JK LAKSHMI CEMENT Ltd.

JKLC:SECTL:SE:22
28th July 2022

1 **BSE Limited**
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Security Code No. 500380
Through: BSE Listing Center

2 **National Stock Exchange of India Ltd.**
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051
Symbol: JKLAKSHMI, Series : EQ
Through: NSE Digital Platform

Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital (India) Pvt. Ltd. on 28th July 2022 at 4.00 P.M.

In continuation of our letter on the above subject, we have to inform you that recording of the said Conference Call can be accessed by using the below mentioned Audio Link and the Recording ID:

URL: https://ccreservations.com/recordings/select_recordings.php
Recording Id : MFG0220220728142097

Thanking you and assuring you our best co-operation at all times.

Yours faithfully,
For JK Lakshmi Cement Limited

(B.K. Daga)
Sr. Vice President &
Company Secretary

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"JK Lakshmi Cement Q1 FY-23 Earnings Conference Call"

July 28, 2022

MANAGEMENT:	**DR. SHAILENDRA CHOUKSEY – WHOLE-TIME DIRECTOR, JK LAKSHMI CEMENT LIMITED** **MR. ARUN KUMAR SHUKLA – PRESIDENT, JK LAKSHMI CEMENT LIMITED** **MR. SUDHIR BIDKAR – CFO, JK LAKSHMI CEMENT LIMITED**
MODERATOR:	**MR. VAIBHAV AGARWAL – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the JK Lakshmi Cement Q1 FY23 Earnings Conference Call hosted by PhillipCapital (India) Private Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference to Mr. Vaibhav Agarwal from PhillipCapital (India) Private Limited. Thank you, and over to you, sir.

Vaibhav Agarwal: Thank you, Mellissa. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q1 FY23 Call of JK Lakshmi Cement. I need to highlight that JK Lakshmi Cement is also the holding company of Udaipur Cement Works Limited and therefore the call is also open for discussion about the performance of Udaipur Cement Works Limited. On the call, we have with us Dr. Shailendra Chouksey – Whole-Time Director; Mr. Arun Kumar Shukla – President and Mr. Sudhir Bidkar – CFO of JK Lakshmi Cement.

I would like to mention on behalf of JK Lakshmi Cement and its management that certain statements that may be made or discussed on this conference call may be forward-looking statements related to future developments and current performance. These statements are subject to number of risks, uncertainties and other important factors which may cause the actual developments and results to differ materially from the statements made. JK Lakshmi Cement Limited and the management of the company assumes no obligation to update or alter these forward-looking statements, whether as a result of new information or future events or otherwise.

I'll now handover the floor to the management team of the JK Lakshmi Cement for their opening remarks, which will be followed by interactive Q&A. Thank you, and over to you, sir.

Management: Thank you Mr. Vaibhav and good afternoon, ladies, and gentlemen on this Q1con-call for JK Lakshmi Cement. We have with us Dr. Chouksey – Whole-Time Director who has been with us on the calls in the past and it's my pleasure to introduce Mr. Arun Kumar Shukla, our President who has joined us in February 2021 and now is being formally inducted on the board with effect from 1st August 2022, that is from Monday and Dr. Chouksey, the Whole-time Director along with Mr. Wali would be laying down their office on the conclusion of their term as a whole-time director on 31st of July 2022. Mr. Shukla would be looking after the entire operations be it of manufacturing, operations or in the marketing etc. He will be the CEO of the company and will be taking forward the journey of JK Lakshmi from where Dr. Chouksey and Mr. Wali had left it on 31st of July 2022.

Now results you would have seen already, one important change which we have done in this quarter which I'd like to highlight in the beginning. So, that, that clarity comes for all the analysts is so far earlier what we were doing whenever Udaipur Cement Works wanted to source cement, they used to supply clinker and they were booking the clinker as their sale and the cement which got converted from that clinker was being shown as cement purchased for UCWL cement sale for JK Lakshmi for the clinker supplied by them. So, it resulted in unnecessary duplication, so from this quarter that is from financial year '23, what we have started doing, whatever clinker they supplied that will be on conversion basis and they will only pay the conversion charges. No sale of clinker will be shown in Udaipur nor any sale of the corresponding cement will be shown in JK Lakshmi. So, that's why there were so many questions from the analyst yesterday why there's no sale on the clinker. That is the change which we have made. So, there will not be any duplication. Only the cement which has been purchased either by Udaipur or by JK Lakshmi from Udaipur or buying Udaipur from JK Lakshmi against which no clinker has been given then only that only will be shown as actual sale because that is real but on a consolidated basis that will also get wiped off. So, figures we have already shared with most of the analysts. Now with those remarks I throw the floor open for question answers.

Management: Mr. Bidkar before you open it for question and answers, let me first and foremost thank every participant and let me also thank them for all the cooperation that we have received and I have received in particular. I would also like to take this opportunity to welcome Mr. Arun Shukla, who has been in with us now for last year and a half and I can assure the entire investor community that the company is in very safe and in very good hands. I'm very sure that all your queries that you may have today will also be answered very appropriately by Mr. Arun Shukla, who is already hands on the job for now last more than a year. Thank you. Thank you very much and thank you PhillipCapital.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Shravan Shah from Dolat Capital.

Shravan Shah: I have a couple of questions. So, starting with the realization growth. On QOQ front as we calculate the number it is 12.2%. Just wanted to understand if you can split in terms of the region wise where the actual increase in terms of the realization has happened and now post June how much till now in last one month, we have seen the price decline?

Management: Normally we are not sharing the numbers of region wise but what we can share in a very broad level is, that most of the markets had witnessed a price increase. As you all know that the Quarter 1, Q1 April to June is a quarter when we register normally a good growth, though not as good as generally March. This year we saw a decline in fact in the demand in the month of June. There was some price correction in the month of June but in April and May most of the markets that we are operating in saw a good improvement in the price. Of course, another driver of the price rise was the track that everyone has been facing huge cost pressures. So, there was increase and that was all round increase, number one. Number two question, you asked about the current quarter is I think a very usual phenomenon that the monsoon witnessed price went down and we have witnessed some price pressures and again in most of the market but more so in the Gujarat market which faced lot of rains as well as in the Northern markets. Chhattisgarh was comparatively was not that deeply influenced but yes there was minor pressure there as well.

Shravan Shah: Do you want to quantify broadly how much Rs. 5-10 decline which would have happened in last one month?

Management: I would not hesitate to say that the price fall would have been in the range of Rs. 10 a bag. Even now I don't think the prices have one can be very sure that they have stabilized but that's about the type of pressure that we have seen.

Shravan Shah: Now coming on the cost front, there are three-line items which we have seen a significant increase. Starting with the employee costs it has increased significantly quarter-on-quarter from 81 odd crores to 102 crores. So, is there any one-off and this is run rate is sustainable?

Management: Employee cost in this quarter is you're talking on a consolidated basis or standalone?

Shravan Shah: Yes, consol basis, whatever my question will be on consol basis.

Management: I would have figured out 92 crores, that is on a standalone basis. That is the run rate which will be there in the coming quarters.

Shravan Shah: Now coming on the main power and fuel costs. So, last time we were expecting that it can inch up by 7% to 8% quarter-on-quarter. Even if we take the current prices then the increase would be Rs. 200 to 250 but the actual increase on power and fuel front is much-much higher. So, close to Rs. 400 kind of an increase is there. So, any specific reason and is this the peak or can we see a further increase in the next quarter also?

Management: First I would like to clarify your earlier question, Shravan that was the regarding the employee cost, on a standalone basis overall last year for the full year was about 326 crores which was which on a standalone basis. That translates into about 82 odd crores for each quarter, considering the normative increase of about 10%-12% the current cost of 92 crores in the standalone is reasonable. Last quarter if you were to compare that only because of aberration that initial provision was higher in the last quarter or whatever was the cost which was coming to with that was slightly lower. If you compare with the immediate preceding quarter, you may see there may be some increase out of proportion but if you see the average for the full year and then see the increase and that is a normative increase in the employee cost. As regards power and fuel, yes, there has been an increase higher than what we had envisaged earlier and actual cost in this quarter has been, we have booked it in P&L at about 11,700 as against 9,000. So, the increase is quite high, yes, you're right. There may be some increase again going forward because the prices are still continuously going up. We may see further increase in the power and fuel costs in the coming quarter as well.

Shravan Shah: But the increase now should be much-much lesser in the second quarter.

Management: No, it will still be about (+20%).

Shravan Shah: The third question is on the other expenses, so on consol basis, so last quarter from last quarter to this quarter significant 57-58 crores increase. So, any specific one-off or this is also a normal run rate?

Management: Which one sorry, can you repeat your question again?

Shravan Shah: Other expenses, so this quarter other expenses on consol was 207 crores versus 149 crores in the last quarter. Q4. So, is there any one-off or this is a normal?

Management: Unfortunately, you are comparing only **(Inaudible)** (12.09-12.20) some of the Volumatic increase, some of these other expenses include like stores and spares etc. that would be linked to the production. So, the Volumatic increase will also have to be factored in. Plus packing also is there. If the volumes have gone up by 20% odd then that 20% odd is the normative increase other than that is the inflation increase.

Shravan Shah: Is there anything in terms of the one-off in other income because that has also declined. So, this quarter only 7 odd crores versus 15-16 crores run rate.

Management: Yes, because the funds have started moving for the CAPEX in new UCWL.

Shravan Shah: Now coming on the….

Management: Debtors have started coming down.

Moderator: We have the next question from the line of Girish Chaudhary from Spark capital.

Girish Chaudhary: My question is to Mr. Arun Kumar Shuklaji, so firstly good to be interacting with you. To start with if you can just briefly share your vision for the company what are 2-3 focus areas for us to take notice of or monitor and what would be the biggest challenge you foresee?

Management: I'm really happy to be part of this conversation today. Probably I think I would really want to listen this time all of you and I'll come back to you with all these queries next time. That is what I would suggest all of you to kind of bear with me. Next time on I'll take all your queries and I'll reply each and every one of them. Right.

Girish Chaudhary: Sure. Appreciate it. My second question is that if I read your FY22 annual report, you shared your 2030 vision where intent to increase the capacity to 30 million tons which is like doubling from the current levels after UCWL expansion. So, if you can throw some light on this journey in terms of geographical like brownfield, greenfield, inorganic and then also timelines.

Management: It will be basically combination of the brownfield and greenfield. We have the capabilities of increasing our capacities as we mentioned, we've been mentioning that in past also in all the con-calls at all the three locations. Udaipur another third line can come in, Sirohi can add another line and Durg also can add another line. Plus, we have got two mines also, one in our Nagaur and another in Kutch. So, those will be greenfield. The combination of that will lead us closer to that 30 million which is our vision for the year '30.

Girish Chaudhary: But any timelines on when this will get started because currently you are working on the UCWL expansion.

Management: UCWL, we expect it to be in place by '24. Maybe one year before that completion we will start taking up the brownfield at these places. And then parallelly start the work on the land acquisition and other for the greenfield also. Some work has already started for the land acquisition.

Management: If I may add to what Mr. Bidkar is saying, while we have very clear visibility on the Udaipur expansion. As far as the other expansion or the greenfield is concerned obviously we have this capability as we have been talking earlier and our capabilities have been enhanced with these two or three mines that we have got. We have got in fact now two mine blocks allotted to us in the Rajasthan in Nagaur only and we have a one in Kutch Gujarat. Besides, we have our own capability about brownfield, so we will take a decision as and when once the Udaipur gets completed or prior to that, taking into account the demand supply situation in different areas and then take a call which one to take first.

Girish Chaudhary: Lastly on the BCG project, how's it coming along and what is the scope and how much cost saving has been achieved in this?

Management: I think we answered last time also that the BCG project was already completed and all the savings that we were to obtain have since been captured in our results.

Management: We have the next question from the line of Sanjay Nandi from Ratnabali Investments.

Sanjay Nandi: Can you please share the volume numbers for this quarter?

Management: In this quarter we have in JK Lakshmi, cement sale of 26.91, clinker sale of 0.9, so total is 27.86. Udaipur, we have sales of cement of 5.55 and on a consolidated basis cement sale is 29.37 after eliminating the inter-unit sale and 0.95 of clinker making a total of 30.32 for the quarter on a consolidated basis.

Sanjay Nandi: What's a standalone debt and consolidate debt standing in the books as on this quarter?

Management: Total standalone debt is about 920 odd crores on a standalone and cash is 900 crores. So, the net debt is only 1520 crores. So, we'll be a debt-free company on a standalone basis by the end of this financial year, that is important which you have debt free company in the financial year on a standalone basis on a net debt basis. On a consolidated basis we have as of 30th, June total debt of 1800 crores and cash of about 1150, so net is 662 crores of net debt on a consol basis.

Moderator: We have the next question from the line of Amit Murarka from Axis Capital.

Amit Murarka: So, the first question is on power and fuel, so what was the fuel mix in this quarter for you?

Management: We have in this quarter fuel mix of about, we did about 46% of coal, 41% of pet coke and 13% was the alternate fuel.

Amit Murarka: 46, 41 and 13?

Management: 46 coal, 41 pet coke, that is 87 and 13 is other fuel.

Amit Murarka: What was the power and fuel cost this quarter that you mentioned in rupees per ton?

Management: 11,700.

Amit Murarka: Did you have some older inventory or something because this 7700 is still actually quite low compared to…..

Management: 11,000, not 7,000. 11,700.

Amit Murarka: Yes still 11,700 also. One more thing on coal could you please also tell us what was the domestic coal within that 46%?

Management: Domestic was very less. Whatever we have that we are not getting FSA in the Eastern region, we are not getting any coal. We have to procure it, so it has to be sourced.

Amit Murarka: Did you take any e-auction because I believe some companies have been taking?

Management: Not much, domestic is only 7% to 8% otherwise it is all being imported because entire domestic coal has been diverted towards power. Not only the coal is a scarcity commodity in India but the wagons are also not being available.

Amit Murarka: So, you said next quarter we'll see a 20% rise but then after that do you see pretty much a peak coming in or there could be further increases after that also?

Management: Should be weak but some prices softening has started happening. So, hopefully second quarter we'll see the peak of the power and fuel. We hope that decline or softening continues unless the trend is reversed, we see that second quarter should be picking out as far as the power and fuel cost is concerned.

Amit Murarka: What is the stage of the Udaipur plant now like equipment ordering I believe you had done the long lead items and what's the further the progress of the last quarter now?

Management: Maybe whatever external clearances were required those are all in place, barring that approval from airport authority. So, that is progressing as per schedule. We hope to see that coming up as per the schedule as of now.

Moderator: We have the next question from the line of Mudit Agarwal from Motilal Oswal Financial Services.

Mudit Agarwal: I have just one question, its regarding the supply to the eastern and central UP to Amethi grinding unit, as we have started supply the eastern and central unit through the Amethi grinding unit. I just want to understand what kind of agreements we have with this grinding unit and what kind of volume we can expect from that new grinding unit? I think that should be a grinding unit on higher or on a tolling charges basis we have, just wanted to know your views about it.

Management: That unit has a certain state incentive and therefore the best option that we have is that we sell them clinker and buy cement from them. So, currently that is what the system that we have adopted.

Mudit Agarwal: So, it's unclear, so if you can throw some more highlights about is it higher unit from an existing player or anything different is that? We have certain grinding unit available?

Management: Yes, this is available exclusively to us. Nobody else is grinding from this. This is a new unit which has come and they have got a state incentive. If we take that unit on hire then obviously there would have to be a transfer of the assets which can jeopardize in center that unit is getting. So, the best option that we have is to sell clinker to them and buy cement from them. That was your first question as to what are the modalities that we have adopted. Regarding the volume, it has a capacity of nearly a million tons a year. Depending on the clinker that we are able to spare we expect that in the first 12 months of the operation we should be able to get about 6 lakh tons cement from them.

Mudit Agarwal: For what period, this grinding unit is available to us?

Management: We have the first right of refusal as far as this unit is concerned. We have a 10-year agreement with them currently. And thereafter this can be renewed at our choice.

Moderator: We have the next question from the line of Prateek Kumar from Jefferies.

Prateek Kumar: My first question is on UCWL CAPEX, out of 1650 crores CAPEX how much is spent till now?

Management: We have spent about 350 crores.

Prateek Kumar: And as indicated earlier, the timeline for this is in phases in 2Q and 4Q of '24, is that right?

Management: Yes.

Prateek Kumar: So, clinker is expected by 2Q which is like sort of 12 months from now. Have we started the construction work there?

Management: It has started.

Prateek Kumar: Secondly for your long-term expansion plan which you mentioned earlier in the call, do you foresee any limestone renewal or mine renewal issues post 2030 for some of your mines?

Management: There is only **(Inaudible)** (27.17) mines which is coming up for renewal in that period. Other than that, there's no issues on that.

Prateek Kumar: There are more than 20-25 companies who will be facing this issue to start with 2030 and we are very sure and hopeful that by that time because better systems would be adopted by the government itself in terms of the notification amendment in that thereby the existing lease operators and the manufacturer themselves will probably have the first right. So, while they may do a bidding purely from the point of view of certainly the rates etc. But I do not think that any mine or any cement company plant would be taken for non-renewal of the mining lease. That's our thinking and that is what we have earlier discussed with the central government at this point.

Prateek Kumar: But is that in your case maybe impact higher, so maybe we can also see if we can see significant cost escalation on RM cost or return ratios after that or we don't foresee that?

Management: As of now I don't foresee any significant change on this account.

Prateek Kumar: There's some question on your demand trends, how have demand like panning in the month of July?

Management: The demand I would say it will stabilize for the growth over the corresponding quarter of the month. So, the demand per se continues to be fairly good, not too many apprehensions on that fear. These are usual rainy season and demand usually gets affected in this quarter, so there's nothing new but still we are seeing a definite pattern of growth over the last year. So, I wouldn't compare with the previous quarter or the quarter prior to that but definitely compared to the corresponding quarter we will see a growth.

Moderator: We have the next question from the line of Uttam Kumar Srimal from Axis Securities Limited.

Uttam Kumar Srimal: With regards to these other expenses, 180-200 crores that we have reported with this quarter, is this sustainable going forward also?

Management: Yes, as I mentioned a part of that is linked to the volume. So, it will move in tandem with the volume growth.

Uttam Kumar Srimal: How has been our sale of value-added product during this quarter?

Management: Sorry?

Uttam Kumar Srimal: Value-added product like RMC and all other….

Management: 118 crores in this quarter.

Uttam Kumar Srimal: How much?

Management: 118 crores.

Uttam Kumar Srimal: Couple of data points like trade mix for this quarter and blended cement mix in this quarter?

Management: Blended we did about 67% in this quarter and trade was about 56%.

Uttam Kumar Srimal: What was the percentage of premium cement during this quarter?

Management: Premium cement we are selling only in the North. It is about 14%.

Uttam Kumar Srimal: The last quarter it was around 25%. So, it has gone down this quarter?

Management: That was of the trade sales. So, now we are talking of the total sales.

Moderator: We have the next question from the line of Ritesh Shah from Investec.

Ritesh Shah: I just wanted to understand is there anything different on the marketing side that we have done over last three to four quarters and is it reaping us any benefits on back of that?

Management: Can you please repeat the question?

Ritesh Shah: My question was are there any specific marketing efforts or new initiatives that the company has taken in last three to four quarters? And if yes, are we getting any benefits out of it so far or how should we look at this particular variable?

Management: I think one of the areas that we are focused is on the geo mix. Trying to curtail the distances that we are going so we are definitely increasing our sale in the nearby markets and all these and the second effort that we have been working is on enhancing our network, the additions, the dealer so that we are able to build a cadre of dealers who are main taker for the trade category of cement and thereby increase our trade segment. That is the effort that we will going, we have been continuously getting results, good results on that. The size that we are also trying to focus more and more on our premium products. They are all these three efforts are slow moving but gradual moving and in due course you will see the full import or the full benefits out of these efforts.

Ritesh Shah: Just a related question. How should we understand the number of brands that we have in the marketplace? We have multiple brands which is a reflection of OPC, blended cement and basically value-added products. Do we think that we need to rationalize the number of brands which are there in the market place? Just some flavor over here would be quite useful?

Management: We have a brand integration strategy in place and we are working on that. But the attempt is that in one market, number one all these markets are catering to individual niche consumers. They are not actually in competing or in the same market space. Secondly, we have certain preference for our Udaipur from where we supply mainly the Platinum brands either Platinum Heavy Duty or Platinum Supremo. Because of the different characteristic of that cement, we have certain consumers who prefer only the Platinum brand. So, we would definitely like to retain these consumers from where we are able to get better pricing as well and therefore all these brands are very well working in harmony with each other.

Ritesh Shah: So, just another question. How should we look at group simplification going forward? Given we have JK Lakshmi and UCW. Are there any timelines over here that one can look at?

Management: Can you repeat your question?

Ritesh Shah: The question is when should we look at group simplification or should we assume that JK Lakshmi and UCW will continue to trade us through separate entities? Is there any roadmap from this particular angle?

Management: We have been talking this in the past also on the con calls. The reason as to why we are keeping the two entities separately as a listed entity is on account of the differential tax rate. While JK Lakshmi continues to be a tax at the old regime of 35%, UCWL has opted for the lower tax regime. And the reason for that for JK Lakshmi to continue is to avail this MAT Guide Entitlement of about 250 crores odd which is sitting in their tax books. In case we switch over them and we lose that tax benefit MAT advantage. That's the reason as to why we continue to have separate entity. Moment, we exhaust this MAT Guide Entitlement which will be maybe 2 to 3 years' time depending on the actual profitability in these 3 years then JK Lakshmi can also graduate to 25% and that will be the opportune time for us to collapse the structure and merge the two entities.

Moderator: We have the next question from the line of Kamlesh Bagmar from Prabhudas Lilladher.

Kamlesh Bagmar: My one question was on the part of your realizations. If I net out the non-cement revenues then your realizations are up 16% quarter-over-quarter with Rs. 700 per ton and gross of taxes, it will be Rs. 49. In none of the market we have seen such a sharp increase in the prices and that also on the average basis not on the exit or in between. What's the reason for that? Is it because of the taxes we have changed from ex-factory to FOR or what has been the reason for that and such an improvement has not fallen into the margins? Margins have been like flattish or down quarter-over-quarter though last quarter has been abnormal because of those cost items but even on year-over-year basis?

Management: Kamlesh you were there since the beginning of the call. I had made this opening remark that this change has happened in the way we are accounting for the cement being procured by UCWL for conversion from their clinker. Earlier what was happening is that the entire clinker which UCWL used to sell to JK Lakshmi was being shown as sales and the converted cement was being shown as sales by JK Lakshmi. So, it was resulting in double accounting for clinker as well as cement. Now in this current quarter what we have done is that they will not show that as clinker sale, only convert clinker will get converted at JK Lakshmi. As a result, what has happened the volumes have come down significantly in this quarter for the clinker supplied by them against which no sale has been booked in JK Lakshmi. Only the conversion charges were paid by UCWL. That's the reason as to why with the lower quantity in this quarter, the sales realization appears to be on a higher side. Equally if you were to analyze the expenditure part that was also gone up correspondingly. As a result, the profitability remains the same but when you're comparing on sequentially from fourth quarter to this, that is the change that just happened. Suddenly the realization shows improvements, suddenly the expenditure shows improvement because of the lower volume in this quarter on account of this this different basis on which we are doing. If you were to see on a consolidated basis then there will not be any such abnormalities noticed. Kindly see it on a consolidated basis. There will not be any such substantial increase either in the cost or in the realization. Those will be then whatever are the normative increases in the cost and the realization in the market.

Kamlesh Bagmar: But even on the consol basis like say we are seeing Rs. 600 order per ton improvement in realization quarter-over-quarter which is 12%. So, on the realization part, it's really not summing up?

Management: Consol basis, there is a normative increase which has happened. From last year the average was about 4,900; now it is about 5,400. So, that is a normative increase which has happened in the realization and as regards the cost there is an increase from 4,300 last year to 4,900 part of which is volume linked and others is the normative increase.

Moderator: Ladies and gentlemen we will now take the final question from the line of Shravan Shah from Dolat Capital.

Shravan Shah: A couple of things. You mentioned the non-cement revenue is 118 crores. So, out of that the RMC revenue was how much?

Management: RMC was about 55 crores.

Shravan Shah: The other clarification needed is you said the blending ratio in this quarter was 67%. Last time I think you mentioned 55%. If so, despite significant increase in blending ratio from 55% to 67% Q-o-Q, our trade mix has remained the same 56% which was the last quarter?

Management: In the fourth quarter our blending was 65% not 55%, 65% it has gone up to 67%.

Shravan Shah: Here, last time also we mentioned that we want to increase our trade share and the blending ratio 4% to 5% in FY23 but in this quarter nothing has happened. Do we think that we can still able to increase this trade say by 4% to 5% for the full year FY23?

Management: Yes, that is what our target is. It doesn't happen overnight. It doesn't happen in one quarter, gradually it will happen. Our desire is to move towards that and we are hopeful that it will happen.

Shravan Shah: Lead distance for this quarter was how much?

Management: Lead distance for this quarter is 393.

Shravan Shah: Just to again clarify the UCW expansion, you said that the 1.5 MTPA clinker will start in next September because last time we said by December so?

Management: I said third quarter, third quarter is December, you are right.

Shravan Shah: The CAPEX for the full year on consol what we mentioned last time 700 crores and 900 crores for '23-24. The number remains same or is there any change?

Management: Total CAPEX for that project is about 1,650 crores and we have done 350 crores. So, balance will get spread over the next 2 years.

Shravan Shah: In terms of the broadly last time, we said the volume we were expecting 7% to 8% for full-year and in terms of the profitability Rs. 1,000 per ton so any change in stand there?

Management: It will all be dependent on the demand and also the way the coal prices, pet coke and coal prices behave for the remaining period of the year. So, our endeavor is to reach that figure of Rs. 1,000 per ton.

Shravan Shah: Last again, just wanted to clarify actually even I asked and the previous participant also asked. On consol basis you mentioned the increase in the realization should be normalized but still there is a 12%-12.2% increase. That's what everybody wants to understand what actually has happened? Why such a significant increase? So, something more clarity would be helpful?

Management: Yes, that is the reason as to why I mentioned because of the change in the way we are accounting for the converted cement for which we are doing in the UCWL while in the previous quarter there was this which was being booked both as clinker as well as on the cement basis, in this quarter it is only net of that.

Shravan Shah: But on consol basis also it should get nullified so still on consol basis our realization has increased 12.2% Q-o-Q?

Management: Yes, that is there, that is a normative in, it has increased. On a consolidated basis you are right because those factors get eliminated on consolidated basis. So, on that basis it is in by 12%, you're right.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. I now hand the conference over to Mr. Vaibhav Agarwal for closing comments. Please go-ahead sir.

Vaibhav Agarwal: Thank you. On behalf of PhillipCapital (India) Private Limited I would like to thank the management of JK Cement for the call and many thanks to the participants joining the call. Thank you very much sir. Mellissa you may now conclude the call. Thank you

Management: Thank you Mr. Vaibhav. Thank you, all the participants.

Moderator: Thank you members of the management and Mr. Agarwal. Ladies and gentlemen on behalf of PhillipCapital (India) Private Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.