Date: 07th November, 2025

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

Symbol -: STARCEMENT

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

Scrip code: 540575

Dear Sir(s)/Madam(s),

Sub: **Transcript of the Conference call for Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2025**

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 Thursday, 6th November, 2025 for Unaudited Standalone & Consolidated Financial Results for the quarter and Half Year ended 30th September, 2025.

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
Digitally signed by DEBABRATA THAKURTA
Date: 2025.11.07 15:33:58 +05'30'

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

Encl. as stated.

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ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 CERTIFIED COMPANY.
CIN : L26942ML2001PLC006663

"Star Cement Limited Q2 FY-26 Earnings Conference Call"

November 06, 2025

MANAGEMENT: **MR. TUSHAR BHAJANKA – DEPUTY 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 Star Cement Q2 & Half Year FY26 earnings conference call ended 30th September, hosted by PhillipCapital (India) Private 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 the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital (India) Private Limited. Thank you and over to you, sir.

Vaibhav Agarwal: Thank you, Sagar. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q2 FY26 Earnings Call for Star Cement Ltd.

On the call, we have with us Mr. Tushar Bhajanka – Deputy Managing Director and Mr. Manoj Agarwal – CFO of Star Cement.

At this point of time, I will hand over the floor to Mr. Tushar Bhajanka for his opening remarks, which will be followed by remarks from Manoj ji, and then we can have the Q&A. Thank you and over to you, Tushar. Thank you.

Management: Hi, good afternoon, all. My name is Tushar Bhajanka and I am the Deputy MD of Star Cement. I welcome you all to the Conference Call of FY26 Quarter 2.

I will like Manoj ji, the CFO, to give his remarks regarding the numbers and then we can start with the Q&A.

Management: Hi, friends. Very good afternoon. I, on behalf of Star Cement Limited, welcome you all to our Conference Call for discussing our number of Q2 FY26 and half-year ended September '25.

I would like to clarify that we are discussing on the historical numbers and there is no invitation to invest. Having said that now, I will just take you through the Q2 number followed by half-year numbers.

Starting from clinker production during the quarter ended September 2025, we have produced 9.18 lakh tons of clinker as against 6.58 lakh tons same quarter last year. So far as cement production is concerned, we have produced 10.83 lakh tons this quarter as against 9.55 lakh tons same quarter last year. Now I will take you through the sales volume. During the quarter, we have sold 10.73 lakh tons of cement and 1.01 lakh tons of clinker as against 9.62 lakh tons of cement and 0.15 lakh tons of clinker in the 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 7.64 lakh tons as against 7.49 lakh tons during same quarter last year. And as far as outside Northeast is concerned, we have sold 3.09 lakh tons of cement this quarter as against 2.13 lakh tons same quarter last year. In terms of blend mix, it is almost 16% of OPC and the rest is PPC. These are the quantitative numbers of the quarter.

Now I will take you through the financial:

The total revenue figure for this quarter is around Rs. 811 crores as against Rs. 642 crores same period last year. As far as EBITDA figure is concerned, this quarter we have done an EBITDA of around Rs. 194 crores as against Rs. 97 crores last year. Profit after tax is Rs. 71 crores as against Rs. 6 crores in the same period last year.

On PAT and EBITDA front, it is Rs. 1,650 during this quarter as against Rs. 995.10 same quarter last year. This is what our quarterly numbers of 2nd Quarter. The total revenue figure for the half year ended September '25 is around Rs. 1,723 crores as against Rs. 1,393 crores same period last year. As far as EBITDA figure is concerned, during half year ended September '25, we have done an EBITDA of around Rs. 424 crores as against Rs. 215 crores last year. Profit after tax is Rs. 159 crores as against Rs. 37 crores in the same period last year.

On PAT and EBITDA front, it is Rs. 1715 during the half year ended September '25 as against Rs. 1,000 per ton same period last year. These are the quarterly and half yearly numbers.

Now I request all of you that if you have any query, you can ask the same and then I will request Vaibhav to moderate the queries wherever it requires. Thank you.

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

Amit Murarka: Thanks for the opportunity. The first question I had was on your expansions at Silchar and Jorhat. Could you kind of throw some light on what is the progress and the timelines for them?

Management: For Silchar project, we are planning to commission it in the next 3 months. So, we should be able to commission it by January in the next calendar year. And for Jorhat, we have acquired the land. We have applied for the permission. But we are looking at the demand supply situation right now. And then trying to take a call about Jorhat. So, we may announce a deferment of Jorhat project by the year. Instead of Jorhat, we have also started acquiring land in Bihar. And there is a very lucrative scheme which has come in Bihar which is offering 300% SGST benefit in Bihar for whoever sets up their plant in Bihar. So, we are looking at East market of Bihar that will be Central and East markets. And we have identified a plot in Begusarai which we will pursue and try to put up a plant there. And we will come up with a timeline in the next quarterly meeting.

Amit Murarka: And what will be the size of the Bihar plant? What will be the capacity of the Bihar plant?

Management: The capacity that we are planning to put up is about 2 million. So, what really happens is that rather than putting up more capacities in Northeast, immediately we will be able to cater to a larger market of Bihar. And given the SGST benefit that we get along with it, it becomes decently viable.

Amit Murarka: But just a thought over there. Isn't the Bihar market right now seeing intense competition with JK Cement entering the market and generally pricing in the market has been in a tailspin? While incentives might be there, but just to understand that part.

Management: Of course, Bihar market is the fastest growing market in East India because people have anticipated that and put up capacities accordingly. But because of the size of the market, first of all we are only putting 2 million. And we already sell about 6-7 lakhs in Bihar market. So, we will try to create a market using our Siliguri plant in Bihar. And then put up a branding unit in Bihar so that our capacity utilization from the very first year is better. Also, we are talking about 2 years later. So, the scenario of the market right now may not be the same after 2-3 years. So, I think that is also a function.

Amit Murarka: And what is the incentive that you mentioned that you will get in this?

Management: So, Bihar has come up with a new industrial policy where you are eligible for 300% SGST benefit. So, whatever you sell in Bihar, you will get the SGST benefit of it.

Amit Murarka: And just quickly also on the incentive that you booked in the quarter.

Management: So, we had booked about 56 crores in the quarter as incentive.

Amit Murarka: Thank you. I will come back in the queue.

Moderator: Thank you. Our next question comes from the line of Navin Sahadev from ICICI Securities. Please go ahead.

Navin Sahadev: Good evening. I just wanted to understand in terms of your CAPEX priorities now, if you can just help us understand the priority, is it the Jorhat grinding unit, is it the Bihar grinding unit? Whatever land that you are looking at, that is the priority or the north region that we are looking, that where we had some limestone mines, that is a priority? If you could just help us understand that.

Management: Thank you for the question. So right now, after we commission Silchar, which is in the next 3 months, so hopefully by the time we are having a next call, Silchar plant should be commissioned. Our priority will be to, from a Northeast perspective or East perspective, our priority will be to put up the Bihar grinding unit. And we have already gotten the approval from the government. We have already acquired the land also in Jorhat. But we are stepping the project for a while, because we are already getting a Silchar project up and running. And I think that will give us enough capacity for Northeast. So, we are looking at Bihar, just from a better capacity utilization of clinker perspective and also expanding our geographical reach perspective. Coming to Rajasthan, in north, we had acquired mines in Jaisalmer, which was actually one of the largest mines in Jaisalmer, at the lowest, one of the lowest premium as well. Then we had also acquired mines in Nimbol area, which is central Rajasthan, right. And we are acquiring land also in Nimbol. We are trying to acquire the plant land also, the mine land also. And then we are looking at some other mines, which are non-option mines in Nimbol, so that our cost of limestone will be lower once we start the plant. And we plan to put up about 4 million tons in Rajasthan and Haryana. So that is a natural expansion that we are working on. Right now, we have not come up with a very decisive presentation, mainly because we are still acquiring land, we are still trying to figure out the difficulties of the terrain. But in the next 5 years, if you ask me what the plan is, I think our plan involves putting up a plant in Bihar for sure, also a plant in Jorhat eventually. Our plan involves 4 million tons of clinker plus grinding in Rajasthan area. And then it of course involves eventually to put up another clinker plant in Northeast, which will be more likely in Umrangso area, which is Assam. And for Umrangso area, we have already acquired the land, we have already acquired the mine land, we have already acquired the permission for mining.

Navin Sahadev: Understood. So, just to confirm, in the scheme of things, your first priority now is a grinding unit in Bihar, second will be Rajasthan, third will be then Jorhat meanwhile or Jorhat can possibly be the number two priority?

Management: Yes. So, I think our plan is like what you said, Bihar. Along with Bihar, around the same timeline, we are also trying to work on Rajasthan, so that we can ground break and start our commissioning. At the same time, we are getting our permission for the Umrangso clinker plant, it may take 1-1.5 years to get those permissions, so we have already applied for it and so first we will put up the Bihar and we will start working on the Rajasthan plant and after that we will put the Umrangso plant along with the Jorhat plant.

Navin Sahadev: Understood. So, basically for Jorhat now to happen, we need a potential clinker line from Umrangso, as of now existing clinker will use towards Bihar grinding unit and existing other units.

Management: And for that Umrangso plant, we have already also acquired the land, the full land of the mine, land of the plant and we have also won an auction mine which has about 180 million tons reserve at about 57% premium, which is not very high given the margins in Northeast and we have already started with our work, with basically getting other permissions, ECs and other permissions.

Navin Sahadev: As far as your Rajasthan expansion is concerned, I believe Nimbol will be a priority over Jaisalmer or it's the other way round?

Management: We are also just still deciding, but yes, on the face of it, Nimbol does seem to take priority over Jaisalmer, mainly because we wanted to enter North from a geographical location which is a bit more central, so that we are able to cater to market more effectively. And Jaisalmer, we had gotten that mine just from a future prospect and our second or third line could be in the future in Jaisalmer because Jaisalmer in the next 3-4 years, like you may already know from other commentaries of other cement companies, is going to be a big hub. And it's the future deposit for serving the entire North. So, we just thought that if we can, we should lock a mining Jaisalmer as well.

Navin Sahadev: My second question then was about your incentives because in the GST rate cut regime, of course, there can be a decline in the annual accrual of the GST. So, if you can just first of all understand what was the GST booked in Q2 of FY26 and then if you could just take us through how should one look at this accrual now from a quarterly run rate or from an annual perspective and also just a clarification, if the total incentive pool also gets shrink because of this GST rate cut or we can get an extension period over there. So, it's only the time lag and not the total incentive pool which gets compromised. Clarity will really help.

Management: So, I am happy to provide the clarity on that. So, basically, of course, the GST percentage came down. So, because the GST percentage came down, the SGST percentage was also come down. And so, hence, the reimbursement of that benefit has also come down. So, the impact that we feel that we will have on the overall volume will be of about Rs. 130 to 150 per ton. So, that is the impact that we feel that we will have. So, that is the impact. Of course, the quantum of the benefit which is the fixed basis, the CAPEX that you do, it remains the same. And I think the pace at which we consume the benefit anyway is 5 years and we have gotten time for 15 years. So, the benefit that we would have otherwise accrued in 5 years may get postponed to 6th or the 7th year. So, we don't have to get any extension on the timeline of the benefit because anyway, we have 15 years, which is more than enough for us.

Navin Sahadev: Understood. So, roughly, 130 to 150 million tons impact is all that will come to us. That's what large impact and not the total cost.

Management: So, it's more of a time lag impact.

Navin Sahadev: Helpful. Thank you so much. I will come back in queue if I have more questions.

Moderator: Thank you. Our next question comes from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Hi, sir. Just to again clarify on what right now we have discussed. So, first on the CAPEX front, so now in 1H we have done 211 crores. So, for full year of FY26-27 and maybe possible for

FY28, what kind of a CAPEX we can look at? And there also, if you can specify, if we go for a Nimbol 3 million clinker and 4 million grinding. So, previously, I think we have said 2,400-2,500 crores. So, will it remain the same?

Management: Sorry, can you repeat the last part?

Shravan Shah: I said that for Nimbol, if you go for a 3 million tons clinker, 4 million tons grinding, last time I think we were looking at 2,400 to 2,500 crores CAPEX total. Will it remain the same?

Management: Yes, I think that broadly means the same, about 2,400-2,500 crores for Nimbol. But again, I have to get back to you. So, let's get back to the projections and everything else. And once we are completely decided at the promoter level, we will also share a presentation of what we are thinking so that it clearly transparent to the investor, how the expansion is going to take place. But, answering your first question regarding the CAPEX that we plan to initiate in FY26, the remaining of FY26, we plan to entail about 500 crores of CAPEX in the remaining of FY26. Mostly, we will be going and completing the Silchar project. And then we are also putting up a solar power plant, which is of about 42 MW in Assam. We have already acquired the land for that as well. So, I think, so that 500 is broadly split between Silchar and the solar plant in Assam.

Shravan Shah: Sir, just to again clarify. So, in 1H '26, we have done 211 crores, another 500 crores in second half. So, total put together 710-720 crores that we are looking at for full year of FY26.

Management: And this includes, the major item in this is the Silchar plant. And it also includes the solar plant. And it also includes the land that we have bought in Umrangso in Bihar and Jorhat.

Shravan Shah: And for next year FY27 and maybe for FY28, given if we go by what we are saying, 2 million tons and then the 4 million tons Rajasthan and maybe Jorhat also. So, in that sense, how much one can look at CAPEX?

Management: So, for that I have to first solidify my expansion plan. And then only it will be fair for me to give numbers and throw numbers out. So, I think, what we will do is that in a month we should be able to gather our information and make a presentation. In a month, month and a half, we will post the presentation. So that, which will have all these details, which will have a lot of other details as well. So that your question is answered. But right now, I don't think it will be fair for me to answer your query.

Shravan Shah: But still, a broader level, 2 million ton grinding in Bihar would be broadly, the CAPEX would be how much, 300 crores?

Management: No, I think CAPEX for 2 million tons is more than that. I think it would be about 500 crores. Also including the price of land.

Shravan Shah: Got it. And then in terms of timeline, if we start whenever in the next 3-5 months, it should be commissioned by first half of FY28, 2 years down the line?

Management: Yes, that is what the target is.

Shravan Shah: So now coming on the volume front. So, last time we said we are looking at 5.4 to 5.5 million ton for this year. So, we have already done a decent 16% kind of a growth. So, that number for full year remains or is there a possibility of some upgrade in volume?

Management: I think the number broadly remains the same. October was a good month. That gives us some confidence that going forward, probably the next quarter will be good. But, again, I think on a conservative basis, we will meet the target. We are also given EBITDA estimate as well, of about Rs. 1,500 rupees per ton to 1,550 per ton. But given how it is going, I think the EBITDAs are a bit more healthier than what we are presently doing.

Shravan Shah: And in terms of now, full year, though you said the 130-150 per ton incentive impact will be there because of GST, but on an absolute basis, if we have to look at for full year of this FY26, I think last time we were looking at 230-250 odd crores. In 1H, we have already done close to a kind of a 118-120 odd crores. So, how much one can look at on absolute basis?

Management: Are you talking about EBITDA?

Shravan Shah: No, incentive, sir.

Management: I think we may be looking at about 180 crores to 190 crores. I don't an exact number, but it would be 180 crores to 190 crores.

Shravan Shah: Lastly, a couple of data points, trade share, premium share, late distance, kcal cost and if possible, the fuel mix.

Management: Trade sales is is 80%. Non-trade sales is 20%. Premium sales is about 13.1%, lead distance is about 230 km. And fuel cost is Rs. 1.25 per kcal.

Shravan Shah: So, there is a decent decline from 1.35 to 1.25 QOQ. So, this number will remain in 3rd Quarter similar?

Management: I think in 3rd Quarter it should be broadly similar. I don't think there is any increase.

Shravan Shah: And in terms of fuel mix, spot contract, FSA and Nagaland Coal?

Management: Mainly it was FSA only. I think 80% of it was FSA. And then rest was broadly biomass and other sources of coal there.

Shravan Shah: Thank you and all the best.

Management: Thank you.

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

Parth Bhavsar: Thank you for the opportunity. I had questions on competition in the Northeast region. So, I wanted to basically, so Ambuja has limestone mine in the region. So, I wanted to understand, like, how do you see the competition coming up over the next 2 years? And have they acquired any land to build a plant and are they eligible or fall under the scheme in the region?

Management: What I know is that, of course, they have won mines and auctions, I think about 5-6 months back. And the land is owned by the district council. So, I don't know if they have been allocated the land or not. But I think, and I am sure they may have their plans of putting up a plant. But it normally takes about 2-3 years at least to put up a plant because it's a greenfield and also in a very difficult terrain. So, so that is my expectation of the competition. And I think, Northeast, generally, us as the largest players and it has been Dalmia. And then we have 3-4 smaller players in Northeast which are not listed, which are not there. So, I think once that entry happens, there will be a bit of a competition, I guess. But at the same time, there may be some consolidation for smaller players. And then, I think it will just go across I guess.

Parth Bhavsar: So, how do you, once Ambuja's plant comes in, so how do you see the profitability for the Northeast fair like? And then what would be your stance, would you go after the market share or would you give up, you will try to manage or improve your profitability over and above the value.

Management: I think the strategy basically, so right now about 18% of cement is coming from outside Northeast. That's a big number. That is mainly coming because profitability and margin in Northeast is quite good. So, I think, so it has to be a combination of both. One has to hold the market share at the same time, hold the prices and to of course reduce the amount of cement which is coming from outside. And probably from the smaller players. So, I think that is an adjustment phase. I don't know how exactly will it go. But we think that the market still has a decent level of competition which will definitely help us in the longer run maintain the margin.

Parth Bhavsar: So, you think you can protect this profitability even going ahead with the competition coming in?

Management: See, I can't predict, after 2-3 years when the competition does come in, what the intensity would be and what will be the impact on price and so on and so forth. But I do understand that anyone who is getting into business is in the long run there to earn. So, that is true for an entrant also and that's true for an incumbent also.

Parth Bhavsar: Thank you so much for answering my question.

Moderator: Thank you. Our next question comes from the line of Uttam Kumar Srimal from Axis Securities. Please go ahead.

Uttam Kumar: Thanks for the opportunity and congratulations on a good set of numbers. Can you highlight the current pricing both in Northeast and Eastern India after Quarter 2 exit prices? How is the current pricing faring in both Northeast and East India?

Management: Northeast the price was about Rs. 493.

Uttam Kumar: So, it has gone down or it is at the similar level of Quarter 2 exit prices?

Management: Are you talking about prices right now or in Quarter 2?

Uttam Kumar: Compared to Quarter 2. Is it gone down? How much or it is on the same level?

Management: No. Between Quarter 1 and Quarter 2, the prices have gone up by about Rs. 8.

Uttam Kumar: And currently compared to Quarter 2 prices?

Management: Right now, the prices are broadly similar to Quarter 2 prices. And in Bihar, the prices in Quarter 2 had fallen by about Rs. 5 compared to Quarter 1. And I think the price in Bihar right now is the same as Quarter 2 prices. West Bengal had also fallen by Rs. 7 in Quarter 2 compared to Quarter 1. But the prices right now in West Bengal also should be similar to Quarter 2.

Uttam Kumar: What is the current status of our AAC block? Because I think that has already been operational. So, what kind of revenue we have derived in Quarter 2 and how this is going to be for the full year?

Management: From AAC, we have just started it 3-4 months back. And we have been ramping up the capacity. Last month only we were able to produce it at 18,900 CBN. And the capacity of the plant is about 16,000. So, we have already ramped it up in off-season to about 60% capacity utilization. The revenue that we have gotten from it is quite minimal. It is about 13-14 crores. But I think we are going ahead because we only had a full production last month. But we are going ahead. We do expect a revenue of about 50-60 crores to come from it.

Uttam Kumar: What would be the margin in this particular business?

Management: Margin would be normally it should be about 12%-15%. That should be the margin. Because it is a low effect on our decent EBITDA margins in business normally. It also depends on the competition. The reason why we have gotten to AAC is mainly because one of the largest raw materials is fly ash and the other one is cement. And the second reason was because the distribution is very similar to cement in non-trade. So, it acts as an extra product for non-trade customers as well as dealers. We have also launched the construction chemical segment which just in this month only that we have launched it. You will see the revenue numbers for that also in the next meeting. And we have also gotten to R&D. So, we are trying to get into like forward integrate ourselves. Because that's where we see the market should be moving. So that's what we are thinking now.

Uttam Kumar: Company has passed some enabling resolution to raise funds of around Rs. 1,500 crores. So, if you can highlight on the same.

Management: As I mentioned to you as well, as mentioned in that circular, we had taken a resolution to raise about 1,500 crores. We do not know if it will be in what form, like the issue of preferential allotment or QIP or some other form. That we need to kind of fund the expansion that we may have in Rajasthan which we will circulate the details of. When we do circulate the details of the entire expansion project, we will also circulate how we are raising the funds to fund that project. And I think that is why we have a major resolution.

Uttam Kumar: That's all from my side and wish you all the best.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Navin Sahadev from ICICI Securities. Please go ahead.

Navin Sahadev: Thank you for the follow up opportunity. Sir, if you could comment on the demand scenario in Northeast, is the government led CAPEX or infrastructure focus which was there, does that continue or you see there is some slowdown or some sort of shortage of funds that is being put in which could hamper demand? How do you see the current demand scenario and your, maybe the outlook as well? How are you seeing it going ahead? Thanks.

Management: So honestly, like I think that the current demand scenario is compared to other areas in North India, they are quite robust. So, I think the market is growing at about 8%-9%, which is a bit higher than the market outside. And that's one. The second is that the infrastructure investment is yet to come in a significant way. I think there is a lot of initial inquiry about the dam projects, the hydro projects which are coming up in Arunachal. And I think once these projects are in full swing, we will see a big demand coming up from there, which has still not started. So, but there are expectations as we read in the news and otherwise, there are expectations of these projects starting soon. So once these projects start, I think they will become a great source of absorbing.

Moderator: Thank you. Our next question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Good afternoon. My question pertains to announcement of Bihar expansion. So, I understand you currently have, post the recent clinker expansion, 6 million ton of clinker. And post the Jorhat, you would be already having operating at 9.7 million ton of cement capacity, all being fed from the Northeast and then you have the Silchar is already coming up and then Jorhat is planned next year, which will take you to 12 million ton. So, what is the plan? Because this Bihar will add another 2 million ton, which is almost 14 million ton of cement capacity. So, is there any concurrent slinker expansion plans, which is there in pipeline, or you would be operating at surplus grinding capacity?

Management: No. So, actually we plan to put up the 2 million tons cement, which comes in Silchar, will make a capacity of 9.7. And then we plan to put up the Bihar plant to basically make sure that our utilization of the clinker plant that we just put last year is a bit faster. And also, because of the other benefits that we are getting in Bihar. And our plan to put up a plant in Umrangso is intact. So, so we have also gotten the mines in Umrangso and we have already started our work on ground to get all the approvals. We have the land, we have the mine, we are looking to get the ECs and all. And then we will slowly start making our base, getting the roads, the power and all those things. So that whenever we do need clinker, in 1 or 2 years' time, we are able to put up a plant and get the clinker supplying to the Northeast and the East region from there. Jorhat will be coming along with the slinker plant in Umrangso, broadly.

Rajesh Ravi: So Umrangso clinker, by when do you look at that coming up and what quantum you are looking at?

Management: We haven't put a date to it right now. I think ‘28 and ‘29 is what we are anticipating, but really depends on the demand. So, what we are doing now is just preparing every single thing. We are getting all the ECs way in advance. We are acting as if we are putting a plant now. Then just before the construction stage, we are waiting and seeing how the demand is turning out. So, if the demand is coming across very well and the Bihar market is also consuming a lot of clinker for us, then we will go for a quicker expansion in Umrangso. Otherwise, we may wait for a year or two.

Rajesh Ravi: And only then you will concurrently put up the Jorhat grinding, is this understanding correct?

Management: Exactly. Because our whole point of putting up Umrangso early would be, would mean that the demand in North and Northeast and East is good. So, we will also have to put up a grinding unit there. So, in 4 years’ time in the Northeast story, what you said is right. That in 4 years’ time, we should have the Bihar plant, probably Umrangso and Jorhat. So, it will be 14 million tons with 9 million tons of clinker capacity and then whatever we do in Rajasthan is extra.

Rajesh Ravi: Understood. And Rajasthan would also take at least 3 years whenever you start work on that project?

Management: I think once we start work, once we have acquired our basic plant land and all, and we are already on the process, I think it should take 2 years. Because mainland, I think putting up a planter is relatively, as a construction and all is a bit easier. And there's also less rainfall. So, those problems aren't there. So, my expectation will be that it will be less than 2 years or 3 years.

Rajesh Ravi: So somewhere in FY29, you will have both the Rajasthan as well as the Umrangso and Jorhat all coinciding around FY29?

Management: Like probably one may come before the other, but broadly by 2030. We expect that, we should be, we should be around that capacity. That's still a plan, that plan has to be discussed thoroughly. And then only can I make a bold statement about it. So, this is what we are thinking.

Rajesh Ravi: So next year, your major CAPEX will go only towards the Bihar grinding unit?

Management: Yes, majorly towards Bihar grinding unit. I think some CAPEX will start going in the civil work and ground work in Rajasthan as well. If we go ahead with the Rajasthan project.

Rajesh Ravi: Understood. And what is the status with Dalmia's clinker plant ramping up? What sort of pressure is expected? October, you mentioned, has been quite healthy in terms of demand. So, do you look at any pressure on volumes or pricing given the, with the Dalmia's major capacity now ramping up?

Management: No, I don't think there is a pressure on pricing or anything like that because the capacity that we both have set, we have to kind of be cognizant of the fact that the market is still the size that it was last year broadly. So, I don't think there's any point in the pressure in pricing. I think that is something that we will have to just, I hope that we are all able to understand that and things work out accordingly. I don't see the pressure right now, but I can't predict the future.

Rajesh Ravi: No issues. And lastly, on this fuel cost, which you mentioned, 1.25 is arguably the lowest in the industry. So how sustainable is this? Because this is a costing where players are paying for AFR and you are on a blended basis operating at that cost. So, is that sustainable over the next few quarters or do you see there were some one-offs in terms of high purchases of local coal, which helped you that? What is the outlook for the next two quarters on this fuel cost?

Management: So, the book stock that we have right now, because what happened was that there were a lot of rates of last year of SSA, which we did not get which was carrying forward. We got all those old rates along with the new ones, along with the one that we were supposed to get this year from SSA in Quarter 2. So, our stock and book stock of coal is about Rs. 2,83,000 right now. It is a stock of almost about 5 to 6 months and the cost of that stock is at Rs. 1.25 to Rs. 1.3 GCV. So that is the clarity that for the next 5 months I don't think that the cost is going to increase of coal. It may go between Rs. 1.25 to Rs. 1.3 between that.

Rajesh Ravi: That's good to hear, sir. Thank you and all the best.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Harsh Mittal from Emkay Global. Please go ahead.

Harsh Mittal: Thank you. Good evening, Prasad ji. So, I have one small question. Given that elections, state elections are scheduled in March next year. Is there any possibility of demand being slow in Quarter 4 or it is business as usual? Thank you. This is my only question.

Management: No, I think the demand right now, like in October, I think we had a very good growth in North-East itself. Right. So right now, I don't get a sign, but it may be the case. But I don't have anything to validate it.

Harsh Mittal: Thank you.

Moderator: Thank you. Our next question comes from the line of Shravan Shah from the Dolat Capital. Please go ahead.

Shravan Shah: Thank you. 20 million tons capacity that we want to reach by FY30 that remains intact.

Management: I think the target that we have by FY29-FY30, given that we go ahead with the plan that we do, is of about 18 million tons to 20 million tons. 20 million tons could be a little bit stretched but 18 million tons, I can see that the plan that we are trying to make may get us there. So, at least 18 million tons is what I would say. And then if something else also comes up, then probably continue.

Shravan Shah: And, just on AAC block, construction chemical, RMC, so all put together in FY26 and '27, how one can look at in terms of revenue?

Management: I think overall next year, complete year production, I think we should be targeting about 80-90 crores of revenue from it. The reason why we did it is not a lot related to the revenue or anything. I think these were just futuristic products that we had to get into as a cement company, right from a branding perspective, marketing perspective and also from a distribution perspective. And that's why we got into it. So, my expectation would be 80-90 crores next year.

Shravan Shah: And, currently in terms of Q2, the profitability in East versus Northeast for us would be how much broader? The East would be Rs. 400-500 odd?

Management: That number, I don't have it by geography right now. But you can reach out to Manoj ji and we can try to give you the information. But I don't have it right now. Sorry.

Shravan Shah: No. Why I was trying to ask is because now we are preferring Bihar. So, just trying to understand that structurally going forward and once even Rajasthan also comes up, so obviously this will have a much lower profitability versus Northeast. So, in that sense, I was trying to understand how we are looking at the profitability and at the same time the volume growth. And even for volume growth for next year, how one can look at it? Because now, except the 2 million tons, I think everything will be in terms of practically from the volume perspective, would be FY29, they will be contributing. So, in that sense, I wanted to understand how one can look at the volume growth for us for next year also, FY27.

Management: So, I think the volume growth that we expect from next year, because we are still ramping the Siliguri plant. We do not have clinker for 2-3 years, so we will first slow down the Siliguri plant. So, next year also, I think we expect a 12% growth in volume and as what you said, we are not entering in to the new geography or anything else or any other thing. So, 12% is also a decent growth.

Shravan Shah: Thank you, sir. All the best.

Management: Thank you.

Moderator: Thank you. Our next follow-up question comes from the line of Navin Sahadev from ICICI Securities. Please go ahead.

Navin Sahadev: Thank you for the opportunity, sir. I was just looking at the distance from Lumshnong to the Begusarai grinding location, or Begusarai basically in Bihar. It's a good over 1,050 kms. I just wanted to get a sense that, how are you planning to move clinker capacity by road or till Siliguri by road and thereafter by rail? Do we have any subsidies for freight in that sense or the 300% of the SGST benefit is what we are banking on to be ensuring that this unit dynamics stays for IRR is profitable and in the comfortable zone. Some thoughts around how are we planning to move clinker will be very helpful. Thank you.

Management: So, I think we plan to move around the clinker through filters. We will take the clinker to filters, then through rake we will take it to Begusarai. In Begusarai we are looking for a location which is close to a railway siding, so that we can have a railway siding come in our plant. So, the entire distance from Lumshnong to Silchar is only 70 kms and rest of the entire distance is going to be covered through rail. And the benefit of Bihar state policy will probably give us Rs. 400-500 per tonne benefit in terms of the margin. So, I think which we plan to use.

Navin Sahadev: Understood, sir. Very helpful. Thank you so much.

Management: Thank you.

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

Vaibhav Agarwal: Thank you, Sagar. Sir, Prasad ji just one question and Manoj just one question. So, do you have any one-offs in the Q2 numbers?

Management: Don't expect it because shutdown has been taken this quarter. So, 13 crores to 14 crores is there in the P&L.

Vaibhav Agarwal: No, but was it a one-off or it's a non-recurring maintenance?

Management: The shutdown is normally annual in nature. So, we have taken the shutdown in Quarter 2 this year. And last year also we took it in Quarter 2 only. But a big difference between Quarter 3 and Quarter 2 will be that 14-15 crores.

Vaibhav Agarwal: So, to that extent, this is not a one-off, right? This is recurring.

Management: Yes, this is an annual thing. But of course, it does affect the per-ton EBITDA. So, this quarter's per ton EBITDA is down by Rs.100 because there is a shutdown cost involved in Quarter 2 which will not be in Quarter 3.

Vaibhav Agarwal: Yes, understood. Thank you, Manoj ji. Thank you, Prasad ji. Thank you on behalf of PhillipCapital, we would like to thank the management for the call and many thanks for joining the call. Thank you very much. Sagar will now conclude the call. Thank you.

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