

Preview + Industry Interaction

Firm earnings trajectory + showcasing Star Cement's NextGen

INDIA | CEMENT | Q3FY26 PREVIEW + INDUSTRY FEEDBACK

Result picks: +ve: JKCE IN, SRCM IN, STRCEM IN; -ve: ACEM IN, DALBHARA IN; =UTCEM IN, JKLC IN

- Despite a relatively subdued pricing environment, Q3 is expected to be largely firm *directionally* for sector at-large in terms of overall earnings.
- Though volume growth at industry-level appears a bit higher in Q3 at 9% yoy, it is largely driven by a favourable base.
- Realisations are likely to be a bit subdued (-1-2% qoq) largely led by poor volume performance until mid-November 2025 and, the battle for market-share, especially in non-trade segment.
- Though fuel costs did increase marginally towards end of Q3, overall costs may remain flattish.
- Blended EBITDA/tonne at industry-level is likely to see a decline of c.6% led by price drops.
- We continue to remain positive on the sector *directionally* led by our expectation of price improvements in Q4 and its sustainability in forthcoming years.
- We see JKCE, UTCEM and STRCEM as safe industry bets and these are the names where our conviction about earnings sustainability and as well overall growth trajectory is fairly high. We also like SRCM, DALBHARA and JKLC as we see a large potential of possible incremental improvements in them. ACEM remains a play where though risks are higher, the value unlocking potential is also equally very significant, and thus, this will take some time to payout.

Volume curve is regaining its structural strength

- Over the last 37-years, since 1989, when industry was freed from price-controls, the volume CAGR is at c. 7%. We expect FY26 to end with 8% yoy volume growth and this higher growth (vs. FY25) is only to compensate the loss of volumes in FY25. Also, with 8% growth, the volume CAGR curve goes back to its normalised 7% CAGR.
- Having said so, with GST rate cut, now to 18%, though it is possible to see a structural uptick in industry's long-term volume CAGR, we believe, this would yet be quite an early call.

How volumes fared in Q3

- Since 15th August 2025, when PM hinted at a GST rate cut in his Independence-day speech, until 22nd September, volumes took a sharp downturn and in fact this even lasted in October 2025 driven by festivities + subsequent Bihar elections (one of largest labour supplying state).
- Volume growth dipped to just about 5% yoy from August-October 2025 and thus, since second half of November-2025, a sharp volume recovery was obviously witnessed.
- In fact, seeing the strong volume off-take in December 2025, it seems that the whole industry is now really very excited on volume front, and thus price hikes in near-term seems imminent.
- But to give a robust volume performance on yoy basis in Q4FY26 would really be a challenge especially given a very strong (industry's ever-highest) volume base in Q4FY25. If industry could achieve even a 5% yoy volume growth in Q4, we think it would be a commendable performance. From this perspective, on yoy growth front, volumes in Q4 could be muted.

Our take on pricing

- Driven by a slow, or rather very dull volumes in early Q3, our checks suggest us that, industry players, especially industry leaders just lost their patience and thus price-wars, especially in the non-trade segment were aggressively initiated. In fact, in some cases, as we gather, sales managers have not hesitated to take their orders even below variable cost.
- As volumes recovered, it seems, better pricing sense started coming back into the industry. Discounting was reduced and the trade vs. non-trade price gap (which was hugely widened in early Q3) also began to narrow. Resultantly, driven by market efficiencies, prices started seeing some bit of uptick in December 2025. We have similar feedback for January 2026 too.
- We expect driven by industry's positive sentiment on volumes and with increase in ground-level efficiencies, pricing will naturally be on a structural uptick from hereon. Rs10/bag average increase in Q4, in our view, could be a reasonable assumption at this stage.

Our take on our best picks

Given JKCE's extrapolated costs in Q2, they could surprise on cost front. SRCM continues to do very well but it needs to get rid of its sentiment dampeners like frequent management changes and notices from regulators. STRCEM is another company that seems on a rise especially under its NextGen leadership (our interview with its NextGen promoter in this report is a must read). UTCEM is undoubtedly industry's best and safest long-term bet, its fundamentals are unmatched!

09 January 2026

EXCLUSIVE INTERVIEW



Mr Tushar Prem Bhajanka

NextGen Promoter & Deputy Managing Director
Star Cement Limited

Vaibhav Agarwal, Research Analyst
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Earnings estimates

(Rs mn)	Dec-25E	Sep-25	QoQ (%)	Dec-24	YoY(%)	Highlights
ACC Ltd						
Revenues	61,692	59,137	4%	52,905	17%	• Volume growth seen at +12% yoy; +7% qoq
EBITDA	7,272	8,277	-12%	4,789	52%	• Realisations seen at +4% yoy; -1% qoq
EBITDA margin (%)	11.79	14.00		9.05		• EBITDA/tonne seen at Rs607 (+36% yoy; -18% qoq)
PBT	5,474	7,632	-28%	8,396	-35%	
PAT	3,832	4,478	-14%	4,549	-16%	
EPS (Rs)	20.4	59.5	-66%	24.2	-16%	
Ambuja Cements						
Revenues	97,438	91,745	6%	85,022	15%	• Volume growth seen at +11% yoy; +8% qoq
EBITDA	15,889	17,609	-10%	8,855	79%	• Realisations seen at +3% yoy; -2% qoq
EBITDA margin (%)	16.3	19.2		10.4		• EBITDA/tonne seen at Rs868 (+62% yoy; -17% qoq)
PBT	8,753	8,331	5%	15,067	-42%	
PAT	6,171	5,881	5%	9,858	-37%	
EPS (Rs)	3.1	11.6	-73%	9.0	-66%	
UltraTech Cement						
Revenues	209,854	196,069	7%	171,933	22%	• Volume growth seen at +21% yoy; +8% qoq
EBITDA	34,012	30,943	10%	28,871	18%	• Blended realisations seen +1% yoy; -1% qoq
EBITDA margin (%)	16.2	15.8		16.8		• EBITDA/tonne seen at Rs929 (-2% yoy; +2% qoq)
PBT	19,228	16,558	16%	18,315	5%	
PAT	13,460	12,380	9%	14,735	-9%	
EPS (Rs)	46.6	42.9	9%	51.1	-9%	
Shree Cement						
Revenues	49,371	43,032	15%	42,355	17%	• Volume growth seen at +4% yoy; +15% qoq
EBITDA	9,644	8,750	10%	9,466	2%	• Blended realisations seen +12% yoy; -1% qoq
EBITDA margin (%)	19.5	20.3		22.3		• EBITDA/tonne seen at Rs1057 (-2% yoy; -4% qoq)
PBT	5,158	4,264	21%	2,590	99%	
PAT	3,610	3,008	20%	2,294	57%	
EPS (Rs)	100.1	83.4	20%	63.6	57%	
Dalmia Bharat						
Revenues	34,938	34,170	2%	31,810	10%	• Volume growth seen at +8% yoy; +5% qoq
EBITDA	6,118	6,960	-12%	5,110	20%	• Blended realisations seen at +2% yoy; -3% qoq
EBITDA margin (%)	17.51	20.37		16.06		• Blended EBITDA/tonne seen at Rs845 (+11% yoy; -16% qoq)
PBT	2,338	3,180	-26%	830	182%	
PAT	1,636	2,390	-32%	660	148%	
EPS (Rs)	8.8	12.9	-32%	3.6	148%	
JK Cement						
Revenues	31,771	28,585	11%	27,155	17%	• Volume growth seen at +17% yoy; +13% qoq
EBITDA	5,379	4,398	22%	4,896	10%	• Realisations seen at +2% yoy, -3% qoq
EBITDA margin (%)	16.93	15.38		18.03		• EBITDA/tonne seen at Rs978 (-6% yoy; +8% qoq)
PBT	3,587	2,606	38%	2,948	22%	
PAT	2,404	1,758	37%	2,048	17%	
EPS (Rs)	31.1	22.7	37%	26.5	17%	
JK Lakshmi Cement						
Revenues	16,983	15,318	11%	14,968	13%	• Volume growth seen at +6% yoy; +13% qoq
EBITDA	2,085	2,083	0%	2,018	3%	• Realisations seen at +7% yoy; -1% qoq
EBITDA margin (%)	12.28	13.60		13.48		• EBITDA/tonne seen at Rs652 (-2% yoy; -11% qoq)
PBT	1,030	1,028	0%	870	18%	
PAT	721	806	-11%	605	19%	
EPS (Rs)	6.1	6.9	-11%	5.1	19%	
India Cements						
Revenues	10,373	11,172	-7%	9,032	15%	• Volume growth seen at +11% yoy; -6% qoq
EBITDA	805	814	-1%	(1,884)	-143%	• Realisations seen at +4% yoy; -2% qoq
EBITDA margin (%)	7.76	7.29		-20.86		• EBITDA/tonne seen at Rs350 (+5% qoq)
PBT	(122)	(113)		(3,068)		
PAT	(122)	(69)		(2,386)		
EPS (Rs)	(0.4)	(0.2)		(7.7)		

(Rs mn)	Dec-25E	Sep-25	QoQ (%)	Dec-24	YoY(%)	Highlights
HeidelbergCement Ind						
Revenues	5,498	5,117	7%	5,428	1%	• Volume growth seen at +2% yoy; +9% qoq
EBITDA	618	575	7%	333	86%	• Realisations seen -1% yoy; -1% qoq
EBITDA margin (%)	11.2	11.2		6.1		• EBITDA/tonne seen at Rs530 (+82% yoy; -1% qoq)
PBT	378	335	13%	76	400%	
PAT	283	249	14%	52	446%	
EPS (Rs)	1.2	1.1	14%	0.2	446%	
Mangalam Cement						
Revenues	4,284	3,949	8%	4,384	-2%	• Volume growth seen at -6% yoy; +9% qoq
EBITDA	425	427	-1%	435	-2%	• Realisations seen +4% yoy; -1% qoq
EBITDA margin (%)	9.92	10.81		9.92		• Blended EBITDA/tonne seen at Rs488 (+4% yoy; -9% qoq)
PBT	162	164	-1%	130	24%	
PAT	114	201	-44%	78	45%	
EPS (Rs)	4.3	7.5	-44%	2.9	45%	
Star Cement						
Revenues	8,885	8,109	10%	7,188	24%	• Volume growth seen at +21% yoy; +11% qoq
EBITDA	1,877	1,902	-1%	1,042	80%	• Realisations seen at +2% yoy; -1% qoq
EBITDA margin (%)	21.13	23.45		14.50		• Blended EBITDA/tonne seen at Rs1,449 (+48% yoy; -11% qoq)
PBT	899	924	-3%	76	1082%	
PAT	630	711	-11%	90	596%	
EPS (Rs)	1.5	1.7	-11%	0.2	596%	

Source: Company, PhillipCapital India Research

PhillipCapital's very own **Supply-Chain Thesis** on the Indian cement industry through our **Ground View (GV)** platform has been our core investment thesis for the sector since 2019. A core aspect of this thesis' investment arguments has been industry feedback on our take, something that we have regularly showcased in form of several industry interactions / interviews. Over last 5-versions of our Supply-Chain Thesis, (*inclusive of exhaustive dealer checks across regions in v.3.0; [Click here](#)*), we have already covered 14-industry interactions with leading industry personalities and these include:

1. Mr Hari Mohan Bangur (Promoter – Shree Cement Limited); [Click here](#) page 40
2. Mr Jamshed Naval Cooper (Managing Director*, India Operations @ HeidelbergCement Group. The group operates two cement companies in India – HeidelbergCement India Limited and Zuari Cement Limited); [Click here](#) page 52
3. Mr Puneet Yadu Dalmia (Promoter - Dalmia Bharat Group); [Click here](#) page 88
4. Mr Prashant Bangur (Promoter - Shree Cement Limited); [Click here](#) page 116
5. Mr Aditya Sanghi (Promoter - Sanghi Industries Limited); [Click here](#) page 148
6. Mr Alok Sanghi (Promoter - Sanghi Industries Limited); [Click here](#) page 148
7. Dr Raghavpat Singhania (Promoter - JK Cement Limited); [Click here](#) page 182
8. Mr Madhavkrishna Singhania (Promoter – JK Cement Limited); [Click here](#) page 182
9. Mr Parth Jindal (Promoter – JSW Cement & JSW Paints); [Click here](#) page 136
10. Mr Shrivats Singhania (Promoter – JK Lakshmi Cement); [Click here](#) page 163
11. Mr Arun Kumar Shukla (President & Director – JK Lakshmi Cement); [Click here](#) page 170
12. Mr Achaljeet Singh Bhatia (President* - Chhattisgarh Cement Transport Welfare Association (CCTA)); [Click here](#) page 88
13. Mr Ajay Kumar Saraogi (Deputy Managing Director & Chief Finance Officer – JK Cement); [Click here](#) page 118
14. Mr Girish Agrawal (Founder-Secretary, Chhattisgarh Cement Merchant Association [CCMA]); [Click here](#) page 164

*Designations/name of Group mentioned are on date of interaction / interview.

Because industry interactions form a core part of our thesis, going forward, irrespective of our GV product and to keep the continuity of industry feedback on, we will attempt to bring more industry interactions on the table with every preview which will help our readers get an overall flavour of real happenings at an industry-level and even at some specific companies.

We commence our initiative by interviewing:

Mr Tushar Prem Bhajanka

(NextGen Promoter & Deputy Managing Director, Star Cement Limited)



----- EXCLUSIVE INTERVIEW -----

TUSHAR PREM BHAJANKA

(NextGen Promoter & Deputy Managing Director, Star Cement Limited)

Where: Promoter family office, Gurugram

When: Wednesday, 8th October 2025

Duration: ~2.5 hours

Q. Tushar, many thanks for spending time for this interview. The reason why I selected you for this interview is because, at just 29, you are the youngest NextGen promoter in Indian cement industry and despite this, the kind of knowledge you have gained on the subject of cement (both, plant level operations and sales & marketing) seems very impressive, rather outstanding! In this context, what would you like to say about your abilities?

- Vaibhav, thanks for coming over and for conducting this interview. I joined Star Cement when I was just about 24 years of age and I turned 29 just a month back; so, it is now just a little over 5 years since the time I joined my family business. Though joining business at an early age definitely helped me understand our business nuances better, but I would say that a lot of my business understanding abilities are inherited from my family members. Growing up, I never realised the amount of learning that happens passively through seeing your father work; the skills of analysing and solving a problem, the empathy and care that is required to handle employees and retain them and the art of seeing the big picture.
- Like you too have told me many times in the past and like you have been writing in many of your notes too, cement business is a pretty simple business but quite often it gets unnecessarily complicated due to lack of transparency at various levels in an organisation's working system. When I joined our family business, observing how our business was being functioned at Star Cement, I think, there was a definite realisation in me that our business decision-making process needs to be better streamlined.

Q. Can you elaborate a bit as to what do you mean by saying that your business decision-making process needs to be better streamlined?

- At the promoter-level, since inception, we have always operated as a multi-promoter-group and thus, we always had a mix of promoters who were involved in business on day-to-day business operations and, we also have silent-promoters. The six founding promoters who are / were involved on an operational front are Mr Sajjan Bhajanka (my *Tauji*, my dad's elder brother – 21.56% stake), Mr Sanjay Agarwal (13.68% stake), Mr Brij Bhushan Agarwal (21.38%), Mr Rajendra Chamarla (6.05% stake; held 14.47% stake earlier, inclusive of stakes of his extended family members, largely exited on personal capacity by selling 8.42% of his personal stakes in December 2024, current stakes remain with other family members), my dad – Mr Prem Kumar Bhajanka (11.63% stake) and Mr Rajesh Kumar Agarwal (2.17% stake). All these founding promoters have their own unique skillsets and apart from our promoters, we also earlier had a full time Chief Executive Officer (CEO) – Mr Sanjay Kumar Gupta who was handling our day-to-day business operations. With this kind of a multi-promoter-cum-CEO setup, when I joined our business I figured that getting a consensus view from our promoters and senior management teams in our business's decision-making process was indeed a very difficult task. Thus, I felt it was very much necessary to streamline the process of our business decision-making and as well as a need to ensure that our decisions are taken quickly and that they aren't delayed because of involvement of so many individuals. This was one of the most important and a core area of improvement which was fixed at Star Cement after I joined.

Q. That's really a tough ask, especially for a fresher in an established business to point out and even act upon. With a multi-promoter setup, where all people would naturally be having a different mindset, to go and tell each of your promoter-group members that they are lagging behind to take decisions quickly in their business would have needed a lot of courage at your end. How did you manage this?

- Well, my thoughts were not in isolation, just to me. When I joined business, these same thoughts were also becoming an increasingly

natural realisation within the members of our promoter-group too. Given past experiences and business acumen of our promoter members with our Group's other key business - *Century Plyboards*, they felt that even at Star Cement, it was important for them to streamline how decisions flow at the promoter-level and how decisions flow down below at the professional setup level. In fact, they even appointed Boston Consulting Group (BCG) for a project to fix our governance issues. All promoters were well aware that if they continue to run our business at Star Cement with different ideologies, then in the long run, it's going to be very tough and difficult for the company to do well. This is why they too wanted a common promoter to be involved fully in Star Cement and someone whom they all can trust and depend upon. This common promoter must be able to share opinions to them not just on a day-to-day operations basis but even for strategic matters, as in, when it comes to taking decisions for business growth with capacity expansion projects or cost-saving initiatives that require significant investments.

- Thus, fixing the decision-making process had already become a priority and all promoters felt that their first and foremost step at Star Cement should be to sort and fix internal governance issues. Once they all made their mind and subsequently deliberated on this topic, they realised that I was an available candidate in their NextGen and that I can potentially take charge of Star Cement.
- I joined the family business during COVID times and at that point of time my father was also actively involved at Century Plyboards. I started initially spending some time in Century Plyboards – as it is a much larger and well organised company, there were a lot of passive learnings observing my father and other family members. Six months later, when I joined Star Cement, I can say within a few days or months, despite being a fresher into the company and the Indian cement industry, just like our promoter members, my realisation was too exactly the same - *that our decision-making process needs to be quickened and better streamlined.*

Q. How long was BCG engaged by Star Cement's promoter-members to fix Corporate Governance issues?

- The overall BCG assignment at Star Cement lasted for almost 18-months, from mid of 2021 to end of 2022, but within this span, they executed two different projects. The project they did for us on Corporate Governance at Star Cement lasted for only initial 4-months, after which they were shifted to projects of cost optimisation.

Q. At a Group level, please tell me what are the various businesses that your promoter-group is involved into? Are there any other business interests of promoters at personal level too other than the group-level businesses?

- At Group-level, we have two core businesses: *Century Plyboards* and *Star Cement*. Apart from this, individual promoters may have their own personal business interests where they are invested in their personal capacities. Like for example, my father, he has great interest in Tea gardens. So, out of passion, he runs a Tea-estate in Arunachal Pradesh by the name of Namchic Tea Estate. He always wanted to get a tea garden there as he generally loves nature, has special connections to Northeast, and he just loves the whole culture of *Bagaan* (*Meaning: Plantation or Garden*). This estate is at a place called Changlang, Arunachal Pradesh near the state border

of Assam and Arunachal Pradesh. These days, he is also busy making a Bungalow there as he wants to spend some more time in his *Bagaan*. Similarly, a few of Century Plyboards promoters like my *Tauji* and Sanjay Uncle are also invested in their personal capacity into a company called '*Century LED Limited*' which is not a part of the Century Plyboards or its subsidiary. This company manufactures and sells Light-Emitting Diode products like various kinds of light panels and other similar lighting solutions under its own brand name '*Magik Lighting*'.

Q. Please tell me who are the common promoters between Century Plyboards and Star Cement and as well please highlight uncommon names, if any?

- As far as Century Plyboards is concerned – the list of common promoters includes my *Tauji*, Sanjay Uncle, my Dad and Rajesh Kumar Agarwal *ji*. Mr Vishnu Khemani who is a promoter at Century Plyboards is not a promoter at Star Cement. Likewise, Brij Bhushan Agarwal *ji* who is a silent-promoter at Star Cement, is not a promoter at Century Ply.

Q. When you joined Star Cement, how was it positioned? Please also elaborate a bit more as to the existing loopholes that were present earlier at decision-making process of Star Cement which you subsequently fixed?

- When I joined our family business, Star Cement was already one of the well-established and leading players in Northeast India, which was, and it continues to remain the healthiest cement market in India. But because my other family members, including my Dad, and other members of promoter-group were quite busy managing operations at Century Plyboards, a business that has been our Group's core expertise, it was natural for them to have their attention biased more towards Century Plyboards. Nevertheless, given that they had invested so much in Star Cement too, it was obviously natural for them to be concerned about this company and its growth. From this perspective, you can also say that me taking charge of Star Cement was a natural course of succession within the family and other members of our promoter-group.
- As to your question about what were the loopholes at Star Cement that I plugged in, first and foremost, I think, in any business it is very important that decisions are made, irrespective of the fact that whether those business decisions turn out to be always correct. What I observed at Star Cement was that our decision-making was too fractured, paralysed and our business decisions were also getting unnecessarily delayed or deferred. In fact, our decision-making framework needed to be fixed at every level of hierarchy within the organisation, right from the top-most level. Irrespective of whether my decisions go right or wrong, I ensured that decisions were made more quickly and that our decision-making framework gets decentralised.

Q. That sounds very quick, easy and simple, but I am sure that it was not an easy task for you to fix these loopholes. How would you recall this part of journey today?

- Well, that's correct (*smiles briefly and continues to answer*). Because our decision-making process had to be fixed at almost every level, there were naturally a lot of changes in our company after I joined. We had to leave some senior members of our management and though, it is not something that I am really

proud about when I think today, but then, if I go back in time, for the sake of our company's growth prospects and for our business, I today feel that this had to be done. *For example*, just a few months after I joined, our CEO – Mr Sanjay Kumar Gupta left us and once he left, a lot of other important CXOs like Head of Human Resources and Production-Head also moved out. In just 9-months of our *(then)* CEO leaving, there were a lot of voluntary and involuntary attrition in the organisation.

Q. Though you said that you were asked by Dad to take charge of your family business, but was joining family business already on your mind as you grew up? Tell me something about your childhood days, your educational background and how did you fare in your studies?

- No, joining family business was never on my mind and it was never on my agenda. I was born in Delhi though I spent my initial childhood days in Tinsukia, Assam, say until at least I was 5. After this, I moved to Karnal, Haryana as my dad was setting up Century Plyboard's Karnal factory. When we were at Karnal, along with my Dad, as a child I frequently did visit our plywood factory site there and my Dad would make it a point that we as kids visit this factory almost every week, mostly over our weekend school holidays. I would also happily accompany my Dad to spend more time with him but still, the thought of joining family business once I grew up never arose in my mind. We continued living in Karnal for next 4-5 years before we later shifted to Gurugram where I lived for another 7 years. After this I went to the United Kingdom (UK) for my further studies.

- Like any other child, until the age of 15 or 16, I was confused about my career options but I was clear in my thoughts about pursuing a professional career. I believed that being good at education and academics is a must to fulfil professional ambitions. I started getting some clarity about myself and my abilities only after I was introduced to Economics as a subject. I decided to further pursue my interest in Economics and I applied for specialisation in Economics at University of Warwick, England. In my second year itself, I ranked among the top three in a batch of 500 students. Finishing my undergraduate degree with High first class honours at Warwick, I completed an MPhil (Master of Philosophy) in Economics from University of Cambridge. Once I was through with my academic stint, I applied for a job in London to work there and I was also one of the first people in the MPhil to end up with a job. So, I genuinely did not ever think of joining the family business – I was so clueless about the business that besides knowing what products we make, I had no idea about our size, scale or financials.

Q. Tell me something about your job in London?

- Well, while I was in the UK, I had tried my professional skillsets at two different consulting firms before I came back to India to join business. My first job was at RBB Economics (<https://www.rbbecon.com>) which is an economic consulting firm and they are among the global leaders in competition economics. This is where I initiated and started my professional career. I spent nearly 2-years there, most of my professional journey before I joined the family business. I was working at RBB on anti-trust issues and Mergers & Acquisitions (M&A) advisory to corporates and even to the government regulators. Like in India we have the Competition Commission of India (CCI), in Europe too, equivalent regulatory authorities would regulate many companies for allegedly being involved in cartelisation, and obviously when merger transactions are being evaluated or being announced, clearances from such regulators is legally a must. This firm had very large clients from various industries across Europe.



Prem Kumar Bhajanka, Tushar Bhajanka and Vaibhav Agarwal (L-R)

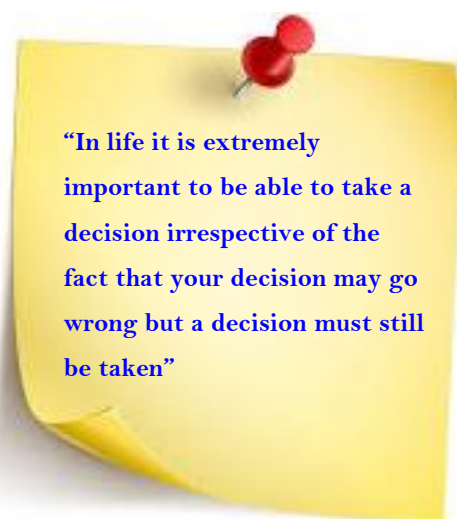
- There were a few notable and memorable cases at RBB Economics that I worked on and they include: 1. A project on a truck cartel case against automobile giants like Volvo Cars, Mercedes-Benz, Scania Group, DAF, Iveco Group (Tata Group announced a takeover of them in July 2025) where they were alleged for cartelisation across Europe. Our firm was hired by Scania to defend their allegations and accusations in the European Commission. 2. A transaction in the brewery industry space where Asahi Breweries, Australia's 4th largest brewery then, was planning to acquire Australia's largest and most iconic brewer Carlton & United Breweries (CUB) and this was supposedly and obviously leading to damage and harm to competition and the broad competition theory in itself. 3. A merger project in the pharmaceutical space evaluating the potential buyout of Bayer Animal Health division by Elanco Animal Health. This was also a very large transaction because

the scope of it included both, domesticated as well as commercial animals. While Bayer Animal Health was a part of Bayer AG, a multinational giant, Elanco was also one of the largest globally in Animal Health and they had also bought over Animal Health division of Novartis AG, a transaction that significantly expanded their global reach. Thus, given the kind of reach they had, I had to work across different geographies, almost with regulators of 100 countries and my job was to help our client get necessary approvals from the respective regulator of each and every country to enable the proposed merger to flow through.

- After my near 2-year stint at RBB Economics, I joined Bain & Company in their consulting division. The assignments that I worked upon here were very different and something very unrelated.

Q. I must say that this sounds like a wide experience in less than 2.5 years. So, did your past experiences at both these consulting firms helped you in some way to identify and discover the then existing gaps at Star Cement?

- Well, what I discovered at Star Cement had nothing to do with my past experiences at consulting firms. Though my consulting work experiences definitely helped me gain understanding of how the corporate culture works, whatever I discovered at Star Cement was actually when I shifted to Kolkata. As I joined the company, I could easily realise that every decision in this company is taking just too long. There was visibly a lack of consolidation in thought-process, including at the promoter-group level. So, if one person said left, the other must have said right.



- Like I have said earlier as well, in life it is extremely important to be able to take a decision irrespective of the fact that your decision may go wrong but a decision must still be taken. Likewise, even at business, taking a business decision is like throwing of a dice (hopefully a biased dice) and to play this game, you must throw the dice and sometimes the outcome may not be in our hands. If you are sensible enough, the chances of your decision going right should be higher than the chances of it going wrong.
- Taking a business decision helps the company keep moving forward, even if it is by a few steps. So, let's say, even if your decision goes wrong, you would at least move a step forward to discover that the direction you are going forward is a wrong path and this would enable you to take a course correction or eliminate an option that you earlier thought you had. Having said so, in business there would always be some decisions which would go wrong, but if you just keep worrying of your proposed decision turning unfavourable, it is much more problematic and worrisome.

Q. In this context, can you tell me the role of each of the promoter when you joined Star Cement? Also, how was Mr Sanjay Kumar Gupta placed to lead the organisation from a professional standpoint?

- Like I have said, when I joined everything was quite fragmented and each promoter had their own respective capability. Simultaneously, we also had a CEO culture with most of our promoters handing over few of their day-to-day business responsibilities to our CEO and our CEO would subsequently

connect with our promoters for discussions or for taking any decision, if required. Though Sanjay Kumar Gupta ji was Star Cement's CEO then, most of our day-to-day plant operations was largely being looked after by Rajendra Chamaria ji. This kind of a structure clearly hinted a lack of co-ordination and (need of) consolidation to me at the top-management level and this is where I thought there were actually a lot of inter-departmental synergies possible if we can consolidate both Production (day-to-day business operations) and Sales in one hand. The benefits of a single point reporting at top-management level at Star Cement then was clearly absent and this is exactly what I did for my company.

Q. Looking back at your professional assignments before you joined family business for a bit, given the kind of assignments you undertook, it seems quite obvious that you must have been quite studious. Like you said, you also ranked among top-3 at your University. But before we began this interview and when I met your Dad, he said me that you are often referred as 'Cambridge ka Gadha' within the family, especially by your Mom. What's the story behind this tag to your name? You also just said that your professional assignments before joining family business did help you fix loopholes at Star Cement but you did not elaborate much on this front. What were some of those skillsets that you carried from your earlier professional jobs which you think were useful to you at Star Cement?

- (Laughs and begins answering)* Well, I am the youngest sibling within my family and so from that perspective, you can say, I am definitely the most pampered one too. In my primary school, I was not very good with studies and therefore my Mom, driven by love and affection, fondly calls me her 'Gadha' (*Meaning: Donkey*). When I got through Cambridge for MPhil, she felt very surprised and she could not believe that her Gadha can make it to Cambridge University and since then, she started calling me 'Cambridge ka Gadha'. It is just her own innovation and an oxymoron within the family (*continues with his laughter*).
- With regards to my learnings and skillsets, that I gathered from my prior job assignments and their usability at Star Cement – first and foremost, my jobs helped me gain hands-on experience of what it really feels like to be on a professional job. Though my own mindset was always to have a professional career, I had never experienced how does it actually feels to be like a professional, despite belonging to a business family. Also, because I never thought about joining the family business, I never got an opportunity for myself to prepare for our business. Thus, my job definitely helped me quite a lot to develop and sharpen my analytical thought-process. Though I have been good in my academics, I never had any hands-on experience to implement my academic knowledge, which today, if I think, was a necessity before I could be made an in charge of such a large family business. Given the kind of high-profile assignments that I was part of, they were extremely practical and real-life engagements at strategic level that not only allowed me to implement the knowledge that I gained in my academic career but also ensure that my academic knowledge remains no longer bookish. This is on work experience and knowledge part.
- But, I think, equally important is how my professional jobs helped me evolve as an individual and as a person because, I think, my professional stints in the UK allowed me to encounter every

dimension that anyone may experience being in a professional setup. My job was mainly to understand data and run economic models and regression analysis and we had to coordinate with a lot of our clients and even relevant lawyers to prepare detailed reports. Sometimes, this meant working 70-hours in a week and also on New Year's. Being at a junior most position, it also meant that what was sometimes asked to be done urgently was not used for weeks and to, of course, inherently always agree that the boss was always right. As time passed by, I realised that a job teaches you a lot of things – *discipline, consistency, patience and some bit of corporate politics too (laughs).*

Q. Well said! So, is it your frustration or boredom at times which made you return to your family business from your earlier professional jobs?

- Well, not really and this is something I have not yet shared with many people. Because our family bonding has always been very strong, throughout the time I was in the UK, I was always conscious of the fact that if I would continue to stay there for long, away from my family, I would become habituated to that life and it would be later very difficult for me to change myself and to return to India. Having said this, I had not planned anything to return to India. While I was away, my Dad would usually call me once a week to take an update as to what's happening in my life. One fine day, while I was working on my (last) project (before coming back to India to join family business), I had a bad day at my work and I was a bit upset. Coincidentally, the same day, my Dad called me and as our conversation progressed he was quick enough to sense my dissatisfaction and frustration at my job. Very smartly and quite consciously he used this as an opportunity to plant the seed of my return to India. I clearly remember while my Dad kept motivating me to be head-on with challenges that I am facing at my job, while he kept down the phone, he said, *"It would also be nice to have you back here in India and you can lead Star Cement as no one is leading this company from the next generation, so why don't you think of even coming back to India and look for opportunities here at our family business?"*. Since that day, from once a week, he started calling me almost every day, at least once a day or even twice and this whole exercise lasted for nearly 2-weeks. Though he would begin each of his calls by taking an update as to how am I personally and on my work front but, because he had now sensed my dissatisfaction, the moment he got an opportunity, he would say me that its high time and I should not invest my time overseas anymore and he would regularly repeat his suggestion to come back to India and join our family business. Finally, one day I gave up and I told him, *"Yes Dad, I am coming back"* and this is how I returned or if I can say, I was indirectly forced by my Dad to return to India and join our family business.
- But equally important to me, at a personal level, beyond agreeing to my Dad's suggestion why I chose to return to India is the fact that I thought I was very young and because I was just exploring opportunities about how to shape up my long-term professional career, I thought that there is no harm and probably it was the right age for me to go back to India and try myself with an opportunity at our family business. Though I returned to India, I was always prepared for my worst-case scenario-which was to go back to the UK and continue my professional career by finding a job again.

Q. At what position did you join your family business and Star Cement. Can you recall your journey from being a fresher into the company to now being its Deputy Managing Director?

- Though I was suggested by my Dad to join Star Cement, I did not want to join it immediately. It was COVID times and my father was still active in managing Century Plyboards' plants. I thought understanding the workings of a well-established company and understanding their operating and leadership structure can help in Star Cement as well. Thus, only after I gained some understanding of how we operate our business on a day-to-day basis, I made my mind eventually to shift myself to Star Cement.
- When I joined Star Cement, I did not join with any position or designation, and therefore I did not also as such report to anyone in particular. Our whole show at that point of time, especially on the commercial sales front, was being run by our business CEO – Mr Sanjay Kumar Gupta and he was mostly based at Kolkata, where majority of our promoters were also based. Our Kolkata office has also always been our prime office but even then, we had an office in Delhi where few of our other promoters were based. These promoters and our other people at this Delhi-based office were essentially handling Star Cement's day-to-day plant-level operations, beyond overlooking any of its existing or upcoming projects but, because there was nothing much happening at Star Cement then in terms of projects, the role of our Delhi-based family office was really very limited to just managing plant operations.
- As the real business activities were centered around Kolkata and Guwahati, I felt that shifting there will help me better understand the business. Since end-2020, for about 5 years, I stayed in Kolkata spending 75% of my time there to understand our business further and deeper. As my parents (with whom I would spend only the rest 25% of my time) continued to be based at Gurugram, despite me returning to India, I continued to be away from my family. It is just about 3-months ago, I have now moved back to Gurugram to be where my parents also live, so that apart from overlooking Star Cement's overall business operations, I can also spend more time with them too.
- As far as how did I climb up designations to now become Star Cement's Deputy Managing Director, for the initial period, say the initial 2 years until 2022, I was not assigned any formal designation or any position in Star Cement's Board. I honestly did not even care about getting a designation and I just wanted to focus on work and even without any designation, all professionals aligned well with me. I initially joined Star Cement as its Chief Strategy Officer (CSO), but this CSO designation was more of a gimmick honestly than anything else. Just a few months later, after I joined, when our CEO decided to leave us, I was elevated to be Star Cement's Executive Director and I remained at this designation for say almost 2-years before I was made the Deputy Managing Director of the company.

Q. On this note, why do you think your CEO decided to leave you and what were your immediate thoughts then? I also ask this question from the perspective of the fact that after leaving Star Cement, Mr Sanjay Kumar Gupta decided to continue with his career in the Northeast cement industry and he subsequently joined a much smaller company than yours. So, was his decision to leave the company motivated from your entry into Star Cement as its NextGen in charge?

- Mr Sanjay Kumar Gupta served Star Cement for nearly 19 years, almost since Star Cement's inception. He served as our Chief Finance Officer for nearly 12 years before he was elevated as CEO of Star Cement with effect from 30th September 2014 and it's true that Mr Sanjay Kumar Gupta left us on 31st January 2022 after serving as company's CEO for a little over 7 years, and like you said, this almost coincides with the timeline that I joined Star Cement. After leaving us, he joined Goldstone Cements Limited (GSCL), which is also a Northeast based cement manufacturer and he serves them as their Managing Partner. They are present in exactly the same markets which we cater to in the Northeast, selling their products under their brand 'Black Tiger Cement'. Though GSCL was much smaller in terms of size, it was an upcoming cement company in Northeast then because of which probably they were in an aggressive talent search at all levels, including their top management level.

- Sanjay Kumar Gupta ji has definitely contributed quite a lot at Star Cement and we, as promoters, we all value his contributions. In fact, I joined Star Cement by working along with him at his office. It was a first-hand learning experience for me and thus, honestly, personally I was quite uncomfortable when he decided to leave us. I tried all possible hooks and crooks to stop him, because I clearly knew that if he left us, I will automatically be at the helm of everything and all our business burden will come directly on my shoulders, something probably I wasn't fully prepared to take it then. But surprisingly, I would like to share that though I was quite worried and though I did not have required confidence in me, my *Tauji* had full confidence in me that I will be able to take charge and do justice to our business. After Sanjay Kumar Gupta ji left us, all departments obviously started directly reporting to me and rather than it being a burden, this actually helped me learn the depth of our business. Though I was slowly and steadily getting fully involved in all aspects of our business, being a promoter, with an intent to place an ideal organisation structure in place, I kept my new CEO search on and this was over only in May 2023 when Mr Vinit Kumar Tiwari was appointed as our next CEO.


Q. So how easy was it for you to align yourself with the promoter-group members and as well as the employees of Star Cement as a leader once Mr Sanjay Kumar Gupta departed?

- Like I said, though I initially learned a lot from Sanjay Kumar Gupta ji, our promoters always had more confidence in me than what I had within myself. Besides my father, my *Tauji* and Sanjay Uncle have been my guiding forces to help me learn business nuances of Star Cement. So, I never faced any challenges there. On the professional front too, it was not a challenge. Though I was myself in a learning process, all professionals never had any ageism or judgement. They have always supported me and they were also quick enough to align to the wider needs of the organisation. Given the hotchpotch of our multi-promoter setup and CEO culture, it did not take time for them to realise that I am here to take full charge and that I would be the eventual successor at leadership and

operational level at Star Cement because I was practically the only promoter who was getting involved on a regular day-to-day basis. The company already had an experienced set of professionals, which also obviously helped me as this expedited the change journey.

Q. You have said it twice that your promoter-group people had more confidence in you than what you had within you. How did they ensure that you don't go overboard and they don't lose their grip while you take charge, especially given the fact that your joining resulted in quite a number of changes in your teams and the organisation structure?

- Yes, our promoter-group members had confidence in me and that is exactly why I was invited by my Dad to join our family business and none of the other promoter-group members resisted his decision. In fact, they all have always been quite forthcoming, caring and supportive. But I must admit that, because we have been a multi-promoter-group, it was a bit hard for me to navigate myself, especially at the start and it was only the guidance from our promoter-group members which made my navigation easy. Because of the kind of capital that they have invested in Star Cement, it is quite natural for them to have their own doubts when they are handing over the reins of what they have created to a newcomer but they have always told me that I should go ahead the way I want and it is ok for me to make my own mistakes in my learning process. Having said so, over time, as and when I started actively involving myself, they could easily realise that I am adapting a proactive approach with a wholehearted willingness to learn and I am not shying away to put my time and energy in this process. Thus, they got the confidence that I would eventually learn our business in great depth and I would be able to handle all possible business situations in future, which was also always the intent of all our promoter-group members.
- Like I have said earlier too, when I began this journey, the first fundamental missing element in our business was lack of a single decision-maker and it was super-critical to me to fix our decision-making process. I firmly think that only when a well-defined organisation structure is in place, teams can be formed, tasks can be allocated, authorities can be delegated and so on and so forth. All people, in any organisation, at all levels of organisational hierarchy, should be super clear that who leads the organisation. They must know who has the authority to take decisions and who has the ability to pass-on decision-making authority to them so that they can pass their decisions to teams below. I always wanted to ensure that a clear matrix is made for everyone in the organisation, including myself. Our organisation clearly did not have a single person leading the organisation from decision-making perspective and without this being fixed, even today, I firmly believe that Star Cement would not have seen favourable outcomes for its business, the way it has emerged over the last few years.
- In any organisation, there should be defined threshold limits for approvals for every decision-maker and no individual is bigger than the organisation itself. Moreover, our promoters firmly also believe that all decisions in our organisation must be taken with the perspective that it ends up benefiting all stakeholders, not just them. Given this backdrop, in the initial and early stages, there would have definitely been some obvious amount of concern



**"Our promoters
always had more
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within our promoter-group people that our organisation must not go south on performance front under my leadership and if I was given full charge but at the same time, they always definitely had their own ways to test my individual load taking abilities. Thus, even for me as a leader, while making me the in charge at Star Cement, our promoter-group members always ensured that my authorities cannot be infinite and they still aren't. I still have to report to the Board of Star Cement and I am as responsible to the Board as any other senior management personnel would be. We have a Capex Committee in place to discuss capex spends beyond a certain limit which I cannot approve. Likewise, there is a Management Review Committee meeting at the Board-level every three months to evaluate overall business performance as to how business is doing and to appraise the performance of all our teams, including me as the leader of the team. The only key factor that lacked earlier was accountability part and this is because of Star Cement's several decision makers. Once our promoter-group had their trust and faith in me, they became confident enough to assign me the leadership profile. Subsequently, when I became the leader, they were happy to take a step back to allow me lead the team because they now started remotely monitoring the growth of the company with all relevant information that they need at regular intervals in normal course of business. They passed me the broader decision-making authorities enabling me to make decisions for the company. So even today, though we continue to operate with a multi-promoter setup, I think, our formal matrices are good enough to ensure all our promoters that I don't overstretch in the company with my decisions. If I was not efficient enough to gain their support and confidence and make full use of our formal processes to satisfy our promoter-group after taking charge, obviously they would have been quite insecure about what's going on in the organisation, but fortunately, this has not been the case.

Q. Obviously, one of the key promoters was your father who has known you since your childhood but how did you ensure that all promoter-group members other than him also place sufficient trust and faith in you and you too gain their support and confidence?

- Well, the whole objective for me to move to Kolkata was not just to be where the action is happening but also to have a one-to-one relationship and rapport with each of our promoter-group members. I thought it is very important for them to know me as a person and equally important for me to understand their individual personalities. Though all promoters have known my father pretty well for many decades but it was critical that they have confidence, trust and faith in me as a person. Most importantly, this said confidence, trust and faith doesn't come overnight, it comes over time but once you win this, this would last forever unless it gets misused. Thus, moving to Kolkata was my key step to gain their support and confidence.

Q. So now that you have moved back to Gurugram, do you plan to shift the entire Star Cement setup as well at Gurugram?

- I have shifted about 5-6 relevant people in our team at Gurugram who now help me to be hands-on with the company but I don't think I need to shift the entire corporate headquarters here, as many people in our company are quite well-experienced and old enough to now shift their base. Many of them are also well-settled at our Kolkata or Guwahati base, and from this perspective, all of

them are also not very comfortable shifting base here at Gurugram and I respect their decision.

Q. So is it fair to say that Mr Tushar Bhajanka is now the key decision maker for Star Cement?

- No, ultimately Star Cement remains a multi-promoter setup, so, any major strategy-level decision that is being evaluated in the company, like say, capacity expansion plans in Northeast or our plans to grow outside of Northeast or our capex allocation policy, it has to have the involvement of all promoters because every promoter has pitched in their money and efforts and they all together are driving the business and it definitely also needs to have the Board approval. But I think on a day-to-day basis and to a large extent, it is me who now makes the business decisions. Having said this, whenever there is a need, I always have my Dad besides me. He has always helped me with his guidance fully throughout my journey and to the best of his capabilities and whenever I need him. Likewise, whenever needed, I also always have the guidance from all other promoters like my *Tauji* and Sanjay Uncle, because like I said, all of them have quite unique skillsets.

Q. On this note can you talk a bit about the skillsets of each of promoter-group members and, in any way whatsoever, do you see involvement of many promoters a hurdle in your business decision-making process?

- My *Tauji* has always been the patriarch of the entire promoter-group and he still is looking after the overall group at a strategic level. Sanjay Uncle has been a Sales & Marketing genius throughout and thus, even at a group level, for the longest time he has looked after Sales & Marketing for both Century Plyboards and Star Cement. My Dad, who is based out of NCR, is a person who is more involved in Human Resources (HR) policies at Group-level and he also liaises with local people and at government-level beyond overlooking a bit of our plant level operations too. This is how traditionally the work was divided amongst them. Because all our promoters have known each other for many long years, though there could be some difference in their individual ideologies, I don't see any hurdle to take my business decisions because each of these promoters have not just pitched in their money but as well very intense amount of efforts to establish Star Cement and they all want to see it grow and like we have already discussed, they place their trust and faith in me that I would not disappoint them.

Q. Apart from your father and your *Tauji*, do other promoter-group members share a blood relation?

- Well, my Dad and my *Tauji* are two among four (real) brothers and thus they obviously are blood relatives. Our remaining promoters don't share a blood relation with us but our families have been in business together for more than 40 years now and thus, as promoters, we are all as thick as one family.

Q. Before we move further to talk about NextGen roles of each of existing promoter-group members, let us talk a bit more about the equations they share with each other especially from the perspective of the fact that in December 2024, Mr Rajendra Chamaria largely exited Star Cement as its promoter by selling his

stake to India's largest cement company UltraTech Cement Limited. Why do you think he did so?

- Mr Rajendra Chamaria, who was definitely one of our key founding members and a promoter at Star Cement largely sold his personal stake to UltraTech Cement Limited, who now classifies his stake in their own books as '*Non-controlling minority stake*' but as to why Chamaria *ji* did so, I think, it was completely his personal choice and I have no firm knowledge about it.

Q. Since he was one of the founding members at Star Cement, was his exit on a smooth note? Why do you think UltraTech Cement Limited bought his stake?

- Well, it was as smooth as it could be.
- As to why UltraTech Cement Limited acquired 8.42% stake in our company? This is again something that I am not privy because this is their internal matter. It maybe because they wanted to have a footprint in Northeast and, maybe to them, we seemed to have a potential future value in this region.

Q. Since you have just that NextGen succession plans are quite clear in your Group, let us now talk about the NextGen of all your existing promoter-group people?

- My *Tauji* has one son and three daughters. His son – Keshav Bhajanka is the youngest sibling and he is currently an Executive Director at Century Plyboards.
- Sanjay Uncle has two daughters – Mrs Nikita Bansal and Ms Manjrie Agarwala. Like Keshav *Bhaiya*, Nikita *Didi* is also already an Executive Director at Century Plyboards and both of them from NextGen fraternity of our family of promoters now lead Century Plyboards on day-to-day basis. In fact, Manjrie too has also very recently, just about 6-months ago or so, joined our family business at Century Plyboards, but she is yet learning the ropes of it.
- In my case, I have two elder sisters, my eldest sister is happily married into the Anmol Biscuits family and has two daughters while my other sister – Ms Mansi Bhajanka follows her passion of film making. She has completed her Masters of Fine Arts in filmmaking from New York Film Academy and she has already worked for a few movies.

Q. How do you think are the equations among the whole of NextGen within your promoter families? With whom do you think you are the closest?

- Well, just like our parents, at the NextGen level too we do share a bond. I can say that there is a good level of warmth and protectiveness among all of us for each other and our relations are strong and well-knitted. We all refer each other with great mutual respect. Because I am among the youngest, except Manjrie, who is younger than me, I refer them all calling *Bhaiya* or *Didi*.
- Keshav *Bhaiya* is the one with whom I am the closest because he is the one to whom I would go when things are troubling me or if I want to validate any of my thought-processes or even generally otherwise.

Q. So is it fair to say that Star Cement's NextGen leadership is well-defined and it is clear among the promoter-group that you would be the ideal one suitable for this role? From your end too, do you frequently consult them while you are at business and would you be open to have other NextGen family members to assist you?

- I am taking the charge alone for now, but I will be very happy if they join me as it is always good to work along with my colleagues in NextGen of our other promoter-members and to share the load of my work and decisions at Star Cement. But I think, because there is so much of work already happening at Century Plyboards on growth front, both, Nikita *Didi* and Keshav *Bhaiya* (someone with whom I share a great bonding too), they are just too busy there.
- On the consultation part, yes, I do consult them at times in business with what is going on in my mind and their opinions do matter to me quite a lot.

Q. Like few of your ancestors in the promoter-group family have invested in personal capacity in other businesses other than Star Cement, do you think you can too venture out in other businesses in personal capacity?

- Cement is something that I have got as a legacy from my family, and I do respect this fact quite a lot and certainly this business is a great opportunity for me. But at the same time, I do think that I can professionalize Star Cement to a certain level, and once that is done, I do have the bandwidth and appetite to think about something else in my life as well.

Q. So when you say that you may venture into other businesses in future, would you please clarify if Star Cement would have a role to play there in any way to support you? In other words, how would you want the investment plans be placed when you venture in a new business?

- No, the other businesses that I am referring here are not in any way related to Star Cement as they do not fall under the broad category of *Building Materials*, thus Star Cement won't play any role to support me in my thoughts. I have been interested in the space of Electronics manufacturing and I am exploring these opportunities completely in my individual capacity.

Q. This now makes me recollect to ask you that how did you think your promoters got the idea to start Star Cement because they were also earlier in the Plyboard business which is quite a different business than cement?

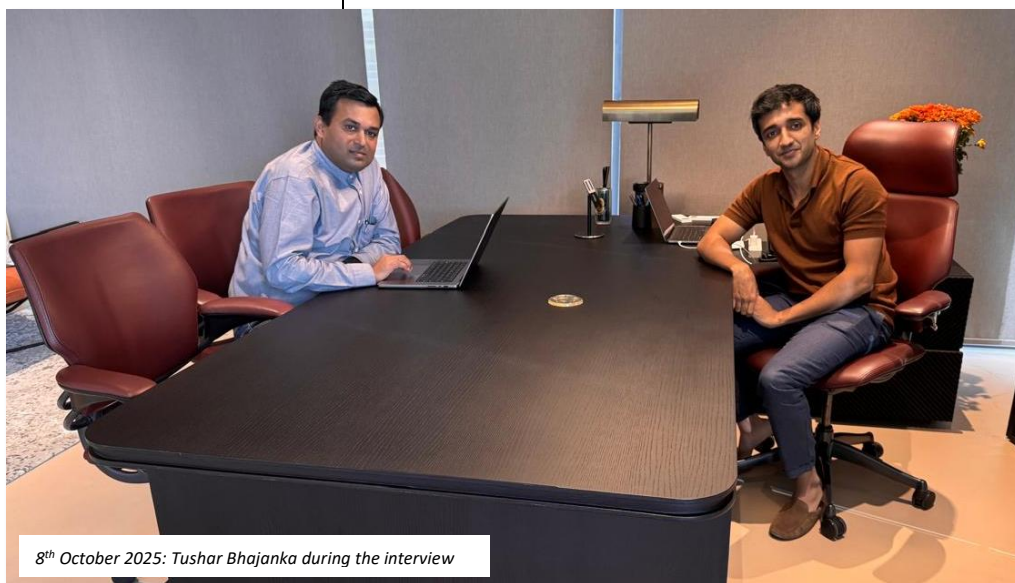
- The idea of Star Cement by our promoters was conceptualised in 2001 and this is the year of incorporation of our company. Our clinker production started in 2004 with subsequent cement production in 2005. Few of our promoters, rather majority of them belong to the Northeast region, so first and foremost they obviously always have very high emotional attachment for this region and they always want more of Northeast in whatever they do in their lives. I was very young, just about 8 when our cement operations in Northeast came into existence but what I know of as to why my folks chose the cement industry to venture into is because they were probably among the first ones to realise that Northeast doesn't have its own cement industry but has good abundance of resources and government benefits. They were early to sense that Northeast is importing cement from other regions despite of very high freight costs that gets incurred to get cement into Northeast from mainland, especially because of its difficult terrain and remoteness.
- Within Century Plyboards too, we had been serving the Northeast markets, which also belongs to the same *Building Materials* space. When my folks evaluated more opportunities that are related to

this space, they realised that Northeast has all possible resources that are needed to manufacture cement but despite abundant limestone and coal availability, which are the two most critical raw materials required in cement manufacturing, cement industry there is virtually absent and they capitalised on this fact.

- But beyond making the earliest large-scale entry into the Northeast cement market, what I think appealed them the most is their comfort factor to be in Northeast, especially when they wanted to go ahead with their full-fledged plans in large-scale industry like cement. Having a cement plant in Meghalaya is not like having a cement plant in any other state. To work in Northeast and to be comfortable there, it is really not easy and a deep understanding and respect for this region is a must, and also the most important factors, if one wants to taste success while they work here. Though Northeast is really not a tribal kind of an area but it has its own culture. Northeast people have their own norms and their norms are not anything that we see anywhere else in the country. Nutshell, it is not as straightforward and so easy to be able to work with people in Northeast as compared with other parts of mainland and it is extremely important for anyone who goes there to understand and acknowledge Northeast's own local culture. In fact, because of this reason in itself, it was not very easy for then existing cement manufacturers, including the large-scale ones, to come and setup their operations in this market which also made the presence of cement industry in this region virtually absent.
- Because my folks in our promoter-group were not outsiders to Northeast and because they had a comfort factor driven by their own imbibed Northeast culture, they found themselves to be in a comfort zone when they eventually broke ground with their plans and once they started to work with people there. They had a thorough idea of Northeast terrain, they had already accumulated the industrial understanding and technical know-how of Northeast region and this made them set an ambition to be Northeast's largest cement producer. Having said this, they also always knew that the market size of Northeast is relatively too small to any other markets in India and they were well aware that they cannot play the very large-scale game in Northeast cement industry like one can play in other regions of India.
- The government assistance and support in terms of benefits like various kinds of subsidies and other incentive benefits given their intent to industrialise Northeast and invite capex in this region only further added to comfort factor of our promoter-group members. Despite the possible hurdles that they anticipated initially, they felt convinced that if they put up a cement plant in Northeast, they will definitely make reasonable money and returns on their investments. To my knowledge and as far as I have gathered, we

achieved our break-even in Northeast in just about a year and a half which is just too early to break-even for a typical greenfield cement plant.

- When they decided to go ahead, I think except for a small plant of



Vinay Cement there was no other prominent cement manufacturer in Northeast. Where all other existing cement manufacturers saw Northeast as a problematic area to have their business setup, our promoter-group saw this as an opportunity for themselves simply because working with the people of Northeast was naturally in their blood and it was normal course of life for them. Eventually, for all practical purposes, at a large-scale of operations and as a significant cement producer, Star Cement was the first one to start producing and selling cement in the Northeast region.

Q. So let us talk a bit more about Northeast cement industry and as to why now cement manufacturers from mainland want to enter this region. As far as I gather, it has now become a belief among people in the Indian cement industry that they must go there because of Northeast's very high incentives and subsidy structures. As a promoter, do you agree with this thought-process?

- Well this was definitely a correct thought-process earlier but it is not really equally true anymore. As far as cement industry in Northeast is concerned, subsidy benefits were definitely important and it has definitely attracted many other cement plants in Northeast, after our setup. When we decided to get into cement business in 2001 with our operations commencing in 2004, the industry dynamics in Northeast then were completely different than what it is today. Because practically cement industry was then absent in Northeast, the incentives that were present at that point of time from the Centre and as well as State definitely incentivised a lot of people to consider and evaluate Northeast region to set up cement capacities, including us. But now, as this industry is already at a developed stage in Northeast, there are no more similar incentivisation packages by the government to put up a cement plant there. The only benefit now, to my immediate recollect, is from the Assam State Government and that too is limited to benefit of State Goods and Services Tax (SGST). Moreover, with the Goods and Services (GST) Tax on cement now being rationalised to 18%

from earlier rates of 28%, this benefit has also automatically reduced by 10%, though the timeframe to avail this benefit has naturally increased.

- As far as my thoughts are concerned, whether a promoter should consider capex in Northeast or any other region driven by subsidies or incentive benefits, I would say that these benefits can motivate a promoter to a certain extent but it cannot be the sole driver. The potential of the market and other core dynamics (like already installed capacities in itself) are much larger fundamental drivers for promoters to evaluate capex in any region. So, for example, today the Jaisalmer belt in Rajasthan has suddenly emerged as an upcoming cement belt in the North region and this is just not because of the several incentives and subsidies like Capital subsidy and Royalty benefits that are being offered there by the State, but this is more because of simple fact that north India in itself is a very large cement market and this is an unexplored area within that belt which has tremendous quantum of limestone reserves. The Jaisalmer belt, mind you, is also an equally tough belt to operate because of its difficult terrain, extreme weather conditions and it is also very close to our country's borderline with Pakistan. But given the kind of benefits that are being offered to be in this region, for any industry promoter who has reasonable pockets, they would naturally be motivated and inclined to consider this belt for their future capex, be it a promoter of an existing cement company which is already present in North and running out of its limestone reserves at its other existing northern sites or be it for a promoter, who wants to debut in this region, or for that matter, even for promoter who is a newcomer to the Indian cement industry. So, in my view, though the decision for capex for a promoter is a mix of both aspects, subsidy-cum-incentive benefits and the overall market potential, but the latter aspect would prioritise over the former for sure.

Q. With the reduction of GST on cement from 28% to 18%, can you quantify the loss of benefit in Northeast markets? Should this rate reduction also disincentivise further capex in Northeast region in your view? Also, at an industry-level do you see any incremental risks to existing benefits that are currently being offered by State or Central governments to the Indian cement industry?

- Like I said, most of the benefits in Northeast region are now limited to cement sales in state of Assam. In our case, we have a loss of benefit of nearly Rs200/tonne on an overall basis, which is obviously quite substantial a number. Though our overall loss is about Rs350/tonne but because we sell only about 45-50% of our produce in Assam this translates to nearly Rs200/tonne loss to us.
- For any cement manufacturer, the GST rate reduction should naturally be a demotivator to consider capex in Northeast, especially for those who are planning to be newcomers to this region simply because if they are planning a Northeast entry with a cement plant setup in Northeast, they are definitely not going to sell whole of their production in Assam. Their sales in Assam would

be limited to say, at best, 40-50% of their overall produce. Thus, from this perspective, I think, it is a matter for any promoter to evaluate for themselves whether the subsidy or incentive benefit of Rs300/tonne is really a motivation factor for them to go ahead with their Northeast plans keeping in perspective the challenges that continues to exist in this region to operate a cement plant.

- At an industry-level, I think, though the existing benefits offered by State and Centre are not at any significant risks, but as far as risks to future possible incentives and subsidies are concerned, definitely it has increased. The incremental benefits that would be offered by the State and Centre to Indian cement industry would naturally reduce directionally and structurally for two simple reasons: **1.** The cement industry across almost all parts of the country is now well developed, **2.** The governments (at both, Centre as well as State-level) would want to protect their cash flows with the cement GST being rationalised to 18% especially because cement has always been one of the major contributors to government's tax revenue kitty.

Q. What you are saying seems fundamentally correct but still Northeast seems to be attracting more players from the mainland to setup capacities. How do you read these developments and does it worry you? Do you also see this as a structural risk to your existing competitive advantage in Northeast?

- Of course, operating margins in Northeast are still better off than the mainland and I think these higher margins are the primary source of inspiration for increased presence of mainland players in Northeast. But more importantly, like I said, I also think, it is important for mainland players who are considering their setup in Northeast region to evaluate the challenges that are present here. The effort that goes into setting up cement plant operations in Northeast is significantly more than in setting plants anywhere else in the mainland. The local challenges here are plenty and it includes: **1. Terrain challenges** – it's a hilly terrain especially so in

those belts where cement plants could be setup **2. Land acquisition challenges** – Buying land in Northeast is far more difficult than buying land elsewhere because of its local issues, **3. Environmental challenges** – Most of the belts in Northeast forms part of green belt region and from this perspective, getting an Environmental Clearance (EC) is also not a very simple process **4. Market-oriented challenges** – one of the biggest challenges in Northeast is the market itself because it is still pretty small in terms of size, despite the fact that it is a growing market. **5. Last but not the least, Logistical challenges in the Northeast:** Limited rail connectivity across large parts of the region results in a heavy dependence on road transportation for cement

movement. This reliance on road logistics is further exacerbated by frequent natural calamities such as landslides and floods, leading to supply disruptions, higher transit risk, and increased logistics costs. Thus, most of the good large players, relative to their existing size and scale of current operations, need to evaluate for themselves as to what is the overall size of the game that they can play in the Northeast region because, even over the next 3-5 years,

“The effort that goes into setting up cement plant operations in Northeast is significantly more than in setting plants anywhere else in the mainland”

they definitely cannot play a large 5-million or 10-million tonne game here like they can play in North or South India.

- For time being, let us say, a cement manufacturer gets a mine in Northeast belt and they want to setup a plant, and let us also assume that they are successful in setting up the plant, the challenges here are still not over because it is also not really easy to ramp-up utilisation levels that quickly in Northeast, they move very slowly relative to any other market. *In simple words, to ramp-up capacity utilisations here in itself is one of the biggest challenges.* The slow ramp-up of their greenfield will also eventually disallow and demotivate them to consider a brownfield potential of new clinker-lines at their existing Northeast sites in future. Thus, despite better and higher profit margins, players who want to enter the Northeast region with a capacity setup must evaluate for themselves as to what would be their overall ROCE and are they really ready for similar ROCE on their Northeast investments like they make in the mainland, because if you really do the math, a new player in Northeast would broadly make similar ROCE like they make for themselves in the mainland.

Q. At PhillipCapital, through our GV platform we have also covered the Northeast cement industry in reasonable depth in December 2015 ([Click here](#) to read). When I visited the market, I was surprised to note that more than 20 brands were existent in this region, despite this being such a small market in terms of size. From this perspective, do you see consolidation possibilities in Northeast markets, something probably that even mainland players could capitalise upon to make their mark in this region, just like Dalmia Bharat did?

- What you say is fundamentally correct, but you must also note that all such players that you are referring here are small in terms of size and scale, and moreover, many of these players operate in the Northeast region only with grinding capacities. They depend on us or other integrated players for their clinker needs. In fact, even the global giant, LafargeHolcim Bangladesh, has not yet setup a clinker capacity in Northeast – though they have a mine in Meghalaya, they transport crushed limestone on conveyor belts from their mines to their clinker plant in Bangladesh.
- To your question whether those so many Northeast small manufacturers are willing to sell, at present *probably 'No'*, because profit margins in Northeast markets remain reasonably good. If large players like us are earning say Rs 'X', they at least earn X/2. But as time passes by, eventually at a certain stage, it is possible that the competition within Northeast intensifies and there may be a pressure for them to reconsider (their decision to sell themselves).

Q. Stretching a bit more on number of brands that currently exist in Northeast markets, lately in the recent past years, I gather a feedback that a number of brands in mainland India, even from far-off geographies, they also now supply cement to Northeast – does this worry you?

- Yes, that's correct but, it is a very on and off kind of a situation there. Most of these supplies from mainland to Northeast happen on consignment basis and, in season times, railway rake availability becomes a major issue. But yes, the inflow does happen at times.
- Many mainland players have intermittently been dumping their excess production in Northeast markets and this is across many of

the leading mainland brands. This happens especially when these mainland players are not getting their desired price in their home markets.

- We must also not forget that the customer service (includes the technical service aspect) quotient in cement industry is of prime importance to any cement company to well establish a deep penetration of sales and distribution network. Players like us and Dalmia Bharat spend loads to ensure that we have our customer service setup in Northeast and which also thus implies that our sales and distribution network is much deeply penetrated than our mainland peers.

Q. Among the top two leaders of Northeast, as in, Star Cement and Dalmia Bharat, what would you like to say about your company's positioning vs. them?

- In terms of size, both of us would be quite similar and broadly the same in terms of clinker and as well as cement grinding capacities in Northeast (if you also consider our upcoming 2 million tonnes p.a. Silchar cement grinding unit which is scheduled to be commissioned in Q4FY26 and with which we would nearly touch 8 million tonnes p.a. capacity in Northeast), and if you also consider our Siliguri unit grinding capacity which we also serve through our Northeast clinker unit, you can say that we are the clear capacity leaders.
- Likewise, is also the case in terms of our sales. At present, Dalmia Bharat is our close second and it is really not a big gap, and in terms of our market-shares, maybe, we are just a couple of percentage points apart (or even less) from each other. Our key distinguishing factor is that Dalmia Bharat is higher in the non-trade segment sales and because we are more of a trade-sales focused organisation, we are 18-20% higher than them in the trade segment.

Q. Your trade-focus answer has reminded me to ask you about your thoughts behind the brand 'Star Cement'. I also ask this specifically because personally, I am not a great believer in many of those so-called premium brands that exist in the Indian cement industry but I am as well aware that this is not true for 'Star Cement'. Star Cement, as I gather from my ground-checks, has made a firm footprint on branding front in the marketplace and quite coincidentally, likewise is also the case with Century Plyboards. Do you know the philosophy at Group-level and what's the promoter-group thought-process that has gone behind establishing your Group's brands so firmly in almost all markets that you serve?

- I would just say that the whole credit for success of our branding initiatives can directly be attributed to one member of our promoter-group – *Mr Sanjay Agarwal*. Sanjay Uncle, like I have said earlier too, he is a Sales & Marketing genius and the architect of our Group's branding initiatives in all our businesses. He is also the one who has laid the foundation of our wide and deeply penetrated sales and distribution networks across our businesses. His focus has always been to offer our customers an unparalleled high-quality product and he just can't tolerate any compromise with our quality standards. Because you have visited Northeast markets in person, I am sure many of our distributors would have told you that when a customer walks in at our retail counters, he would come to the shop and just say '*4 bags Star de dena*' (implies give me 4 bags of Star Cement). Our customers won't even add the word '*Cement*'

along with 'Star' in Northeast because the word 'Star' itself in Northeast is synonymous to our product 'Cement' and to do this in a market where there are easily over 20 brands is simply commendable! Like you also said in your question itself, likewise is also the case with our sister-concern Century Plyboards because there too the brand 'Century' in itself is good enough to sell our entire product range that we offer through Century Plyboards. Establishing our Brands well in the marketplace has been one of our core success factors and as we grow into newer markets too, I really don't want to compromise on our brand value.

- As far as our brand-creation philosophy at the Group-level is concerned, we have always spent much higher on *Marketing* if you compared to any of our peers. But more important than spending the money, I think, is the thought-process here of our promoter-group members. They never consider these expenses as an expense in its real sense but rather an '*Investment*' that would always be helpful and something that will help them to shape the future of all our companies at the Group-level. Our investments in our marketing & branding initiatives and the money that goes into building our sales and distribution networks has only helped us in the marketplace by way of creating a better demand of our products by our channel partners and thereby, by our consumers as well.

Q. Coincidentally, as far as considering marketing expenses being considered as an 'Investment' instead of expenditure is concerned, I got exactly the same answer from Mr Ajay Kumar Saraogi (Deputy Managing Director and Chief Finance Officer, JK Cement Limited) too when I interviewed him on 17th May 2024 for v.5.0 of our Supply-Chain Thesis and you have only repeated his words as it is, I think. Like Star Cement, JK Cement has also done pretty well on branding front especially since their NextGen took charge. But given the conservative approach of your promoter-group members, how would you like to justify this approach and relate it to their psychology of not bothering to spend higher on branding initiatives?

- Well, when I say that our promoter-group members belong to a conservative approach and thought-process that doesn't mean that they would ever, in any way, whatsoever, curtail business expenses at the cost of our business potential. Their conservative thought-process adaption is backed by the idea of having a great proportion happiness in their lives and in whatever they do. When I say that we always want to be conservative, it just implies that we will only do those things that we can afford to do. We just don't want to do everything in our lives by taking any unnecessary business decisions or something that would lead us to overstretching ourselves with debt-burden and subsequently make us end to face any unwanted troubles.
- You must know that our promoters have created our empire right from scratch and they have been together since 1982 when they decided to do a business together at Century Plyboards, our Group's first key establishment. Since then, they all had decided that they want to be realistic in whatever they do and that they won't get carried away observing others or with what is being said to them. Though we are always open for constructive feedback and to even hear our critics because that is where we also learn, but let's say, if our competition is adding capacity, we won't fall in the '*mirroring-culture*' trap – a term that you have been using quite regularly in your Supply-Chain Thesis to define the culture imbibed

in many companies in the Indian cement industry. In the Indian cement industry itself there are umpteen examples of failures, only because, promoters of those companies overstretched, but, we are quite cognizant that we won't do this mistake ever. Our Group's core thought-process is to be a sustainable Group in the long term, but more importantly, a Group where our people are happy with our business. In simple terms, we give higher weightage to be '*happy*' in our lives than our growth quotient.

Q. Well said! This makes it quite clear that you would never want to take any unnecessary business decisions with unrealistic growth plans. But given Star Cement's very strong brand recall and to capitalise on this aspect, any plans to get into any of allied business-segments that are related to cement?

- Yes. Like you know, in June 2025, we have already entered the Autoclaved Aerated Concrete (AAC) blocks space through Star Cement's subsidiary Star Smart Building Solutions and the manufacturing setup is based at Sonapur, Assam. Likewise, we have also entered the construction chemicals space and, just about two weeks ago, we began operations with the Ready-Mix Concrete space (RMC) with our first RMC plant on job-contract basis at Guwahati, Assam. We plan to have another 8-9 RMC units across Northeast in foreseeable future and at this stage, there are no other allied products in pipeline at Star Cement.

Q. With this, let us talk about Star Cement's organic growth plans. Star Cement has acquired limestone mines in Rajasthan at different locations. What are your future plans for the northern markets?

- Yes, that's correct. But before I elaborate on our organic growth plans, I must again remind you that we are a relatively small company in the industry and given the conservative-approach of our promoter-group members they are thoroughly conscious that any of their growth plans, be it organic or even inorganic, it should not pressurise us or make us go overboard. Having said so, for now, we are thinking mainly of our growth through organic route though, being in the industry, we do keep evaluating inorganic opportunities too as and when they come our way.
- In Rajasthan (North India), through the auction route, we have acquired limestone mines in Nimbol and Jaisalmer belts and they have approximate reserves of 90 and 270 million tonnes, respectively. These mines are now already in place and we are now trying to acquire a few more mines in the nearby areas too. We would initially enter north markets with our plant setup at Nimbol and our plans are to keep growing there with a follow-on project at Jaisalmer. The reason to prioritise Nimbol is simply because this belt is placed in central Rajasthan around the Beawar district. Thus, choosing Nimbol naturally helps to setup our initial footprint in north markets logistically. Once we establish ourselves, set our distribution setup and establish our dealer network and once we feel comfortable with the north market dynamics, we would go ahead with the Jaisalmer project, which is likely to be a much larger project like say, about 7 million tonnes p.a. capacity setup.
- Our initial setup at Nimbol will be like a 2.5 million tonnes p.a. clinker capacity setup with 2 million tonnes p.a. cement grinding capacity at mother site with another 2 million tonnes p.a. of split-grinding unit, which would be towards the states of Haryana or Punjab. So, on an overall basis, our initial entry into north India will

be with about 4 million tonnes capacity setup. As far as our progress on these plans is concerned, presently we have broadly finalised the land area and we have already begun our land acquisition process. Acquiring land here is also not an issue because there is enough quantum of government and charred land which is available there. In another 6-7 months from now, I think we should have the required land in place with us and in the subsequent 3-4 months, we would also initiate the EC process. Thus, in a year's timeframe from now, I am hopeful of having the required land and EC to enable us begin constructing our plant in the following dry season.

Q. How do you see ramp-up of your capacity utilisation in north and what would be your brand-positioning strategy there, especially given that you would be a new comer and it has well-established incumbents. Would you be in a hurry to scale up utilisations quickly or would you be patient enough for a slow and steady entry by not disturbing market dynamics? Also, do you expect that the setup of Century Plyboards' distribution network in North will help you scale-up utilisations much quicker?

- As far as the distribution setup of Century Plyboards is concerned, I don't think that will be of any significant great help or something that would help us to grow naturally for a simple reason that it is completely a different kind of a business and distribution setup though it also belongs to the *Building Materials* segment. But, we will definitely try to figure out some synergies but I am not backing myself with this thought-process in any way.
- I think, the capacity that we are planning to set up is just about 4 million tonnes p.a. in the initial stage, and this size is not significant relative to the overall large size of north markets. Thus, as I see, our small capacity size in itself would help us initially and it won't be tough for us to find our space there. I don't anticipate a need for us to push our cement to sell it and to gain some market-share there. Having said so, though in the initial stage, there could definitely be some kind of natural push to establish ourselves, but as a promoter, I am not in a hurry. My mindset is to utilise our initial north capacity fully over the next 4-5 years, once it is commissioned. We would target 35-40% utilisations in first year of operations, with a ramp up of another 10-15% in forthcoming years, each year, for the next 3-4 years. Our slow and steady ramp-up strategy would in itself ensure that our brand has a recall in north India's dealer network and, in the long-term, we would also not like to dilute our profitability standards as compared to what would then exist there with its leading manufacturers.

Q. So what's your medium to long-term vision for north markets?

- Given our reasonably low capacity base vs. the size of the Indian cement industry and many of its well-known or reputed manufacturers and given the kind of balance sheet support that I have for now, my current vision over the next 5-years or let us say, my 2030 vision is to grow Star Cement at least 1.5-2x our existing capacity, which translates to nearly 15-20% average growth for us, every year for the next 5-years.
- Once our capacity base increases, our percentage growth may obviously taper down a bit but, I think, we would still keep growing. If you ask me my 8-year vision from today, in North itself, I think we would definitely have a 10 million tonnes p.a. kind of a capacity setup.

- Like I just said, our initial 4 million tonnes p.a. plant in North based at Nimbol will take 2-3 years from today to commission and, once commissioned, we plan to utilise it fully over a period 5-years. But during these 5-years, once we start seeing that our utilisation ramp-up is for real, simultaneously, we would start progressing with our organic growth plans at Jaisalmer by beginning the process of land acquisition, getting the mining lease and EC. Though I currently expect that our Jaisalmer site should start production operations by 2032, but I am quite clear in my mind that because this site has a large clinker capacity potential, something that can support 5-6 million tonnes p.a. of cement grinding, we will go all hog there only once we see some stability with our Nimbol operations because otherwise we would not have the comfort and bandwidth for such a large project in a new market. Having said all this, a lot obviously also depends upon how the broader macro dynamics at an industry level pan out. What I have discussed with you is as to what are my plans at this stage and how I would want to see our growth at Star Cement in visible future, but, as a promoter, I think, I should be agile enough to keep a watch on industry's demand-curve too and re-evaluate my plans, if there is a feeling or a need to do so at any stage.'



Q. Any simultaneous organic growth plans for your current markets in Northeast and East India?

- Yes, over and above the North entry which is altogether a new market for us, we also have firm plans on our organic growth front in our existing Northeast and East markets. Very soon, once our Silchar grinding unit commissions in Q4FY26, we would see our total installed capacity increased from present currently 7.7 million tonnes p.a. to nearly 10 million tonnes p.a. and I think in another 4-5 years from now, within Northeast and East itself, we should touch 16-17 million tonnes p.a. capacity mark at Star Cement because over the next 5-years we plan to build another 4 million tonnes p.a. cement capacity in Northeast and a 2 million tonnes p.a. cement grinding unit in East. As we already currently have sufficient excess cement capacity in Northeast, we are really not in a hurry to grow there but we can announce an East-based grinding unit soon at Begusarai, Bihar and in fact, we have already identified the required plot there.
- Our current clinker unit in Northeast is based at Lumshnong, Meghalaya and we are now preparing ourselves to put up another clinker plant at Umrangso, Assam. We have already won limestone

mines through the auction-route and they have reserves of approximately 190 million tonnes. Over and above royalty payments, the premium that we would be paying here would be approximately 58% of reserve price set by Indian Bureau of Mines (IBM) for Assam and obviously this seems quite reasonable vs. the premiums at which mines have been acquired elsewhere across the country. Because the process of land acquisition here is not that tough, as it is overlooked by the District Committee, we have also acquired the required land for both, our proposed plant and as well as the mines. This proposed site can easily support us with an expansion of say around 7-8 million tonnes p.a. kind of a clinker capacity setup and it would help us trigger our next phase of growth in Northeast. We just have to apply for the EC and once that is in place, we can start our construction. Thus, for us, this can also be a much faster execution too vs. our North plans with our proposed greenfield Rajasthan-based plants.

Q. Well that clearly outlines your organic growth plans. Let us talk a bit about your inorganic strategy too. Not far in the recent past, there were a few rumours going around that you are actively scouting for capacities in south India. How would you respond?

- We do keep evaluating inorganic growth opportunities too but clearly, because we have very clear organic opportunities for us in place, at least for the next few years our focus area would be more organic growth than to adapt the inorganic route. Regards the rumours that you are referring to of we acquiring something in south India, let me clarify you that we don't have any interest in south markets at the moment, though I can really not say if this can change at some stage in future.
- Our thought-process at the promoter-group level is to do a good job in one area and if we are able to do so, it is more than enough for us. At promoter-group level, we are conscious enough that if we scatter ourselves too much to different belts across the country and given that we are too thin, we would only end up taking our overall cost curve northwards. Because we have already firmed up our plans for north India through Rajasthan, we have dropped our plans of entering south India. We have a decent trajectory of organic growth visible to us and whatever profits and cashflows that we are generating will be used to support our organic growth plans. Nutshell, given our scale of operations, I don't see great scale of inorganic opportunities that fits our growth plans in near-to-medium term future.

Q. You recently indicated in Star Cement's Q1FY26 call that the company is open to consider a Qualified Institutional Placement (QIP) to investors to raise funds. Why do you feel this need?

- Yes, that's true but a fund-raiser is not something that we have already firmed up plans for and we are still in the evaluation stage before we firm up on this front.

Q. Star Cement's earnings have been healthiest in the industry throughout but from the perspective that after entering north markets, your overall profit matrices may also dilute, what levels of dilution do you foresee in your profitability or EBITDA/tonne and where do you see it sustaining once you enter north India?

- I think that in the long run, profitability margins in the mainland should also improve and it has already improved in many parts of the mainland. To my knowledge, operating margins or

EBITDA/tonne in Rajasthan is already at Rs 1,300-1,500 levels and these are reasonably high and decent margins. Moreover, at an industry-level, with industry's newer expansion plans getting on stream and with the kind of capex that is being deployed by various industry players to grow themselves, I think, it would be a necessity for the industry at-large too that operating profit margins at an overall industry level improves further. From this perspective, at Star Cement too, I don't see our overall margins getting diluted substantially from our current levels despite our entry into the mainland. Having said so, obviously at the entry-stage when costs are high initially, there will be some additional hit to our fixed cost at an overall business-level and unless we achieve a reasonable economy of scale in our newer regions like north India, our margins may have some temporary impact. But in the long run, I am quite confident that our overall margins won't get diluted materially from current levels and thus, even on a diluted weighted average basis, if they don't improve further, it should at least sustain at similar levels like currently of Rs1,300-1,500 EBITDA/tonne.

Q. Point well taken. As you may have as well noticed, at industry-level, almost everyone has large capex plans across regions and everyone within the industry seems growing either organically or inorganically. From the perspective of the kind of consolidation the Indian cement industry has witnessed in the recent past, as a promoter, does it ever worry you that despite your growth plans, you would remain quite meagre in terms of size relative to the overall industry and do you see Star Cement as well being a consolidation target by industry majors?

- No, not at all! Let me answer your last question first. First and foremost, our promoter-group comfortably holds well above 51% stake in Star Cement and so from that perspective, we are in a very comfortable position.
- Despite adapting a conservative approach, we are doubling our capacity over the next 5-years and with this kind of a growth, we are more than satisfied! At the promoter-group level, all of us are absolutely clear and pretty sure in our respective thought-processes that let us venture out only with those things that we can afford.
- In the Northeast, we are already the market leader. We must understand that cement is a very capital-intensive play and not something like you see in startup space where you can scale up from 0 to 100 in a very short span of time. Given this capital-intensive nature of cement business, earnings growth is directly a function of the size of the pocket for any cement manufacturer. Having said this, it must be appreciated that we are among the fastest growing companies and we have scaled up from 4 million tonnes p.a. capacity to almost now 8 million tonnes p.a. in Northeast and 2 million tonnes in North Bengal over the last 5-years and we have firm growth plans in place which would help us scale to 18-20 million p.a. capacity mark over next 5-years. So, even from this perspective when you would evaluate us, you would yourself be able to imagine that despite being relatively a smaller player in the industry, we have our own unique competitive advantages.

Q. Like I said at the beginning of this interview, I wanted to conduct this interview with you especially because I found you among the best in the batch of industry's NextGen promoters. You are not

afraid of taking bold and aggressive decisions in terms of course correction which is very important, as I see. Would you too agree that being bold and aggressive is one of the key requisite qualities for any promoter in the Indian cement industry to taste success?

- I think more than the ability of being 'Bold' and 'Aggressive' for any promoter in Indian cement industry, it is more important for a promoter to be 'Agile' and 'Flexible'. One also has to be introspective and needs to have the courage to acknowledge his or her own wrong decisions so that, sooner than later, he or she can course correct.

Q. Well what you said is 100% correct and this is exactly why I have titled v.5.0. of my Supply-Chain Thesis as 'Introspection & Acknowledgement' by the Indian cement industry. At PhillipCapital, we have been publishing articles on this subject right since 2019 and we have been sharing our articles with many people in the industry too, especially industry promoters. Since this time, many of these industry promoters have eventually also became a guide and a mentor to me to help me to go deep and discover more. In fact, one such guide and mentor and someone who has whole-heartedly always appreciated our articles in this series is none other person than your *Tauji* himself. You too having seen all my articles, I would now like to know your thoughts on this subject?

- Yes, I do agree that on outward Supply-Chain front, especially on *Sales & Marketing* and *Logistics* front, which is an area that you too have focused upon in your thesis articles, definitely there are practices within the industry which though may mean the best for the company to achieve their sales volume targets, it spoils profit margin profile and thus the overall game of pushing sales by indulging in ground-level inefficiencies turns out to be quite detrimental. There is definitely a need to correct certain practices and it is collectively up to the industry, especially the industry leaders, to take a plunge and decide as to what can be those methods that can be perfected and utilized. The smaller industry players will always follow the lead and practices of larger industry leaders.

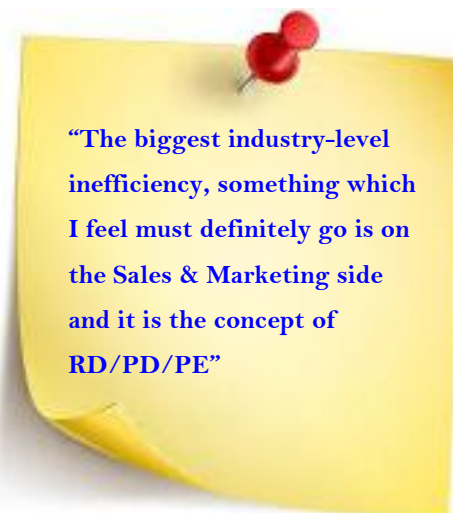
Q. Another argument that I have consistently been talking about is that production-level or plant-level efficiencies would incrementally play a very limited role in helping a cement company improve its operating profit profile and the incremental gains here would really be very limited. Moreover, every cement company is already doing its best possible to optimise plant operations and thus, sooner or later, everyone in the industry would come at par as far as plant efficiencies are concerned. Thus, the incremental material gains to help improve profit margins has to come from the market and this would only happen when the industry works on to improve ground-level inefficiencies. Your thoughts?

- Yes, I fully agree! What earlier was a secret sauce to one company, especially when it comes to production-level knowledge, this recipe is now widely available to all cement companies and because they too now know how to prepare this sauce, what was a secret earlier has turned out to be a common knowledge for everyone in this industry. Having said so, of course there will always be a difference between an old plant and a new plant but that difference would be very marginal in the overall scheme of things.

Beyond how one places a cement plant, which is a variable to define freight costs, the key variable that moves the earnings needle is cement pricing and, on this note, like you have too correctly pointed out in your articles, industry's Sales & Marketing and Logistic verticals in many companies work hand-in-hand.

Q. An industry-level inefficiency which you think is a complete avoid?

- The biggest industry-level inefficiency, something which I feel must definitely go is on the *Sales & Marketing* side and it is the concept of 'RD/PD/PE' (*Rate Difference / Price Discounts / Price*



Equalisation). I am not at all in favour of this practice because this leads to complete lack of transparency in cement pricing in the marketplace and results in huge amounts of cement price undercutting. Cement is not a business where ROCE is very high. It is just 10-12% ROCE game! So, unless transparency doesn't come in cement pricing, the business of selling cement almost becomes like a zero-sum game where we keep cutting our cement prices to the lowest possible level to sell our produce and this is not at all really required.

- Because of our unique competitive advantages, our returns are a little superior to our industry peers but at an industry-level, there is no justification available to anyone as to why returns in this industry are so poor. Let me also tell you that setting up a cement plant is much tougher than setting up any other manufacturing setup. The efforts go into acquiring mines, buying land, getting the mining lease, getting an EC, sorting local issues and finally then setting up the plant itself, it is quite a herculean task. Moreover, despite cement business being largely a local business, there is also always a nervousness with geopolitical risks that leads to currency volatility and which is something that directly impacts industry's fuel cost - *one of the most critical cost components*. With this kind of a struggle, why should ROCE in this business be anything less than 13-14%? - *it is as simple a question as it can be!*

Q. Though the brand 'Star Cement' is definitely a better positioned brand, in my articles, I have also argued that this concept of premium brands in itself is the biggest cover for industry's ground teams to hide their inefficient ground-level practices. Your say?

- Well, our brand is definitely well-positioned without a doubt and because I am yet too new to the overall Indian cement industry and

because I haven't yet had any great experience in markets outside of Northeast in that great depth, at the current juncture, I think it would be difficult for me to give you my views on this.

Q. I see UltraTech Cement as industry's undisputed leader on ground vigilance front and for that matter, even at Adani Group, given the kind of ground-level inefficiencies they inherited for themselves in their cement business with so many acquisitions of highly ground-inefficient companies, they have already tried hard and they still continue to try very hard to get rid of their imbibed inefficiencies. Do you think when industry leaders like them lead on ground efficiency front, it would automatically encourage the whole industry to be better ground efficient?

- Yes, definitely! If our leaders like UltraTech Cement Limited and Ambuja Cements turn up as industry's torchbearer with correct ground-level business practices, it would help the whole industry and it would definitely accelerate the pace of industry's operating margin improvement journey. In fact, I, and even all other members in our promoter-group have very high regards for the processes that UltraTech Cement Limited follow at their end. They are extremely vigilant about their ground practices, and this is something which has actually laid the foundation of their brand '*UltraTech Cement*' as industry's most respected brand.
- Likewise, Adani Group is also consistently trying very hard even today to take control of their ground practices. When they entered, within just a few days, they tried to get rid of extremely damaging ground-level concepts like *RD/PD/PE*, concepts which existed in the industry for many long years and concepts, which even today, essentially drive the whole of ground-level inefficiencies.
- As you may also be well aware, there is a lot of *hearsay* in this industry. Thus, when leaders like Ambuja Cements try to get rid of such large industry-level ground inefficiency, it is only a matter of time that it becomes a point of discussion at an industry level too. The attention of all promoters and senior managements automatically gets attracted to such topics when leaders like Ambuja Cements or UltraTech Cement Limited take a lead for anything. I am also aware that you have been raising the red flag on this. So, when experienced analysts like you raise a point and when industry leaders too start acting on such thoughts, in a matter of time, it sparks an industry-level brainstorming exercise to evaluate what can be done to overcome such damaging practices and likewise, it's ill effects.

Q. So if you believe that it is ground-level efficiencies or inefficiencies that decide the path of cement pricing, would you also agree that cement pricing ultimately is not a function of any cartel and it is market-level discipline with ground practices that ultimately defines its directional-course?

- Absolutely, that's a given! What ultimately matters the most as far as trajectory of cement pricing for any company is concerned is the discipline they practice for themselves at the ground level. Eventually, when the whole industry becomes better disciplined and reduce their price-undercutting and discounting practices like they currently do to sell volumes, cement pricing trajectory will automatically improve. In fact, this relates back to what we actually did at Star Cement and this is exactly what has happened in our case too. We have been able to command our brand-premiums in real sense for our brand '*Star Cement*' simply because we keep a

constant watch on undercutting and discounting of our brand in the marketplace and because we attempt to be better disciplined in our own approach, we have been able to see better price realisation than our peers and this is also one of the key reasons for firmness and sustainability of our healthy profit levels.

Q. To these kind of efficiency improvements, do you think that the industry needs fresh talent and more people like you or do you think this is possible even if the existing industry at-large revisits its traditional thought-processes?

- Well, on this front, I think everyone in the Indian cement industry is currently just playing a valuation game and this is why all of us keep setting new capacities. Because everyone sees the industry being valued on per tonne (of capacity) basis, when the size of their company's capacity increases, they expect their market valuation to also increase in equal proportions or for that matter, *even disproportionately*. It is often forgotten by people within industry-circles that once their new capacities are set and if their distribution networks are not capable enough to sell their extra produce, they would end up pressuring their distribution teams to sell whatever they produce and this is exactly where all kinds of ground-level inefficiencies take birth.
- So now, the whole point boils down to how one optimises operating profit margin coupled with volume maximization. I think that there is a need to understand by everyone in the Indian cement industry that absolute operating profit or EBITDA is a function of volumes (X) margin and the weightage of margin in this equation is disproportionately much higher than volumes. Because $\text{EBITDA margin} = \text{cement price} (-) \text{operating costs}$ and because industry's control on internal costs is very limited, the profit margin delta can largely only come from market price of cement. With cement demand being finite and price inelastic, market prices of cement can improve only when the industry at-large optimises their volume agendas to maximize market price realisations. Let us take again our example here – in our case, we have seen our capacity substantially increasing over the last 18-months and despite our increasing size of capacity, we have not really diluted our operating margin, rather our margin has as well also only improved with increase in our capacity. Our profit margin improvement, to a great extent, is also not really backed by increase in our subsidies or incentives. So, how did we make this possible? - This is because at management level, we made a conscious call that beyond increasing our volumes, we also have to simultaneously work upon increasing our market realisation and better optimise our profit margins in-line to our incremental capital outlay towards our capex. Resultantly, by focusing on internal matters and internal-level selling practices, for our brands in particular, we have experienced price increases over the 1-year or so.

Q. I recollect you mentioning me earlier that you did a lot of changes to your team and made some newcomers (which would include a few fresh talents for sure too) join your teams. Can you tell how were your experiences with these newcomers?

- The foundation of my belief to get new people was that if I bring in good people, good work automatically happens. So, for example, when our new and fresh talent joined our existing production teams at our plants, they figured out a lot of areas and different

plant-level parameters where they work upon and where they can incrementally contribute. Like say, they helped us improve our Alternate Fuel Resources (AFR) usage, reduce heat rate, improve clinker factor, reduce power consumption, etc. Likewise, even on the Sales function, after I joined, the whole thought-process in our organisation converged to maximize our Net Cement Realisation (NCR) and this really helped us increase our profitability. Our new sales talent helped us identify those areas or markets where we would like to sell and where we would want to avoid our sales because they rigorously evaluated how much time, money, manpower efforts and branding costs we were earlier incurring for our sales in different geographies and this also helped us reduce our logistics costs.

- In fact, I would like to share a small memory which you have made me recollect with your question. After our CEO, as in Sanjay Kumar Gupta ji left us and after I took full charge and once I started interacting with the analyst-fraternity after being in business for few months, I remember talking to one of your colleague analysts at a very reputed broking firm. I told him that I see an almost immediate potential to improve our EBITDA by Rs 250/tonne in a couple of quarters. He was taken by shock and he looked so very surprised! He looked back at me and said me, *"You are talking of a 25% margin improvement, it is not easy to do that in the cement industry! Do you even have any plans as to how would you get there or from where would you get this kind of money?"*. But because he looked at our business only from an analyst's perspective, I think, he failed to gauge similar improvement options what I saw being inside my business. I was not trying to do anything extraordinary at Star Cement and I was only trying to plug loopholes and fix our existing problems by finding relevant solutions. Also, because I am a very costing kind of a guy, when I used to compare our company's costing to other companies, I saw several opportunities and a possible potential to improve ourselves on many different and varied business aspects. Obviously, few of such aspects would have fetched us the results almost immediately, say in a month or two and the rest, may be, they would have taken a couple of quarters or even a little longer, but I could clearly see and sense the scope and potential of our improvement and the probability of getting there was very high and thus I made a firm statement to him with a very specific number. I was proven right and in just a couple of quarters, like I said, we saw an EBITDA jump of nearly Rs300/tonne and which has sustained well till date. So, the question here is not whether my fresh talent or my new people helped me, one just needs to have a grip on business and once you get that aspect firmly placed within you, things will start turning favourably almost automatically.

Q. I am sure your new professionals and new teams did a lot of good work for Star Cement and like you said, it reflects in Star Cement's operational performance after you taking charge. Your company has kept us surprising with its operating performance. But beyond professionals, you are also one of the top 4 industry promoters within the batch of NextGen who I see is not afraid of repercussions of tough business decisions. The rest three NextGen promoters apart from you who fall in the same category are Mr Madhavkrishna Singhanian (JK Cement), Mr Karan Adani (Ambuja Cements) and Mr Parth Jindal (JSW Cement). Would you agree that to address systemic inefficiencies that exist in the Indian cement

business, a promoter has to be directly involved in day-to-day business else these systemic inefficiencies would probably never get addressed?

- I think a promoter involvement on a day-to-day basis in business is definitely required in the cement Industry as this industry is not a simple manufacturing process – It has political, environmental and local factors affecting it all the time though I really don't know if only a promoter can only address systemic inefficiencies. I think this industry has very good set of professionals too who are good at their respective jobs and much more capable to work upon various systemic inefficiencies that exist in the Indian cement industry.

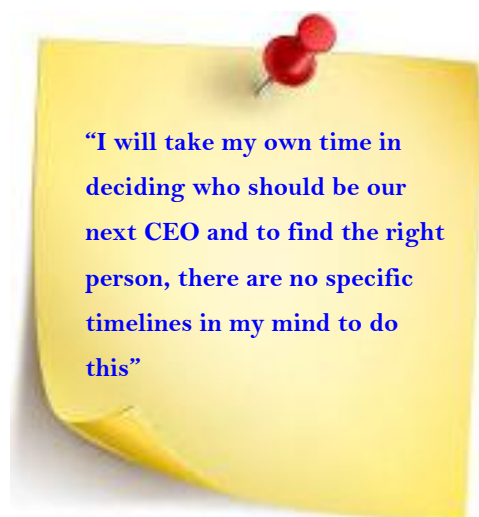
Q. Well, let me ask this question in a more direct way. The systemic inefficiencies that I am referring here are essentially those several ground-level inefficiencies. After the exit of your earlier CEO - Mr Sanjay Kumar Gupta with a gap of nearly 16 months, you appointed Mr Vinit Kumar Tiwari as Star Cement's next CEO in May 2023, but he too resigned and moved out very quickly from your system in just about 17-months (in October 2024). I have two questions here: 1. It is extremely uncommon for a CEO to step down in such short tenure. What do you think led to his resignation? and 2. Since the time you have taken charge, we have been quite appreciative of the efforts that you are putting in at Star Cement as its NextGen promoter and we have highlighted this in our write-ups for Star Cement too. I also remember, one day, Mr Vinit Kumar Tiwari did express me some reservations about our thoughts of promoters taking charge of day-to-day business and he thought business should be left to professionals. So somewhere, though I was able to connect the dots in my mind as to what must have led to his departure so early, I want to hear from you as to what really went wrong?

- I think, when we are in business, we make certain calls and overtime we realise that those calls aren't mutually working out. With every passing day at my family business, I also realised that the needs of a business keep changing as the business evolves. Thus, a CEO or Managing Director is definitely required to understand the changing needs of the business and to help the business take the next big leap.
- Whenever a candidate is hired, the hirer and candidate both have to agree mutually for the hiring to be completed and as they start working together, both parties try to make the best decision based on their interactions, best judgement and their then existing situations. Sometimes these decisions work out and sometimes they don't. For the time that Vinit Kumar Tiwari ji spent at Star Cement, I think, he had done a good job and he had good plans in place for the company and that's what I currently remember about him.

Q. Well, I got my answer and I must say that's a very smart answer to a tough question. Your answer in itself, I think, speak a lot about your persona and operating results at Star Cement simultaneously prove your capabilities. Moving further, because you are now the Deputy Managing Director of Star Cement apart from being its NextGen promoter and because you are already now fully involved in your business, would you still be searching for a CEO to look after your day-to-day business operations?

- Given the kind of capex that we need to do for our business, we definitely do need a CEO, no second thought about that and I am

definitely in search for a person who can be the right fit to fill in our CEO gap but given my recent past experience, I am definitely not in a rush to hire our next CEO. I will take my own time in deciding who should be our next CEO and to find the right person, there are no specific timelines in my mind to do this. Right now, I am purely focusing on creating a strong layer of senior management for the work we already have at hand.



Q. Your guide and mentor among members of your promoter-group?

- I am still quite young and relatively very new to our business, so I don't hesitate ever to consult my seniors. Like we have discussed, all our promoter-group members have quite unique and different kind of skillsets, so I would go to different people depending on the matter that I would want to consult upon. But on a regular basis, I definitely consult my Dad and my *Tauji*.

Q. Something that you have disagreed with your folks in the promoter-group when it comes to business or business decisions?

- Well, it is not really a disagreement in real sense, but many times, I find it difficult to convince them about my thought-process on capacity expansions. Over time, as and when I continue to gain more real-life business experience, I feel my opinions now carry (better) weight in our internal discussions and thus, mostly, we end up convincing each other on major decisions. So, there is really no disagreement as such or something that worries me.

Q. A message from Tushar Prem Bhajanka to his ancestors as NextGen leader of Star Cement?

- My folks have done a very unique job within the Indian cement industry by creating a brand and establishing firm footprints in Northeast India which is an extremely difficult pocket to operate. It is now the time for us to potentially grow in other regions too, other than Northeast. As Star Cement's NextGen leader, I will only like to assure my folks that I will do every bit possible to make this happen and, in this journey, I will like to also assure them that I would protect the legacy they have created. As our Group has always been known by its brands, I will also simultaneously like to ensure them, as we grow further, our brand value would either remain intact or it would only grow even further.

Q. Your best learning from your NextGen brothers and sisters in families of members of your promoter-group? Have they too learned anything from you?

- Well, I can tell you what I have learned from them, if they have learned something from me or not, I think they only can tell you about that (*smiles mischievously*). All of us being quite young and because we all belong to the family of similar thought-processes and given the strong bonding of our older generation, we are broadly quite similar to each other but as far as my character in particular goes, I am more of an intuition and a mental math kind of a guy. I am not someone who will be able to understand something only after seeing some detailed numbers or calculations on a piece of paper or otherwise. Though such an approach has its own perks and benefits but after observing Keshav *Bhaiya*, I think he has made me realise that there is also a benefit in being organised. Such an approach helps better to communicate to people who do not follow the same kind of a mental or intuition-based thought-process. So, among all of my NextGen brothers and sisters, my best learning comes from Keshav *Bhaiya* because he is very well-organised about how he approaches his life. Observing him closely, I have realised that he is quite number based and he doesn't necessarily back his intuition. He is someone who would like to see facts and figures at ground-level before arriving at a decision and in fact he is the one who made me learn the importance of having a hold upon ground-level realities.

Q. A message from your ancestors to you that you always keep in mind when you take a strategic or any material business decision?

- Actually, seeing my restless nature there are a lot of things they say to me (*smiles and continues to answer*) but, one thing, which they definitely always say me is that "*Business is for you and you are not for the business*" so only take so much business tension and stretch your boundaries only to a level where you can manage yourself without getting tensed. I must not do anything which may lead me to end up in an awkward position and I must do only those things in life that leads to *happiness*. Given that they all belong to the same conservative mindset, they all often also advise me that being a bit aggressive as a youngster is good but that should not mean that I would let go things out of control.

Q. Something at Star Cement that you would never like to change?

- The employee-cum-people centricity at our organisation is something that I will always want it to be the same way like it is currently. Our people have a great humanitarian approach, decent amount of kindness and they share a warmth with each other which, I like a lot, I must say. They also well understand the importance of being loyal to their employee and we as owners, in some way or the other, always as well reward their loyalty factor.

Q. Something at Star Cement that you like to change, which you haven't yet changed?

- The basic adaption in our organisation, especially at the lower levels, is a bit slow. I will definitely want it to become a bit faster.

Q. The best thing or best business decisions you have taken at Star Cement in your near 5-year tenure and as well as the worst one?

- I believe no single decision makes or breaks anything, it is always a series of various small decisions that follow a course. *By God's*

grace, since I have joined, I feel that I have broadly been able to make favourable decisions for our company till now.

Q. Your message to Star Cement's public investors?

- My message to them is quite clear that we are highly committed promoters and we are long-term players in the Indian cement industry. I think, our expansion plans, which are about to go into execution stage are also a reassurance to our public investors that we would continue to be a growing cement company and we would also not like our return profile to be compromised in this journey. As I see, our growth roadmap in our recent past is also a solid validation to this argument.

Q. A company other than Star Cement that you admire and why?

- JK Cement has done a really good job with its turnaround in the last 8-9 years and in fact they have done quite well even vs. some of the bigger giants in our industry. Their growth strategy has been nimble and fast, both in terms of capacity growth and as well as in terms of improving their sales and marketing. So, I think JK Cement's story is something that I admire and it makes me ponder that if they were able to pull it off so well, we can also look up to them. To put it differently, my admiration towards them is my inspiration within that our story at Star Cement can also be quite similar, and so, to get there, with every passing day, me and my team should work even harder to improve our industry standing.

Q. Your role model?

- Well, it is not just one person, but I have two role models and this space is definitely occupied by my *Tauji* and my Dad.

Q. A promoter from industry's ancestral fraternity and as well from the NextGen community whom you admire?

- Quite honestly, I have not had many interactions with a lot of promoters in the Indian cement industry because we are not competing with them directly or involved with them in any direct way. But within industry's ancestral fraternity, I really like the way Hari Mohan Bangur *ji* has shaped up Shree Cement. He has of course done one of the most fabulous job in our industry and shown us different kind of efficiency improvement possibilities and innovations which one would normally otherwise see in a multinational (MNC) company. He has in real sense led the whole industry by making us learn the importance of cost effectiveness. Though Shree Cement is not an MNC but a local promoter-driven company, Hari Mohan Bangur *ji* has made us follow his path and I think everyone in the industry would blindly copy and follow whatever inventions he has tried at Shree Cement and this is really admirable!
- Among the NextGen promoters, again of course, after Madhavkrishna Singhania *ji* took charge at JK Cement, he has done a great job there and so I do admire him too.

Q. Apart from Mr Madhavkrishna Singhania, any opinions about the other two NextGen promoters – Mr Karan Adani (Ambuja Cements) or Mr Parth Jindal (JSW Cement) whom I rate among industry's best (with the NextGen batch) along with you and

obviously, Mr Madhavkrishna Singhania? Also, who are your close friends in industry's promoter-circle?

- No, like I said, I haven't yet had any solid interaction with the names that you have mentioned and because I can't relate our business to theirs, so it is really difficult for me to give you an opinion. Regards Madhavkrishna *ji* too, I have closely observed what he has done with JK Cement and moreover, because people like you, who have high regards for him and which you have always told me too with your praise for him, when I correlate all this to what JK Cement has done for itself, I could form a firm opinion for him as in, him being someone in industry's NextGen promoter fraternity, whom I admire.

Q. I have observed that you are quite an introvert. Is my judgment correct and if correct, is this also a reason for you to keep yourself away from industry people, especially promoters of other cement companies?

- Yes, I am an introvert by choice but if I have to become a bit outwardly, I won't hesitate to do so. I will not shy away from a conversation but at the same time I don't think just having conversations randomly with other promoters is really going to help me at Star Cement. My thought-process on this front is based on a firm belief that when people from two sides need to align, they will automatically align. If there is nothing that is useful to be discussed from work perspective, there is no point unnecessarily talking and wasting their valuable time.

Q. Being in an industry that has been alleged for cartelisation by Competition Commission of India (CCI), it is really good to know from you that you clearly understand that having random conversations with other promoters can turn out to be a waste of time. So, from this perspective, how would you waste your time otherwise, as in, how would you spend your free time and what are your hobbies?

- *(Begins with a smile)* Well, I generally like to spend my free time alone or with my family over vacations. Very often, I would also spend my free time playing a sport and I just love to play *Tennis*. I also enjoy travelling quite a lot and I would easily take a break to go to Europe or visit any countryside.

Q. Finally, before we end. You have crossed 29 and still single, something that is rare in large Marwari families. Marriage plans on cards?

- Nothing on the cards right now, but as soon as anything moves, and my firm plans are in place, you will definitely get an invite! *(ends with a blush on his face)*



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Large cap stocks

Rating	Criteria	Definition
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NEUTRAL	$-10\% > \text{to} < +10\%$	Target price is less than +10% but more than -10%
SELL	$\leq -10\%$	Target price is less than or equal to -10%.

Mid cap and Small cap stocks

Rating	Criteria	Definition
BUY	$\geq +15\%$	Target price is equal to or more than 15% of current market price
NEUTRAL	$-15\% > \text{to} < +15\%$	Target price is less than +15% but more than -15%
SELL	$\leq -15\%$	Target price is less than or equal to -15%.

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