



Date: 27<sup>th</sup> May, 2026

To,  
**The Listing Department,  
National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G  
Bandra Kurla complex, Bandra-East  
Mumbai-400 051

To,  
**The Listing Department  
BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001

**Symbol : STARCEMENT**

**Scrip code: 540575**

Dear Sir(s)/Madam(s),

**Sub: Transcript of the Conference call for Audited Financial Results for the fourth quarter and year ended 31st March, 2026**

In terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Transcript of the conference call with Investors and Analysts held on 26<sup>th</sup> May, 2026 for Audited Standalone & Consolidated Financial Results for the fourth quarter and year ended 31st March, 2026.

The same shall also be available in website of the Company at <https://www.starcement.co.in/earnings-call#main>

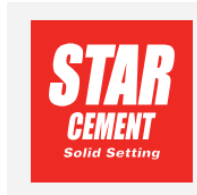
This is for your information and record.

Thanking you,  
**For Star Cement Limited**

**Debabrata Thakurta  
Company Secretary  
(M. No.: F6554)**

*Encl. as stated.*

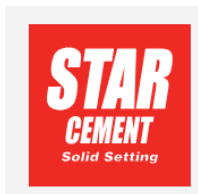
**STAR CEMENT LIMITED**



**PhillipCapital**  
Your Partner In Finance

“Star Cement Limited  
Quarter and Year Ended 31st March 2026 Earnings  
Conference Call”

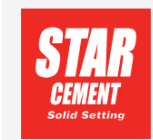
May 26, 2026



**PhillipCapital**  
Your Partner In Finance

**MANAGEMENT: MR. TUSHAR BHAJANKA – MANAGING DIRECTOR  
– STAR CEMENT LIMITED  
MR. MANOJ AGARWAL – CHIEF FINANCIAL OFFICER  
– STAR CEMENT LIMITED**

**MODERATOR: MR. VAIBHAV AGARWAL – PHILLIPCAPITAL INDIA  
PRIVATE LIMITED**



**Moderator:** Ladies and gentlemen, good day, and welcome to the Earnings Conference Call for the Quarter and Year Ended 31st March 2026 of Star Cement hosted by PhillipCapital India Private Limited. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital India Private Limited for opening remarks. Thank you, and over to you.

**Vaibhav Agarwal:** Yes. Thank you, Ryan, and good evening, everyone. Sincere apologies for the delay due to some connection issues. On behalf of PhillipCapital India Private Limited, we welcome you to the Q4 and FY '26 call of Star Cement Limited. On the call, we have with us Mr. Tushar Bhajanka, Managing Director; and Mr. Manoj Agarwal, Chief Financial Officer at Star Cement Limited.

I would like to mention on behalf of Star Cement Limited and its management that certain statements that may be made or discussed on today's conference call may be forward-looking statements related to future business developments and anticipated company outcomes by its management. Such statements stated on today's call would be based on Star Cement's current management expectations, and these statements are subject to a number of risks, uncertainties and other important factors, which may cause the actual developments and results to differ materially from the statements made. Star Cement Limited and the management of the company assumes no obligation to publicly update or alter these forward-looking statements, whether as a result of new information or future events or otherwise.

I will now hand over the floor to the management of Star Cement for the opening remarks, which will be followed by interactive Q&A. Thank you, and over to you.

**Tushar Bhajanka:** Hi, good afternoon, everyone. My name is Tushar Bhajanka, and I'm the MD of Star Cement. I welcome you all to the conference call of FY '26 quarter 4. I would like our CFO, Mr. Manoj Agarwal, to give his remarks regarding the numbers, and then we can start with the Q&A.

**Manoj Agarwal:** Yes. Thank you. Hi, friends. Very good afternoon. I, on behalf of Star Cement Limited, welcome you to our con call for discussing our number of Q4 ending FY '26 and for the financial year '26-'27.

Now I will just take you through the Q4 numbers followed by the financial year numbers. Starting from clinker production, during the quarter ended March 2026, we have produced 11.59 lakh tons of clinker as against 11.38 lakh tons same quarter last year. So far as cement production is concerned, we have produced 16.45 lakh tons this quarter as against 14.79 lakh tons same quarter last year.

Now I will take you through sales volume. During the quarter, we have sold 16.18 lakh tons of cement and 1.15 lakh ton of clinker as against 14.75 lakh tons of cement and 0.57 lakh tons of clinker in same period last year. This is as far as cement and clinker sale is concerned.

As far as geographical distribution of cement is concerned, in Northeast, we have sold around 11.27 lakh tons as against 11.02 lakh tons during same quarter last year. And as far as outside

Northeast sale is concerned, we have sold 4.91 lakh tons of cement this quarter as against 3.74 lakh tons same quarter last year. In terms of blend mix, it is 18% of OPC and rest is PPC. These are the quantitative numbers of the quarter.

Now I will take you through to the financials. The total revenue figure for this quarter is around INR1,174 crores as against INR1,052 crores same period last year. As far as EBITDA figure is concerned, this quarter, we have done an EBITDA excluding exceptional item, it is around INR324 crores as against INR268 crores last year.

Profit after tax is INR147 crores as against INR123 crores in the same period last year. On per ton EBITDA front, it is INR1,871 during this quarter as against INR1,748 per ton same quarter last year. This is what our quarterly number of fourth quarter.

The total revenue figure for full year is around INR3,776 crores as against INR3,163 crores in last year FY '25. As far as EBITDA figure is concerned, during FY '26, we have done an EBITDA excluding exceptional items of around INR955 crores as against INR589 crores last year. Full year profit after tax is INR390 crores as against INR169 crores last year. On per ton EBITDA front, it is INR1,738 during FY '26 as against INR1,245 per ton in FY '25. These are the quarterly and full-time numbers.

Now I request all of you if you have any query, you can ask the same, and I will request Vaibhav to moderate the same wherever required. Thank you. Vaibhav, now it's over to you.

**Moderator:** Thank you. We take the first question from the line of Harsh Mittal from Emkay Global Financial Services. Please go ahead.

**Harsh Mittal:** So, I have multiple questions today. And firstly, congratulations on a great set of results. The first question is on the volumes for FY '26, [inaudible 0:06:03] upper end of 5.5 million tons. Any guidance [inaudible 0:06:09].

**Moderator:** Harsh, I'm sorry to interrupt you, but your audio is not clear. Could you please use your handset? Harsh, I would request you to please join back the queue once your audio is clear.

**Harsh Mittal:** Hello, am I audible now?

**Moderator:** Yes. Now, you are.

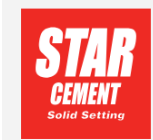
**Harsh Mittal:** So, congratulations to the team for a great set of results. I have multiple questions today. My first question is on the volumes. So, we have achieved the upper end of the guidance, which we have given last year of 5.5 million tons in FY '26. Any fresh guidance for -- any new guidance for FY '27, sir?

**Tushar Bhajanka:** What we are looking for in the coming year is about 10% to 12% growth. So, I think that is what we are expecting. Yes, so I think it should be -- the volume that we did, which is about 5.3 million and 10% to 12% growth on that.

**Harsh Mittal:** And how is the current demand scenario in April and in May? Is it supportive of the run rate? I know it's too early, but how is the current scenario, sir?



- Tushar Bhajanka:** So, the current scenario right now, because of April, there was elections in April and May in Assam and also West Bengal. So, I think the demand was a bit sluggish because of that. I think we do see a pickup in May. April was a bit sluggish. So, it's -- like what you said, I think it's too soon to probably predict how the year would go. And it really depends on how June also goes, right? So, I think we'll probably be able to give a better estimate of how the overall numbers will turn up in the next quarter once we've seen 4, 5 months, I guess.
- Harsh Mittal:** Sure, sir. Sir, my second question is on the incentives. So, we did see certain reduction in the incentive for quarter 3 and quarter 4, given the cut in the GST rates. Can we extrapolate the quarter 4 incentive accrual for full year FY27?
- Tushar Bhajanka:** So, I think the overall subsidies in FY27 would reduce by about INR40 crores to INR50 crores quarter compared to FY26. So, I think on an absolute level, that's what we can expect. And then it will, of course, have its own per ton EBITDA impact on profitability.
- Harsh Mittal:** So, in absolute numbers, can we say around INR160 crores to INR170 crores in FY27?
- Manoj Agarwal:** So current year, we have done INR184 crores of subsidy. So what Tushar ji is saying INR40 crores to INR50 crores, somewhere in the INR145 crores to INR150 crores sort of thing you can estimate for the coming year.
- Harsh Mittal:** INR140 crores to INR150 crores, am I right?
- Manoj Agarwal:** Yes.
- Harsh Mittal:** Also, sir, are we sticking to our capex guidance of INR500 crores to INR600 crores in FY27 and INR1,000 crores in FY28 or is there any upside risk to this given that we want to commission?
- Tushar Bhajanka:** Yes. So, I think right now, what we're doing is that we are -- we have applied for our ECs and all the permissions and we are acquiring land right now in Nimbol in Haryana for a grinding unit and also in Bihar for a grinding unit. So, I think in October around, we should be complete -- we should be able to complete our approvals as well as the land acquisition in these three places. And then we will start our capex. So, I think the estimate for FY27 will be about INR600 crores to INR700 crores given we follow these timelines.
- Harsh Mittal:** And in FY28, sir?
- Tushar Bhajanka:** In FY28, I think the estimate would be about INR1,500 crores.
- Harsh Mittal:** INR1,500 crores. Right. Okay. Sir, last question before I fall back in the queue. We have seen an increase of INR240 crores odd in the noncurrent investments. So, what could that number be?
- Manoj Agarwal:** Yes. Harsh, that was because the bond. This is a liquid asset sale. But as per the IndAS, we have to show it as a noncurrent asset. But these are all the liquid assets less than 1 year -- realizable less than 1 year.
- Harsh Mittal:** Okay. Got it. Thank you. I will fall back in the queue.



**Moderator:** Thank you. We take the next question from the line of Hardik Goyal from Union Mutual Fund. Please go ahead.

**Hardik Goyal:** Hi, sir thanks for this opportunity and congrats on good set of results. Sir, a couple of questions. So firstly.

**Moderator:** Hardik, I'm sorry to interrupt you there.

**Hardik Goyal:** Hello, it is better now? Hello?

**Moderator:** Yes, Hardik. Please go ahead.

**Hardik Goyal:** Yes. So, sir, on the cost front, we have seen that there is an industry-wide impact of increasing fuel costs. But how immune are we to the increasing fuel cost due to our agreement of coal purchase with Coal India and less dependency on pet coke and other prices?

**Tushar Bhajanka:** So, I think right now in quarter 1, we would see an increase in the fuel cost. I think that is mainly because not -- I think it's both I think the cost increase in the fuel and also the shortage because all the rakes right now from the railways has been diverted to the power plants thermal plants. So, I think the availability of coal is in short supply and I think that is leading to the increase in the price of coal as well.

So, I think there would be an impact of, I think, about INR0.10 to INR0.15 per GCV cost in coal. I think that should be a short-term increase. I don't think it should be a long-term structural increase, but there will be increase because of all the rakes being diverted and then we have to arrange coal from elsewhere and then that increases the cost. But that should be probably quarter 1, quarter 2, and then I think it should again come back to where it was in quarter 3, quarter 4 onwards.

**Hardik Goyal:** Also, sir, on your expansion end, what is the priority right now in the Bihar, Nimbol and Haryana? And for the Bihar unit, what is our expected timeline and will we source the clinker from the Meghalaya unit only for the Bihar plant?

**Tushar Bhajanka:** Yes. So, I think our timeline for the Bihar plant is roughly about 2 years from now. This includes the land acquisition and then putting up the Greenfield. The clinker would be going from Meghalaya itself. What we are planning to do is that we have a Silchar unit, which also has a railway siding, which is about 67 kilometres away from our clinker plant. We will send the clinker to the Silchar railway siding and we'll load our clinker from there and we'll send it to Bihar. So that's how we have planned the entire logistics around it. And initially, definitely till time we don't have any opportunity of putting up a clinker plant in East, Bihar grinding units will be served from Meghalaya.

**Hardik Goyal:** Thank you.

**Tushar Bhajanka:** Okay.

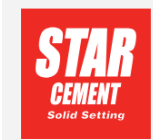
**Moderator:** Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.



- Shravan Shah:** Hi, sir. A couple of questions, sir. When we say 10% to 12% volume growth, so this is on pure cement we are talking and not including the clinker?
- Tushar Bhajanka:** Yes. The estimate that I was suggesting of 10% to 12% was mainly on cement. It did not include the sales of clinkers.
- Shravan Shah:** So, clinker sale broadly would be the similar 3.5 lakh that we have done in FY26. So similar run rate will continue?
- Tushar Bhajanka:** So, I don't have necessarily a good estimate of that. Probably it should be similar numbers, but it should be quite flattish. I don't think we'll see a growth in the sale of clinker. What we are now focusing on is basically sale of cement only. And we're just trying to make sure that we realize a better rate from clinker. So rather than on the volume of clinker, I think what we're trying to optimize is on the realization that we're getting by selling clinker.
- Shravan Shah:** Okay. 3 data points are trade share, CC ratio, lead distance and KKL cost for fourth quarter?
- Tushar Bhajanka:** Okay. So, trade share is about 78%. Last year, same quarter, it was 81%. So, there was a growth in non-trade as compared to trade relatively. Then I think the second thing you had asked for was the lead distance, right?
- So, which has reduced from 229 last year to right now about 220, that has reduced by about 9 kilometers. The third thing you had asked for a KKL cost, right, which is about INR1.24 per GCV. And what was the fourth thing that you had asked?
- Shravan Shah:** CC ratio for fourth quarter.
- Tushar Bhajanka:** Okay. CC ratio for the fourth quarter is about 66.2%.
- Shravan Shah:** Okay. So -- and another just to clarify. So broadly now the 3 upcoming plants, the Rajasthan one, Nimbol; and the Bihar one and Umrangso. So, we were looking at close to 6-million-ton clinker, 9-million-ton cement. So -- and INR4,800 crores overall capex and this broadly will be starting by H2 FY29 to start of FY30.
- So -- and just in the previous answer, you said that the Bihar grinding, which would be, I think, 2 million ton would be coming 2 years from now. So, shall it mean by FY28 or maybe Q1, Q2 FY29?
- Tushar Bhajanka:** Yes. So, I think it means like first quarter of FY29 or second quarter of FY29, right? So around that time, we should be getting the Bihar grinding unit. And we have -- what we have done is that we prioritized Nimbol, Haryana and Bihar. And then we have also, of course, applied for permissions and everything in Umrangso and in Jorhat.
- And that capex will start a bit later than this capex. And in the next 4 to 5 years, I think we plan to do all these 5 capexes, which includes Nimbol clinker plant. It includes Umrangso clinker plant in Assam. It includes a grinding unit in Jorhat. It includes a grinding unit in Bihar and it includes a grinding unit in Haryana.



- Shravan Shah:** Yes. So, for Rajasthan particularly, so broader -- whatever we discussed last time, the 3-million-ton clinker and 5 million ton, both including the split grinding and the INR2,400 crores, INR2,500 crores capex plus 10% variation.
- And so that number remains intact. And broadly, we are looking at kind of a start by September '28. So similar kind of a 1H '29, the same way Bihar. So, both would be coming together. That's the way we are looking at it?
- Tushar Bhajanka:** Yes. I mean that's the target, but it just depends on when we get all the approvals. So, what we are expecting is that we should be able to get all the approvals by October, and we should hit the ground. But if there's any delay by a month or 2 on the start date of the capex, then I think in the next con call, I'll inform.
- Shravan Shah:** Okay. So broadly...
- Moderator:** Shravan, I will request you please join back the queue for follow-up questions. Thank you. We take the next question from the line of Jainam Shah, an Individual Investor. Please go ahead.
- Jainam Shah:** Hi, sir. Thank you so much for this opportunity. I just wanted to ask that previously; we had maintained around 4 to 5 years that it would take for a new competition to enter. But what we see is that Shree Cement, Ambuja all have come up with plans to enter into Northeast region. So, do we still stand by that timeline?
- Tushar Bhajanka:** I think broadly, it should take about 3 to 4 years for someone to enter. I think that is still what's the assumption I have in mind. And I think we'll just have to see in the coming quarters how things change if they do. But right now, I think that is the estimate that I have in my mind.
- Jainam Shah:** Okay. But so -- because we have, to some extent, extended our timelines for the projects that we had. So do you think that with all the things that are going on currently, companies would prefer entering into new regions where the pricing is better, EBITDA per ton is better. So, do you think that is a risk now for new companies, mainland players to enter into the Northeast region?
- Tushar Bhajanka:** Sorry, can you repeat that question?
- Jainam Shah:** So what I was saying is that with all the West Asia disruptions that are happening right now, and we still provide better EBITDA per ton in the market, do you think that people -- sorry, the companies will try to fast track their expansion into different regions, for example, Northeast?
- Tushar Bhajanka:** See, like I mean, they would just go with the pace which is practical on ground and they would try to do their best. I don't think the West Asia crisis really pushes them to come to Northeast. And I think irrespective, the margin was good for them to try to come to Northeast. And yes, I think the Northeast as a market overall compared to the market that they are serving is relatively small. So, I don't think that the overall numbers will change by entering Northeast that way.
- Jainam Shah:** Correct. And sir, the other question that I had is that we are planning to enter into North. So, at what point do we start marketing our product because we are -- we would be quite a new brand



there. So, what would be the timeline for that? When do we add more dealers for that particular region?

**Tushar Bhajanka:** I think we will start like creating brand awareness. I think at least about like 8, 9 months before we actually start the commercial production, right? I think any branding that we do before that may be a bit premature.

**Jainam Shah:** Understood. Thank you so much. Best of luck.

**Tushar Bhajanka:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Amit Gupta from ICICI Securities. Please go ahead.

**Amit Gupta:** Good evening, sir. Am I audible?

**Tushar Bhajanka:** Yes.

**Amit Gupta:** Sir, my first question is, what is our premium cement share for this quarter?

**Tushar Bhajanka:** The premium cement share for this quarter was 15.1%.

**Amit Gupta:** Okay. And second question is, how has been the pricing trend in April and May as compared to the March exit? Has it improved, flat, or what has been the trend basically?

**Tushar Bhajanka:** I mean in Northeast, it has improved slightly. In outside also, I think there is INR10 improvement, which has happened. But yes, I think that's what has happened. Outside, I mean, basically West Bengal and Bihar.

**Amit Gupta:** Okay. So, in Northeast and outside also INR10 per bag has been the increase.

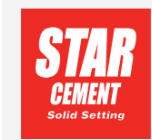
**Tushar Bhajanka:** Northeast, I think it may be about INR6 to INR7. Outside Northeast was about INR10.

**Amit Gupta:** Okay. Thanks. These were my questions.

**Moderator:** Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:** Yes. Sir, just again clarifying on the capex front. So, can you clarify the capex? Right now, we are envisaging for Rajasthan, Bihar and Umranango individually. And in terms of if we are planning to start by 1H FY29, how we will be individually and total would be spending in FY27-'28?

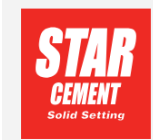
**Tushar Bhajanka:** So, I don't have the individual breakup of the capexes per project by year. What I can do is that in the investor presentation, I can attach a slide. And probably there -- I think you'll probably have a more comprehensive view of the different capexes of different projects by year. I think that chart we can give in like a week's time, and we can post it online.



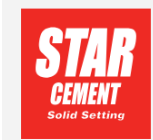
- Shravan Shah:** Yes. Got it. And second, Manoj sir, the cash as per you because of the non-current investment has increased. So, what's the cash as per you? Gross debt, we have as per the balance sheet.
- Manoj Agarwal:** If you are talking about total, INR583 crores is the gross debt -- total debt is there. And the net debt is INR200 crores. So, there is INR383-odd crores that we have cash, in the form of bond or mutual fund, it is -- or fixed deposits with the banks.
- Shravan Shah:** So, it is exact INR300-odd crores or some...?
- Manoj Agarwal:** INR383-odd crores.
- Shravan Shah:** INR383 crores is cash and cash equivalents.
- Manoj Agarwal:** Yes, cash. Liquid, you can say the liquid assets.
- Shravan Shah:** Yes, I got that thing. Second, sir, you mentioned that in Q1 and Q2, whatever the rake shortage and some increase, so we are looking at INR0.10, INR0.15 increase in the fuel cost. So, this will be till 2Q also or only just July, August and then it will be coming back to a normalized level?
- Manoj Agarwal:** No. Tusharji already told because this is all -- because now we are whatever facing, that auction prices have gone up. Now the rake availability is also an issue due to the scarcity in the power because they are supplying to the power plant. So how much impact will be there, we are just estimating that it will be INR0.15, INR0.20. But how the thing moves -- now the fuel prices have also -- diesel prices have gone up. So, it is very difficult to predict right now what will be the impact -- overall impact. We are just -- we can estimate that currently it is INR0.15 to INR0.20. How the thing will move, it is difficult to tell right now.
- Shravan Shah:** Okay. Got it. And then broadly in terms of EBITDA per ton, what we are normally looking INR1,600-odd to INR1,800-odd, that we will be able to maintain till the time the Rajasthan will come and then still we will be able to still have about INR1,300, INR1,400 kind of EBITDA per ton?
- Tushar Bhajanka:** I think in this -- I think for the next 2, 3 years till when we get the Rajasthan project, I think the EBITDA is -- because it is only in Northeast sales, the EBITDA should be between INR1,500 to INR1,700, right, at least. And once we get the Rajasthan, of course, for the first 1 year, because we'll be absorbing fixed costs and because we'll be ramping up our sales, the EBITDA per ton may fall. But I think in the long run, we should be able to maintain it at about INR1,300, INR1,400 blended. That is what we see. And of course, the absolute will be much more because the volume sales will be -- the overall volume growth will be much more in Rajasthan.
- Shravan Shah:** Got it. Got it. And sir, can you share the fuel mix for this FSA, AFR, biomass, spot and other contracts?
- Tushar Bhajanka:** Yes. For FSA, this quarter, it is 78.5% and biomass is 21.5%.
- Shravan Shah:** Okay. Okay. And the spot would be of 3%?
- Manoj Agarwal:** Spot, this quarter, we have not done any season in spot.



- Shravan Shah:** Okay. Okay. And sir, now in terms of the green share, how we want to increase the green share? And what's the current green share. So, whatever, because Q2 presentation, after that, there is no presentation. So, 24.3-megawatt WHRS and 51-megawatt CPP and that's the, right now we have. How we want to increase WHR solar and in terms of the green share and what's the current green share?
- Manoj Agarwal:** So current green share last quarter, it is around 33.8%, okay, because WHR has generated more power than compared to the last quarter as well as last year. So it is, this quarter, it was around 33.8%.
- Shravan Shah:** Okay. So how we want to look at for the full year FY27 this going up?
- Manoj Agarwal:** Maybe you can consider, because both kilns are running, so it may be, consider 30% somewhere 32%, 33%, whatever level we are seeing.
- Shravan Shah:** Okay.
- Tushar Bhajanka:** Because actually, what we have done is that we have not necessarily right now invested in any other sources of green energy like wind and solar, though we had planned to, but we have not because I think the rates in IEX for solar hours anyway are falling, right? So, I don't think it makes more sense to kind of invest in noncore activities at the moment. And probably we are trying to have a group captive power agreement. I think in case we do end up signing one, which should be in this quarter, then we will inform you in the next quarter.
- Shravan Shah:** Yes. And AAC block and other non-cement revenue for this quarter and for full year FY26 and how we want to look at FY27? And maybe the margin also, if you can specify?
- Manoj Agarwal:** This quarter, we have done around INR17 crores. INR17 crores of this quarter in AAC block and whole year, it is around INR43 crores. And this year.
- Tushar Bhajanka:** We are targeting about INR150 crores. This includes AAC, RMC and allied products. And I think the margin that we're looking at is about 7% to 8% to start with. And then gradually, we'd like to expand on the margin. Right now, we're trying to create the market first.
- Shravan Shah:** Okay. Got it. And the QIP for Rajasthan that we will be, the last time you said once the net debt to EBITDA will be reaching 1.5, we'll go for a QIP?
- Tushar Bhajanka:** Yes. I think that decision we still not have taken at the Board level. We have, of course, taken the permission for raising money in the Board. I think in quarter 3, we did that. But we haven't planned it also because the markets were, of course, a bit weak as well, right? So, I think whenever we do, we'll inform in advance and then, of course, we'll do it.
- Shravan Shah:** Okay got it thank you.
- Moderator:** Thank you. We take the next question from the line of Iqbal Singh from IFM Global. Please go ahead.



- Iqbal Singh:** Hi sir. Good afternoon. I just wanted to know like for your Rajasthan unit, which you are planning to, I think from the conversations that I've heard to start from FY28, FY29. So, when are you planning to break even on that capex and the operational costs? When will you break even on those capex sir? This is the first question.
- And the second one is like regarding your realizations per ton, are you foreseeing some kind of improvement going forward with the unit that will be set up in Gujarat? Because I believe that in Gujarat and Western area, the realization might be a little higher in case you get a plant day rate that time?
- Tushar Bhajanka:** So, we are not thinking of Gujarat, actually. I was saying Jorhat, not Gujarat actually. Jorhat is a place in Assam.
- Iqbal Singh:** Right. Jorhat in Assam, yes. So just these 2 questions. The breakeven on the capex in Rajasthan unit and the realizations, scope of increase in realizations per ton?
- Tushar Bhajanka:** I think you see a breakeven from an operating cost perspective or from an investment perspective, that is one thing which needs to be clarified. But I think what we plan to do is that in 3.5 to 4 years' time, we want to run at 80%, 90% capacity utilization, right? And we would want to, of course, price our product in a way which is at a premium, right? So, what we'd want is that the highest price seller, we would want to peg it at INR5 to INR10 lower than that. That's where we do want to observe it.
- So I think what we'll have to do in the first initial few years is invest in the brand, right, and create a kind of pull, which is a bit more natural than push, right, and then maintain a price and take a 4, 4.5, 3.5 year horizon to take the capacity to 80% to 85%, right? And what we will also want to do is that we will, yes, I think because the capacity that we're initially launching is about 5 million compared to the size of the market, this is not, it is manageable, right? So, what we'd like to do is create a dense distribution, focus on branding and push for sales, breakeven automatically will happen.
- Iqbal Singh:** Okay. And the capacity for this unit will be how much, sir, for the Jorhat unit and Rajasthan unit?
- Tushar Bhajanka:** Capacity for the Jorhat unit and Rajasthan unit. So, the capacity for the clinker plant will be about 3.3 million tons in Rajasthan, along with like a 2 million-to-2.5-million-ton grinding. Another grinding, which will be supported by the clinker here from Rajasthan will be in Haryana, which will be another 2 million to 2.5 million tons. So that will be a 5-million-ton setup in North and Jorhat will be coming around the same time as Umrangso and that will be basically about 2 million tons.
- Manoj Agarwal:** 2 million tons of clinker, clinker unit...
- Tushar Bhajanka:** Grinding. Jorhat has no limestone. It will be only grinding. Umrangso is like clinker -- Umrangso is limestone. So, you can produce clinker in Umrangso.
- Manoj Agarwal:** Okay, sir. Thank you.



**Moderator:** Thank you. We take the next question from the line of Harsh Mittal from Emkay Global Financial Services. Please go ahead.

**Harsh Mittal:** Sir, I wanted to understand the CC ratio for FY '26.

**Tushar Bhajanka:** It's about 66.6%.

**Harsh Mittal:** For the full year, sir -- full year FY '26.

**Tushar Bhajanka:** I don't have the data for full year, but I have it for quarter 3 as well, it was 67.5%. I'm assuming that the clinker factor would be between 66.6% to 67.5%, I think, for the full year. But I will -- I think you can get in touch with us and I'll give you the full year data as well.

**Harsh Mittal:** Sure. Sir, the second question is once we commission the Bihar grinding unit at Begusarai, we'll be -- as you alluded to the fact that you'll be shipping the clinker from the Meghalaya plant to Bihar. So, what would be the incremental freight cost that would be bearing on that? And correspondingly, the incentives what we wanted to accrue from the Bihar grinding unit, will it kind of offset that incremental cost is what I wanted to understand?

**Tushar Bhajanka:** Yes. So right now, we are still catering Bihar market. We cater in the east side of it, right? And what we do is that we serve it from Siliguri. So I think like the freight, you cannot only look at the clinker freight and how much incremental clinker freight that you'll be paying, but it also has to be looked at from the cement freight, right, and how much of the cement freight we'll be able to save and the freight that we pay on fly ash, right?

So, I think it's a bit more complex than just the incremental freight that we will be paying and if it gets offset by the incremental subsidies, right? So, I think -- so -- but yes, we have applied for our subsidies in Bihar. We should be getting the FCSC benefit, and we have applied for it under the policy.

And I think the benefit is up to about 150% to 200% of the investment that one makes. I think once we do get the confirmation of the benefit from the Bihar government, we will be sharing it with you in the next call. And I think with the subsidies and with optimized clinker transportation and fly ash sourcing, I think it can be a model, which, of course, will not give you EBITDA of INR1,300, INR1,400. So, it will help you utilize your capacity while also leading to entering new markets and creating your geographical footprint.

**Harsh Mittal** Sure, sir. Thank you, sir. These are my questions. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital India Private Limited for closing comments.

**Vaibhav Agarwal:** I believe there are no further questions from participants. Tushar, I had a few questions. Firstly, on the war impact, the West Asia war crisis. So, most of the companies that have been in India, what they have been talking about is our kind of a INR400 overall impact in terms of operating cost in the -- by end of H1 FY '27.

But as far as Star Cement is concerned, I believe the impact will be limited to packing cost, the diesel cost and maybe the fuel cost may not be equally impacted because of our less dependence on imported fuel. And also, we are safeguarded from the rupee depreciation. So, from that perspective, what is your estimate of the broader cost impact, which could be there in H1 for Star Cement per se in terms of [inaudible 0:39:47].

**Tushar Bhajanka:** I think there could be about INR250 to INR300 impact, I think mainly because of the packing bags and the fuel cost because for us, of course, we do not depend on imported fuel, coal or pet coke, but we do depend on -- our SSAs being supplied on time. And right now, because of the rig shortages, the SSAs are not available, and that is creating a crisis in terms of fuel sourcing.

So, I think because of that, we have to go for higher rates of sources. And I think that is what is leading to a cost impact. So, I think it should be a INR250 to INR300 impact. So, I think there have been a few, I think, about INR7 increase in Northeast, about INR10 increase in North Bengal basically to kind of partially -- not fully but partially nullify the impact which is coming in terms of the cost.

**Vaibhav Agarwal:** So, is it fair to say that we are kind of INR100 better off versus the mainland peers in terms of cost escalation, maybe INR50 to INR100 better off because of our less dependent on imports?

**Tushar Bhajanka:** Yes, so I think it really depends because I don't know if other people have forecasted a further increase in the fuel prices or not -- sorry, in the diesel prices or not. But it really depends on those assumptions and how the diesel prices behave because I think Northeast is also quite heavily dependent on the fuel price and the PTPK in Northeast is a bit higher because of the heavy terrain, right?

So, the fuel cost equally impacts us as well. So, I think it really depends on how much does the diesel prices go up further. And of course, if there's a significant increase in the diesel prices, then that will have to be absorbed some by the market as well.

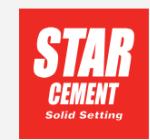
**Vaibhav Agarwal:** Okay. And Tushar, you just mentioned that we have partially passed on the cost impact. So is it fair to say that Q1, we are kind of EBITDA dilutive on the cost -- because of the cost inflation. It's not neutralized yet...

**Tushar Bhajanka:** Yes. I think the Q1, there will be definitely a pressure of the EBITDA, right, on the EBITDA because of the cost. I think by -- as we're going, I think April was quite heavy on the cost. I think May is turning out to be a bit better. So, I think by June, I think it should normalize, but there will be a decent impact of whatever is going on, on the EBITDA per ton as well and overall EBITDA as well.

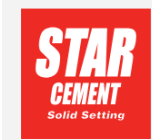
**Vaibhav Agarwal:** But you stick on to the guidance of 1,500 plus for Northeast operations per se, which would be on the call, right?

**Tushar Bhajanka:** Yes, I think that was more from a year-long perspective.

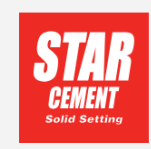
**Vaibhav Agarwal:** Yes, year-long. That's what I'm saying.



- Tushar Bhajanka:** Yes. I think year long, we should be able to average that in quarter 1, we'll have to see.
- Vaibhav Agarwal:** Okay. And Tushar, my second question was that basically, this is from more of a kind of a long-term perspective. So recently, maybe a couple of more players. So, in total, the JK Lakshmi Cement, Shree Cement and Ambuja Cement from mainland have now announced their entry to Northeast.
- So, when we interact with our investors, etcetera, so we get feedback that they have a notion that Northeast EBITDA per ton, profitability per ton will dilute substantially once they enter into the market. I know that may not be the case because of the very high capex and Northeast is a very difficult geography to operate. That is what I have kind of figured out.
- So what is your say in terms of once they, maybe 3 years down the line, it's more of a long-term kind of a question, but maybe 3 years down the line or 4 years down the line, once they come in, do you see EBITDA per ton or maybe profitability of Northeast getting impacted heavily given first, keeping in conjunction the high capex, which they are spending in terms of their overall plans.
- So, people have announced kind of upwards of \$160, \$170 capex per ton in Northeast. So how do you read the situation once they come into the Northeast market from a long-term perspective?
- Tushar Bhajanka:** See, in the long run, like once they do come in, I think there will be a significant pressure in the market, right, because everyone will be running and running for the same capacity -- sorry, for the same market and the market is relatively small, right?
- So even a 3-million-ton plant in a big market makes a big impact. So, I think people who then are coming in, they also need to then think, right? Because unlike North and unlike South where they put up capacities without caring about their impact on the market, right. Everyone who comes into Northeast will have to think about their impact on the market and their own profitability.
- And why are they entering in Northeast in the first place, right? Because it has a charm of a higher margin, right? So, what would be the point of entering and putting in all that effort right, if you cannot enjoy that higher margin because volume, they can get now outside also...
- Vaibhav Agarwal:** No, no. The question was that now they have already announced. So, Shree Cement has announced, JK Lakshmi has announced, Ambuja has announced. Obviously...
- Tushar Bhajanka:** Yes, I mean, I think once they will enter also, because the impact of their sales will not only impact -- the price decision will not only impact...
- Vaibhav Agarwal:** But my question was that do you see that they will take such a price decision where it can impact you because the kind of capex which they are spending like \$170, \$180 kind of a capex on an initial capex.



- Tushar Bhajanka:** I don't know. I honestly don't know. I think it depends player to player because I think some players have a strategy to kind of just cut and aggressively sell and not care about their price positioning compared to ours. And then there are other players which are much more sensitive to it, right? I do not see that there will be significant -- because I think there has to be rationality, which everyone follows. So, I think...
- Vaibhav Agarwal:** That is what I actually was trying to figure out.
- Tushar Bhajanka:** So, I think -- I don't think it should be that. Of course, there will be pressure. There's more competition. There will be some pressure on the price. So, I think it's something that probably may happen for a year or 2, but then I think it should normalize because everyone is there to earn, right?
- Vaibhav Agarwal:** And in terms of -- last, in terms of the trade penetration, will Star Cement be the highest in terms of all the Northeast players in terms of the trade market penetration?
- Tushar Bhajanka:** Yes. I think we sell like -- a majority of our sales is in trade only. And out of all the players, we have the highest penetration in trade by far, I mean, by a big margin. And I think that is something that we want to maintain, right, because I think that's...
- Vaibhav Agarwal:** And that will also help you safeguard the profitability, right?
- Tushar Bhajanka:** Yes, I think to an extent. Because I think the trade market doesn't go by just setting the market, right? I think it's much more nuanced than that.
- Vaibhav Agarwal:** And last question to Manoj, sir. did we have any kind of one-offs in the quarter in terms of donations, etcetera, if you can just share...
- Manoj Agarwal:** One-off is there as you read. Because last quarter, this INR5 crores was there. This year -- this quarter it is INR10 crores. So INR5 crores is the one-off, you can say.
- Vaibhav Agarwal:** And INR10 crores is a donation or whatever?
- Manoj Agarwal:** It is donation, major donation.
- Vaibhav Agarwal:** Okay. So now these one-offs will stop, right, from Q1 onwards? There would not be any one-offs.
- Manoj Agarwal:** Yes, because you can't foresee what will come, okay. But we still don't see that...
- Vaibhav Agarwal:** No, no. In terms of donations, I'm asking.
- Tushar Bhajanka:** Yes, I think in quarter 1, there may be a few. But I think in quarter 2, you should not be expecting any significant ones.
- Vaibhav Agarwal:** Okay. Thanks a lot, Tushar and Thanks a lot, Manoj sir. There are no further questions from participants. On behalf of PhillipCapital India Private Limited, I'd like to thank the management



of Star Cement for the call and also many thanks to the participants joining the call. Thank you very much, sir, and Ryan will now conclude the call.

**Moderator:**

Thank you. On behalf of PhillipCapital India Private Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.