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27.10.2025

BSE Limited
Corporate Relationship Dept.
First Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI 400 001.

Scrip Code : 530005

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI 400 051.

Scrip Code : INDIACEM

Dear Sirs,

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings Call

In continuation to our letter dated 18th October 2025, please find enclosed the transcript of the Earnings Call held on 18th October 2025 on the unaudited financial results for the quarter and half-year ended 30th September 2025.

The same is available on the website of the Company i.e. www.indiacements.co.in.

Thanking you,

Yours faithfully,

for **THE INDIA CEMENTS LIMITED**

COMPANY SECRETARY

Encl.: As above





27th October, 2025

BSE Limited
Corporate Relationship Department
Scrip Code: 532538

The National Stock Exchange of India Limited
Listing Department
Scrip Code: ULTRACEMCO

Sub: Transcript of Q2 FY26 Earnings Call of UltraTech Cement Limited ("the Company")

Dear Sirs,

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached transcript of the Q2 FY26 Earnings Call conducted after the meeting of the Board of Directors of the Company held on 18th October, 2025, for your information and record.

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

Yours faithfully,
For UltraTech Cement Limited

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KUMAR
CHATTERJEE

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SANJEEB KUMAR
CHATTERJEE
Date: 2025.10.27 10:41:14
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Sanjeeb Kumar Chatterjee
Company Secretary and Compliance Officer

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UltraTech Cement Limited

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“UltraTech Cement Limited
Q2 FY '26 Earnings Conference Call”
October 18, 2025

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



Moderator:

Ladies and gentlemen, Good day, and welcome to the UltraTech Cement Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

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

Atul Daga:

Thank you. Good evening, everyone, and welcome to the earnings call of UltraTech Cement for the quarter ended September '25. I realize it is a Saturday, and for those who are attending the call, a sincere thanks for taking time out on your weekend.

Let me straight jump into the nitty-gritties. Firstly, demand. I think it's very important to note that we have sold more than 31 million tons of cement this quarter, when rain gods have been in full fury till almost a few days ago. On ground, things are looking up, looking better for premium cement all the more. We will talk about it in a bit.

UltraTech is a very large company, we operate almost 75 physical locations, 400-plus RMC plants. And in that phase of rapid growth, the sales volume growth will be a little complex to understand for 3 or 4 quarters. If we were to look at our sales volumes without ICL and Kesoram in the base for the last year because we were not managing them, we have grown 22.3%. Without considering India Cements in our base for the last quarter, we have recorded a growth of 9.6%. With both ICL and Kesoram Cement assets in the base, we have grown about 6.8%. India Cements has already declared its results yesterday with a growth of 6%.

Most important points to note is UltraTech as a brand has grown about 13.2% this quarter Y-o-Y. That is real hard number. Rural markets are also delivering a growth of 13%, and we believe that the industry will achieve a growth of around 10% in the rural markets.

We have been rapidly converting India Cements and Kesoram brands into UltraTech with a sharp focus on improving the quality of the product manufactured at the acquired plant locations. The results are quite exciting. As I mentioned, UltraTech, as a brand, has grown 13.2%, thanks to the rapid conversion of output generated from the acquired assets.

Let's talk about GST. GST, whilst there's no impact on profitability, an important benefit of GST 2 is a reduction in Clean Energy Cess levy on coal. We believe this will be in the long-term interest of UltraTech. We balance our fuel portfolio with a mix of coal and pet coke. The strategy has always helped manage our risk. This quarter, with slightly higher coal consumption, the ratio is skewed in favor of coal at about 48% and pet coke being about 44%. This quarter, our fuel costs are higher than last quarter, increasing to INR1.8 per Kcal as compared to INR1.78 per Kcal, it's a mix of coal and pet coke essentially and timing.

The next few quarters will be a mix of our existing high-performance assets of 166.76 million tons and the acquired assets, which, are ramping up rapidly, namely Kesoram Cement assets, 10.75 million tons and India Cements, 14.75 million tons.

Our existing operating assets 166.76 million tons of capacity have delivered an EBITDA per metric ton of INR966. India Cements reported its performance yesterday, delivering INR386 per metric ton and Kesoram assets this quarter were at INR755.

For your reference, India Cement's brand conversion has already happened 31%, and Kesoram has already converted 55% at the end of this quarter. This will clearly give you a perspective of how the overall average numbers will pan out when full brand conversion will be completed. We are expecting to complete the brand transition for these acquired assets, not later than June '26.

There have been some specific cost items one-off slightly higher, which have had a dampening effect on our performance. First one, maintenance costs, you will be shocked to know that we operate almost 56 kilns across the country in UltraTech's balance sheet. And if you were to take into account India Cements' kilns also, a total number of 65 kilns are being operated by us. In UltraTech, out of the 56 kilns, we had 617 kiln days shutdown as compared to 207 kiln days last quarter or 511 kiln days last year for the same period. This is one of the reasons why our fixed costs are slightly higher. When we do an internal calculation, it's about an impact of INR100 per ton. Second one was the advertising cost, during this quarter, our advertising efforts had been taken up. We spent INR50 crores higher than the last quarter, resulting into an impact of about INR15 per ton. Third item was staff costs, which were again slightly higher in this quarter and all employees obviously enjoy this quarter because the increments and the annual bonus payments are made in the July-September period. Quarter-on-quarter, additional cost of INR94 crores were incurred, but you don't have to worry as this impact will come down next quarter by INR30-35 crores. The per ton impact is roughly INR25 per ton. Operating leverage impact due to lower Q-o-Q sales volume is close to INR70 per ton. If I count all these items, then there is a delta impact of anywhere around INR200 per ton. But that doesn't mean that these costs will not exist in the next quarter. There will be some element of cost, but not such a high impact.

Capex. Our expansion plans are going on full swing, and we will complete or exit this financial year with 200 million tons of capacity under our belt. Projects like Vadhavan Port, Amravati, development around the new Mumbai Airport, data centers coming up in the country, urban real estate, Google committing \$15 billion to build its AI hub in Andhra. All such mega projects are very positive for cement industry for consistent growth demand. And GST 2 will definitely boost demand for premium cement because some people will be able to buy their aspirational brands due to a reduction in the cost of purchase.

You would have also seen our next phase of growth. I have mentioned it in the past. After completing our consolidation in the Southern markets in fiscal '25, we have focused our guns on North and West. With an intent to further strengthen our position in these markets, we are embarking on the next phase of our growth with 22.8 million tons of incremental capacity, which is a mix of largely brownfield and some greenfield expansions. Out of these 22.8 million tons, 18 million tons is focused on the Northern markets and 4.8 million tons for the Western markets. A very important point for you to note is we will always be fully invested in clinker. At the end of this expansion, we will be reaching 148 million tons of clinker capacity with a clinker conversion factor reaching close to 1.6x. This expansion also will be funded largely by internal

accruals. There might be some temporary borrowings that will be done but by the time we complete our expansion, we will be again less than 0.7x net debt EBITDA.

Cables and wires business. The business is on track to launch production in Q3 CY '26. Land and buildings have been secured, long lead machinery items have been placed. We expect delivery to start from January '26, and the plant should get commissioned in time for Q3 production launch. Key managerial people have also started onboarding.

I touched upon ICL and Kesoram assets. As I mentioned, India Cements brand transition has been completed up to 31% of their sales as UltraTech and it will cross the 40% mark by December quarter and then further up; thereby, helping us realize the benefits of synergy in the books of India Cements on a very rapid pace. As a post-balance sheet event in India Cements, we have exited the coal assets held in Indonesia and the cash flows that will be realized from the sale of these assets will help reduce their debt.

Another important point to highlight about India Cements is the capex program of INR1,592 crores, which has been initiated for debottlenecking of a small capacity 21-megawatts of WHRS, 192-megawatts of renewable energy and other efficiency improvement programs. Over and above that, we are expanding the capacity at Chennai and Rajasthan plants with 2.4 million tons at a cost of INR422 crores. These are high-performing markets and the investment will yield an IRR of upwards of 20%.

We acquired India Cements with a capacity of 14.45 million tons; within no time, there was a debottlenecking done. And further brownfield expansions that I've just mentioned, will take us to a capacity of 17.55 million tons. We will be able to fund these investments with internal accruals and a mix of debt. However, by the time we complete the expansion, which is January March 28 or by the time the expansions are fully operational, the ICL assets will start generating EBITDA per ton of INR1,000 and a net debt EBITDA of around 0.5x.

Kesoram assets have also streamlined and a capex of around INR500 crores is in progress for WHRS and other efficiency improvements. The brand transition program, as I mentioned earlier, has already been completed to about 55% of its output, and we shall complete the rest of the program by the end of June '26.

Another important point, which I must leave with you, is our retail footprint. We have a presence with almost 5,000 stores in the country, these retail stores, what we call the UBS stores, sold 21% of our total sales this quarter, and also support the dreams of many individual homebuilders to procure other materials required for building a house.

RMC is another important aspect of our business. We have crossed almost 400 plants in the country. Today, RMC has become about 4% of cement volumes for us.

For some of you, the dessert is the most important in terms of EBITDA per ton, but at UltraTech, this quarter has been a wholesome meal.

Thank you. And before taking questions, we wish you all a very happy Diwali. Over to you for questions, please.

Moderator: Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Amit Murarka from Axis Capital.

Amit Murarka: Just on this expansion plan that you've announced. So, like after this, I just wanted to know like how much more scope is there given that this is just focused on North and West. And I'm guessing there is scope even in East, South, those markets as well. So, what is the additional scope for brownfield expansion that exists in the portfolio?

Atul Daga: Amit, so we are now sticking our program to reach about 240 - 245 million tons, which will get completed by fiscal '29. There is definitely scope for 20 - 25 million tons more. I'm talking about beyond '29, '30, '31 and in those times, there will be further possibilities. There will be possibilities of greenfield clinker-based units also since we continuously keep acquiring mining rights, and land acquisition is an ongoing process. So, it's not only brownfield, but we'll also have greenfield expansions depending upon the market appetite, which we believe will be very high.

Amit Murarka: Understood. And also, while we spelled out the other expenses, reasons for the other expenses jump, even raw material has moved up, is there some one-off even in that?

Atul Daga: There's no one-off. There might be some purchase price impact, other than there's no one-off.

Amit Murarka: And out of the INR200 per ton, which you summed up under various items, how much of it will go away essentially in Q3, if you could just give some number on that?

Atul Daga: So, maintenance will come down. At least ballpark INR100 will come down.

Amit Murarka: Right, right. And just lastly, on the fuel cost, we have seen pet coke move up while you have only 44%, but will net fuel cost go up given that there is coal compensation cess positive benefit as well?

Atul Daga: So, we'll have a bigger benefit because UltraTech consumes higher amount of coal as compared to rest of the industry, so that will also be a benefit to us. And now it is always possible that the flavor of pet coke starts going down and coal is becoming more important.

Amit Murarka: Sure. So on a net basis, basically, fuel cost may not go up too much for you?

Atul Daga: So it will not go up. All the spot purchases is the only thing, which could move up or down. But in our overall scheme of things, we will not have any inflation in fuel costs.

Moderator: Our next question comes from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: Two questions. First, congratulations on such low capex per ton on the next leg of expansion. Now keeping that in mind and the cost-saving initiatives across the industry, how do you see the

pricing environment or the intensity of taking prices up in the medium term among the players panning out?

Atul Daga:

Thank you, Indrajit, for noticing that. Well, as far as the efficiency improvement program is concerned, I think UltraTech is the only company, which has demonstrated item-by-item actual delivery of efficiency improvement. Capex cost, I don't know whether anybody else can deliver this kind of an efficiency in capex cost. So, it remains to be seen. Third point you mentioned about pricing. Pricing is not determined by capex cost or efficiency improvement. Pricing, I will repeat again, it's always been demand. If demand is good, there is always an opportunity for improvement in prices. If there are cost inflation pressures on, let's say, just now when we discussed about fuel costs, in case fuel costs go through the roof or any other costs go through the roof, if the industry, if we can't absorb it, it will get definitely passed on. Pricing decisions will not be taken because of lower capex cost.

Indrajit Agarwal:

Sure. This is helpful. Secondly, on industry demand, on your best estimate, how was the demand in second quarter? And do you think the earlier guidance of 6% to 7% industry growth for the full year is achievable?

Atul Daga:

I think so, yes, it is definitely happening. My confidence is going up higher if I look at my own volume growth. And as far as industry growth is concerned, it has to be somewhere around 4.5% to 5% for this quarter.

Moderator:

Our next question comes from the line of Pinakin Parekh from HSBC.

Pinakin Parekh:

Sir, my first question is on the commissioning time line for the expansions. It says FY '28 onwards. So, will it get bunched up in FY '28, or will it be spread over '28, '29, '30?

Atul Daga:

Not bunched up. It would be mostly evenly spread out. We will come out with detailed schedule in the next quarter, but it's not getting bunched up.

Pinakin Parekh:

Sure. And sir, secondly, just more granular color on how does the company see demand between government capex and individual homebuyers? Because from a pricing point of view, for the trade segment, we need the individual homebuyer segment demand to pick up. So as per you, where do you see stronger demand over the second half of the year?

Atul Daga:

I think the rural markets, as I talked about it, we have seen about 13% growth in rural markets, which is a very positive point. So IHB segment will continue to drive demand. And also, we are seeing continuous announcements of new Infra projects, which will help the overall demand sentiment. Jhanwar Ji, would like to add something.

Kailash Jhanwar:

Yes. So very good afternoon to all of you. So, I think, Atul has said rightly, the housing sector would be the key driver for the growth and particularly the rural housing, the demand has been good and with the good monsoon actually this year and the revision in the MSP price and kind of thing, I think the rural India is likely to do very well. On the urban side, obviously, with the change in the income tax rates, personal income tax rates, softening of interest, there are good green shoots and the urban demand is also likely to move further.

Coming on the Infra side, I think, as Atul said, I think the Infra is now likely to fire on all fronts right from the road, rail, aviation and the port side actually because in the recent few months or the few days, there are a lot of announcements actually in terms of building new highways, widening of the highways and the metro, port. And now if the Sagarmala projects pick up, then further it will provide boost to the demand.

And commercial side, I think, again, that's likely to be the good story with the GCC. Recently, a few days back, there is an announcement on the big data center, Google. So, I think we believe, hopefully, demand side do well.

Atul Daga:

So, Pinakin, it's not about a quarter. I think if you are looking at a longer term, and we had put out one chart on how we see the long-term growth also, it's 7%, 8% CAGR growth. I'm very confident that this is going to happen in the country.

Just imagine, if you were to delve a little bit more in Google's investment of \$15 billion over a period of 5 years. It's not just a data center, but there'll be employees and their housing and the related schools, hospitals, blah, blah, blah, everything will be coming up. So, this is one-off. Vadhavan Port, INR76,000 crores project, 300 million ton cargo handling capability. The project will go on for 5 - 6 years or even more. But that will change the fortunes of entire Western market.

Moderator:

Our next question comes from the line of Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia:

Firstly, I appreciate all the detailing on the expansion plans and also a lot of more disclosures in the regular quarterly presentation. Sir, my first question is on the North market. You shared in the presentation that last couple of years, the peak utilization has been approaching 90%. Any thoughts on how are we looking at over the next 4 to 5 years, given a lot of peers, JK, Dalmia, JSW, all focusing on North in the next leg of expansion. So any analysis, which you can share on our estimates, is there a risk of an oversupply situation gradually building in North given the supply?

Atul Daga:

No, Sumangal, no, I don't think so. And I think the more important from UltraTech's point of view is, we have always grown better than the rest of the industry at a pace higher than the industry. We are confident that our capacity share, which today stands at 28% will go up to 32%-33%, and there's no stopping us there. So UltraTech will continue to gain market share. UltraTech does not see any risk in being able to sell more volumes of cement.

Kailash Jhanwar:

Yes. To further add upon, I think, also it is an overall function if you talk about the capacity utilization where your plants are located actually. Once we'll share you the more details in the next quarterly discussions actually based on our footprint and the location, I think UltraTech would be stand out in terms of the...

Atul Daga:

Yes, I didn't want to say it, Sumangal, but deserts are desserts and city is a city. So, we can discuss later offline, yes.

- Sumangal Nevatia:** Okay. So on the green power mix, we've reached 42%. One is over the next couple of years, where do we settle at? So just want to understand, incrementally, any thumb rule we can kind of use as to what cost is in every percentage increase or something like that to estimate the cost savings?
- Atul Daga:** We will reach about 65% of green power by the end of our current phase of growth. And I've already started disclosing my cost mix. So, when you are reaching 65%, thermal power will come down. You can do an estimation from there.
- Sumangal Nevatia:** Okay. And just one last thing. In the opening remarks, sir, you alluded to some sort of a premiumization benefit out of GST. Can you explain what's the thought there?
- Atul Daga:** So what I believe is everybody has an aspiration, not only for cement, for any other asset. Now if that particular product comes within my striking distance, which I was deferring or not going that part. Now if that asset is within my striking distance, I would definitely want to use that asset.
- Now let's talk about cement. Cement, when a person is building his house, which is once in a lifetime, if that person was not able to buy UltraTech as a premium product, roughly INR30 impact has happened favorably in the hands of the end consumer. The affordability was INR360. There are 2 ways. The person who was wanting to buy at INR360 either will switch down to INR330 for a category B brand or might be incentivized to buy a premium brand at INR360. That's premiumization.
- Moderator:** Our next question comes from the line of Prateek Kumar from Jefferies.
- Prateek Kumar:** I have a couple of questions. Firstly, on premium cement, how do you think the premium segment pricing can pan out over the next 12 months versus the regular product for yourself or for market?
- Atul Daga:** It again depends upon demand. Prateek, if demand is robust and there's a cost pressure also, then obviously, there's an opportunity to push it into prices.
- Prateek Kumar:** And where do you envisage your 33% premium mix going to over the next 12 to 18 months?
- Atul Daga:** I don't have a number immediately, Prateek, take it offline. I don't want to give an ad hoc answer. We can discuss on Monday. I'll share some more highlights.
- Prateek Kumar:** Sure. You have reported like like-for-like growth of 7% for the overall consol operations. How is that split in region-wise? And also, your total 71% capacity utilization for first half, how would that be region-wise?
- Atul Daga:** So if I look at regional capacity utilization, North and, in fact, South are in the 70s and West is in the high 60s and Central and East is low 60s.
- Prateek Kumar:** And what about the volume growth region-wise?

- Atul Daga:** Volume growth region-wise. I think the capacity utilization should be a good parameter for you. I don't have immediately the regional growth numbers.
- Prateek Kumar:** Sure, no problem. One last question on your expansion into Northern markets. So, while some of the capacity appears to be in Central, you are allocating all those capacity to North, like we generally...
- Atul Daga:** I was expecting somebody to ask this question. For us, we split UP and MP into UP East, UP West and MP East and MP West. The Western parts of MP and UP are more North-centric. Because let's take Vikram Cement, which is in Madhya Pradesh, but it is an hour away and you're into Rajasthan. So that is part of our Rajasthan or Northern markets as compared to calling it a Central market. Similarly, Dhar is very suitable for servicing Northern markets. Dadri, which is sitting in Delhi is in UP, but it serves Northern markets. So that is why we look at UP West and MP West in our internal scheme of things as Northern markets. So these, while even if you want to classify them as Central areas, but the output or their distribution is in the Northern markets.
- Moderator:** Our next question comes from the line of Rashi from Citi.
- Rashi:** Just a quick question on Kesoram. The EBITDA per ton that you've given is at INR755, and I understand the first quarter was about INR1,000. So, this entire decline, I mean, barring the realization has got to do with all these maintenance?
- Atul Daga:** Yes, shutdowns, maintenance, that's it.
- Rashi:** But was there any offsetting impact with the improvement in the rebranding to UltraTech?
- Atul Daga:** Obviously, because I have at least INR15 to INR20 delta on pricing between UltraTech and Kesoram old brands. There is an advantage.
- Rashi:** I'm just trying to understand how we think about Kesoram going forward from here.
- Atul Daga:** So my sense is December, I should be back to INR1,000. And once we are completing our brand transition in Kesoram, it should be operating at -- because again, the Kesoram asset while it's in South, but services Mumbai market. The 9-million-ton plant, Sedam plant is closer to the Maharashtra market, so it should enjoy the profitability of the Western markets. Once WHRS and everything is implemented, we will be crossing INR1,000, INR1,100, INR1,200 mark by the end of June '26.
- Rashi:** Got it. And just a bookkeeping question, sir, India EBITDA per ton, which was about INR1,230 in 1Q, is it working out about INR900 in this quarter on a blended basis?
- Atul Daga:** INR966.
- Rashi:** India, all in, as in including Kesoram and India Cements?
- Atul Daga:** That includes India Cements. Also, India Cements is INR386 a ton.

Rashi: So INR966 includes India Cements.

Atul Daga: Then I think you would look at INR914, if that is the number you are looking at.

Rashi: Okay. Got it. And from like spot pricing versus what you had in the second quarter, is it largely stable?

Atul Daga: Pricing in cement prices, coal prices?

Rashi: Cement, cement prices.

Atul Daga: I thought you're asking about cement bag prices. So no, prices are stable.

Rashi: Okay. Do you see an improvement in the cost, the INR100 reversal that you're talking about, offset by higher pet coke prices going forward?

Atul Daga: As I also mentioned, our fuel prices are not going up because we will also have the advantage of coal sales getting knocked off and the maximum benefit without a doubt will be to UltraTech.

Moderator: Our next question comes from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

Pathanjali Srinivasan: Congrats on a good set of numbers. Firstly, I'd like to thank you for giving such a good presentation with this like very good amount of transparency in reporting in terms of numbers with organic and inorganic. It really gives us a good amount of confidence in what you're doing. I have a few questions. First question is this pricing actions post GST, is there any kind of a window or time line for which we're not allowed to increase prices?

Atul Daga: No, there is nothing like that, but prices will go up if there is pressure on cost, if there is a huge amount of demand or if there's a shortage of material, then prices go up. There's no prescription around that.

Pathanjali Srinivasan: Okay, sir. And like just on a quarter-on-quarter, like we have seen a small fall in prices in terms of realization. What are the regions where you would say the impact of this is more?

Atul Daga: So I would say quarter-on-quarter, Central was the most impacted.

Pathanjali Srinivasan: Okay. And when we mentioned about margin profile, what is the margin profile difference be for regular cement versus premium, sir? Because you're saying that premiumization could be something that could play out. I just wanted to figure out what would be the difference?

Atul Daga: But it is very difficult to do -- it becomes a theoretical calculation. So lot of overhead allocation will be done. If we were just doing the contribution analysis, that is different, but EBITDA analysis is very theoretical. So, we don't do that.

Pathanjali Srinivasan: Okay. Got it, sir. Sir, and last question is you had mentioned about like some plants have been dropped in the presentation, and we've also done a little bit of a rejig there. So, is this more of a strategic thing? Or is there any other reason why we've done this?

- Atul Daga:** Strategic. Because when we had started off on that expansion plan, India Cements was not acquired, and we were doing, let's say, a bulk terminal in Chennai. Now we have the grinding unit in Chennai. So, on the contrary, we have decided to increase the capacity of Chennai grinding unit of India Cements and drop our investment in the bulk terminal in Chennai. Now because we are dropping the bulk terminal, the corresponding clinker, which was coming up in Tadipatri, which is Andhra Pradesh, which was going to serve this location, we have dropped the grinding capacity in Tadipatri unit. So what should I say, balancing, no other compulsions.
- Pathanjali Srinivasan:** So in West Bengal, we have dropped a grinding unit I think to some 1 million tons. Any specific thing there?
- Atul Daga:** Because, again, that was rebalancing. We dropped Kharagpur and we have increased our presence in Dankuni. So it's again, locational advantages that we had, net logistics advantage that we could get. That's how we have tried to optimize our capex.
- Moderator:** Our next question comes from the line of Sanjeev Kumar Singh from Motilal Oswal Financial Services.
- Sanjeev Kumar Singh:** Our current CC ratio is around 1.48x. And when we gave the clinker capacity addition schedule, we said that it's based on 1.56x of CC ratio. So, should we assume that gradually we want to increase our clinker conversion ratio to around 1.55x, 1.56x over the next few years? And if we do that, what will be the cost advantages, which we would see?
- Atul Daga:** So, as I mentioned, we will actually reach 1.59 to 1.6 post this expansion, obviously, which means a higher amount of blending will take place. And the current expansion program itself, we had said we will reach 1.54. So obviously, we are focusing on increasing our blending, which helps our sustainability efforts also, and it is cost advantageous as well.
- Just a housekeeping question because of the previous question, which was raised, I think there's a small error in my presentation when we have talked about dropping off 3 assets, there were a couple of assets, which we rebalanced, for example, Dankuni, which was not part of our plan. So instead of Kharagpur, we have gone into Dankuni.
- Sanjeev Kumar Singh:** Secondly, sir, when there has been a drop in or reduction in green energy sales, but we believe that at the same time, there has been some increase in overall GST on coal from 5% to 18%. So, considering that, what kind of cost benefit we would see if considering both these numbers?
- Atul Daga:** GST increase in coal is input tax credit does not impact us. Like when GST on cement has gone down, it does not impact the profitability. Similarly, GST changes in coal does not impact the profitability; however, Cess, which was not allowed as an input, it's a cost, that going down is directly advantageous.
- Moderator:** Our next question comes from the line of Rajesh Ravi from HDFC Securities.

- Rajesh Ravi:** Sir, my question pertains to this clinker expansion, which you are doing. Dalavoi IU, you have mentioned, Tamil Nadu, there is a brownfield expansion of 0.4 million tons in the India Cements. Is there any clinker expansion also expected at that plant?
- Atul Daga:** That's a grinding capacity. India Cements, no, there's no further clinker capacity. But clinker we have enough available in the region to service it.
- Rajesh Ravi:** Okay. And this 22 million tons, your capex cost is less than INR500 crores per ton. So in this, how much is the clinker capacity cumulatively that you're planning to add?
- Atul Daga:** Total about 15.68 million tons. So, 8.04 are 2 specific plants and there are debottlenecking across the regions.
- Rajesh Ravi:** Okay. That is great. And sir, what would be the total capex number for next 2 years on the ongoing projects?
- Atul Daga:** I will have about INR10,000 crores minimum per year, outgo.
- Rajesh Ravi:** Okay, INR10,000 crores. And lastly, you mentioned earlier in the call, due to higher maintenance and advertisement cost in Q2, on a per ton basis, how much of these costs will get reversed in Q3?
- Atul Daga:** Give or take INR100 per ton.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as our last question for today. On behalf of UltraTech Cement Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
- Atul Daga:** Thank you.

Disclaimer - The transcript has been edited for language and grammar; it however may not be a verbatim representation of the call.