SCL/SE/2026-27/
6th August, 2026

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

SCRIP CODE: SHREECEM EQ
Debt Segment NCD ISIN: INE070A07061

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

SCRIP CODE 500387
Debt Segment NCD ISIN: INE070A07061

Sub: - Transcript of the Conference call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call held on 31st July, 2026 relating to the Financial Results of the Company for Quarter ended on 30th June, 2026 is attached.

Kindly take the same on record.

Thank you,

Yours faithfully,
For **SHREE CEMENT LIMITED**
Shyam Sunder Khandelwal
Digitally signed by Shyam Sunder Khandelwal
Date: 2026.08.06 15:18:06 +05'30'
(S.S. KHANDELWAL)
COMPANY SECRETARY

"Shree Cement Limited
Q1 FY27 Earnings Conference Call"
July 31, 2026

MANAGEMENT: **MR. ASHOK BHANDARI – SENIOR ADVISOR – SHREE CEMENT LIMITED**
MR. SUBHASH JAJOO – CHIEF FINANCE OFFICER – SHREE CEMENT LIMITED
MR. S. S. KHANDELWAL – COMPANY SECRETARY – SHREE CEMENT LIMITED
MR. K.K. JAIN – JOINT PRESIDENT FINANCE & ACCOUNTS – SHREE CEMENT LIMITED

MODERATOR: **MR. NAVIN SAHADEO – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Shree Cement Limited Q1 FY27 Earnings Conference Call hosted by ICICI Securities Limited. 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Sahadeo from ICICI Securities Limited. Thank you, and over to you, sir.

Navin Sahadeo: Thank you, Palak. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 earnings call of Shree Cement. From the management, we have with us Mr. Ashok Bhandari, Mr. Subhash Jajoo, Mr. S.S. Khandelwal, and Mr. K.K. Jain.

So, without any further ado, I hand over the floor to Mr. Ashok Bhandari for his opening comments. Over to you, sir.

Ashok Bhandari: Thank you, Navin. Good evening, everybody. Before we start the actual Q&A, I just want to make two specific points. Point number one is that I had been pointing out to you guys that — time has probably come when we should look at consolidated numbers instead of standalone. This quarter, almost 10% of the turnover has been contributed by my overseas subsidiary and a 100% subsidiary in India, and the standalone number is about 88%, 89% only.

All these are cement businesses, so we would like to request everybody to start looking at the consolidated results and not standalone results. Going forward, I sincerely believe that due to doubling of capacity at Ras Al Khaimah in UAE, which should be up stream by third quarter FY '26-'27 and due to increasing penetration into Eastern market, the Shree Cement East performance should also improve.

And going forward, in not-too-distant future, probably the standalone Shree Cement should constitute about 75% to 80% of total revenue, and the other constituents will have 20%, 25% of revenue. So, to have a more transparent and clearer picture on how we are faring in our grey cement business, it is better to look at consolidated numbers. This is point number one.

The second point is that you have to appreciate what kind of hardships we had to face because of the Middle East war. Three things happened. Number one, the Pet Coke which were contracted for could not reach us, which had to make us shift the fuel from Pet Coke to coal. The percentage of Pet Coke reduced from 54 to 9, whereas coal increased to 81 from 32. Now, the other point is that the contracted gypsum quantity out of Oman could not reach us.

Now both had a similar effect. They both adversely affected the cost of production of the company. If Omani gypsum was not available, we had to procure more expensive gypsum of lower quality domestically. If Pet Coke was not available, then we had to go for lower quality coal which was available at a more expensive cost.

Because of these two factors, two things happened. The raw material per se went up because the gypsum prices went up. Number two, because of lower quality of coal, our conversion factor, means clinker to cement ratio, changed, which increased the component of clinker in my cement. And this is because high ash content coal, when physically and chemically reacts with the liquefied calcium oxide, the absorption of ash increases in clinker.

If the clinker has more in situ ash, then I get limited on my conversion factor and I have to reduce the quantum of pozzolanic or other cementitious material. Ipso facto, this both resulted into higher cost of production and also affected my trade sales because if my conversion factor is going low, that means I'm producing more OPC. And the biggest market for OPC is non-trade sales.

So on one hand, I had a cost push, on another hand, I had a more quantity to sell in non-trade section. Both resulted into slightly lower realization and relatively higher cost of production. However, let me tell you, this in no way indicates what we intend to do in future. We intend to go back to our old philosophy of keep on increasing the conversion factor, optimizing the cost, and keep on pushing trade sales, number one.

Number two, which you have to also bear in mind, that the cement which will be produced and the embedded fuel cost has almost peaked out in our case. The lower cost contracted Pet Coke had not reached, which has started reaching now. It was substituted by higher cost. Instead of riding 1.82 per kcal cost, we almost touched 1.95.

And I feel, barring anything untoward happening in the Gulf war, the fuel price have almost peaked out. The PVC prices have started coming down. My packing cost has already started reducing. So though I had in last call said that my cost will peak out in Q2 because of these factors, I think we have almost peaked out in Q1.

And if anything untoward doesn't happen in Middle East, this cost should more or less stabilize or rather go down because raw material cost should also come down. Having said this, now I'm opening the floor for question-answer.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rajesh Ravi from HDFC Securities. Please proceed with your question.

Rajesh Ravi: Hi, sir. Good evening. Am I audible?

Ashok Bhandari: Yeah, you are very fine, very much audible.

Rajesh Ravi: Great, sir. Yeah. Thanks for an opening presentation, quite enlightening. Sir, first on the housekeeping numbers. What was the fuel cost for Q1 blended and trade sales mix? And, you know, the fuel mix you already mentioned. And what was the clinker factor and also cement realization?

Ashok Bhandari: Brother, you have asked three or four questions. All three or four points are there in my opening statement. I have said that my fuel cost for the quarter was 1.95 per kcal. I have said that I had to push more of non-trade sale because the conversion factor had come down. Number three, you have asked about realization, I will give it to Mr. Jain who will give you exact realization number of trade and non-trade. And number four, you have said that what is the mix of trade and non-trade, that also Mr. Jain can give you. Over to Jain.

K.K. Jain: Realization is INR4,919 per MT against INR4,854 last June '25.

Ashok Bhandari: This is Indian operation only.

Rajesh Ravi: Yes, INR4,854.

K.K. Jain: Yeah.

Rajesh Ravi: And what was the clinker factor, sir?

K.K. Jain: The clinker conversion is 1.50 for current quarter against the 1.58 of the corresponding quarter.

Rajesh Ravi: Okay. And trade mixed and blended cement.

K.K. Jain: 62% is the trade against 71% in June '25. And 60% blended ratio against the 70% of June '25.

Rajesh Ravi: Understood. Understood. That's okay. Sir, you mentioned that, the fuel mix were expensive when you moved to thermal coal or you purchased in India. So when you normalize this basis your procurement which is now coming into Q2, how should the blended fuel cost look for Q2, assuming if the things remain steady where they are?

Ashok Bhandari: Bhandari here. Ravi...

Rajesh Ravi: Yeah, hi sir.

Ashok Bhandari: I had told you that our fuel cost has almost peaked out, barring nothing untoward happening in Middle East. Correct. We are looking at 1.95 today. It may hardly go up by INR0.02, INR0.03 but that doesn't materially change the cost equation.

Rajesh Ravi: Okay. Understood. So, this is with the Pet Coke which were to be received from the region.

Ashok Bhandari: They have started arriving now, which was contracted for. And of course, if anything drastic happens in Middle East, the equation may change completely. But as of now, we don't feel that there will be material increase. The one point, Rajesh, you have to understand is, in spite of all these challenges, year-on-year volume growth is standing at staggering 15% plus.

Rajesh Ravi: Phenomenal. Right. So this was my next question. And that was the next question, sir. What is the outlook on the volume now?

Ashok Bhandari: No, it's not the focus on volume or anything. We are never volume focused, we are profit focused. We have never changed our focus. You will never find us changing our focus. It's because of 17% growth already, please understand, you have to appreciate this very clearly. I had guided in March concall that we should do 40 million tons in FY '26-'27.

We have already done from Indian operation about 10.4, 10.5 in Q1. We are on track to do 9 to 9.5 in Q2. So by HY1 '26-'27, we should be at about 19.5 to 20 million tons. You also have to remember that if you look at the general sales mix of the industry, 48% of the quantity gets sold in first six months and 52% in next six months.

God's blessing, if we can do 20 million tons, then you can do your own calculation and see that we can go up from 40 to maybe 40.5 or 41. But I am not guiding that. I'm still sticking to my guidance of 40 million tons. And I am saying that as on date, the things as they stand today, we should reach 40 million tons and we should deliver healthier profit Q2 onwards.

Rajesh Ravi: Great, sir. And sir, just continuing on this realization which you mentioned INR4,919 for June quarter and which was INR4,752, so despite selling higher volumes in non-trade, you were able to see a decent improvement in realization by around INR160. Is this understanding correct?

Ashok Bhandari: Yes, your understanding, is correct if the numbers say so. What you have to understand is that this is again you are just looking at standalone. If you look at the consol, which I request all analysts to please pay heed to this advice. Henceforth, we will be talking of consol volumes, consol EBITDA. We will not be talking about which constituent, where it has come from. Grey cement business total Shree Cement, including its subsidiaries, will be delivering a number which should be accepted and total EBITDA. That's it.

Rajesh Ravi: So can we have the consol volumes? Yeah.

Ashok Bhandari: One second. If you look at the consolidated, the volume stands at 114.5 for the quarter.

Rajesh Ravi: Okay.

Ashok Bhandari: The operational EBITDA without other income, repeat, without other income, stands at 1,272. The corresponding numbers, June '25, the volume was 99.6, consol, remember these are consol numbers.

Rajesh Ravi: Yes, yes. Correct.

Ashok Bhandari: Operational EBITDA was 1,333, and operational EBITDA per ton was 1,339. Whereas this quarter, we have done 1,111, four times 1. So though we have taken the beating on EBITDA per ton, but I explained you that this was majorly because of our shift from Pet Coke to coal which we were forced to, and lack of availability of Omani gypsum, which had compounding effect on raw material cost, conversion factor, and conversion factor change has compounded the effect on raw material cost, our total costing, and increase in non-trade sale has had some depressing effect on my premium sales.

Rajesh Ravi: Right, sir. Could you also share March '26 consol volume, sir?

Ashok Bhandari: March '26 consol, was 119.4.

Rajesh Ravi: And for full year was around?

Ashok Bhandari: Please hear me out. So there is a dip from 119.4 to 114.5 on consolidated basis, isn't it? Now this dip is majorly because of practically no sales in April and May in UAE because of war. And please understand that UAE we are doubling. We are going to touch 7 million tons by Q3 FY26-

'27. So this number will keep on increasing, my friend. And that is why I am requesting everybody to start looking Shree from consolidated angle and not from standalone angle.

Rajesh Ravi: Yes, sir. This is great. This will make it more comparable and really this will also enhance overall profitability numbers for Shree.

Ashok Bhandari: All right.

Rajesh Ravi: Great, sir. I'll come back in queue. Yeah.

Moderator: Thank you, sir. The next question is from the line of Amit Murarka from Axis Capital. Please proceed with your question.

Amit Murarka: Hi. Good evening and thanks for the opportunity. Just a question on the non-trade. So while you said that because of the issues in availability of gypsum and Pet Coke, there was impact of fuel cost?

Ashok Bhandari: Mr. Murarka, let me tell you one thing please. Gypsum has no role to play in shift from trade to non-trade. It is only that weaker quality of coal affects my clinker quality, which affects my conversion factor and that affects my trade sales. My non-trade sale had to increase because my conversion factor was low and I had to go into the non-trade segment. Please be very clear. Gypsum has no role to play in trade or non-trade. Gypsum has a role to play in affecting my raw material cost.

Amit Murarka: So could you repeat that again? That's what my confusion was, like why you had to shift to non-trade because of this. So you mentioned that the clinker is something you said.

Ashok Bhandari: No, no. I could not get you. What have you said? One second.

Amit Murarka: No, could you please repeat I mean why you had to shift to non-trade because of the West Asia crisis?

Ashok Bhandari: I explained you, my friend. Petcoke has very low ash. It has hardly 1% ash. So coal or fuel, solid fuel, chemically and physically reacts with the limestone throughput. If I have very low quantity of ash in my fuel, the ash absorption in clinker will also be very low. If I am using a 20% ash content coal, the ash absorption in clinker increases. That means the in-situ or within the molecule of clinker because of low quality coal, more ash is there, so I cannot dilute the clinker by adding more and more pozzolanic material.

I have to use less and less pozzolanic material. That means more gypsum is to be consumed. Now gypsum itself became expensive. Clinker is two-third of the cost of production. If that component has come down from 1.58 to 1.50, please understand it will have its own cascading effect. And if I am having a lower conversion factor, I will have to look at primarily OPC buyers.

If I am looking at OPC buyers, then non-trade is the only segment where I can sell. But this is all one quarter delta. This is all the effect in this quarter. I don't think this is a very unique situation which we faced. I don't think this will repeat in future. Provided nothing explodes in Middle East.

Amit Murarka: Sure. Got it. So on a more sustainable basis, what is the trade, non-trade mix that you would like to have then?

Ashok Bhandari: I would like to go back to 70% and 30% non-trade, yeah. But if wishes were horses, beggars would ride.

Amit Murarka: Sure.

Ashok Bhandari: Why should I hurt my delta? All the history of this company proves that we have been champions in trade sales. It is only because of this typical problem of low quality coal to be consumed because of Middle East war that I had to reduce my conversion factor, which stunted my growth in trade sales and I had to necessarily address non-trade market.

Amit Murarka: Okay, got it. And also RMC performance if you could share in the quarter.

Ashok Bhandari: RMC, you know, at present, we have 26 operational plants. We had 19 at the beginning of the year. We have added Eight plants in this quarter. We intend to add another 10 plants in next quarter. But please, RMC, as on date, is almost a profit-neutral game. As we learn the business, as we start pushing more volumes, the operating efficiency itself should bring the EBITDA of this business to at about 5% levels. But as on date, RMC is not meaningfully contributing to my bottom line.

Amit Murarka: Got it. And that's all. So that's it. I'll come back in the queue.

Moderator: Thank you, sir. The next question is from the line of Kunal Shah from DAM Capital. Please proceed with your question.

Kunal Shah: Hi, sir. So just first question on this 17% odd volume growth.

Ashok Bhandari: Kunal I am sorry I can’t hear you properly.

Moderator: Kunal can you please use your handset?

Kunal Shah: Is it audible now?

Moderator: Yes sir please proceed.

Kunal Shah: Yeah I put the handset. Sir, just the first question on the India Operations and the 17% volume growth. Could you just help with how would this growth be looking across our regions, basically primarily between North, East and South? And also some understanding on the regional utilization as well during 1Q?

Ashok Bhandari: I am giving the line to Mr. Subhash Jajoo. He has all the numbers. He'll give you.

Subhash Jajoo: Hi, good afternoon, Kunal. First, coming to your question on capacity utilization. So - for North it is 66%, for East it is 60%, and for South it is 57%. Overall, it is 62%, which was almost the same as last year. Obviously this is at an expanded base because a lot of capacities have also come up.

Now on your question on which region saw the maximum growth as compared to last year. So South, obviously, since the new plant has come in, so our growth was more in South. Like sales increased from 11 lakh tons to almost 16.9 lakh tons. And in North, there was a growth of 20%. So these two regions saw the maximum highest growth. East was almost flat as compared to last year.

Ashok Bhandari: Kunal, I would like to add one more thing. The increase in South capacity utilization and higher growth is a factor of our selling more in the states of Maharashtra and Gujarat and not only South. South feeds West India market. So we have been able to push our sales in Maharashtra and Gujarat majorly.

Kunal Shah: Understood. This is helpful. Sir, just a follow-up here. This is an observation. Given that the East utilization we have a lot of room there, and we're looking at flat volumes, so is it that the overall, I mean, the industry East market was flat or you've chosen sort of not to.

Ashok Bhandari: No. For comparison sake, you look at Nuvoco results. You look at the conversion factor of Nuvoco. They had a conversion factor of 1.7. And they could do that because they had better quality coal and they had better accessibility to slag. If I reach 1.7, I will beat Nuvoco hands down. I had a problem with my coal quality, so I had to keep my conversion factor constrained, and that is why I could not grow in East that much.

I have in the beginning of the call stated that on a consolidated basis, Shree standalone will gradually reduce from 88%, 89% to 75%. That means Shree Cement East volumes and UAE volumes will go up substantially. Now, this is a five-year plan. Give or take 5% here or there.

But please understand that East is typically a trade market. Trade you can push higher conversion factor cement, and this time, because of the coal quality, I could not increase the conversion factor. It is not that the slag is not available or fly ash is not available. It is only constrained by my own process disabilities due to low quality coal.

Kunal Shah: Understood. This is very helpful, sir. And just to close the loop on the costs, which as you mentioned, most of the impact has been absorbed during 1Q. So is it fair to assume that 2Q you're just broadly looking at operating deleverage, I mean, that which would be seasonal, and most of the West Asia crisis the impact would be over? I mean, given the situation remains status quo?

Ashok Bhandari: That is what I said, my friend, that if nothing drastic happens in Middle East, you should be able to look at except for the quantitative variation, which is seasonal, you should see better profitability. Because my cost, which was likely to peak out in Q2 in fuel, has almost peaked out. I am saying again the word almost.

Don't take it that if I have INR0.5 increase in fuel cost next quarter, you will say, "Sir, you saidit was the same. No. We expect as on date the fuel cost should not shoot up, provided calm prevails in Middle East and in the minds of our great US President, Mr. Donald Trump.

Kunal Shah: Understood, sir. This is very helpful and all the best. Thank you so much.

Moderator: Thank you, sir. The next question is from the line of Pinakin from HSBC. Please proceed with your question.

Pinakin: Thank you very much, sir. Sir, my first question is, while second quarter is seasonal quarter, if the external environment does not change, the energy prices, Pet Coke prices are wherever they are, should the second half operating cost be lower than the first half operating cost?

Ashok Bhandari: My dear friend, we anticipate so. But then we, as you may be aware, we never give any EBITDA projections or anything because it is not in our hand. It is market related. Today, as we are sitting on 31st July, I can share with you that we have sold 3.1 million tons in this month. The demand is okay. Our plants are operating okay. The fuel cost has not substantially increased. And if calm remains in Middle East, it should not substantially increase.

The gypsum cost should come down. The conversion factor should increase because of larger quantity of Pet Coke, being used, which all should result into better profitability. Why wait up to H2? Look at Q2 only, which is just three months away.

Pinakin: Got it, sir. Sir, my second question is, you mentioned that whatever happened in the trade versus non-trade, will the situation normalize in the second quarter of trade sales going back to your historical averages, or you see that happening gradually in the second half?

Ashok Bhandari: Hopefully, yes.

Pinakin: Hopefully, yes. And as you normalize and sell more in the trade segment versus Q1, that should have a positive impact on pricing and EBITDA profitability, right?

Ashok Bhandari: That is a logical conclusion.

Pinakin: Got it, sir. And lastly, sir, how are since today versus the June quarter averages in your key markets?

Ashok Bhandari: So we have not even ended our month. How do I give you that number?

Pinakin: Got it, sir.

Ashok Bhandari: We have given you the number for June quarter 2026 vis-a-vis June quarter 2025. You are asking what is the average as on 31st July. Fine. We are quite advanced in our digitization. But unfortunately, I don't have the grip on that number. You can send a mail to Mr. Jajoo or Mr. Jain subsequently and he will reply to this.

Pinakin: Got it, sir. Thank you very much.

Moderator: Thank you, sir. The next question is from the line of Siddharth from Kotak Securities. Please proceed with your question.

Siddharth: Thank you for the opportunity. Sir, just wanted to check, out of our around INR200 odd crores EBITDA, which is not in the standalone entity, what was the share of UAE? Because you said the share of UAE went down drastically this quarter due to the war.

Ashok Bhandari: Can you come back again, please.

Siddharth: Sir, out of the total EBITDA, which is there in consolidated, but not in standalone statements, which is around INR200 odd crores, what proportion is from UAE?

Ashok Bhandari: Well, I would not like to go into those kind of details for various reasons. But then, it is out of UAE only. So you can do your calculations, whatever you want to do. I will not go into specific number game. You are interested in grey cement business EBITDA, we have given you grey cement consolidated business EBITDA. We have given you grey cement consolidated quantity. You figure it out, my friend. You are masters in that.

Siddharth: Sir, let me put it another way. Basically, what is the number sitting in Indian operations, which is not there in our standalone statements?

Ashok Bhandari: My dear friend, I know how to catch the nose both ways, straight and roundabout. You are not going to get this answer from me.

Siddharth: Okay, sir. No worries. Sir, second, just a question, sir, on the freight cost. Sir, I noticed that they are lower quarter-on-quarter, despite this diesel price hike. So sir, any comments on this, freight cost?

Ashok Bhandari: Lower what?

Siddharth: Freight cost. Lower freight cost, sir.

Ashok Bhandari: Where is the lower cost? You do your math again. Its not lower.

Siddharth: Okay, sir. Just a final bookkeeping question. Sir, what would be our depreciation and tax rate for this year?

Ashok Bhandari: INR2,400 to INR2,500 crores is the depreciation number, and tax rate would be about 30%.

Siddharth: Okay, sir. Thank you.

Moderator: Thank you, sir. The next question is from the line of Rahul Gupta from Morgan Stanley. Please proceed with your question.

Rahul Gupta: Hi. Thank you for taking my question. Just continuing on the previous question. In the last quarter, you highlighted that the UAE business reported AED47 per ton of EBITDA. What would be that number in this quarter?

Ashok Bhandari: I'm not going to share it.

Rahul Gupta: Then, sir, it's a request that please disclose the number for expanding UAE business as well?

Ashok Bhandari: I have understood your request, and I am just with folded hands saying that I will not disclose this number.

Rahul Gupta: Got it. Thank you so much.

Ashok Bhandari: We had not disclosed AED47 as EBITDA last quarter as well. Last quarter, we had only discussed standalone. This is the first time we are talking about consolidated results.

Rahul Gupta: Sir, you had reported AED247 of revenue. So what would be that number this quarter?

Ashok Bhandari: My dear friend, AED247 is what? What is that number?

Rahul Gupta: Revenues for the UAE business. So what would be the similar revenues for the first quarter?

Ashok Bhandari: I am again saying, I have given you the quantity, I am not going to give you the numbers.

Rahul Gupta: Thank you so much.

Ashok Bhandari: Yeah, bye.

Moderator: Thank you, sir. The next question is from the line of Jashandeep Singh Chadha from Nomura. Please proceed with your question.

Ashok Bhandari: Mr. Chadha, where were you all these days?

Jashandeep Chadha: Hi, sir. Thank you for the opportunity. Sir, my first question is largely on the demand front. Will it be possible to give some regional trend what you're seeing in different regions, both for the industry and Shree Cement?

Ashok Bhandari: As Mr. Jajoo just shared, how we fared in Q1,

Jashandeep Chadha: No, sir. I mean, first or second quarter.

Ashok Bhandari: 20% incremental demand in East. South, you see, we had started new plant, plus we could penetrate the West India market. So he has given you those. Nevertheless, pan-India, the industry is expected to grow at about 7% to 8%. We hope to catch up with 10%. 35.4 is what we did last year, and I'm guiding at about 40 this year.

Jashandeep Chadha: Understood, sir. I was actually looking forward to second quarter, this month, how you've seen, has there been impact of...

Ashok Bhandari: From Bombay, you can't look up to Calcutta, so travel 2,000 km.

Jashandeep Chadha: Definitely, sir. Sir, my second question is largely on capex, if you can share the capex guidance for FY2027-28 and also on the Northeast front?

Ashok Bhandari: You see, total capex I had guided Q4 about INR1,500 crores. For in Q1, we have done INR456 crores. I maintain my guidance at about INR1,500 crores for the year.

Jashandeep Chadha: Understood, sir. Thank you so much. And for Northeast, sir, although you will be commissioning that plant in end of FY28 I believe.

Ashok Bhandari: Q4 2028.

Jashandeep Chadha: Yes, sir, Q4 FY28. Just wanted to understand how the economics will be or margins will be when we compare it to our Eastern asset?

Ashok Bhandari: I think you have misread one number. You are getting guided by INR1,800 crores for 1 million ton plant. Correct? So you are saying INR18,000 per ton capital cost, how the viability will come up. So please understand that we have enough limestone in that region to go up to 4 to 5 million tons. We are creating the infrastructure for 4 to 5 million ton of final capacity. It is not that the first million ton is going to eat up entire capital.

The facility is being created for 4 to 5 million ton. 1 million ton we are starting to test the market and see how fast we can grow in that market. There are only two regions in Northeast which can have cement, Assam and Meghalaya. Right? There is almost a duopoly there, Star and Dalmia. So you know how things shape up where duopolies are there. So fine.

And we have never proven ourselves to be running fast enough to acquire $5 EBITDA plants at $110 capex. So we are taking learning steps, we'll take our steps. And maybe we should be able to come to 4 to 5 million ton of final capacity. It will take its own time. But we'll have to create the facility accordingly.

Jashandeep Chadha: Understood, sir. Thank you so much. It means that subsequent capex will be at lower rate. Just one last question, sir, if I can squeeze in, that over the last year, Shree Cement was doing a drive of improving realization until last quarter. The drive had worked very well. You have reduced the gap to around INR10 to INR12 per bag, if I'm not wrong. Any improvement on that front in this quarter or for this year that you are thinking?

Ashok Bhandari: In this quarter, there has been no improvement, but we are at it. This quarter, please understand, Mr. Chadha, I had a lower quality of cement to sell, or I had lower conversion factor, so I was fighting on production front, I was fighting on cost front, I was trying to push sales in non-trade segment. So this was not the ideal quarter. This was a very difficult quarter. And we feel going forward, we should be on track to try and catch up the delta.

Jasandeep Chadha: Understood, sir. It makes sense, and I'll soon see you in Kolkata, sir. Thank you so much.

Ashok Bhandari: Please. Pleasure.

Moderator: Thank you, sir. The next question is from the line of Ritesh Shah from Investec. Please proceed with your question.

Ritesh Shah: Hi, sir. Thanks for the opportunity. Sir, would you like to highlight any specific cost levers that we are working on? Would love to hear from you commentary specifically on freight, rakes, railway siding. I think that is one.

Ashok Bhandari: Now listen, let me give you an insight. At 1x the fuel cost, you can buy electric commercial vehicles at 2.5 times capital cost. A 40 lakh commercial vehicle ICE-based, means diesel-based, costs us 1 crore for electric, but then the cost of fuel comes to 1/10th. Now we are working on the viability, we are working on all kind of adjustments in that. We are committed to commission about 100 commercial ECVs, e-commercial vehicles, in this year.

And hopefully, it should keep us in good stead. Not only this, in our mining activity where we use lot of dumpers and dozers and things like that, there is a good possibility of electric vehicles substituting diesel vehicles. So we are working on all that. Those are new cost levers. We are, of course, keeping on looking for renewable energies.

You'll be surprised to know that our renewable energy component to total energy has increased from 61% to 66% in this quarter. So we are working on all those levers. The freight, means the lead distance, yes, we are working on it. The railway sidings, we have asked under the Gati Shakti scheme, we have given some contracts, but the railways deliver at their own cost and their own pace. So all these are there. I have repeatedly told all you guys that the focus of Shree is not volume or top line, we are bottom-line focused and will do all such things which augments our bottom line. And we have been doing that thing for last 40 years, my friend.

Ritesh Shah: Correct, sir. Sir, would it be possible for you to quantify how much was the volumes by rail say last year.

Ashok Bhandari: Rail was about 9%. in this quarter.

Ritesh Shah: Okay. And sir, last quarter, you had indicated that we were exploring BESS as well. Any progress over here? You had indicated that we could potentially place that at several of our plants?

Ashok Bhandari: You mean to say Battery Energy Storage Systems?

Ritesh Shah: Yes, sir.

Ashok Bhandari: Yes, we have identified a few. We have implemented in a small way. And if it succeeds, we'll go whole hog. BESS you have to understand. The biggest bottleneck in using BESS is that if you put in 100 units, you can extract only 85 units. 15% of the total energy stays within the BESS system. So whatever cost advantage or disadvantage we have, we have to load it with a factor of 85% availability to come to actual cost benefit analysis. Now these are all theoretical calculations. That's why we have put in a small system. See how it works, what the viability is, and then we can always multiply that number.

Ritesh Shah: Sure, sir. And sir, just two linked questions. Sir, I think one of the quarters you had indicated that we are looking at materials besides fly ash as an alternative in blended cement, sir.

Ashok Bhandari: No, I'll come back again. What fly ash?

Ritesh Shah: Besides fly ash, we were looking at other cementitious material, which can actually go into PPC. Any update over here, sir?

Ashok Bhandari: No, we are still looking around. We still have got something we can still use a few things. I would not like to share it for trade reasons. But yes, we are working at additional cementitious material to increase or improve the conversion factor or bring my cost down.

Ritesh Shah: Okay. And sir, just last one. Clinker factor, sir, how much was it for the quarter, and any aspirations a year out for that?

Ashok Bhandari: Ritesh, I told you. We were at 1.58 June '25 quarter. We are in this quarter 1.50.

Ritesh Shah: Okay. This is fine. Thank you so much, sir. Thank you. Really appreciate it.

Moderator: Thank you, sir. The next question is from the line of Satyadeep Jain from Ambit Capital. Please proceed with your question.

Satyadeep Jain: Hi. Thank you. Maybe just follow-up question on the Northeast on the timeline of FY28. In the media, we keep seeing all these news around public hearing protest and all.

Ashok Bhandari: Today morning 8:30, there was a meeting and all approvals are in place. This is as of today morning 8:30 meeting. So all your media reports you can put to you can snub them.

Satyadeep Jain: Okay. So just given the logistical challenges of setting up a plant in Northeast.

Ashok Bhandari: Yes. It's never easy to make money, my friend. So we don't mind meeting all those challenges. And we have proven we are the only Guinness Book World Record holder of commissioning a brownfield plant within 14 months. So please don't doubt our capabilities.

Satyadeep Jain: Okay. Thank you. Thank you so much.

Moderator: Thank you, sir. The next question is from the line of Navin Sahadeo from ICICI Securities Limited. Please proceed with your question.

Navin Sahadeo: Yeah, sir. Thank you for the opportunity. Two questions. So you gave the consol volumes as well as of course the standalone volumes are reported in the press release. Difference is roughly a million ton. And there is of course a calculated difference in the consol EBITDA and standalone.

Ashok Bhandari: You are missing a point. In consol, I have two more businesses. One is Shree Cement East, where there is a grey cement volume. Right. The other is I have an AAC plant. The third is we operate through 100% subsidiary, a station at Raipur. So it is not so easy, that you derive that. You see the volume, divide it by volume and say, "INR2,500 per ton is the EBITDA at UAE." No, you can't fathom it like that. I am not giving you the number. I'm not giving you the number. But then I am saying that henceforth, please look at consolidated numbers only.

Navin Sahadeo: Yeah, sure. Appreciate that. My second question then was on the RMC. So in the previous quarter, I think revenues were about INR90 crores, but we are scaling this up. Full year revenue also were around INR240 odd crores. So is it possible to share Q1 RMC revenue?

Ashok Bhandari: Wait, one second. Come back again. I'm sorry, I missed the question.

Navin Sahadeo: My question was on RMC.

Ashok Bhandari: Your voice is cracking, my friend.

Navin Sahadeo: Okay. Is it better now, sir?

Ashok Bhandari: Otherwise, you can send me a mail, I'll answer you, yeah.

Navin Sahadeo: Okay, fine. I'll do that. Thank you.

Moderator: The first question is from the line of Rajesh Ravi from HDFC Securities. Please proceed with your question.

Rajesh Ravi: Hi, sir. Just on the capex comment, I missed on that. You mentioned that around INR500 odd crores was spent in Q1 and the remaining three quarters INR1,500 crore, or I misread that?

Ashok Bhandari: Total for the FY is about INR1,500 crores, we have spent INR500 crores in Q1.

Rajesh Ravi: Total is how much?

Ashok Bhandari: Total is INR1,500 crores, we have spent INR450 crores plus in Q1.

Rajesh Ravi: Okay. And for next year, what sort of capex should we work with?

Ashok Bhandari: Not at the moment. Please give me one more quarter, I'll get back to you in next con call.

Rajesh Ravi: Sure. And sir, RMC revenues were how much for this quarter and the March quarter?

Ashok Bhandari: I'm asking Mr. Jain to answer to it.

K.K. Jain: Yeah, RMC revenue is INR109 crores for this quarter, INR90 crores for March '26, and INR40 crores for June '25.

Rajesh Ravi: Okay. And this is already operating at what EBITDA margin, sir?

Ashok Bhandari: I said there is no EBITDA at the moment in RMC, my friend. I said it right in the beginning.

Rajesh Ravi: Sorry, I missed that. Okay.

Ashok Bhandari: You guys get guided by the huge EBITDA number being reported by one of the peer group companies where they talk of 474 plants. Now 474 plants is not under their direct ownership. It is under a franchise model. Maybe they are having 200-250 plants, balance is franchise. They just throw a number to you guys, nobody looks at the ownership of the 474 plants. What should I say now, my friend?

Rajesh Ravi: Fair, sir. And now, sir, just one small request. Because we would also love to work with the consol numbers, if it is possible to share for the benefit of everyone the consolidated quarterly volumes for the last since start of FY25.

Ashok Bhandari: Any detail you want, you will get it from my colleague, Mr. Subhash Jajoo. You can send him a mail. But tell me one thing, this hair-splitting exercise increases my remunerating power to my shareholders, or it does nothing to it?

Rajesh Ravi: Sorry, not able to hear you properly, sir.

Ashok Bhandari: I am saying that I'll give you all these numbers. These numbers you can have from Mr. Jajoo, but does it in any way impact rewarding my shareholders? My shareholders will get rewarded from the consol number only. Henceforth, you will be getting consol number. For your comparative analysis, you want these details, to the extent possible, Mr. Jajoo will share it with you. You can send him a mail for that.

Rajesh Ravi: Agreed, sir. I believe the consol number is more representative of the company, and that is why it is always great to have work with the consol number.

Ashok Bhandari: Lovely, lovely. Thank you.

Moderator: Thank you, sir. The next question is from the line of Harsh Mittal from Emkay Global Financial Services. Please proceed with your question.

Harsh Mittal: Yes, thank you for the opportunity. So, I have couple of housekeeping questions. First one is the sequential change in the lead distance, and second is the net cash available in the balance sheet as on June quarter.

Ashok Bhandari: First on the lead distance, it has come down from 459 to 445. Now net cash or consolidated cash, what you want? You take it down here. You take net cash consolidated INR7,733 for June 25. It has gone up to INR8,348 in June 26. Anything else Mr. Mittal?

Harsh Mittal: Sir, just wanted to understand from you, given that we have such an amount of cash in our balance sheet, have you thought of scouting for any inorganic growth?

Ashok Bhandari: No, no, no. We are not in the inorganic game at all, my friend. As I said, we don't have the heart to buy a $5 EBITDA capacity at $110 and then come and have the cheek to say that probably we have taken a wrong decision. We are in the business for last 40 years, my friend. We understand it.

Moderator: Thank you, sir. The next question is from the line of Girija Ray from Nirmal Bang. Please proceed with your question.

Girija Ray: Hi, thanks for taking my question, and many congratulations for one particular thing that is the capacity utilization, which has increased this quarter. So, I'm very happy that capacity utilization stands at 62%. So that was the only concern with me. So how do you see, sir, pricing is going to pan out going forward?

Ashok Bhandari: Pricing?

Girija Ray: Yes, sir.

Ashok Bhandari: I have never in my 40 years' career taken a call on how the selling price will be, sir. It's a market-related activity. I don't take a call. I don't want to take my investors up the garden path. You do your own estimation and calculation. I can give you a broad guidance on what the cost will be, provided external environment remains same, which I have given. But price, I don't take a call, my friend.

Girija Ray: Thank you, sir. Thank you very much.

Moderator: Thank you, sir. The next question is from the line of Prateek Kumar from Jefferies. Please proceed with your question.

Prateek Kumar: Yeah, hi. Good evening, sir. Like in Q2, like you said, all your variable costs have peaked. So, on a total cost of operations, except for operating leverage, which could be like INR100 to INR150, we are not looking at any cost changes quarter-on-quarter. I know it's a repetition.

Ashok Bhandari: Wait a minute, my friend. I have said that Q1 is a non-comparable, non-standard quarter. I have said that. Have we ever come down to 9% Pet Coke use? It's unimaginable. So please, Q1, you grant us the leeway that it was extremely difficult for us. Can you imagine Shree Cement selling maximum in non-trade? Where in last 3 years we have been talking of premiumization, we had been able to reduce the delta between the peer group and us. This is an absolutely abnormal quarter. Please, give me one more quarter, H1 we'll talk more meaningfully.

Prateek Kumar: Sure. Thank you. And just confirming, INR1,500 crores capex, which you said, includes UAE expansion, so it's a consol capex guidance.

Ashok Bhandari: One second, one second, one second, my dear friend. INR1,500 crores is India operation. Thank you very much for pointing it out. UAE expansion is already under way, and it is being funded out of UAE operations only. We are not remitting anything for UAE. There is enough cash sitting out there.

Prateek Kumar: So, what is the consol capex guidance for the company, as you will move to consol model now?

Ashok Bhandari: I am very sorry, Prateek, I should have had this number, I don't have it. I will share it to you as soon as I go back to Kolkata. Today I am in Beawar. I should be there by 4th or 5th, we'll share this, because I just have to look at the UAE data, that's all.

Prateek Kumar: Sure. Thank you, sir. These were my questions.

Moderator: Thank you, sir. Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Ashok Bhandari: Hi. I just want to repeat what I have been saying all this call. Please consider Q1 as an abnormal quarter. I expect to do better Q2 onwards, if nothing untoward happens on Middle East front. Hopefully, we should regain our supremacy in trade sales. And let us see how things pan out. Thank you very much, and have a great day.

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

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