

CENTURY Textiles and Industries Limited

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OUR REF. :SH/XII/2022

02nd May, 2022

Corporate Relationship Department
BSE Limited
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Dalal Street, Fort,
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Scrip Code: 500040

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Bandra-Kurla Complex
Bandra (East), Mumbai-400 051.
Scrip Code: CENTURYTEX

Dear Sir/ Madam,

Sub: Transcript of Q4FY22 Earnings Conference Call of Century Textiles and Industries Limited ('the Company')

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of Listing Regulations, please find attached transcript of the Q4FY22 Earnings Conference Call conducted after the meeting of the Board of Directors of the Company held on 25th April, 2022, for your information and record.

The above information is also available on the website of the Company: www.centurytextind.com.

Thanking you,

Yours faithfully

For **CENTURY TEXTILES AND INDUSTRIES LIMITED**



ATUL K. KEDIA

Company Secretary

Encl: As above





**CENTURY TEXTILES AND
INDUSTRIES LIMITED**

**“Century Textiles and Industries Limited
Q4 FY2022 Earnings Conference Call”**

April 25, 2022



**CENTURY TEXTILES AND
INDUSTRIES LIMITED**



MANAGEMENT: **MR. J. C. LADDHA – MANAGING DIRECTOR,
CENTURY TEXTILES AND INDUSTRIES
LIMITED**
**MR. R. K. DALMIA – SENIOR PRESIDENT OF
CENTURY TEXTILES & WHOLE-TIME
DIRECTOR, CENTURY TEXTILES AND
INDUSTRIES LIMITED**
**MR. VIJAY KAUL – CEO OF CENTURY PULP
& PAPER, CENTURY TEXTILES AND
INDUSTRIES LIMITED**
**MR. K. T. JITHENDRAN – CEO OF BIRLA
ESTATES, CENTURY TEXTILES AND
INDUSTRIES LIMITED**
**MR. SNEHAL SHAH – CHIEF FINANCIAL
OFFICER, CENTURY TEXTILES AND
INDUSTRIES LIMITED**

MODERATOR: **MR. BIPLAB DEBBARMA- ANTIQUE STOCK
BROKING LTD.**

Moderator: Ladies and gentlemen, good day and welcome to Century Textiles and Industries Limited Q4 FY '22 Earnings Conference Call hosted by Antique Stockbroking 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 touch tone phone. Please note that this conference is being recorded

I now hand the conference over to Mr. Biplab Debbarma, from Antique Stockbroking Limited. Thank you and over to you, sir.

Biplab Debbarma: Thank you, Neerav. Hello everyone, and welcome to the post results conference call to discuss four 4Q FY '22 earnings of Century Textiles and Industries Limited, hosted by Antique Stock Broking Limited. Today we have with us, the management of Century Textiles and Industry represented by Mr. J. C. Laddha -- Managing Director; Mr. R. K. Dalmia -- Senior President and Full Time Director; Mr. Vijay Kaul -- CEO, Century Pulp & Paper; Mr. K. T. Jithendran -- CEO, Birla Estates; and Mr. Snehal Shah -- Chief Financial Officer.

The format of the discussion would be a brief opening remark by the management followed by Q&A session. Without further delay, let me hand the call to Mr. Laddha over to you, sir.

J. C. Laddha: Thank you very much. A very good afternoon to everyone joining us today. It is my pleasure to welcome you all to the earnings conference call for the fourth quarter and financial year ended 2022. Since this call marks the end of FY '22 and beginning of FY '23, let me start with the macro-overview first. The past financial year was a year of rollercoaster for the global economy. Factors such as supply chain disruptions, driven by container shortage, elevated international commodity prices, creating inflationary pressures on input costs for all businesses. Global financial market volatility, furthermore, the rising tensions due to the Russia Ukraine crisis continued to exert pressures on all economies.

Domestically, the high vaccination rates and rapid government measures ensure that the impact of third COVID-19 wave remain minimal, resulting in gradual opening of conjunction centers. The Central Bank's accommodative stance to maintain the status quo on repo rate also acted as a sentiment booster. The announcements in the union budget on boosting public infrastructure to enhance capital expenditure are expected to augment growth and bring in private investment through large multiplier effects over the coming quarters.

Despite these disruptions by COVID 19 pandemic, Century Textiles, and Industries, witnessed a very strong performance and turnaround in operational and financial parameters across all businesses in financial year ended 2020.

In our real estate business, we achieved a major milestone is a successful launch of our flagship project **Birla Niyaara** at Century Mills Worli in February 2022. We've received an overwhelming response. Our pulp and paper business witnessed significant and consistent turnaround in demand and realizations throughout the year.

Despite the uncertainties and volatilities during the financial year, we achieved the highest lifetime turnover in textiles business crossing INR 1,000 crore mark. For the financial year end, the consolidated turnover grew by 58% year-on-year, INR 4,068 crore due to a significant revival in both the manufacturing businesses of paper and textiles. The EBITDA for FY '22 grew by 71% year-on-year to is INR 487 crore with consolidated EBITDA margin of 12% and the profit -- net profit after tax grew to INR 154 crore per from a loss of INR 15 crore in the previous financial year.

For the fourth quarter under review, the consolidated turnover saw a 45% growth YoY to INR 1,188 crore while EBITDA for the quarter increased by 65% to INR 133 crore and net profit after tax for the quarter stood at INR 84 crore against a loss of INR 4 crore in the same period in the previous financial year. The operating cash flow for the quarter was INR 97 crore and free cash flows to INR 25 crore.

Now let me take you through some of the key highlights across the three business verticals. Starting with the real estate business in quarter four FY '22, we had robust collections of rounds, INR 158 crore during the quarter from all the projects on the back of strong

customer connect and outreach. For FY '22, we achieved total booking value INR 1,913 crore, which is more than three times that of previous financial year with strong collections of INR 351 crore, which is twice the collection figures of previous financial year. In the fourth quarter in February, we launched our much-anticipated flagship project Birla Niyaara at Worli Mumbai, which received an overwhelming response from the customers despite COVID-19 disruptions, early in the quarter. We clocked sales of over INR 1200 crore since launch, making it one of the most successful launches in Mumbai metropolitan in recent years. We completely sold out the launched first phase of Birla Navya at Gurugram with total sales of group INR 624 crore on phase one of this project till date. And lastly, we also achieved sales worth INR 86 crore during quarter four FY '22 at our already launched projects.

Recently we signed an agreement to jointly develop a prime 52 acres land parcel in north Bengaluru with M S Ramaiah Realty LLP. The project has an estimated revenue potential of almost INR 3,000 crore and development potential of around 4 million square feet and will comprise both high- and low-rise residential developments along with retail and commercial elements.

During the quarter Birla Estates was awarded two safety awards from National Safety Council in construction, one each for Birla Alokya, Bengaluru and Birla Vanya, Kalyan and one award for construction, health, safety, and environment at CIDC Vishwakarma Awards for Birla Vanya Kalyan.

In FY '22 we completed 8.5 million safe men hours at all over under construction projects. With the recent announcements in the union budget on boosting public infrastructure to enhance capital expenditure, it is expected to augment growth in the sector and bring in large private investments through multiplier effect over coming quarters. We believe that the sector is now at the cusp of multi-year upcycle for the residential real estate market, which is evident from the YoY growth in sales numbers at pan India level.

With the launch of Birla Niyaara, we have established our reputation in our focus market and we would now be capitalizing on the positive market cycle to grow our presence and become one of the leading players in the real estate industry in the coming years. Although we continue to cautiously monitor the inflationary price trends commodities and metals, and their impact, if any, on the projects.

Now moving onto the Pulp and Paper segment. For the fourth quarter of financial 2022, our outperformance momentum continued with the business achieving the production of 1,17,000 metric tons with an overall capacity utilization of 97% with record sales volumes of 1,21,000 metric tons. In quarter four, FY '22 our net sales grew by 46% YoY to INR 824 crore, driven by higher volumes and better realizations, while EBITDA grew by 54% to INR 123 crore with EBITDA margin for this segment also improved to 14.9%.

For the financial year ended our net sales grew by 59% to INR 2,818 crore while EBITDA grew by over 90% to INR 424 crore with EBITDA margins of 15%.

During the quarter copier grade paper remained in high demand in quarter four of FY '22 due to opening up of offices, slow down in Omicron cases and initiatives by various state government to reopen educational institutions, et cetera. Non-copier grade paper demand also improved in February '22 with opening up of educational institutes and schools after almost 18 months. Conjunction of tissues in away from home segment improved due to partial opening up of tissue conjunction centers, additionally hygiene awareness among the general public resulted in positive results in the at-home segment. In paperboard segment, order flow from pharma, FMCG and food packaging sector improved. While non-packaging sector also observed progressive demand and export market demand was also good with increased price realization.

Operational cost witnessed sharp increase in raw material prices, including wood, imported pulp, waste paper, coal, chemicals, and increased freight cost due to containers unavailability, and to balance out cost multiple price increases were undertaken in all our segments, which have been absorbed in the market. As a result of multiple price increases, our average realization prices improved by 7.9% during quarter four FY '22 as compared to quarter three of FY '22.

The domestic market is witnessing strong revival across all paper segments. Traders have also started building channel inventories, thereby signifying uptick in demand. Given the current domestic and global economic situation, as well as the reopening of all paper conjunction centers, the Indian paper industries showed to medium term outlooks appears to be optimistic.

Now let us move onto the textile division. I would like to request Mr. R. K. Dalmia who is the Senior President of Century Textiles and Whole-Time Director of the company to give the key performance highlights over to you. Mr. Dalmia.

R. K. Dalmia:

Thank you, Mr. Laddha. Good afternoon, ladies and gentlemen. For the fourth quarter under review, the sales grew by 54% year-on-year to -- year-on-year INR 308 crore while EBITDA grew significantly to INR 11 crore in this quarter from negative INR 9 crore in same quarter in the previous year. For the financial year ended, sale grew by 78% to and all time high to INR 1,037 crore, while EBITDA grew to INR 29 crore against EBITDA loss last financial year.

In quarter four '22 apparel fabric witnessed good retail demand, but margins got impacted by steep rise in cotton prices coupled with increasing power and chemical prices. In Bed Linen segment, due to increase in cotton prices and higher inventory level in the U.S. orders slow down during second half of the year causing significant drop in market prices, prices are expected to be a point of concern till the cotton market settles down. During the quarter we launch the Hill & Glade line of home textile at domestic market. Our focus for financial year '23 would be on offering new price sensitive product and blending with the manmade fiber, which can fit into the customer price bracket.

Furthermore, we have plan to increase our geographic projects under new market like Australia, Saudi Arabia, and Russia after Ukraine war. Financial year '23 will be challenging in terms of pricing and we are cautiously monitoring the input cost scenario.

Now I hand over the call back to Mr. J. C. Laddha.

J. C. Laddha:

Thank you, Mr. Dalmia. Lastly, let me highlight to you on the various ESG environment, social and governance initiatives undertaken during the quarter. At Century Pulp and Paper, despite having set a goal of distributing 1 million seeds and saplings to farmers in FY '22, I am pleased to inform that the team could distribute 1.6 million seeds and saplings in FY '22. It also continued to maintain its program of using wood bark as a fuel in boiler, substituting a significant part of virgin coal and thereby lowering carbon emission. On the social front, we undertook repairing waterproofing and planting work at Janta Inter College, Bindukhatta, Lalkuan district Nainital for provision of drinking water in Shantipuri region, we installed 20 hand pumps and on the request of Chief Minister Uttarakhand, we made the provision for blood bank at government hospital, Khatima district, US Nagar, which would benefit 7,500 people in that region.

In our textile business, we successfully completed upcycling of waste to manufacture bricks from fly ash. And this will be used in next project running at site. On social front, we have set up COVID awareness campus in our factory located nearby villages. This activity also has villagers to identify the abnormality in their body profile and take preventive actions for the same.

In our real estate division, we have implemented prevent measures to reduce air pollution and also conducted a study to develop project specific air purification solutions. In conclusion, we are proud of the many milestones achieved by the company in the financial year 2022 and are confident of continued performance in the next financial year.

With that, we can now open the floor for the question-and-answer session. Thank you very much, ladies and gentlemen.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Parin Gala from SageOne Investment. Please go ahead.

Parin Gala:

Yes, thank you for the opportunity. And sir, congratulations on great set of numbers. Sir I just have two questions regarding the real estate division. One is for Worli project, in this current phase what percentage of the phase we have sold in the preliminary, booking. And second is

in the new Bangalore project in that JDA. What are the timelines of starting the project and the completion?

- KT Jithendran:** Hello. Hi, sorry. I -- hello can you hear me?
- Parin Gala:** Yes.
- KT Jithendran:** Yes, Okay. Sorry. I just missed the first part of the question, I heard about the Bangalore project, the Bangalore project in about 12 to 15 months, we should be starting this project. It'll take about 12 to 15 months for us to launch this project, which is the first part of the question?
- Parin Gala:** Yes. The question was the Birla Niyaara, how much percentage of inventory are sold in the initial phase.
- KT Jithendran:** Yes, so we had about 414 apartments so far. I think we have sold about 215 or so.
- Parin Gala:** Okay, Sir in the previous calls you had mentioned that if we are able to clock 50% of the booking or something, you could start working on launching phase two. So any guidance on that?
- KT Jithendran:** No, I think we are still looking for some more sales. Maybe they're 50%, maybe too low. I think we would rather look at a little more, maybe over 60% - 65% and then we would plan to launch the next phase Tower B.
- Moderator:** Pardon. Sorry. We lost your audio.
- Parin Gala:** No, I will come back in the queue. I'm done for now. Thank you so much.
- Moderator:** Thank you very much. Participant you may press star and one to ask the question. The next question is from the line of Amit Srivastava from B&K Securities. Please go ahead.
- Amit Srivastava:** Yes, thank you for giving me the opportunity. My first question is on the paper side of the business. So we have seen some improvement in profitability, volume was very strong, then realization has also improved. So just wanted to understand two, three things in that. One is that in terms of volume, how are we placed for the next year and coming year? Because it appears that we are already at optimum utilization, because 1,21,000 is volume, which we have been indicated. So how much growth, which can come based on the plans and whatever the capacity we have. Second, in terms of the pricing where are we versus the average realization of last quarter and what could be the sustainable margin, which we are looking at in FY '23 in the paper business.
- J. C. Laddha:** Mr. Kaul you may take up.
- Vijay Kaul:** Yes. Yes. Good afternoon. The increase in the production capacity or the sales capacity will be totally about 30,000 to 40,000 tons in a year. In the first two months -- in the first two quarters, sorry, it'll not be, more than what you have seen in the quarter four, but in the last two quarters, that is the quarter three and quarter four, the capacities will increase because we are, going to fix up certain issues with the tissue and the capacity will increase there. The board capacity will also increase by about 20,000 tons by September. As well as the paper capacity will increase by about 10,000 to 15,000 tons. So, next two quarters, third and fourth will see the growth in the volumes, first two quarters will remain more or less, same, or maybe here and there something. As regard to the prices, where prices will be according to the market conditions. And I hope they will be better than the quarter three quarter or four prices. And as regards, your third question was on what sustainability?
- Amit Srivastava:** Yes. Profitability, Sir.
- Vijay Kaul:** The profitability will definitely be better than the last year. So, as the prices have moved up, but at the same time, the cost input has also moved up. So, because we doing certain things in recovery system by which we will gain something in the steam and the power cost and maybe what will help us to improve on the profits to some extent, then the current quarter four.
- Amit Srivastava:** Sir this quarter, we are at an EBITDA margin of 15%, earlier in the cycle, we were around 20% plus kind of margin. The prices have increased significantly, what we hear from the

market. So is there -- this possibility that we can, again go back to 20% plus kind of margin in the coming quarters?

Vijay Kaul: Well, it is very difficult to say whether we can go to 20%, but it is -- we can surely say that it would be definitely better in the quarter four, because the prices have increased, but at the same time the input cost also improved drastically. But today I was in the market for last week and what I was told by the people who are our customers -- our esteemed customers, is very clear that, if you want increase in prices every month, we'll have to close down the shop. And so many people have already reduced their off take Because the prices are at the peak. So we have to have a balance of prices versus the demand what you can see in the marketplace. So, that balance has to be maintained. So I really cannot say whether it will go to 20% because of the input cost and -- but will definitely be better than quarter four that much I can tell you.

Amit Srivastava: Okay. Got it Sit. And the current price higher than the average price of 4Q, by how much, if we can give the product?

Vijay Kaul: Yes. I think the current prices in the quarter four what we have shown is about 68,000. but then of varieties, that is the paperboard and the tissue, but I can tell you one thing that in the month of March, it was already 70,000. So though the average for the quarter was 68,000, but in the month of March, it was 70,000, so definitely that 70,000 will get forwarded to the first quarter of this year. So it should be a better for us.

Amit Srivastava: Okay. Got it. Thank you, sir. My next question is on the real estate side. So first of all, congratulations to the team for the first strong pre-sales number as well as getting the large deal. Just wanted to know two things. One is that what was the average selling price for the Birla Niyaara, and second is that, how is the pipeline for the coming year in terms of the project launches? What is the inventory we are looking at to be in the market for the next few quarters?

KT Jithendran: Yes. Thank you, Amit. Yes, so thank you for the best wishes and, the first question was on the average APR. The APR is in the region of about INR 56,000 per square foot what we have achieved at, Birla Niyaara. And this year we are looking at the launch of a new phase in Kalyan, a new phase, couple of new phases in Gurgaon and hopefully completion of our first project in Bangalore. Okay. Completion of sales there, and about another INR 1,000 crore of sales at Birla Niyaara.

Amit Srivastava: Okay.

KT Jithendran: And we have also signed a new project, which to stretch, to launch this financial year. We'll be hoping to launch it in the coming financial year.

Amit Srivastava: Yes. Right, sir. So broadly this INR 2,000 crore of kind of presale number looking more sustainable, sir.

KT Jithendran: Yes, yes. That looks sustainable. We plan to grow from there, but I think that growth will likely happen in the coming year. Not this year, it'll be, the, we will -- we will try to show some growth, but the big growth will come when we finalize more projects and build on that growth.

Amit Srivastava: Right. Okay got it. Thank you that, that much from my side.

Moderator: Thank you. Participants you may press "star" and "one" to ask the question. The next question is from the line of Akshay Ajmera from Nirzar Securities.. Please go ahead.

Akshay Ajmera: Thank you so much for the opportunity, Sir. And congratulations on very good set of numbers. My question is regarding the real estate business. So, first would be, the follow up question to the earlier question. You just mentioned that, in the coming year, we have, Gurugram and Kalyan, new phases in the pipeline, plus a INR 1,000 crore worth of Worli sales. So put together how much will be the value of all these phases that is number one. Number two is, have we finalized the contractor for our Worli project and align to that question my another question would be if, so in earlier question you have mentioned that at least 60% to 70% of the sales is what we are looking, to launch the second phase of Worli. So, assuming that we, if we achieve 60%, 70% of the sales, then how much time it will take

for us to launch the second phase in terms of approval and what is our preparedness in that. These are my three questions, sir.

KT Jithendran: Thank you, Akshay. Yes. On the first part you are asking, yes, the combined phases of all these projects, which are already launched, I think we will be, around about INR 2,000 crore which we are planning for the next year.

Akshay Ajmera: We will be clocking kind of similar sales, which we have clocked earlier.

KT Jithendran: Yes, yes. Similar sales, maybe about 5% to 10% higher, maybe, but largely more or less the same number. The big growth I think will come when we, finalize more projects, in the following year, next financial year. Along with hopefully phase two of the tower B of Birla Niyaara also. The construction, we are currently constructing, the piling and the excavation work is going on. We have not yet finalized the final contractor. We are in negotiations with several contractors, hopefully in the next couple of months we should be able to seal the contract. And on the second phase, yes, we will take about 15 months or so. We need to assess the market once we do about 60%, 70%, whether we need to do some, bring some changes in design, et cetera, to attract to a new segment, because the big success of this launch of the first phase has been that there is a huge demand for this product because it is not available in the market. So, in a way to skew the design for the next one. So once we get reasonable traction, I mean, reasonable of inventory of this is sold out. Yes, then I think we'll very quickly plan it and of course you have to go through the approval cycle and all that. So it'll take about 15 months, is my assessment. This is a very, very significant ... Sorry,

Akshay Ajmera: Sorry, sorry, go ahead. Go ahead.

KT Jithendran: No, I'm saying this is very significant. Each tower brings in lots of volume into the market, inventory into the market. We had to try our level best that it is as close to the demand as possible. So we will not hurry too much in bringing the inventory, because, as I mentioned, it's about 8 lakhs, 8.5 lakhs square feet of inventory. So we would like to be double sure before bringing it to the market.

Akshay Ajmera: That was very helpful, Sir. And, lastly, we have been hearing that there is a huge increase in the cost side because of the rise in the commodity price. So are we been able to pass on the cost and increase the sales average realization, especially in the new project launches that we had.

KT Jithendran: Yes. So, Akshay see there has been increase in steel and RMC prices, and bit of an aluminum prices. Of the projects, which we had launched earlier, such as, Kalyan and Bengaluru projects where most of the bulk of purchases are already been done. So the impact is minimal and our escalation budget, within our overall plan budget will take care of it. No worries on that. The new projects, of course, we'll be budgeting it as per this thing, as far as we are concerned right now, we are well in control. Also what we plan is that we don't sell the entire inventory. We have inventory left in all of our projects, so these inventory should take care of these increases, if there is a overspill of the cost, which we don't anticipate at this point of time. And the last bit, is that Yes, in a JDA project where all profits are shared, there is further -- costs are also shared, there is further risk mitigation. So from all those points of view, we are well in control.

Akshay Ajmera: Thank you so much, sir. And with you all the very best.

KT Jithendran: Thank you, Akshay.

Moderator: Thank you. Participants you may press "star" and "one" to ask the question. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Yes, help, and thank you for this opportunity. Firstly, Laddha ji you were explaining about, the problems the segment home textile segment is facing. So if you could, further dwell into sir, how is the home textile segment currently based and with cotton prices, yarn prices and the subdued demand in home textile segment. if you could give some more to it, Sir.

J. C. Laddha: Dalmia ji, would you, pick up this. Dalmia ji?

R. K. Dalmia: Yes, Home textile Market at present is very volatile because of cotton prices in one year, if you see from April '21 to March '22, just last financial, which we will be closing now is



more than a hundred percent, it has got increased. Apart from that, the prices of color chemical, power, coal, and all. So overall these prices to absorb is very difficult at present. Secondly, US market is not doing great. The region behind it, so many orders were there from U.S. market, which we supplied on time, but they could not reach due to logistic problem of congestion at the port and difficulty to get that container. So they could not get their goods at time, so their season was over. So they received late and late stock, so there was a lot of pile up of inventory. So they have slowed down. At present the home textile market is very difficult. Secondly, the yarn prices are also now not able to cope up the entire increase of the cotton prices. And so overall situation at present because of unreasonable hike in cotton prices, home textile business is not good, but hopefully when the inventory of U.S. is over in couple of months, demand will come and then price increase will also be there. And to some extent, we will be able to meet out the increase in the cotton price.

- Saket Kapoor:** Sir, as there is a huge inventory built up in the US market, how is the current domestic yarn crisis? They have also softened out because of the, no further, orders from the US.
- R. K. Dalmia:** You are right. Yarn prices are also softened out because the orders are not there, but still it is very high as compared to the earlier one because of the cotton price. But as per the entire value chain is suffering because of sudden increase in the cotton prices, which is more than a 100% in a year time.
- Saket Kapoor:** Right. And also for the utilization levels, any color you can give, how -- what is the utilization level for the mills across the country for the yarn, currently they are at what utilization level?
- R. K. Dalmia:** Yes. Yarn and spinning mill are utilizing around 60% to 70% as for apparel business in the domestic market, that is doing good. They're utilized fully. We are also utilizing the full capacity of the apparel business. Of our home textile business also the capacity are not fully utilized in the industry.
- Saket Kapoor:** Right. Sir coming to the paper and pulp segment, as being mentioned earlier that there also, we are facing the raw prices, and energy prices, so what currently are the positives for the sector that is yet to play out, going forward?
- Vijay Kaul:** The positive is market factor. Because all markets have opened and the Indian markets has opened. So from the Indian markets, the demand is there, so we are able to get a reasonable price increase from the market, even though there has been increase in the raw material prices throughout. And, but we are able to realize, better price margins from the customers. And we hope that it'll continue, as the economy progresses Indian economy also progresses, the paper market should also progress accordingly.
- Saket Kapoor:** Sir you are saying that there's a complete pass on of the inflationary cost?
- Vijay Kaul:** No, no. I never said that there is a complete, I said the price increases have been there, but, as I was telling earlier also for everything, there's a limit, so we cannot go beyond a particular limit. you know, then it, it will get substituted by some other product, you know.
- Saket Kapoor:** Absolutely. Right.
- Vijay Kaul:** Yes. So we have to balance it out in a way that we get a price increase, but it is not too much for the customers. And that's how we have to keep on, analyzing that, assessing that, and then accordingly increase the prices.
- J. C. Laddha:** In addition to what Mr. Kaul has said, the biggest positive is that there's a new education policy announced by the government. So I think in all the states, there'll be a renewed demand of writing and printing papers particularly to publish, new syllabus so that, again will be attracting, a good demand. However, of course, as Mr. Kaul said, the increase in raw material prices there's a time lag and we'll have to host the market and take the right decisions at the right time. It's being closely monitored. Thank you.
- Moderator:** Thank you. I will request Saket Kapoor to come back in the question queue for a follow up question. The next question is from the line of Deepak Lalwani from Unifi Capital. Please go ahead.

- Deepak Lalwani:** Hi, Sir. Thank you for the opportunity. My question is in -- is for the paper segment. So sir, what has the cost increased, both in energy cost, and chemical cost, quarter-on-quarter, and how much of it has been passed on to the entire, to the customer.
- Vijay Kaul:** You see it is not a quarter to quarter. Let me tell you every 15 days there's a price increase now. So if I buy something today and, after 15 days, if I ask again a quotation of the same material to be procured, so then you will find that the prices have changed. In some cases, yes, there has been some stability, but in the majority of the chemical prices, there is always an increase. And similarly for the coal it is, I think the coal prices are something which is like -- worse than the share market because, if it is 12,000 today, tomorrow it is 14,000 and then it is 18,000. Then if you import the coal, it is 22,000. My sister organization is importing at 21,000. My sister organization is giving me Coal at about 15,000. So it is all over the place, it's very difficult to predict what it is going to happen. We have to, but to our customers, as I said earlier, also to our customers, I have to be fair to them. I have to be very discreet with them and give them a price by which they are able to sell their product. And they do not get any hiccups while talking to their customers. So, as I said, I was in the market last week. And certain people told me that beyond a particular limit, if you increase the prices, then, there's going to be a problem, but yes, reasonable price increase is okay. So we are very calculatively very meticulously organizing things and seeing that we give the right type of, we save our interest also, but at the same time we have to take care of the customer. Because customer is the king.
- Deepak Lalwani:** Yes. Right. Sir so in the 70,000 per kg realization, which you mentioned in the month of March so all the, cost increases have been captured in that price or would you have....
- Vijay Kaul:** No, no, no, not really. The price increases, entire price increase has not been captured, because entire price increase will be captured when our prices are around, as on March. if you take, when our prices would've been around INR 72,000, but since March, since 31st March till 25th of April, when we are discussing today, there have been further price increases everywhere, left, right and center. So we do not know, I have not yet done the calculation as to where we land and now in the prices.
- Deepak Lalwani:** Okay. Okay. Right Sir. And Sir just wanted to know your sourcing mix for coal, how much is prepared from linkages. How much do we import?
- Vijay Kaul:** Oh, my dear, the, everything is in fact we are in the better position, but the government has stopped given the linkage coal, we have a linkage coal, 90% is allotted to us on a linkage basis, but government has stop linkage coal giving it to you. So that is where the problem is, so there is nothing like, we have never imported so far for the first time I will be importing because the government has stopped the linkage.
- Deepak Lalwani:** Okay. Yes.
- J. C. Laddha:** Just to give the perspective, on coal, in addition to what Mr. Kaul has said, if you see quarter four as compared to last year's same quarter, the coal prices have gone up by 29%. The main reason is we are not getting the coal from linkage and we have to buy from the market. And if you see year on year '21 to '22, the prices of coal have gone up 11%, and this is the same story for all the input costs and -- seeing the abnormal situation, as Mr. Kaul has mentioned, we have to balance out and carefully consider when to increase the price and to what extent, keeping the interest of all the stakeholders in the supply chain. Thank you.
- Deepak Lalwani:** Right. Sir and lastly, sir, one question.
- Vijay Kaul:** On that we have not really, dependent much on the coal for power because we got reasonably good electricity supply, but what we are doing also on the coal required for steam generation.
- Deepak Lalwani:** Okay. Got it, Sir. And sir, how are pulp prices today and what is the scenario of imports in the country?
- Vijay Kaul:** Yes, the global pulp prices. Let me tell you, every week it changes and, today, if you ask me about last week, if you'd ask me about softwood, it has gone beyond \$1,100, which in the month, which in the month of December was only \$800. So four months, \$300 similarly hardwood, it has gone beyond \$950 and which was just about \$650 - \$700, I have purchased in December. So I told you, it's not only the question of -- it is a logistics issue, it is a delayed

supplies. It is not reaching in time and the prices of the pulp and there are two, three pulp mills, which have closed down for annual shutdowns and annual repairs and all that. That is also pushed up the prices. So the pulp is in a very, very bad shape at present,

- Deepak Lalwani:** Right. And the paper import if you can give sense.
- Vijay Kaul:** Yes. Paper import is there, but not to that extent, not the direct paper. There are certain varieties of books, and there are certain varieties of tissue where there are very little imports, not much earlier if -- two, three years back, it used to be from China, which has stopped completely.
- Moderator:** Thank you. Deepak I will request to come back in the question queue for a follow up question. The next question is from the line of Nishith from Aequitas Investment. Please go ahead.
- Nishith:** Good evening, sir. Thank you for this opportunity. Sir I have two questions relating to the paper segment. So the first is this, relating to pulp. So how much do we, actually import?
- Vijay Kaul:** How much do we import? We import about, 10,000 to 11,000 tons a month.
- Nishith:** 11,000 per month. And this would be hardwood plus softwood, both.
- Vijay Kaul:** Yes, it is hardwood, softwood, mechanical pulp, hardwood, softwood. So, four types of pulps.
- Nishith:** Okay. And sir second is that, currently how much are we exporting and what was the same percentage last quarter and last year, has that increased?
- Vijay Kaul:** If you say that -- it is exporting around 15% around, in some months, it may be more some months slightly less, but around on an average, 15%, we are exporting and that to the board and the tissue, not the paper to that an extent.
- J. C. Laddha:** Okay. So just to answer your question further than what Mr. Kaul has said, in quarter four FY '22, the export was 18,335, which was 31% higher as compared to the same quarter last year. And if you see, year-on-year, the export has grown up by 66% in terms of volume.
- Nishith:** Okay. That's great, sir. That's all. Thank you.
- Moderator:** Thank you. The next question is from the line of Alpesh Thacker from Antique Stock Broking. Please go ahead.
- Alpesh Thacker:** Thank you for the opportunity and congratulations for a good set of numbers, This external headwind. So my couple of questions that I have mostly pertaining to the real estate part of the business, the first one is, how many projects do we expect to add in a FY '23 in terms like business development ballpark figure would work?
- KT Jithendran:** Hello. Hi Alpesh, good evening. So we are looking at several projects, difficult to put a number, specifically depending on the size and investments. but we are looking at, we have key focuses, on expanding our footprint in our stated geographical markets, Mumbai, Pune, Bangalore, and NCR. We are there in three markets. We had to make our presents in Pune. So we'll be focusing a lot on increasing this pipeline. Yes, but to actually put a number it would be difficult, but I can only say at this point of time looking at several.
- Alpesh Thacker:** Okay. got it. Second one, would I do understand that we have still not finalized the contractor for our Niyaara project, but for our other projects that, three, four projects that we have, so who would be the contractors there for us?
- KT Jithendran:** So we have Shapoorji, for Kalyan Bombay. We have, Elite constructions for Alokya Bangalore, we have Krishna Build Estate
- J.C. Laddha:** KBE you Call it
- KT Jithendran:** Yes, Krishan Build Estate for Gurgaon so these our contractors we are working with currently. Tisya and Niyaara we are yet to award the contract.

- Alpesh Thacker:** Okay. Got it. And thanks for that. And sir last one, it says again on the, mostly for construction -- from the cost point of view for Niyara. So, can you just break down the cost there, like, in terms of cost of construction versus non construction cost, like FSI premium, TDR, Fungible FSI, et cetera, for our Niyara project, like any ballpark figure would also work.
- KT Jithendran:** Ballpark, as I told you, INR 10,000 is our construction cost and the rest is all the sales and marketing costs, premium costs are in the regional of about -- we have approval costs. We have FSI cost, which includes premium, TDR, et cetera. Then we budget for escalations, we budget for design everything, and all together, it could be in the region of about 10,000 or so.
- Alpesh Thacker:** Okay. So extra, -- above that 10K construction cost it would be around 10K again. So total would be around 20K, 25K.
- KT Jithendran:** Yes. More towards, now it.
- Alpesh Thacker:** Okay. Got it. Thanks a lot. That's it for my side..
- Moderator:** Thank you. The next question is from line of Pratik Singhania from SageOne Investment. Please go ahead.
- Pratik Singhania:** Yes. Hi, sir first part of the question was,
- Moderator:** Pratik sorry to interrupt you, your voices is echoing, may I request you to speak through the handset.
- Pratik Singhania:** Yes. Is this better enough?
- Moderator:** Yes. Thank you.
- Pratik Singhania:** Yes. So first question was same as the earlier participant asked with respect to the development, but I think you are not able to quantify it. Second is, with respect to the location of this 52-acre project that we have signed right now. So any, nearby landmark or something?
- KT Jithendran:** So Pratik this is very close to the international airport. It's about three to four kilometers from the new international airport of Bangalore.
- Pratik Singhania:** Okay. And a ready constructed project would be available at how much, per square foot realization?
- KT Jithendran:** Close by must be in the region about 5,500 to 6,000.
- Pratik Singhania:** Okay. And, although it's repetitive, any, how, can you elaborate more on the project pipelines? Because that is a very key monitorable for us.
- KT Jithendran:** Yes. So as I mentioned to you, we are pretty focused on that. We want to increase our footprint. The key one so far was getting Worli launched appropriately with full focus, getting it right. I think that is done. I think now the big thing is to build a brand across nationwide footprint and also focus on rapid expansion. So, I can only say at this point of time, we are very hungry. We'll look at as many deals as possible, which fits in with our parameters and we'll be going all out on that.
- Pratik Singhania:** And if I have to ask you of all the deals that you are evaluating, what would be, how many deals would be, like due diligence would be over and you would be in a negotiation stage.
- KT Jithendran:** Yes. So, pretty much into the details you are asking now, but I'm sure I can tell you that at least about 10 projects we are negotiating at this point of time.
- Pratik Singhania:** Oh, super. Thank you so much, sir.
- Moderator:** Thank you. The next question is the line of Harsh Pathak from B&K Securities. Please go ahead.

- Harsh Pathak:** Hi sir. Thank you for taking my question and congratulations for a good performance in the residential segment. So my question was pertaining to the new deal that you signed with M S Ramaiah. What kind of arrangement are we having? What is our stake? Is it a revenue sharing or a profit-sharing model? Can you please throw some more on that?
- KT Jithendran:** So, Harsh. I think of what we have signed up is for a profit-sharing deal, 53% to 47%, we paid over INR 65 crore as upfront deposit adjustable. Yes, so that broadly the deal.
- Harsh Pathak:** Okay. Okay. Got it. And this will be launching in the -- and potential that we said INR.3,000 crore so that is completely our share....,
- KT Jithendran:** That's the deal, that's the total deal. It's a full, full potential of the project is that much?
- Harsh Pathak:** Sure, and sir, since we are on Bangalore, we would be seeking for models in around Bangalore, region only, like we are seeing many developers launching projects in Chennai, Hyderabad, many are even going for plotted developments. So would we be looking at that space also, or we would be going by what we are doing right now only?
- KT Jithendran:** So largely. we have -- as of now, we have signed up for three projects in Bangalore, two are we have launched and this one, we are planning for the launch. We'll be looking to further consolidate ourselves in the city of Bangalore and our other target markets are Mumbai, Pune, and NCR. Mumbai we have two projects now, NCR, we have one, one project in Gurgaon. We will -- focus would be to further deepen our presence in these markets. Very critical. we are not looking at in the short term to any other cities. That we need to be more focused in cities where we operate. I think these four markets together constitute about 55% of the residential real estate market. So, that's where our focus would be. And as far as the plotted is concerned. I think it's a good opportunity, to quick when, if we get the right location, the right price, I think it is a good model because the turnaround is very quick. We are also looking at some projects where we could add reasonable value. So if something quantifies we'll be happy to announce.
- Harsh Pathak:** Right. And Sir pertain to the staff colony. So any more updates there regarding the title transfer and what would be our incremental plan on that particular land parcel, any development that you are fore seeing right now, or it is still under weight and watch mode?
- KT Jithendran:** No, definitely not in a weight in watch mode because, we will be commencing or we be have started planning for the redevelopment of work of that place in terms of workers, rehabilitation, et cetera. As we spoke about last time we did win that High Court order in our favor, which is not a very clearly to execute the land title in our favor, within eight weeks, four weeks have already passed. I think we will have a strong plan. We have a potential of about more than a million square feet of free sale development there. First we'll focus on rehabilitating the worker colony and subsequently we will plant, when we come to that stage, the right sort of mix. I think that's a very well-located land, the views of that land is even better than Worli east, where we are currently launched. I think it's very high potential land, and the right time, we will focus on creating a very strong saleable product there.
- Harsh Pathak:** Right. So the one million square feet development will be fully residential, nothing on, any commercial or retail part. We are planning there?
- KT Jithendran:** Too early to plan now, it's a few years down the line, Harsh. we may look at the right product, at this point of time it's understudy.
- Harsh Pathak:** Okay. Okay. So means nothing like, it'll be even more premium than Birla Niyaara or, on the same lines.
- KT Jithendran:** Could be because it's very well located, depending on how they hold the shape of the land, the shape of the design, the master planning, et cetera, comes, I think there is a good potential for us to even do better than Birla Niyaara.
- Harsh Pathak:** Right. So just for, -- so just for a clarity, can you please just break down the Worli land parcel development potential, including the Niyaara land parcel so that it gets more clearer on what kind of development we are seeing in the entire land parcel there.
- KT Jithendran:** So I have previously mentioned, also many number of times the overall potential is about 5 million square feet, about INR 20,000 crore plus, considering both the Worli east and west

together. And it's about a million square feet, or so, currently the plan to do commercial, a hundred thousand sort of, this retail, prime retail up-front, high-street retail, and the rest largely residential. Unless the market again churns changes and ends opens up for new opportunities. The entire plan we hope to execute in the next 8 to 10 years,

- Harsh Pathak:** Including the employees colony.
- KT Jithendran:** Correct.
- Harsh Pathak:** Sure. And this, just a clarity INR 20,000 crore is the enter five million square feet, employees colony included.
- KT Jithendran:** That's right.
- Harsh Pathak:** Okay. Sure, sure. Thank you. Thanks a lot sir for taking my questions and all the best.
- KT Jithendran:** Thank you, Harsh.
- Moderator:** Thank you. The next question is from the line off you Biplab **Debbarma** from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** Thank you. Sir, one, just clarification and one question, the clarification is, so you mentioned about, INR 20,000 per square feet construction and other, so that is on the -- so if we have to calculate that we calculate on the saleable area?.
- KT Jithendran:** That's correct.
- Biplab Debbarma:** Yes. Okay. Now my question is on the, you have started, what we call coloquely soft launch in November, and now it is 25th April. So have you witnessed, because you have sold, more than 1,200 crore inventory in this, such a short period of time, that means, launch has received tremendous response, stupendous tremendous response. In this period, November to say, April or March, have you witnessed like to like or did you increase, not witness, did you increase the price on like-to-like basis? I mean, if I have to say, what would be the average selling price in terms of INR per square and last 10 transaction? Vis a vis, the average. So could you give us some idea of the -- whether price moved in this project?
- KT Jithendran:** So Biplab, thanks for the question. Just to clarify we did not launch in November, we launched in February. Yes. November, we got the, -- I think we got the RERA sometime in November end or so. I don't remember now the exact date, but we really, Jan, we want Feb early we wanted to launch, but there was the Omicron waves kind of stopped us from doing that. Finally, we started doing this on, I think the launch started in mid-Feb and it's been a month and a half, in which we did about INR 1238 crore. We of course started at about 56,000 is the area, I mean the, the price per square foot on carpet, and we have not increased that price. We kept it because it was, pretty reasonably strong price. So I don't think at this point of time, we are looking at immediately, maybe in the next fields or so we may do that, once we achieve our target inventory sale at this price, as per our business plan. But right now we have not done any pricing increase.
- Biplab Debbarma:** So what about Gurugram? Because this is what my understanding is Gurgaon also we are seeing lot of traction in the entire marketing independent force and premium segment. So, and you also being in a premium location, golf course road. I assume that you too been seeing a lot of demand. So in the last three, four months, any price increase happened or just, it is marginal on marginal price increase in Gurgaon project?
- KT Jithendran:** So Biplab, Gurgaon of course the story has been a little different because we launched it about one, almost two years back. So last to last November, I think we launched it and we got -- we started it at about INR 10,300, and today we are selling it almost at about INR 12,500 or so. INR 12,300 or something like that. So we have got very good appreciation Gurgaon market has really, there's been a shortage of inventory and especially for products like ours, which is the floors. So there has been a very, very strong demand, and we are also runout of inventory now there, I think within a period of less than two years, we are sold almost 300 apartments, INR 625 crore inventory. Now we are just waiting to launch the next phase. We haven't got the RERA clearance yet. We've supposed to have launched it in last quarter, but because of various lockdowns and other issues the approval process got a bit delayed, but that has only helped in increasing prices. Prices are increasing there. The demand is pretty strong.

so I think we will be launching even at a higher price than this when we launch the second phase. There has been a substantial price increase in that market.

- Biplab Debbarma:** Okay. Thank you, sir. That's all for me all the best.
- Moderator:** Thank you. The next question is from the line of a Ajit Darda from Nirzar Securities. Please go ahead.
- Ajit Darda:** Hello, sir. Good evening. And congratulations on good set of numbers. Sir I have a question with respect to paper business. Just wanted to understand the increase in raw material costs and power cost of paper business in percentage terms, you can throw some light on that.
- Vijay Kaul:** Okay. you see, in terms of power cost, it is gone up almost by 29% over the last year. And as regards the chemical and other pulp costs, it has gone up by almost, 40% than the last year. So that is there.
- Ajit Darda:** And what is the way ahead, sir? How do we look the prices in future?
- Vijay Kaul:** Well, pulp prices are still going up. Power prices are going up because of the government's restriction, otherwise we have a linkage, so we could get back to the, if the government removed the restriction on the linkage, we will be back on the normal prices of the coal. So the power, that is not a problem. And, mostly actually in fact, the Utrakhand government, the power cost is not much, it is only INR 5.50 a unit, but because we consume a lot of steam in the process. So for that, we have to run the boiler more. So because of that, the steam cost is going up, but if they remove the restrictions on supply, even though we have got a complete agreement with them, but there are restrictions. So I don't know, but the coal prices are fluctuating, you can say on an average, on an average basis that today the call prices are almost around INR 18,000 per ton as against INR 5,000, INR 4,800 to INR 5,000 a normal coal price. So that is the type of increase in the coal prices. And I don't see this coming down in the next six months, at least.
- Ajit Darda:** Okay. And what is the probability that the government will take out the restrictions on the supply side?
- Vijay Kaul:** There is no probability there, we have also represented our, IPMA has also represented to the Prime Minister directly, that why you are because our power plant is not, it is also running the industry. It is also giving power to our colony people, so why you are restricting and why are you putting these barriers on us. But so far no reply has come from there.
- Ajit Darda:** Okay. Sir, understood. Thank you very much.
- Moderator:** Thank you very much, ladies and gentlemen, that was the last question for today. I'll hand the conference over to the management for closing comments.
- J. C. Laddha:** Thank you. Thank you so much. Thank you all for participating in this earnings con call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR manager at Valorem Advisors. We are very thankful to all our investors who stood by us and had the confidence in the company's growth plan and with this, I wish everyone a great evening. Thank you very much, ladies and gentlemen.
- Moderator:** Thank you very much. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.