27th May, 2023

To
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra Kurla Complex, Bandra-East
Mumbai-400 051
Stock code: STARCEMENT

The
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
Stock code: 540575

Dear Sir(s)/Madam(s),

Sub: Transcript of the Conference call for Audited Financial Results for the fourth quarter and year ended 31st March, 2023

In terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Transcript of the conference call with Investors and Analysts held on Monday, 22nd May, 2023 for Audited Financial Results for the fourth quarter and year ended 31st March, 2023.

The same shall also be available in website of the Company at https://www.starcement.co.in/investor/earnings-call

This is for your information and record.

Thanking you,
For Star Cement Limited

DEBABRATA THAKURTA Digitally signed by DEBABRATA THAKURTA Date: 2023.05.27 14:48:58 +05'30'

Debabrata Thakurta
(Company Secretary)

STAR CEMENT LIMITED KOLKATA

“Star Cement Limited Q4 FY-23 & FY-23 Earnings Conference Call”

May 22, 2023

MANAGEMENT: **MR. TUSHAR BHAJANKA – EXECUTIVE DIRECTOR, STAR CEMENT LIMITED**
MR. MANOJ AGARWAL – CHIEF FINANCIAL OFFICER, STAR CEMENT LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the Star Cement Limited Q4 & FY23 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 this conference call, please signal an operator by pressing '*' 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. Thank you and over to you, Mr. Agarwal.

Vaibhav Agarwal: Thank you Nirav. Good afternoon, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q4 FY23 & FY23 Call of Star Cement Limited.

On the call we have with us Mr. Tushar Bhajanka – Executive Director and Mr. Manoj Agarwal – CFO of the company.

I will now hand over the floor to the Management of Star Cement for their opening remarks which will be followed by interactive Q&A. Thank you and over to you, Tushar.

Tushar Bhajanka: Good afternoon, all. My name is Tushar Bhajanka and I'm the Executive Director of Star Cement. I would like to welcome you all to the earnings call of Quarter 4. I have Mr. Manoj Agarwal who is the CFO of the company. He will give out the number of Quarter 4 and the year and then we can have a Q&A session. Thank you.

Manoj Agarwal: Thank you. Hi friends, very good afternoon. I, on behalf of Star Cement Limited, welcome you all to our Con-Call for discussing our numbers for Q4 FY23 and full year number of FY23. I would like to clarify, that we are discussing on the historical numbers and there is no invitation to invest.

Having said that now, I will just take you through the Q4 numbers followed by the full year numbers.

Starting from clinker production:

During the quarter ended March 2023 we have produced 7.78 lakh tons of clinker as against 6.71 lakh tons same quarter last year. So far as cement production is concerned, we have produced 12.53 lakh tons this quarter as against 11.59 59 lakh tons same quarter last year, a growth of more than 15% in clinker and more than 8% in cement.

Now I will take you through the sales volume:

During the quarter we have sold 12.35 lakh tons of cement and no clinker as against 11.52 lakh tons of cement and a negligible quantity of clinker in the same quarter last year. This is as far as cement and clinker sale is concerned, there is growth of more than 7% in volume. As far as the geographical distribution of cement is concerned in the Northeast, we have sold around 9.12 lakh tons as against 8.08 lakh tons during same quarter last year. As far as outside Northeast sale is concerned, we have sold 3.23 lakh tons of cement this quarter as against 3.45 lakh tons same quarter last year.

In term of blend mix it is almost 8% OPC and rest is PPC. These are the **financial 3.04** numbers of the quarter.

Now I will take you through the financials:

The total revenue figure this quarter is around Rs. 820 crores as against Rs. 748 crores same period last year. As far as EBITDA figure is concerned, this quarter we have done an EBITDA of around Rs. 179 crores as against 123 crores last year. Profit after tax is 96 crores as against 88 crores in same period last year. This is on account of increased tax expenses due to the sunset of tax exemption period in respect of company's Guwahati grinding unit and its subsidiary Star Cement Meghalaya Limited. However, cash outflow will be MAT only.

On per ton EBITDA front it is 1,448 during this quarter as against 1,063 same quarter last year. This is what our quarterly number of fourth quarter. The total revenue figure for the FY23 is Rs. 2,696 crores as against 2,219 crores last year. As far as EBITDA figure is concerned during the FY23, we have done an EBITDA of around Rs. 520 crores as against 379 crores last year. Profit after tax is Rs. 248 crores as against 247 crores last year. PAT is same level, the price of increasing EBITDA of Rs. 41crores due to the increased income tax as explained before. On per ton EBITDA front it is 1,297 during FY23 as the list 1,112 per ton last year. These are the quarterly and yearly numbers.

Now I request all of you that if you have any query, you can ask the same and I will request Vaibhav to moderate the queries wherever required. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Amit Murarka from Axis Capital.

Amit Murarka: Just firstly on your expansion plan, can you just detail a bit out where we are on that Meghalaya clinker expansion and the grinding units that are attached to them?

Management: The Meghalaya clinker plant, the 3-million-ton plant is due to be commissioned in Jan next year as explained in the call earlier and the grinding unit in Guwahati should be commissioned in November this year and the grinding unit in Silchar should be August to September next year.

Amit Murarka: The CAPEX was I think around 2,100 odd crores, so that number stays unchanged?

Management: Yes. Till now the CAPEX to these projects have been about 430 crores and we expect in this financial year, outlay of about 1,300 crores towards these expansions.

Amit Murarka: And also just on the quarter, I didn't get the volume number actually I joined the call a bit late.

Management: It is 12.35 lakh tons this quarter.

Management: YOY it's a growth of about 7% in Quarter 4.

Amit Murarka: Also, just on power and fuel, generally we are seeing a reduction in the line item across the board. Where were you in Q4 on a rupees Kcal basis? How much reduction can we expect from that front?

Management: In Quarter 3 our average cost was about 2.1 and even in Quarter 4 the average cost remains about 2.1. The reason is because we had a stock, we had a healthy coal stock which we use in Quarter 4. But going ahead we do see a reduction in the coal prices as the prices in spot option is now coming down. Yes, I think similar to other players in the industry we'll also be seeing a decline in the per GCV cost of coal.

Amit Murarka: Could you just add a bit more on that like will this be a 10% reduction?

Management: I think what we are aiming for Quarter 1 is about Rs. 1.8 to 1.85 a GCV.

Amit Murarka: We should go down a bit more in Q2, right?

Management: Yes, it should progressively fall I mean in Q2. So, this was basically for Q1.

Amit Murarka: Would you also be able to detail out the fuel mix as well for the quarter?

Management: About 25% of the coal came from Nagaland, about 45% to 47% was spot option through Coal India and about 15% was biomass and about 15% for other UFR.

Moderator: The next question is from Glen of Shravan Shah from Dolat Capital Markets Pvt. Ltd.

Shravan Shah: For this quarter in terms of trade share was how much and the premium share?

Management: Can you just repeat the question once again?

Shravan Shah: What was the trade share and premium share for Q4 FY23?

Management: We sold about 87% of our overall volume was sold in trade and the premium share was about 4%.

Shravan Shah: Just to clarify PPC share was you said 88%.

Management: Yes. So PPC share was about 91%.

Shravan Shah: 91%. Just trying to understand, our trade share has actually slightly declined, so from 92% to 87% and also at the same time last time we said we are looking at increase premiums at 7%-8%. So where are we on that?

Management: I think on the trade, non-trade ratio, the reason why the non-trade sale has increased is because the margin the non-trade has really improved because there is generally a shortage of clinker in the Northeast. The prices for non-trade have has improved significantly, that is the reason why we have again focused on non-trade in Quarter 4. In terms of premium cement, we are working on the premium category and we do plan to launch a new brand under the premium cement so that we can actually have a demand pull as well for the product. That product we plan to launch in end of Quarter 1. With the new launch of the new product, I think there should be a good push towards the premium cement category.

Shravan Shah: We are looking at 7%-8% or more than 10% kind of a premium share?

Management: No, it just depends on how well the product is taken by the market. In the next two quarters we do plan to ramp up our premium cement sales to close to a double-digit number.

Shravan Shah: What was the lead distance for this quarter?

Management: It was about 224 kilometers versus 211 kilometers in Quarter 3.

Shravan Shah: It has increased to that extent. Broadly in terms of the volume, so definitely what we promised for this year we have achieved in terms of the 17% growth, 4 million ton that we have achieved. Now how are we looking at on the volume growth for this year? Also, in terms of the profitability we were having the strength of 1200 to 1250 EBITDA per ton. So, what's the new strength?

Management: I think in terms of volume growth we are looking at a healthy volume growth this year as well. The target is of course to grow by more than 12%-13%. In terms of profitability, we do maintain the profitability at about Rs. 1,250-1,300 per ton.

Shravan Shah: In terms of WHRS, has it started 12.3 megawatt WHRS was supposed to start in February?

Management: Yes, so the WHRS have started but the benefit because we do not accrue the entire benefit of WHRS in Quarter 4. It broadly started in quarter one this year. Now since May it has been running in full capacity and we do expect that in Quarter 1 we should see benefits of WSRs kicking in.

Shravan Shah: On a full year kind of were looking at 45-48 crores kind of a savings that is possible.

Management: Yes, I think we have missed April as a month because were still ramping up our WHRS, there were some teething problems there. But from mid-May onwards I do think that we are going to accrue the entire benefit. So yes, I think probably not 45 but a 40 crores is the amount that we're looking at in WHRS.

Shravan Shah: Lastly on the pricing, have we post the March, have we seen any decline in the prices? Whatever the broadly for this 1.5-2 months the average price, is it 1%-2% lower or flattish?

Management: Yes, so I think in the Northeast we have seen a price hike of about Rs. 10 rather than a decrease. However, outside Northeast which is basically West Bengal and Bihar we are experiencing a price drop of about Rs. 10. The Northeast markets are increased the prices by 10. Right now, the outside Northeast markets are down by about Rs. 10.

Shravan Shah: Siliguri plant utilization for this quarter should be around 60%-65%.

Management: It was about 73% this quarter.

Moderator: Next question is from the line of Uttam Kumar Srimal from Axis Securities Ltd.

Uttam Kumar Srimal: My question is with regard to Siliguri unit utilization, this year we have operated around 55% utilization level. How do you see these utilization levels going ahead in FY24?

Management: Of course, one of our aims is to utilize the Siliguri plant but given that we are constrained for clinker in this year, our focus is going to be Northeast and we are seeing a very good growth in Northeast. Given that and keeping that in mind I think the focus for the organization is to first make sure that we tap onto the growth that we are experiencing in Northeast and then probably focus on outside Northeast market. I think you're looking at like a 10% to 12% growth in outside Northeast market as well. But we are not very aggressive in those markets.

Uttam Kumar Srimal: So, you mean to say that once this new clinker which comes then thereafter this utilization of the Siliguri unit will increase?

Management: Can you please repeat that?

Uttam Kumar Srimal: Once your new clinker unit comes in Meghalaya, so thereafter you want to say the Siliguri unit production will get increase?

Management: Yes, of course. Once we get the clinker plant set in then we will also focus on outside Northeast markets to basically fill in the volume gap. But again, even after the clinker plant sets in our focus of course is going to be Northeast because it's much more profitable for us. For selling extra volume we will definitely look at outside the Northeast as well.

Uttam Kumar Srimal: What has been our cash and cash equivalent in FY23?

Management: Can you repeat that?

Uttam Kumar Srimal: Cash and cash equivalent in FY23, cash and cash bank balance in FY23.

Management: So right now, it is about 530 crores.

Uttam Kumar Srimal: Since we are doing expansion of 2,200 crores, so do you also need to take a certain debt for this expansion and it is in how much debt you are going to take for this expansion?

Management: I think the overall debt would not exceed more than 500 crores and that also will be repaid in the first year of commencement of the expanded capacity.

Uttam Kumar Srimal: The last one our other expenses have increased in this quarter. So, any particular reason for that?

Management: There are certain regroupings that happen from manpower to other expenses and also the packing cost because the volume have increased, so packing cost and store expenses have also incurred. Also, there are certain CSR expenses there. If you need the detail, you can ask me. I'll reply to that mail separately.

Moderator: The next question is from the name of Rajesh Ravi from HDFC Securities Ltd.

Rajesh Ravi: First of all, this Kcal cost in 2.1 in Q4, could you share the number for the average of FY23?

Management: Yes. The average cost for the year is about Rs. 2 per GCV.

Rajesh Ravi: 250, 15.

Management: Rs. 2.

Rajesh Ravi: This in Q1 now has come down to around 1.8, right?

Management: No. In Q1 it should be about 1.9 and 1.85 to 1.9. In Q2 I think the main benefit of the decrease in coal cost will start showing, reflecting.

Rajesh Ravi: Second on the electricity cost what would be your average consumption cost in FY23?

Management: The electricity cost would be about Rs. 6.5 per unit in the main clinker plant and about Rs. 7 in the grinding unit.

Rajesh Ravi: Do you see any softening in this also with fuel prices coming down?

Management: I think not right now because in the clinker plant we produce our own power through a captive power plant because the GCV cost is for us not coming down. I do not expect the cost of power to reduce in the clinker plant. But I think there is a softening in the IEX which is the source for the power in our grinding units. There we should be seeing some benefits of the reduction in IEX.

Rajesh Ravi: In terms of raw material, primarily fly-ash, what have been the cost trend in FY23, have been stable or they have gone up when fuel prices were going up?

Management: The cost of fly-ash has broadly been stable. Nothing too alarming but I just need to…so I think it has gone up by about Rs. 50.

Rajesh Ravi: Rs. 50 a ton?

Management: Yes.

Rajesh Ravi: Could you also discuss on the incentives accrued in P&L in FY23, incentive income? What is the outlook for next year FY24?

Management: Yes. Basically, we had about 125 crores of incentives in FY23, out of which a majority of this benefit was till Jan '23. In the month of Feb and March we have actually not gotten a majority of the benefits because its finished off in Jan '23. In Quarter 4 we only got a benefit of 19 crores.

Rajesh Ravi: Outlook for FY24 on these existing operations.

Management: I do not think that there will be any subsidy kicking in FY24. Though of course we are getting SGST benefit in the new grinding unit that we're getting in Assam and that has already been discussed and signed with the government. Once our new grinding units commission and once we get the credits for the GCV in the expansion. Then the benefit of SGST will start kicking in but that will be in the next financial year.

Rajesh Ravi: Only on the grinding unit or even for the clinker expansion you will be getting incentives?

Management: In the clinker expansion because we are expanding in the same company SCL, there is a benefit in the current line of SCL which will be also passed on to the expanded capacity. We do expect some benefits that will not be as significant as the benefit in the grinding unit.

Rajesh Ravi: Is it possible to quantify the incentives, annual incentive accrual which you foresee once the input credit is exhausted?

Management: Yes, I think we basically will get the net GST off, SGST off in the volume that we sell in an Assam. Right now, we are selling about 17 lakh tons in Assam and at that point we'll be probably selling about 20 lakh in Assam. I think it's just a function of multiplying that volume with the amount to SGST per ton. So, it could be a significant benefit.

Moderator: Next question is from van of Shravan Shah from Dolat Capital Markets Pvt. Ltd.

Shravan Shah: In terms of the demand, I just wanted to understand for FY23 broadly if I have to look at, so excluding the Northeast how it has grown in Bihar, West Bengal, Jharkhand, Orrissa, Chhattisgarh and how do you see that for FY24?

Management: In outside the Northeast we have grown by about 34%. So, it was a good growth for us outside Northeast, mainly because the base is small for us but we do not expect the same growth rate in outside Northeast going forward. We expect a growth rate of about 10% to 12%.

Shravan Shah: But for FY23 definitely our base was lower and so we were able to grow 34% outside Northeast. But in general, for the industry if one has to look, is it the case that except the Bihar all other states Jharkhand, Orissa, Chhattisgarh have seen a very marginal kind of a growth?

Management: Yes, that is true. The growth rate has been about 4% to 5%.

Shravan Shah: How about Bihar?

Management: Bihar would be also very similar. Close to 3% to 5%, something on that range.

Shravan Shah: Any specific thing that and how the thing were in Q4? Just trying to understand why normally the perception is that the East is growing much faster. What has happened and will it now has come back to the normal levels, double digit plus kind of a growth now? So Q4 was the number the similar kind of a 4%-5% growth in East and how do we see now?

Management: In East for us the number was very similar, it was like 4%-5%. I'm talking about Star Cement; I'm not talking about the market in the East. For us in Q4 and outside Northeast we grew by about 5% in outside Northeast. I'll have to come back to you with the numbers of the market, how the market grew.

Moderator: Next question is from line of Kamlesh Bagmar from Lotus Asset Management.

Kamlesh Bagmar: Just one question on the part of the aspiration side. What's your game plan for next 5 odd years apart from Northeast and East region and what people you have brought in to achieve that particular thought process or the vision?

Management: I think that's a good question to ask. I think of course the next 5-year plan is definitely because once we set up the capacity in Northeast of about 3 million and the grinding units, I think for the next 4-5 years we do not see any scope of putting more capacities. If we have to grow and I think we'll have a very healthy cash flow to grow, we'll have to grow outside Northeast and we are actively looking at mines. We are also looking at smaller plants that we can acquire and then we can probably grow inorganically-organically. I definitely feel that the growth going ahead for the company will have to come from outside, from coming out from outside like coming out of Northeast. In the last 1 year we have also built up the capabilities in the organization to embark on the journey. If I start from the start of the year, we have got a new manufacturing officer who is looking after all the plants, who also brings in capability of mines to the company. We have changed our HR head as well, a year back. We're bringing in a lot more people in the middle-management level and of course, a week back we have our new CEO Mr. Vinit Tiwari join us and of course with his expertise and other markets in north and East we do hope to look at opportunities which are viable for us and to grow in those markets.

Kamlesh Bagmar: Secondly like our one of the largest competitors is also bringing a large capacity in Northeast. Don't you think that there could be some competitive pressure? I know it’s hardly doable in terms of the clinker capacity but do you see some pressure on that front or the volumes or the strong demand would take care of that?

Management: So, it’s a function, of course, even Dalmia is getting a capacity of about the same, about 3 million tons. But the other players, the smaller players in Northeast are not really expanding at the moment. That will be a source of relaxation because then there are only two players effectively competing and rest of them are not really part of the game. That would be a benefit which probably will mean that our growth rate, the company's growth rate will be higher than the market growth rate and secondly there is some cement coming from outside basically being dumped in Northeast. Once we have the clinker capacity and we become aggressive and we attack the wide spaces then probably we will be able to curb some of the cement coming in Northeast and that will again become a growth center for the company. Going ahead of course in the first year or first 1.5 years there may be a competitive pressure but in the long run I do think that both the companies and Star Cement would be able to get a healthy growth and be able to utilize the capacities as soon as possible.

Kamlesh Bagmar: Lastly like you are coming to new areas other than the Northeast what would be the timeline over there?

Management: We are actively looking at assets and we should have something to at least share by Quarter 2. That is basically the timeline that we're looking at and I feel it depends on what clicks when. It will be hard to of course give a different timeline but yes, we are aggressively looking into it and we should be able to at least draw up a plan by Quarter 2.

Moderator: Next question is from the of Rajesh Ravi from HDFC Securities Limited.

Rajesh Ravi: Could you discuss the demand trends outside of Northeast particularly in states like West Bengal, Bihar, Jharkhand which are your focus markets for FY24? What sort of outlook you're looking at?

Management: We are broadly looking at a 7% to 8% growth in these markets.

Rajesh Ravi: That is your growth or market, you're looking at the market growing in these places?

Management: That's the expectation of how far the market would be growing 7% to 8%.

Rajesh Ravi: In all the same markets you're looking similar growth trajectory?

Management: Yes.

Rajesh Ravi: FY23 I missed, I believe you have made some comments on the same, all these three states and if you're some trend on the other states in East, what were the growth numbers, mark growth?

Management: The growth number was close to 5% to my knowledge. I don't have the numbers really ready with me so I won't be able to comment with surety but that's what I assume the market has grown by.

Moderator: Next question is from the line of Shravan Shah from Dolat Capital Markets Pvt. Ltd.

Shravan Shah: Just to clarify when we mentioned that in Q2 we will come up with an update in terms the expansion outside Northeast. We will be announcing where we plan to grow let's say in next 3-4 years. That's the way one can look at and broadly even if we let's say want to either acquire a small plant or grow, what's the minimum capacity we are looking at 2 million tons that we are looking at?

Management: Yes, to grow outside there are two-three opportunities. One is to acquire a mine, the second one is to acquire a plant. It would just depend on what opportunity clicks with us and how does it pan out. In terms of acquiring a mine the CAPEX would be much lower and then acquiring a plant to 2 million the CAPEX will be a bit higher. We haven't really tapped on which route we are going to take. it will be a bit hard to comment. Yes, in case we take a plant then it would be of about 1.5 million tons at least.

Shravan Shah: When we say that our net debt once the new all the clinker and two grinding units will be operational in 1-year we will be able to repay. That 1-year will start from August-September, when we'll start the Silchar grinding unit so from there we are looking at a 1-year to repay the entire these 500 odd crores that we are looking at max net debt?

Management: Basically, we're looking at 2024-2025 year. Basically, from March '24 the year starts where we start. By March '25 we should be again debt-free.

Shravan Shah: Does that mean that we should be able to easily can see a (+50%) to (+60%) kind of a utilization from the first year itself?

Management: Yes, we do see about a 40% kind of utilization, 40% to 50% utilization. Just how the economics work, the subsidies work, the cost effectiveness of the cost efficiencies of the bigger kiln works. That I'm very sure that we'll be able to pay it off in that year.

Shravan Shah: Lastly just to clarify we said that now we do not have any incentives. So, in FY24 no incentive except the new grinding unit that will come up in Assam will have a state GST benefit. We do normally have extract a 17 lakh tons volume that currently we are doing. Only that benefit will come as an incentive?

Management: We have a benefit going on even now that is in the clinker plant and the benefit is small which is about, it is about 26-27 crores. That benefit will remain and then we will get that benefit in the grinding unit, in the new grinding unit. That benefit should be of at least 150 to 160 crores every year?

Moderator: Next question is from the line of Raj Gandhi from SBI Mutual Fund.

Raj Gandhi: Just your freight cost for the quarter, freight cost per ton is down by about 20% YOY and 10% Q-on-Q. Is it again some regrouping or how is it going down so much?

Management: There is a one thing because the fleet now we have the own freight so generally February-March prices tend to increase. We have the fleet so we are managing properly so we are not allowed to increase the freight cost per ton in this last February-March. That is the reason the freight cost has not increased as compared to Q3 and there is some saving in the freight cost.

Raj Gandhi: On fuel did you happen to mention that 15% is biomass and then there is another 15% from other fuels so then does the cumulative AFR go to 30% or?

Management: The cumulative AFR right now is about 25% and that is mainly because our power plants are operating on biomass and also because we get low grade AFR in Meghalaya which helps us in of course meeting the 25% requirement.

Moderator: I now hand the conference over to Mr. Vaibhav Agarwal.

Vaibhav Agarwal: Yes, thank you sir. I have had a few questions actually. So just an extension of Kamlesh's question. First thing I wanted to know is that Mr. Vinit Kumar Tiwari, he comes from a marketing and sales background from Nuvoco and his earlier assignments. So, Tushar I wanted to ask you that he coming on board, do you have any specific expectations from him as the next CEO of the company and how do you look him getting on board for Star Cement in particular in case of nature, of his assignments?

Management: No Vaibhav, there are of course huge expectations from Mr. Vinit Tiwari given his pedigree and the kind of experience he has. Some of the expectations is of course to make Star Cement even more operationally capable and to bring in the efficiency. The other expectation is of course to see a good growth rate in Northeast because Northeast being a very highly profitable market and given that he has a vast experience from marketing, it will be something which we're looking at. In marketing also there are good scope of improving ourselves like how we discuss our premium cement. To push premium cement into to make these technical services stronger. These are some areas in marketing which of course he can greatly contribute to and overall, in the overall team of course we look at his expertise in outside Northeast markets like north and the Eastern market to of course grow the company in those markets by of course taking capacities which are already set or to take mines in a set of new capacities. So, the expectations are high and we really hope that he delivers on it.

Vaibhav Agarwal: I also like to ask you Tushar that so any change in like we had a CEO structure earlier as well maybe about three-four quarters back and so any change in management structure at Star Cement with Vinit sir coming on board and how do you look? Because you've changed a lot of HR policies in Star Cement, I believe you commented some of those on the call as well. Any change in this time with Vinit sir coming on board or it's the same way that the earlier CEO functioned and you would like to comment anything on that?

Management: No with Vinit ji coming in, of course all the functions in Star Cement will report to him and that is of course very clear. I do not know which earlier structure we're comparing it to but.

Vaibhav Agarwal: I was comparing to when Sanjay sir was there on board when he was a CEO?

Management: From there it will be a bit changed because even the expansions and the growth falls under the CEO now. It will be a bit of a change structure to what the earlier CEO had. So yes, there would be a change in the scope of what he's managing.

Vaibhav Agarwal: The last thing from this question, I just wanted to know going forward is it fair to assume that Vinit sir will be focusing more on the marketing and sales efficiency like you told and you would be focused more on the overall growth roadmap of Star Cement as to how to take it forward from a promoter's perspective? Is that a fair assumption to make and what do you think Star

Cement could be in next so you did tell on the call that by end of Q2 you might come and share something with us in terms of your next roadmap but next 3 to 5 years we already have a roadmap of 10 million tons in the near future but 3 to 5 years what do you see this number to be; maybe 15 million tons-20 million tons 25? What is your expectation?

Management: Fair enough. To answer the first question of course Vinit ji has the expertise in more an experience in marketing but he would be looking at all the other functions as well and so his role will be of course as a CEO and besides the operations, he would also be helping us at the management to kind of take decisions on going outside Northeast as well. That is broadly how his job would entail and the next 5-to-10-year horizon would be that we would want to be a 20 million tons company and that is what we really want to start out and progress the work on.

Vaibhav Agarwal: So, 20 million you are saying in the next 5 to 10 years or like 3 to 5 years. I just got a bit confused there?

Management: No, 5 to 10 years target is about 20 million tons.

Vaibhav Agarwal: Tushar, just one small thing, did you mention the call that 500 crores would be your debt? Are you talking about peak debt there or are you talking of a debt FY24 end?

Management: No that's the peak debt that we're talking about of about 500 crores.

Vaibhav Agarwal: Can you also spell out the CAPEX numbers for FY24 and '25? Manoj sir if you can just tell what are the CAPEX spends in FY24 and '25 in pipeline, incremental CAPEX?

Management: I think in '24 we are looking at a CAPEX of about 1,300 crores and in '25 we'll be looking at a CAPEX about 400 crores.

Vaibhav Agarwal: Thanks a lot Tushar. On behalf of PhillipCapital (India) Private Limited that concludes the call. Thank you very much Tushar. Thank you very much Manoj sir and Vinit sir also. Thank you very much for the call. Many thanks for the participants for joining the call. Nirav you can now conclude the call. Thank you so much.

Moderator: Thank you very much. On behalf of PhillipCapital (India) Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.