



THE RAMCO CEMENTS LIMITED

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6 August 2022

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Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.

Scrip Code: RAMCOCEM

BSE Limited,
Floor 25, "P.J.Towers",
Dalal Street,
Mumbai – 400 001.

Scrip Code: 500260

Dear Sir,

Sub: Transcript of the Audio Recording of Conference Call - 1QFY23 Financial performance

Ref: Disclosure under Clause 15(b) of Para A, Part A of Schedule III, read with Regulation 30 of SEBI (LODR) Regulations, 2015.

In continuation of our letter dated 1st August 2022, providing you the weblink of the Audio Recording of Conference Call with respect to 1QFY23 Financial performance held on 01.08.2022, organised by B & K Securities, we attach the transcript of the conference call and the same is also made available at –

<http://www.ramcocements.net/ramcocements/EarningsConferenceCallTranscript/BKSec-Ramco-Aug01-2022.pdf>

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K. Selvanayagam

K.SELVANAYAGAM
SECRETARY



**“Ramco Cements Limited
Q1 FY2023 Conference Call”**

August 01, 2022



ANALYST:

**MR. AMIT SRIVASTAVA – BATLIVALA & KARANI
SECURITIES PRIVATE LIMITED**

MANAGEMENT:

**MR. P.R.V. RAJA – MANAGING DIRECTOR– RAMCO
CEMENTS LIMITED
MR. A.V. DHARMAKRISHNAN – CHIEF EXECUTIVE
OFFICER – RAMCO CEMENTS LIMITED
MR. S. VAITHIYANATHAN – CHIEF FINANCIAL
OFFICER – RAMCO CEMENTS LIMITED**



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Moderator: Ladies and gentlemen, good day, and welcome to the Ramco Cements Q1 FY2023 Conference Call hosted by Batlivala & Karani Securities 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 call please signal an operator by pressing “*” and “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit from Batlivala & Karani Securities. Thank you and over to you Sir!

Amit Srivastava: Hello everyone on behalf of B&K Securities, we welcome you all to 1Q FY2023 Earnings Conference Call with the management of Ramco Cements. We have with us from the management Mr. P.R.V. Raja – MD, Mr. A.V Dharmakrishnan – CEO and Mr. S. Vaithyanathan – CFO. I would like to thank the management for giving us the opportunity to host the earnings call. We will start the call with opening remarks from the management which will be followed by Q&A. Over to you Sir!

Venkatrama Raja: Good evening, everybody. This is Venkatrama Raja the Managing Director talking. I warmly welcome all of you to our earnings call for Q1 FY2023 and I hope all of you have already seen the results which we published in the afternoon. During the current year Q1 the sale of cement was 3.31 million tonnes compared to 2.14 million tonnes in the corresponding period of the previous year with a growth of 55%. The share of premium products has improved to 24% in this quarter from 19% in the previous quarter. The utilization rate for the current year in Q1 is 68% against 44% in the previous Q1. The trial production from the clinkering plant in our Kurnool project is successful and is running well. With this the overall clinkering capacity of our company has gone up to 13.65 million tonnes per annum. Cement prices have been volatile throughout the quarter and during the current year Q1 the company has generated wind power of 7.71 Crores units as against 7.01 Crores units in the previous year's Q1 with an increase of 10%. The EBITDA for current year Q1 is 308 Crores against 370 Crores in the previous year Q1 with a decrease of 17%. EBITDA margin for the current quarter stood at 17% as against 30% in the previous year Q1. The blended EBITDA per tonne for the current year Q1 is Rs.929. As you all know that fuel prices have tripled in the last 18 months particularly from Q3 of previous year the fuel prices started moving up to unprecedented level. During the previous year Q3 our EBITDA was Rs.790 per tonne and in Q4 we pushed it to Rs.956 per tonne and we have been trying to maintain that for this current quarter too. The main reason for drop in profitability for the current quarter Q1 is due to the increased pressure on the prices of cement and increase of pet coke and coal prices, in addition diesel prices have also increased by about 11% during the current quarter which led to an overall cost increase in both inbound and outbound logistics. The operations of our 27-megawatt waste heat recovery plant in our Jayanthipuram plant has helped offset the power cost to some extent. The cement grinding facility and the 6 megawatt of waste heat recovery plant in our Kurnool plant are expected to be commissioned during the month of August 2022. The balance 6.15 megawatt of waste heat recovery will be commissioned in March 2023.



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During the year the company has incurred a capital expenditure of 482 Crores and the company's net debt stood at 4148 Crores of which the working capital was 800 and odd Crores and the long-term debt stood at 3400 Crores, the average cost of interest-bearing borrowings for the current year has increased to 5.68% from 5.50% in the corresponding previous period. So, with this brief summary I will leave it to you for question and answers.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Amit Murarka from Axis Capital. Please go-ahead Sir.

Amit Murarka:

First question was on the fuel cost while we know that the industry is struggling with the rise in power cost, but you seemed to have managed it better particularly in the current quarter so just wanted to understand what kind of further increase do you anticipate in the second quarter and what would be your fuel cost in the rupees per KTM in the quarter?

Company Speaker:

See the second quarter my fuel prices go by another 5% to 6% in the month of July and August, from September onwards it will be up and down again, and those are current indications.

Amit Murarka:

Essentially, we are saying that there will be marginal increase in Q2?

Company Speaker:

Marginal increase or it may be remained same.

Amit Murarka:

Could you help us understand your fuel mix in this quarter?

Company Speaker:

Fuel mix is almost same we have not changed anything. The fuel mix is almost same mainly petcoke and coal.

Amit Murarka:

Coal I see was 30% in the quarter but was this all-imported coal?

Company Speaker:

All imported coal. We have very, very minimal monthly some 3000 to 4000 tonnes local coal.

Amit Murarka:

What will be the rupees per KTM cost for you do you have that number handy?

Company Speaker:

It will be around Rs.2.70 to Rs.3 between petcoke as well as imported coal between Rs.2.50 and Rs.2.95. Coal is mainly for TPP, and we use some coal in our Jayanthipuram plant, Tamil Nadu plant 100% on petcoke. Kurnool plant TPP is also on coal.

Amit Murarka:

Just on the pricing side when do you expect the pricing to really recover, we have seen the industry attempt hike every month, but it has been rolled back actually, so what is actually the problem that beside a strong demand cost inflation we are still not seeing any increase in prices?

Company Speaker:

You know the problem better than us. I need not explain definitely you people know better than us because you people attend many of the conference calls, you deal with many managements.



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- Amit Murarka:** So, we should not expect the situation to change much in the near term then?
- Company Speaker:** Do not be negative also. It could change because everybody is suffering from high cost. Do not be too optimistic, do not be too pessimistic.
- Amit Murarka:** In the last call you had mentioned that you had started supplying in east from February I think in January you had not supplied so in this quarter you supplied through the quarter?
- Company Speaker:** We have grown very well in the east in fact our main growth has come from the east.
- Amit Murarka:** So, would you be able to provide a breakup in terms of volume like what percentage would be in this quarter?
- Company Speaker:** East would be around 30%.
- Amit Murarka:** Got it. That is all from my side. Thank you.
- Moderator:** Thank you Sir. We take the next question from the line of Indrajit Agarwal from CLSA. Please go ahead.
- Indrajit Agarwal:** Hi good afternoon thanks for the opportunity. Couple of questions. First you mentioned east is 30% so this number was around 15% in 4Q is that correct?
- Company Speaker:** The fourth quarter also it was around 18% to 20% it has never been 15%. It will be always close to around 20 this quarter we have grown in east.
- Indrajit Agarwal:** What will be your capex guidance for the full year?
- Company Speaker:** The capex for the full year will be 850 Crores including the maintenance capex of 130 Crores.
- Indrajit Agarwal:** Lastly you mentioned that pricing competition is high so what would be the current prices versus last quarter average?
- Company Speaker:** Like Sensex Everyday it goes up by 4% comes down by 4%, it goes up and comes down, so if you ask me the exact prices then you will be surprised how it can vary so much.
- Indrajit Agarwal:** Alright. Thank you. That is all from my side.
- Moderator:** Thank you. We take the next question from the line of Harsh Bohra from VT Capital. Please go ahead.



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- Harsh Bohra:** Thanks for taking my question. I just wanted to check like what are the days of inventory we are carrying for coal and petcoke?
- Company Speaker:** Four months including in transit I am telling.
- Harsh Bohra:** Okay got it. Thank you, Sir.
- Moderator:** We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** First one on the government front definitely we have done a strong growth in this quarter, as the growth continued significantly because last time, we guided 12% to 15% volume growth in FY2023 so will we be achieving upper end of that target 15%?
- Company Speaker:** We will achieve that.
- Shravan Shah:** Sir second thing just wanted to understand this quarter the net debt has increased close to 400 odd Crores, and we were guiding that we will reduce the net debt by 500 odd Crores including working capital of 200 Crores so in FY2023 so do you think this is still possible?
- Company Speaker:** It is still possible because definitely there will be some reduction in the working capital also, working capital we never carry this level, so that is one, number two we are expecting some payment from two department government department and one subsidy in another month or two that should be around 100 plus Crores. We are confident whatever we have committed definitely we will do that.
- Shravan Shah:** Secondly you have already mentioned that in the second quarter we expect a kind of flattish power and fuel cost but I just wanted to further understand in the last concall we said that our consumption cost was \$190 odd and we did a call around end of May and at that time our cost was around 225 and this quarter average comes at around 170 odd so what has helped us to reduce the average cost in the last month of June?
- Company Speaker:** Because of our purchasing efficiency we are able to buy at good prices.
- Shravan Shah:** What is the trade mix for this quarter?
- Company Speaker:** Trade mix is around 70:30.
- Shravan Shah:** Sorry 70:30?
- Company Speaker:** Yes.



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Shravan Shah: Okay and then in terms of the premium share that 24% and last time we guided that we will try to increase to 30% in this year so that remains as it is?

Company Speaker: Yes, definitely because 5% already we increased from 19 it was now 24% definitely we are confident to maintain this number.

Shravan Shah: Lastly Sir for the new Karnataka Government grinding unit last time you said that work will start in six months and the capex was 350 odd Crores any change in that so by next quarter end so October, November we will start working on that?

Company Speaker: The problem is in Karnataka I never expected the procedure is so lengthy, it is not as simple as in Andhra, Tamil Nadu, or Odisha, and we are on the track but exact timing I will let you know because of land purchasing. The procedure of the government that you have to register with the industry department then they have to approach then only you can buy the land. This is a lengthy procedure for buying the land in Karnataka.

Shravan Shah: But we are targeting one MTPA grinding to start by FY2024 so if we are already getting delayed?

Company Speaker: We had Mathodu plant that we shut down three years back now the cement grinding has started from there already we started the cement grinding, we are transporting clinker from Kurnool to Mathodu plant in Karnataka already we have done that. Today we have the cement capacity of around 2.5 lakh tonne. Further if you want to have, we have also one raw mill that also we will convert it into cement mill the work is going on. Okay to that extent even there is some delay in that grinding unit to come but our Karnataka capacity will go up because of Mathodu unit. Kurnool grinding plant will also be commissioned in another three to four days time.

Shravan Shah: So, the capex you already mentioned 850 odd Crores this year so next year the similar run rate would be there in terms of capex?

Company Speaker: Next year it will be around 550 to 600 Crores.

Shravan Shah: Thank you Sir and all the best.

Moderator: Thank you. We take the next question from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: I have two questions first on the Tamil Nadu auction. It has been a while there has been no updation in the timeline, can we expect an announcement on that front and Ultratech has also announced some expansion in Tamil Nadu, do you see competitive intensity in Tamil Nadu increasing in future or is it more or less stable?



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- Company Speaker:** Timeline I cannot guarantee because the government has to decide. Number two the competition will be everywhere, why Tamil Nadu particularly competition is everywhere it all depends upon people's interest.
- Satyadeep Jain:** The wind power you are mentioning even the company would be able to use more captive wind power is it something to do with the interstate transmission charges which have been based or there anything else going on and what kind of savings can we expect on that front going forward?
- Company Speaker:** We have installed the wind power of 175 megawatt only for captive I am telling in 2010 itself we completed our investment in captive wind power in 2010 itself afterwards in 2018 there was severe power cut in Tamil Nadu almost for 6 to 7 hours, the power cut in such a way that morning peak hours, evening peak hours we could not draw any power from the grid. Cement being continuous process for 6 to 7 hours we cannot stop our clinker so we had to run with diesel which was very costly that is why we have put up thermal plant everywhere so the entire wind power will become surplus, so we are sending to the grid. Unfortunately, the payment from the grid is very much delayed and coal cost also going up we thought from the board mostly we converted into captive consumption. Two things one cost angle another thing is also to comply with ESG standard because now you people are very much attracted by ESG standard so being our facility of green power will go up.
- Company Speaker:** It will be totally 175 megawatt which will translate to natural usage about...
- Company Speaker:** Around 35 to 40 megawatts.
- Satyadeep Jain:** Any savings that you could outline based on...
- Company Speaker:** If you take today the cost is around Rs.7 whereas I am getting Rs.3 from the electricity board so straightaway Rs.4 extra savings I will get, but if I do not consider Tamil Nadu my cost of generation for wind power is going to be less than Rs.1 against Rs.7 for cost of generating power from the thermal plant it would be good saving. If you see the incremental cash flow you can take Rs.4 a unit, if you take real savings then Rs.6 a unit.
- Satyadeep Jain:** Thank you so much.
- Moderator:** Thank you Sir. We take the next question from the line of Rahul Jain from Systematix. Please go ahead.
- Rahul Jain:** In Karnataka I think we have got some mine which is at 25% premium so what is the facility around that and what is the timeline you have built to commission?
- Company Speaker:** Already we surveyed the land, and we formed a team to buy the land so again these things will take some time and exact timeline I do not have except I have to meet the statutory timeline we



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will be working towards that and the facilities we will be starting with either 7500 tonnes or 10,000 tonnes going maximum, minimum will be 7500 tonnes.

- Rahul Jain:** Any grinding unit around that unit?
- Company Speaker:** We will have grinding unit to the full capacity we will have grinding unit also, not only clinker we will put us cement grinding plant also there.
- Rahul Jain:** I see that our NSR is actually a bit weakish compared to your competitors which have reported, are we taking a sort of setback on pricing to push more volumes because volumes we have done really outstanding, so I am just wondering what is the strategy going forward because we are also wanting to increase our utilization rates and things like that?
- Company Speaker:** Okay coming quarters we will bounce back. Do not take one or two quarters and do not judge us coming quarters we will bounce back.
- Rahul Jain:** Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Keshav from HDFC Securities. Please go-ahead Sir. I think we have lost the line from Mr. Keshav. I am promoting the next questionnaire that is Ritesh Shah from Investec Capital. Please go-ahead Sir.
- Ritesh Shah:** Thanks for the opportunity. Sir my question was pertaining to the plants what we have detailed on page number three pertaining to dry mix products wherein we have also indicated waterproofing, repair products, and flooring screeds is it possible to give some indication on the capacity incremental capex and the kind of contribution that it can have on both P&L as well as balance sheet? Thank you so much.
- Company Speaker:** Incremental capex already we incurred. Two plants we already completed, only thing the final stages of completion so the capex already has been incurred in two plants. The other two plants for the next six months we deferred the capex expenditure to conserve the cash so the turnover from each plant and each this one will be around Rs.80 Crores to Rs.100 Crores.
- Ritesh Shah:** Sir what will be the cumulative revenues from this dry mix products?
- Company Speaker:** Rs.80 Crores to Rs.100 Crores per plant at full capacity.
- Ritesh Shah:** Sir how many plants in all that we have I think it is two?
- Company Speaker:** Today we have only one plant that is in Chennai a very smaller plant and our RR Nagar plant is ready. The Salem plant is also ready. Jayanthipuram and Odisha we will be doing after six



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months or nine months depending upon because you people do not want our borrowings also to go up, so we are very careful about this also. The capacity is 80 tonnes per hour.

Ritesh Shah: This is quite useful Sir. Thank you so much.

Moderator: Thank you Sir. We take the next question from the line of Prateek Kumar from Jefferies India Private Limited. Please go ahead.

Prateek Kumar: So, on the Kurnool project in our annual report and our management commentary we have said due to delay in working by contractors the project was delayed and we are optimistic of achieving commercialization of the standby in 2023 so why does it say that like we are not close to commercialization while we are talking about trial production completion in the results?

Company Speaker: No, what we told very clearly the cement will be commissioned now, already we commissioned the clinker plant, the trial production is also over, almost we touched 100% capacity also number one. Number two the cement will be commissioned by first week of now August. Only the waste heat recovery one phase will be over now second phase will be completed by March 2023. is the thing we had mentioned.

Prateek Kumar: So commercial production of both clinker and grinding is expected?

Company Speaker: You can take it September.

Prateek Kumar: Okay and this is a question which was asked earlier?

Company Speaker: Nowhere we have told Q4 of 2023.

Prateek Kumar: Sure, okay I will recheck on the same. On pet coke CIF prices, it is mentioned in your presentation it is at around \$240 what could be the current CIF prices for pet coke?

Company Speaker: It is coming down now around 210 and the indications are that it will come down further also. Even we got offer for 185 also, cannot be finalized because we have some stocks, so it is coming down.

Prateek Kumar: So that should start reflecting from Q3?

Company Speaker: You are right because already we have inventory for two to three months so even if I order today it is going to land at our factory after two to three months. You are right.

Prateek Kumar: Thank you Sir. These are my questions.



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Moderator: Thank you very much Sir. We take the next question from the line of Rajesh Kumar Ravi from HDFC Securities Limited. Please go-ahead Sir.

Rajesh Kumar Ravi: In Q4 presentation you have mentioned your blended fuel cost per tonne of \$198 and in this Q1 it has come down to \$178 is that understanding, correct?

Company Speaker: Yes, your understanding is right.

Rajesh Kumar Ravi: But what has led to this sharp decline?

Company Speaker: Coal we are able to get at much cheaper rate. Again, coal depends upon different varieties of coal we are able to buy coal at much cheaper rates.

Rajesh Kumar Ravi: So, on a per kilo cal also what will be this change Sir versus Q4 into Q1?

Company Speaker: At the beginning I told you it is between Rs.2.50 to Rs.2.90 because we import different types of coal. We import from Russia; we import from Indonesia. Indonesia itself we import some three to four types of coal depending upon price, depending upon currency value, depending upon availability at that time to use in our thermal plant or use in process so normally the cost is between Rs.2.50 and Rs.2.90 for the coal as well as the pet coke.

Rajesh Kumar Ravi: Why I am looking at the blended-on a per kilo cal because that is the actual whatever?

Company Speaker: It is between Rs.2.50 paisa and Rs.2.90 depending upon per calorie and depending upon type of coal I am using at that point of time.

Rajesh Kumar Ravi: So that increase for you quarter-on-quarter versus Q4 or was it actual decline on a per kilo cal also?

Company Speaker: Per kilo cal it is almost constant compared to Q4.

Rajesh Kumar Ravi: Sir just on this thermal power plant which you mentioned you are using Indonesian coal and all where prices have shot up from Rs.1 to Rs.2 and North of Rs.2 so what would be your average cost of generation for electricity?

Company Speaker: It will be Rs.7.

Rajesh Kumar Ravi: Despite that sharp increase almost more than doubling of it just at Rs.7 only?

Company Speaker: Yes.

Rajesh Kumar Ravi: Okay and the second question is on the capex program?



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- Company Speaker:** Before increase it is only Rs.3.50 now Rs.7.
- Rajesh Kumar Ravi:** Understood Sir and Sir for this Kurnool you are also adding a thermal power plant, right?
- Company Speaker:** Yes.
- Rajesh Kumar Ravi:** That will be commissioned this year itself?
- Company Speaker:** By March 2023 it will be commissioned.
- Rajesh Kumar Ravi:** Total capex you mentioned Rs.850 Crores for this financial year so would that assume that all your capex will be.
- Company Speaker:** Including Kurnool plant, RR Nagar plant and whatever if I spent something for our grinding unit is Karnataka everything together.
- Rajesh Kumar Ravi:** Rs.850 Crores out of which Rs.480 Crores you have already incurred in Q1?
- Company Speaker:** Yes.
- Rajesh Kumar Ravi:** Okay and lastly on the dry mix capex cost has gone up from Rs.45 Crores to Rs.70 Crores is that reading right?
- Company Speaker:** Yes, you are right because the number of products, now we have seen a lot of opportunities with increased number of products. Products previously we thought we will produce four to five types of products, now we thought we can produce almost 50 types of products.
- Rajesh Kumar Ravi:** What is the revenue potential and margins for this dry mix?
- Company Speaker:** The revenue potential is Rs.80 Crores to Rs.100 Crores.
- Rajesh Kumar Ravi:** Per plant?
- Company Speaker:** Yes, per plant and the margin will be somewhere between 20% and 30%.
- Rajesh Kumar Ravi:** 20% to 30% EBITDA margin?
- Company Speaker:** Yes.
- Rajesh Kumar Ravi:** Okay super. Great Sir. Thank you. I will come back in queue.



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- Moderator:** Thank you very much Sir. We take the next question from the line of Sumangal Nevatia from Kotak Securities Limited. Please go-ahead Sir.
- Sumangal Nevatia:** In the sector that we are evaluating and also the other way round in case a larger buyer is willing to give us an attractive price to acquire our company are we opened to evaluate such opportunities?
- Company Speaker:** That is not the right question you are putting to us. We are hurt by this question.
- Sumangal Nevatia:** Sorry.
- Company Speaker:** We are very much hurt by this question.
- Sumangal Nevatia:** No Sir the first part of the question is with respect to our growth ambition.
- Company Speaker:** Yes, from Rs.12 million to Rs.20 million we have grown.
- Sumangal Nevatia:** In the future are there any existing inorganic opportunities in the sector?
- Company Speaker:** Yes, that we will evaluate.
- Sumangal Nevatia:** But on the second part we are not open to such discussions?
- Company Speaker:** We are hurt. Do not repeat that question again.
- Sumangal Nevatia:** Okay got it. Sorry Sir for this. Thank you.
- Company Speaker:** Because we are in the business for the last 70 years such questions you cannot put to a group where the group is in business for more than 70 years and on the EBITDA level, we are the making the highest and we are the benchmark for the industry.
- Sumangal Nevatia:** Certainly Sir. Thank you and all the best.
- Moderator:** Thank you. We take the next question from the line of Keshav from HDFC Securities Limited. Please go ahead.
- Keshav:** I just want to know what sort of net debt to EBITDA you guys are comfortable with?
- Company Speaker:** Normally this one is to maintain two.
- Keshav:** Okay understood and what was the lead distance for this quarter?



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- Company Speaker:** Around 301.
- Keshav:** Okay thank you. That is, it.
- Moderator:** Thank you Sir. We take the next question from the line of Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Thanks for the opportunity again so just on the capex side again so like is it fair to say that the peak capex is now over for us given that the rest of nine months we are guiding only Rs.370 Crores and then Rs.500 Crores or Rs.550 Crores, of that balance Rs.370 Crores actually do you think that Rs.150 odd Crores and we will maintain the growth capex is left with only Rs.200 Crores for the rest of this year?
- Company Speaker:** Totally it will be around Rs.850 Crores out of that we spent Rs.482 Crores so another Rs.400 Crores is there.
- Amit Murarka:** Yes, but of which maintenance is also there?
- Company Speaker:** Including that I only am telling even Rs.482 Crores including maintenance capex that also includes maintenance capex.
- Company Speaker:** Rest of that it is Rs.120 Crores for maintenance capex.
- Amit Murarka:** Yes, so broadly Rs.300 odd Crores of growth capex?
- Company Speaker:** Because almost completed projects are completed. Just we are waiting for the waste heat recovery also to complete so that we can save the cost. Otherwise with such severe cost it may not be economical to run it now that is why we are delaying. Apart from the contractors delay we are also delaying our commissioning by one or two months because of this.
- Amit Murarka:** Right got it and how much is the debt free payment plan given that now the capex will not be much?
- Company Speaker:** Around Rs.500 Crores.
- Amit Murarka:** Thank you.
- Moderator:** Thank you Sir. We take the next question from the line of Parthiv Shah from Tracom Stock Brokers Private Limited. Please go ahead.
- Parthiv Shah:** The groups like Shree, Dalmia, Adani Group, and UltraTech all of them have visibility up to say 2025 to 2030 as to where these companies will be positioned themselves in terms of the size and



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the capacity, even I would say the smaller players like Orient Cement or Birla Corp we are talking about say Birla Corp is saying doing 30 million tonnes by say 2027 or for that matter even if it is delayed by 2030 where are we positioned because all these companies historically used to be reached 15 million tonne companies and now they are aspiring to touch 40 to 50, we have done capex which is very good we will be touching 20 million tonnes currently at 68% capacity utilization but where do we see ourselves as a group five years or seven years down the line because this industry is becoming so huge and we are relatively as compared to other players shrinking in size in terms of capacity?

Company Speaker: How do you say we are shrinking in size?

Parthiv Shah: In the sense that when other groups who are at 15 to 20 million tonnes, they are going to reach 40 million tonnes in the next five years?

Company Speaker: See the turnover and let me know where they are. Others can say in paper so many this one. See the turnover and see where we are and always, we are number five. Not today 1982 we are number five even today we are number five.

Parthiv Shah: Sir is it safe to assume Sir going ahead we will be betting more on increasing our capacity utilization and trying to sweat our assets and becoming more efficient that way?

Company Speaker: We have our own plans. There are two things. If I have our own plans then you will be asking then the leverage will be very high, if I do not announce the plan then you will say we are very conservative do not worry we will grow our own way and we will improve our position. Compared to industry our growth will also be good and our capacity utilization much better than others.

Parthiv Shah: True Sir. Thank you, Sir.

Moderator: Thank you very much Sir. We take the next question from the line of Nishant Bagrecha from InCred Equities. Please go ahead.

Nishant Bagrecha: Thank you for the opportunity. I have two questions so firstly apart from this grinding unit of 1 million tonnes in Karnataka so last quarter we have highlighted that one more grinding unit will be planned in Maharashtra but again the location has not been finalized so is it finalized or your color on that?

Company Speaker: Maharashtra location is not finalized yet. Now that the one mining lease in Karnataka we are having second thoughts whether to put up grinding unit in Maharashtra or because from that location itself we can serve Maharashtra better so that is why we have second thoughts to go for grinding into Maharashtra.



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- Nishant Bagrecha:** It is very helpful Sir and my second question is on pricing again so as we do not have much visibility about how the prices are going to behave in the coming months or let us say now the monsoon is there so again but looking at today if you were to do how much pricing fee do you require just to cover up the cost of inflation going ahead let us say for the next one quarter?
- Company Speaker:** Only to cover up the cost increase Rs.10 to Rs.15 price increase enough only to cover up the cost increase but EBITDA it has to improve EBITDA is one of the lowest, but we have to improve our EBITDA, for that another Rs.50 to Rs.60 price. Also, the cost will also come down. It is a very dynamic situation so the cost also the pet coke has gone up to \$260 to \$270 also coming down to \$180 so it is very dynamic.
- Nishant Bagrecha:** Approximately Rs.30 to Rs.35?
- Company Speaker:** That will improve our EBITDA.
- Nishant Bagrecha:** Okay that is helpful Sir thank you.
- Moderator:** Thank you very much. We take the next question from the line of Sanjay Nandi from Ratnabali Investment Private Limited. Please go-ahead Sir.
- Sanjay Nandi:** Good evening, Sir. Thank you for the opportunity. Congrats on a good set of numbers. Sir can you just guide us on the pet coke visibility like what kind of inventories we are holding as on the exit of Q1 and what will be the impact like in the next quarter what kind of incremental thing we can expect in the coming quarters?
- Company Speaker:** Inventory level you are asking?
- Sanjay Nandi:** Inventory level in pet coke Sir?
- Company Speaker:** Inventory level in pet coke I told you at any point of time we have four months in transit as well as in stock at the factory it will be around four months both pet coke and coal together.
- Sanjay Nandi:** So, Sir in the coming quarters like the coal, power, and fuel cost per tonne we can expect on a flat note, right?
- Company Speaker:** Yes. In fact, July, and August, it will go up little but September it will come down.
- Sanjay Nandi:** Okay that is it from my side Sir. Wish you all the very best Sir.
- Moderator:** Thank you very much. We take the next question from the line of Shravan Shah from Dolat Capital Market Private Limited. Please go ahead.



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Shravan Shah: Yes Sir, Sir just wanted to clarify wind farm 126 megawatt are we currently using for ourselves and subsidiary wind farm of 39.8 that is 40 megawatts so that we are selling to the grid, or we are planning to use entirely for our consumption?

Company Speaker: The subsidiary group whatever we are having that is used by our group companies that is our old dealing. Instead of selling to the grid because the grid makes payment after one year or two years that is why at that time, we form subsidiary. We transferred all the very old equipments so that at least we get the payments we are getting the same price of what we are selling to the grid, but we are getting the payment immediately that will continue. Remaining that 138 megawatt what we are selling to the grid we are converting into captive almost 70% will be converted and another 30% we will be converting now.

Shravan Shah: Okay so this quarter out of 126 roughly around 70% we have used for ourselves and may be in one or two quarters we will be using 100%?

Company Speaker: Not one or two quarters it will happen in another 10 days time also because this is a peak generation we want to have because after one or two quarters there will not be any generation, so we want to convert. Already the court has given direction to get covert into captive power. Already we got the order. The only thing now the electricity board has to implement it.

Shravan Shah: Okay so if we use the entire then the green share will increase by how much?

Company Speaker: By another 10%.

Shravan Shah: Just to clarify again we said Karnataka limestone mine that where we made plan to put up 7500 to 10000 TPD clinker line so in terms of the grinding unit it would be 3 million to 5 million tonnes for that?

Company Speaker: You are right. It will be 3 million to 5 million tonne yes.

Shravan Shah: Thank you Sir. All the best.

Moderator: Thank you very much. I would like to hand the conference over to you Sir for the closing comments.

Venkatrama Raja: On behalf of Ramco Cements, we thank you for all the participants. We hope we have answered all the questions to your satisfaction, and I will assure you we will make all the efforts for the further growth of this company, and we will not lag behind any of the growth in our growth path. Thank you very much and wish you all the best.

Company Speaker: Thank you for your valuable input. That concludes the conference call for today. Thank you very much.



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Moderator:

Thank you. On behalf of Batlivala & Karani Securities that concludes this conference call. Thank you for joining us ladies and gentlemen. You may now disconnect your lines.