



30th January, 2026

BSE Limited
Corporate Relationship Department
Scrip Code: 532538

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

Sub: Transcript of Q3 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 Q3 FY26 Earnings Call conducted after the meeting of the Board of Directors of the Company held on 24th January, 2026, 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

Dhiraj Kapoor
Company Secretary and Compliance Officer

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“UltraTech Cement Limited
Q3 FY '26 Earnings Conference Call”
January 24, 2026

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

Moderator:

Ladies and gentlemen, good evening, and welcome to the UltraTech Cement Limited Q3 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing star then zero on your touchstone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Atul Daga, Business Head and CFO of UltraTech Cement Limited. Thank you, and over to you, sir.

Atul Daga:

Good evening, good afternoon, ladies and gentlemen. Once again, a very warm welcome to yet another call on a Saturday evening for UltraTech for the third quarter results of fiscal '26. Before I begin, let me assure you, we will not make this a habit of spoiling your Saturdays, but this Saturday is worth spending time. Let me get on to the main core topic for discussion, which I have in mind today. Demand, that is the most important aspect for our business. Everything else becomes secondary and falls in line. And as we see the progress, Government's focus on infrastructure is translating into a robust pipeline of new projects nationwide with several marquee investments announced across every region, translating into solid demand. You must have all read about it in the media at different points in time, but let me put a perspective together in one place, region by region.

In the North, Punjab is taking extensive road development initiatives, spending about INR 16,000 crores in its markets. New corridors have been announced in Delhi Metro for about INR 12,000 crores. Uttar Pradesh is developing 1,575 kilometers metro network across major cities. Of course, that goes till 2047, it's a long horizon, multi-city infrastructure pipeline, indicating sustained demand and significant opportunity for cement. Highway projects, continued investment in road connectivity and logistics corridor across the state, like the 4-lane greenfield highway project between a place called Barabanki and Mustafabad.

Let's go to West India. Maharashtra is seeing a significant pipeline of large transport and mobility projects, signaling strong multi-year demand for cement and construction materials. Mega projects like the Uttan-Virar Sea Link, about INR 58,000 crores, Mumbai Metro expansions, Pune Metro multiple lines and road concretization in Mumbai. Center clearance of Pune-Chhatrapati Sambhajinagar Expressway highway spanning 245 kilometers with a particular focus on improving connectivity for rural communities, nearly 350 kilometers of state highways, 2,577 kilometers of rural roads, some rehabilitation initiatives. All of these are going to boost urban cement demand. Expressways and ring roads, Nashik-Vadhavan, Bhandara-Gadchiroli, et cetera, add to further boost for demand. Gujarat's 9 high-speed corridors covering about 800 kilometers are fast tracking connectivity and will add further. Cabinet has approved 2 major highway projects worth INR 20,000 crores plus, Nashik-Solapur and one more, signaling continued momentum in India's integrated high-speed connectivity push under the PM Gati Shakti.

Stepping down into South India. Bangalore is undergoing a major mobility transformation with the metro network set to expand from 96 kilometers to 175 kilometers by the end of December'27. Karnataka government has unveiled an urban infrastructure program which will have longest 40-kilometer twin tunnel, a 41kilometer double decker metro, 110-kilometer elevated corridors. Center has approved INR10,000 crores expansion of 4 key highways measuring about 273 kilometers, which will improve connectivity across Telangana. New Mangalore Port has announced capacity expansion to handle 100 million tons by 2047.

We can't forget the Eastern corridor. West Bengal has its own challenges, but is planning largest road initiatives, about INR8,487 crores program, 15,000 kilometers of rural roads, 5,019 kilometers of urban roads. All this just goes to say that India is developing very fast. Bihar is rolling out 3 major Ganga Road projects worth INR70,000 crores. Digha-Sherpur-Bihta-Koilwar (35 kilometers); Munger-Bariyarpur-Ghorghat-Sultanganj (42 kilometers), Sultanganj-Bhagalpur-Sabour (41 kilometers). So, I'm not advocating or speaking on behalf of NHAI, but this is what the story is surfacing.

Chhattisgarh, Center has approved 774 kilometers roads covering 2,000-plus kilometers under the PMGSY-IV. The state has already completed 8,753 roads and bridges are also under the same phase. Major rail expansion across Maharashtra, Chhattisgarh, Gujarat, MP reflect the scale and diversity of investment underway.

To give you a perspective, roads and highways require approximately 350 to 900 metric tons per kilometer. With thousands of kilometers under construction or planned across all regions, this is going to be huge. Elevated metro requires 11,000 metric tons per kilometer. Underground metro requires anywhere between 17,000 to 19,000 metric tons per kilometer. Railways, 90 to 100 metric tons of cement, ports and airports go up to 50 kgs per square feet.

Housing, if I were to look at low-income housing programs, affordable housing and rural connectivity projects sustained steady demand. With a strong project pipeline, demand for cement will remain very continuous and as strong as possible. Infrastructure is seeing the next big wave of growth. What does that imply - more jobs, more demand for housing and social infrastructure, i.e., schools, hospitals, commercial complexes, office and all. We are present across the country. Just to tell you about our RMC network is about 163 cities, which we are already covering and rapidly expanding. UltraTech is so sweetly positioned to meet the demand like nobody else. We are witnessing unprecedented growth in new avenues like data centers, GCC, renewable energy projects, you name it, and things are happening. As somebody just said, India has arrived. It's the market with a population of over 1.4 billion people, youngest working class and an opportunity across the land bank for development.

At UltraTech, we are fully geared up to capture these opportunities. Our approach remains rooted in disciplined execution, advancing our next phase of capacity expansion while ensuring every investment is backed by rigorous cost control and operational efficiency. In our fourth phase of expansion, large part of orders has already been placed, work has already commenced, and we will be on time. Importantly, we are funding all our growth through internal accruals, maintaining a prudent balance sheet and a healthy leverage profile.

This, combined with our pan-India network and deepening retail footprint positions us to capture incremental demand at a very rapid pace while safeguarding our margins. You would have seen our leverage position this quarter end. On a consolidated basis, we are at 1.08x net debt EBITDA. I believe and I'm very confident that we'll reach the mark of 1x and be in 0.8, 0.9x net debt EBITDA by the end of this fiscal year.

Integration of recent acquisitions is progressing very well with rapid brand transition. Kesoram and India Cements are ahead of the initial plans, with brand conversion at Kesoram having reached 69% in December '25. And today, if we speak, it must have crossed further. India Cements has already crossed 58% at the end of December '25. For both these assets, we have begun our cost improvement capex program, which will result in benefits and will start reflecting in the P&L of January-March '27. At Kesoram, we have already spent INR263 crores, out of the commitment of about INR382 crores. At India Cements, we have committed already INR601 crores and spent INR144 crores on the program.

Talking about capex, the other initiative, cable and wires is progressing as per plan. About INR500 crores worth of orders have already been placed. We have spent INR197 crores. 30% of the planned team is already onboard, civil work has started, and we are on schedule to see the launch of our product in the October-December '26 quarter as was committed earlier.

Talking about our efficiency improvement program, we continue to deliver solid and measurable results. In fact, now I am very confident that we should be doing better than what we had committed. We shall give an exact quantification and financial impact with our annual results for the year. However, you would have noticed the lead distance has dropped to 363 kilometers. The clinker conversion factor has improved to 1.49.

The most important factor, I believe, for us is to have a strong demand pipeline. And you will notice that January-March quarter, God willing, we will operate at more than 90% of our existing installed capacity, clearly demonstrating growth in the trade markets as well as non-trade markets. If the demand is good, everything else falls in line. Ultimately, it is about the bottom line where it comes from, doesn't really matter.

Quite often, everybody is focused on cement prices, which has remained subdued post GST change. Last week of September, October, November saw some softening prices. But with growing demand, we are witnessing improvement in prices in all segments across the country. There have been cost increases in the cost of pet coke and coal, new labor code will have its own impact, rupee depreciation. All these will have an impact on the cement industry. And obviously, there is reason to pass on these cost escalations into prices.

We are very confident of a very bright future for the next quarter and after that quarter and after that and after that. That doesn't mean I'm restricting myself to a fiscal '27, but the story is far longer. As India embarks on the next decade of development, UltraTech is proud to play a pivotal role in building the nation's future. We remain confident that our strategic initiatives in building capacities across the country in critical market locations, coupled with sector's positive outlook, we will continue to deliver growth faster than the industry. And we welcome all of you to participate in our journey. Don't miss the bus. Thank you, and over to you for questions.

Moderator: Thank you very much. The first question is from the line of Amit Kumar Murarka from Axis Capital. Please go ahead.

Amit Murarka: Congratulations, Mr. Daga, firstly, for a great result. I don't think anyone expected both volume and the margin beat actually, which is quite heartening to see. Just on pricing, wanted to get a sense from you, like there is a lot of industry capacity addition that is going to come through this year. What do you think industry's stance will be in this kind of a high expansion scenario?

Atul Daga: The reason I talked about all the demand footprint and demand new initiatives, I think cement will easily get absorbed. And if the demand remains strong, we will not see any problem in prices.

Amit Murarka: Understood. Sure. And just also on India Cements, like in Q3, I see that the EBITDA per ton was about INR400. You had earlier guided for INR1,000 exit in Q4 '27. So, most of this improvement will be through cost? Or will there also be some pricing required to achieve that.

Atul Daga: So, what will happen is the brand conversion, which has already taken place. Actually, had the brand conversion not taken place, the performance would have not been where it is today. Balance almost 40% or 45% of brand conversion has to be completed and prices are going up in the southern markets as well. Further, as I called out, the capex program has begun for efficiency improvement. So, we have to have all the players playing the match in a positive manner - prices, efficiency improvement and capacity utilization. All of them will deliver as planned.

Amit Murarka: Understood. Yes. And lastly, just if you could give the CC ratio for the quarter.

Atul Daga: 1.49.

Moderator: We have the next question from the line of Pulkit from Goldman Sachs.

Pulkit: And I echo Amit's views that these are good numbers. And on a lighter note, your opening remarks sounded a lot like the budget speech. But sir, I don't see the capacity addition plant-by-plant guidance for Q4 and for the next 2 years. Just the numbers around how much capacity would be added in Q4, how much in FY '27 and FY '28, that will be helpful.

Atul Daga: So, we should have approximately 8 to 9 million tons more coming in this quarter. And the balance, 12 million tons in fiscal '27 and then balance remaining will be in '28.

Moderator: We have the next question from the line of Jashandeep Singh Chadha: from Nomura.

Jashandeep Chadha: Congratulations on a great set of numbers, sir. And I must start by saying that the information and detail that you gave on the project is much better than most of the department who are actually working on those projects, I must say. So, my first question is you have covered most of the demand aspect and in a lot of detail?

Just wanted to shift the focus on rural demand. How has rural demand recovered in third quarter? How are you seeing in the fourth quarter? And what are your expectations for the year ahead? And just related to that, any expectation from the budget for the cement sector or anything?

Atul Daga:

The last question first, I won't comment on that. Rural demand, simple way to look at rural demand is look at our trade ratios. If our trade ratios remain strong, rural demand is equally buoyant. We are not witnessing any depression in rural demand. Q4 also will be solid is what my expectation is.

Jashandeep Chadha:

Understood, sir. And sir, on the cost saving front, UltraTech has given a target of INR300 to INR350 per ton over the next couple of years. I understand it's very difficult to tell the details quarter-by-quarter, but if you can give us the sense how much of this has been realized? And how much of that will be coming in the coming quarters?

Atul Daga:

So you're asking 2 things in the same question. First, you are saying it is difficult to quantify and then you are saying quantify. So please have mercy. No, it's very difficult and it's not logical, Jashandeep, because July-September quarter will be weak, so costs can go up. January-March will show extraordinarily high delivery. So, it is best to see the results on an annual basis. Now to give you directions on how things are moving, and we had given our program with item details and with the targets. I recall we had mentioned with the base of 400 kilometers of lead, a 25-kilometer lead reduction, which would have taken us to 375 kilometers. We have already reached 363 kilometers. So, it's not only the lead distance, which helps, there is a lot of other initiatives which the team is taking, which helps to take efficiency improvement. Similarly, we have taken a target of clinker conversion factor of 1.54. We are moving on that direction. In 1.54, we have reached INR1.49. So, you can do your own math, but it will be best that we do this math at the end of the year. All I can say is we are moving and in line with the target set. Last year, full year, on those quantified measurable targets, we have delivered INR86 per ton. My guess is we should be crossing INR100 mark on those efficiency improvement programs in this financial year. Jhanwar-ji, you want to add.

K.C. Jhanwar:

Yes, I think Atul has already explained because it's not item-wise see, we have moved from clinker conversion from 1.45 to 1.49, and we are still away from our target actually. And if you talk about the renewal energy, our renewal energy has gone to almost 41% kind of thing, and it is further likely to go to 60% going forward actually.

So, I can say that fundamentally, we are by and large, on track because quarter-to-quarter, we have seen in 1 quarter because of the cyclical nature of the industry, we may be up and down. But year as a whole, I think we are very much on the right track.

Atul Daga:

Thanks, Jhanwar-ji.

Jashandeep Chadha:

Just one last, if I can squeeze in. Any impact of increasing input costs you are seeing in fourth quarter?

Atul Daga:

You tell me where the dollar will be in fourth quarter. So it's very difficult, but I think we are managing our middle line very well. You would have seen our fuel costs have remained at INR1.8 per kcal in this quarter. I don't expect the cost to go up. Raw material costs are already matured. These are the 2 big cost items, maintenance costs, which spikes typically in July, September will be normal maintenance costs in January-March quarter.

Jashandeep Chadha:

Understood, sir. I'll join back the queue.

Atul Daga: Thank you.

Moderator: We have the next question from the line of Rahul Gupta from Morgan Stanley.

Rahul Gupta: Again, sorry to echo again, a very good set of numbers. You talked about cost inflation and improved demand will support cement prices from here on. Now it looks like the infra demand is coming back, which should drive low pricing non-trade segment higher. Does that mean that even if cement prices move up, realization may remain under pressure over the next year or so? Any color on this will be very helpful.

Atul Daga: So firstly, Rahul, I like the echo that you talked about. Always good to hear good performance from as many people. Coming to your first question, even if infra demand is going, non-trade prices will also harden. So, I don't see any reason why there should be any problem. In fact, if you go back 2 or 3 quarters, the gap between non-trade and trade prices had narrowed dramatically. Rahul, are you there? Hello?

Rahul Gupta: Yes, yes. No, this is very helpful. I don't have any other questions.

Atul Daga: Thank you.

Moderator: We have the next question from the line of Pinakin Parekh from HSBC.

Pinakin Parekh: Sir, again, many congratulations, very good number. We understand that demand and pricing both have improved in January. But to go back to what happened in the December quarter. Now we understand that in the last 2 years, there have been multiple acquisitions done in Southern India, you and other industry players, expectations of Southern India pricing seeing more stability with upward bias, but somehow that has not taking place. What in your view needs to change in industry dynamics in South for pricing to be more stable with upward bias?

Atul Daga: More demand. I think demand is opening up, and I stand by my statement South will be new north. That doesn't mean North is going away anywhere. North is stronger and stronger. South is witnessing large institutional demand, the Amravati City project, which is going at its breakneck pace, the IT complexes. Complexes which are coming up, data centers which are coming up, which are so cementitious in nature, highways, et cetera, that we have talked about. And the young population in these IT hubs will demand more housing and more social infrastructure. So, I'm not talking about 1 quarter, Pinakin, but as we as strategic players are looking at a long-term stability and reliability of the sector.

Pinakin Parekh: Got it, sir. Sir, just to follow up in your view and given what the position UltraTech is at, if finally, the institutional demand, as you highlighted, starts coming up in a big way in Southern India, can 2026 see a break in terms of South India's historically volatile cement pricing? Or do you see this as something evolving more over the next 2, 3 years?

Atul Daga: I think '26 will be a fabulous year.

Moderator: We have the next question from the line of Ritesh Shah from Investec.

Ritesh Shah: Good numbers, congratulations. Sir, 3 questions. One is, would you be able to spell out industry demand growth for Q3 and 9 months?

Atul Daga: Don't hold me to it, but we would expect anywhere between 9% to 10% all-India demand.

Ritesh Shah: Sir, would you speak for Q3?

Atul Daga: I was talking about Q3 literally.

Ritesh Shah: Yes, yes. And sir, for 9 months?

K.C. Jhanwar: For the year as a whole must be about 7.5% kind of thing.

Atul Daga: 6.5 % to 7%, 9 months.

Ritesh Shah: Sure. Sir, my second question is, basically, if you could provide some detail around sourcing of fly ash and slag. What is the sort of nature of contracts that we have on tenure and how is the pricing that's trending?

Atul Daga: So, one is there's enough new supply coming up. Power plant capacities are going up, steel plants are coming up. And we have a mix of long-term, short-term domestic and import sourcing, fully secured.

Ritesh Shah: Sir, so putting this demand aside, if we had to improve a clinker factor, is there any limiting factor?

Atul Daga: No. No, none whatsoever.

Ritesh Shah: Okay. And sir, when you say imports, it means imports for both fly ash as well as slag?

Atul Daga: No, slag.

Ritesh Shah: Only slag, okay. That's helpful. Sir, third question on India Cements. Anything on non-core asset sale? And any thoughts on merger, basically simplifying the structure? Any time lines around that?

Atul Daga: Noncore there are land parcels essentially. We just sold off the coal mining company in Indonesia. The monies have been realized, and that's how you see the debt remaining under control. There are a couple of big land parcels, which we are discussing with potential buyers. I would expect further generation of up to INR500 crores minimum, which we should be able to get. We are now getting into, exploring the legal options in terms of there's an ED case, which is attached to the company, the assets of the company are also attached. There's a property in Hyderabad and some financial securities, which are attached. We are seeking legal opinion what will be the implications of that case, and then only we'll take a decision further.

Ritesh Shah: Sir, just a follow-up over here. I think just correct me if I'm wrong, for India Cements, you had indicated INR144 crores spend out of INR601 crores, are those numbers right?

Atul Daga: Correct.

Ritesh Shah: Okay. And sir, when we say non-core asset sales, incrementally, it's INR500 crores. And what has been realized so far?

Atul Daga: Close to INR200 crores or INR250 crores. I'll give you exact number. That's a very easy number. If I can't give it on the call, you can reach out to, Ankit, later.

Moderator: We have the next question from the line of Satyadeep Jain from AMBIT Capital.

Satyadeep Jain: Just one clarification question on the capex. Mr. Daga, you mentioned having 12 million ton next year and balance in '28. Just wanted to clarify the phased 22 million tons that you've announced, all of that is likely to get commissioned in FY '28 given you've already placed orders?

Atul Daga: Yes, please.

Satyadeep Jain: Okay. Nothing still. As of now, you're not expecting anything to spill over into FY '29?

Atul Daga: No, '29 is too far.

Satyadeep Jain: Okay.

Atul Daga: At best a delay by a quarter. Some project will get preponed and some project could push over to the next quarter at best.

Satyadeep Jain: Okay. Maybe in the next one, is it possible like historically, you used to have this quarterly projection for when you expect capacities to commission for the next one that you have since you already have what...

Atul Daga: Sure. We'll send it.

Satyadeep Jain: And on the power cost, I see your captive power cost has been declining each quarter. Just what is driving that?

Atul Daga: No, that is the average cost of power. So, capex on the power, which has gone from INR7.1 crores to INR6.5 crores. Look, fuel efficiency is the only reason which I could think of, nothing more.

Moderator: We have the next question from the line of Ashish Jain from Macquarie.

Ashish Jain: Sir, my first question is like all the demand...

Atul Daga: My first question to you, Ashish, how are my numbers?

Ashish Jain: Numbers are fantastic, sir, a lot of people have spoken about this, sir.

Atul Daga: Okay.

Ashish Jain: No, no, numbers are fantastic without doubt it. So, sir, like given most of the drivers you spoke about, are all infra-led demand, right? And so, can we see a change in mix moving from PPC to OPC, you think that will happen in the next 3, 4 years in the industry?

Atul Daga: In fact, what we could see is intra demand converting to non-OPC also. There's a lot of strong advocacy happening, and there is a gradual conversion. You will know that most of the institutional players do the conversion or mixing at the project site. So instead of we doing it, some of them have started adopting and accepting the product from the cement manufacturer.

RMC, it's about 3% of our total volumes of cement and growing rapidly, where it is getting consumed, large portion goes to institutional markets. Bulk cement is going up significantly, which will help the institutional market, gives us better margins, price remaining the same margins improve. So that's very important.

Ashish Jain: Sir, sorry. But in fact, that was the context of my question that if on-site blending is going up, can it mean that...

Atul Daga: No, it's going down.

Ashish Jain: Okay. Okay. Because of RMC I think but...

Atul Daga: That is what I talked about advocacy and there is a conversion happening, slowly it's happening.

Ashish Jain: Right. Yes

Atul Daga: Okay. Hello? Are you there? I think he lost the connection, take the next person, please.

Moderator: Yes. We have the next question from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: I have 2 questions, sir. Sir, first, can you highlight what is the spot pet coke price versus the booking levels in 3Q?

Atul Daga: Around 118, 117.

K.C. Jhanwar: 118, 119, ranging in the trend.

Indrajit Agarwal: Sure. This is helpful. And second, in 3Q versus, let's say, a 3% kind of price decline sequentially, how would you split it between trade and nontrade? Was non-trade drop much sharper?

Atul Daga: Non-trade was sharper.

Moderator: We have the next question from the line of Raashi from Citigroup.

Raashi: Sir, just continuing on the pricing question, where are we on pricing versus 3Q at the moment?

Atul Daga: I think we are roughly INR3 to INR4 on a naked cement realization basis up. If naked cement realization is up INR3 to INR4, prices are up, it's somewhere around INR6 to INR8. Are you there?

Raashi: Yes, what I'm trying to get to is that you also made a comment, of course, on demand, but on that you will be able to pass on the higher cost impact in the form of better pricing.

Atul Daga: I think what is happening is, I'm sold out. What do I do? So obviously, if I'm in a sold-out position, I have to service my highest paying customer.

Raashi: Understood. Fair enough. Okay. Got that. Again, on the capacity, is it possible to just for India Cements capacity, what would be the number by the end of '26, '27 and '28 in the asking. Sorry, I didn't mean India Cements, I meant your Indian capacity not of India Cements.

Atul Daga: 235 by FY fiscal '28.

Raashi: Fiscal '26 and '27, if you have the number?

Atul Daga: '26 should be 198, 199 and then 12 more million tons in towards '27, yes. We missed that chart, we'll circulate that chart separately.

Raashi: Got it. And just on Kesoram in the second quarter, you had indicated the EBITDA per ton was INR755, what is that number in this quarter?

Atul Daga: Would be around INR600 this quarter.

Raashi: And the full rebranding is still maintaining June '26, okay for now?

Atul Daga: We should be doing it in time. Because we have already crossed the 70% mark for Kesoram as we speak. And India Cements also, we have crossed around 55%. I don't remember the exact number, but every day is a new high.

Moderator: We have the next question from the line of Siddharth Mehrotra from Kotak Securities.

Siddharth Mehrotra: Congratulations for a great set of numbers. Sir, just wanted to understand, given the strong volume growth we've witnessed this quarter, what is your approximation of UltraTech's market share going for this quarter? And sort of where do you sort of aspire to be, say, 2 to 3 years down the line?

Atul Daga: I wouldn't know a number on market share, but if you see that we have been growing or our capacity utilization has been higher than the industry, then obviously, there is a gain in market share also. There's no published data available to capture that number realistically. And going forward, I expect to see the same trend. As for aspiration, there's no aspiration. I think we are looking at how India is growing, where the growth opportunity is, and we will keep growing with India's growth story.

Siddharth Mehrotra: Got it, sir. And just coming back to consolidation, do you think there are additional targets which you would want to sort of look at just from a consolidating point of view so that you have better control on perhaps the industry dynamics as well? Are there any potential opportunities still under consideration, so over the next 1 or 18 months?

Atul Daga: It's highly opportunistic. We would love to examine opportunities if they come to the table.

Siddharth Mehrotra: Okay. But nothing is in progress as we speak? Okay, sir, then that's it.

Atul Daga: Thank you.

Moderator: We have the next question from the line of Harsh Mittal from Emkay Global Financial Services.

Harsh Mittal: So, my first question is that what has been the clinker capacity additions till date in FY '26? And what will be the addition in quarter 4, this ongoing quarter?

K.C. Jhanwar: Yes, we have added 2 lines actually one is almost 10,000 TPD, yes, and translate into almost 3.5 million tons per year. And another one more line of 3.5 million ton in Rajasthan.

Atul Daga: That's 7 million tons of capacity. One in Nathdwara and one in Maihar.

Harsh Mittal: Sure. Sir, second question is what is the premium share this quarter? It's not been there in the PPT?

Atul Daga: We missed that. Premium share is 36%.

Harsh Mittal: Okay.

Moderator: We have the next question from the line of Andrey Purushottam from Cogito Advisors.

Andrey Purushottam: Congratulations on great set of numbers. And I wanted to ask, when I was going through the presentation, I found that your EBITDA is up considerably. But your costs, some have gone up, some have gone down, right? Your raw material costs have gone up and your fuel and logistics costs have gone down. Now given that your net realizations are also slightly lower, can one assume that the increase in EBITDA is almost entirely out of operating leverage? And if that is the case, if you're adding 8 million and 12 million tons capacity in the next quarter/next year, respectively, what can we see as the trajectory and the effect of operating leverage going forward? Could you just lend some color on that?

Atul Daga: So operating leverage, obviously, will keep on playing a positive impact on efficiency improvement. Prices were a dampener on the profitability, but volumes, which gave me operating leverage and cost management, very efficient and tight cost management. Of course, you cannot manage all the line items of cost, but the management team's focus always remains on running a very tight P&L. So that's what is reflected in the performance in the quarter.

K.C. Jhanwar: And the third one you asked about the raw material pricing. It's obviously, the clinker conversion ratio has improved. So, the raw material price will definitely increase, but the benefit we will get partially in the power and fuel side.

Andrey Purushottam: Okay. So, we basically should see an increase in EBITDA per ton over the next 15 months?

K.C. Jhanwar: Definitely, without a doubt.

Andrey Purushottam: And would there be a numerical guidance that you would be able to provide in the range.

K.C. Jhanwar: No, we don't give guidance.

Andrey Purushottam: Okay.

Moderator: We have the next question from the line of Girija Ray from YES Securities.

Girija Ray: Congratulations. This is a superb number I can say, which is beyond market expectation. So, sir, my question is related to employee cost. Is this a one-off for this quarter? And second question, can I expect INR1,100 to INR1,200 kind of EBITDA per ton for fourth quarter?

Atul Daga: To your second question, we will do much better than what we did this quarter. I don't want to get into any specific number. And 916 employee cost going up Y-o-Y because what happens is our annual compensation increases that take place and new plants, of course, new capacity getting added. That is what will reflect in this cost. What you ideally should compare, if you look at Q2, you will not see dramatic movement.

Girija Ray: Okay. And thanks for saying that fourth quarter, we'll be doing a very good EBITDA per ton. That's all from my side, sir.

Atul Daga: Thank you.

Moderator: We have the next question from the line of Navin Sahadeo from ICICI Securities.

Navin Sahadeo: Of course, congratulations on the robust volume growth that you have demonstrated. Two questions. One is your other operating income, just the difference between the net revenues and net sales that you report. Sequentially, it has got increased by almost about INR88 crores. And this was also the first wherein quarter in the incentives would have likely dropped on a pro rata basis in the sense, if earlier we got incentives at 28%, now we get at more like 18% on a base. I'm just comparing. So, is there anything one-off that we got in this particular revenue item?

Atul Daga: So, Navin, what happens is that new incentives kick in, sometimes old incentives get exhausted. Case in point, our Dhar line 1 got exhausted, whatever was the balancing quantum of money left and Dhar 2 kicked in. Then also a bigger thing and very difficult to show a trend line is volumes moving from the plant to which market. Depending upon the concentration of demand in the local market, the incentives will go up or down.

Navin Sahadeo: Helpful. My second question was on India Cements. And of course, the company has done a remarkable performance there on the cost front. This quarter, in particular, the freight cost flipped, I would rather say, plunged significantly, almost 27% plus quarter-on-quarter on a per ton basis. So, wanted to understand, is this the new normal because a higher brand transition has happened, so you can sell in a lower lead catchment area? Or this is anything one-off? That's my question.

Atul Daga: Yes. So, it's a combination. And obviously, when brand transition gets completed fully, you will see the real benefit. New footprint will also get captured. So, this is not a one-off. We're ready to go down further. Difficult for me to say at this juncture. Perhaps we will talk about it in April-June quarter.

Moderator:

We have the next question from the line of Shravan Shah from Dolat Capital.

Shravan Shah:

Congratulation on strong volume growth. Most of the questions answered, a couple of clarifications and questions. So first, 9-month capex, what was the number? And for full year FY '26, '27, '28 previously, we said INR10,000-odd crores. So that guidance remains intact?

Atul Daga:

INR7,000 crores to INR7,200 crores is 9 months and yes INR2,000 crores to INR2,500 crores will get spent in this quarter. So anywhere around INR9,500 crores, INR10,000 crores.

Shravan Shah:

Got it. And sir, in the next year, FY '27, when we say 12 million tons we want to add, any ballpark idea in terms of 1H FY '27, will it be a 5 million, 6 million tons that we will be adding?

Atul Daga:

You want me to tell you what date will we be commissioning and at what hour we will start the shipment, give us that flexibility to commission as fast as possible, Shravan, don't hang me for exact number or exact period.

Shravan Shah:

No, no, I'm saying. 1H FY '27, in this -- so in the first 6 months of FY '27, will it fair to assume 5 million, 6 million tons we will be adding?

K.C. Jhanwar:

4 million to 5 million tons, but it all depends, as you know, Shravan, because there are multiple moving parts. So sometimes things get delayed and kind of thing. But yes, I can guess maybe 4 to 5 million tons.

Shravan Shah:

Okay. And in terms of the demand for fourth quarter of this quarter, FY '26, will it 7% to 9% that we are expecting? And for next 4, 5 years, normally what we guided in corporate 7% to 8%. So that number remains intact.

Atul Daga:

That remains. That remains, Shravan.

Shravan Shah:

And then for this quarter, fourth quarter, would it be a 9%, 10% or 7%, 8%.

K.C. Jhanwar:

No, I don't think. 9%, 10% may be a little optimistic, but difficult to say because the last year base itself was, all we know is the good base. But yes, all I think it is going to be the robust demand actually.

Shravan Shah:

Okay. Got it. And this 1.54 CC ratio target, that is by FY '27, we are looking at?

Atul Daga:

In the middle of FY '27 and FY '28, when we complete the previous phase of expansion between FY '27, FY '28.

Shravan Shah:

And the green share from currently 42% to 60% by FY '27, we will be reaching?

Atul Daga:

Yes. So '27 or first half of '28, so just giving us a flexibility of some delays.

Shravan Shah:

Okay. And last a clarification, in terms of price, when we said INR3 crores, INR4, price hike would have already happened versus third quarter of average, though this is including trade non-trade put together?

Atul Daga: Average, yes.

Shravan Shah: Okay. All the best.

Atul Daga: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, as there are no further questions from the participants. That concludes the question-and answer session. On behalf of UltraTech Cement Limited, that concludes this conference. Thank you for joining with us today, and you may now disconnect your lines.

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