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11th May, 2026

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

SCRIP CODE: SHRECEM 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 6th May, 2026 relating to the Financial Results of the Company for Quarter ended on 31st March, 2026 is attached.

Kindly take the same on record.

Thank you,

Yours faithfully,
For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)
COMPANY SECRETARY

Shree Cement Limited

Corporate office: DLF Epitome, Building No.5, Tower B, 9th Floor, DLF Cyber City, Gurugram, Haryana - 122002
Tel.: +91-124-4699200 | www.shreecement.com | CIN: L26943RJ1979PLC001935

Registered Office: Bangur Nagar, Beawar, Rajasthan -305901 | Tel.: 01462-228101-06 | shreebwr@shreecement.com
Group Corporate Office: 21 Strand Road, Kolkata, West Bengal - 700001



“Shree Cement Limited
Q4 FY26 Earnings Conference Call”

May 06, 2026



MANAGEMENT: **MR. NEERAJ AKHOURY – MANAGING DIRECTOR – SHREE CEMENT LIMITED**
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 Q4 & FY26 Earnings Conference Call of Shree Cement Limited hosted by ICICI Securities Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion and expectation of the company as on date of this call. These statements are not the 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 the 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. Thank you, and over to you, sir.

Navin Sahadeo: Thank you, Danish. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to the Q4 FY26 Earnings Call of Shree Cement Limited. From the management, we have with us Mr. Neeraj Akhoury, Managing Director; Mr. Ashok Bhandari, Senior Advisor and Mr. Subhash Jajoo, company CFO. So without any further ado, I hand over the floor to the management for their opening comments. Over to you, sir.

Neeraj Akhoury: Thank you, Navin. - Good evening, ladies and gentlemen. I welcome you to the Earnings call of Shree Cement Limited for the quarter and year ending March '26. - 2025-'26 was a good year for us despite the challenges post during the Middle East conflict in March. In March '26 quarter on a sequential basis, domestic cement sales volume increased by about 25% from 8.48 million tons in December '25 to 10.56 million tons in March '26, while year-on-year growth was at 11%.

Total volume, including clinker sales also jumped by about 9.4% from 9.84 million tons to 10.77 million tons, while increasing by 23.2% on a quarter-on-quarter basis. Realizations were at INR 4,725 as against INR 4,652 in December '25, registering an increase of 1.6% during the quarter. Operating EBITDA also increased by 34% from INR 902 crores to INR 1,212 crores. EBITDA per ton increased from INR 1,032 to INR 1,125 in March '26.

Capacity utilization during the quarter stood at 66% as compared to 56% during December 2025. For the full year, sales volume including Shree Cement East, increased by 2.2% from 35.6 million tons to 36.4 million tons. Our strategy, which we took for the full year helped in increasing our realization from INR4,569 per ton last year to INR4,732 per ton in 2025-'26, registering an increase of 3.6%.

Total operating EBITDA increased by 11% from INR3,814 crores to INR4,222 crores, excluding onetime impact of INR80 crores. EBITDA per ton stood at INR1,161 as against INR1,071 last year. Our other company, Union Cement performance has also improved significantly during the year '25-'26 on back of robust demand and continuously improving pricing scenario.

Sales volume were up by 18% from INR38.61 lakh tons to INR45.65 lakh tons. Revenue was up by 39% during the year from AED 624 million to AED 870 million. Since last 2 months due to the tension prevailing in the Middle East, sales have slowed down, but with ceasefire situation

is gradually coming back to normal. We believe once peace is restored, demand would bounce back due to the reconstruction work.

The Union Cement continued with its impressive quarterly performance. Total volume increased on a yearly basis from 10.72 lakh tons to 11.65 lakh tons, recording a growth of 9% on quarter-on-quarter basis. Sales revenue was up by 18% from AED 210 million to AED 247 million on a quarterly basis.

During the quarter, the company commissioned its integrated project of 3.65 million tons clinker capacity and 3.5 million ton cement capacity at Kodla, Karnataka. With this, the company's installed cement production capacity in India, including its wholly owned subsidiaries, increased to 69.3 million tons, strengthening its position as India's third largest cement group.

The work on setting up a cement mill of 2.5 million tons in Union Cement, UAE is progressing well and is scheduled to be commissioned by September '26. To further expand our capacity, the company is setting up an integrated cement plant with clinker capacity of 0.95 million tons and cement capacity of 0.99 million tons in the state of Meghalaya.

During the quarter, company also incorporated a wholly owned subsidiary with a purpose to establish and operate cement, blending, storage and packing facilities in Mauritius. The company continues to actively and strategically pursue multiple expansion opportunities currently at various stages of pre-project development to accelerate capacity buildup and firmly position to achieve its growth milestones.

The company is rapidly expanding its RMC business with 26 operational plants at the end of '25, '26. During the month of March '26, company has inaugurated 10 new RMC plants, which are currently under commissioning. With the commissioning of these plants, the total RMC plant count will increase to 36 plants, significantly strengthening the company's operational footprint at the start of financial year '27.

The company continues to focus on sustainability initiatives. Key highlights of the same are as follows. The company's share of green electricity in total electricity consumption stood at 61% in Q4 '26, up from 59% on Q4 '25, including its wholly owned subsidiaries in India, which is one of the highest in the India and most probably global cement industry.

The company is consistently ramping up its green power generation capacity, which currently stands at 666.5 megawatts, including in its wholly owned subsidiaries in India. All the company's manufacturing locations are zero liquid discharge treating, recycling and reusing 100% of wastewater generated from its operations.

These efforts aided by a good rainfall have enabled the company to maintain its water positivity index to more than 8x in '25-'26. The company continues to get AAA rated by leading rating agencies of India. Last year, we also got our long-term foreign currency rating done by CareEdge Global. The rating given was BBB plus, which is stable.

Considering the strong cash position, the Board of Directors of the company have recommended a final dividend of INR70 per share in addition to the interim dividend of INR80 per share for

the year '25-'26 declared in October '25. Total dividend for the year stands at INR150 per share, representing a 36% increase over the INR110 per share dividend paid in '24-'25.

The final dividend shall be subject to approval of members in the next Annual General Meeting. India's macroeconomic environment remains resilient, supported by steady domestic demand and continued policy focus on infrastructure-led growth. Union Budget '26-'27 has reinforced this momentum through a sustained thrust on public capital expenditure with investment in roads, railways and urban infrastructure expected to drive construction activity and cement demand. Favourable employment conditions, stable inflation and supportive fiscal and GST rationalization measures further strengthen sector's fundamentals. Against this backdrop, the cement industry remains well positioned to benefit from healthy demand growth in the medium term.

However, the geopolitical conflict in Middle East and forecast of moderate monsoon conditions may act as headwinds for the sector and may impact its growth momentum in the short term. With this, I would now open the floor for the Q&A. I have with me Mr. Ashok Bhandari, Mr. Subhash Jajoo, Mr. K.K. Jain and Mr. S S Khandelwal to take you through the Q&A session. Thank you, everybody. And again, a warm welcome to Shree Cement's quarter 4 webcast.

Moderator: Thank you so much, sir. Ladies and gentlemen we will now begin with the question and answer session.

Ashok Bhandari: Navin, before we start the Q&A, can I make a point, please?

Navin Sahadeo: Yes, please. Please go ahead.

Ashok Bhandari: Good evening, everybody. I would like you to recall two specific public communication we had made. One was at the end of June '25 quarter when Mr. Bangur had gone on television saying that he expects the growth for Shree Cement in last financial year between 2% to 3%, we have delivered 2.2%.

The second attention I would like to draw is towards the last quarter's concall where, unfortunately, Mr. Akhoury could not attend, where I had said that we have moved to a more stable pricing platform, narrowing the gap between the topmost player and us by almost INR15 to INR20 a bag and now we will be chasing volumes. We have delivered on both these accounts, which explains our ethos of delivery and not proclamation.

Now I open the floor for any questions you have.

Moderator: Thank you so much, sir. The first question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hi, sir. Good evening and congrats on strong volumes and continued margin performance. Sir, my question pertains to what's next in terms of capex and the large cash surplus, which is further increasing owing to your strong internal accrual generation?

- Ashok Bhandari:** Okay Ravi, Bhandari here. As far as capex is concerned as on date, as Mr. Akhoury has already informed you, we are pursuing three distinct places. One, we will be increasing our RMC plants during '26-'27. Number two, we are earnestly working on railway sidings.
- And number three, the Meghalaya expansion for which orders have already been placed. However, the total capex estimation for the year '26-'27 is approximately INR1,500 crores and it should take its own course. We expect to close the year with about 50 to 55 RMC plants, railway sidings and preliminary work on Meghalaya cement.
- Rajesh Ravi:** Okay. And any thought on your long-term next 2-3 year expansion plans because Meghalaya will be a smaller capex?
- Ashok Bhandari:** Look, my dear friend. We are on record saying that we should reach 80 million tons by 2029. But then please understand it's a dynamic situation. We have slowed down the capex. Even in the last concall of one of our competitors, they have also slowed their aggression. So we will ride the wave as it is. We intend to reach 80 million tons by '29, but let us see.
- Rajesh Ravi:** Yes. Understood, sir. Great. And on the cash surplus, you have increased the dividend for sure. That is a good news. But anything further because we are now close to INR9,000 crores odd surplus cash?
- Ashok Bhandari:** We are 6400 Cr Net cash and a borrowing of approx 1500 Cr, Gross 7900 Cr. You are correct. We will keep on finding the ways to reward the shareholders as well as if the situation improves, we can expedite our capital expenditure program by front-ending it. You will appreciate that in the last 15 years or so, we have not borrowed. We have generally funded all our capex to our internal accruals and we intend to do the same.
- Rajesh Ravi:** Understood, sir. And second, if I look at consol minus standalone just for clarification, would that give the UAE performance or this would also include your East subsidiaries performance, consol minus standalone EBITDA?
- Ashok Bhandari:** No. Listen, consol has two components. One is Shree Cement East Private Limited and one is UCC, which is Union Cement at UAE. Now Shree Cement East Private Limited will be the engine for further capacity expansion in India and UCC, as Mr. Akhoury has already pointed out, is on track to add another 2.3 million tons of capacity by September '26. And I think it should keep us in good stead.
- Rajesh Ravi:** Great. Sir, given that our growth engine will be the Eastern subsidiary, should we not be looking at the company at a consol level rather than at a standalone level?
- Ashok Bhandari:** Indeed, I take your point. And we have been looking at this possibility. Maybe next quarter onwards, we will talk of consol only.
- Rajesh Ravi:** Understood sir. I will come back in queue meanwhile you may share the operating numbers.
- Moderator:** Thank you. Our next question comes from the line of Harsh Mittal from Emkay Global Financial Services. Please go ahead.

- Harsh Mittal:** Thank you for the opportunity. Good evening to the management. Sir, my first question pertains to the freight cost, which appears to have increased by INR80 per ton kind of a number, on both Y-o-Y and sequential basis. Any reason for the same, sir?
- Ashok Bhandari:** No. What has happened is that our lead distance has increased by about 12 kilometres over last quarter. We are seized of the fact and we are working towards reducing this and maybe bring it back to sub 440 kilometer ton. And you see, basically, it is completely dependent on the demand-supply scenario of each region. So we are working on it and we should be able to bring it under our control.
- Harsh Mittal:** Yes. Sir, my second question is that in the last concall, you mentioned about the depreciation guidance of around INR1,600 crores to INR1,700 crores. So are we sticking to the same number for FY27 or is there some upward revision?
- Ashok Bhandari:** Yes, we are sticking to that.
- Harsh Mittal:** Sure, sir. These were my questions. I will join back in queue.
- Moderator:** Next question comes from the line of Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Yes. Hi, good evening and thanks for the opportunity. So on the strong volume growth delivery in Q4, which is like 11% Y-o-Y on cement level is what I see. So going ahead, how do we see it like full year is obviously at 2, but Q4 is pretty high? So going ahead like should we expect full year run rate to also now be at similar levels?
- Ashok Bhandari:** Basically, the guidance we have been maintaining is 1% over the average industry growth rate. However, we expect to reach about 40 million tons in this year. '2627, we should be around 40 million tons. But of course, there are a lot of macroeconomic factors, which are beyond our control. But hopefully, things will do well.
- Amit Murarka:** So just to clarify, 40 cement including clinker or only cement?
- Ashok Bhandari:** Look, my dear friend, clinker is not our choice. We would not like to sell clinker because we are losing the value-add opportunity. Clinker is basically for various small reasons, it's not a meaningful volume at all. So please do not look at clinker volumes at all. Look at cement at 40 million, what I'm saying is maybe including 200,000-300,000 tons of clinker. Otherwise, it should be cement only.
- Amit Murarka:** Sure. Understood. And generally on this West Asia crisis, while we know that there is cost inflation that everyone is facing, what are the mitigation measures? I believe now coal probably is cheaper than pet coke. So are you switching into coal more than pet coke and what are the mitigation measures basically?
- Ashok Bhandari:** My dear friend, it's a dynamic exercise for us. We keep on evaluating the techno commercial viability of various kind of fuel mix. And as on date, yes, you are right, coal is becoming cheaper than pet coke. But then pet coke prices also cooled down by more than USD10 a ton. So we are not concerned with what fuel we are using.

We are concerned with landed cost per kilocalorie on air-dried basis at our plant. So we are constantly on that. Indeed, yes, the fuel cost which is standing at about INR1.60 per kilocalorie as on date will move up maybe by 10% or something for this quarter. But then, yes, this is our business to keep on maintenance of sustainability and profitability. You may also note that in spite of whatever results whosoever has declared, our EBITDA per ton of cement for the year '25, '26 is by far the highest in the peer group.

Amit Murarka: Right. Congratulations on that. And just lastly, if I may, could you provide region-wise capacity utilizations for you?

Ashok Bhandari: Look, my dear friend, I'm now asking Mr. Jajoo and Mr. K.K. Jain to fill you up with these details. I don't have these details in front of me. They must be having it. Mr. Jajoo, can you answer this?

Subhash Jajoo: Yes. For this quarter, for North the utilization is 70%. For East, it is 60%. For South, it is 61%. Company as a whole, the utilization is 66%. As compared to December, the number was 56% for the company as a whole. So from 56%, we have increased it to 66%.

Amit Murarka: Got it. Thanks a lot. I will just come back in the queue for more questions.

Moderator: Thank you. The next question comes from the line of Siddharth Mehrotra from Kotak Securities. Please go ahead.

Siddharth Mehrotra: Thank you, sir for the opportunity. Sir will your competitor also sort of going slow on expansion, do you think there's a chance that demand might be sort of impacted in the ongoing year? What are your thoughts on demand specifically for, say, the next 12 months?

Ashok Bhandari: Let us understand my friend. Before the new series of GDP came into play, the demand was 1.3x the GDP growth rate. Now once the constituents of GDP got reconstituted, the demand has come to around 1 to 1.1x GDP growth rate. Now the bedrock of growth, economic growth is steel and cement.

If India needs to grow at 7%, steel and cement should grow at least in tandem with that, if not more. We expect this year 6.5% to be the GDP growth rate. So we should do about 7.1%-7.2% cement demand growth rate. And as I have said, that should be the industry average. We should grow at about 8% to 8.5%, but you can never say. So let us see how the GDP moves.

Siddharth Mehrotra: Thanks for your thoughts on this, sir. Just another question. Sir, we've seen a fair amount of cost inflation, as you rightly pointed out. So I just wanted to check what are the prices looking like this quarter? Have we been able to mostly pass those on to the customers or do you think we need more price hikes?

Ashok Bhandari: No. Listen the fundamental principle of any business is heart wants more. So let us be very clear that whatever we can pass on, on a sustainable basis to the market after absorbing our cost push, we should be all right. We will aim to increase the profitability. Let us see how it pans out. And in any case, if the war in Middle East gets over in the next 2 months, the fuel prices are about to come down. So it is a completely dynamic situation as on date.

- Siddharth Mehrotra:** Got it, sir. Any chance you could provide us some colour on the hikes, which has been taking, say, for example, in the past month or so?
- Ashok Bhandari:** About INR25 a bag.
- Siddharth Mehrotra:** And this is across regions?
- Ashok Bhandari:** I don't have that kind of a breakup, but South is okay. And you can, of course, ask Mr. Kamlesh Jain or Mr. Subhash Jajoo to send you a mail separately on this.
- Siddharth Mehrotra:** Got it, sir. Just one last bookkeeping question. The sales figure that you've mentioned, that includes volume sales from our wholly owned subsidiary as well?
- Ashok Bhandari:** Subsidiary in India.
- Neeraj Akhoury:** 11% is the sales from the Indian operations.
- Siddharth Mehrotra:** Okay. So that 10.77 number is including Shree Cement East.
- Neeraj Akhoury:** Yes.
- Siddharth Mehrotra:** Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Pinakin from HSBC Bank. Please go ahead.
- Pinakin:** Thank you very much. Sir, my first bookkeeping question is that what is the net cash balance as of March '26?
- Ashok Bhandari:** We are 6400 Cr Net cash and a borrowing of approx 1500 Cr, Gross 7900 Cr.
- Pinakin:** Got it. My second question is, sir, on capacity expansion. So 69 million tons capacity as of March '26 and overall annual full year utilization would be in early 60s. Now that 80 million ton target by FY'29, given the utilization levels that are there, can we expect this to get pushed out by a couple of years?
- Ashok Bhandari:** I can't say it's too early to comment. We have slowed down. I have given a guidance of INR 1,500 crores only for capex in this year. Let us see how the situation plays.
- Pinakin:** Got it. And sir, this value over volume and now we are focusing on volumes. So is it fair to say that between volumes and price and EBITDA margins, while we are chasing volumes, EBITDA per ton is also something you will keep on focusing on and not let it go down much?
- Ashok Bhandari:** Look, my dear friend, let us understand. Q2 and Q3 of last financial year, we suffered to pull up our prices. We did not aggressively sell. And once the prices have established to a level where the delta between the top players and us has reduced significantly, we don't intend to give up that advantage. We would like to have now our fair and proper market share.

That doesn't mean we'll go into a price war and push volumes. Profitability is the prime focus. Price always the market gives. Volume is what we are capable to produce. This is the situation. Now how it will put pressure on EBITDA, we have never in our history given any guidance on EBITDA per ton.

We have never given you any guidance on sale price per ton because it is not in control of any commodity manufacturer leave aside cement. It is a completely macro-driven equation. And we would not like to hazard a guess. We can say what our costs are, we can say what our aspirational volumes are and balance whatever will happen to everybody will happen to us.

Pinakin: Got it. This is very clear. Thank you very much, sir.

Moderator: Thank you. Our next question comes from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Yes. Hi, sir thanks for the opportunity. Sir a couple of questions. First is if you could, sir, put some details on the Northeast expansion, specifically around limestone sourcing. If we have won a mine, what is the auction premium that what we have paid and any indicative time lines on the expansion that we have indicated?

Neeraj Akhoury: We have gone by the laws of local government in Meghalaya, the state laws, where the state government allocates the mines. What we have got is three blocks. We have not completed prospecting of all the three blocks, but the first block where we have done our detailing, we are talking roughly about 600 million tons of limestone in aggregate.

Ritesh Shah: Sir, the premium that we have paid and if you have any secured any incentives for this project along with the time lines?

Neeraj Akhoury: Mines are not auctioned. They are allocated.

Ritesh Shah: Okay. And sir incentives?

Neeraj Akhoury: No, we have not yet received any confirmed paper document from the government of Meghalaya on incentives to be given. We have approached them, but we have not got any confirmation from that. So this project is to our estimate, strongly viable even without incentives.

Ritesh Shah: And sir, how should we look at the capex number? It looks very high, INR1,800 crores. Is it because of the region or is it something different?

Ashok Bhandari: No, my dear friend, Bhandari here. The INR1,800 crores capex apparently looks very high. But then as Mr. Akhoury just pointed out, we have three blocks. We have prospected one block, which shows more than sufficient deposit. Ultimately, we intend to reach 4 million, 4.5 million tons of capacity there.

But then once you start looking at setting up that kind of a capacity, we are starting with 0.95 million ton of clinker and 1 million ton of cement. But we have to create the necessary infrastructure, acquire the land, draw the power lines according to our ultimate plan. So a lot of

Brownfield expansion expenditure gets front-ended. And that is why this figure is looking so high.

Ritesh Shah: Perfect, sir. This helps. Sir, my second question is on the cost levers. Any variables that you would like to highlight, say over next 2-3 years wherein we can actually improvise on the cost. So probably if you can touch upon any targets on WHRS? Second is RE, third is clinker factor. And fourth is railway. I think when I met you last time, you had indicated the railway volumes, we look to double it over next few years. Some numbers over here also would help, sir.

Neeraj Akhoury: So I mean, no company runs out of arguments by which it can better its performance. Shree, of course, has many strong arguments where we can further work on our efficiencies and improve the performance. Last time we spoke about railway projects. We have railway, we have AFR. We have renewable power.

All these are part of how do you improve your cost position. And that is what we are working on. On railway, we are working on at least three, four different sites on the railway. At this moment, it will be not fair for us to disclose a number. But be rest assured that all those arguments, we are using very strongly to further improve our cost position.

Ritesh Shah: Thanks for that. Any numbers that you would like to qualify for WHRS and RE, given we are already doing so well, do we have further room to improvise?

Neeraj Akhoury: WHRS all our kilns for today and for the future will be linked with WHRS. Even currently, all the kilns that we are commissioning are having WHRS facilities. For RE, very deliberately, I'm not giving you a number today. Maybe by next call, we should be in a better position to give you. Solar energy, we are strong. I mean you have seen that we are already at 61%. And so wherever there is an opportunity, we will continue to invest in renewable energy, solar included to make sure that we take advantage of this to further better our performance.

Ashok Bhandari: To supplement Mr. Akhoury's statement, we are also quite aggressively exploring the possibility of a viable battery energy storage system, BESS. We have started experimenting on a few things. If that succeeds, then there will be a huge potential of setting up further RE capacity, especially in solar.

Ritesh Shah: Perfect. And sir, clinker factor, what it is right now and do we have any aspiration on this number, say, 2 years out?

Ashok Bhandari: Yes, I'm giving the line to Mr. K.K. Jain. He will give you the numbers.

K.K. Jain: Yes. For the current quarter, the clinker factor is 64.8% against 63.9% in December '25 and 64% in March '25.

Ritesh Shah: And sir, any target for this 2 years out?

Ashok Bhandari: Well, that is dependent on what kind of market we are addressing to. There are some markets still on different kind of blends. Let Mr. Akhoury explain you further.

- Neeraj Akhoury:** For each product, we will be fully optimizing our clinker factor. Now the future will depend on the product mix. And product mix will depend on the kind of segment that we will continue to cater to. So if it is OPC, then of course, there is a results in a lower clinker factor. And if it's PPC, it's a better clinker factor. But for now, I think our clinker factor is in line with best-in-class in the industry to my mind, except people who use slag.
- Ashok Bhandari:** I'll stick my neck out and say that probably we have the best clinker factor.
- Ritesh Shah:** Perfect, sir. This is very helpful. Thank you so much. All the very best, sir. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Raashi from Citigroup. Please go ahead.
- Raashi:** Thank you. Just on the cost, sir, what has been the cost movement in this quarter, cost of production versus the last quarter?
- Ashok Bhandari:** Raashi, let me address this upfront. As I said, our per kilocalorie landed cost last quarter was at INR1.60. We expect to keep this creep up to INR1.76 or INR1.80. Jajoo will share the exact calculation with you. But then please understand that we are trying to keep on increasing our thermal efficiency.
- Yes, we used 733 kilocalorie in this quarter vis-a-vis 741 in previous quarter. So we are continuously trying to decrease this and if we decrease this then the quantum throughput also falls, isn't it.
- Raashi:** Yes. Got it. Sir, so besides the power and fuel cost, you would have also witnessed some increase in packaging costs. So on a cumulative basis, what kind of cost increase are you talking about?
- Ashok Bhandari:** Well, you should roughly take about INR150 a ton.
- K. K. Jain:** Yes. There is some increase in the packing cost in the quarter. The impact is in the March. And if we see the quarter figure, then it is increased by INR20 per ton. And now going forward, it would be around, say, INR100 per ton, there will be an increase.
- Raashi:** So on a total cost basis, just going back to the fourth quarter, you've had an increase in the power cost, you've had an increase in freight as well as in packaging. So the blended cement cost of production would have gone up by how much during the fourth quarter sequentially?
- K. K. Jain:** Should be around, say, INR150 to INR200 per ton, including packing and the raw material cost as well as this power fuel and all.
- Raashi:** This is in the fourth quarter?
- K. K. Jain:** No, in the coming quarter. In the fourth quarter the impact is around, INR20 to INR30 - compared to December.
- Raashi:** Okay. So total cost increase is INR20-30 versus the third quarter. Okay. And what was the percentage of blended cement and trade cement during the quarter?

- Subhash Jajoo:** 64% was the trade sale. You wanted the trade sale, right?
- Ashok Bhandari:** No blended cement.
- Subhash Jajoo:** Blended is 62%.
- Raashi:** So blended is 62% and trade is 64%?
- Subhash Jajoo:** Correct.
- Moderator:** Thank you. Our next question comes from the line of Parvez Qazi from Nuvama Group. Please go ahead.
- Parvez Qazi:** Hi, good evening sir and thanks for taking my questions. I'm sorry if you've answered this question earlier, but just wanted to get what was our kcal cost in Q4?
- Ashok Bhandari:** INR1.60 per kilocalorie landed at our plant.
- Parvez Qazi:** Sure. And just one more question. What would have been our fuel mix in Q4?
- Subhash Jajoo:** For Q4, it was pet coke was 54%, coal was 32% and alternative fuel was 14%.
- Parvez Qazi:** Sure, sir. Thanks and all the best.
- Moderator:** Thank you. Our next question comes from the line of Prateek Kumar from Jefferies. Please go ahead.
- Prateek Kumar:** Good evening, sir. My question is on your pricing gap closing with large peer. You talked about closing INR20 gap. So is this similar across regions and is this the stabilized level, of course, you said there's always scope to improve, but how is this different across regions?
- Ashok Bhandari:** No, let us understand, Prateek. INR15 to INR20 is the delta decrease across region and we intend to compress it further. But then demand plays a major role in pushing the price rise-. So let us see how the demand pans out.
- Prateek Kumar:** Sure. And this pricing gap reduction has happened over the past three quarters?
- Ashok Bhandari:** Yes over the year it has been a continuous exercise. Till third quarter, we had restricted our volumes to have the price gain. And fourth quarter, we have done all right. The pricing is fine. The volumes are good and we intend to remain like that.
- Prateek Kumar:** Sir, other question is on your RMC business revenue for Q4 and full year and EBITDA for Q4 and full year?
- K. K. Jain:** RMC revenue is INR90 crores and the volume is 1.99 lakh MQ.
- Neeraj Akhoury:** RMC is at a very nascent stage. It just started. We are a very new 26 plant company now going to 36. I think we will take a few more quarters and maybe some years before we are able to report RMC independently as a business line.

- Prateek Kumar:** This revenue was INR90 crores for Q4 and for full year, what was the number?
- K. K. Jain:** It is INR246 crores.
- Prateek Kumar:** Sure. Thank you. These are my questions.
- Moderator:** Thank you. Our next question comes from the line of Pulkit Patni from Goldman Sachs. Please go ahead.
- Pulkit Patni:** Sir thank you for taking my questions. I have just one question. You spoke about packaging cost increase of INR20 already done and another maybe INR80 to INR100 in Q1 and there's another INR150 to INR200 of fuel cost increase. Sir, would that be it? I'm just trying to understand what is the kind of inventory of fuel that we have right now at the plants and does it fully reflect in Q1 or Q2 will see further inflation in that?
- Ashok Bhandari:** No, wait a minute. As far as Q2 is concerned, we cannot comment. Can you tell me when the war will be over. Hear me out. At the moment, we are saying that our per kilocalorie cost in Q4 was INR1.60, which is likely to go up by 10% to 12% in Q1. Q2 we are not in a position to comment.
- There are no floating cargoes available and the Strait of Hormuz is playing its own spoilsport. So it is very difficult. It's an extremely dynamic situation. Now PVC granules are vanishing or having a galloping price rise. So the indication as on date, you can take INR100 per ton of packing cost rise.
- And balance as Mr. Jain had explained to you within the quarter at varied time depending on the weighted average cost of consumption, which we use or which most companies use the incremental negative impact of such cost rise will be incrementally reflected in our results. And also remember the industry as a whole is suffering on these two accounts. And there is a conscious effort by all players to try and have a price rise, which should mitigate this cost increase.
- Pulkit Patni:** Sir, I fully appreciate that. The reason I'm asking this question is some of your peers have highlighted that they maintain between 60 to 75 days worth of fuel inventory.
- Ashok Bhandari:** Please understand that they talk of 60 to 75, we have never gone below 90.
- Pulkit Patni:** Sir, in which case the fuel cost should hit us in the second quarter, right? I'm a little confused. Sorry, help me understand this?
- Ashok Bhandari:** I said that people are saying they carry 60 to 75 days of inventory. I say our coal inventory doesn't go below 90 days.
- Pulkit Patni:** Sir, if the war started end of Feb, early March, then it is not before the last month of this quarter that increased cost should hit you. Right now, we should be operating on old cost inventory?
- Ashok Bhandari:** No, my dear friend. You are slightly mistaken. The charge is on weighted average cost, not on procurement cost or historical cost. The weighted average cost with every shipment keeps on

increasing as the fuel price is rising. So yes, the major impact will come in the third month. But then every month, you will have some incremental effect.

Pulkit Patni: Precisely, sir. So in which case, whatever is getting ordered today, the second quarter impact of cost will be much higher. That's what I'm trying to assess?

Ashok Bhandari: No. That is you are assuming that the same pricing will sustain that war will keep on going, that all shipment chaos will be there. I'm not in a position to hazard that guess at the moment.

Pulkit Patni: Fair point. Point well taken. Thank you.

K. K. Jain: I would like to clarify one thing that there will be, say, cost impact of INR150 to INR200 in the second quarter as compared to the March '26. This is in totality, including the packing cost in the June quarter. I mean not definitely for the coal and for the packing.

Ashok Bhandari: This is cumulative cost.

K. K. Jain: Put together all.

Pulkit Patni: Okay. Very clear, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Raghav Maheshwari from Equirus Securities. Please go ahead.

Raghav Maheshwari: Yes. Hi, good afternoon. Good evening, sir. Firstly, congratulations on a good set of results. My question is firstly, on the current situation in the Northern market for the fly ash because due to the continued high capex is going in for the FY27 and '28 into the Northern market, how will you see the fly ash availability in the North? Is it the sufficient fly ash available because we are factoring there is no major new power plant coming. So how is fly ash situation especially into North?

Ashok Bhandari: Raghav I didn't understand what you are saying. You are asking this that how much fly ash is available and fly ash will be constant? You are asking this sir?

Raghav Maheshwari: Yes, sir.

Ashok Bhandari: Your assumption is that fly ash is the only cementitious material which we can use which is wrong. There are various other cementitious material, which can go into PPC. And we are keeping on counting for all such alternatives. Just because thermal capacity is not coming that's why fly ash will not come, for this reason fly ash will become constant they are totally different.

Raghav Maheshwari: Got it, sir. So what kind of other materials we use generally, other than the fly ash for the PPC?

Ashok Bhandari: Hear me out come in Kolkata we will sit and talk and then make you understand.

Raghav Maheshwari: Okay, sir. Thank you.

- Moderator:** Thank you. Our next question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Yes. Just a follow-up question, sir, on the operating numbers, while most of them are already answered. What was the lead distance that you mentioned in Q4?
- Ashok Bhandari:** I think it was 459 kilometers.
- Rajesh Ravi:** 455 kilometers, okay?
- Ashok Bhandari:** 457 kilometers sorry.
- Rajesh Ravi:** Okay. And this you're looking to go back to 440 in subsequent quarters?
- Ashok Bhandari:** Yes not only 440 and even lower.
- Rajesh Ravi:** Yes. And sir, lastly, on the cement price hike across AUM operating market, this INR150 to INR200 cost inflation that you have seen for Q1, are they fully covered in the price increases which you have taken in the month of April?
- Ashok Bhandari:** No, it's not like that. Please understand a bit. Till now what the price increase has been done that is anticipated cost increase up to June. Did you understand it? But cost is dynamic and pricing situation is dynamic and demand is also dynamic and demand affects pricing. So that is not much. In today's date yes we are generally covered. If adverse movement will happen we will tell you in the next quarter. We don't proclaim.
- Rajesh Ravi:** Correct. And sir, given the steel prices have also shot up significantly and there are across the board inflationary impact on construction materials and there have been disruption even on labour availability. Have you seen demand disappointing in the month of April and May so far?
- Ashok Bhandari:** Till 15th April everything was all right. After that little slowdown has come. Now let's see now it's only 6th May what you are talking.
- Rajesh Ravi:** Agree. Great, sir. That's all from my end. Thank you.
- Ashok Bhandari:** Navin are we through or you have some questions.
- Moderator:** Thank you. Our next question comes from the line of Navin Sahadeo from ICICI Securities. Please go ahead.
- Navin Sahadeo:** Yes. Just last few people are there for the questions. Sir, just two questions from my side. So in the initial comments or maybe to the answer of one of the questions, Akhoury ji said that the incentives for Meghalaya, though we are working with the state, but nothing is promised as yet. So is this a new policy or any change in policy for the state. Just help me understand this.
- Ashok Bhandari:** Navin we ask for incentive from people having plenty of money. There is no other money holder than state. So we have to always request to give incentive, this much cost is there, this much adverse conditions is there, all that. They have their own internal procedure, they have their

industrial policy and they talk in investment committee. In that way we have processed the things beforehand. Till now we haven't received any response. If it will come we will let you know that this much incentive we will get.

Navin Sahadeo: Understood. Sir, my second question was about the North region. I think some time back, Bangur Ji in a TV interview had said that they might lose some market share in the North region because of the upcoming capacity, but this quarter, our volume growth has been definitely much better than the previous quarters. And also the strategy is very consciously towards focusing on volumes now that we have achieved.

Ashok Bhandari: There is a mistake. If you will say this, then this is a mistake. No, I said that we sacrificed volumes to reach a price point. And once we reach that price point and it became acceptable to all, we sold as much as we could sell. So we are not chasing volume. Before we were not chasing volume because we have to increase our price point.

Now price point has come at a level and I felt that this is the correct price point then how much demand is there let sell easily. This is not much of a problem. So it is not that we are reinventing the equation value over volume to volume over value. Profitability is our main concern. We'll remain focused on profitability. How it will happen and how it will happen the time will only say. We are not much intelligent that we can tell you that much. As Mr. Bangur has said it is possible that competition pressure might rise, but in today's date everything is in cost pressure, what cumulative effect will come how will I tell.

Navin Sahadeo: Fair point.

Ashok Bhandari: Navin are we through. It is already 1 hour.

Navin Sahadeo: Yes, we are through, sir. We can conclude. Danish, can you please go ahead and conclude please.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Neeraj Akhoury: Thank you, everybody. Thanks for the call and thank you for participating. We rest assured that despite all the numbers that we have shared and thank you for wishing us well on this 11% volume growth. Many things will continue to unfold in Shree Cement. We will continue to sharpen our approach and focus on cost. We'll also continue to work on our premium products. As you have seen, we have now crossed 22% up by about 40% from 15% to 22%.

K. K. Jain: There is an increase in the sale in last 2 years from 9% to 22%.

Neeraj Akhoury: Oh 9% to 22%. So we are doing everything possible on using all the levers, be it on the cost or be it on the revenue side to better performance in the coming quarters. Whatever is the macroeconomic conditions, we will be impacted. But within those conditions, Shree will do its best to continue to deliver some superior results. Thank you, everybody and have a very good evening. Bye-bye.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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