



SCL/SE/2025-26/
3rd November, 2025

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

SCRIP CODE: SHREECEM EQ
Debt Segment NCD ISIN: INE070A07061

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

SCRIP CODE 500387
Debt Segment NCD ISIN: INE070A07061

Sub: - Transcript of the Conference call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call held on 28th October, 2025 relating to the Financial Results of the Company for Quarter and Half Year ended on 30th September, 2025 is attached.

Kindly take the same on record.

Thank you,

Yours faithfully,
For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)
COMPANY SECRETARY

Shree Cement Limited

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

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



**“Shree Cement Limited
Q2 FY '26 Earnings Conference Call”
October 28, 2025**



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

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

Moderator: Ladies and gentlemen, good day, and welcome to Shree Cement Limited Q2 FY '26 Earnings Conference Call. 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.

Before we begin, a brief disclaimer. This conference call may contain certain forward-looking statements about the company, which are based on the beliefs, opinions and the expectations of the company as on the date of this call. These statements are not the guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

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

Navin Sahadeo: Thank you, Mark. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to the Q2 FY '26 earnings call of Shree Cement Limited. From the management, we have with us Mr. Neeraj Akhoury, Managing Director; Mr. Ashok Bhandari, Senior Advisor; and Mr. Subhash Jajoo, the company's CFO.

So without any further ado, I hand over the call to the management for opening comments. Over to you, sir.

Neeraj Akhoury: As you all know, last quarter, the government of India took a significant decision of reducing the GST rate of cement from 28% to 18% along with various other commodities. We believe this was a very positive and a transformational step and augurs well for cement demand in the long term.

The company has fully passed the benefit of GST rate rationalization to its customers. The company continued with its value over volume strategy during the last quarter. The total cement sales volume, including that of Shree Cement East Private Limited, were up by about 6.8% Y-o-Y on cement basis. With cement and clinker combined, it was slightly lower.

Total sales volume increased from 7.6 million tons in September '24 to 7.9 million tons last quarter. Realization per ton increased from INR4,451 per ton to INR4,840 mainly due to increase in share of premium products from 15% last year to 21% in September '25 quarter. Total EBITDA accordingly increased by 46% from INR582 crores to INR851 crores. EBITDA per ton, adjusted for INR30 per ton for one-time impact, also increased sharply by 43% from INR772 to INR1,105.

On a sequential basis, volumes were down by about 12%, mainly due to heavy rains in North India in the monsoon season. Despite this, the company was able to maintain its realization. However, the total EBITDA at INR851 crores was down by about 31%. EBITDA per ton also decreased by 20% from INR1,379 to INR1,105.

Very happy to say that the company's UAE operation registered its best ever quarterly performance. Sales were up from 9.87 lakh tons to about 13.1 lakh tons, growth of about 34%. Sales revenue also registered growth of 50% Y-o-Y. And EBITDA increased by 158% from AED20.34 million to AED52.53 million. The improved performance is a result of increased realization and improved operational efficiency. The expansion of the unit is progressing well.

During last quarter, the company commissioned clinkerisation unit of 3.65 million tons at Jaitaran, Rajasthan. The cement mill of 3 million tons is also expected to be commissioned very shortly. The work on integrated project at Kodla, Karnataka of 3 million tons is in the final stage of completion and expected to be commissioned in this quarter.

The company is continuously exploring various opportunities to grow slightly better than industry growth. Recently, the company has also commissioned a 20-megawatt solar power plant in Chitrakoot, UP, one of its subsidiaries. With this, the total green power capacity of the group now stands at 612 megawatts.

The company has been rapidly expanding its RMC portfolio with 24 operational RMC plants at present. During the quarter, the company entered East India market by setting up its RMC plant in Raipur, Chhattisgarh.

The company also commissioned India's first RMC solar plant at the Jaipur facility. The unit now runs primarily on green, clean renewable solar energy, reducing its carbon footprint and setting up a new standard of eco-friendly construction in India.

We are very proud to say that the share of green electricity in total electricity consumption stood at 63% in H1 FY '26, which is the highest to my mind globally, but at least highest in the Indian cement industry.

All the company's manufacturing locations are also zero liquid discharge, treating, recycling and reusing 100% of its waste generated from these operations. These efforts have enabled the company to improve its water positivity index to more than 8x. With good monsoons this year, the company expects to further improve its water positivity levels.

India's economy continues to demonstrate resilience, underpinned by strong consumption and sustained investment activity. High-frequency indicators point out to a pickup in real GDP growth in the second half of this year, supported by above-normal monsoons.

Steady employment conditions, benign inflation and recent rationalisation of GST rates are further expected to stimulate demand. These factors are likely to accelerate infrastructure development and growth of the housing sector, which bodes well for the cement demand.

With this, I have with me, Mr. Ashok Bhandari; Mr. Subhash Jajoo; Mr. K.K. Jain; and Mr. S.S. Khandelwal to take you through the Q&A session. Thank you very much, everybody.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Amit Murarka from Axis Capital.

- Amit Murarka:** On cement realization, you mentioned it was INR4,840 per ton. Could this exclude other operating income, if I'm not wrong? And could you give a similar number for Q1 as well?
- Ashok Bhandari:** INR4,840 is excluding other operating income. The previous quarter, I had explained that because of our glitch in our SAP system, we could not come up with an NCR number. The NCR number this quarter onwards will always be disclosed to everybody, that glitch has been rectified. So we do not have a comparable Q1 number, but roughly there is a decline Q-on-Q, YoY increase you have already understood. Mr. Akhoury has already addressed it. And I will request Mr. Akhoury to address the second part of the question, that was on EBITDA volume.
- Neeraj Akhoury:** So I am just trying to understand your question. So what we have said that the realization per ton, this last quarter was INR4,840, which has increased from INR4,451 in same quarter last year.
- Amit Murarka:** Sure. And you also mentioned that you prioritize realization over volume. Given that we are in the midst of a significant expansion program, what would be then the outlook on the expanded capacity? Can we expect them to kind of have a slow and gradual ramp up? What would be the outlook on the volumes essentially?
- Ashok Bhandari:** Amit, please understand that there is no entry barriers which anyone can create in the cement market. It is your strategy of value over volume, which restricts you to your dispatches. However, I can assure you, we will be growing either in line or slightly better than the industry.
- Amit Murarka:** Sure. And just lastly, on the one-offs, you mentioned that adjusted one-off, what exactly was the one-off?
- Ashok Bhandari:** I am giving it to Mr. Khandelwal, who's Company Secretary. He will explain you what it is.
- S.S. Khandelwal:** For our Guntur unit, we had taken power connection from Andhra Pradesh Transmission Company. And we had to create a substation at our capex, which as per the agreement entered into with them, was to be transferred by way of a gift deed back to the transmission company. This transaction took place this quarter, and therefore this write-off.
- Amit Murarka:** Understood. Thanks a lot. I will come back in the queue.
- Moderator:** The next question is from the line of Rahul Gupta from Morgan Stanley.
- Rahul Gupta:** Hi. Thank you for taking my question. Just to delve a little deeper into, is there any other one-off in other opex? I see there is a strong jump year-on-year on the other opex side. So any explanation on that would be great. Thank you.
- Ashok Bhandari:** I'm giving line to Mr. K.K. Jain, he will explain you about it.
- K.K. Jain:** As of now there's no other one-off in the result. The expense in the current quarter is slightly higher because of the repair maintenance cost and other spares cost. Otherwise, there is no one-off in this.

- Rahul Gupta:** Great. My second question is for Mr. Akhoury. Now that we are getting out of monsoon. How should one expect demand from here on over the next couple of quarters? And are we seeing any green shoots from GST cut with respect to retail as rural demand picking up?
- Neeraj Akhoury:** So a little too early to project demand at this moment. As you know, we're just coming out of festival seasons. As we speak actually today is Chhath and Happy Chhath, everybody. But this Chhath also means that there will be significant labour shortage across construction sites in most of our markets. Let us see how demand pans out.
- We expect that GST cut would boost demand in the long term. We have to wait and watch of this impact in the short to medium term. But clearly, GST cut was a transformational step. And this augurs well with the cement industry demand projections.
- Ashok Bhandari:** I would like to add, Mr. Gupta. The effect of GST payable on finished houses, it hurts the low and middle income houses more. So the vibrancy in low and middle income house sales as well as Tier 1 and Tier 2 cities, is expected to be far better than what it had been.
- Rahul Gupta:** No, understood, sir. So my question pertains mainly from the perspective of how should we see the balance between demand and cement pricing over the next few months? So that's what I was looking for.
- Neeraj Akhoury:** I mean I fully understand your question. As I said, we have to wait and watch to see how the demand pans out. A little too early to say. Given the fact that there has been a GST cut, one would argue that the demand boost should happen. But it may take some more time before actual lease is converted into purchase. And that's where I'm saying in long term, it is good for the industry. It is good for everyone that there has been GST cut. We have to wait and watch for immediately what will happen or in the short term, what will happen.
- Prices, as I speak for Shree Cement, we have passed on the entire benefit to the consumers of the GST reduction. And if you see our results, I think one thing you will notice is that our prices have shown about 9-odd percent growth from last year. I think prices have been stable for us from this year last quarter to the last quarter, quarter 1 to quarter 2.
- Going forward, it is not for me to forecast prices, it will be wrong. But what I do see that if the demand grows a little better than what we have seen in the first six months, then prices should at least remain stable, If nothing else
- Rahul Gupta:** Thank you.
- Moderator:** Thank you. The next question from the line of Satyadeep Jain from Ambit Capital. Please go ahead.
- Satyadeep Jain:** Just wanted to ask on overall volume and the capacity. You're looking at especially in North now that you have new volumes from the new line. Just wanted to see how are you going to look at this volume versus value growth for the last few quarters, the focus has been on premiumization. Should we expect similar focus in new capacity that you have? That first

And maybe tied to this would be the second question, that other players are also looking aggressively at North in general. Typically, if I look at your capacity, it seems incrementally we're also looking at North but also expanding out of North. In North is typically 50% of overall capacity.

As you look beyond the expansion in the release, you mentioned 80 million tons. How would you look at expansions across region where new capacity is coming in north? Would you look to maintain share and add more capacities North? Or just the thought process on incremental capacity beyond what you have in plan.

Neeraj Akhoury:

So to answer the first part, as I said in my opening remarks that on premium cement, we grew from about 15% to about 21% this year. This has been possible with a very high focus on increasing our share in the premium product segment. Not only that, we have also worked on our general price levels and to make sure that we are able to squeeze our brand equity in a better way. That has been the strategy, which we have often defined as value over volume. And this strategy is something that we would like to pursue in the coming years as well.

On capacity, we have just commissioned, as I said, a new kiln in our North plant. And this quarter itself very soon, you will see us also announcing the cement expansion in the same cement mill commissioning at the same location, which should happen very shortly. North remains our focus and north is something that will remain our one of the areas where we will continue to evaluate all possible methods to grow in the coming years as well.

Having said that, we are growing in other regions, be it East, be it South, and that will be on. But our focus on North will never go down is what I would assure everybody.

Ashok Bhandari:

I have two more things to add. One is that if you look at the stand-alone and consolidated results, the EPS differential, which was always around INR6, INR7 has gone up to INR33 in favour of consolidated, which clearly points out that our UAE operations are doing far better. Mr. Akhoury had already pointed this out in his opening statement. And we are expanding our capacity there as there has been very healthy price rise in UAE market.

Also, you will note that we generally have been very conservative in our dividend payout. But this year, we have given highest interim payout in dividend of INR80. And we expect to have an incremental dividend payout, but there are various factors affecting this. Everybody had questioned us on the rationale of carrying such cash large reserves. And some Chief Investment Officer had asked for higher dividend payout, and we have acceded to that.

Satyadeep Jain:

Just one clarification question on both dividend and depreciation, sir. Generally, depreciation has been very volatile.

Ashok Bhandari:

This year we will be depreciating about INR2,800 crores or so, which is based on the capitalization schedule. We have already charged about INR1,100 crores in two quarters, so the depreciation for the next two quarters will be about INR1,700 crores. And that's alright, because as everybody is expecting, so we are. The prices should remain stable and the demand should return, so there will be no hassle in availability of distributable profit in any case for the year.

Satyadeep Jain: Okay.

Ashok Bhandari: Excuse me. Once again, I stand corrected. The depreciation for the year will be INR2,450 crores, not INR2,800 crores.

Moderator: The next question is from the line of Pinakin from HSBC.

Pinakin: Sir, for my first question is that among the three core markets of north, south and east, how is pricing today on the ground versus the second quarter average? Is it lower or is it flat?

Neeraj Akhoury: You're talking about the last quarter?

Pinakin: No, sir. Today's prices versus the second quarter, the September quarter that went by.

Neeraj Akhoury: No. So, as I said that, the prices have been reduced, but that is largely because, we have passed on the GST to the consumers. To that from 28% to 18%. So the prices are lower than what it were in the peak 22nd September time.

Pinakin: So the net realization to the company would broadly be unchanged today versus what you have seen in the second quarter?

Neeraj Akhoury: No. I would say it will be slightly lower because of all these festivals and all the demand has not been very robust in October. And therefore, we see some slippage of prices happening across India, not only in regions.

Pinakin: Got it. Sir, my second question is that, again, if you were to look at your three core markets and over the next two quarters, do you see any one region demand outlook to be materially better than the other between north, south and east?

Neeraj Akhoury: As we talk about demand forecast, I always keep quiet, because we have to be cautious in this statement. As we speak, we have seen demand growth almost similar across the country, except some states, which has been lower and some states have been higher not to compare region wise, state wise one can do some comparisons. Going forward also, I think this trend should continue. I would expect north and west to be slightly better than rest of the country.

Pinakin: Okay, sir. And sir, my last question is, again, if you look at your competitor capacity and expansion announcement, particularly in northern India, which is very large, and you highlighted that north is a core market for Shree, should we expect Shree to defend its capacity share and hence, now at some point of time announced capacity expansion to maintain its current share?

Ashok Bhandari: Well, this is a trick question, isn't it? This is a trick question. We have said that we will be growing marginally better than the industry. Now, which region, what region, what kind of growth, how do you all forecast this? We have to be prepared. We are having sufficient physical resources to set up capacity in most of the areas where we operate and we will take a call as the demand scenario becomes clearer.

Pinakin: Understood.

- Moderator:** The next question comes from the line of Kunal Shah from DAM Capital.
- Kunal Shah:** Now, since the time you have undertaken the measures to improve the brand positioning and the premium sales, on a portfolio level, how much would have the base realization improved on a per ton basis? And what would be the milestone year along with any timelines, if you can help?
- Neeraj Akhoury:** Well, we look for the numbers, as the milestone remains that we have already reached about 20%, 21% of premium sales. This is a level at which we would like to maintain in the coming quarters as well. If there are some improvements, that would be welcome. But milestone was to reach about 18%. We have already reached 21%, up from 15%. And we will be focusing a lot that we are able to maintain this same level of premium share of our trade volumes in the coming quarters as well.
- Ashok Bhandari:** Kunal, Bhandari here.
- Kunal Shah:** Yes, sir.
- Ashok Bhandari:** Can you repeat the second part of the question?
- Kunal Shah:** So one was the premium which is very clearly visible. But also there have been steps to improve the brand positioning as well, the base brand positioning. So all I'm trying to understand is since the time we have taken these measures, how much would the base realization moved up, let's say, keeping other things aside, I mean, status quo, how much would have the base realization improved?
- Ashok Bhandari:** Kunal, that is the point I'm trying to make. Mr. Akhoury in his opening statement, has said, we have improved 9% year-on-year. It is unfortunate that I could not give you an NCR number for Q1. But H1 vis-à-vis last year H1, 9% incremental price is there, which is a mix of various things. And it is, you see, please understand, my dear friend, that if we are saying that we will focus and we have reached 21% of premium sales, then the price trajectory should be upwards or stable. Further demand and pricing in commodity, it is very difficult for any company to address. Isn't it?
- Kunal Shah:** Understood. No. That helps. And secondly, sir, on the cost savings especially on the logistics front. Now where exactly are we in the journey? And because we were planning aggressively increase the rail share. So could you just reiterate our positioning here.
- Neeraj Akhoury:** So, just to reiterate on our last question once more, before I come to your second question, this question. So, as I said, we have increased by 9.8%. I believe some of the players who have announced the realization Y-o-Y, if you see the gap of our performance versus you can get a sense of how much we have improved. That is part number one.
- On the rail, very focused work is going on. We have, as you know, already commissioned our Purulia railway siding in our Purulia unit. We are doing siding in Kodla for which the project work, land acquisition has been done and now the construction process has started. Similarly, for Etah, we have completed the land acquisition and project work has started. So, a lot of focus

has been there to improve our rail connectivity across India and you will see that very soon some of them will be commissioned.

Kunal Shah: Sir, this is very helpful. Sir, just to extend it, like in FY '25, what would be the rail mix exactly? What are we going towards? And what would be the savings, if that would be very helpful?

Neeraj Akhoury: So presently, it is at about 11%, of rail share in our total outbound logistics here. And we think we should reach about 20% in the coming time. If I see a savings, typically on the PTPK railway, rail is about INR 1.8-1.9 versus road at about INR 2.3-2.5, if I look at the industry across, especially in the North region. So one would expect that at least INR100 per ton savings should come from our increased focus on railway operations.

Kunal Shah: Got it. And sir, if I could just squeeze in one more. I think there was a lot of efforts towards the AFR share as well. So INR100 on the logistics front. And anything on the AFR front because I believe that share is also on the lower side. I mean there's a lot of scope over there?

Neeraj Akhoury: Yes. A lot of project work is happening across on the AFR side as well. We are now at about 2.3% up from 1.5% same quarter last year yes. And more and more facilities are getting created as they roll out in the coming years, you will see also go up on our AFR consumption.

Kunal Shah: Got it. And sir, if I can just squeeze one more. Just some capital allocation perspective, what should be the capex number for FY '26, '27 and '28?

Ashok Bhandari: FY 26-27 roughly, you estimate INR3,000 crores and for FY '27-'28 we have a broad capex in mind, but it should be in line with this much only. It was spilled slightly to FY '28-'29 because we are rethinking our commissioning strategy. But I can assure you that we will maintain our spirit of growing marginally higher than the industry growth.

Kunal Shah: Yes. Just to clarify, sir, 80 million ton could get spilled over to 29 you mean?

Ashok Bhandari: I cannot, please understand. It's not that we are devoid of any physical resource. It is basically how the capacity utilization of the company gets ramped up and how the demand gets ramped up. So it is dependent on that. We have taken a stance that if needed 80 can shift from FY 28 to FY 29, but then as the time passes, we'll keep on updating you.

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

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

Shravan Shah: Sir, just to check. So now currently, we have a 62.8 million ton and 6 million ton, both Jaitaran and Kodla will be added in this quarter. So we will be 68.8 and from there by FY '27 and '28, will there be any capacity addition because 3 million ton Jaitaran was postponed now?

Ashok Bhandari: Wait a minute, you're asking too many questions. Let us address one at a time. 68.8 for March '26 is given. We have given you our capex guidance of about INR3,000 crores. So we should be about 72 million to 75 million, March '27. I have already told you that let us see how the demand and how capacity utilization moves to see whether we need to become 80 by FY 28 or 29. You

have seen our balance sheet. You understand we have all physical and financial resources to do this capex. But the market condition are to be recognized for planning exact dates.

Shravan Shah: Got it, sir. And then this 2028 or 2029 when we say, is this a calendar year or FY '28 or FY '29?

Ashok Bhandari: We are not talking calendar year at all. We talk FY only.

Shravan Shah: Got it. Sir, I need a couple of data points. So even last quarter, we did not have a call. So if you can share the data points for Q1 and Q2. So starting with first is trade sir?

Ashok Bhandari: One second, let Mr. Subhash Jajoo take you through all the numbers because he is the CFO of the company. You can ask all your questions and point your questions to him.

Shravan Shah: Yes. Sir, trade share, blended cement share, for Q1 and Q2?

Subhash Jajoo: Yes. So for trade sale, it was 70% in September '25. And in June, it was around 71%. Blended cement sales was 68% in September and 70% in June.

Shravan Shah: And a lead distance in Q2 and Q1?

Subhash Jajoo: In Q2, it is 441 kilometers and Q1, it was 451 kilometers.

Shravan Shah: Okay. Got it. And Kcal for Q2 and Q1?

Subhash Jajoo: For Q2, it is 1.66 and Q1, it is 1.59.

Shravan Shah: Okay. Sir, it has recently gone up even from March level. So given the current petcoke prices and the coal prices, do we see any further increase in the Kcal costs?

Subhash Jajoo: No, as per our inventory pipeline, I think it should be around similar levels, maybe slightly lower than this.

Shravan Shah: Okay. And in terms of the fuel mix, broadly, the petcoke and coal would be a 90%-odd, 95% odd?

Subhash Jajoo: No. This quarter it is like around 66% it is petcoke and balance is coal and alternate material.

Shravan Shah: Okay. Got it.

Moderator: The next question is from the line of Raashi from Citi. Please go ahead.

Raashi: Thank you. My first question is, Mr. Akhoury you made a comment saying that in addition to premiumization, you're also focusing on pricing to be able to extract the best value of your brand. Could you just elaborate on that, please?

Ashok Bhandari: Well, look, Raashi, let us understand. Only 21% is premium. In our sales rates, Mr. Akhoury has clearly said only 21%. But if you look at the incremental price rises, it must be incremental plus general category also. You get my point? So overall, there is a price buoyancy. Now how it will

pan out is completely dependent on market conditions. But the delta between peer groups, we are certainly trying to converge on the top line or rather price.

Raashi: Right. So how are you trying to do that?

Ashok Bhandari: Mr. Akhoury will answer that, please.

Neeraj Akhoury: So in a sense, as you know in the industry market for same kind of product, there is a price ladder, which is not less INR15 to INR20 or even higher. And this is what we call the price gap between Brand A and Brand B. Through our pricing actions as well as distribution actions, we are trying to reduce this gap. That is one effort that has worked for us in the last 6 months and that is where we said that we will focus on value over volume.

In addition to that, we have also focused on premium products, which are higher priced than the base product. And their positioning in the market is on the higher side. And so these two combined for base brands as well as for premium there has been a focus of reducing the gap with some of the peer group companies.

And that has helped us to record a 9% price growth last quarter versus whatever figures the others have, if you could look at it. But I think Shree's performance on price growth will be slightly better than what the industry has seen.

Raashi: That's helpful. Then on the volume side, for the first half, now your volumes are around about 2% on a year-on-year basis, total volume, cement plus clinker. So what is your projection for the year?

Ashok Bhandari: We should do about 37 million to 38 million tons this year.

Raashi: And on the power side, so Green Power, I would imagine that in this quarter, our green power proportion has gone down to about 60%-odd or so? I mean for the first half?

Neeraj Akhoury: 60%. Yes.

Raashi: What is for the quarter?

Ashok Bhandari: Raashi, you are forgetting. Renewables also consists of solar, and this was monsoon period.

Raashi: Okay. So that 60% is a correct number, right?

Ashok Bhandari: Yes, 60% for the quarter is correct.

Moderator: The next question is from the line of Prateek Kumar from Jefferies.

Prateek Kumar: Yes, sir, my first question is on your UAE plans. Can you elaborate on the expansion plan there and overall outlook, as you said, is very positive?

Neeraj Akhoury: So, UAE demand has been quite robust-quite healthy in the last 1 year, if not a little more than that, our assets in UAE are very well positioned to serve all parts of the country, including the

main consumer centres of Dubai and Ras Al Khaimah. Our numbers have shown that we are doing very well. And hence, we have decided to put a new mill there of 3 million ton capacity.

We have extra clinkers, so had sold clinker earlier. We now believe since the cement demand is very robust. We can convert that clinker into cement and sell it in the domestic market. In addition, in UAE, we also produced some special products like oil well cement and oil well cement from our facilities goes across the world, not only in Middle East, but also in some others of Europe and some markets of U.S., North America.

We are also doing debottlenecking of our kiln that will give us about 0.5 million tons of additional income. So overall, we are very positive on UAE market and as well as the Middle East market, where we sell not only the base product, but also the special products like slag and oil well cement. And hence, this capacity expansion program has been announced.

Prateek Kumar: What is the full quantum of capex if you're looking at is probably part of consolidated operations and not standalone capex?

Neeraj Akhoury: AED 110 million approximately of capex in UAE.

Ashok Bhandari: By the way, I must point out that it is fully funded by cash available at UAE.

Neeraj Akhoury: Yes. It is fully funded by cash available at UAE.

Prateek Kumar: Other question on like this past EBITDA per ton of 1100 then like very minimal visibility on price improvement in third quarter. How are we looking at like our EBITDA potential of 1,300 to 1,400 with like sort of earlier?

Ashok Bhandari: Prateek, this question you ask me every quarter and every quarter, I only suggest that it is impossible for the hands of any commodity supplier or manufacturer to predict the price. Price is not in our control my dear friend, market forces decide low price. So when will my EBITDA go up at 1,300 or 1,400 or not in a position to achieve that Prateek, please appreciate that.

Any incremental price rise is a straight flow to my bottom line. Now how much incremental price rise will come when it will come, how much volume will come? These are affected by various macro factors. You are looking at INR1,300 why not INR1,800? Let us understand a little bit realistic.

We have said we have done 1,100. Mr. Akhoury has clearly said that he does not expect some demand vibrancy. He expects stable pricing scenario. So worst we will do 1100, at best we can do 1200, I don't know that. I'm not saying everything. Maybe we can do 1,300 as well. But you will have to have patience my dear friend. People have been claiming all kind of EBITDA numbers never delivered. We don't promise anything. We deliver and then we say.

Moderator: The next question is from the line of Satyadeep Jain from Ambit Capital.

Satyadeep Jain: Just a couple of questions. First, on the dividend. We appreciate the thought process that there is spare cash and some of it can be given dividend. But still, if you look at dividend yield is still even after interim dividend looks like 0.4% odd.

- Ashok Bhandari:** Yes, go ahead. Go ahead, please.
- Satyadeep Jain:** What is the need for having such a lot of dry powder still on the balance sheet, given the capex and all you're looking at for the next 2-3 years, why not look at onetime dividend, special just the thought process on keeping so much spare cash on the balance sheet?
- Ashok Bhandari:** My dear friend, on our strategy of keeping spare cash, please talk within your firm with Nitin Bhasin. We have explained to him many times why this cash is needed. And the other point that why not one time or this is a heart-wrenching story. We are increasing it and we will keep increasing it. But why can't we give it in one time. We'll address it.
- Satyadeep Jain:** Second would be on the growth that you're outlining, you're talking about growing in line with the industry. And that I'm guessing or maybe slightly higher than industry that maybe looks at volume growth and also capacity utilization. Is there any capacity utilization number that you typically look at?
- Ashok Bhandari:** Is there any demand number you can tell me? Can you tell me what is your expectation of demand growth? And what is the basis of that expectation? So, we will also get that kind of growth. It can also get marginally better. You are asking me a question. Please understand, sir, that no one can give you an answer.
- I don't know how much cement I will sell tomorrow. I don't know what price I will sell tomorrow. We will not look shy upon peer group comparison. We will be doing either equal or better. We have done better till now. Hopefully, God will maintain it.
- Moderator:** The next question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** So just in some data questions actually. So what would have been the other operating income in the quarter, if you can share that?
- Subhash Jajoo:** Yes. Amit, you can send us a mail, and then we'll reply on that because right now, that data is not available.
- Amit Murarka:** Sure, sure. And also you mentioned cement growth of 6.8%, but what should be with clinker, if you can get the total volume basically for the quarter?
- Subhash Jajoo:** Yes. I think you missed the first part of the opening remarks where we have given the volume, it is 7.9%. So the total growth will be around 4.6%-4.7%.
- Neeraj Akhoury:** 5% is cement and clinker both, 6.8% for cement only.
- Moderator:** The next question is from the line of Rajesh Ravi from HDFC Securities.
- Rajesh Ravi:** Hi, sir. Good evening. My first question, you mentioned on the premiumization benefit which you have approved, which I can read in the numbers, given that Q2 you have delivered around 9% NSR growth, while most of the other companies have delivered 5% to 7%. I believe for H1 also you mentioned 9% was realization growth?

Neeraj Akhoury: Ask the question again, please?

Rajesh Ravi: You mentioned the cemented realization that your like-to-like cement realization growth is 9% for Q2, right, year-on-year?

Neeraj Akhoury: It's INR4,854 over INR4,409.

Rajesh Ravi: Which comes to around 8.7% or 9%.

Neeraj Akhoury: 9%. Yes.

Rajesh Ravi: So for H1 also, the growth is similar around 9%?

Neeraj Akhoury: For H1, also, yes, it's similar at about 9%. Yes.

Rajesh Ravi: Okay. Around 9% also.

Neeraj Akhoury: 9%. Yes.

Rajesh Ravi: Okay. So if I work backwards cement realization on a Q-on-Q basis would have come down by around 1%, 1.5%.

Neeraj Akhoury: It is flat.

Rajesh Ravi: It is flat. Okay. It is flattish. So on the UAE business, you gave the volume numbers for Q2. Could you share the Q1 number also and the Y-o-Y number for UAE this year, Q1 and last year. And also now that UAE is also delivering performance in line with the domestic operations 20%-plus margins can we look at the company at a consol level rather than looking the two units separately?

Ashok Bhandari: Indeed, you should. That is what the idea is. That is why I pointed to Cash EPS number. So now onwards maybe a consolidated result for valuation may be more authentic. And more useful than doing standalone.

Rajesh Ravi: So Q1, what was the volume number?

Ashok Bhandari: You take the numbers from Mr. Akhoury, he is prepared with the actual volume numbers.

Neeraj Akhoury: So last year same quarter UAE was at 9.87 lakh tons and this year it has been 13.19 lakh tons.

Rajesh Ravi: That is Q2, right?

Neeraj Akhoury: That is Q2, So June '25 was 10.09 lakh tons. September '24 was 9.87 lakh tons and September '25 was 13.19 lakh tons.

Rajesh Ravi: Okay. And June '24 also, would you have handy?

Neeraj Akhoury: No. That I do not have. I am so sorry.

- Ashok Bhandari:** You can send an email, we will reply.
- Rajesh Ravi:** Sure, sure. We will get in there. Great. Yes. That is all from my end, sir.
- Moderator:** The next question is from the line of Sumangal from Kotak Securities.
- Sumangal:** Yes. Good evening. Sir, first question on the volumes. If you look at 1H, there is a decline of 2%-odd. Just want to understand either industry-wide or in our core markets, what would have been the market industry growth? And just trying to understand what is the market share loss which we have seen?
- Neeraj Akhoury:** So, I would not have the H1 number for industry. But Q2, the best estimates coming is around 3% to 5% cement demand growth. Versus that 3% to 5%, we have done slightly better at 6.8% on cement sales. The first quarter was when we were very firmly trying to establish our value positioning in the market. And therefore, you saw lower than expected growth. But last quarter, I believe, and the best information that I have of market growth versus 3.5% of industry growth, we are slightly ahead on our performance.
- Ashok Bhandari:** Let me just also make one point very clear to you on our value proposition. Consol numbers of INR914 have been reported vis-à-vis our standalone number of INR1,105. If you compare it with standalone, it is INR966 to INR1105. So, the delta which was there in Q1 of INR137 at turn in EBITDA has been slightly bettered
- Sumangal:** Understood. So, sir, should we understand it this way that if you look at even FY '25, our volume of flattish 1Q also, we would have, I mean, it appears that we would have lost market share and from 2Q now we are maintaining and gaining. So now, since our value proposition is now established and even for future when a lot of capacities are coming up and you guided that we will be maintaining share and even gaining to some extent, now there is a subtle change in strategy. Is this the right way to kind of look at it?
- Ashok Bhandari:** No. Wait a minute. We have not said that we will not remain focused on value. We expect additional demand to come in because of all the fiscal measures announced by the Government of India and that should keep us in line or better than the industry depending on the geographical reach, number one.
- Number two, you also please appreciate that the value over volume proposition, you do a very simple calculation. You do the capacity utilization of all cement plants and plot EBITDA per ton of all cement plants. You will see an Inverse correlation. Have a look at that.
- Sumangal:** Okay.
- Neeraj Akhoury:** So, just to reinforce that there is no change in the strategy, this is what we would like to keep reinforcing, yes. So, it is value over volume. Having said that and you have seen that in the results when we say 9% realization growth over last year and then you should compare it with the industry numbers and I am sure you will find that we have not done badly.

At the same time, while delivering 9% realization growth, we have also delivered 6.8% volume growth. It only means that the strategy has started working. How does the future pan out is difficult to say at this point of time and that is how I would say.

Sumangal: Clear. Very clear. Sir, RMC business, looks like there is a lot of focus here. If you can just share what is the outlook and next three years, four years, what sort of targets are we looking at in terms of number of plants, maybe revenue contribution, etcetera?

Neeraj Akhoury: So, RMC is a new business for us. We have just started a year back. Yes. Already about 24 plants are operational. I think this is one of the fastest ramp up of RMC business in this industry. We had an initial goal of going up to 40 plants by FY '28 and that continues even today. We are trying to put up more plants. I am so sorry, not FY 28, FY 26. Yes. Having said that, it is also a time for us to better understand the profit levers, the revenue levers for this business and make it more prepared so that we can have a playbook of RMC business and we can thereafter keep putting new plants at a better performance level. That is how I would see it.

Sumangal: Understood.

Moderator: Ladies and gentlemen, we will take that as a last question for the day. I now hand over the conference over to the management for the closing comments.

Neeraj Akhoury: Thank you, everybody. Thank you for participating and thank you for supporting Shree. As I said, we will continue to remain focused on delivering a better performance. Our strategy is working and we hope we should continue to give you better than industry performance, at least on EBITDA in the coming years as well. This is our focus and this is how we would like to perform. Thank you very much again, everybody. Happy Diwali.

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

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