JK LAKSHMI CEMENT LTD.

JKLC: SECTL:SE:25
11th February 2025

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

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

Dear Sir/ Madam,

Re: Conference Call organized by PhillipCapital on 7th February 2025 at 4:00 P.M. IST

In continuation of our letters dated 29th January 2025 and 7th February 2025 on the above subject, attached herewith the transcript/minutes of the aforesaid conference call. This is for your information and record.

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

Yours faithfully,
For JK Lakshmi Cement Limited
AMIT CHAURASIA
Digitally signed by AMIT CHAURASIA
Date: 2025.02.11 10:43:38 +05'30'
(Amit Chaurasia)
Company Secretary

Encl: a.a.

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"JK Lakshmi Cement Q3 & 9MFY'25 Earnings Conference Call"

February 07, 2025

MANAGEMENT:	**MR. ARUN KUMAR SHUKLA – PRESIDENT & DIRECTOR, 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 JK Lakshmi Cement Q3 and Nine Months Year ended 31st December 2024 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 call, please signal an operator by pressing "*" then "0" on your touchtone phone. I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital (India) Private Limited. Thank you and over to you, Mr. Agarwal.

Vaibhav Agarwal: Yes. Thank you, Michelle. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q3 & Nine Months FY'25 Call of JK Lakshmi Cement Limited.

I need to highlight that JK Lakshmi Cement is also the holding company of its listed entity, Udaipur Cement Works Limited and therefore this call is also open for discussion about the performance of Udaipur Cement Works Limited.

On the call, we have with us Mr. Arun Kumar Shukla, President and Director, and Mr. Sudhir Bidkar, CFO at JK Lakshmi Cement.

I would like to mention on behalf of JK Lakshmi Cement and its Management that certain statements that were made or discussed on this conference call may be forward-looking statements related to future developments, and which are based on current expectations. These statements are subject to a number of risks, uncertainties and other important factors which may cause actual developments and results to differ materially from the statements made. JK Lakshmi Cement and the management of the company has 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 the "Management of JK Lakshmi Cement for their Opening Remarks," which will be followed by "Interactive Q&A." Thank you. And over to you, sir.

Management: Hello! Thank you and good evening to all of you. Thanks for attending this call.

Though you have already seen the result, I will just give you a very brief update on the industry as such and our view on that. So, last quarter from December, demand has started improving, demand is good in our operating markets and so is the prices also are improving.

Going forward, what we at JK Lakshmi see is that this year the growth is going to be around 4% to 5%, somewhere around that, and next year FY26 may be around 6% to 7%. That is what we see. Maybe because of the delayed CAPEX release, all those pent-up demand is likely to come in next financial year, but we definitely see that next year is going to be good in terms of overall demand

and also I think prices also will be better than what we have witnessed this year particularly during Q2.

At JK Lakshmi Cement, we are still focused on how we are going to improve our efficiencies in the part of our operations, and we keep on working on that.

Our focus is also there on renewable energy. So, we are improving our renewable energy proposition in our overall energy requirements. In the last quarter it was at 48%.

Distribution also, we are very focused as to where we operate and where we are going to sell. That reflects in our lead in the different quarters which we have achieved. Last quarter also it was similar to the Q2, right.

And on top line, supply chain and operational efficiencies, that continuous endeavor is there to be amongst the best companies in terms of efficiencies.

So, this is what I think is a very brief update. I think you must have seen the Results. We are open for questions and maybe during answering those questions, we will have further conversation on some of the aspects which you want to know. Thank you so much.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. Anyone who wishes to ask questions may press "*" and "1" on their touch tone phone. If you wish to withdraw yourself from the question queue, you may press "*" and "2". Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. You may please press "*" and "1" to ask questions. The first question is from the line of Praveen from Anandam Enterprises. Please go ahead.

Praveen: Hi, thank you for the opportunity. My question is what is the current status of conveyor belt at Durg plant and what is the expected timeline to complete this project?

Management: Yes. So, the status, this is on the final stages of approval. So, that taking lease from the PSUs or the government is little bit tedious, so, we are trying for that and hopefully during this current quarter, we will be able to accomplish this approval.

Praveen: Okay. Could you give me any approximate timeline?

Management: Very difficult because these are the things which is not perfectly in our control, right. But as I said that this is on the final stages of approval. So, anytime we may get it, but it's very difficult to give a timeline.

Praveen: Okay, sir. That's all from my side. Thank you.

Moderator: Thank you. You may press "*" and "1" to ask questions. The next question is from the line of Mangesh Bhadang from Centrum Broking. Please go ahead.

Mangesh Bhadang: Hi, good afternoon, sir. Sir, my question is on the volume growth you mentioned that December onwards volumes has picked up and we have commissioned Udaipur units on high back, but we're not seeing too much of a volume uptick from there. So, just wanted to understand from you what kind of volume growth can we envisage in FY26? And when can we see optimum utilization at the Udaipur unit?

Management: Udaipur Cement Works, I think we are going ahead as per the plan only in terms of volume ramp up. So, last quarter, if you look at, the capacity utilization was 57% along with a new unit, right, which is as per the plan which we had head-out. Going forward, definitely, as I said that next year is going to be good in terms of demand. So, we will achieve somewhere around 65% of capacity utilization in FY26 for Udaipur, right?

Mangesh Bhadang: Sir, that means have we slowed down production from other units just because Udaipur has come up and because of which it is not getting reflected in the volume growth?

Management: I am not so clear. Can you repeat this once again?

Mangesh Bhadang: Sir, I'm saying, we are operating at almost you said 45% from Udaipur right now which was not there last year, but still we are showing growth of say 2%, 3% on volume. So, is it that the production from the other units that we have has slowed down?

Management: No, no. I think more or less, if you look at, only JK Lakshmi Cement utilization is about 78%, right, and overall is 68%. Okay? So, as I said that December onwards demand has started improving. November was also quite sluggish. So, if you look at, overall capacity utilization of the industry also, I think we are little better than others. Okay? So, overall at about 68%, 69% Udaipur alone at 57% and JK Lakshmi at 78% to my mind is really okay in line with what others are doing.

Mangesh Bhadang: Sir, one more question was on the CAPEX for next year. What could be that number?

Management: Yes, CAPEX we expect Next year to be about, as I mentioned in my last call also, this year in nine months, we already done about 250 crores, another 100 crores may come in the current quarter and then thereafter about 1,000 in the next FY26 and about 1,500 in FY27.

Mangesh Bhadang: Okay, sir. I will come back in the queue.

Moderator: Thank you. You may press "*" and "1" to ask questions. The next question is from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hi sir. Good evening. First, could you share the numbers like what was the blended cement and trade share and premium share in this quarter?

Management: Blended cement was at 65%, trade proportion was 58%.

Rajesh Ravi: Okay. And premium sale and fuel cost?

Management: Premium sale on an overall volume basis, total trade, non-trade put together was at 11% and fuel was at 1.57 for 1,000 Kms.

Rajesh Ravi: Lead distance, AFR and CC ratio?

Management: 381 Kms was the lead, right, and AFR I think for a different unit we have different AFR. Overall it is 11%, Sirohi is at the highest at 14%.

Rajesh Ravi: Okay. And sir, the CC ratio would be how much for Q3?

Management: Sorry?

Rajesh Ravi: Cement-to-clinker ratio?

Management: It's 1.45.

Rajesh Ravi: And sir, these numbers you share is on a consol basis, is this understanding right?

Management: The figure which we are telling you is consol.

Management: Until and unless you ask very specific about different companies, I think otherwise we mention only consol.

Rajesh Ravi: That is okay, sir. That is why it is all consol only na, because that is how one should look at this company?

Management: Yes. Yes.

Rajesh Ravi: How much was the volume sold in Udaipur, sir, for the corresponding volumes for Udaipur?

Management: Udaipur volumes were at 8.3.

Rajesh Ravi: This is total sales from Udaipur.

Management: Yes.

Rajesh Ravi: Okay. So, is it fair like Udaipur has driven most of the volume growth in this quarter?

Management: You are right.

Rajesh Ravi: And sir, you mentioned in the nine months we have done this 250 crores CAPEX and another 100 crores CAPEX. So, are we running very short in terms of the… this is a total CAPEX size which we have spent including maintenance and all, 250 crores?

Management: Yes, you are right.

Rajesh Ravi: Okay. So, is this as per the plan or are there any slowdown deferment, which you are witnessing here?

Management: There's no slowdown or deferment which we have witnessed.

Rajesh Ravi: Okay. And the phase-I railway siding is already operational?

Management: Yes.

Rajesh Ravi: Okay. And lastly, in terms of the cost reduction programs, so how much we have achieved and how much more we're looking at tangibly over next one year, say by FY26 end?

Management: So, I think this improvement or cost efficiency is an ongoing process. Plan we had I think more or less we have achieved I would say to the extent of about 75%, 80%. One of the major initiatives which was pending from our end… I had explained this to you before that we are working on brand rejuvenation so as to improve our price positioning. Exercise we have initiated from 15th of January, right? So, the brand recognition, the idea is to improve price positioning and perhaps I think that is going to give some good benefit in terms of at least improving our price positioning by Rs.80 to Rs.100 a ton. So, that is one major I would say item which we have worked upon and perhaps I think that is going to give us benefit going forward. So, this is one. Second, on renewable energy front, as I said in my opening remark also, this is one area which we are very focused based on our corporate responsibility also as to how we are going to be carbon net zero by 2047. So, we are aggressively working on this. So, this is another area which is going to give us benefit. Quantification, I think maybe in the next call I will give you, because some of the things still we are working on, right. And third of course is further working on supply chain efficiency. So, if you see that after merger of Udaipur and JK Lakshmi, right, so further synergy will come and that will benefit to an extent in logistics cost reduction also. There are other items which we keep on working on energy, on heat value and TSR of course I think we have further room of improving by a percentage or two with the capability which we have, right. So, that is we keep on working.

Rajesh Ravi: Okay, sir. Two small questions. One is how much was the RMC Cement revenue for this quarter? And second, the CAPEX number for FY25, in last call you were targeting 900 crores, 500 crores at standalone, 200 crores at Udaipur and 200 crores for the Northeast project. Now which we are talking about is sharply lower, 350 crores.

Management: RMC revenue was 64 crores last quarter.

Rajesh Ravi: And non-cement revenue total?.

Management: 135.

Rajesh Ravi: CAPEX number which was at 700 crores in Q2 for FY25. Why this is reducing to almost half, sir?

Management: It is not reducing to us. It is I'm saying 1,000 crores for the next year. It's not -

Rajesh Ravi: No, that is I agree. For FY25 in the last call that you would be spending 900 crores you had guided, 500 crores at the standalone level, and 200 each at Udaipur and Northeast projects. So, where are going short on the expense?

Management: 500 is the standalone and about 300-odd would be, that question was for the standalone, 500 is standalone and 300 is for the Udaipur.

Rajesh Ravi: So, total how much we are spending for this year?

Management: 800 crores.

Rajesh Ravi: 800 crores. Okay, okay, this explains I will come back in queue. Thank you.

Moderator: Thank you. You may press "*" and "1" to ask questions. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Thank you, sir. Sir, EBITDA margin on non-cement revenue is 5% for this quarter?

Management: No. It is lower than, it's at 1%.

Shravan Shah: Okay, 1% only. Okay, got it. So, just again reclarifying consol CAPEX for FY25 is 800 crores, for FY26 is 1,000-odd crores. And for FY27 is how much?

Management: Could be close to about 1,500 crores.

Shravan Shah: Okay, 1,500. Okay, got it. In terms of the ongoing expansion so Surat will be starting 1.35 million tons by this March end?

Management: So, as we said before, we are commissioning it in two phases. First phase is going to get commissioned in the month of March itself or February end, which is about half of the capacity about 0.8 million tons, and another rest of 0.6 million tons during around June 2025.

Shravan Shah: Okay. So, this is getting delayed, so initial probably maybe a three to six months the timeline was. So, is there any specific reason why we are, because already we have a unit and we will be adding there. So, why there is a delay in this?

Management: I think first phase was about to be commissioned during this time only. Yes, there is some delay because of some of the equipments which got delayed in terms of getting supplies at the site. So, yes, little bit of delays, but not much because anyway I think we are hopeful that by this month end or maybe mid of March I think 0.8 million tons will be up.

Shravan Shah: Okay. Got it. Second, just on the timeline for the clinker and grinding in two phases, so the clinker 2.3 and 1.2 million grinding at Durg and Prayagraj that will be starting by 1H of FY27?

Management: Yes, you are right.

Shravan Shah: And the second phase of our million tons grinding units in FY28?

Management: Right.

Shravan Shah: Okay. And the Northeast one, last time we said 1,800 CAPEX expansion. So, that will be starting in FY28?

Management: Yes it is what the timeline we have given as of today.

Shravan Shah: Yes. And sir, if you can give us a gross standalone debt and consol debt and cash also and net debt, standalone and consol?

Management: Standalone gross debt is 650 crores, 300 crores of cash, so net debt is 50 crores on standalone basis. On a consol basis, gross debt is 2,150, 400 is the cash, so 1750 is the net debt on consol basis.

Shravan Shah: Okay. Got it. Second sir, in terms of currently the prices for our core markets if we compare with the third quarter average right now would be higher by how much?

Management: I would say definitely about Rs.75 to Rs.100.

Shravan Shah: Okay. For this fourth quarter at a consol level broadly in terms of industry, I think would be 6% to 8% kind of a growth likely to see. So, us in terms of the volume growth in the fourth quarter would be the similar at consol level?

Management: Fourth quarter, our estimation is likely to grow at about 7% to 8% and we are going to be in alignment with that, right, 8% I would say.

Shravan Shah: Okay. Okay. Okay. And next year at a consol level for industry, you mentioned 6% to 7%. So, will we be growing a much better of 8% to 10% or mostly in line with the industry?

Management: I think we are going to do better because I think we have now Udaipur and Surat also in place. So, our growth is going to be better than industry.

Shravan Shah: Okay. Just in terms of the profitability, because we have done a good thing on the costing front for this quarter, a decent Rs.350-odd per ton QoQ reduction and now we are saying that probably we are looking at a kind of Rs.80, Rs.100 improvement on the pricing front what we are trying to achieve on the costing front. So, is it fair to say that easily we can see 800, 900 plus kind of EBITDA per ton on a sustainable basis?

Management: I think you are very quick in calculations. See, we are in the market and market is always dynamics, right? So, maybe I think why we should limit ourselves to only 75 to 100, we can go even up to 200 or maybe 50 also. So, I think some amount of volatility has to be there. So, I think I would give a range. I think you are right in that sense.

Shravan Shah: Okay. Got it. But we are not worried given the kind of incremental supply that will be coming at industry level. So, the broader calculation would be 100 million tons plus capacity will be added in '26 and '27. So, in terms of the market share so is it fair to say that if we can achieve the kind of market share or maintain, then maybe one has to look at the lower prices and maybe a lower profitability or it could be vice versa?

Management: See, if you look at capacity addition for the last maybe post-COVID the addition has been about 40 to 45, 50 million tons every year. The capacity addition CAGR is about 6% to 7% this year is about 7%. If demand is also going to be about 7-8%, perhaps whatever capacity utilization we have at the Pan India industry level that is going to be there. So, on an overall basis, I think I do not see there is going to be much demand and supply mismatch, it's going to be the same way as it was before. Yes, regional imbalances you may see wherever I think capacity is going to get added more, right, and maybe some of the area where I think some ramp up is happening. So, maybe regional level you may see some kind of demand/supply mismatch. On an overall basis I think it's going to be the same as it was before. And in our market we are sure that I think we are going to retain our market share and is not going to mismatch in demand and supply too much in our market where we operate.

Shravan Shah: Okay. Thank you and all the best, sir.

Management: Thank you. Thank you so much.

Moderator: Thank you. Participants, you may please press "*" and "1" to ask questions. The next question is from the line of Uttam Kumar Srimal from Axis Securities Limited. Please go ahead.

Uttam K Srimal: Yes, sir, good afternoon and thanks for the opportunity. Sir, what would be our closing capacity on a standalone basis in FY26 and FY27?

Management: FY26 I think on a standalone basis I think we will adding 1.35 million tons only. This is what is the reason as far as FY26 goes. In FY27 may be during Q2 or Q3 we will be adding this Durg and Prayagraj. So, that activity you can see about 2.5 million tons. Close to 4 million tons we will be adding as per the plan we have today. Maybe if we can really take up some other projects also, this may go further up.

Uttam K Srimal: Okay, sir. Understood. That's all from my side.

Moderator: Thank you. You may press "*" and "1" to ask questions. Anyone who wishes to ask questions may please press "*" and "1" now. The next question is from the line of Nihar Dave from IIFL Securities. Please go ahead.

Nihar Dave: Hi, sir. Good evening. Sir. Congratulations. You made a very good set of numbers. I just had one question. What can you tell me in terms of regional revenue split and regional volume split, what is it now? And once our capacity comes on line what do you expect that to be by let's say '26, '27?

Management: So, you are talking about regional play, right?

Nihar Dave: Yes, yes, yes.

Management: So, whatever information we have I think capacities are going to be added in East, and if you look at East demand also is the fastest growing market, even last quarter also the demand was highest in case of East. So, the capacity is going to get added. I think dynamics is going to be more or less same, not different than what it was before. In the West, I think I do not see that till FY27 is going to be a major change whatever we can see today, right? It's going to be like that only. Maybe I think demand will go up and then maybe I think capacity utilization will go further up. So, that will happen in tandem with the demand. But not much of a change which we see in West the market where we operate I'm talking, right. North, yes, capacities are on the anvil for some of the players. But as you know that North is a place where from I think supplies are going to some other market, right? So, there has always been excess capacity in North because now supplies to other markets like Central India to far North India to UP, West and so on, right. So, it's not going to be a major change in terms of regional play and in terms of competitive intensity. Definitely, I think people have added, so they'll try to utilize their assets to the extent possible. And to that extent, I think that might have some temporary impact on pricing during low demand. Otherwise, I think it's not going to have much change on the dynamics of demand and supply.

Nihar Dave: Okay. Got it. Noted, sir. So, West, you expect to be more or less as is, East is the growing market -

Management: Capacities to go up, and so is the demand. So, I think more or less I think is going to be a semblance.

Nihar Dave: Okay. Okay. Got it. Thank you so much, sir.

Moderator: Thank you. Please press "*" and "1" to ask questions. The next question is from the line of Shouvik Chakraborty from Dolat Capital. Please go ahead.

S Chakraborty: Yes, hello, sir. Thank you for the opportunity. Just wanted to understand the pricing scenario for the industry right now maybe from the exit of January, I mean, considering the recent hikes that we had seen from the end of December, maybe can you just help me , to understand the dynamics of the pricing front?

Management: So, pricing definitely goes along with the demand, and if demand is good, then prices are going to get reinforced. So, that is for sure and that is what we have seen in case of December and January whatever pricing movement has happened because of the support of the demand. And at least in the next two quarters, definitely, I see that demand is going to be good and hence prices are also going to be reasonably alright. Yes, during monsoon as I said before your question that during lean demand, yes, there could be some pressure on pricing. But I think if demand is good, then prices are going to be in alignment with that. And that applies to all markets wherever we operate. So, then you are not going to get something which is unusual, which is what I see. Kind of demand/supply equation and hence the pricing is one of the outcomes of that.

S Chakraborty: Right. Okay. Thank you so much, sir. All the best.

Moderator: Thank you. You may press "*" and "1" to ask questions. The next question is from the line of Rajesh Ravi from HDFC Securities. Please go ahead. Mr. Ravi, I have unmuted your line.

Rajesh Ravi: Sir, you mentioned premium cement volume is overall 11% of the volume total sales, which I adjust for trade volume, this would work out to be 19% and in the preceding quarters this number was maintained at between 25% and 30%. So, is there any sharp change in sales strategy or how come this premium cement as a percentage of trade come down so sharply?

Management: I think our premium share in the case of East is not very good. And as I said that we are also working on streamlining our brand and changing the positioning also, right. So, that had some impact on this.

Yes, your observation is right. But perhaps I think in coming quarter, we are going to go back to the same level because what we have done is in East also we have done some kind of brand restructuring, just to let you, we have Pro+ as a premium product here in this part of India, there we have the base product. So, some kind of realignment we have done. So, that Pan India, we have one brand architecture and similar kind of value proposition for different brand. So, this is a temporary thing I would say.

Rajesh Ravi: Great, sir. That's all from my end. Thank you. All the best.

Moderator: Thank you. You may press "*" and "1" to ask. The next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Yes. Hi, good evening. Thanks for the opportunity. My question is on Sirohi. I believe the limestone there is going to expire in 2030. So, what's the plan there like how do you plan to manage the transition when it happens?

Management: Yes. So, I think auction is due in the year 2030 and this is the case for Sirohi and this is the case for some other locations for other companies as well, right? So, we definitely want to retain this during re-auction also for sure. That may entail to kind of increasing cost of it because in the re-auction what will happen I think that we need to see. So, this is what the case is. And parallelly, we are also trying because we do have that limestone reserve at other places, but I think Udaipur and Nagar also, we have taken that, though I think we are in the process of kind of executing all those initial stages of land acquisition, environment clearance and so on and so forth. So, that is the backup. But that may not work on a long-term basis, but we are I think reasonably alright that mines when it goes for re-auction we will definitely try to retain it.

Amit Murarka: I am just trying to understand in case let's say the mine premium goes very high or whatever is the reason we don't get the mine, then like what is the backup plan for the plant then?

Management: As I said, it's not all about cost benefit. So, the premium which we are likely to pay for Sirohi, re-auction versus maybe bringing limestone from some other place. So, that cost analysis has to be done, right. Because we do have limestone source from other locations, which is not quite far.

Amit Murarka: But which mine would that be like -?

Management: Udaipur is the nearest one.

Amit Murarka: Okay. From there? Okay. Sure. And also, generally the outlook on pricing, I believe it's bottomed out after the monsoon, but still like it's been a bit up and down in the last couple of months as well. So, what is generally your expectation on the industry competitive intensity and the pricing outlook?

Management: Competitive intensity, yes, of course, I think it's going to be there and it was there before also. If demand supports, then I think prices are not going to see that level of bottoming up which we saw in the Q2, right? If demand supports, then definitely I think it's going to be reasonably alright and roundabout I would say. So, I'm quite optimistic that since demand is likely to be good in the coming year, FY26, which is about 7% to 8%, prices also are going to be reasonably alright. Because see, Q1, Q2 was exceptional this year because of general election followed by monsoon which has prolonged little longer and heavy monsoon in some of the areas where we operate, right, so that impacted, but in the coming year, I think there is no such kind of major events which are going to happen which we can foresee today, right. Demand is likely to be good. If you look at the budget, budget also has the CAPEX of about 11.21 lakh crores. And out of that, half of that is going to be in areas where cement is directly related, indirectly I think everywhere but directly related. Suppose about 1,70,000 crores in National Highways, Metro about 35,000 crores and urban housing, rural housing, 120 additional airport destinations. So, I think all these projects which did not take off or some of the ongoing projects, which did not take that steam is going to really be on the fast track in coming months and coming years. So, demand is going to be good and that will support pricing. So, I'm reasonably confident that pricing is going to be better than what we have witnessed in Q2 particularly.

Amit Murarka: Sure, understood. And lastly on cost saving, are there any projects going on for you as you will commission maybe in some time?

Management: Sorry, I missed something… sorry, I miss you.

Amit Murarka: No, I was asking on cost savings side. Are there any projects which you are doing either AFR or the TSR or anything like that, which you will commission and give you some savings on the next year or so?

Management: As I said, when some gentleman asked this question, so one is of course renewable energy which we are working on further improving our renewable energy proportion, part of our power portfolio, this one. So, that will give some savings. Second, we will be ramping up our TSR at Udaipur because we have already commissioned that AFR capability, and we will try to take this TSR up at that place. In Sirohi also we definitely see a percentage or two further we can improve with the given capability which we have. So, that is another headroom which we have. And these are the major items I would say other than all those ongoing things. We are working on fixed cost reduction wherever we see opportunity to reduce that. So, we have taken some action in the past; we will take some action in the coming months and years also. So, that is another thing which we are working on and supply chain efficiency further maybe because now we have railways at Durg, then the railways wagon loading at Udaipur. So, that is going to benefit us in further improving our supply chain efficiency, being able to serve our customers better and also reduce our distribution cost. So, these are the major items I would say.

Amit Murarka: Got it. And if I may, just a last question. On Udaipur, what is the expected timeline for the completion of the merger process?

Management: I think jobs are almost over. This cement wagon loading is now getting commissioned. We have already started commissioning that. Apart from that, all minor jobs like **(Inaudible) 39.51** shed, and some raw materials shed and things like that, we are working on that. Otherwise, all the major jobs are over.

Amit Murarka: Sir, I was asking about the Udaipur merger. If it was already discussed, I missed it. But what is the timeline of completion of the merger of Udaipur Cement to JKL?

Management: Yes, for merger, we already have the stock exchange, SEBI approval, we have approval from the NCLT and that might take about eight, nine months.

Amit Murarka: Okay. So, maybe end of this calendar?

Management: Yes, yes, we're targeting that.

Amit Murarka: Got it. Got it. That's all from my side. Thank you very much.

Moderator: Thank you. Participants, you may please press "*" and "1" to ask questions. Ladies and gentlemen, this will be the final reminder and no further reminders will be given that you may please press "*" and "1" to ask questions. Ladies and gentlemen, I now hand the conference over to Mr. Vaibhav Agarwal. Over to you, sir.

Vaibhav Agarwal: Yes. Thank you. Sir, I had a question for Arun sir. So, last time on the call, Arun sir did mention that in the next call he will be coming back with some newer strategy regarding branding and something on that front. So, anything, Arun, sir which you would like to throw some light on this call regarding that?

Management: That's what Vaibhav I told one of the gentlemen, brand rejuvenation which I had promised before that we are working. So, that has come to that execution level now. So, we have launched a new brand called "JK Lakshmi Green Plus." So, we have launched on 14th of January this year and the initial feedback from the market is very encouraging. So, one, I think our commitment towards greener product and greener environment. So, that was one of the motives. Second was also to improve the positioning of our brand, which we have done. And we definitely see that now, this band rejuvenation exercise and brand repositioning is going to benefit us in many ways. One, of course, our very strong commitment towards greener product, greener environment, with this Green Plus and second also in terms of improving pricing positioning, that will kind of further give benefit in terms of our bottom line. So, that we have done and some of the brand restructuring because there were different brands in different geographies with different kind of positioning and value proposition, that also we have aligned in all our markets. So, Pan India, we have now across one brand architecture and each and every brand has similar kind of value proposition for different markets all across India. So, it's quite a mammoth exercise and we are almost about one and half months into this and the encouraging feedback we are getting from the market and our customers. So, hopefully, I think things are going to be turning out well for us as far as our objective goes.

Vaibhav Agarwal: Right, sir. Sir, also one more question I wanted to ask you specifically that over the last couple of quarters, especially our numbers have been a little volatile versus relative to what our peers have reported. So, since you are taking now so much of initiatives regarding branding and several other stuff which you mentioned in the call. So, relative to that from here on, where do you see your numbers getting better? I'm including the pricing aspect, but on a relative basis versus to peers so do you think so that in next couple of quarters you can come at a par to industry leaders in terms of profitability or you still be away like Rs.100, Rs.200 and if that number will remain sustain as per your assessment in that gap only or it will fluctuate like the way it has been in the recent past?

Management: So, we have definitely bridged that gap, Vaibhav, you know that and all of you because you track each and every company very closely. So, we have done a substantial job over the last couple of years, there's no doubt about it and that is also reflected in the gap which we have with our peer group. Now one thing I would definitely want to request all of you, when you compare our result with others, I think let's compare like-to-like, grey cement versus grey cement. Based on your input only, we have also done grey versus grey comparison because see if you are going to compare apple with banana, then I think it's not going to be good. So, we do not have any incentive with us. We do not have other than grey cement with us, right. I think based on those parameters, all of you are learned people and kind of doing detailed analysis. I think I would really love to really see that grey versus grey and like-to-like comparison where are we. We have done our own calculation, but when I see I think I'm not far behind, I'm absolutely not far behind. I am as good as what you call that best in the industry. And if you meet me one-to-one I will explain you why I'm saying so and what kind of analysis I have done. And similar kind of things if it is coming from you also, that will really help us and give some insights as to where we need to further work on. Otherwise, if you keep on comparing banana to apple, I think this is not fair.

Vaibhav Agarwal: Right, sir. We will discuss in-person, sir. I look forward to that. Thank you very much, sir. And on behalf of PhillipCapital (India) Private Limited, we like to thank the management JK Lakshmi Cement for this call and also many thanks participants for joining the call. Thank you very much, sir. We are now concluding the call.

Management: Thank you.

Moderator: Thank you, members of the management. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines.