Date: 26th May, 2025

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

To,
The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400 001
Scrip code: 540575

Dear Sir(s)/Madam(s),

Sub: **Transcript of the Conference call for Audited Financial Results for the 4th Quarter and Year ended 31st March, 2025**

In terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Transcript of the conference call with Investors and Analysts held on Thursday, 22nd May, 2025 for Audited Financial Results for the quarter and year ended 31st March, 2025.

The same shall also be available in website of the Company at https://www.starcement.co.in/earnings-call#main

This is for your information and record.

Thanking you,
For Star Cement Limited

DEBABRATA THAKURTA
Digitally signed by DEBABRATA THAKURTA
Date: 2025.05.26 13:22:22 +05'30'

STAR CEMENT LIMITED KOLKATA

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

Encl: as above

STAR CEMENT LIMITED
Century House, P-15/1 CPT Colony, Taratala Road, Kolkata -700088. Email: kolkata@starcement.co.in
Registered Office & Works: Village & PO – Lumshnong, P.S. Khliehriat, District – East Jaintia Hills, Meghalaya – 793210. Phone: 03655-278215/16/18. Fax Number: 03655-278217.
Email: lumshnong@starcement.co.in. Website: www.starcement.co.in
ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 CERTIFIED COMPANY.
CIN : L26942ML2001PLC006663

"Star Cement Q4FY25 Earnings Conference Call"

May 22, 2025

MANAGEMENT:	**MR. TUSHAR BHAJANKA – DEPUTY MANAGING DIRECTOR, STAR CEMENT LIMITED** **MR. MANOJ AGARWAL – CHIEF FINANCIAL OFFICER, STAR CEMENT LIMITED**
MODERATOR:	**MR. NAVIN SAHADEO – ICICI SECURITIES LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Star Cement Q4 FY25 Earnings 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 "*," then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Sahadeo. Thank you and over to you sir.

Navin Sahadeo: Thank you, Sesha. Good afternoon, good evening, everyone for participating in this call. On behalf of ICICI Securities, I welcome you to the Q4 FY25 Results Conference Call of Star Cement.

From the Management we have with us, Tushar Bhajanka ji, who is the Deputy Managing Director and joined by Mr. Manoj Agarwal, who is the Company CFO.

So without any further ado, I hand over the call to the "Management for Opening Comments." Over to you, sir.

Tushar Bhajanka: Yes. So, good evening, all. My name is Tushar Bhajanka. I am the Deputy M.D. of Star Cement. I welcome you all to the conference call of Q425.

I will hand to our CFO, Mr. Manoj Agarwal, to go through the numbers and then we can have the Q&A. Thank you.

Manoj Agarwal: Yes, hi, friends, very good afternoon. I on behalf of Star Cement Limited, welcome you all to our Con Call for discussing our number of Q4'25 and for the full Financial Year '24-25.

I would like to clarify that we are discussing on the historical numbers and there is no indication to invest. Having said that now, we will just take you through the Q4 number followed by full year number.

Starting from clinker production during the quarter-ended March '25, we have produced 11.38 lakh ton of clinker as against 6.93 lakhs in same quarter last year. The increase in production is on account of the stabilization of our 3.3 mt clinker plant at Lumshnong, Meghalaya.

So far as cement production is concerned, we have produced 14.79 lakh tons this quarter as against 13.88 lakh tons same quarter last year.

Now, I will take you through sales volume. During the quarter, we have sold 14.75 lakh tons of cement and 0.57 lakh ton of clinker as against 13.87 lakh tons of cement and 0.2 per lakh ton of clinker last year. This is as far as cement and clinker sale is concerned.

As far as geographical distribution is concerned, in Northeast, we have sold around 11.02 lakh tons as against 10.40 lakh tons during the same quarter last year. And as far as outside Northeast is concerned, we have sold 3.73 lakh tons of cement this quarter as against 3.47 lakh tons same quarter last year.

In terms of blend mix, it is almost 14% of OPC and the rest is CPC. These are the quantity numbers of the quarter.

Now I will take you through the "Financials":

The total revenue figure this quarter is around Rs.1,052 crores as against Rs.914 crores same period last year.

As far as the EBITDA figure is concerned, this quarter we have done an EBITDA of around Rs.268 crores as against Rs.188 crores last year.

PAT is Rs.123 crores as against Rs.88 crores in the same period last year. There is an increase in PAT despite of the fact that there is some increase in depreciation due to the capitalization of our 2 mt clinker grinding units and also the clinkerization unit.

On the EBITDA front, it is 1,749 per ton during this quarter as against 1,329 per ton same quarter last year which is what our quarterly numbers of 4th Quarter.

The total revenue figure for the full financial year is around Rs.3,163 crores as against Rs.2,911 crores in the previous financial year.

As far as the EBITDA figure is concerned, during the financial year we have done an EBITDA of around Rs.589 crores as against Rs.523 crores last year.

PAT is Rs.169 crores as against Rs.295 crores in FY24. The decrease is on account of increased depreciation as explained earlier. On per ton EBITDA front, it is 1,245 during FY25 as against 1,312 ton last year. These are the quarterly and full year number.

Now we request all of you that if you have any queries you can ask the same.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Yes. Thank you, Sir, first on the volume front, so now for FY26, last time we said 5.5 million tons-odd kind of a number we are looking at. So, what's the revised number?

Tushar Bhajanka: So the revised number still is about 5.4, 5.5 million tons. So our target remains broadly the same. Though of course monsoon has come early this year and so the Q1 results may not necessarily reflect us achieving the numbers year around. But I think we should be able to broadly achieve that number by the end of the year.

Shravan Shah: Okay, got it. Second, in terms of the prices, sir, so now the current prices, so both in Northeast and outside Northeast for us versus the 4th Quarter average is, how much increase it is there and how do we now see the prices?

Tushar Bhajanka: So the prices compared to Quarter 4, broadly the average of Quarter 4 is broadly up by about Rs.5-7 and we hope to maintain this prices in Q1 but as the off-season comes, then there may be some degradation in the prices.

Shravan Shah: Okay. So Northeast and East also similar Rs.5-7 hike is there?

Tushar Bhajanka: Yes, yes, overall on average it's about Rs.5-7.

Shravan Shah: Okay. And still in terms of the gap in terms of trade, non-trade for us is how much?

Management: The gap would be Rs.75.

Shravan Shah: Sorry, sir. Rs.75 you are saying?

Tushar Bhajanka: Yes, but that is at the GST level. So you'll have to subtract the GST and then you look at it, so the gap would be about 15.

Manoj Agarwal: 80% is trade and 20% is non-trade.

Shravan Shah: No, you are saying trades and non-trades.

Manoj Agarwal: Yes.

Tushar Bhajanka: So I think your question was what is the gap in prices between non-trade and trade. Is that correct?

Shravan Shah: Yes.

Tushar Bhajanka: Yes. So to that question, the answer is about Rs.500 to Rs.600.

Shravan Shah: And in terms of the CAPEX now, so cost of both the grinding units. Silchar and the other one, so 1, 2 million tons we were looking at to start in FY26 and the other one in FY27. So that remain intact or is there a possibility of an early start?

Tushar Bhajanka: We expect the grinding unit in Silchar to come by Quarter 4 of FY26, right, which is basically in about eight months from now and we expect the grinding unit to come around at the same time next year. So it will be coming in Quarter 3 or Quarter 4 of '27.

Shravan Shah: Okay. And in terms of the CAPEX for FY26 and 27, so would be how much?

Tushar Bhajanka: So the CAPEX for FY25 was about Rs.562 crores. The CAPEX which is targeted for FY26 would be about Rs.823 crores and the CAPEX for about FY27 will be about Rs.600 crores.

Shravan Shah: Okay. Got it. And sir, recently we got in March two limestone auctions in Assam. So close to 339 million tons. So the point I want to understand it, earlier we were having a plan, also got a mine in the Rajasthan. So we want to reach 20 million tons. So, with this 2 million tons we will be close to 11.7-odd million. So another 8.3 million tons if we want to reach by FY30, how one can look at -- so are we looking at a more expansion in Assam first and then Rajasthan?

Tushar Bhajanka: No. So I think the capacity that we have set in terms of clinker in the Northeast are sufficient for the next four to five years. So, we do not plan to expand in clinker very soon. But of course we will take all the permissions in our Brownfield. We will apply for all the certificates from the environmental clearance to forest clearance to any other clearance that we require. And we will keep the permissions ready so that whenever we have to set up a new kiln in the Northeast, we are ready to set it up. So that is why we have taken mine. So the mine that we have taken was from a longer-term perspective for our requirement of setting up a clinker plant whenever we need it in the Northeast. Our focus right now is of course, because in the Northeast we will have about 12 million tons of capacity as you mentioned including delivery. So that I think for this area for the next three, four years is a good plan, and we are evaluating Rajasthan, we have gotten mines in Nimbol area in Rajasthan, we are also looking for mines in Rajasthan and we are trying to make a strategy so that we can enter Rajasthan in a substantial way. And for that we are working and once we have decided we will let you know.

Shravan Shah: Yes. So that the point was that the now the FY25 is over, so in next five years, if you want 8 million tons, how one can… so we have to start spending that. So just trying to understand in Rajasthan how much we can add 2 to 3 million tons, where the remaining capacity likely can come?

Tushar Bhajanka: Yes. So I think if you do end up doing Rajasthan, it would be about a four, four and a half million tons grinding capacity with the clinker capacity of about 3 million tons. So if we go in that model, then we reach about 16, 17 like 12 million of what we have already announced and 4.5 million of what potentially we can do in. Rajasthan. So including that, I think we inch closer to the 20 million number and in the next 5-6 years, I think there will also be a requirement of another grinding unit in northeast, not now, probably in the next 5-6 years. So that inches us closer to 18 to 20 million number basically.

Moderator: Thank you very much. The next question is from the line of Navin Sahadeo from ICICI Securities. Please go ahead sir.

Navin Sahadeo: Yes. Thank you for the opportunity. A couple of questions. So what was the amount of incentive booked in the quarter, please?

Manoj Agarwal: It is Rs.75 crores.

Navin Sahadeo: Understood. So that comes to roughly around Rs.500 per ton give or take. So, is it fair to assume that with the new kiln fully step up phase, we will continue to see the incentives at a similar per ton run rate going ahead or there could be some deviation or broadly what is the annual incentives one can look for, let's say, a foreseeable future of four, five years on a steady run rate basis?

Management: It should be almost similar kind of subsidy, except for our Lumshnong plant, the old one, and that too, next two years we are due for subsidy in Lumshnong plant, Star Cement Limited, and so far as Guwahati granting unit is concerned, so Guwahati grinding unit will continue to have this for another six, seven, eight years and Lumpshnong plant standalone if you see the complete number of subsidy then it will not have a much bigger number. And next year, we are targeting in the next to next year Jorhat and next year Silchar. So that will also add to the kitty of subsidy, so we do not see any drastic change in the numbers of what we are having right now.

Management: But you will see that during July to September it depends upon the volume. So maybe July to September will come down, may not be Rs.75 crores over the 4th Quarter, but it is maybe somewhere between Rs.220 crores to Rs.250 crores.

Navin Sahadeo: Understood. Understood. So roughly, Rs.200 crores to Rs.250 crores anywhere that kind of a number per annum is what we can look to generate for the next couple of years going ahead?

Management: Yes.

Navin Sahadeo: Understood. Sir, my second question was that as you ramp up your Northeast like recently commissioned capacities and grinding units are also coming along and Tushar in the previous question mentioned you have enough like volume left which can support growth or your volume growth for next four or five years, so is it then fair to say that from a growth perspective, all the energy will be canalized towards new capacities in Rajasthan, is that the way to look at it?

Tushar Bhajanka: I think that is fair. I think that is one way of looking at it. But the thing is that we are in no hurry in that sense, right? So what we really want is that once we enter Rajasthan, we have enough resources, we have enough mines that can sustain our growth in Rajasthan. Though we are aggressive and of course adding up capacities, we are conservative financially and we would want to first get all the permissions, probably in the next call I think we will be in a better position to explain to you what exactly we're doing in Rajasthan. But right now we are just making sure that we have our base ready so that we can enter Rajasthan in an effective way.

Navin Sahadeo: Understood. And my last question was, is there any further scope of efficiency now that the new kiln has ramped up, are we likely to see further efficiency gains or from the waste heat recoveries or most of the gains are already captured in?

Tushar Bhajanka: So I think the WHR has had just come in. So Quarter 4 may not cover the entire period of WHRS benefit. So I think WHRS is one benefit which we expect from Line-III, the new line that will start reflecting. Besides that the new line is still stabilizing. Of course we are able to produce that 70%, 80% capacity but still can produce more. So as the kiln stabilizes further and starts producing at higher capacity, the heat rate and the power would come down and that saving may not be very significant but will start reflecting in the results.

Navin Sahadeo: Understood. That is helpful. Thank you. I will come back in queue for further questions.

Moderator: Thank you very much. The next question is from the line of Mr. Jain from Investing. Please go ahead.

Jain: Hi, good afternoon. Thank you so much for the opportunity. Just two-fold questions that I have. One is about the EBITDA that we have. In this what is the proportion of incentives for Q4 year-on-year and on FY basis?

Management: Q4 FY25 is Rs.75 crores and on a full year basis it is Rs.167 crores.

Jain: Okay. This is compared to previous year and this quarter respectively?

Management:	As compared to previous year, this year Rs.167, I guess Rs.16 or 17 crores last year on full year basis and on a YoY quarter basis, this Q4 is Rs.75 crores as against last year very negligible amount of around Rs.3 crores.
Jain:	Okay. The other question is, what is the current grinding capacity in Northeast?
Management:	You are asking about our capacity or total capacity of industry.
Jain:	No, your capacity. What is the total grinding capacity in the Northeast?
Management:	Our capacity is 5.7, total we have 7.7, two units in Siliguri, and a balance 5.7 is in the Northeast.
Moderator:	The next question is from the line of Harsh Mittal from Emkay Global. Please go ahead.
Harsh Mittal:	Hi, good evening. Thank you for taking my question. Most of the questions have been answered. A few questions. First is what is the EBITDA breakup between the East and NE if you can provide the data?
Management:	Normally, we do not break EBITDA on a geography basis. So we work on the combined EBITDA basis only. And that's workable for us. So the other plants are normal. So we have to take it down a few basis points.
Harsh Mittal:	Next question is what is the time difference between the incentive booked and the actual cash receipt of the same?
Management:	See, most of the subsidy is GST subsidy. When you commission a new plant, initial like 18 months and after that it kind of regular cash flow kind of maybe one quarter less.
Harsh Mittal:	Okay. Sure. And sir what would be the lead distance for this quarter?
Management:	229 Kms.
Harsh Mittal:	Thank you, sir. That is all.
Moderator:	The next question is from the line of Uttam Kumar Srimal from Axis Securities Limited. Please go ahead.
Uttam K Srimal:	A Very good afternoon and congratulations on the good set of numbers. So my question pertains to the AC blocks in Guwahati. So what is the current status of this thing?

Management: AC block unit is actually now almost ready for commercial production. We are targeting to commence the production maybe last week of any day kind of situation is there.

Uttam K Srimal: How much revenue are we expecting from this particular unit in FY26?

Tushar Bhajanka: So we have actually set up the AC plant and also construction chemicals. Though I don't have the revenue estimate right now and there are central benefits and also state benefits attached to it. So we do expect to generate an EBITDA of about Rs.15 crores from this in the first year and it is going to commence I think in this coming week.

Uttam K Srimal: How was the premium cement sale during this quarter?

Tushar Bhajanka: I think we have reached a premium segment sale of almost about 12% in Quarter 4, which we had started last year at about 5%, 6%. So there's a good growth of premium sales in the last eight, nine months and we expect that in the coming year we can be reaching about 20%.

Uttam K Srimal: Okay. A few data points. For this quarter, this is Nagaland coal, biomass, and option coal and per ton kilo rail cost.

Management: Cost is 1.54 per VCV and from FSA we have 52% from FSC and from biomass and others 14%, Nagaland is near 1% and there is spot option 33%.

Uttam K Srimal: That is all from my side. Thank you very much.

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

Shravan Shah: Thank you, sir. Sir, just the one thing to understand this depreciation run rate of Rs.88, 89 odd crores, so that's now the new normal run rate that one can expect or now once the plant is stabilized we can start seeing a decline in the depreciation till the new grinding comes up?

Manoj Agarwal: Yes, because on depreciation, we are using the reducing balance method. So because the first year it will be higher and as the year goes on, it will come down. So as the new plant will come only in Q4, till that time the depreciation will be going to be reduced only.

Shravan Shah: Okay. And sir, in freight per ton basis versus third quarter to 4th Quarter, there is a sharp increase is there from Rs.1,144 odd per ton to Rs.1,280-odd. so kind of a Rs.136. So any specific thing to highlight, how one can now look at, will this Rs.1,280, Rs.1,300 for freight is kind of a new normal?

Management: Normally Q4, the last quarter of the financial year is the peak season time for us so far as business is concerned. So at that time if you see on a year-to-year basis also then there is a tendency of increasing freight in the last quarter of the financial year.

Shravan Shah: Yes, even last year it has increased but not a significant, only Rs.25, 30-odd but this time it was significant Rs.136 per ton on QoQ. So that's what I asked.

Manoj Agarwal: It will be normalized, maybe there will be no such increase in freight cost and then also it depends upon the fuel prices and also if it goes up and it is very difficult to predict right now, but it will normalize.

Shravan Shah: Okay. Got it. And Siliguri currently would be in terms of utilization for 4th Quarter would be similar to 45%, 50% or it has gone up?

Manoj Agarwal: In Siliguri, it is more than 70%.

Shravan Shah: Yes, that is a great number. Okay, great. Last time, we were saying that though our focus will remain on the trade segment, but we also want to grow the non-trade share. So, though, this quarter we haven't seen any much change despite of sharp improvement in the volume. So this 80:20 kind of trade, non-trade, that's the way one can look at or we can see maybe further increase in the non-trade and trade going down.

Management: I think more or less would remain barring 2%, 3% here and there.

Shravan Shah: Okay. Got it sir. Thank you, sir and all the best.

Moderator: Thank you very much. The next question is from the line of Harshal from Asian Market Securities. Please go ahead.

Harshal: Thanks for the opportunity, sir. So basically seeing the balance sheet in current other finished assets, we have seen a very sharp jump from almost Rs.12 crores to Rs.175 crores.

Manoj Agarwal: As we have told them, around Rs.150 crores of subsidies, that has been increased as compared to the last year and which we are hopeful to get in maybe by Quarter 2 it will be clear and then after that it will be maybe a quarter accumulation. So that is the one-time because the subsidy is -

Manoj Agarwal: As I said earlier that in the initial year of first year of production it takes around 12 to 18 months till such time it gets accumulated and then there is a gradual cash inflow of that accumulated subsidy.

And I think from next or next-to-next quarter, this will get streamlined and this whatever you are able to see in the current asset number, that will also get stabilized.

Harshal: Thank you, sir.

Moderator: Thank you very much. The next question is from the line of Mr. Jain from Investing. Please go ahead.

Jain: Thank you for the opportunity again. Just a follow on question. So, what is the expansion that we are looking for in the other regions as well -- is there any scope of Chhattisgarh, Jharkhand, anywhere?

Management: I think right now so far as expenses are concerned, we have a plan as we already discussed with all of you in Northeast, one grinding unit in Silchar which is already on, one grinding unit at Jorhat and then we have some plants in Rajasthan as we said earlier. Barring those plans as of now, we don't have any other plans. Whenever we have any change in our plans, we will definitely share with the investors.

Jain: Okay, understood. Thank you so much and all the best for the coming quarters.

Moderator: Thank you very much. The next question is from the line of Mr. Navin Sahadeo from ICICI Securities. Please go ahead sir.

Navin Sahadeo: Yes. Thank you for the opportunity. My question was around the competitive intensity in Northeast. So, if you could just share or give some light on how are you looking at the overall competitive scenario in the region, in the sense except Dalmia, do you see any other major capacity coming up be it some other entities that were looking to set up a plant in the region, including UltraTech. So if you could just throw some light on the competitive landscape there?

Management: I think except to Dalmia, as you rightly said, like UltraTech and other bigger players in the next three, four financial years we are not able to foresee any asset acquisition or any Greenfield project going over there. So in the short term, we are not able to foresee any such capacity addition over there or then competitive marketing scenario.

Navin Sahadeo: Understood. Understood. That is it from my side.

Moderator: The next question is from the line of Harsh Mittal from Emkay Global. Please go ahead.

Harsh Mittal: Hi, thank you for the follow up. Just one small question. What is the consolidated gross debt and net debt? Thank you.

Manoj Agarwal: Gross debt is around Rs.380-odd crores and net debt because we have hardly any cash and bank balance right now, maybe -.

Management: See, around Rs.350, 360 gross debt, we are due for subsidy of around Rs.150 crores which is as we discussed a moment before. So, so far as other cash and other things, cash equivalents are concerned that is not very much significant. So 360 minus you can say 150, so around 200 or 210 crores you can take as net debt.

Harsh Mittal: Sure. Thank you. So this Rs.200 crores, can we say as on March '25 ending or is it the current -?

Management: Net of cash and bank balance is around Rs.320-odd crores. But if you consider the current receivables of the subsidiary, then it will be around Rs.200 crores.

Harsh Mittal: Got it. Thank you, sir. Thanks a lot.

Moderator: Thank you very much. The next question is from the line of Uttam Kumar Srimal from Axis Securities Limited. Please go ahead.

Uttam K Srimal: Sir, I missed the CAPEX number for FY26 and FY27, if you can provide them?

Manoj Agarwal: In FY26 we have a plan of around 820-odd crores and for FY27 it is around Rs.600 crores.

Uttam K Srimal: Okay, sir. That is all from my side.

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

Management: Thank you, friends, for participating in the discussion of Q4 FY25 and Year-Ending FY25 Numbers. We will keep you informed about the Numbers on a Quarter-to-Quarter Basis. Thanks for joining.

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