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29th October, 2026

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 23rd October, 2026 relating to the Financial Results of the Company for Quarter ended on 30th September, 2026 is attached.

Kindly take the same on record.

Thank you,

Yours faithfully,

For **SHREE CEMENT LIMITED**

Shyam
Sunder
Khandelwal
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Shyam Sunder
Khandelwal
Date: 2026.10.29
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(S.S. KHANDELWAL)
COMPANY SECRETARY

Shree Cement Limited

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“Shree Cement Limited
Q2 FY27 Earnings Conference Call”
October 23, 2026



MANAGEMENT: **MR. NEERAJ AKHOURY – MANAGING DIRECTOR –
SHREE CEMENT LIMITED**
**MR. SUBHASH JAJOO – CHIEF FINANCE OFFICER –
SHREE CEMENT LIMITED**
**MR. S. S. KHANDELWAL – COMPANY SECRETARY –
SHREE CEMENT LIMITED**
**MR. K.K. JAIN – JOINT PRESIDENT FINANCE &
ACCOUNTS – SHREE CEMENT LIMITED**

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

Moderator: Ladies and gentlemen, good day, and welcome to Shree Cement Limited Q2 FY27 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 touchtone phone. Please note that this conference is being recorded.

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

Navin Sahadeo: Yes, can you hear me?

Moderator: Yes, sir, we can hear you.

Navin Sahadeo: Yes. So this is Navin here. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to the Q2 FY27 Earnings Call of Shree Cement Limited. On the call from the management, we have with us Mr. Neeraj Akhoury, Managing Director; Mr. Subhash Jajoo, CFO; Mr. Khandelwal, Company Secretary; and also Mr. Jain, Joint President, Finance.

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 afternoon, ladies and gentlemen, and welcome to Shree Cement Limited's Earnings Call for the quarter ended 30th September '26.

Before we begin, I want all of us to remember Mr. Ashok Bhandari, our Special Advisor, he passed away suddenly 2 days after our Q1 results call. Many of you know him from these calls. He earned the trust of the investor community. During his tenure, the market cap of Shree Cement grew significantly.

At work, I will still remember him as a person who was firm and direct with people. He was warm and cared. His passing is real loss for Shree Cement and for everyone who worked with him. We will miss him. We miss him every time. Our condolences are with his family. May his soul rest in peace.

Going into our quarterly performance. The second quarter is usually a softer quarter for the cement industry. This year, it was also affected by the conflict in West Asia and by a weak monsoon in most regions. East was an exception. Against this backdrop, our focus on volumes continued to deliver results. India sales volumes increased by approximately 18% year-on-year from 7.91 million tons to 9.31 million tons.

Realizations improved marginally by 1% from INR4,840 per ton to INR4,870 per ton. Consol EBITDA rose by about 4% from INR974 crores to INR1,016 crores. However, consolidated EBITDA per ton declined to INR966 from INR1,055 a year ago, primarily due to a higher fuel cost.

Consol sales volumes also grew by about 14% from 9.23 million tons to 10.52 million tonnes. This improvement in volumes was also supported by better capacity utilization in our India operations, which increased to 56% compared to 52% in the corresponding quarter last year.

On a sequential basis, against the first quarter, the numbers are lower, which is what the season usually brings. India volume fell 11% from 10.49 million tons to 9.31 million tonnes. Realization was 1% lower at INR4,870 against INR4,919.

Consol EBITDA declined from INR1,272 crores to INR1,016 crores, while EBITDA per ton moved to INR966 from INR1,111. Consol sales volumes were down by 8% from 11.45 million tons to 10.52 million tons.

Our capacity expansion program continues to progress. In September '26, Union Cement Company, our step-down subsidiary in the United Arab Emirates, commissioned a new cement mill with an annual capacity of 3 million tonnes. This takes its total cement production capacity to 7 million tons per annum.

In India, work is progressing on our greenfield integrated plant in Meghalaya, which is expected to be commissioned in the quarter ending 31st March 2028. We continue to evaluate and pursue strategic expansion opportunities across our markets with a focus on building capacity and delivering our long-term growth objectives.

A few words on ready-mix concrete business. Our ready-mix concrete business continues to grow and has continued to grow in the last quarter also. The commercial network is now 28 plants with captive units, the total is 35 plants. The plants which have been running longer, did quite well, and the new ones are ramping up.

Volume rose 153% year-on-year to 2.73 lakh cubic meter. Revenue rose 182% to INR129 crores. The business stayed EBITDA positive. As each plant fills up, its fixed cost is spread over more cubic meters, and that shows in the numbers. We have said for some years that ready-mix is where cement in India is heading. This quarter is a small step in that direction.

As you all know, sustainability remains an integral part of our operating strategy. In Q2 FY27, green electricity accounted for 65.2% of total electricity consumption, including our wholly owned subsidiaries in India. I believe these are amongst one of the highest levels in the Indian cement industry, if not the global cement industry.

Our green power generation capacity currently stands at 667 megawatts, including our wholly owned subsidiary in India, and we are progressing additional projects to further increase the share of green power in our energy mix. For us, saving energy and saving cost are the same work. Every unit of green power we add makes per ton cleaner and not only cheaper to produce.

All our manufacturing locations operate on a zero liquid discharge basis, treating, recycling and reusing 100% of the wastewater generated by our operations. These initiatives helped us to achieve a water quality index of more than 8x in FY26. We remain committed to sustaining and improving this performance in the current financial year.

October month is also the month of our great leader, Mahatma Gandhi, who very aptly said, "To destroy something is easy, to build requires great skill and care." This thought resonates strongly with our business; building a sustainable enterprise requires the same discipline and care, not only in the quality of our product, but also in how we serve our customers, invest for the future and contribute to nation building.

In terms of the outlook, India economy remains supportive. Infrastructure investment, urbanization and stable macroeconomic conditions are all helping. A weak monsoon may hold back rural demand for some time, but spending on road, railways, housing and data center continues, and that will keep India cement demand moving in a positive direction.

We remain focused on strengthening our market positions, improving operational efficiency and executing our growth plans while navigating the near-term pressures facing the industry.

With these remarks, I now hand over the mic to our colleague, Mr. Subhash Jajoo, Mr. K.K. Jain and Mr. S.S. Khandelwal for your questions. I am very confident that you are in good hands. And since we are in a cement business, we'll try to make sure these discussions do not set very quickly and that your questions are well answered. Thank you, Navin.

We can now open up for Q&A.

- Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Parth Bhavsar from Investec.
- Parth Bhavsar:** Sir, I just wanted to get a sense on fuel cost. So what was our landed fuel cost on kCal basis? And how do we see this going ahead into Q3 and Q4?
- Subhash Jajoo:** For the current quarter, the landed cost was INR2.09 as against INR1.66 last year and INR1.95 for the June quarter. And for the coming quarter, we believe this will be around INR2.20.
- Parth Bhavsar:** Okay. Sir, my next question is on raw material cost. So there is a change in inventory, which is of around INR100 crores, and this number was INR69 crores even in Q1. So what is this related to? And how should we see this in H2?
- K K Jain:** This quarter, our clinker production is higher by 33% as compared to the September '25. And we hope that the demand would be good in the next 2 quarters. So it will be consumed.
- Parth Bhavsar:** Okay. So sir, what would be the sustainable number going ahead?
- Subhash Jajoo:** By year-end, it should be around INR60 crores to INR70 crores.
- Moderator:** The next question is from the line of Pinakin from HSBC Private Limited.
- Pinakin:** Yes, I have 3 quick questions. My first is there was very strong volume growth in first quarter and second quarter of 17%. Now as we move into the second half, what is the volume growth that you expect the company to achieve?

- Neeraj Akhoury:** So as I said, the demand triggers are strong. There is only 1 topic which is concerning is a weak monsoon. Other than that, we are seeing demand to be supported in infrastructure, in railways, in data centers and many other segments. Last quarter, there are different figures. We still have to assess, but it looks like demand growth in India for the industry was about 10%.
- Other estimates are about 7%. So let's say 7% to 10% was the demand growth. We'll get more real pictures sometime soon. If this trend continues, then what we have promised you all that our growth will be slightly better than the industry.
- So if demand growth is around 7% in the next 2 quarters, we should grow a little better than that. At this moment, any forecast beyond that is difficult to give, but we remain confident that we should be able to deliver slightly better numbers than the industry growth.
- Pinakin:** Got it. My second question, sir, there are a lot of moving parts on costs, right? The company gave some color on coal. But overall, between packaging, other variable cost freight, on a consolidated cost outlook, how should we see second half versus Q2 because there will also be benefits of operating leverage in terms of higher volumes?
- Neeraj Akhoury:** This was a difficult one to say. What we do know that whatever major cost driver, which is the fuel, we should be able to forecast it based on the kind of purchases that we have already done, which is what our CFO, Mr. Subhash Jajoo too spoke about.
- There are other elements of the cost where things are moving rapidly. For example, the bag cost. Today, it is not a matter of worry, but we do not know what will happen in future. So I think any cost line which is external to us is difficult to forecast. Having said that, my sense is that quarter 3 cost should not be very different than what we have seen in quarter 2.
- Pinakin:** Got it, sir. And my last question is on cement pricing. I mean companies which have reported so far have indicated a INR20 to INR25 bag price increase in markets in North and East. From your vantage point, are you seeing similar price hikes in October or in September versus Q2 average? And do you think that price increases should be able to offset the cost inflation we saw in Q2 and probably see in Q3?
- Neeraj Akhoury:** So far, we have seen better prices. October is better than September, for example, right? But again, price is purely a function of demand and supply. We have to see how it evolves in the coming quarter. But with the internal actions that we have taken, especially on the premium percentages, I feel we should be able to deliver a better price than what we saw in Q2.
- Moderator:** The next question is from the line of Rashi from Citigroup.
- Rashi:** Just on the cost of production for cement roughly, what was the BC on a sequential basis?
- K K Jain:** The blended cost of production is INR4,636 per ton for this quarter against June INR4,329 and against September '25, it is INR4,245.
- Rashi:** What did you say, sir? 4-6 how much?
- K K Jain:** INR4,636 per ton.

- Rashi:** Okay. But can we get cement purely, just cement cost of production?
- K K Jain:** Pure cement data is not available, we will give you later on.
- Rashi:** Got it. How much was the capital expenditure in the first half?
- K K Jain:** Capital expenditure is INR895 crores for the first half, and we expect in the second half, it would be around INR700 crores to INR800 crores.
- Rashi:** What would be our consolidated net cash at the moment?
- K K Jain:** Consolidated net cash at the group level is INR8,168 crores.
- Rashi:** INR8,168 crores?
- K K Jain:** Right.
- Rashi:** And just last 2 questions. In the last quarter, you had said that 40 million tons is doable for the full year. I would imagine that is still the case, 40 million or more, in the second half despite the concerns on the monsoon?
- Neeraj Akhoury:** Rashi, as we said, we should be between 40 million to 41 million tons. If you all are wishing us so much, then most probably we will be able to reach up to 41 million tons.
- Rashi:** Just 1 question. What tax rate should we take for the year?
- K K Jain:** Tax rate is turning around to 32% for the quarter and almost same at half year also, 31% and you may assume that it will be between 31% to 32% for the year.
- Subhash Jajoo:** Rashi, it continues to remain in the old tax regime, and that's why the rate is around 30%.
- Moderator:** Do you have a follow-up question, Rashi?
- Rashi:** I will join the queue. Thank you.
- Moderator:** The next question is from the line of V. Nahar from Veles Capital Limited.
- V. Nahar:** Just one question about what kind of action you have taken on using the EV for your mining operations as well as transportation of your cement or clinkers?
- K K Jain:** For RE?
- V. Nahar:** Not RE. Basically your mining equipment, whether those are still running on diesel or you have converted it to the electric operated equipment, that is on the mining side?
- Neeraj Akhoury:** We are experimenting with EV in the mining equipment. It is in too initial phase. So not being able to give you this being a testing period for us, as to how does this equipment perform. Historically, all of us have always used equipment with traditional fuel. EV, we have started and

give us a few more quarters before we give you some kind of a stronger response on how the performance is.

V. Nahar:

And about your transport of clinker or cement are you using the EV trucks?

Neeraj Akhoury:

We are trying to introduce EVs everywhere, not only in mining but also in our clinker transportation. We are also testing with cement transportation. As I said, this is the first phase of this activity. We are still evaluating how complex it is to manage and what are the real returns on this investment. Give us a few more quarters, and we should be able to tell you our longer-term plans around EVs, both in mines as well as road movement.

V. Nahar:

And on the same line, whether in any of your plants, to optimize the use of renewable, whether you have installed the BESS, Battery Energy Storage?

Neeraj Akhoury:

I am not able to understand the question. I'm sorry. Renewable power, as I said, we are putting up about 80 megawatts now. Currently, we have 667 megawatts, we are putting up 80 more.

Moderator:

Sorry to interrupt, Mr. Nahar. Due to time constraints, I request you to join back the queue for more follow-up questions. The next question is from the line of Sanjeev Singh, Motilal Oswal Financial Services Limited.

Sanjeev Singh:

I have 2 questions. Firstly, in terms of volume growth, which is at around 18%, can you give us some regional mix? Because as we understand that there was some volume pressure in the Eastern region. So it would be helpful if you give some regional mix? And also, how has been the growth in the trade and non-trade segment both?

Neeraj Akhoury:

So on regional mix, a large part of Shree volume comes from North. And balance is equi-mixed in East and South. Of course, when we say North, part of that material also flows into states like MP or Gujarat, which is not really North for the industry. It is more West and Central for the industry. Having said that, our growth is kind of very balanced across.

We have grown a little stronger in South India, followed by North and then by the East. However, it's something that we monitor very closely. It is kind of equi-balanced across regions. As I said, South leads, followed by North and then by the East.

Sanjeev Singh:

Secondly, sir, channel feedback also suggests that we are trying to withdraw from some of the markets which are not remunerative or lesser remunerative compared to other markets. If that is true, then can you throw some light on what type of actions are being taken to improve profitability?

Neeraj Akhoury:

This is totally untrue. In fact, we are trying to increase our penetration across markets. For example, now we are a significant player in Jammu and Kashmir. We are significant player also in Gujarat. We are also making our first presence in parts of South Karnataka. So it is not true that we are withdrawing from markets. In fact, we are increasing our penetration.

Moderator:

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

Amit Murarka:

Sir, just in the quarter, what was the trade, non-trade mix? I just missed that data.

- Neeraj Akhoury:** Trade, non-trade. So we have done better on non-trade. 61% is trade and balance is non-trade.
- Amit Murarka:** Okay. Because if I put that number, then essentially, like I get a flat Y-o-Y volume on trade from you and non-trade obviously is a big chunk of 50%-52%. So is that correct?
- Neeraj Akhoury:** No, that is not true. Trade has also grown.
- Amit Murarka:** Based on the data which was shared last year Q2?
- Neeraj Akhoury:** I'll ask Mr. Jajoo to send you the breakup.
- Amit Murarka:** Okay. And also generally on the pricing, like typically, we have seen strong hikes being taken in the last couple of weeks. But does that kind of change your outlook on the way you kind of do volumes in trade, non-trade because last few quarters, at least we're having stronger volumes on the non-trade side as you yourself have said. That is one.
- And secondly, I think in the previous call, it has also said that because of the change in fuel mix also, you've been forced to do more non-trade. So is that continuing to be an issue for you or I mean, you have kind of gotten over that problem?
- Neeraj Akhoury:** So non-trade and trade realization gaps are somewhat coming down. Having said that, at Shree we are actively looking at participating in some of the nation's core projects, which is why you are seeing increase in non-trade. It in no way means that we are not pushing trade equally hard or even harder.
- Trade has been our bread and butter. So trade, we will be pushing. But non-trade, the nature of market is also changing with large institutional buyers, large infrastructural projects, railway projects and so on. So we are seeing this kind of a shift.
- Amit Murarka:** Got it. Sir, also could you share your fuel mix as of now?
- Subhash Jajoo:** Amit, fuel mix for this quarter, pet coke was almost 11%. Imported coal was 75%, 2% Indian coal and alternatives were 12%. So we have gradually reduced the use of pet coke because of the increased prices. Last year, the same was almost 66%, so it has come down to 11%. And coal, we have started using.
- Moderator:** The next question is from the line of Siddharth Mehrotra from Kotak Securities Limited.
- Siddharth Mehrotra:** Congratulations on fairly strong volume growth. I just wanted to check, sir, our freight costs seem to have come down significantly. And if I sort of try to calculate them on a per ton basis, they are significantly lower on a consolidated basis. So sir, can you just tell why this so?
- Neeraj Akhoury:** So quarter 2 has two or three other things happening together. One is our run to market has come down. Second is that this is a period when we get some special discounts from railways as part of the lean season discounts. Third is that we are having some new processes where freight fixation is now a little more databased using some modern tools, which is allowing us to correct a lot of freight across markets.

All these three steps have given us an opportunity to reduce our freight to this levels. But as I said, this is something we have to see how we can stabilize it over a longer period. This one quarter does not say much, it could be also because demand was good. But as we progress, we will see how much it is this freight cost we are able to retain, yes.

Siddharth Mehrotra: So there are no one-offs in this number. Is that understanding correct?

Neeraj Akhoury: No, there is no one-off.

Siddharth Mehrotra: Understood, understood. We will be on the lookout for the number in the coming quarters. So there have been some sort of news that our Meghalaya plant is sort of facing certain protest on the ground. So sir, what is the latest update on that, sir?

Neeraj Akhoury: So there was kind of a hearing by the state authorities in which various people who are supporting the projects also participated and some who have an issue with this project also participated.

I understand that the doubt has been cleared by the state government. And very soon, we should be able to start the project construction. Our entire workforce is now at the site. The contractors have been mobilized. The orders have been placed and very soon we should actually start the construction activity.

Siddharth Mehrotra: Got it. So basically no delays anticipated on this plant.

Neeraj Akhoury: In my opening remarks, I said we should be able to commission in FY28.

Siddharth Mehrotra: Got it, sir. Just 1 small question on our working capital. It seems that we increased our inventory by around INR600-odd crores in the cash flow statement. So that's an anomaly versus our earlier number. So what exactly is this inventory increase, INR600-odd crores?

K K Jain: There is some increase in the trade receivables..

Siddharth Mehrotra: Okay. So you're saying it is essentially delayed receivables. That's it, right?

K K Jain: Yes, trade receivable increased by INR300 crores.

Moderator: The next question is from the line of Jashandeep Singh Chadha from Nomura Asset Management Company.

Jashandeep Chadha: Sir, I have 3 questions. Firstly, I see that your thermal substitution rate has been increased significantly, which means you are using more AFR. Is this 5% sustainable or is there any further potential of improving that? And how much cost benefit can we forecast on basis of this? That will be my first question, sir.

Neeraj Akhoury: So we have started pushing performance around the TSR or AFR consumption, which is why you are seeing some good results from 2%-odd to about 5% now. Some more plants are now getting put to handle AFR consumption. As they are commissioned, this 5% should see improvements in the coming quarters.

As far as what is the kind of advantage we get from TSR, I think it is a little too early because currently, we are testing with all kind of alternate fuel, be it agricultural or RDF or liquids or other kind of carbon black and so on and so forth. Give us some more time at about 6%, 7%, 8% when we realize that number, then we will really know the cost basis for AF versus the traditional fuel.

Jashandeep Chadha:

Understood, sir. And I think maybe in a couple of quarters, I'll come back to this and we can have the further discussion. Sir, my next 2 questions are more from the strategy point of view. Firstly, on capacity. So another 3 million ton capacity in UAE. And if I remember, UAE used to be compared to India, dull market. So are you seeing an incrementally higher EBITDA per ton in that market? I just want to understand what is the logic behind redirecting a lot of cash towards UAE.

And again, versus that in India, despite delivering strong performance, the utilization rate is between 55%, 60%-odd, right? So what is the strategy to improve utilization, which I believe will be a very value unlock for the company. So if you can just shed some light on this before I ask my third question.

Neeraj Akhoury:

Yes. So first thing that as a company, we are very happy with our performance in UAE. We are also very confident of the kind of demand potential for cement that exists in UAE. There is a slight issue because of the Middle East crisis. But we are seeing that UAE continues to build and continues to push for the cement demand growth.

The new airport in Dubai is now being constructed which itself will consume very high quantity of cement. That's part number 1. Part number 2, we were selling clinker in UAE as well as cement. And given the fact that the market demand for cement is robust, it makes ample sense to convert that clinker into cement and then sell, which is why this investment of 3 million tons is to our mind is justifiable.

We are closely watching the market. UAE also is one place from where we can make specialized products like oil well cement and export into many other countries in the Middle East as well as in distant countries like U.S. and parts of Europe. So UAE because this is a coastal plant.

And once the war topics kind of subside, then we should be able to see a much bigger demand emanating from UAE. Having said that, even last few months, we have seen cement volumes very promising and much in line with our forecast. That's part 1. What was the second question?

Jashandeep Chadha:

Sir utilization improvement in India.

Neeraj Akhoury:

I think our strategy always has been to build as we progress. So we do not grow by acquisition. If you acquire, then you also acquire a typical market share. In our case, we build a plant and it takes some time before it is stabilized and market start accepting that higher volumes.

When we say this, remember that 3 years back or 4 years back, our capacity was 46 million tons and we were doing about 24 million tonnes, 25 million tons around that volume. Three years later, now we are doing about 40 million tonnes, 42 million tons and our capacity is 70 million

tonnes. So basically, what it means is a new plant which comes in the market organically built - takes about 3 years to be fully utilized. And that is the journey that we are in.

Jashandeep Chadha:

No, understood, sir. And I think we'll discuss this better offline. My last question is largely on the let's say, from here, next 5 years, what is the key focus of Shree Cement in terms of strategy? And why I ask is that till FY17, Shree was the cost leader. Then there was a time till FY22 when Shree was expanding outside, then came a time when Shree was focusing on price appreciation.

So given that from now, what will be your key focus for Shree. What will be the value system? Will it be price appreciation, which you have been doing or still cost control? I mean just wanted to understand in what mode Shree cement should sit?

Neeraj Akhoury:

So Shree has a core DNA. The core DNA is to do all these 3 things that you talked about. So we have been building new plants for ages now. I am not the low-cost producer, I do not say. What I say is the most efficient producer. That is our core DNA that we'll continue to push.

In recent times, we have added one more topic and that topic is to get the right price for our product. And this is what we have done since last year. Now 1 year later, we are finding that, that strategy has paid out, and we have been able to improve our price positioning and now as you see at that price position, volumes are also returning.

In last 2 quarters, we have done higher double-digit growth, I think 15%, 17%, 18% last quarter, for example. So our core strategy remains how to remain the most efficient be it by bringing in EVs or bringing in some new technologies or making sure that our technical parameters are one of the industry best.

We will continue to grow, as I speak we have a commitment to all of you to reach 80 million tons very soon, and we are working on that to reach that number. At the same time, we have also worked a lot in the last few years on improving our price position so that better price can be realized for our products. And this is kind of the 3-pronged strategy that we are following.

Moderator:

The next question is from the line of Harsh Mittal from Emkay Global Financial Services Limited.

Harsh Mittal:

My first question is on the premium mix. So we have seen a sharp jump in the premium share which is 29% this quarter compared to 21% last quarter, last year and 23% in the previous quarter. So sir, is there any threshold in your mind where we want to reach from here onwards? This is my first question.

Neeraj Akhoury:

No, if you're asking me the ambition would be to do 100% premium. What as an internal target we have kept is in a few years, we should be crossing 40% premium share. I think we gave this promise still for about 28%, 29%. I was not so confident of reaching 30% so soon.

I'm happy that we have reached there and a lot of work has happened. I was explaining to your colleague a while back that we are now really pushing that we should get the right price for our products as well as we should bring in the right products in the market.

Recently, we have launched a new brand called Bangur Total, which is a first waterproofing cement, which we have got in the market. This is, again, a high premium cement. Idea is to bring in more closer to market needs kind of products and get the right price. 30% is what we have achieved. And as I said, our aim is to cross 40% in the time to come.

Harsh Mittal: Sure, sir. In the same breadth, sir, what is the gap between Shree's mass product and the premium product versus the top-tier brand in each of your market? Has this gap reduced? Or what is the quantum now?

Neeraj Akhoury: So typically, premium cements are INR25 to INR35 more expensive than the base products from our side. At wholesale level also, we'll see that Shree's premium products are sold at about INR25 to INR35 higher than our base product. What is the new thing is that we have now products like Total or Marble, which are priced a little higher where you can expect to be about INR35 to INR40 higher than the base product.

Harsh Mittal: Got it. A few bookkeeping questions. What has been the change in the railroad mix from previous quarter?

K K Jain: Current quarter, rail is 8.5% and against this September '25, it is 11% and June '26, it is 9%.

Harsh Mittal: Sorry, can you repeat the rail mix. Last quarter?

K K Jain: Rail percentage is 8.5% for the quarter.

Harsh Mittal: 8.5%. This was 11% last quarter?

K K Jain: Last September '25 corresponding, it is 11% and June '26, it is 9%.

Harsh Mittal: 9%. Okay. And what was the lead distance this quarter?

K K Jain: Lead distance for the quarter is 427 kilometers and against this in June '26 it was 445 kilometers and September '25 it is 441 kilometers.

Harsh Mittal: Got it.

Moderator: Sorry to interrupt, Mr. Mittal. Due to time constraints, I request you to join back the queue for more follow-up. The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Congrats for a great set of numbers and thanks for taking my questions. So first question is, I mean, what would have been the clinker volumes this quarter?

Subhash Jajoo: Parvez, we will not be able to share the clinker volume separately. Since last quarter onwards, we have decided to give total volumes. Anyway clinker is miniscule as compared to the total. So there's no point giving separate volumes of numbers for clinker.

Parvez Qazi: Sure, sir. Just last question, what would have been the share of blended cement this quarter?

Subhash Jajoo: Blended cement is around 58%. As compared to last year, it was around 68%.

- Moderator:** The next question is from the line of Rajesh Ravi from HDFC Securities Limited.
- Rajesh Ravi:** Congratulations on a great set of numbers. And sir, my questions are in 2 parts. First, if you could explain the rationale for this China subsidiary and that through the UAE step-down subsidiary, are there any strategic reasons that we are looking into that?
- And second question is around your cost metrics. You're already very strong on your power cost. Your per ton per kilometer freight cost is among the lowest given that 430-odd kilometer lead and you're still around INR1,100 per tonne. What further cost levers are we looking at from a 1-2-year perspective?
- And in terms of India growth story, what are the capacities? Obviously, we know that your Meghalaya plant is on track by end of the next financial year. So beyond that, FY29, are we planning any expansions?
- Neeraj Akhoury:** So the first part was the China story. China, as you all know, has become a major hub for supply of cement spares as well as cement project items. China's manufacturing capacity for project-related items has doubled up, and we see that there is a potential for us to reduce our dependence from European suppliers to China suppliers.
- This is a first level work. We still have to see what is the kind of savings we will get from China. We still have to see whether in reality, China equipment will be more efficient and more and lower in cost compared to our traditional one.
- So what we are doing is to opening an office there to start learning about China, their facilities, their equipment supply facilities and try to bring some of those equipments into our new projects that we will be doing as well as try some of the spares that are available in China for our requirement in India as well as in UAE.
- So China is, the first step at this moment, it's an experiment which we are doing. Once we start and we see over a period of time, if it starts making sense, then we will further strengthen our China facilities. Second part of your question is?
- Rajesh Ravi:** Second part, sir, on the cost saving potential that you look in India?
- Neeraj Akhoury:** UAE, why not India and so on and so forth. We find that from UAE, the visa process is far easier as well. Two, there is a good presence of Chinese engineers in UAE. So which is where it's easier for us to negotiate, which is easier for us to meet them and so on.
- India and China relationships now are quite positive. But we have known historically that there are some kind of fault lines with the both us and China. So that is why UAE has been given as a preference. As I said, and I would really highlight this is the first step that we are taking in China. The intention is more about learning how does China industry operates.
- The intention is more about to know the way they build, the way they construct, the way they keep the cost at the level that they talk about and see if we can bring some of those expertise and skills in our operations in India and UAE as well.

- Rajesh Ravi:** And sir, India cost saving potential over next 2 years, given that you are already very strong?
- Neeraj Akhoury:** Cost is something on which any company keeps working continuously, so are we. We have spoken about that we are trying to increase our alternate fuel consumptions from current level to higher levels, yes. We have already demonstrated from 2%, 2.5% now we are at 5%. And I think with the kind of facility that we are putting up, we should go up further in the coming years.
- So that is, Alternate Fuel is one of the big topics for us. Logistics is a big topic for us. We are also investing in some of the plants to create railway facilities. The intention is that it will bring down our cost of transportation. There is a second lever we are working on.
- But beyond that, there is hundreds of experiments are being done in Shree every day and each one of them is giving us some kind of a cost reduction potential. And that is what we are going for, to be the most efficient and that is our DNA, and that we will continue to push.
- Rajesh Ravi:** What capacity you are planning to add in FY28 beyond?
- Neeraj Akhoury:** Already stated, 80 million tons is what we will reach in the short-term.
- Moderator:** The next question is from the line of Shravan Shah from Dolat Capital Market Private Limited.
- Shravan Shah:** A couple of data points. First, clinker factor or maybe a CC ratio for Q2, how much was there? And second is on the UAE revenue in terms of the rupees, which is part of the consol revenue, and maybe in the Q1 FY27 also, if you can share that number would be great.
- Subhash Jajoo:** Your first point was on the conversion factor. So the conversion factor is around 1.51 for this quarter. Okay. Can you just repeat the second question once again?
- Shravan Shah:** I'm saying UAE revenue for Q1 FY27 and Q2 FY27, which is part of the consol revenue?
- Subhash Jajoo:** UAE revenue, we will not be able to give separately. Yes, volume we have already shared with you.
- Shravan Shah:** Okay. So in terms of the UAE, for India, we have said that we are looking at a 41 million volume for this year. UAE, which is in 1H is already down close to 7%. So how one can look at the second half for UAE or maybe the full year, how one can look at the volume given the 3 million tons that we recently have started?
- Subhash Jajoo:** Yes, in UAE for the first 6 months, we have already done around 2.1 million. So we expect similar rate for the second half of the year. And yes, from the additional 3 million tons, we believe around 30%, you can take from there. So total will be around UAE will be around 4 million to 5 million tons.
- Shravan Shah:** So this will be on a full annualized basis?
- Subhash Jajoo:** Annualized. Yes.

- Shravan Shah:** Yes. Okay. And last sir, just a clarification...
- Subhash Jajoo:** Whenever we start a new capacity, as Mr. Akhoury said, it takes around 2 to 3 years for it to attain its maximum sales. The first year, the utilization level will always be around 15%-20%. And then move forward over the period of 2 to 3 years.
- Shravan Shah:** And then UAE EBITDA margin would be of 1% or 2% better than the reported consol.
- Subhash Jajoo:** We will not be able to share separately the EBITDA margins of UAE.
- Shravan Shah:** And power and fuel, just to clarify, you said for Q2, it was INR2.59 kcal cost and that we are expecting?
- Subhash Jajoo:** No, second quarter, the fuel cost was INR2.09 as compared to INR1.66 last year and INR1.95 in the June quarter. And for the forthcoming quarter, we have given a guidance of INR2.15 to INR2.20 based on our order pipeline.
- Shravan Shah:** Okay, okay.
- Moderator:** Sorry to interrupt Mr. Shah. I request you to come back in the question queue for more follow-up questions. The next question is from the line of Siddharth Mehrotra from Kotak Securities Limited.
- Siddharth Mehrotra:** Just one small data point. What were the external power sales for us this quarter?
- Subhash Jajoo:** Your question was on the power sales?
- Siddharth Mehrotra:** Yes, external power sales this quarter, sir?
- Subhash Jajoo:** No, Siddharth, let me remind you about 3-4 quarters back, we decided that since power is not that significant, so we are not going to share any numbers pertaining to power separately.
- Siddharth Mehrotra:** Understood sir. Thank you.
- Parth Bhavsar:** Sir, is it possible to help us with the earmark capacity of power for external sales? So we have 503 megawatt of CPP, out of how much of it is earmarked for external sales?
- Subhash Jajoo:** How much of it is earmarked for external sales?
- Parth Bhavsar:** Yes, yes.
- Subhash Jajoo:** I think it's better to avoid this question because power division, we are not going to share any separate details. As I told you and moreover, looking at the overall numbers, overall revenue and the contribution also, it's hardly any significant. If you want a breakup of the total power facility, yes that we can share. Total capacity of power is around 1,170 megawatts, out of which 503 is thermal and balance 667 is green, including WHR, solar and wind.
- Moderator:** Thank you. We take that as the last question for today's conference. I now hand the conference over to the management for closing comments.

Neeraj Akhouri:

Thank you. Thanks a lot. Thank you for attending our conference. Just last few words, as I said, last quarter has been encouraging for us in all our performances. We find that many of these steps and initiatives taken some years back are now finally paying off, be it in price, be it in cost. We will continue to work on those levers in next several quarters as well.

And what I see in quarter 3 and quarter 4 with the demand and with the kind of work that we have done on the cost, we should be able to come up with a reasonably better, if not similar numbers on performance as we did in quarter 2. Again, thank you very much for attending today, and good day, everybody. Thank you.

Moderator:

Thank you. 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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