



THE INDIA CEMENTS LIMITED

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Scrip Code : 530005

Scrip Code : INDIACEM

Dear Sirs,

**Sub.: Transcript of Investors Call / Analysts' Meet - Disclosure under
Regulation 30 of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

In continuation to our letter dated 24.05.2023, please find enclosed the transcript of the conference call (concall) held on 24.05.2023 with representatives of various Investors / Analysts on the audited Financial Results of the Company for the Quarter and Year ended March 31, 2023.

Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED

COMPANY SECRETARY

Encl.: As above



“India Cements Q4 & FY23 Earnings Conference Call”

May 24, 2023



**MANAGEMENT: MR. N. SRINIVASAN – VICE CHAIRMAN AND
MANAGING DIRECTOR, INDIA CEMENTS**

**MODERATOR: MR. VAIBHAV AGARWAL – PHILLIPCAPITAL (INDIA)
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the India Cements Q4 FY23 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 this conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital (India) Private Limited. Thank you and over to you, Sir.

Vaibhav Agarwal: Thank you Aman. Good morning everyone. On behalf of PhillipCapital (India) Private Limited we welcome you to the Q4& FY23 Call of the India Cements Limited.

On the call we have with us the entire Senior Management Team of India Cements.

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

I will now hand over the floor to Mr. N. Srinivasan – Vice Chairman and Managing Director of the company for his opening remarks which will follow up and directing Q&A. Thank you over to you sir, sir.

Management: Thank you Vaibhav. The results, if one can say are startling. When the cost of coal, which is our main fuel, skyrockets from about \$60 to \$300 there is very little that management can do except grin and bear it. In our case for almost 7 months, 8 months, 9 months the cost of coal was astronomically high and it has now shown some signs of coming down. To give you an example the cost in cement industry we look at coal has cost per calorie of heat that goes into the kiln. So, what was Rs. 1 per calorie went up to Rs. 2.8 per calorie. So, this kind of increase cannot be borne by any management, so you have to accept the loss and try to mitigate it in several ways including working at the consumption.

Looking at the consumption, no real research has been done into the heat of reaction where the limestone converts itself into clinker. So, therefore any improvements that have been made have been done by the machinery manufacturers who have reduced the heat consumption by trying to

see the less heat goes away, that all the heat is generated is used etcetera. So, therefore in a sense when the cost of heat goes up there is very little that we can do.

As far as India Cements is concerned, there are still a few areas that we can work on. We want to work on in the two, three of our plants on changing some equipment and so we have a CAPEX program which will reduce the heat consumption by changing equipments which are known to consume less heat. We have engaged experts from FLSmidth as well as Krupp Polysius to advise us and their report is almost ready and we are in a position to implement some of these changes. You can ask “you are making such losses how are you going to finance this?” Well, what we have done is we have identified some land which will not be used by cement factory which is away and that land can be disposed-off and I think that that will be sufficient for our purpose of not only repairing our plants, fitting in new equipment and even if necessary if we need money for repayment this will be handy also. So, we have to repay about Rs. 450 crores this year we will be compliant, we will repay the full Rs. 450 crores plus interest so there will be no default from our side.

These are the preliminary remarks that I have. I would be happy to respond to any questions that you have.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from Navin Sahadeo from ICICI Securities. Please go ahead.

Navin Sahadeo: And just before we begin the questions can I just request to share volumes and other data of like those windmill shipping which helps us understand these results better I will come back in queue for questions.

Management: Yes, volume for the quarter was 27.85 lakh tons including clinker of 0.10 Lakh Tons.

Navin Sahadeo: Those other revenues and EBITDA if you can share from the other business segment?

Management: Shipping was around 13 crore revenue and 5.6 crores EBITDA; windmill was around only 0.73 Crore and practically nil EBITDA. RMC was 25 crores income and EBITDA of close to 1.8 crores.

Navin Sahadeo: So, then my first question is about prices of course we have seen I think prices have been under pressure this quarter as well, but is it fair to say that current prices because especially I believe the states like Tamil Nadu and Kerala where all A category players particularly I think have been very aggressive especially in the last couple of months, so is it fair to say that in these markets particularly the current prices could be at least 5%, 7% lower versus March quarter and in general your commentary on the price and the outlook that will help?



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- Management:** You see as far as the price is concerned everybody; I think generally the cement industry recognizes that this price at which we are selling cement is not from the point of view of demand. This year the demand is good, in fact almost all the companies are running full. So, the tendency amongst the most companies is to sell the last gram of cement which is not a good price. What happens is when everybody rushes to sell prices are casualty. So, that is the reason why in spite of people wanting to have a better price it is not there in the marketplace. The marketplace is cutthroat in spite of the fact that we are at full production there is strain. At full production the prices should go up, but instead they are stagnant. So, to answer your question on pricing at the moment although there is almost full production prices have not gone up, but my expectation is it will it is only a matter of time before it goes up.
- Management:** I mean to answer one more question of yours prices as compared to March have not slipped. It is at the same level or better than March, but then it is at a very low level.
- Navin Sahadeo:** This question was in for Tamil Nadu and Kerala states because historically?
- Management:** Tamil Nadu Kerala specifically, prices as compared to exit price of March are better.
- Moderator:** Thank you. Next question is from Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Sir, could you share the annual numbers clinker production and cement production and sales volume for the full year please?
- Management:** For the quarter?
- Rajesh Ravi:** No, full year FY23?
- Management:** 73 lakh tons of clinker, 97.3 lakh tons of cement.
- Rajesh Ravi:** This is production 97.3?
- Management:** Yes.
- Rajesh Ravi:** And cement and clinker sales?
- Management:** 98.93.
- Rajesh Ravi:** This includes clinker or that is separate?
- Management:** Clinker is included in that 1.37 included in overall sales.



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- Rajesh Ravi:** Sir, earlier we were looking at the South market the price difference to minimize and go away, what is the scenario currently on that?
- Management:** I could not get your question.
- Rajesh Ravi:** The price difference whereby people were invoicing and then later on discounting and this was creating lot of prices were volatile, has the situation is it improving in Southern markets?
- Management:** No, price difference concepts still continues. So, there is no change in the way the people are marketing.
- Management:** If companies are firm this question of price difference will not arise because of the weakness of the selling force that this price came down.
- Rajesh Ravi:** You have mentioned that March exit prices have slightly improved, but how is the situation compared to March quarter because if I look at your realization for March quarter it is down almost 5% quarter-on-quarter, so the current prices versus average of March how would that number be?
- Management:** Slightly better, but this quarter is still not over if you are comparing quarter as of now it is better. Q2 one half of the quarter it is better than March quarter.
- Rajesh Ravi:** And how has the fuel cost consumption basis in March quarter it was around Rs. 2.95 for December quarter?
- Management:** 2.7 it was in March quarter.
- Rajesh Ravi:** And for the Q1 what is the number you are looking at sir?
- Management:** Maybe around 2.3 to 2.4
- Rajesh Ravi:** So, you are looking at good savings which may improve the numbers, is that understanding right?
- Management:** Cost will come down.
- Rajesh Ravi:** But would that reflects into margins or do you expect that it may get pass on in terms to deliver volumes?
- Management:** You have taken everything from us, you have set the prices are slightly better than when I say prices that is what we get in the company actually it is better than the last quarter and the price of coal is slightly lower on the variable cost basis I am talking of variable cost level.



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- Rajesh Ravi:** You mentioned earlier in the call that you are looking to monetize some of the land parcels which will give you some leeway to do some refurbishment CAPEX, could you quantify what sort of land monetization you are looking at and what sort of CAPEX number you are looking for FY24?
- Management:** See, we are expecting to monetize about 400, 500 acres of land. We are expecting that we shall sell it for a reasonable sum. See we are in the process of finalizing what CAPEX that we want to do because there are options, we want to see what will give us the best to fit. So, we are in the process. All I can say is that it will be towards grinding because in summer some of our plants we have got roller mills and if changed to vertical roller mills the drop in power is enormous and also some changes in the Pyroprocessing. I am afraid I am unable to give you details.
- Moderator:** Thank you. Next question is from Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Just a couple of questions on the capacity side like we have seen some announcements happening on expansions now in South like we were not seeing that earlier. So, like anyways Shree Cement is coming up with a plant and even UltraTech is working on the same and Dalmia is doing some debottlenecking. So, this highly competitive intensity that you mentioned earlier like could this now continue with these new units coming up?
- Management:** I think very little new units are coming up. If you take the entire South as a whole has capacity of almost 180 million tons. If 2 million to 3 million of debottlenecking and addition come it is not going to make it much of a difference.
- Amit Murarka:** No sir understand, but companies themselves are not expanding and now they are which means that they are seeing higher utilization in their own capacities, existing capacity, does it mean that they will continue to be aggressive in the market and raise utilization levels for their existing capacity before the new one starts?
- Management:** Actually, that is true that the capacity utilization of most companies have improved in the last year because of infra demand coming back to the South which was not there earlier. So, there are headroom, some people would like to add on capacity, but it is not easy people who have started the work will take another 1 and half years, 2 years to do it and demand of 150 million tons including what goes outside. I think as MD said 3 million, 4 million, 5 million and even 10 million ton coming get absorbed. So, one has to wait and see the people have to also make money so I do not think it will impact the prices anywhere the prices, anyway, the prices are at the lowest level it has to only go up.
- Amit Murarka:** And also, on the limestone auction could you just throw some light on what is the update on the Tamil Nadu auctions?
- Management:** Nothing has happened it is standstill. No auction has taken place in South.

Management: I think going further most of the limestone wherein land have been spoken for and most of the limestone has been also used. It is not like the vast tracts of limestone unexploited which is available which will add to capacity. People can get by with their existing limestone that they have. I do not think it will support great expansion in the future.

Moderator: Thank you. The next question follow up from Navin Sahadeo from ICICI Securities. Please go ahead.

Navin Sahadeo: I had two questions one is that our volumes for this year as you said are more like 9.7 million in the year which is still look at from a year perspective or industry perspective way below what we did already in FY19, so as a broader industry level our understanding is that in FY23 the industry has surpassed the volume that it had South Industry specifically, has surpassed volumes that it did in FY19 because you had two bad years 20 and 21 all thanks to COVID in the interim, but there has been recovery thereafter, so just wanted to get a sense that with players or other peers growing like 30% to 40% kind of a growth that we are seeing, but ours is not that much do you still think that having lost some market share the pricing overall will still improve or you think that this year again companies in general may want to get the lost market share to the large company?

Management: Actually, if you look at the scenario for the South I mean I am talking on the South. It is the fact that at the moment there is no surplus clinker available. A few companies are trying to debottleneck a few couple of companies are trying to set up grinding units, one Company set up an integrated plant in Kurnool, but the question of what will the price be that I will wait to see with this kind of full production price has to go up, but it is a matter of time.

Management: Navin, as our MD said what we have done when you make there is no secret that we are making loss we have made loss. So, we have to pick and choose markets. What we have done this year I wish I could give the data to you, but we have started selling more into our core markets. While the number 9 plus something million looks a little low as compared to what we have done in 2019, but actually if we look at in our core markets we have increased exponentially that is where we are working on and as we go along our plan is to go to that number which you are looking at because we have not added any capacity, but it will run full capacity that much we know. MD said that we have already seen the industry working in full capacity with the growth still of double digit in South I think it will be very easy without disturbing the price to get that volume. This is the plan of scheme. So, we have done Phase-1 of increasing our sale in the right segment in the right market. Now next is to get that delta increase and go to the full level this is the plan for this year.

Navin Sahadeo: So, safe to assume that despite large players like going for pushing volumes far aggressively it is fair to assume that overall industry pricing environment can improve in this fiscal, is that the message we can take?



Management: Exactly because I do not think if you look at all the big players I mean I do not want to name them, brands which make a difference in the market, their actual price is a concern be it Tamil Nadu, whether it is Kerala. So, everybody seemed to be settled there. The question is whether they will increase the price we have to wait and watch, that is what we are saying. Theoretically if you look at it if people are operating at 85% plus normally prices go up.

Navin Sahadeo: My second question was about the CAPEX that we can expect at the company level for 24 and 25 in light of the initiatives like changing of some critical equipments to improve the efficiencies, so in general what is the CAPEX for FY24 and 25 are we looking at and by when do you expect these especially these large equipments or critical equipments to get replaced?

Management: The CAPEX estimate can be about 600 crores. It should be completed in about 18 to 20 months. Navin, as we said we are waiting for the report to come and what MD said is we are targeting three, four factories. So, given that number will be around the number as MD mentioned and span of expansions the CAPEX will be based on how the project report comes. So, it will be around two years, you can take it, in two years' time we will have to spend this much.

Moderator: Thank you. The next question is from Shyam Sundar Sriram from Franklin Templeton. Please go ahead.

Shyam Sundar Sriram: Sir my question is more at the industry level trying to understand the dynamics between within states in the South we are given to understand that these gray cement pricing in Hyderabad is now say very close to the pricing in Chennai historically and the Tamil Nadu pricing used to be at a premium to that. Now given that has it stopped some of the players from the that cluster selling cement into Tamil Nadu, Chennai and does it mean that the players with plants production within Tamil Nadu get to gain market share here in this state?

Management: Fortunately, we are into all clusters. So, we cannot say that you know Tamil Nadu is not our cluster or Andhra is not our cluster, but what possibly is happening that Tamil Nadu players are focusing more into Tamil Nadu, Kerala and the cluster of Andhra, Telangana are focusing more into Andhra, Telangana. Fortunately, we have demand in every state. So, people are able to evacuate the cement in the lower freight zone and that is logical. So, as we have been saying as most of the companies are already operating at the optimum level be it in Tamil Nadu, be in Nalgonda cluster or be it Tandur cluster. So, it is just that we have found a new model of coexistence. The prices are low, but as I said that if people are operating at close to full capacity is all the more driven. We do believe that the prices automatically will go up and we have to see how long it takes, but looks like stability will come and the prices will move on, this is our feeling.

Shyam Sundar Sriram: One other point now Karnataka recently went through an election and we are given to understand that probably some of the infra contracts are being reviewed, now in the South I think Telangana

is also coming up for election later this calendar year. Now, given these do we still continue to think that South demand will continue to be healthy robust for this FY24?

Management:

Please try to understand from where the demand is coming like additional demand, the demand was always there. Additional demand is coming primarily from one is the road project which is driven by Center normally and some states also have their own projects. Number two is from Metro and Infra projects like that. Number three is for real estate in a place like Hyderabad which is driven primarily because of the economic factors is a private players who are doing the whole thing, there is no more coalition on other thing. So, these are the demand which will not go away because Hyderabad has become a city which is bustling with activities. Andhra has pockets of activities happening mostly driven by government, but also road projects of Central government same way Tamil Nadu, Kerala first time is seen so many roads being made. So, I do not see especially with 24 election coming and I am not looking at people I mean some of these activities will only go up it will not come down. So, personally if you ask me the demand up to 24 can be taken for granted the growth and demand can be taken for granted. I mean some here, there some state government projects can get delayed or whatever, but what is being driven is that Chennai, Bangalore Road now that will not stop because of this election or no election. So, up to 24 we can keep seeing this activity going on and lot many much metro players are also coming up you are aware of that. Our feeling is that till 24 there is no looking back, this is our feeling.

Moderator:

Thank you. Next question is from Mangesh Bhadang from Centrum Broking. Please go ahead.

Mangesh Bhadang:

Sir, you mentioned that Southern utilization is at clinker utilization is very close to full and the overall cement capacity is 180 million tons, just wanted to know what is the cement utilization or cement production in the Southern region in FY23?

Management:

See we do not get this data anywhere so it is all estimate, but believe it is around 140 million, 150 million tons given that lot of movement is happening outside South it goes a lot of quantity is going into Maharashtra and Western side and on east side will be Odisha and West Bengal. So, this is our estimate. I cannot give you the number because we do not have any data from any sources.

Mangesh Bhadang:

Second question is related to you mentioned that you would be trying to address the specific heat consumption issues those costs being higher. So, just wanted to know what are the steps that you mentioned that you are taking, what is the scope of CAPEX there and how much cost saving you expect from this?

Management:

See what we are looking at is the whole Pyroprocessing system depends upon maximum heat to be utilized in the process, in the system. So, therefore the radiation losses, other losses should be cut to the bone not only that now all plants have started using waste heat recovery that is the

waste heat that goes out is trapped and they used to generate power. So, therefore we are seeing a much more energy efficient cement industry than before.

Mangesh Bhadang: So, we are looking to setup WHRS is it?

Management: We have already initiated one plant for WHRS project. We are also looking at the project which already investments have been to put in AFR in all the kilns and somewhere we are also looking at and the other projects as I told you will be taken up after we have the project report in hand from the experts, but all of them will be towards efficiency improvement either on the Pyroprocessing side or on the grinding side it can be a WHR and obviously the most important thing which we have already initiated is the we are going to put out plant of solar power in Tamil Nadu. So, that also will help us in power cost reduction. These are the initiatives we have already taken.

Mangesh Bhadang: Sir is on the pricing in South so historically as the previous participants also mentioned that we have seen the South prices have historically being higher, but is it because that we have seen higher demand for the past two years that the pricing has taken backseat and once this very high demand growth phase is over probably the pricing growth again can come back to these markets?

Management: See, on pricing very difficult to say when there are so many people on the way, but I believe that when the utilization goes up normally the prices become steady and improved. As of now are we seeing it today? No, we are not seeing it in the marginal improvements have happened as I mentioned earlier.

Mangesh Bhadang: So, even though despite lower utilization we used to have relatively good pricing, but now that the utilization so it is basically the reverse has happened, so just wanted to check if the demand actually stops whether the intensity of the players to push more volumes in the market would stop and thereby help pricing?

Management: Exactly. So, once you have reached their optimal capacity then that urge to sell that extra ton will go far away from it. As we said that as of now we have not reached anywhere near that, but once that realization comes that I cannot sell more even by reducing the price I have to do the same volume then people will start increasing the price. That is what happens everywhere if you see other region whether it is North or whether West. Once domestic utilization reaches a particular level look at Gujarat typically with the reasonable capacity utilization, prices are very steady at a very high level. So, we expect the same thing in South it will take little time.

Mangesh Bhadang: Sir one more question that we had sold our limestone mine in MP to JSW Group so that money has been received and or where has been it been utilized?

- Management:** The entire procedure is pre-closed about Rs. 600 crores received and it has been utilized partly for improving efficiencies in some of the plants, working capital requirements and also for meeting the deficit in terms of cash flow.
- Mangesh Bhadang:** Nothing pending right sir there?
- Management:** About 3 crores is pending.
- Moderator:** Thank you. Next question is from Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Just on the previous questions you mentioned that you would be doing the WHR project and AFR, so could you quantify what sort of WHR you are you looking at and AFR and all total CAPEX outlay for these?
- Management:** Sir, we are actually looking at putting up a WHR plant of 8 megawatt at one of our plants.
- Management:** So, the process of putting our feeding system once that is ready we will start using AFR to a higher level I cannot say anything right now, but our plan is to go up to more than double digit.
- Rajesh Ravi:** At company level?
- Management:** Yes, at company level this is the plan. First, we are putting up the feeding system.
- Rajesh Ravi:** So, how we understand is like you said that 600 crores odd you will be investing over next two years to replace your ball mills across 3, 4 plants and then 8 megawatt WHR that would be around 100 crores?
- Management:** Yes approximately.
- Rajesh Ravi:** And AFR would be costing how much sir for you across plants that you are planning?
- Management:** It depends upon the plant size and all that. So, depending upon the plant it may vary from 2 crores, 3 crores, 5 crores like that.
- Rajesh Ravi:** And you mentioned 580 crore is the repayment due in FY24 and in addition to the interest outgo or this is inclusive of that?
- Management:** The interest is separate.
- Rajesh Ravi:** So, almost 800 crores would be what you will be paying towards that interest?



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- Management:** We have principle repayment of about 450 crores plus some interest payment is also included in the 540 crores.
- Rajesh Ravi:** For FY24 if I look at 450 crores plus suppose the last year interest?
- Management:** 450 crores will be the principle repayment.
- Rajesh Ravi:** And annual interest cost 200 to 250 crores?
- Management:** Yes.
- Moderator:** Thank you. Next question is from Navin Sahadeo from ICICI Securities. Please go ahead.
- Navin Sahadeo:** Just one last question from me what is the current net debt both at the standalone and the consol level as at the end of FY23?
- Management:** Standalone debt as at March '23 is 2,919 crores including working capital.
- Navin Sahadeo:** And for consol?
- Management:** 2,939.
- Navin Sahadeo:** This is after adjusting for the money that we have received from the sale of Springway Mining and everything?
- Management:** Correct.
- Moderator:** Thank you. Ladies and gentlemen this would be our last question. I now hand the conference back to Mr. Vaibhav Agarwal for closing comments.
- Vaibhav Agarwal:** Sir, I had a few questions actually sir you mentioned about this WHRS project being implemented one of your plans, so sir incrementally many of the plants having a quite a lot of vintage, so what is your expectations of the total capacity, how many plants could potentially be supporting this WHRS projects in the future, just your initial thought and maybe we can avoid the report, but what is your thoughts and what kind of savings we can expect from this?
- Management:** The issue is Vaibhav wastage at the plant. The four stage pre heater lends itself to a WHRS. So, also, we have different types of power. We have power, which is wind power, we have thermal power. So, depending upon the shortage of power the need we will take a call.
- Vaibhav Agarwal:** Sir, my second question was that you have provided for an extraordinary of nearly 113 crores in the current quarter which is write off for Andhra Pradesh gas this company write off, so sir can

you throw some more light on this write off and what kind of power was this company helping us and is this also one of the reasons why our cost increase in power and fuel is reasonably high than many of the other peers in the industry?

Management: I will give the exact numbers Vaibhav, but basically it was we had a share in APGPCL which was producing power from the gas where we used to get 23 megawatt of power which was used in our and it was obviously at a much lower price than the grid power. Now because the gas prices went up and it does some \$10 per mmbtu and they said the allocation also is not there and therefore this whole organization that is APGPCL has gone into sort of it is not working now. So, it has gone to a closure sort of a thing. So, that is why we have provided for it as if that we do not have an issue there.

Management: In any case APGPCL did not get the gas allocation. So, they are not able to run their turbines that is one. Point number two is the price at which if the gas is being supplied today it is about \$6.04, I think so even at that rate the power from APGPCL will be more expensive than electricity board power. So, therefore they had to go into a full stop.

Vaibhav Agarwal: So, this is sort of a permanent write-off for us as of now?

Management: We have provided for an impairment it is not written-off we have provided for an impairment in the value.

Management: In the plant and machinery is in perfect condition. The only question is suppose tomorrow they reduce the gas power to \$. 3 or \$. 2.50 like old prices then it will work. So, therefore but we cannot wait for that, so we have made a provision for that.

Management: At this point in time, it is not economically viable.

Vaibhav Agarwal: Any specific one off in the current quarter apart from this or anything else which is one off item at operating level?

Management: No sir.

Vaibhav Agarwal: Sir one more last question would be sir that you have been like on the whole call that our commentary on pricing has not been very confident and near term of price increases and observing the numbers of almost all other cement companies actually we have closed the year with a negative EBITDA of nearly Rs. 175 a ton and most of the other companies are doing reasonably okay, but maybe ahead of Rs. 500, Rs. 600 also in your region as well, so sir what will be your take as to why the pricing would come back and what can we expect I am not asking about specific guidance, but FY24-25 from a negative 170 trajectory where can we probably target ourselves with the power savings coming in, can we go back to that 500, 600 levels of

EBITDA per ton or you think that we will still be closing at breakeven levels for FY24-FY25 your initial thoughts on numbers going forward?

Management: The initial thought is that during the next financial year the situation will be much better. When we are operating at close to full capacity prices will go up, that is the axiom that all of us follow. So, small increase will do a lot to us. So, therefore we are expecting prices to go up.

Management: EBITDA, it depends on two things. One is the cost of production, which went up by that was Rs. 1,700 per ton, it went up for us for simple reason because the power fuel cost was high and we could not run our power plant because the cost of coal was so high. Now these two things are changing now I mean you are aware of the thing now cost of coal is coming down almost on a daily basis. So, we should see getting there the prices will take some time before they go up, but definitely there should be an improvement given that nobody wants to lose money. So, we hope that the saving on the cost side and that is why we are very confident that our EBITDA will be now go back to previous level.

Vaibhav Agarwal: And so one question if I may asked to Srinivasan sir basically we keep on getting a lot of questions from investors with regards to what is the roadmap for industry consolidation so sir do you think so that the industry is now fairly consolidated and the industry growth from here on companies growth would be more from organic route and inorganic consolidation will be having lesser chances in going forward or do you think so that there are still players in the industry who are willing to take an exit you being a stalwart over the industry what is your take on this as per your industry interaction?

Management: I think it will be more organic futures.

Moderator: Thank you. Next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Just one clarification this land monetization which you are looking at would that be on standalone books or in the consol entity?

Management: It will be on standalone books.

Rajesh Ravi: And you have a reasonable chance of monetizing them over next 12 to 18 months?

Management: Yes, very good chance.

Moderator: Thank you. Ladies and gentlemen, that would be our last question. I now have the conference talked to Mr. Vaibhav Agarwal for closing comments. Thank you and over to you.



The India Cements Ltd



*India Cements Limited
May 24, 2023*

Vaibhav Agarwal: Thank you. On behalf of PhillipCapital (India) Private Limited we thank the management for India Cements for the call and many thanks to the participants for joining the call. Thank you very much sir.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of PhillipCapital (India) Private Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.