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# SHREE CEMENT LTD.

An ISO 9001, 14001, 50001 & OHS 18001 Certified Company

Regd. Office:

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SCL/SE/2025-26/  
19<sup>th</sup> May, 2025

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

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001

**SCRIP CODE: SHREECEM EQ**  
**Debt Segment NCD ISIN: INE070A07061**

**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 14<sup>th</sup> May, 2025 relating to the Financial Results of the Company for Quarter and Year ended on 31<sup>st</sup> March, 2025 is attached.

Kindly take the same on record.

Thanking you,

For **SHREE CEMENT LIMITED**

**(S.S. KHANDELWAL)**  
COMPANY SECRETARY



“Shree Cement Limited  
Q4 FY '25 Earnings Conference Call”  
May 14, 2025



**MANAGEMENT:** **MR. NEERAJ AKHOURY – MANAGING DIRECTOR – SHREE CEMENT LIMITED**  
**MR. SUBHASH JAJOO – CHIEF FINANCE OFFICER – SHREE CEMENT LIMITED**  
**MR. ASHOK BHANDARI – SENIOR ADVISOR – SHREE CEMENT LIMITED**  
**MR. S.S. KHANDELWAL – COMPANY SECRETARY – SHREE CEMENT LIMITED**  
**MR. K.K. JAIN – HEAD OF FINANCE & ACCOUNTS – SHREE CEMENT LIMITED**

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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Shree Cement Limited Q4 FY '25 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 the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Sahadeo for opening remarks. Thank you, and over to you, sir.

**Navin Sahadeo:** Thank you, Saisha. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to the Q4 FY '25 earnings call of Shree Cement. From the management, we have with us MD, Mr. Neeraj Akhoury; Senior Advisor, Mr. Ashok Bhandari; and CFO, Mr. Subhash Jajoo. So without any further ado, I hand over the call to the management for their opening comments. Over to you, sir.

**Neeraj Akhoury:** Thank you, Navin. Good evening, ladies and gentlemen. Most welcome to the earnings call for Shree Cement Limited. I'm sure you must have had a chance to read our quarterly results. The Q4 last quarter has witnessed a rebound in demand driven by increase in government capex and overall pickup in all the economic activities. The residential sector demand picked up propelled by uptick rural demand because of good monsoons and increased urbanization.

The commercial segment has also shown good potential driven by retail and office space expansion, which is fast emerging as another cement demand growth driver. While there are several challenges, but the strategic expansions, consolidation and sustainability efforts position the cement industry for long-term growth.

Talking about operational and financial performance, the current quarter has been a period of superior performance, if I may say so. Our total India sales volume increased to 9.84 million tons in the current quarter, up from 8.67 million tons on sequential basis, registering a growth of approximately about 13%.

Our focus on premium products helped us improve our average realisation per ton by about 5% to INR4,768 from INR4,554 on a sequential basis again, supported by a drop in the fuel sourcing cost, rationalization of the power cost due to rising the share of green energy and efficiency measures undertaken across our operations.

EBITDA for the quarter was INR1,383 crores, representing a growth of 47%. EBITDA per ton increased by 29% to INR1,406 from INR1,088 on a sequential basis. In fact, I might just like to add that our adjusted EBITDA per ton is standing at INR1,437 when the impact of one-off item of INR30.66 crores regarding impact of voluntary separation scheme of employees and contract workers undertaken by the company during the quarter is taken into account.

Company's focus over the last several months has been on improving price realization through enhancing our sale of premium products raising the level of brand positioning versus competitors and a superior better geo mix. We are confident, ladies and gentlemen, that going forward, the strategy will play out in improving brand equity, lifting volumes as well as price realization.

The company continues its effort towards enhancing the share of green power to produce cement in a more sustainable and cost-effective manner. The company's share of green electricity in total electricity consumption, very proud to say, it stood at about 60.2% in quarter 4, '25, which is one of the highest in the Indian cement industry, if not the global cement industry.

The company is consistently ramping up its green power generation capacity, which stood at 582 megawatts at the end of quarter 4 FY '25, up by 21% vis-a-vis 480 megawatts at the beginning of the FY '24-'25. During March '25, the company commissioned a solar power of 60.3 megawatt at Jodhpur in Rajasthan. The work on a few more solar plants at different plant site is underway. Accordingly, we are convinced that going forward, the share of green energy will increase further.

The company also remains focused and committed to improve our ESG performance in all parameters. Again, very proud to say that yesterday, the company received ESG rating, CareEdge-ESG 1 with rating score of 70.8% from CARE-ESG Ratings Limited. The above ratings represents Shree Cement leadership position in managing ESG risks through its best-in-class disclosure policies and performance.

Further, the company also secured its place with the S&P Global Sustainability Yearbook '25, as an industry mover based on S&P Global Comprehensive Corporate Sustainability Assessment, the Sustainability Yearbook comprises the company is scoring in the top 15% of the industry for sustainable business practices.

On the capex front, recently, the company commissioned few units. First was the cement grinding unit in Etah near Agra in Uttar Pradesh of 3 million tons through its wholly owned subsidiary, and the second was a cement grinding unit at Baloda Bazar Chhattisgarh, which is about 3.4 million tons. This has taken our total installed cement capacity to 62.8 million tons in India. Company's other ongoing projects of integrated cement unit in the Jaitaran, Rajasthan and Kodla in Karnataka are scheduled for commissioning by end of quarter 1 '26 and quarter 2, '26, respectively.

Further, the company decided that out of the two cement mills of aggregate 6 million ton capacity planned earlier in Jaitaran, Rajasthan. Only one will be commissioned in Jaitaran while the other mill will be installed later -- the company is continuously working to identify suitable opportunities to reach its goal of achieving more than 80 million tons capacity by 2028.

Recognizing the market demand for premium products, the company has launched several premium products, which have resulted into increase of share of premium product sales from 11.9% in Q4 2024 to 15.6% in Q4 of '24-'25. During March quarter. The company launched Bangur Marble cement, extra white Portland slag Cement in Bihar, West Bengal and Jharkhand markets.

The product offers high-performance attributes and an eco-friendly approach incorporating GGBFS by-product from the steel manufacturing, an eco-friendly approach from our side and the composition support stronger, more durable structure when reducing the environmental footprints.

The product will be offered alongside Bangur cements premium lineup, including Jungrodhak, Rockstrong, Powermax, Magna and Roofon. We are expecting the cement demand to grow by 6.5% to 7.5% during FY '26, fuelled by infrastructure projects, rural recovery, real state momentum and softening interest rates.

This is from my side, ladies and gentlemen. Now I hand over to my colleagues, Mr. Ashok Bhandari, our Senior Advisor; Mr. Subhash Jajoo, our CFO, to take this conversation further. In addition to them, we also have our company Secretary, with us Mr. Khandelwal as well as our Head of Finance and Accounts, Mr. K.K Jain with us. Thank you, everybody.

**Ashok Bhandari:**

Thank you, Neeraj ji. Good afternoon, everybody. Mr. Neeraj has given a comprehensive overview of the operations of the company. I suggest you may like to go straight to the Q&A. But before that, I must point one more thing here in these results.

From this quarter onwards, we have slightly tweaked our ECL policy, to have a more conservative accounting approach. Accordingly, hitherto, we were providing the ECL only to the extent of legal suits filed. Henceforth, we shall be using ECL provisioning or we shall be providing for ECL for all legal notices served. This means that in this quarter, another INR24 crores of additional provision has been made towards ECL based on legal notices issued. I must caution you guys that these are provisions only for a more conservative accounting approach and do not mean that they are debts written off.

We shall be following this policy. So accordingly, apart from Mr. Neeraj Akhoury announcement of about INR31 crores of onetime VRS -- you may also like to add about INR24 crores of onetime such provisioning. In addition, the numbers are there. You may like to ask your questions, please, thank you.

**Moderator:**

The first question is from the line of Amit Murarka from Axis Capital.

**Amit Murarka:**

My first question is on volume. We have seen generally industry kind of do high-single digit volume growth off late, but our volume rate still remains in low single digits. So I wanted to understand that what is the outlook now for volume for FY '26, particularly as we are commissioning large capacities in Q1 also?

**Ashok Bhandari:**

Let me make it very clear to you. Right after in Q1 '24-'25, we had said that our strategy is not to be the biggest volume player in the industry, but be the most profitable player in the industry. Accordingly, a constant trade-off has been undertaken between price and volumes and since profit reflects in terms of price that is, EBITDA or net profit available to the shareholders.

We thought it better to concentrate on profits instead of concentrating on volumes. And you know that it is proven fact that in a capacity overhang scenario, you don't get price and volumes, both. So you have to do a trade-off, come to a cut-off point and see at what volumes you can maximize your profitability because that is the only distributable item in our hands. We don't distribute revenue, we distribute profits.

And I have been telling you this for the last three quarters, but then so be it. And as far as the volumes for '25-'26 is concerned, Mr. Akhoury has clearly said that we expect 6.5% to 7.5% or

8% growth. I would be slightly more aggressive. I would like to say that we may do about 39 million tons for this year. However, the strategy of trade between volume and profit will be foremost in our minds. And as the year progresses, we will keep you updating.

**Amit Murarka:**

So when we pursue like you're saying the high single-digit volume growth in the target maybe this year, which broadly I understand will be in line with industry. So then is it fair to say that the capacity utilization, whether it stays subdued for you? I mean which we have been seeing this to be in the range of 65%-odd for the last year or so. So then the new expansion also will remain same.

**Ashok Bhandari:**

You have to understand the rationale of our capital expenditure or capacity creation. Please understand that the delta between the treasury return, which may be, say, a 10-year G-Sec, and inflation is hardly about 2%. So we are creating an option at 2% for additional capacity because if we get two quarters like January - March, all these option costs are taken care of. So at 2% option, we are creating capacity to see and generally the cement demand should be more vibrant than what we are claiming today.

And that is because of the fact that the demand has not been as robust as it should have been in April -- until first week of May, which was because of the war. So we are slightly cautious. Give us some time the demand should pick up. We are positive about it. No growth is possible without cement and steel. So we expect that in 2-3 years' time, we should go back to about 75%-85% capacity utilization.

**Amit Murarka:**

Understood. That's very clear. Just one last question now on the Q4. So I see that the purchase of traded goods is a bit elevated in this quarter. Is it some kind of earlier, I remember some coal was sold overseas is something similar -- this quarter?

**Ashok Bhandari:**

It must be similar. I'll check and let Mr. Jajoo or Mr. Jain respond on that. You please appreciate that I do not go into such detailed analysis of numbers. If you need or if you can wait, send a mail to us, and we will reply you accordingly, but it should be in line with the trend.

**Moderator:**

The next question is from the line of Satyadeep Jain from AMBIT Capital.

**Satyadeep Jain:**

Thank you so much. Mr. Akhoury, my first question would be on the branding strategy, you joined Shree Cement about 2.5-3 years ago. So the intent has always been to close the pricing gap with others. Initially, with the different strategies didn't yield the desired results, but last few months, we've seen a change. I just wanted to see what different strategy you adopted now in the past few months.

It doesn't seem like it's just withholding volumes because you're seeing the pricing gap in certain markets close with the peers. So what difference have you done in the last few months, which you've been through earlier? And is that strategy different across regions because as per the channel checks, it seems the gap has closed in certain regions and certain regions still needs to close. So that's the overall change in strategy? And how is it working in different regions?

**Neeraj Akhoury:**

I don't think we had described our strategy. And I think you're hearing from us in the last 2-3 quarters call that we are giving lot of push to our premium products, and with a intent that we

should improve our brand equity scores. We should create the right brands that makes an impact in the market.

That strategy of creating a better brand equity score through several means, including new products, impact on quality, and bringing the right amount of technical work in the field. All that is continuing. It's a journey.

And as we find that our brands are becoming more strong, we are pushing for better pricing as well. As I said, this is a journey, and it will take some more time before we really start talking about it that we are one of the best positioned players in the industry.

**Satyadeep Jain:**

And how is that positioning different in different regions, do you think...?

**Neeraj Akhoury:**

I think Pan India market, the approach will be same in terms of brand equity and improving the brand scores that will be absolutely same. The approach will not be different in different markets. We may have different brands in different markets, but not the approach. Approach fundamentally will remain the same, and that is to use our brand equity to better our price positioning.

**Satyadeep Jain:**

Okay. Second question on the capacity you're creating, especially in North. You have one near Pali and the other one coming up in Etah. I mean, it looks like on the outside similar market, north with the distance of 500 kilometers. But just wanted to understand, data, are you looking to go further central eastern side of UP main and with the Pali one are you looking at maybe going to Gujarat. So what are the target markets you are looking at, because they're both North, but are you looking to get to Central and Gujarat from these markets?

**Neeraj Akhoury:**

So clearly, even Etah being closer to Agra - it is closer to the Central UP markets as well as some of the East UP markets. And therefore, we will try to use Etah capacity to better our market shares in the very high demand markets of Central and East UP.

As far as North plants are concerned, we still have rooms in many of the northern markets, including states like Jammu and Kashmir and states like Gujarat and states like West MP and some other markets as well. So that effort will continue.

So both plants will be catering to different markets. But we are excited that we will be entering Central UP and East UP using Etah, as a base, it's a large block. And it will help us to augment our market shares in these markets.

**Ashok Bhandari:**

If I may further add, we putting the Indus water treaty in abeyance. A significant scope exists in creating necessary infrastructure to control the flow of waters. That means much greater demand in North India. Please appreciate that.

**Satyadeep Jain:**

So just the one unit you were looking to do it in Pali and get expanded. So this new unit will be, considering Mr. Bhandari what you just said, catering to demand in those particular pockets.

**Ashok Bhandari:**

My dear friend, you can set up a cement capacity only if you have limestone. If there will be limestone in Jammu and Kashmir, we will certainly set it up there.

**Satyadeep Jain:** That I understand, it comes from Navalgarh or one of the on last year...

**Ashok Bhandari:** It will be for North players in general, and this gives us confidence in our 11th unit in Ras or Jaitaran wherever you want to call it, that we should be able to service it nicely.

**Moderator:** The next question is from the line of Rajesh Ravi from HDFC Securities.

**Rajesh Ravi:** Good Evening and congrats on good set of numbers. First, some housekeeping numbers. If you could share what was the fuel cost per kCal, trade mix and lead distance?

**K.K. Jain:** Fuel costs per kCal for this quarter is INR1.48 against INR1.82 of March '24.

**Rajesh Ravi:** And lead distance and trade share?

**K.K. Jain:** Lead distance is 446 Km for this quarter against 435 Km for March '24.

**Rajesh Ravi:** Trade share?

**K.K. Jain:** Trade Share is 73%. It is same for March '24.

**Rajesh Ravi:** And what was the Cement realization, Neeraj, sir mentioned during the opening remarks?

**K.K. Jain:** Yes. Cement realization for the quarter is INR 4,768 per ton.

**K.K. Jain:** Against this December '24, INR4,554.

**Rajesh Ravi:** INR4,554 in December?

**K.K. Jain:** And in March '24, it was INR4,722.

**Rajesh Ravi:** Yes. And what is the incentives we have accrued for the full year? Or we have booked in revenues?

**K.K. Jain:** The figure is not presently available, we will share with you.

**Rajesh Ravi:** Okay. And sir, what is the thought process going forward in terms of expansion. We have 3 million tons, which is deferred and 3 million ton in Kodla, this Bangalore grinding unit. I think last call, you had mentioned that the clearances are awaited. So what is the status on that and the 3 million tons at Rajasthan, which you have deferred?

**Neeraj Akhoury:** As I said, we have announced several locations in India where we're already in the advanced levels of preparedness now to launch an expansion plan as well launch expansion. At the right time, we'll be very happy to share with all of you once we start the work at those sites.

**Rajesh Ravi:** Okay. So currently, whatever you have announced is for expansion till FY '26 and for expansions beyond FY '26, you would be making announcement soon, right?

**Neeraj Akhoury:** Yes.



- Rajesh Ravi:** Okay. And total capex for FY '26, which is earmarked on the ongoing projects?
- Neeraj Akhoury:** About INR3,000 crores.
- Ashok Bhandari:** It's about INR3,000 crores.
- Moderator:** The next question is from the line of Raghav Malik from Jefferies.
- Raghav Malik:** Just a question on pricing. So you mentioned that average realization for cement are higher about 5% sequentially. So is it possible to bifurcate that between North and East or give some idea of pricing in these two regions for the industry?
- Ashok Bhandari:** If I may reply. You see, basically, if we shall share with you recent prices, but then you are generally aware that North was quite vibrant market and East has picked up quite a lot. Since last 2 months, South has also substantially picked up. So I'll ask Mr. Jajoo to look at the numbers and send you a mail or you send him a mail and he'll reply to it. If he has the numbers just now, we'll share it. Give me a minute.
- Mr. Jajoo has some numbers, he'll speak.
- Subhash Jajoo:** Yes. The realization in Northern market, as compared to year-on-year, it is up 3%. For East it is up by 1% and South, it is down by around 5%-6%. And for quarter-on-quarter, the Northern realization is up by 4%, 8% for East and 2% for South.
- Raghav Malik:** Okay. North is at 4% and East is at 8% sequentially, and like how is this spread in April, if you could share that as well?
- Subhash Jajoo:** I think it will be better if we discuss this in the next quarterly call.
- Raghav Malik:** Sure, sir.
- Moderator:** The next question is from the line of Shravan Shah from Dolat Capital.
- Shravan Shah:** Sir, just continuing the previous question, just on a directional front, is it fair to say from the average of the fourth quarter, for us, the realization would be our 2% plus kind of Q-o-Q till now on a broader sense?
- Ashok Bhandari:** My friend, broader sense may give you some kind of a directional picture. It is better, you wait for one more quarter. We come back with firm numbers. What is the point in telling you this and then explaining it is 5% or it is 1%. Let's just be realistic. We have not taken anybody of the garden path. We would like to deliver first and then explain instead of proclaiming first and then explaining.
- Shravan Shah:** Sir, if you can share a couple of housekeeping data point this quarter in terms of the sales mix North, East and South, and it possible for entire full year if you can help?
- Ashok Bhandari:** This I'm leaving to Mr. Jain to explain to you. Okay. Just give me a minute.

- K.K. Jain:** Yes, the blended ratio for the quarter is 59%. North India sale is 54.7 MT, East is 32.7 MT and the South is 11 MT. The total is 98.4 MT.
- Shravan Shah:** And in terms of blended share and of capacity utilization, for even region-wise, if possible?
- K.K. Jain:** It is 72% at the company level and 74% in North, East is 79% and the South is 51%.
- Shravan Shah:** This is the blended share you said?
- K.K. Jain:** Yes.
- Shravan Shah:** Okay. Got it. And in terms of the premium share, so obviously, we have reached 15% plus. So how we want to take it by end of this year?
- Ashok Bhandari:** Again, you are asking us to proclaim something. Please. We have said that we have set our direction towards this. Let the numbers evolve over the quarters and we'll come and explain to you every quarter what we have achieved. Please understand in my last 40 years with this company, I have never proclaim and then explained.
- I have delivered and explained. Please leave it like that. It is far more easier for us and you come with real data and work on real data. For proclaiming something and then you are extrapolating it into a worksheet and then explaining us or asking us for explanation, probably is not a good strategy, in my opinion.
- Shravan Shah:** Yes. Lastly, sir, depreciation for FY26 would be how much because we will be adding our decent in terms of the capacities?
- Ashok Bhandari:** Listen to me. It is about INR3,000 crores to INR3,200 crores for 25-26.
- Shravan Shah:** Depreciation also?
- Ashok Bhandari:** Depreciation. I heard you correctly. I have given you depreciation numbers only.
- Shravan Shah:** Okay, sir. Thank you and all the best.
- Moderator:** Thank you so much. The next question is from the line of Mr. Navin Sahadeo from ICICI Securities. Please go ahead.
- Navin Sahadeo:** Thank you for the opportunity. Sir, recently, there was an update about limestone mines being granted in Jaisalmer. I think just a few days back, there was an exchange notification to that effect. And in the past, I think we have had some mines being procured under auction in Gujarat as well.
- I believe this one, since you did not mention anything about auctions, I'm assuming it is under the old regime. So my question was, is it fair to assume that in the run-up to 80 million tons, one of those capacities is possible to come up either in Gujarat or in Jaisalmer or both?

- Ashok Bhandari:** Indeed, the Jaisalmer limestone was awarded to us in 2008 and then it got caught in the quagmire of various legal appeals and counter appeals. Final order has come to us about 10 days back. And it is a part of our expansion strategy. Gujarat, we are working and many other sites we are working.
- Navin, you know me, we'll keep on updating you at right time. Yes, they are part of our overall expansion strategy for sure.
- Navin Sahadeo:** Thank you. My last question, what is the net debt as of the end of March '24?
- Ashok Bhandari:** Since when you started using net debt. We have net cash INR5,400 crores roughly.
- Navin Sahadeo:** Helpful. Thank you.
- Moderator:** Thank you very much. The next question is from the line of Moksh Ranka from Aurum Capital. Please go ahead.
- Moksh Ranka:** I would like to know our total clinker capacity and total limestone reserves that we have? Hello am I audible?
- Moderator:** Yes sir. You are audible.
- Neeraj Akhoury:** Can you speak little loudly please.
- Moksh Ranka:** I would like to know our total clinker capacity and total limestone reserves that we have?
- Ashok Bhandari:** We would not like to be very vocal on our limestone reserve. We would certainly point out to you that our first limestone reserves expires in 2046 sometimes. We have sufficient limestone to service all our existing capacities and our new expansions coming up, up to that time for sure, maybe more, we may not like to put a number on our head. And your first part of the question was that -- you had two questions, what was on limestone Mr. Jajoo will give you the clinker capacity.
- Subhash Jajoo:** The current clinker capacity is 36.7 million tons and by the end of financial year '25-'26, it will become 44 million tons.
- Moksh Ranka:** Okay.
- Moderator:** Thank you so much. The next question is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.
- Rahul Gupta:** Hi, thank you for taking my question. I have a strategy-related question. I understand the idea is to maximize cash earnings. And towards this, we saw the management and company did very well shifting towards higher pricing at the expense of volumes in the recent quarters. Now that you have guided for high single digits volume growth vis-a-vis 6.5% to 7.5% for the industry. How are you looking at cement pricing during the year? Are you turning little bearish on cement prices from here on in lieu of you looking to grow faster than the industry?

- Ashok Bhandari:** Mr. Gupta, let me put it like this. You cannot in a supply overhang scenario, enjoy the cake and have it too. Do you have to play an equilibrium between volumes and prices. We have told you we have never aspired to be the number one cement seller in the country. We aspire to be the most profitable cement company in the country. Top line is never in the command of any commodity manufacturer or supplier.
- We will take whatever the price is. We'll try to maximize profit, cash profit and net profit through a proper mix of volume and price prevailing at that time.
- Rahul Gupta:** I understand that. I'm trying to understand how to look at industry pricing through the year. We have already seen good pricing trends over the past few months and a lot of capacity is expected to come in the system. So in lieu of that, just trying to understand how to look at cement pricing through the year, nothing related to Shree for that matter?
- Ashok Bhandari:** Mr. Gupta, please appreciate it that nobody sets up a capacity with the hope that he will smash the market share. He will have to fight to get the market share. And if we fight them he really needs very deep pockets. You can't fight without resources. So which is the player we are talking about? What his strategy will be? What region he will be coming into and what kind of financial strength it has, all has to be taken into consideration to understand what his pricing strategy may be.
- But then please understand that all existing player balance sheets are quite strong and they can take anyone head on as a matter of fact, in matching the prices. Nobody likes to give up market share in our commodity business. So it will be very difficult for us. But having said this, I have a lot of confidence into the growth prospects of the industry and general growth prospects of the country. So I expect the prices should hold and not crash.
- Rahul Gupta:** Great. Thank you so much. These are my questions.
- Moderator:** Thank you so much. The next question is from the line of Jyoti Gupta from Nirmal Bang. Please go ahead.
- Jyoti Gupta:** Good set of numbers. I have just one question.
- Moderator:** Ma'am your voice is not clear.
- Jyoti Gupta:** Is it clear now?
- Moderator:** Yes, ma'am. Please speak something.
- Jyoti Gupta:** So good evening everyone. Good set of numbers. Just one question from my side. All your press releases, I understand we'll be setting up something like 50 million tons by FY '26. I just need clarity on that. Correct me if I am wrong, if it is 50 million tons of Shree cement is coming up. I just need to understand by when? And do we have the entire 50 million tons coming by the end of next year or is it staggered to the next year as well. Just on that?

- Ashok Bhandari:** You have to understand two things. The capacity you are talking about maybe the ballpark number, but then how much of additional clinker and how much of grinding is being set up you have to consider them both separately.
- Jyoti Gupta:** Exactly, sir. Could you please provide me with the break up?
- Ashok Bhandari:** I will hand over the mic to Mr. K.K. Jain to reply to how much of clinker is being added and how much of grinding is being added.
- K.K. Jain:** Our current clinker capacity is 36.7 million tons. And in the current year, that is FY'26, the capacity, we are adding is 7.3 million ton. By end of FY'26, the clinker capacity would be 44 million. Same way in the cement capacity, presently, we have 62.8. This includes one unit, which we have started at Etah and another grinding unit at Raipur. And during balance period of FY'26, two new units will come, one at Kodla and another is at Ras- Jaitaran. This would be around 6 million. So the total capacity by FY'26 would be 68.8 million.
- Jyoti Gupta:** I completely understand the capacity breakup. Could you give me the timeline, is it the end of 5 months that you're coming up? Or is it anticipated any time during the next quarter in the second quarter...?
- Ashok Bhandari:** Jyoti, this is Bhandari here. Clinker and grinding additional, except whatever has been commissioned, should be done by HY '26.
- Jyoti Gupta:** Okay. So which means the supply would be FY '27.
- Moderator:** The next question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** Just had a question, data-related question. Could you kind of spell out what was the other operating revenue in the quarter as well as maybe FY '25?
- Ashok Bhandari:** We have INR150 crores of other income...
- Amit Murarka:** Other operating income, INR150 crores, it is?
- Ashok Bhandari:** You'll hear from Mr. K.K. Jain.
- K.K. Jain:** Other operating income is included in the revenue. We will give it you offline, please.
- Amit Murarka:** Also, like if you could spell out clinker sales also in Q4?
- K.K. Jain:** We will tell you offline, please.
- Neeraj Akhoury:** It's very, very miniscule.
- Moderator:** The next question is from the line of Satyadeep Jain from Ambit Capital.
- Satyadeep Jain:** Just one question on future greenfield expansion, as you can see from limestones looking at Jaisalmer & Kutch. What is the rationale for this? I know you already have multiple lines in Ras, Beawar and you have Nawalgarh also. So that would mean that there is limited potential there

for expansion, now that you're expanding out into Jaisalmer. I just want to understand the thought process.

**Ashok Bhandari:**

No, no, you are putting the cart before the horse. We have not said that we will not expand in other regions of North. We have just said that Jaisalmer, we have won the mines and it is certainly on our target now to expand. That doesn't mean that I'm not going to expand at Jaitaran or Nawalgarh or any other place where I have limestone.

It has to be a constant dynamic study of how the market behaves, how the market evolves and what pricing power and what premium production we can push. Please do not consider our thinking to go to Jaisalmer is because of constraints on the limestone reserves at all other North plants we have. Please don't misconstrue it like that.

We have space. Jaisalmer is a virgin area. How much market we can establish there profitably? What kind of lead distances will be there? All these are under study. But since we have got a limestone, which is really a difficult resource to get nowadays, we have taken it in our strategic plan process. And someday, we will come up with a concrete plan of setting up in Jaisalmer.

**Moderator:**

The next question is from the line of Girija from YES Securities.

**Girija:**

Congratulations for a good set of numbers. In fact, it's a great set of number, I can say. My first question is that what is our clinker capacity utilization for the whole year?

**Ashok Bhandari:**

Mr. Jajoo?

**Subhash Jajoo:**

Yes. For the full year, the clinker capacity utilization is around 68%. And for this quarter, it is 73%.

**Girija:**

Okay. So if I see from past few years, 3 years, I can say our capacity utilization has actually declined when other larger players are doing actually 70%, 75%, 80% of capacity utilization in our key market regions. So again, on top of that, we are adding more capacity. And it's a good thing that we are going to capture the market share by installing 80 million tons of capacity.

But if in case we are not much focused on the volume in terms of higher capacity utilization, how it is going to help more in the profitability? I understand that we are more focused on reducing the cost structure and focusing on the pricing. And if I'm not wrong, we do not have any kind of control on the pricing.

But yes, we have control on the cost structure. But top line growth we can expect from the volume growth as well as more into pricing. So barring pricing scenario, how we are going to see this new capacity addition, how it is going to pan out? And what's your strategy that we can have a great volume so that our profitability will be more?

**Ashok Bhandari:**

This is Bhandari here. Number one, there is a presumption in your entire premise that India will not grow or cement demand will not grow. That is the underlying -- because if it is going to grow, then everybody's top line will grow, mine too. The difference between everybody's growth in top line and our growth in top line is we don't want to be highest volume producers. We want

to be the highest profit makers, which we have proven in spite of falling capacity utilization or whatever. So please understand that our top line will grow in consonance with growth in market.

We will not be laggards. We may be slightly ahead of setting up capacity, but then please understand we don't borrow. We utilize our own cash resources to set up capacities, we are the lowest cost capacity creators. I have explained the concept of our trying to take the option at a delta of 2%. Profit of production, cash comes out of marketing. We must set up and produce only if we can get cash from the marketing in a profitable manner. It is a very difficult question, my dear friend that you sit down, do an excel sheet and extrapolate or intrapolate some numbers.

**Girija:** Yes. And last question, what is the non-trade mix this time?

**Ashok Bhandari:** I'm giving it to Mr. Jain to answer that.

**KK Jain:** Yes. Trade 73%, Non Trade 27%

**Girija:** Last year, it was in FY '24?

**KK Jain:** Same in last quarter also previous quarter -- in December '24 and then March '24.

**Moderator:** The next question is from the line of Uttam Kumar Srimal from Axis Securities Limited.

**Uttam Kumar Srimal:** Sir, my question pertains to RMC business. So what is the current status of RMC business, how many plants we have set up or going to set up? And what kind of revenue we are expecting from this particular business?

**Neeraj Akhoury:** As we have mentioned earlier also that RMC is a new foray for us. It's about a year or so that we have started this division for us. We are currently operating about 15 plants, but the plan is to grow RMC rapidly. At this moment, we are looking at various markets where more and more units will be set up. And this process will continue.

I'm happy to say that there are several plants in our RMC division, which are already EBITDA positive, they have achieved in a faster ramp-up of those units, especially in the markets of Mumbai or markets of Hyderabad. And this will continue. So we expect that over a period of time, we will have at least 50-odd RMC units.

But at this moment, I will not be in a position to tell you the time lines for that. This is something that we will continue to do. And every quarter, we will be able to give you an update on how many RMC plans we have.

**Uttam Kumar Srimal:** And sir, two bookkeeping questions. Sir, what was our...

**Moderator:** Sorry to interrupt, but you may please return to the question queue for follow-up questions. The next question is from the line of Ashish Jain from Macquarie.

**Ashish Jain:** Sir, my question is more on the cost structure in the three regions. Can you give some color on how the cost stacks up across the three regions, one on manufacturing basis, and secondly, if possible on a delivered cost basis also including freight?

- Ashok Bhandari:** My dear friend, this is Bhandari, here. Of course, these data will be available, and we'll be happy to share, but can you please address my curiosity on your asking such region-specific cost numbers?
- Ashish Jain:** Sir, one reason is like going ahead market mix. Am I audible?
- Ashok Bhandari:** Please understand as it is the net profit at company level, which is available at surplus with the shareholders. Region you leave it to us, we will set up capacity wherever it is more profitable to us. You must have some faith in our business acumen. We will tell you the overall numbers, please don't ask us questions, which may have strategic importance to us.
- Ashish Jain:** Sir, I get that. My only point was that going ahead as we expand capacity in, let's say, South or in West, the share of those regions would increase. I'm not looking at absolute number. My idea was more to understand the relative positioning of region, if possible? I understand the strategic importance of these.
- Ashok Bhandari:** I very much appreciate it. But please understand that if I'm using my asset side of the balance sheet completely fungible between fixed asset and cash. Any delta in profitability irrespective of region will be incremental to CROCI. So we will be maximizing our CROCI.
- Ashish Jain:** Right, right. Okay. Sir, secondly, just power cost this quarter, when I see it on a per ton basis, it has gone up, but look, it seems like our power revenues have also gone up quite a bit sequentially.
- Ashok Bhandari:** Where do you get the power revenue? I don't have that number with me because it is immensely small.
- Ashish Jain:** But then what explains the increase in power costs sequentially because your cost...
- Moderator:** Sir, sorry to interrupt. Sir, sorry to interrupt, but you can join in queue...
- Ashish Jain:** It's a continuation of the same question. Can I go ahead?
- Moderator:** Sir, you may join the question queue again.
- Ashish Jain:** Sure, not a problem. Thank you.
- Moderator:** The next question is from the line of Raashi from Citi Group. Please go ahead.
- Raashi:** Just one question, on a sequential basis, how was pure cement cost moved.
- Ashok Bhandari:** Come back again, you want cost structure sequentially between December '24 and March '25, Am I correct?
- Raashi:** Yes. Just pure cement, how is that moving?
- Ashok Bhandari:** Yes, pure cement, I'll give it to Jajoo, he will be able to explain to you.



- Subhash Jajoo:** So we don't have that data readily available. Raashi, I will send it to you, separately. We have blended cost. I have the blended cost with me, which is roughly 2% up quarter-on-quarter, and it is around 3% down year-on-year basis. But you want specifically for cement. So that is not available right now.
- Raashi:** Yes. So blended is up right on a sequential basis.
- Subhash Jajoo:** Yes.
- Raashi:** So that's what I'm trying to understand. On a pure cement basis, will it be down or will that also be up? That directionally...
- Subhash Jajoo:** I will just check up and then let you know.
- Raashi:** Thank you.
- Moderator:** The last question is from the line of Tushar Chaudhari from PL Capital. Please go ahead.
- Tushar Chaudhari:** Yes, thanks a lot for the opportunity, sir. And good set of numbers. Sir, I just wanted to know the rail-road rate mix for Q4 and full year and pet coke mix also.
- Ashok Bhandari:** Before I ask Mr. Jain to explain all these numbers to you, I will like to talk to you. I know Prabhudas Lilladher for maybe 40 years, Mr. Neeraj Akhoury, when he was in Bombay, he was a neighbor to Amisha Vora. Please understand that sometimes, when you say a good set of numbers, it disheartens her. What prevents you from saying things that these are the best set of numbers you have seen. Anyway, I am giving it to Mr. Jain to answer to your other question.
- K.K. JAIN:** Yes. The rail percentage is around 11.3% for this quarter. And for full year, it's 11.8%. In regard to the pet coke percentage, it is 78% pet coke and the rest is coal and the alternate fuel.
- Tushar Chaudhari:** And full year?
- K.K. JAIN:** Full year is almost 18% is the coal and alternate fuel and the rest is pet coke, it's around 82%.
- Tushar Chaudhari:** I wanted to ask the status of railway sidings, which we talked about in first quarter, we are going to cover all the units with railway sidings. I think FY '25, we are targeting Purulia and Patas.
- K.K. JAIN:** Purulia has already been done.
- Ashok Bhandari:** Purulia has already been done. Patas also commissioned. Both are fully operational. And the rest sidings, I think we have said by mid-'27 or early '28 will be done.
- Moderator:** I now hand the conference over to management for closing comments.
- Neeraj Akhoury:** Thank you, everybody. Thanks, and I think some of you or many of you for complementing us though in a very polite language on our results. It's -- as I said, it is a direction. It's a strategy in execution. It's a journey, and we are happy that we are seeing some good lights, but not reached the destination as yet. Hopefully, when we meet you next time, we'll have more smiles and more

news to share. Thank you, everybody, for joining us. Gratitude from Shree Cement Limited.  
Thank you.

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

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