Shree Cement Limited

July 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	3,095.42	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	2,500.00	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Assigned
Non-convertible debentures	700.00	CARE AAA; Stable	Reaffirmed
Commercial paper	500.00	CARE A1+	Reaffirmed
Commercial paper	500.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings to bank loan facilities, non-convertible debentures (NCDs) and commercial paper (CP) of Shree Cement Limited (SCL) and also assigned CARE AAA; Stable as Issuer rating.

The rating assessment continues to consider SCL's strong competitive position in grey cement manufacturing supported by installed cement capacities of 69.30 million tonne per annum (MTPA) in India majorly spread across its northern and eastern regions. Its strong market position is amplified by the company's significant penetration in northern, followed by eastern and central India, and modest presence in western and southern India. Penetration in existing markets and diversification in newer region is expected with the company's current capital expenditure (capex) plan. The company has established a healthy brand recall of its cement products, which is supported by its distribution network on ground, leading to higher retail trade mix. Cost competitiveness is driven by presence of captive limestone mines and significant captive power generation. This is further boosted by significant green power mix, which is low cost and environment friendly. High proportion of blended cement reduces its fuel requirements. The company continues to have sound operating efficiencies. Ratings also factor in SCL's robust financial risk profile, which is characterised by its healthy capital structure and strong debt coverage indicators. CareEdge Ratings expects that SCL will sustain its healthy operating and financial profile while undertaking expansion plans in the medium-to-long term. These strengths are partially offset by cyclicality in the cement industry and input cost volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors:

- Decline in the operating performance, resulting in net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) above 1x on a sustained basis.
- Significant reduction in the company's liquidity levels either considering significant debt-funded capex or deterioration in the business risk profile.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of the parent (SCL) and its subsidiaries, owing to significant business, operational, and financial linkages. Details of subsidiaries and associates consolidated are listed under Annexure - 6.

Outlook: Stable

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

The rating outlook "Stable" indicates expected sustenance of its strong market position in the cement business, strong operating efficiency, and robust financial risk profile. The company is expected to continue growing its scale of operations supported by incremental cement capacities at a healthy operating profitability margin. The company is expected to maintain its net cash position, and strong solvency ratios despite the capex programme.

Detailed description of key rating drivers:

Key strengths

Strong competitive position supported further by diversified geographical profile

SCL is among top three cement manufacturers in India with its 69.30 MTPA cement capacity as on March 31, 2026, underpinning its strong market position. Already entrenched as a strong player in northern India deriving ~38-39% of its sales volume, SCL has been gradually diversifying its geographical presence. It generates ~27-28% sales volume from the eastern region and ~17% from the central region. West and south India generate modest sales volume. The company has 33.80 MTPA of cement capacities in northern India and 21 MTPA of cement capacities in eastern India followed by modest capacities of 9.50 MTPA, 2 MTPA, and 3 MTPA of cement capacities in south, central, and west India, respectively. The company is expected to increase its capacity to 70.3 MTPA in India and is targeting to increase its capacity to 80 MTPA by 2029, for which the company is exploring appropriate opportunities. The company has recently commissioned its integrated project of 3.65 million tons clinker capacity and 3.5 MTPA cement capacity at Kodla, Karnataka in Q4FY26, and is undertaking capex for setting up an integrated cement plant with clinker capacity of 0.95 million tons and cement capacity of 0.99 MTPA in Meghalaya.

This strong competitive position is also reflected in its vast scale of operations, having sold 36.37 million tonnes (MT) of cement and clinker in India in FY26, though registering only modest volumetric growth of 0.86% year-on-year (y-o-y). Blended realisation (cement + clinker) improved in FY26 to ₹4732 per tonne against ₹4501 per tonne in FY25, showcasing a y-o-y growth of 5%, this was result of the company's focus on value over volume in FY26. The company recorded 8.5% growth in net sales in FY26 y-o-y to ₹20,587 crore. Overall, CareEdge Ratings expects volumes to see good volume growth in FY27, having achieved its pricing objectives, the management now intends to shift its focus towards volume growth in FY27.

Large retail trade mix driven by healthy brand recall and established distribution network

Despite being a commoditised business, SCL has been able to establish its brand over the years. The company has diversified brand portfolio, consisting of Jungrodhak, Rockstrong, Powermax, Magna, and Roofon. SCL has a dealer base of 20,256 for selling cement to end-customers as on March 31, 2025. The company largely sells blended cement, which is consumed by retail trade segment. The company's retail trade mix is 64% (73%) in FY26 (FY25) in overall volumes. The company has been focussing on premiumisation of its product portfolio, with Bangur Magna being its key premium cement brand. The company has increased its premium product mix from 10.75% of trade mix in FY25, to 14% in FY26.

Sound operating efficiencies

The company's large scale of operations is supported by its internal operating efficiencies allowing it to control costs and have a wide market reach. The company has established captive thermal power plant (TPP) of 503 MW, WHRS (Waste Heat Recovery System) of 296 MW, and renewable energy (solar and wind energy) of 370 MW as on March 31, 2026. This makes the company self-sufficient for significant portion of its power requirements and being cost effective. With 666 MW of captive green power (WHRS, solar and wind), the company has the highest green power consumption mix in the Indian cement industry, which is not only environment friendly, but also low cost compared to conventional power. The company increased its green power consumption to 61% in Q4FY26. In India, the company has captive limestone reserves to fully meet its requirements in the long term. Apart from this, the company has split grinding units (GUs), which help accessing wider market. Its multi-fuel kilns and production of higher blended cement of its total sales volumes ~66%, helps limiting fuel costs for kiln. The company is also increasing its usage of alternative fuels and raw materials usage in kiln. The thermal substitution rate was 2.76% in FY26, up from 2.41% in FY25.

These factors have helped the company maintain sound operating margins in the range of 20-30% in five fiscal years in FY26. Moderation was observed in FY23, considering the significant cost inflation particularly in power and fuels costs, while in FY25, margins were moderated considering drop in cement bag prices. PBILDT per tonne improved from ₹860 in FY23, to ₹1,147 in FY24, declined to ₹985 in FY25, and subsequently recovered to ₹1,116 in FY26. However, operating margins are expected to remain exposed to volatility in movement in realisations and fuel prices.

Robust capital structure and debt coverage metrics; despite debt-funded capex plan

The company's net worth stood strong at ₹23,197 crore as on March 31, 2026, against ₹21485 crore as on March 31, 2025. The company has also a deleveraged balance sheet, which can be observed from its overall gearing remaining in the range of 0.10x -0.20x for three years ending March 31, 2026. On a net basis, the company has net cash. This is supported by healthy cash flow from operations in the last few fiscals and strong cash and cash equivalents (including investments), which limits reliance on debt for capex and working capital requirements. The company has a roadmap to increase its capacity to 80 MTPA and accordingly has accelerated its capex spending. The company's capex program is expected to be funded fully from internal accruals. These are largely funded by internal accruals and significant liquid investments built up in the last few years. The company's overall capital structure is expected to remain robust in the medium term.

With comfortable debt position and healthy profitability, the company's debt coverage metrics also remained strong. The interest coverage ratio was 21.59x (19.19x) in FY26 (FY25), and net debt to PBILDT is negative, considering the company's net cash position. These metrics are expected to remain strong in the medium term.

Key weaknesses

Cyclicality of the cement industry

The cement industry is highly cyclical and depends largely on the country's economic growth. There is a high degree of correlation between the GDP growth and growth in cement consumption. Being a cyclical industry, the cement sector goes through phases of ups and downs, and accordingly, impacts unit realisations.

Exposure to volatile input costs and price realisations

The company is exposed to commodity price risk, arising from raw material price fluctuation (gypsum, fly ash, and slag) and fuel (coal and pet coke). Coal (indigenous and international) is used for power generation to run its plants and fuel for kilns. In the recent past, the cement industry witnessed significant spike in power and fuel costs; post pent-up demand for fuel after multiple COVID-19 waves. Russia-Ukraine war exacerbated fuel cost in FY22 and FY23. Spike in fuel costs impacted profitability margins in FY22 and FY23, while subdued realisations have been constraining factor in profitability margins in FY25. Going forward, fuel costs was impacted due to the West Asia crisis, resulting in a substantial rise in pet coke prices between March and mid-June 2026, with some moderation evident in the latter half of June. Freight expenses, which account for a significant portion of total costs, are expected to be affected by rising diesel prices. To mitigate these impacts, the company dynamically optimises its fuel mix based on techno-commercial viability and the landed cost per kilocalorie, while continuing to increase the share of green power in its energy mix. The company's profitability will remain exposed to significant input cost volatility and cement price realisation, which depends on each region's demand and supply dynamics (volume growth and installed capacity) to cater the demand in a particular region.

Liquidity: Superior

SCL's superior liquidity is supported by healthy cash and cash equivalents and significant generation of gross cash accruals (GCA) and moderate bank limit utilisation. The company had generated GCA of ₹4566 crore in FY256, which is expected to increase in FY27 to ~₹4700-4900 crore, considering volume and realisation growth. The company's repayment obligations (including lease liabilities) in FY26-FY27 are modest at ₹15-20 crore, which can be easily serviced by its internal accruals. The company has substantial liquid investments to meet its capex requirements. The company had free cash and cash equivalents of ₹248 crore as on March 31, 2026, while current investments were ₹8352 crore. The company has significant cushion in its working capital limits, including CP (26% utilisation for 12 months ended May 2026) for incremental working capital requirements and it has the capability to raise funds from markets at competitive rates. SCL has robust capital structure, which provides headroom for incremental debt if required. The company's management is expected to keep ~₹4000-₹5000 crore of liquidity in hand.

Environment, social, and governance (ESG) risks

The cement sector has a significant impact on the environment owing to higher emissions, generation of waste, and consumption of water. Cement manufacturing process is energy intensive and its high dependence on natural resources, such as limestone and coal, as key raw materials are key reasons. Due to nature of operations affecting local community and health hazards involved in cement manufacturing process, the sector also has a social impact. SCL has continuously focused on mitigating its environmental and social risks. CareEdge Ratings believes SCL's commitment to ESG will support its strong credit profile.

Key ESG highlights of SCL:

Environment
- In FY26 (FY25), the company's share of renewable energy in overall energy consumption was ~60% (56.1%), which is one of the best in the industry.
- Net specific Scope 1 emission stood at 534 kg CO_2E / tonne of cementitious material.
- Water positivity index of over 8x in FY26.

Social
- The company has undertaken corporate social responsibility (CSR) initiatives towards women empowerment and their skill development, community infrastructure, and rural development, support to dependents of martyred soldiers, social welfare and promotion of art and culture, sustainable livelihood in agriculture and non-agriculture, support to senior citizens, healthcare, hygiene, cleanliness and access to drinking water, promoting sports, and educational initiatives, among others.

Governance
- The governance structure is characterised by majority board members being independent directors, split in chairman and executive positions, dedicated investor grievance redressal mechanism, and required disclosures. Regarding gender diversity in board of directors, one member was woman out of seven members as on March 31, 2026.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Cement
Consolidation
Issuer Rating

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Cement and cement products	Cement and cement products

Incorporated in 1979, SCL belongs to BG Bangur - H M Bangur faction of the Bangur family of Kolkata B G Bangur, the promoter and Chairman Emeritus of SCL, is an eminent industrialist. His son, H M Bangur, Chairman, is a qualified Chemical Engineer and was also a member of the Executive Committee of FICCI (Federation of Indian Chambers of Commerce and Industry). Prashant Bangur (son of H M Bangur), Postgraduate in Management from Indian School Business (Hyderabad), is the Vice-Chairman of SCL.

The company is engaged in manufacturing cement with an installed capacity of 69.30 MTPA in India (73.30 MTPA on a consolidated level) as on March 31, 2026, with its facilities spread across Rajasthan, Chhattisgarh, Uttarakhand, Bihar, Jharkhand, Haryana, Uttar Pradesh, Karnataka, Odisha, Maharashtra, West Bengal, and the UAE. SCL is also engaged in generating power with an installed capacity of 1168 MW in India spread across coal-based, WHRS, solar and wind energy sources as on March 31, 2026.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	19251.32	20786.89
PBILDT*	3932.48	4569.98
Profit after tax (PAT)	1123.80	1748.66

Overall gearing (x)	0.10	0.13
Interest coverage (x)	19.19	21.59

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)*		NA	NA	NA	500.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)*		NA	NA	NA	500.00	CARE A1+
Debentures-Non Convertible Debentures	INE070A07061	26-Sep-2023	7.8	26-Oct-2030	700.00	CARE AAA; Stable
Fund-based - LT-Cash Credit		-	-	-	3000.00	CARE AAA; Stable
Fund-based - LT-Term Loan		-	-	31/03/2025	95.42	CARE AAA; Stable
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE AAA; Stable
Non-fund-based - ST-BG/LC		-	-	-	2500.00	CARE A1+

*Proposed

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Non-fund-based - ST-BG/LC	ST	2500.00	CARE A1+	-	1)CARE A1+ (09-Oct-25)	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (27-Dec-23) 2)CARE A1+ (11-Aug-23)
2	Commercial Paper-Commercial Paper (Standalone)	ST	500.00	CARE A1+	-	1)CARE A1+ (09-Oct-25)	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (27-Dec-23) 2)CARE A1+ (11-Aug-23) 3)CARE A1+ (13-Jun-23)
3	Fund-based - LT-Cash Credit	LT	3000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Oct-25)	1)CARE AAA; Stable (10-Oct-24)	1)CARE AAA; Stable (27-Dec-23) 2)CARE AAA; Stable (11-Aug-23)
4	Issuer Rating-Issuer Ratings	LT	-	-	-	-	1)Withdrawn (10-Oct-24)	1)CARE AAA; Stable (27-Dec-23) 2)CARE AAA; Stable (11-Aug-23)

5	Fund-based - LT-Term Loan	LT	95.42	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Oct-25)	1)CARE AAA; Stable (10-Oct-24)	1)CARE AAA; Stable (27-Dec-23) 2)CARE AAA; Stable (11-Aug-23)
6	Debentures-Non Convertible Debentures	LT	700.00	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Oct-25)	1)CARE AAA; Stable (10-Oct-24)	1)CARE AAA; Stable (27-Dec-23) 2)CARE AAA; Stable (11-Aug-23)
7	Commercial Paper-Commercial Paper (Standalone)	ST	500.00	CARE A1+	-	1)CARE A1+ (09-Oct-25)	-	-
8	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable				

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based - LT-Cash Credit	Simple
4	Fund-based - LT-Term Loan	Simple
5	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Shree Global FZE	Full	Wholly owned subsidiary
2.	Raipur Handling and Infrastructure Private Limited	Full	Wholly owned subsidiary
3.	Shree Cement East Private Limited (w.e.f. 11.06.2022)	Full	Wholly owned subsidiary
4.	Shree Cement South Private Limited (w.e.f. 11.06.2022)	Full	Wholly owned subsidiary
5.	Shree Enterprises Management Limited	Full	Step Down Subsidiary
6.	Shree International Holding Ltd.	Full	Step Down Subsidiary
7.	Union Cement Company PJSC	Full	Step Down Subsidiary

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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