



Date: 27th March, 2026

BSE Limited
P.J. Towers,
Dalal Street
Mumbai-400 001

Code:502180

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East)
Mumbai-400 051
Symbol: SHREDIGCEM

Sub: Submission of conference call Transcript

Dear Sir,

Further to our intimation dated 20th March, 2026 and 25th March, 2026, about the conference call with investors and analysts and pursuant to Regulation 46 and 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we enclose herewith the transcript of the aforesaid Conference Call held on 25th March 2026 at 09:00 A.M. (IST) and the same is also available on the Company's website at <https://www.digvijaycement.com/announcement/>.

This is for your information and records.

Thanking you,

Yours faithfully

For SHREE DIGVIJAY CEMENT COMPANY LIMITED

Suresh Meher
Sr. VP (Legal) & Company Secretary



“Shree Digvijay Cement Company Limited
Group Meeting for discussing the Outlook of the
Business and Integration”

March 25, 2026



**MANAGEMENT: MR. VIKAS KUMAR – CHIEF FINANCIAL OFFICER –
SHREE DIGVIJAY CEMENT COMPANY LIMITED
MR. SURESH MEHER – SENIOR VICE PRESIDENT
LEGAL AND COMPANY SECRETARY – SHREE DIGVIJAY
CEMENT COMPANY LIMITED**

MODERATOR: MR. RAGHAV MAHESHWARI – EQUIRUS SECURITIES

Moderator: Ladies and gentlemen, good morning and welcome to the Conference Call of Shree Digvijay Cement Company Limited's Group Meeting for discussing the Outlook of the Business and Integration. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Raghav Maheshwari from Equirus Securities Private Limited for opening remarks. Thank you and over to you, Raghav.

Raghav Maheshwari: Thanks, Ryan. Good morning, everyone. On behalf of Equirus Securities, we welcome you to the business update call of Shree Digvijay Cement Company Limited. Today we have with us Mr. Vikas Kumar, Chief Financial Officer, and Mr. Suresh Meher, Senior Vice President Legal and Company Secretary on call with us.

So, now I will directly hand over the call to the management team for their opening remarks, post which we will be open for a Q&A. Thank you, and over to you, Suresh sir.

Suresh Meher: Thank you, Raghav. Good morning, everyone. I am Suresh Meher, Senior VP Legal and Company Secretary. On behalf of Shree Digvijay Cement, I extend a warm welcome to all our valued investors and stakeholders.

So, today's discussion marks an important milestone as we share the integration of Hi-Bond Cement with Shree Digvijay Cement effective from 19th of March 2026 under the Brand Usage, Supply and Distribution Agreement, called BDA. So, this strategic move strengthens our capabilities, expands our distribution reach, and positions us for sustainable growth, reaffirming our commitment to creating long-term value for our investors.

Now, I would like to invite Vikas Kumar, our CFO, to outline the structure of the BDA, the commercial understanding, and the company's post-integration business plan. Over to Vikas.

Vikas Kumar: Thanks, Suresh. Good morning to all. My name is Vikas Kumar, Chief Financial Officer of the company. I heartily welcome to you all. The purpose of today's meeting, as explained by Suresh, is to explain the strategic business alignment we have entered with Hi-Bond Cement. The structure and the commercial aspect of the agreement we will first discuss.

So, Shree Digvijay Cement has signed an agreement of exclusive brand usage and distribution rights of Hi-Bond Cement along with call and put option. According to the BDA, Shree Digvijay Cement will purchase cement from Hi-Bond Cement for cost plus fixed margin of INR500 and will sell at the market price. The total installed capacity with this alignment of both the -- both the plants, is close to the 5.2 million ton. That is the third largest in Gujarat after UltraTech and Adani.

Shree Digvijay Cement is in cement business from last eight decades and Hi-Bond from last three decades. And both the companies are very well settled and recognized in the Gujarat. I would like to mention that at present both the companies are catering about 9% to 10% of the

total market share in Gujarat and 16% to 17% in the Saurashtra region. Saurashtra is our primary market for both the companies, Shree Digvijay Cement and the Hi-Bond Cement.

I would like to mention that the cement market is expanding by 6% to 7% year-on-year. And keeping in view the government focus on public infrastructure and urban and semi-urban areas, cement outlook is looking positive, better than previous couple of years.

Additionally, I would like to mention to our stakeholders that government has approved Commonwealth Games 2030 in Ahmedabad as a host city. And accordingly, investment in stadiums, transport, hospitality, and allied sectors are on fast track. Both the companies are poised to cater the additional demand of cement in foreseeable future.

The company will leverage the combined strength of both brands in Gujarat with signing of the BDA. So, the leverage of the branch, both the branches, are possessed, like locational advantage. Both the companies are close to market, which would help in efficient distribution of cement. Secondly, with the economies of scale, there is an opportunity of reduction in cost of production to the purchasing power.

And apart from that, we are expecting reduction in the fixed cost and administrative cost. Additionally, market allocation will also, help in reducing the freight cost of both the companies, and which will add into the value to the both the companies.

Now I would like to open the discussion for the question-and-answer.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Raj Shah from CBA Asset Managers. Please go ahead.

Raj Shah: Yes. Hi Vikas. Morning. Thank you for doing this call. Unfortunately, I was not able to hear about 50% of what you are trying to say. The voice was coming quite muffled. But I have a series of questions from my side. So, just wanted to understand how much limestone reserves do we have?

Vikas Kumar: Oh, thanks, Raj. So, presently we are having about 25 million ton of the clear reserves.

Raj Shah: 25 million ton, okay. And I understand we currently have a clinker of 1.1 million, which can help us to give an output of grinding capacity to 1.4 million, 1.5 million. For the additional 1.5 million capacity of grinding that we have, how are we sourcing the clinker and also, will the EBITDA per ton for that particular cement, where we are going to outsource or buy clinker from the market, will it be the same or it will be lower?

Vikas Kumar: So, Raj, you rightly mentioned that we are having the installed capacity of 1.1 million ton of the clinker. And to cover the additional volume of 1.5 extra sales volume, we require about 1 million, roughly about 0.8 million ton of clinker. Being, we would like to cover the additional sales volume from the blended cement, namely PPC, composite, and slag cement. And...

Raj Shah: Sorry, I did not get it. We will require 1 million to 1.1 million clinker that we have to buy from the market, right?

Vikas Kumar: About 0.8 million to 0.9 million, Raj. Because, we are focusing to increase the additional sales volume from the blended cement portfolio, mainly PPC, composite, and slag cement. And you will appreciate that Saurashtra market is having very good demand of PPC, slag, and composite, mainly in the Rajkot, which is the main marketable area to Digvijay Cement.

And accordingly, we are expecting, with the blended portfolio, our clinker factor would be about 55%. And for 1.5 million ton, the additional volume, we are expecting 0.8 million to 0.9 million ton of the clinker requirement. And you would also, appreciate that cement industry is working on about 70%, 75% of the capacity.

So, there are various options with us to purchase clinker from the domestic as well as the international market, okay. So, this will not be the concern for us. Further, what I would like to also, add that we would like to take the advantage of our captive jetty for the availability of high-quality granulated slag for both the plants to increase slag and composite cement.

And coming to your question, that with respect to the cost, cost of the purchase clinker, that the cost of purchase clinker would be a bit on the higher side, but there is still, there would be a good margin if we purchase the clinker and sell into the market.

Raj Shah: But I think the EBITDA per ton would be similar, I think it will drop, right? Because we would have to spend more, so, by how much will the EBITDA per ton go down?

Vikas Kumar: There would be a slightly dip of about INR200 per metric ton, Raj.

Raj Shah: INR200 per metric tons.

Vikas Kumar: INR200 per metric tons, yes.

Raj Shah: INR200 per metric tons, okay. And, good, just, I just wanted to touch base on the jetty thing as well. So, what is the status on the port and the jetty? It's been in works since a long time. I think since 2019-20, we are trying to get commercial approval. So, if you could just help us understand what is the status right now?

Vikas Kumar: So, jetty is completely in operation. We are using our jetty for the captive purpose. And we can handle the about 2 million ton to 2.5 million ton of cargo in our captive jetty. And, we are purchasing, we are importing clinker as well as we are importing coal as well as clinker on our captive jetty.

Raj Shah: No, but I think the jetty has commercial viability as well, right? From what I understand. So, what is the status on the commercial viability of the jetty?

Vikas Kumar: Yes, because we are handling the bulk cargo at our port, and nearby TPS is there, so, which is handling their coal from the Mundra port. So, we are under discussion with the TPS as well as the Reliance. And we have the opportunity to handle the commercial cargo as well.

In the past, we have handled one or two shipments. But unfortunately, we are not able to crack the deal with the Reliance and TPS, which is having the major volume of about 1 million ton to

1.5 million ton. But definitely, we have the infrastructure, and we can handle the commercial cargo at our port.

Raj Shah: We can handle, but do we have that visibility going forward in let us say one, couple of years that eventually we will actually handle such cargoes?

Vikas Kumar: It would be difficult to confirm now. We are under discussion with the Reliance and other nearby parties. But things have not been confirmed so, far. We will update you maybe on this separately or later on, okay?

Raj Shah: Sure, And, also, when are we planning to, so, when are we aiming to find the new CEO for the company?

Vikas Kumar: Hello. Yes, Suresh. Let me tell you, management is in the process of, the recruitment process is on. And so, as and when it is finalized, we will definitely update to the market.

Raj Shah: Okay. And, the erstwhile private equity fund has sort of sold off. Mr. Singhvi, who had, quite some stake, has also, sold off. So, do we have, do we have that insight that he is going to continue to be the Chair of the company going forward?

Vikas Kumar: Currently, yes, because he is appointed for five years. And previous year only we have extended him for another five years. So, definitely, he will be there.

Raj Shah: Okay. I think the tenure of Mr. Singhvi is till 2030, if I am not wrong.

Vikas Kumar: Yes.

Raj Shah: Okay. And, with the current geopolitical scenario shaping up, the sharp increase in the Brent crude. How are we seeing the increase in the pet coke prices? If you could just help us, help us put colour on that as well.

Vikas Kumar: Yes, rightly mentioned. Being cement industry is a high fuel intensive industry, and there would be an impact on the cost of production, mainly on the fuel and raw material cost, because of supply chain disruption. And, being the trade, as industry is working on very low margins, so, the impact of cost increase will pass on to the customer.

Raj Shah: So, it is completely passed through right now?

Vikas Kumar: Sorry.

Raj Shah: Your voice is coming a little bit muffled. Could you just come closer to the speaker and speak, you know?

Vikas Kumar: Yes. Now it is a bit clear.

Raj Shah: Yes, it is a bit better. So, you are saying that the increase in the RM has been passed on to the customers?

Vikas Kumar: Yes, so, my point was that that definitely being the high fuel-intensive industry, there would be an impact on the cost of production mainly on the fuel path and raw material cost, transportation as well as the packing rate. So, because of supply chain disruptions. And as you know the industry is working on the very low margin.

The impact of cost increase will be passed on to the customer. And you will appreciate that till the time of June, July, this is the peak season and price there was a good -- there is a good price for that period. So, if there is a cost increase, so, we will pass on to the customer directly.

Raj Shah: Okay. And can you just help us understand the call option on the assets of Hi-Bond Cement?

Vikas Kumar: Yes, so, there are few milestones and condition precedents to opt out the call option. We will opt out the call option at the right time and inform to all the stakeholders well in advance. I would request Suresh ji to add something.

Suresh Meher: As far we have unconditional rights to exercise our call option as per these option agreement and BDA. But we will take a decision because as you know we are a listed entity and there is a private limited company. So, there are certain systems and processes to be aligned as per the listed company requirement. And once we are satisfied, then we definitely, so, we can exercise call option even tomorrow also. There is no timing right there. Any time we can exercise the call.

Raj Shah: Okay, thank you. I think that is it from my side. If I have any questions, I will just get back in the queue.

Moderator: Thank you. Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Thank you. Ladies and gentlemen, we have the management line reconnected. We move on to the next question, which is from the line of Ram Prasad, who is an individual investor. Please go ahead.

Ram Prasad: Hello. Am I audible to you?

Vikas Kumar: Yes, please go ahead.

Ram Prasad: Yes, with expansion what is done, another 1.5 million ton, and this Hi-Bond contract, what is the volume you are expecting you would be able to do going forward?

Vikas Kumar: So, at present we are catering about 4.4 million tons of the sales volume from both the companies. And we are expecting that we will grow better than the industry. So, industry growth, keeping in view the market demand and the infrastructure projects which are under pipeline, so, market will grow by 7% to 8%. So, definitely we will grow at least 150% or 200% from the market. So, this is our expectation.

Ram Prasad: And second, on the Hi-Bond, do they have their sufficient quantity of limestone and clinker or they are also, going to buy from the market?

Vikas Kumar: So, they are having the capacity of 0.7 million clinkering capacity. And for the limestone, they are sourcing from the market. They do not have the mines.

- Ram Prasad:** So, that 0.7 million tons clinker, will it be sufficient? I think their grinding capacity is 1.5 million tons or 3 million tons?
- Vikas Kumar:** So, their grinding capacity is 2.2 million tons. But over the last years, their average sales volume is about 1 million ton. So, 0.7 million is sufficient enough to cater the demand of 1 million ton. But definitely when we will increase the capacity, so, we need to -- we require to buy the clinker from the market.
- Ram Prasad:** And on the Digvijay Cement, are you contemplating to buy fly ash and all from Gulf countries? Anything there on the plan?
- Vikas Kumar:** No, no. But you will appreciate that we are, we have the locational advantage. Our nearby there are three, four power plants. Essar Power is there. Nayara Power is there. Thermal power station is there. RSPL is there. So, we have the fixed contact with the fly ash supplier. So, we are having the sufficient amount of the fly ash available with, from the nearby vicinity and with a very optimal cost. So, we do not require to import fly ash from any Gulf city.
- Ram Prasad:** And what is the capacity, sir, utilization right now for the Digvijay Cement? How much are we operating on the 3 million ton?
- Vikas Kumar:** So, as you will appreciate, in the month of October, we have commissioned our new grinding unit of 1.5 million ton. So, this is the recent, this is the recent addition to the capacity. Till that time, we were utilizing about 90% to 95% of the capacity. But definitely, for the upcoming years, we are expecting that soon we will reach close to the 70% of the capacity utilization in FY '27.
- Ram Prasad:** So, do you have any plan to sell the cement in the Mumbai market, transport by sea?
- Vikas Kumar:** No, sir. So, although we are having the option, but we are selling only the special products in the Mumbai and out of the other part of the country. But for the normal our ordinary Portland cement, PPC, slag and composite, we are selling mainly in Gujarat and majorly in the Saurashtra only. So, because realization and the profitability in Maharashtra region and other south regions nearby is not better as compared to Saurashtra and the Gujarat.
- Ram Prasad:** So, you are confident all your 4.5 million tons, including Hi-Bond, you will be able to sell within Saurashtra?
- Vikas Kumar:** Yes, definitely. If you see the Gujarat market, so, in Gujarat we are having about 32 million ton of the market. And every month there is a demand of 27 lakhs ton of the cement. And with the upcoming infrastructure projects, we are expecting demand would increase to about 8% to 10%. So, there is an ample scope in the Gujarat as well as in the Saurashtra region.
- So, you will see that Rajkot, Surendranagar, Junagadh, the nearby cities are growing like anything. And there are number of infrastructure projects are going on in Jamnagar also. So, we do not see that there would be any challenge to, I think, for the capacity utilization to reach to the 4.5 million ton.

- Ram Prasad:** Yes, one more point, sir. Are you supplying to ONGC for oil and gas requirement, special cement?
- Vikas Kumar:** Yes, we are supplying from so many years. I think more than 30 years we are supplying to the ONGC. And at present we are having about 90% of the total sales volume of the ONGC as well as the others oil well players like Oil India, Schlumberger, Halliburton. So, there are number of oils well consumers has been connected with us. And we are the, you can say, the number one supplier in the India to supply the oil well cement.
- Ram Prasad:** So how much is contribution, sir, from this division of the total revenue of the Digvijay Cement?
- Vikas Kumar:** So, sir, in the volume wise, it is about 7% to 8%. But if you see the, on the sales revenue, it is covering about 15% of the total sales, sales revenue.
- Ram Prasad:** No, on the revenue, what is the percentage contribution from this division on the total revenue?
- Vikas Kumar:** About 15%.
- Ram Prasad:** 15%. Sir, lastly, are you planning to acquire any limestone mines? Because you are having 3 million tons grinding capacity but not sufficient capacity of clinker?
- Vikas Kumar:** Definitely sir. As you will see that the nearby area, Dwarka, Porbandar, and Junagadh is limestone reserve area, having reserve of about 600 million tons. And you will appreciate that in last few years, we have acquired two new mines having approximately about 20 million tons of the reserves. And we will further be exploring to secure the other limestone quarries. This is the ongoing process.
- Ram Prasad:** So then you will be going for a clinker plant also going forward in the future?
- Vikas Kumar:** So recently we have added the capacity, our grinding unit.
- Ram Prasad:** Okay.
- Vikas Kumar:** So, it would be too early, so we are planning when we will reach close to the 70%, 75% of the capacity utilization, we will explore the option of the future capex.
- Ram Prasad:** Lastly, sir, what, what is your expectation of the EBITDA per ton for this fourth quarter?
- Vikas Kumar:** Sir, for the fourth quarter, if you see that, if we compare from the last quarter for the quarter three FY26, so there is an increase in the price by INR30 to INR40 per bag. And with respect to sales volume, we are expecting that sales volume would be better than quarter-on-quarter and Y-o-Y. So sorry to, we cannot disclose the, this because these are the price-sensitive information.
- But definitely, as you can notice that price has increased by INR30 to INR40 per bag, and we are targeting volume better than quarter-on-quarter, Y-o-Y. So, profitability would be on the better side.

- Ram Prasad:** Sir, on the Hi-Bond sales, you will be selling their cement on Kamal brand or Hi-Bond brand, sir?
- Vikas Kumar:** This agreement which we have executed, BDA, is exclusive. They have given exclusive right to distribute the cement. We market, distribute, purchase the cement and distribute and market the same. So that will be purely under the Hi-Bond brand. So only the, this cement will be marketed by Digvijay Cement, but on Hi-Bond brand only.
- Ram Prasad:** Are you expecting any positive profit from this deal, sir, whatever you are going to market from the Hi-Bond?
- Vikas Kumar:** Yes, definitely.
- Ram Prasad:** How much?
- Vikas Kumar:** So, I would like to mention to, in the interest of all the stakeholders, that cost of production of the Hi-Bond Cement is comparatively low because of availability of captive power, which fulfils almost 80% of this, their power consumption. And secondly, the plant is new in technology, which leads to the low power and fuel consumption. So definitely, there would be an earnings release from the Hi-Bond.
- Ram Prasad:** Okay. Thank you very much, sir, for patiently answering my questions. Thank you.
- Vikas Kumar:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Raghav Maheshwari from Equirus Securities. Please go ahead. Ladies and gentlemen, we have lost the line of the participant. We will move on to the next question, which is from the line of Harshit from Robo Capital. Please go ahead.
- Harshit:** Thank you for the opportunity. Am I audible?
- Vikas Kumar:** Yes, you are audible. Please.
- Harshit:** Yes, sir. So, when we said that we will do 70% utilization in FY27, did we mean it on just 3 million ton of capacity or the entire 5.2 million ton of capacity?
- Vikas Kumar:** We are referring to the 5 million ton of capacity. 5.2 million ton of the capacity.
- Harshit:** Right. So, we are targeting around 3.5 million tons of volume next year, right?
- Vikas Kumar:** Yes, approximately 3 million tons to 3.5 million tons.
- Harshit Khadka:** Yes, sir. Sir I am not asking for any guidance, but do we have any ballpark range as to what will be realization per kg and EBITDA per kg? Any ballpark range? Yes.
- Vikas Kumar:** So, you would appreciate that last two years was not good for the cement industry. But you will notice that from the quarter 4 starting from Jan, the prices has started increasing. And from the

cement market industry, you will see that in the quarter 1 FY '27, so price would be on the upward trend. So, we are expecting that demand outlook would be better as compared to the previous years.

As well as the pricing will also be the better. Because at present the pricing is at the lowest in last so many years. So, we are anticipating and as you will appreciate that cement is a cyclic business. So, two years was there was a sluggish year, that where the demand was muted, pricing was low. But FY '27 we are expecting that pricing and volume would be good.

- Harshit Khadka:** Okay, sir. That is it. Thank you.
- Vikas Kumar:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Sreekanthreddy from Indian Overseas Bank. Please go ahead.
- Sreekanthreddy:** Hi. Thank you for the opportunity. I just would like to get clarification for the Hi-Bond, whether they are having 3.2 mega ton per capacity or 2.2 mega ton per capacity?
- Vikas Kumar:** They are having 2.2 million ton of the installed capacity.
- Sreekanthreddy:** Okay, okay. And currently I believe that it is in losses. So how we are going to, how about EBITDA margins and all these things?
- Vikas Kumar:** So, it would be difficult to disclose the numbers, but I would like to mention that YTD, so they are not in the loss. And they are earning better EBITDA, better EBITDA. Almost they are at par with the industry.
- Sreekanthreddy:** Okay. Okay. Thank you.
- Moderator:** Thank you. We take the next question from the line of Raghav Maheshwari from Equirus Securities Private Limited. Please go ahead.
- Raghav Maheshwari:** Thank you for the opportunity, sir. Sir, just wanted to understand one thing. The earlier you mentioned INR30, INR40 – it's the net of a price increase or it is a gross price increase in the Gujarat market?
- Vikas Kumar:** This is a gross price increase, yes. This is the billing, this is the billing price.
- Raghav Maheshwari:** And sir, what is the net price increase we have seen in the -- compared to the last quarter?
- Vikas Kumar:** About INR25 per bag, INR25, INR30 per bag in average.
- Raghav Maheshwari:** And sir, how the cost scenario will impact this quarter, Q4? Because I am believing that mostly the cost inflation has increased, it is not impacted this quarter or it will be coming from this quarter only compared to the last quarter?

- Vikas Kumar:** So, quarter four, we are not anticipating any cost increase. Because with respect to supply chain disruption, it has not hit the market so far. So maybe quarter one FY '27 you will see there is an increase in the cost. But quarter four FY '26, there would not be any impact on the cost part.
- Raghav Maheshwari:** Got it, sir. And sir, lastly, one question on the volume side. How will you see the Q4 volume? Are we on a good utilization level or what are the utilization levels or you can tell us the what is the number of basically tons we are seen for this quarter? How is the quarter looking basically for a volume terms?
- Vikas Kumar:** So, you will see the growth in the volume as compared to the previous quarter, Q3 FY '26, as well as if we compare to the year on year, last year same quarter. So, you will see the growth.
- Raghav Maheshwari:** okay, is it, in the, maybe in the, we can see the double-digit demand growth in this quarter compared to Y-o-Y?
- Vikas Kumar:** I think it would be difficult to say, but I think it should be close to, I think it would be, in my view, it should be about 8% to 10%, definitely.
- Raghav Maheshwari:** Got it, got it, sir. And sir, the one thing on the net debt and the interest rate cost. What is your effective net debt as on date? And what is the expected net debt for the FY '27? And what is the effective interest rate you have after all the transaction of with the Hi-Bond?
- Vikas Kumar:** So, before this transaction, this is a brand development and exclusive transaction we have entered with Hi-Bond Cement, we were having the rupee term loan of about INR132 crores, which we have taken for our grinding unit expansion. And for this transaction, BDA transaction with Hi-Bond, we have taken the additional loan of INR356 crores. So, at the end of 31st March, we are expecting total net debt, total debt of about INR485 crores in the balance sheet.
- Raghav Maheshwari:** And the rate of interest?
- Vikas Kumar:** And the rate of interest what we have finalized is about 8.7%.
- Raghav Maheshwari:** Okay. And sir, what will be the guidance for the next year for the net debt related? The net debt will remain same or it will change the levels?
- Vikas Kumar:** So, we are repaying our existing rupee term loan. So, there is -- every year, there is a payment of about INR24 crores. So net debt will reduce by about INR25 crores in the next year. And we have taken into consideration, and definitely we will be far ahead against the requirement of meeting the financial covenants. So maybe this is your concern, so we are very well secure about the financial covenants. We will do better.
- Raghav Maheshwari:** Done, sir. Got it. Thanks.
- Moderator:** Thank you. We take the next question from the line of Anuj Jain from Green Portfolio. Please go ahead.
- Anuj Jain:** Hi, sir. Good morning.

- Vikas Kumar:** Good morning.
- Anuj Jain:** My question is regarding the recent change in the ownership of the company. I wanted to understand as to the profile of the current promoter, I understand it is a jointly promoted entity of Piramal and Bain group. So, I wanted to understand their vision for the cement sector as a whole, and will there be more synergy or integration between Hi-Bond and Digvijay going forward? I am talking about amalgamation or something.
- Vikas Kumar:** So, sir, with respect to IRF, so they have just entered into the cement business. And in my view, as I discussed with their promoters, that they should have the long-term perspective. And I would like to mention that we would emphasize that the company is running by the professional management I think which is more important from the stakeholder perspective. So IRF is positive and definitely there would be a good synergy with respect to the Hi-Bond and Digvijay Cement.
- Anuj Jain:** Sir, is there any plan to merge Hi-Bond going forward with Shree Digvijay Cement?
- Vikas Kumar:** So, as explained by Sureshji, so there are a few milestones. So when we are close to that, we are completing the condition precedent and milestones, definitely we will take the option to opt the call option. But currently, there is no plan as such for merger.
- Anuj Jain:** Understood, sir, understood. And sir, one last question from my side. Does the promoter own any other cement asset other than Shree Digvijay and Hi-Bond?
- Vikas Kumar:** So far, in our knowledge, this is the first acquisition by the IRF in the cement industry. So, Hi-Bond and Digvijay Cement, yes.
- Anuj Jain:** Okay, thank you, sir. I will be in the queue. Thank you.
- Vikas Kumar:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Jinesh Kothari from Equirus Securities Private Limited. Please go ahead.
- Jinesh Kothari:** Hi. Good morning, sir. Sir, I just wanted to clarify a few data points that you provided in opening comments. So, regarding the market share, so if you can please reiterate the market share that you mentioned ex of Hi-Bond and post Hi-Bond that you are looking at for Gujarat market?
- Vikas Kumar:** So, at present we are catering about 10% of the total market share in Gujarat.
- Jinesh Kothari:** This is...
- Vikas Kumar:** Sorry?
- Jinesh Kothari:** This is for Digvijay itself, or this is...?
- Vikas Kumar:** Both the companies. 5% market share is of Digvijay Cement and 4% is of Hi-Bond Cement. So, both together numbers 10%, we are catering both the companies 9% to 10% of the market share.

And if we talk about from the perspective of Saurashtra, we are catering about 17% of the sales volume. And as I mentioned in my, I think a previous answer, so that we are expecting to grow by at least in the double digit. So that volume would be -- I think volume would be then we will cover the market at least by about 14% to 15%.

Jinesh Kothari: Right, sir. And sir Hi-Bond capacity mentioned 2.2 million tons of grinding capacity. So current utilization is around 1 million tons, is that correct?

Vikas Kumar: Yes, current utilization is 1 million ton, right.

Jinesh Kothari: And sir how, so is there an expansion plan that is going ahead at Hi-Bond level apart from the one that we commissioned in, so Digvijay we commissioned 1.5 million tons recently at Sikka. So, is there any expansion which is going on at Hi-Bond level also?

Vikas Kumar: Sir, so far there is no plan. First, we would like to settle down this transaction. And we are having the ample capacity to reach 5.2 million ton. So first we would like to settle down the 5.2 million ton. When we will close to 3.5 million or 4 million ton, definitely there are different opportunities having in both the companies, Shree Digvijay Cement and the Hi-Bond. So, we are having the plan, but definitely when we will settle down then when we will be starting, I think good amount of cash and the, so then we will plan for another future expansion.

Jinesh Kothari: Right, sir. And sir you mentioned that you are currently importing -- you are currently purchasing clinker from open market. So, is it from India itself or we are importing from UAE or something?

Vikas Kumar: So, we are importing as well as we are purchasing from domestic market also.

Jinesh Kothari: And you mentioned sir INR200 per ton will be the impact going ahead on EBITDA due to purchasing of clinker. Is that correct, sir?

Vikas Kumar: Can you please repeat the question again. Sorry, I am not able to hear you?

Jinesh Kothari: You mentioned around INR200 per ton of impact that will be there on profitability with the purchase of clinker that will be so I guess the purchase of clinker will be higher at a higher cost versus the production of clinker. So, is my understanding correct?

Vikas Kumar: So, my point was that because of the supply chain disruption, cost will increase. But I had also mentioned that the price is likely to increase in quarter 1 FY '27. And secondly, as I mentioned that we are focusing on mainly on the special products like composite, slag and PPC, so where the margins are good and where the clinker factor is less. So, if we are purchasing the clinker from the domestic market or from the international market, so I think there should not be any impact on the margin, because of the product mix as well as the clinker factor.

Jinesh Kothari: Understood, sir. That's all from my side. Thank you.

Moderator: Thank you. We take the next question from the line of Ram Prasad, who is an Individual Investor. Please go ahead.

- Ram Prasad:** Thanks for taking my next question, sir. If we are importing clinker from UAE, definitely there would be disruption in the supply chain. Whether you will be able to compensate that from within around the plant the clinker buying?
- Vikas Kumar:** So, at present we are having the sufficient clinker stock. And because of the supply chain disruption, we are more focusing on the domestic purchase. So, from this ongoing geopolitical concern, so we are not any, we are not expecting any supply chain disruption in the clinker.
- Ram Prasad:** So, you have sufficient clinker around your plant for supply?
- Vikas Kumar:** Yes, we are having the sufficient amount of clinker in the Digvijay Cement as well as in the Hi-Bond.
- Ram Prasad:** Then the next question on the Hi-Bond, how much are you expecting any EBITDA positive per ton? They have their right now operating capacity of 1 million tons, so how much are you operating on EBITDA per ton basis?
- Vikas Kumar:** Sir, it would be difficult to mention the per ton, but I would mention that they are earning better than the Digvijay Cement. They are earning the EBITDA...
- Ram Prasad:** Yes, their cost is okay. But ultimately, whatever you are doing, the distribution and marketing, are you going to get EBITDA per ton same as Digvijay figures or it will be less obviously? Can you throw some ballpark figure?
- Vikas Kumar:** So, as I mentioned that if we see that our agreement with the, with the Hi-Bond is paying cost INR500, okay so, after...
- Ram Prasad:** Sorry?
- Vikas Kumar:** Our agreement alignment with the Hi-Bond is that to purchase cement at cost plus fixed margin of INR500 per metric ton. So, they are earning EBITDA about INR700, INR800 per metric ton at present. So, after paying INR500 per metric ton, so definitely there is an earnings release from the Hi-Bond.
- Ram Prasad:** So, you are expecting about INR200 to INR250 from EBITDA per ton from the Hi-Bond?
- Vikas Kumar:** Yes, INR200 to INR300.
- Ram Prasad:** Okay. Thank you very much, sir. That is all. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Raghav Maheshwari for his closing comments. Please go ahead.
- Raghav Maheshwari:** We thank the management for giving opportunity to host this call and thank you everyone and for participating and joining this call. Have a good day. Thank you so much. Over to you, Vikas sir, for your closing comment.

Vikas Kumar: Thank you, Equirus team, Raghav and team. And thank you all the stakeholders for listening us patiently. Thank you so much. Have a nice day.

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