well as he takes on this additional responsibility. Our focus remains clear: strengthen our brand positioning, deepen our market reach and further build our sales capabilities to generate strong returns for our shareholders and support the next phase of growth. I'm confident that these changes will bode well for us as we look forward.

Thank you, and over to you, Yatin, for the financial updates.

Yatin Malhotra:

Thank you, Puneet ji, and good evening, everyone. Building on to Puneet-ji's comments, India witnessed healthy demand trends during the quarter, supported by strong public spending and resilient consumption. Below normal rainfall in several parts of the country also allowed construction activity to continue for longer, providing further support to cement demand. We benefited from these trends in our South and West markets. On the other hand, East and Northeast were considerably weaker, impacted by heavy rainfall.

Having said that, we are now seeing demand picking up well across these regions also. In line with the regional trends, our volumes grew 4% Y-o-Y during the quarter on an ex-Central basis. Overall volumes rose 3% to 7.1 million tons in the quarter.

I would also like to highlight the progress we are making in strengthening Dalmia's brand in the market. We have deepened our engagement with channel partners and refreshed how our brand shows up in the marketplace with a new look across our hoardings, packing bags and other brand touch points.

As part of this journey, we have also taken another important step. Konark, which has been a cornerstone of our portfolio and a trusted brand for decades, is now getting phased out as we sharpen our focus on premiumization. This marks an important milestone towards reinforcing our brand positioning and building a stronger, more unified Dalmia brand.

Let me now turn to our quarterly performance. Since our Central India operations are still at a nascent stage, I will take you through our performance, excluding the Central markets. Prices remained largely stable across regions, unlike the usual moderation that we see in quarter 2.

However, East witnessed some price corrections amid subdued demand, reflected in roughly 1% Q-o-Q decline in our realizations. Incentives during the quarter declined to INR25 crores with relatively lower production at plants where incentive accrued.

However, we expect this to normalize as demand picks up. Collections during the quarter remained healthy at INR53 crores. We are already seeing cement prices inching up steadily with prices in the South and East currently around INR15 per bag higher than Q2 average. This should provide some support in offsetting the rising cost pressures.

Moving to costs. Our total cost in the quarter increased by roughly INR260 a ton on an ex-Central basis. Let me take you through the key factors driving this increase. Variable costs increased by around INR200 per ton. Higher fuel costs alone contributed around INR100 per ton, while inflation in key raw materials added another INR30 to INR40.

During the quarter, we also saw a meaningful change in the regional mix with lower volumes in East, resulting in an additional adverse impact of INR50 to INR60 per ton. With external cost pressures persisting and petcoke prices remaining above \$180 per ton, we expect a further cost impact of around INR75 per ton in quarter 3.

However, at the same time, the adverse mix impact seen in quarter 2 should get reversed as the regional mix normalizes. I would also like to highlight one additional point. As you are aware, following the recent amendments to the MMDR Act, the mineral bearing land tax is no longer applicable with effect from August 22.

These payments have been discontinued in Assam and Meghalaya from that date, while they continue to apply in Tamil Nadu. We are engaging with the relevant authorities to facilitate this discontinuation. Until then, the impact of this tax continues to be reflected in our raw material cost.

Separately, the amendment to the MMDR Act has also resulted in a significant reduction in the contingent liabilities by roughly INR198 crores, and the liabilities now stand at INR931 crores.

Consequently, contingent liabilities as a percentage of the net worth have declined to almost 5%, which is among the lowest in the industry. This reflects our continued focus on strengthening governance and proactively managing potential liabilities.

Renewable energy remains an important pillar of our cost efficiency initiatives, and we are making strong progress on this front. Over the last 5 years, we have scaled our RE capacity from 63 megawatts to roughly 450 megawatts today, significantly increasing the RE share to 52% in quarter 2.

Going forward, we will continue to accelerate this transition with more RE capacity getting online over the next few quarters. In line with this transition, we have impaired around 97 megawatts of thermal power capacity this quarter, where operations have been discontinued. This has been done in 3 of our existing plants, which do not include the central plant.

Logistics is another area where we continue to innovate and find efficiencies. Despite the impact from diesel price increase of about INR20 per ton in this quarter, our cement freight cost has remained largely flat. Clinker freight has also declined, led by efficiencies and regional mix change.

Coming to fixed costs, comprising of employee costs and other expenses, the increase was about INR168 per ton. Of this, approximately INR140 per ton was attributable to under absorption of fixed costs due to Q-o-Q decline in volumes, while the remaining increase was largely driven by higher shutdown costs during the quarter. As volumes recover, under absorption should normalize over the coming quarters.

Putting it all together, the decline in realization by about INR49 per ton, combined with cost increases of approximately INR259 per ton on an ex-Central basis, resulted in an EBITDA per ton declining to INR746. On a reported basis, EBITDA per ton stood at INR698, reflecting a dilution of roughly INR50 per ton due to Central plants.

We expect this dilution to increase to about INR100 to INR125 per ton in quarter 3 as Rewa commences commercial production before it progressively reduces as Central operations scale up. During the quarter, we reported exceptional items aggregating INR339 crores.

I've already spoken about the transition from the Konark brand and the impairment of captive power plants. In addition to this, we have implemented a separation scheme for eligible employees at a few units, resulting in a one-time provisional charge of INR57 crores.

Briefly touching upon our ongoing projects. We are making good progress on our expansion plans. The trial run at Belgaum's clinker line were initiated ahead of schedule. 3 MTPA cement mill is also expected to go in trial in the next couple of weeks. Both Pune and Kadapa are also progressing as planned.

During the quarter, our organic capex stood at INR909 crores, taking our H1 spend to roughly INR1,420 crores. Capex guidance for the full year remains unchanged at INR3,200 crores to

INR3,400-odd crores. At the end, I would say that we firmly believe that financial discipline gives us the resilience and the flexibility to navigate challenging times.

As Puneet-ji mentioned, maintaining a healthy balance sheet remains central to our strategy and one of our foremost priorities. Guided by this, we remain committed to maintaining leverage below 2x on a sustainable basis, which will create a strong financial foundation for the Dalmia's next phase of growth.

With that, I would want to thank you, and now we can open the floor for questions-and-answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prateek Kumar from Jefferies India. Please go ahead.

Prateek Kumar: Hello. Am I audible?

Moderator: Yes, go ahead, you are audible.

Prateek Kumar: Good evening. My first question is, while you had an elaborate discussion on various line items in terms of our EBITDA per ton performance in the quarter. Excluding the Central India's performance also in this quarter, performance of our company looks weaker than all 4 other companies which have reported results, including your regional peers as well on all volume growth, pricing growth and EBITDA per ton.

and we have seen this in the past also the volatility in your performance is higher than some of your peers. could you reflect like positively on the second half performance versus like, 2Q performance?

Yatin Malhotra: Thank you, Prateek. I think I explained quite a bit in my commentary. we'll have to break this into pieces. one reality is the reality of demand in East and Northeast that has actually led to, I would say, a relatively lesser growth for us. And if you were to dissect the cost side, the fixed cost absorption per se, because of, I would say, relatively lesser growth has given a hit of roughly INR100 to INR120 a ton.

So structurally, if you were to see, I think there is nothing which would worry us too much. I think we are pretty much in line with the industry in terms of the cost impact across line items. the regional seasonality impact leading to a fixed cost absorption impact is the only story of our financials, which I'm sure that we should be able to get back on track very soon when the demand rebounds.

So that's the way we see it. So, I think yes, we would have been happier with a little more growth, but I think we look forward to a much better H2. And we have all the strategy playing out well for us. So we are hopeful that we will have a much stronger H2 in front of us.

Prateek Kumar: Thank you. And other question is on your fuel cost. You mentioned about another INR75, INR80 of fuel cost impact, which you see for third quarter based on USD180 fuel. Is this the peak impact

which you're looking for the company? Or is this something which you kind of expect till January and then another round of inflation can hit the business?

Yatin Malhotra: Actually, it's a very difficult thing to guess. At the end of quarter 1, we thought we had already seen the peak, and now we are looking at a different peak. So we are taking it as it comes. Right now, this is whatever bookings and whatever foresight we have into this topic. We are looking at roughly INR75 to INR80 in quarter 3. And I would rather not hazard a guess on quarter 4 right now. Let us see how things evolve.

Prateek Kumar: Thank you. I have more questions. I will get back to the queue.

Moderator: Thank you. Next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Hi. Thanks for the opportunity. So, just the first question is on the Jaypee asset. If I got it right, did you mention like there will be a INR100 to INR125 per ton realization dilution in Q3 because of the ramp-up in Central India?

Yatin Malhotra: Yes. So I mentioned that the EBITDA dilution in quarter 3 would be in the range of INR100 to INR125 a ton. In quarter 2, we saw an impact of roughly INR50 a ton. In my last call, I mentioned that we are targeting to be near to breakeven in Central assets by end of FY27.

And we are aspiring to reach Dalmia standard level EBITDA by end of FY28. So we are chasing those 2 big goals. And in the interim, we might see some dilution. It was INR50 in the last quarter and roughly INR100 to INR125 in the coming quarter, the one that we're living right now.

Amit Murarka: Okay. I'm just wondering like the INR100, INR125 dilution is at the company level, you said, right, that pricing dilution?

Yatin Malhotra: Yes.

Amit Murarka: So which means the pricing...

Yatin Malhotra: I'm saying EBITDA dilution, not the NSR dilution.

Amit Murarka: Okay. Okay. EBITDA dilution. And could you then also like roughly give some breakup of the numbers possibly also like how much would be the realization kind of gap between your Eastern markets and your Central foray? And what is really the strategy to ramp up these assets? Like will it be in trade or non-trade?

Yatin Malhotra: So we have a capacity of 5.2 million tons, and I think we have enough and more spaces to expand across all segments. So the bigger picture with Central assets is that it is the right strategic fit. We have run these assets. We have run these markets. We have been present in these markets.

So I think we will have to go all guns blazing. We have to solve everything that has to be solved, both on the manufacturing side, logistics side and the sales side. So I will not pick and choose

any one point as this is the most critical one. I think all of them put together will give us the results.

Amit Murarka: Okay. Okay. Sure. And like fair to say that in second half of FY27, possibly the Central assets will make maybe INR300, INR200, INR300 EBITDA per ton loss, I mean, given that INR125 is the impact just maybe by 5%, 6% of the volume in Central in the second half?

Yatin Malhotra: I would not give an exact number. As I said, I will continue with the same story. We are targeting to breakeven in Q4 of this financial year. So let us see where we can take it.

Amit Murarka: So the entire capex will get commercialized in Q3? I mean, the INR2,850 crores that you paid as well as the INR300 crores for refurbishment and all? Or will it be staggered?

Yatin Malhotra: What we have paid should get commercialized. for the balance capex is, as and when those projects get completed, we'll be capitalizing them.

Amit Murarka: Understood. Okay. I will come back in the queue. Thank you.

Moderator: Thank you. Next question is from the line of Indrajit Agarwal from CLSA India. Please go ahead.

Indrajit Agarwal: Hi. Thanks for the chance. A couple of questions. First, on the organic business. You mentioned INR75, INR80 fuel cost impact. And assuming the entire operating leverage or under-absorption of fixed cost reverses, then on organic cash cost should go down by INR70, INR80 per ton in third quarter. Is that understanding correct, plus you get the benefit of pricing increase?

Yatin Malhotra: Yes, that's pretty much right.

Indrajit Agarwal: All right. And the impact of the Central India asset will be on an overall basis, INR50 plus INR120, right? That is INR180 per...

Yatin Malhotra: No. Total. INR50 will become INR120. So overall impact is roughly INR120, INR125.

Indrajit Agarwal: All right. And at what utilization level does that breakeven? So does that 40% utilization that you aspire to achieve, does it breakeven in that level?

Yatin Malhotra: Indrajit, I would not go into that detail of that Excel sheet, but I think let us target breakeven. And I think closer to the date, we can inform you more about the utilization.

Indrajit Agarwal: Sure. And fair to assume in 2Q, you wouldn't have sold anything from Jaypee, right?

Yatin Malhotra: No, we did sell, but...

Indrajit Agarwal: How much would have been the volume, anything meaningful to change that 3% growth number?

Yatin Malhotra: I think Q2 had various sort of things happening, very heavy monsoons in that part, floods, there was plant that was sort of getting their act together, the markets which we are nurturing and we

are developing the network. So I would not read too much into Q2. I can tell you that, again, we have been in these markets for the last 2, 2.5 years, we have never vacated. So we have an active network that we can always bank on, and we are developing that further.

and as you would know, when you capitalize certain things because commercial production is still not done, a part of those volume is actually not reported as volume. They are actually put as a part of the CWIP. So I think let's have Q3 numbers, and then we can talk about in terms of growth and volume. That's the way I would put it.

Indrajit Agarwal: Sure. And any further impairment we can expect? Or is it all done right in terms of exceptional?

Yatin Malhotra: So I don't think there is any other impairment lying out, but we will see. This is a regular assessment that we keep doing about our assets. As we have taken the things that were obvious to us in the previous quarter. So there is nothing more that is lined up as of now.

Moderator: Thank you. Next question is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

Rahul Gupta: Hi. Thank you for taking my questions. Two questions. One on the Jaypee assets. You talked about the dilution could expand to INR100 to INR125 per ton in the next quarter. Now that you have fair assessment of the assets, can you also help us understand what kind of costs are we looking at to restart these assets? That's my question number one.

Yatin Malhotra: So when you say cost, what exactly are you alluding to?

Rahul Gupta: All costs associated to restart the assets.

Yatin Malhotra: So we have to run the plant. We have fixed costs to take care of. We have got variable costs. As I said, early days, a lot of efficiency capex is being done. So the cost curve right now, it's high because we have the legacy cost to take care and the volumes are still yet to come.

But I think that's a part of the entire business model. So current cost is not a reflection of where we are heading. So once we stabilize this and reach quarter 4, I think we'll have much more clarity on these numbers, and then we can might be share it with you..

Rahul Gupta: Got it. Thank you. My next question is on your volumes guidance for second half. Now you did allude to the fact that East and Northeast is struggled because of unseasonal weather conditions. So once these weather conditions improve, once we are in the seasonally good demand period, at the same time, your volumes ramp up from the Central assets, how should we look at the second half volumes from here on?

Yatin Malhotra: I think we should look at second half volume growth in line with the industry. I would just put it at that. I think we have maintained that position. Internally, we are trying to chase aggressive targets. But for you to pick a number, let's take industry growth as the number that we are chasing.

- Rahul Gupta:** So that's for the organic business, right?
- Yatin Malhotra:** Yes.
- Rahul Gupta:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of Satyadeep Jain from AMBIT Capital. Please go ahead.
- Satyadeep Jain:** Hi. Thank you. Just first question on the MMDR. Just wanted to understand, I think you mentioned that Tamil Nadu is still accruing those charges and not in some other states. What's going on? Maybe can you allude to what's going on in Tamil Nadu especially?
- Yatin Malhotra:** Tamil Nadu, the government has still not made the changes in their process and the portals that we have to. So we are still supposed to pay the cess before we take out the limestone. So I think that is a discussion which is actively being pursued with the government. And right now, we were expecting this cost to go away. It has not gone away yet. And let us see how this happens. I can just tell you that we are working with the government to make sure that we can get the benefit of this change.
- Satyadeep Jain:** Okay. Second question, Puneet, I just wanted to understand on the leadership transition you mentioned, specifically the finance and marketing functions rolled into one. What's the intent here? and this is a long-term solution you're looking at? And what's the intent here at this transition?
- Puneet Dalmia:** No. As I said in my remarks, this is a planned transition, and we have immensely benefited from Navin's extensive knowledge and expertise, particularly from multi-industry distribution practices, organization and team structuring, channel engagement and premiumization. And he has played a very significant role in strengthening our capabilities and approach.
- I think currently, we wanted somebody who understands the Dalmia way of working and who understands business and finance to take this role. But over time, I think we want Yatin to be more focused on operations, and we will eventually get somebody to be the CFO of the company. But right now, for a temporary period, I think he will continue to oversee both functions.
- Satyadeep Jain:** Just one quick question, if I may. On the Jaypee assets. You operated these assets in the past. Now that you've come back and the market structure, also some companies have added capacity. Are you -- what changes are you seeing in the marketplace or your understanding of the asset? Is it more or less similar in terms of operations and market structure as you build out your distribution there?
- Puneet Dalmia:** I think we have got no surprises. I think we knew the asset quite well. It is just that, as we said right in the beginning, this is a multiyear bet. And we have been trying to get into the central region for quite some time. We are very excited with the next 5- to 10-year demand prospects in this region.

Both MP and UP have almost 25% of India's population living here. And I think there are going to be huge investments here. The Ken-Betwa River linking projects is almost INR40,000 crores plus. The Noida Airport and the build-out of the industrial corridor there is going to be huge. Just huge population as they become more prosperous, and there will be much more building of houses and rural demand as well. So we are very excited about this region.

We have huge infrastructure, which Jaypee had built up. There are railway sidings, there are captive power plant. There is sufficient land. As I said, we have our own mining lease next to this. So once we ramp this up and bring it down to Dalmia cost curve, there's an opportunity to do brownfield expansion here as we are doing in Belgaum and Kadapa.

So this is a very strategic asset, and it takes time to bring it down to the Dalmia cost curve, which we are making investments for. And also, it is going to take some time to ramp up, so which we've guided you already. So I think we are very happy that at least we got in, it takes 4 to 5 years to build a new greenfield plant, acquire land, etcetera. It has really accelerated our entry into this region, and it is one more step to becoming a pan-India player.

So we like this market. It's strategically attractive. It is a good fit into our strategy. And yes, in the short term, we have to execute well in terms of making additional investments to bring cost down and also building our brand and strengthening our brand and distribution in this region. So I don't think any major surprises.

Moderator: Satyadeep, I'll request to come back for a follow-up question. Next question is from the line of Navin Sahadeo from ICICI Securities.

Navin Sahadeo: Am I audible?

Puneet Dalmia: Yes.

Navin Sahadeo: Yes. Okay. Thank you for the opportunity. So 2 questions. One is on the leadership change that you mentioned. So effectively, Mr. Navin Tewari resigns and then becomes an adviser to you. Is that the way one should look at it?

Puneet Dalmia: I don't know. I mean, what that means. I think...

Navin Sahadeo: No, I'm just trying to understand. I'm sorry to cut you. But I was only trying to see that from being completely hands-on to the role of sales, marketing and logistics, I'm just looking at your Slide 36, he becomes an adviser, so not involved in day-to-day operations. Is that understanding correct?

Puneet Dalmia: Yes. That is correct. I will not say it like -- I would say he will be more involved in continuing to provide the continuity in the strategic blueprint that he has created in terms of how to build distribution, how to create channel engagement, etcetera. And I will take his guidance wherever I feel is required. He's a valued member of our team.

And this is a planned transition, as I told you, right from the very beginning, we had thought through it like this only. So I think he provides a strong platform and continuity to build that platform. Yatin is an internal person. He knows business. he's been involved in some of these initiatives very well. So I think we get continuity of an internal person to further build on what Navin has created while continuing to get Navin's guidance as we go forward.

Navin Sahadeo: Okay. My second question then was just a clarification to the impact from JPA, which Yatin ji mentioned. So when you say impact of INR50 per ton that we have seen in this quarter, so just simple arithmetic, it's INR35 crores impact, that's what you're talking about because when you say INR100 to INR120 impact in coming quarters, I'm just trying to understand the arithmetic if you can provide any clarification.

Yatin Malhotra: Sorry, you're talking about quarter 2 or quarter 3?

Navin Sahadeo: That's my worry because when you say impact of INR50 in quarter 2 is on a volume, which is slightly lower Q3, of course, you will do a much better volume. So I'm just trying to understand how should one look at it from an impact perspective?

Yatin Malhotra: No, I think in quarter 3, we will have higher volumes, you're right, but we'll have higher volumes, both on Central side and non-Central side. But the bigger point is that in quarter 2, we still have a lot of costs that are getting capitalized because we are still under trial runs for the plant. So Q3 will have a full-fledged cost impact when we go for the commercial production and capitalize the plant. Hence, the impact in quarter 3 is higher. So that's the reason of that INR100 to INR125 outlook.

Moderator: Thank you. Next question is from the line of Ritesh Shah from Investec India. Please go ahead.

Ritesh Shah: Hi sir thanks for the opportunity. I just wanted to touch upon different cost heads. In the presentation, you have indicated rupees per kcal for the quarter. Just wanted to understand your strategy on fuel mix and how this rupees per kcal will actually evolve for, say, next quarter?

Yatin Malhotra: Sorry, can you come again on the question, please?

Ritesh Shah: My question is, first is on fuel inflation. How should we look at this number in the forthcoming quarters?

Yatin Malhotra: So I think we have reported a cost as roughly INR1.66 per million kilocal. And we expect this to go up by roughly INR0.20 in quarter 3 basis the outlook that we have in front of us right now.

Ritesh Shah: And sir, for the next quarter?

Yatin Malhotra: This Q4?

Ritesh Shah: Yes.

- Yatin Malhotra:** As I said in the beginning, we have not estimated Q4. It's a moving thing for us right now. So too early for us to comment on that.
- Ritesh Shah:** Right. And just a follow-up. What is the fuel mix right now? If you could split between petcoke, local imported thermal coal and AFR? And is there any scope of increasing AFR further?
- Yatin Malhotra:** we are doing whatever best we can do, but we don't share the fuel mix details beyond this. but I can tell you that in terms of optimizing the fuel mix, our high AFR percentage bodes well for us, and we are doing whatever best we are able to do.
- Ritesh Shah:** Sure. And secondly, on packing costs, you have indicated granule pricing in the slide. There's a very steep spike. How should we look at this particular variable?
- Yatin Malhotra:** I think quarter 2 and quarter 1, we have had the same packing cost by and large. So we expect this trend to continue. Right now, we have not seen any signals that quarter 3 would be higher. But again, it's a very evolving space. So we'll have to also watch out for that.
- Ritesh Shah:** Sure. And lastly, would you like to comment anything on the pricing for the month of October? Is it higher versus the average or versus September? Any qualitative comments will also help?
- Yatin Malhotra:** I mentioned in my commentary, we are already roughly around INR15 up in our core markets versus the average of September. So we have seen some positive trends in the last few weeks and we will see how it pans out. We are hopeful that this trend will continue.
- Moderator:** Ritesh. I'll request to come back for a follow-up. Next question is from the line of Siddharth Mehrotra from Kotak Securities.
- Siddharth Mehrotra:** Thank you sir for the opportunity. Sir, after we get the JP assets and the BJCL asset as well, you would be close to our 75 MTPA target, which we had outlined earlier. So I just wanted to understand from a longer-term perspective, how do we think about capacity adds and our annual capex run rate thereon?
- Yatin Malhotra:** So we will touch 67 with all the three projects, Central, Belgaum, Kadapa. BJCL would be as and when it happens, if it happens, we would be touching roughly 70. So right now we are not in a rush to make any further announcements. We had said 75 by FY28.
- If we touch 70, I think we will be pretty okay. And you would appreciate that right now, we have roughly 20 million tons of capacity that we are bringing online at various stages and which entails roughly INR10,000 crores of capex broadly. So only once we are a little more stable with our Belgaum and our Central, after a few quarters, we can come back to you on the next steps. But as of now, we are comfortable with where we are.
- Siddharth Mehrotra:** Understood, sir. And secondly, how should we think about incentives given the fact there's almost a INR20 crores decline Q-o-Q. How should we think about it? When do we go back to prior levels and how does the run-up to the prior levels look like?

- Yatin Malhotra:** Incentives, I think we should go back to prior levels in this quarter and the coming quarters. You would appreciate incentives, there is nothing which is very subjective out there. It is basically what plants. As I said, East was a little tough region. We have some incentives in some East plants. So hence, it is a lower number. Plus, as you would appreciate, in the initial part of a project, there is a lot of ITC that gets consumed with the GST incentives. So these are all questions of timing, I think, but we should be able to be back on course in quarter 3 and quarter 4 onwards.
- Siddharth Mehrotra:** Understood, sir. Just one last question. Given the fact that it was also pointed out that we seem to be doing a bit worse than our peer in the East region. Is there any, what I would call, discrepancy between the different markets within the East itself, say, for example, on a state-wise level, for example, are there certain pockets in which we are underperforming?
- Yatin Malhotra:** I think we need not go into those micro details. I think we have a task in front of us. I think, yes, a few of our peers might have performed better. I think we'll perform better from where we are. So we are focusing on uplifting the entire sales performance in the coming quarters. So let's keep it at that only.
- Siddharth Mehrotra:** Thank you. Thanks sir and all the best.
- Moderator:** Thank you. Next question is from the line of Sarthak from DSP Asset Managers. Please go ahead.
- Sarthak:** Hi, good evening. Am I audible?
- Moderator:** Yes go ahead.
- Sarthak:** Yes. Thank you for the opportunity. So I was just going through the balance sheet, the console balance sheet and I could find that under the intangible assets under development, the amount has almost quadrupled from INR150-odd to around INR600-odd crores. Just wanted to understand as to what is going through this particular increase. If you could explain something, that would be great?
- Yatin Malhotra:** So as you are aware, the JP acquisition happened in May. We are in the process of doing the final valuation and PPA for those assets. It's an interim number that has got added basis the current assessment. And by and large, this value reflects the mining rights which would be a part of the overall valuation.
- But I would just say that we have got a 1-year window. We are in the process of finalizing the valuation and the PPA. And once we are able to close that activity, we'll have much more firm numbers. But as of now, that increase in intangible is on account of the mining rights of the JP assets.
- Sarthak:** Okay. Because as far as I can understand, mostly these comprise of ingrown mining rights or brands. But yes, I think I'll connect separately for this, yes.

- Moderator:** Thank you. Next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Hi, sir. Two specific questions. First, when we said that we will be growing in line with the industry at a core level, so - we are looking at 7%, 8% kind of a growth for the industry?
- Yatin Malhotra:** Yes. That's our take on the industry.
- Shravan Shah:** And any ballpark idea in terms of for JP, how much at an absolute level, the second half, the volume should be?
- Yatin Malhotra:** As I think Puneet-ji also mentioned, 35% to 40% capacity in Q4 or at least by end of Q4 is what we are trying to chase.
- Shravan Shah:** Okay. And the INR15 hike that we said from September average, this will be only in South or East, South and even in Central also?
- Yatin Malhotra:** So we are heavy on South and East. We are looking at this increase in both these core markets.
- Shravan Shah:** Okay. And on the profitability front, just to again, what Navin was trying to understand. So what we are saying is in the third quarter, INR100, INR125 impact because of the JPA at the same time, INR75, INR80 increase on the power and fuel on the core front. So roughly around INR200 kind of an increase. So net-net, just trying to understand the INR15 price hike, given if we are able to do 7%, 8% at a core volume, the profitability should be improving on Q-o-Q basis in the third quarter. Is that the right understanding?
- Yatin Malhotra:** We are pretty hopeful that profitability will definitely improve in Q3 on account of multiple factors. Number one, as I said, we had this fixed cost absorption story of roughly INR120, that won't be there. We had a regional mix story of INR50 to INR60, that should not be there. So we have roughly INR150 to INR200 per ton available just in cost mix angles, mix and volume.
- On top of it, this INR15 should convert into roughly INR220, INR230. And there would be some headwinds on cost, but I think I'm hopeful that if this price trend continues, we should be touching INR1,000 plus something in quarter 3. But it's too early for us to comment. Let us see how the price story unfolds.
- Shravan Shah:** Okay. And just last, in terms of the net debt, then how one can look at because previously, we were looking at 2x, 2.5x net debt EBITDA. So now we are already at slightly crossed the 2x. So how now one can look at the net debt EBITDA?
- Yatin Malhotra:** I think we have repeatedly said this that we are committed to a healthy balance sheet. As I said, we are not going to announce any more capacities till we have got Belgaum and Central that get online and we start generating cash. So we are cognizant that 2, 2.5, we don't want to cross this. Right now, the number is an amalgamation of a lot of stories. We are at the peak of our debt because of the recent acquisition and the quarter volumes and the EBITDA have been relatively lower. So I think this is like a peak, fully cognizant and we should be in the ballpark of this line.

- Moderator:** Thank you. Shravan can come back for a follow-up question. Next question is from the line of Jashandeep Singh Chadha from Nomura. Please go ahead.
- Jashandeep Chadha:** Thank you for the opportunity, Sir, my first question is, if I look at your blending mix as well as your CC ratio, it appears to have deteriorated and it makes sense because your East, especially Northeast markets who are impacted by the floods and adverse weather conditions. Sir, I just wanted to understand what will be your ex East growth or how will be the utilization of other regions? If you can shed some light on that?
- Yatin Malhotra:** Jashan, we have always stayed away from sharing our regional capacity utilization and growth numbers. So we stick to that story.
- Jashandeep Chadha:** Okay, sir. Thank you. No worries. And second thing, over the last couple of years, Dalmia was trying to reduce around INR150 to INR200 per ton cost even when JP was not in the picture. I just wanted to understand how the company is progressing on that because if I look at your renewable expansion as well, it seems to have saturated or further will be coming in line. I'm sure about that. But right now, it seems to have saturated. So just wanted to understand what are the other levers of cost control where cost can go down ex of Jaypee as well, if you can let us know or at an entire company level?
- Yatin Malhotra:** Jashan, when we closed FY26 and we met you guys, we had said that we had demonstrated actually INR150 to INR200 has been delivered over the 2 years that we promised. Then we had made a statement that every year INR50 to INR100 per ton is a continuous activity. It is not a milestone, which is like a fixed milestone. If you were to look at this quarter also, we said that logistics, despite the inflation, we have been able to improve our logistics cost.
- So I think actions across cost line item is a permanent part of our way of working. RE, your point is right. You see it's stagnated, but I think there are a lot of things that are going to go online in the next few quarters. So you will again see an uptick in that number. So I can just tell you that cost initiatives, as I said, is a part of life. And we have demonstrated a few, and we'll keep demonstrating as we go forward.
- Jashandeep Chadha:** Right, sir. Makes sense. Just one clarification, INR15 price hike that you said was across all regions. So at a company level, right?
- Yatin Malhotra:** Yes, that's the pretty much average.
- Jashandeep Chadha:** Okay. Thank you, sir. I will join back the queue.
- Moderator:** Thank you. Next question is from the line of Raghav Maheshwari from Equirus Securities. Please go ahead.
- Raghav Maheshwari:** Just wanted to understand, as Puneet ji also highlighted in the opening remarks, that we have East and the Northeast, we have not grown very fast, but the some of peers who has also grown the higher single digit whose market share is more than 70% of their sales coming from the East. And channel checks also suggested South has also grown by the 10%, at least for the quarter 2.

So where we went wrong in the terms of volume growth, where if the industry and some of peers grown in the East and South both and we have not performed in both the geographies. Can you highlight on that point? Either we - lose the market share or something is wrong? Can you just highlight on that part?

Puneet Dalmia:

Look, I will share it. I think, look, first of all, these regions they suffered with excessive monsoons. I also think that we are progressing on our premiumization journey. And as I said in my opening remarks, we're phasing out Konark. We are also looking at how to harmonize volume growth with profitability. So I think there are multiple things which are in progress right now.

And I don't think we want to comment on our strategy micro market by micro market. So overall, as Yatin also pointed out, there have been some fixed cost absorption issues in this quarter. And one quarter by no means is the future outlook of the company. I also think it was a shutdown quarter. So some of the costs in any case because of plant shutdowns, which we've taken are higher in this quarter.

So there are a lot of one-offs in this quarter, which have happened. And I think it is important for us to just stay the course and execute our strategy consistently over the next few years as we go well. So there is no new news in this quarter other than the fact that we have to remain consistent in what we've outlined. And we will see the results we are very confident over the next few quarters as we stay the course.

Raghav Maheshwari:

Done, sir. And last point, sir, when we are expecting the Belgaum cement capacity will get operational? As I think Pune grinding unit, we are already delayed by a couple of quarters. Then what is the plan for Belgaum clinker line or we are on the track for the Pune grinding as well?

Prassan Goyal:

Raghav, as we've mentioned earlier that we are on track for all the expansion plans. Belgaum clinker line, we have already started trial run ahead of schedule and the cement mill is also expected to commence trial run very soon. So we believe that over the next few months, we will start commercial production, which will benefit us in quarter 4. Pune will remain on course to get online in quarter 2.

Raghav Maheshwari:

Got it. Thank you.

Moderator:

Thank you. Ladies and gentlemen, we'll take the last question from the line of Girija Ray from Nirmal Bang. Please go ahead.

Girija Ray:

Hi thanks for the opportunity. Just come back to Raghav question. See, when there is a cost pressure, obviously, industry knows they will take a price hike to absorb the cost pressure. And our bottom line numbers will be good only if our top line grows. And here, over 5 years, I can see our capacity utilization is not improved. I can say it is in between 60% to 65% it is a fact that we are entering into Central market, things are looking good.

But only the concern is capacity utilization. If my capacity utilization is not performing well as per the industry player, let's say Nuvoco, Nuvoco capacity utilization is very good, I can say. In other southern players also, their capacity utilization good. Where exactly we are lacking as Raghav mentioned, are we losing anywhere market share? See, if it is not losing the market share, somebody else is taking the market share, right?

So how we are going to increase the capacity utilization going forward? And second, most importantly, as sir mentioned, there are a lot of one-off in this quarter. So can you quantify that one-off, which will not be reflected in third quarter? These are my questions.

Puneet Dalmia:

Look, let me address the capacity utilization point. I think that's a fair point in terms of our utilization has to go up. And I think we are very focused on that. And as I said, there are 2 or 3 things which we are doing. One is we were balancing profitability with volume growth. The second thing is that I personally think that it is going to be very, very difficult to put up new plants at this price point in future.

So maybe some of our plants have come a little bit ahead of schedule, and we have to ramp up our sales capability and distribution and brand at the same pace. But just executing projects in India and commissioning them itself is a big value add. And I don't think you can replicate plants at this cost in the future.

So I think from a strategy perspective, yes, creating capacity to serve the market, which I think is going to be huge in India because of infrastructure, because of structural demand factors like housing, infrastructure, private capex, etcetera, at some point in time, that will also come is the right strategy.

Now you are absolutely right that some of our execution has to be faster. And again, as I said, which we are focusing market by market, location by location. So we are quite confident that this is the right approach. And yes, there are some learnings which we will learn and correct upon. So I don't see a couple of years as a challenge in a long journey.

And the good news is all capex, all investments have been done. And now as volume ramp-ups happen, as margins improve, there is going to be a huge growth in profitability without further investments. So all investments have gone in the ground, and we are quite confident that it's going to yield results soon. Now regarding your one-offs, I will let Yatin answer.

Yatin Malhotra:

No one-offs, we have answered. If you were to pick up 2 line items for the quarter, I think there is a regional mix story, and that is something that impacted our numbers and there's a fixed cost absorption story. So beyond that, and I think both of them will get reversed in quarter 3. So, I really see us focusing on what we have to do, what we can control. And I think this market story would just reverse in quarter 3 is the way we look at it. So that's our view on the one-offs, unless you're talking about the balance sheet, which I've already explained as one-offs.

Girija Ray:

So can someone expect 70%, 72%, 73% kind of capacity utilization in FY28 and '29?

- Yatin Malhotra:** I would rather hope so. I think let's wait and reach there peacefully and then we'll talk.
- Moderator:** Thank you very much. Ladies and gentlemen, we'll take that as the last question. I'll now hand the conference over to Mr. Dalmia for closing comments.
- Puneet Dalmia:** Thank you very much for your interest, and I wish you all and your families a very Happy Diwali and look forward to seeing you in the new year 2027. And Happy Diwali, Happy New Year and a great festive season to all of you. Thank you.
- Moderator:** Thank you very much. On behalf of Dalmia Bharat Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.