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10th May, 2024

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 500335

The Manager
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400 051
Scrip Symbol: BIRLACORPN

Dear Sir(s),

Sub: **Transcript of the investors/analyst earnings conference call on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended 31st March, 2024**

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the investors/analyst earnings conference call held on 6th May, 2024 at 2.00 P.M. (IST) on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended 31st March, 2024. The event concluded at 2.46 P.M. (IST) on 6th May, 2024.

A copy of the same is also available on the Company's website at https://birlacorporation.com/earnings-call-transcript.html.

This is for your information and record.

Thanking you,

Yours faithfully,
For **BIRLA CORPORATION LIMITED**

MANOJ MEHTA
Digitally signed by MANOJ MEHTA
Date: 2024.05.10 11:58:09 +05'30'

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above

"Birla Corporation Limited

Q4 FY '24 Earnings Conference Call"

May 06, 2024

MANAGEMENT: MR. SANDIP GHOSE –MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BIRLA CORPORATION LIMITED
MR. ADITYA SARAOGI – GROUP CHIEF FINANCIAL OFFICER - BIRLA CORPORATION LIMITED
MR. RAJAT PRUSTY – CHIEF OF MANUFACTURING & PROJECTS – BIRLA CORPORATION LIMITED
MR. KALIDAS PRAMANIK – CHIEF MARKETING OFFICER – BIRLA CORPORATION LIMITED
MR. ARUN AGARWAL – GROUP CONTROLLER AND CHIEF FINANCIAL OFFICER – RCCPL PRIVATE LIMITED

MODERATOR: MR. RAJESH KUMAR RAVI – HDFC SECURITIES

Moderator: Ladies and gentlemen, good day, and welcome to the Birla Corporation Q4 and FY '24 Earnings Conference Call hosted by HDFC Securities Limited. As a reminder, all participants' 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 star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajesh Kumar Ravi. Thank you, and over to you, sir.

Rajesh Kumar Ravi: Thanks, Susan. Good afternoon, everyone. On behalf of HDFC Securities, I welcome you all on this call to discuss Birla Corp's financial results for the quarter and year ended March 2024.

From the management side, we have Mr. Sandip Ghose, MD and CEO; and Mr. Aditya Saraogi, CFO -- Group CFO. Before I hand over the conference to the management, I would like to remind you that certain statements made during the course of this call may not be based on historical information or fact and may be forward-looking statements. These statements are made -- are based on expectations and projections and may involve a number of risks and uncertainties. Such that, the actual outcome may differ materially from those suggested by such statements. Thank you, and over to you, Sandip, sir.

Sandip Ghose: Good afternoon, and thank you very much for taking time out to join. I find there is 137 participants, and that's extremely flattering for us. And we know some of the conference timing clash with your lunch break. So take that -- you could take time off, is something we really appreciate and grateful for.

I'm Sandip Ghose, Managing Director and CEO of Birla Corporation. With me, as mentioned, I have our group CFO, Mr. Aditya Saraogi. I also have Mr. Rajat Prusty, who is our Chief of Manufacturing and Projects. I have Mr. Kalidas Pramanik, who is our Chief Marketing Officer. And I also have Mr. Arun Agarwal, who is our Group Controller and CFO of Reliance Cement Company Private Limited, or RCCPL, to be precise.

I will keep my introductory remarks short, because you already have seen our press release and our press release is fairly detailed. And in a way, it is probably more elaborate than what many of our peers issue. So most of the facts from our side, whatever I would verbalize, are already covered there. So I wouldn't go through it again and save you the repetition.

Notably, this is the first full year of operations under the new executive team, E-team of the company, which was -- which started last -- which came in place beginning of 2023. I know many of you had in private some apprehensions, reservations or skepticism about the change of top leadership.

But I suppose the results bear out the value, which has been brought in by all my colleagues, in particular, Mr. Prusty, who is, as I mentioned, he's the Chief Manufacturing and Operation -- Chief of Manufacturing Operations and Projects; Mr. Kalidas Pramanik, who is our Sales and -- Group Marketing Officer, Sales, Logistics and Marketing; and of course, our entire Commercial and Support team, led by Mr. Aditya Saraogi, Arun Agarwal, and everybody else.

So this is to some extent to a large extent a satisfying year for us because we had embarked not only with the new team, but with a new strategy which is a 360 degree strategy encompassing not just one area of operations, both -- we tackle both the harder and softer aspects. There was a lot of initiatives taken even in the HR area and other processes -- business processes and the planning processes of the company. And we believe that the pieces are falling together and coming together that is reflected in the results.

Of course, the hero of the year is Mukutban operations, where again, when we started 2023 or we started this fiscal year, there was a lot of apprehensions expressed, a lot of nervousness by many of you in terms of our ability to scale it up, ramp it up, and more importantly, also make it viable and profitable. I hope we've elute some of those concerns and being able to deliver quarter-on-quarter on our projections. And finally, going ahead of the guidance, which we had issued for the last quarter and which should have been pleasant news for all of you.

I will stop here, and I will let my colleagues add a couple of points if they have to, and then we will open it up for question and answers, so that you have much longer -- larger time to discuss issues that may have been left out in our press release and which may be in your mind. Thank you. Aditya, would you like to?

Aditya Saraogi: Yes. Just a couple of information, which is probably not there in public domain. One, our net debt, as of March 31, 2024 was INR3,003 crores. And our fuel cost in Q4 was INR1.56/Kcal, of course, leading to your guidance. Over to you, Mr. Sandip.

Sandip Ghose: And how much is the debt reduction, therefore, Aditya, do you like to indicate?

Aditya Saraogi: About INR600 crores compared to last year.

Sandip Ghose: So there is a INR600 crores debt reduction. I think that has been also...

Aditya Saraogi: More than what we have guided for also. It was in what we have guided for.

Sandip Ghose: Yes, we have guided. And that was, I think, again, an area of interest for all of you. And so INR600 crores reduction is something we request you to take note of, as well as the power cost of INR1.56, which is again, probably ahead of the guidance which we have given. Rajat?

Rajat Prusty: Good afternoon to all. I'm Rajat here. As rightly said by MD, sir, we are continuously working on manufacturing excellence, and starting from safety and operational reliability, maintenance reliability, that has helped us a lot to improve our capacity utilizations and reliability of the plant.

And for that, the journey on the projects, the small, small projects and the projects from the Shikhar projects are also manufacturing excellence projects, that has also helped us to contain our costs and identify the areas of improvement for which the team is working. And going forward, we will continue to put our best effort to see that how the safety and the manufacturing excellence will continue to ensure that our capacity utilization, including the projects, whatever we have planned, that will be implemented.

Sandip Ghose: Kali?

Kalidas Pramanik: Good afternoon. This is Kalidas Pramanik. If we look at quarter 4, all of us we know that there was a challenge in terms of realization in the marketplace, as well as the secondary demand was a little bit muted. But our efforts in terms of pure focus towards Mukutban, that helped us in terms of realizing the -- volume.

As well as if you look at our realization with respect to industry more or less we are better off, particularly the project we have taken in terms of the Unnati, where our main focus was how we can reduce our cost, how we can contain our lead, that is the lead management in terms of -- from a logistics point of view, as well as we have seen that how we have sold our premium products.

Basically, these are the few areas where we work hard and we are able to realize better. Also, if you look at the overall growth in quarter 4, as well as in the entire year, if you look at, we have grown 12%. While we have grown that 12%, the major growth came from Mukutban. And other than Mukutban, though do we have almost 100% capacity utilization and the growth came somewhere around at 5%. So overall, our strategic approach in terms of our end users, philosophy in terms of 4Vs and objectives with OKR that helps us in terms of achieving our -- these sorts of performance.

Sandip Ghose: Thank you very much, Arun, do you want to say something?

Okay. So I think we will go ahead with the questions and answers. Rajesh, you can probably initiate.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aman Agrawal from Equirus Securities.

Aman Agrawal: Many congratulations on strong set, especially on the profitability side. Just to understand this better. Sir, if you can share some numbers around Mukutban, especially the volumes that you have done from Mukutban, the amount of it sold in Maharashtra market itself and the incentives that we have booked from Mukutban?

Aditya Saraogi: So we have done volume of 6.6 lakhs tons in this quarter, out of Mukutban. And we have not booked any incentives in Mukutban. We had envisaged that we will be able to book some incentive, but we are used to get the registration certificate from the state government. So because of that, we have not been able to book any incentive from Mukutban in this quarter. So from next year, definitely, in this financial year, definitely, we'll start booking incentives.

Sandip Ghose: And Maharashtra?

Aditya Saraogi: And Maharashtra is about 65%.

Aman Agrawal: 65%. Understood, sir. And sir, second, that you have mentioned, despite strong performance, there has been an apparent dip in your trade sales, premium sales, as well as blended sales on a percentage basis, on a Y-o-Y basis. Now is this something that entire industry has maybe went through? Or does it have something specifically to do with the ramp-up of Mukutban plants? Just wanted to understand on that, sir.

Sandip Ghose: Can you just repeat on the -- what did you say about the percentage bit?

Aman Agrawal: While the absolute volumes for all three parameters, trade sales, blended sales and the premium sales, while the absolute figures have grown. But on the percentage terms, as a share of overall volumes, there is an apparent dip on the Y-o-Y basis. So just wanted to understand, is this something that the industry in general has seen a better sales of non-trade? Or is this something that Mukutban has faced specifically?

Sandip Ghose: First of all, I'll let Mr. Pramanik answer this. But first of all, I don't see how our total volume has grown, how any of these things in individual parameters would have fallen. And certainly, in our premium sales, which is really a function of the trade sales, we have had a growth from 51% to 54% in terms of percentage growth. And that will get reflected commensurately also in the volume.

Trade channel, there has been a marginal drop. And that drop is essentially in relation to how the markets have behaved during this period. And particularly in the last few quarters, when there was a -- the trade was impaired and there was a greater traction in the infrastructure sector. So there has been from our traditional, when we looked at our traditional mix, which we used to have, which is closer to 80% in terms of trade sales, there has been a drop.

And of course, there is a contribution of that in Mukutban as well, but that is as per the trend. But we still remain -- our trade sales shares remain far higher than the industry average is what is my impression. Kali you want to add?

Kalidas Pramanik: No, mostly, you have covered the entire point. Actually, in the quarter 4, if you look at the entire industry, the demand mostly came from the Infra and Commercial segments. When the demand mostly in the Infra and Commercial segment, so that segment growth, the entire has industry has grown, simultaneous to with respect to us also, we have grown in that segment.

Though we have in the trade, we have grown in the quarter for 2% in the trade. So overall, if you look at the premium sale against the percentage of the total trade sale, we have in the quarter 4 almost 1% in the year, almost 3% we have grown. But in absolute volume, if you look at in absolute volume also grown. But percentage-wise, if you look at the overall sales versus this, basically that, this business has grown.

Aman Agrawal: Understood, sir. And lastly, last question, if I may. I just wanted to understand the lead distance overall and for the Mukutban plant.

Kalidas Pramanik: So lead distance for entire company, if you look at in the quarter 4, 349, yes. So the 349 that is trade -- I mean, rail and road combined together. And if I look at other than Mukutban, which is coming around 337. So that is 420 -- Mukutban is 420 is the lead.

I will only now request, we have answered the first question. We'll try to answer all the questions. So I request participants not to repeat the questions and restrict your question to one question only, because that will give others, because we have a long queue, and we are now total participants have gone up to 179 is what I noticed. It will give others an opportunity to ask questions. So people who are ahead of the queue should not take up disproportionate time is what my submission would be. Thank you.

Moderator: The next question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: And congratulations on a great set of numbers. Sir, my question is now what's the guidance on the profitability for EBITDA per ton for FY '25 and also in terms of the volume, total volume growth? And if possible, how much are we looking at from the Mukutban in FY '25?

Aditya Saraogi: In terms of volume, we are expecting 8% to 10% growth. And in EBITDA per ton also, we are expecting an 8% to 10% growth next financial year. In Mukutban, we are expecting to have a volume of about 2.7 million tons.

Shravan Shah: Sir, this 8% to 10% EBITDA per ton growth is from Q4 or FY '24?

Aditya Saraogi: FY '24. It is INR808 crores of EBITDA.

Moderator: The next question is from the line of Saket Kapoor from Kapoor Company.

Saket Kapoor: Sir, obviously, you mentioned our net debt at INR3,003 crores. What are the current year's maturity? And for the tax advantage for Mukutban, we will be starting the collection from the next year. So for this year volume, there will be no tax advantage when it could be retrospectively or prospectively that will get the same?

Aditya Saraogi: I think, our current year maturity of INR520 crores. And what's the second question?

Saket Kapoor: Second question was on the tax advantage of for Mukutban, which you mentioned that due to registration issue, so we will be getting that advantage for last previous year volume also, last year volumes also or will it be a big process...

Aditya Saraogi: Guys, we are not -- wait here -- only once we get the registration certificate, we'll be able to comment, maybe by the next quarter con call, we will have answer to that.

Moderator: The next question is from the line of Vipulkumar Anopchand Shah from Sumangal Investment.

Vipul Shah: Congratulations for a very good set of numbers. Any guidance for yearly incentives for Mukutban plant, sir?

Aditya Saraogi: Overall, incentives next year will be around INR100 crores -- INR110 crores, including the other plants.

Vipul Shah: So that will be inclusive of all plants, right?

Aditya Saraogi: Yes, all plants INR110 crores against around INR160 crores what we have accrued in financial year '24.

Sandip Ghose: When we talk of all plants, as you would know, our Kundanganj incentives have ended. And so, there are other smaller incentives in Rajasthan, in Raipur, etcetera. So those things taken together. The bulk will, of course, come from Mukutban.

Moderator: The next question is from the line of Amit Murarka from Axis Capital.

Amit Murarka: So on Mukutban, like I didn't get the number, you said the guidance for FY '25 will be about 2.7 million tons.

Aditya Saraogi: Correct.

Amit Murarka: 2.8 million tons, okay. And what was the exit that you did in FY '24?

Aditya Saraogi: 2.5 million -- 2.5 lakh tons in March.

Amit Murarka: Okay, right. And also, would you be able to provide the split between Maharashtra and non-Maharashtra sales in this number, like…?

Aditya Saraogi: About 65% of sales are within Maharashtra.

Sandip Ghose: We said that earlier, 65%.

Amit Murarka: Sure. Also, I was just wondering like if you were to do 2.8 million ton volume with, let's say, two third of sales in Maharashtra, like should the incentives booking be higher than INR110 crores in that case?

Sandip Ghose: First of all, we said 2.7 million ton, not 2.8 million ton, for the sake of accuracy. Let us record that. And incentive percentages depend on various functions, including pricing. And our final split of trade, non-trade and various other things.

Aditya Saraogi: And within Maharashtra and the input taxes, various factors, this is our number.

Sandip Ghose: We have the number, we have taken as per our realistic estimates.

Amit Murarka: So it's 14% state GST that you accrue, right?

Sandip Ghose: Yes. But that's based on actual and selling price. And selling price differs between trade and non-trade. It also differs between areas. So there are various assumptions which come in. We have taken all those assumptions and come to our, what in our view is a realistic estimate, and that is what we can predict. And all these things have been built into our guidance of about 8% increase, 8% to 10% increase in our EBITDA per ton.

Moderator: The next question is from the line of Kamlesh Jain from Lotus Asset Managers.

Kamlesh Jain: Sir, just one question on the incentives part. So how much we had recognized in FY '24? And I believe guidance you have provided is INR 110 crores.

Aditya Saraogi: We have said we have not recognized anything from Mukutban.

Sandip Ghose: Total incentives, we have recognized is around INR160 crores in FY '24. Okay? And we have not recognized any incentive for the Mukutban in FY '24.

Kamlesh Jain: So FY '25 guidance includes Mukutban? Or how is it?

Aditya Saraogi: Yes. Mukutban -- Including Mukutban, we have guided for about INR110 crores.

Sandip Ghose: As we said earlier, you probably didn't pay attention, our Kundanganj incentive is ending has ended really on March 31st. So Kundanganj wouldn't come. So this INR160 crores this year, a bulk of it has come from Kundanganj. Next year, the bulk will come from Mukutban, on which we've already stated our estimates.

Kamlesh Jain: And secondly, sir, on the expansion side. So is the grinding unit, which we have announced, is this the only expansion we are looking at? Or are there any expansion in the clinker capacity, which we are pursuing?

Sandip Ghose: First of all, I would request you again to keep your questions to only one question because others don't get a chance. But since you have already asked it, we have stated that our clinker capacity expansion is not going to come just now. So there's no plan for clinker capacity. And we have announced our grinding unit plan that will happen in the course, which is indicated.

Moderator: The next question is from the line of Mohit Jain from Tara Capital Partners.

Mohit Jain: I just wanted to have your view as to how the competition in the central market is panning out considering the fact that significant new capacities have come up as you can see. So in the right time, what is your outlook overall?

Sandip Ghose: Competition coming up would be -- issue with the capacity is or the supplies are in excess of what is the expansion in the market. Last year, we did not face any said intense competitive scenario were there in terms of what you might call any kind of intensive fight for market shares. This year, it's too early to predict. It all depends on how the growth happens in the next 2 quarters, especially the capacities having come up. We have to wait and watch what is going to be the behavior of all players, whether they would still go for volume at the cost of price or they would behave more rationally.

Mohit Jain: So is it too early to say that we will see any kind of headwind to our volume guidance if the competition increases? How will you look at it then?

Sandip Ghose: We do not expect it, because we are practically sold out or more than sold out in those areas. We have got a very strong brand presence as well as the channel presence. As we have in the past indicated, we are the only company which operates at both ends of the market. We have a premium product market and popular or what is called the value segment with almost equal presence in both. This is one of our strongest position, because very few channel partners can offer both the products in the same company.

And these areas, especially in the central market, when you're talking about Central UP, East UP, I think we are in a fairly strong competitive position. And since we do not have any anxiety to sell more volumes, we hope to, -- and given our strengths of our brands, our quality parameters, our location of our plants in the region -- we expect to just as we have done this year, we expect to hold our position.

Moderator: The next question is from the line of Aman Agrawal from Equirus Securities.

Aman Agrawal: Sir, just wanted to confirm on the timelines for upcoming coal mines, Bikram coal mine and Marki Barka. You told Bikram by 2Q 2025 and Marki Barka by FY '26 timelines, remain intact, sir?

Sandip Ghose: See, Bikram, we are expecting in Q4 of FY '25. And Marki Barka, we are expecting in FY '26/'27.

Moderator: The next question is from the line of Pathanjali Srinivasan from Sundaram Mutual Fund.

Pathanjali Srinivasan: Sir, firstly, congrats on a good set of numbers. I have a couple of questions. One is on prices, we've seem to have had really good control during this quarter, where peers have all cut prices very sharply. So could you give me an understanding of whether it is a geographic mix or it was more pricing discipline from our end, which helped in doing this?

Sandip Ghose: I think Mr. Pramanik has said this in his preamble at the opening remarks. Our strategy is very clear. We do not have in these markets any anxiety for volumes, because we do not -- our capacity utilization is 100% in the key markets, which are our core markets of Central India. Our focus has been on premium products, and we have continued to make investments in the premium product brands strengthening and which will continue in the future. So our focus has been on that. And therefore, we have not diluted our price positioning at all.

And coupled with that, as we mentioned, we have taken under this project, Unnati, several measures, including one is lead reduction. Secondly, it's selling more in higher realization markets. That's how we have been able to keep our realization higher than maybe some of our peers. And that's the strategy, and we would probably -- we would like to continue on that and improve upon that strategy. But obviously, we cannot be totally insulated with market movement. If the market prices come down, we will also be affected. That goes without saying.

Pathanjali Srinivasan: Sure, sir. Sir, and just one last question. Can you just tell me what your capex guidance would be for FY '25 and '26?

Aditya Saraogi: INR800 crores. And FY '24-'25, not '25-'26. For '24-'25, it is INR800 crores -- around INR800 crores.

Pathanjali Srinivasan: Okay, sir. And for '26, do you have a number?

Aditya Saraogi: No, we don't have a number for '26, as I just answered.

Moderator: The next question is from the line of Viraj Mahadevia from Moneygrow.

Viraj Mahadevia: Congratulations, fantastic numbers. You've shown a meaningful uptick in the EBITDA margins through a combination of what you suggested is probably not taking massive price cuts as well as the cost saving grows to 18% in Q4. Can you guide us towards a potential EBITDA margin range for FY '25?

Sandip Ghose: We've already said that per ton, we are at the moment, budgeting for about 8% to 10% increase in the EBITDA per ton. And that is what we can say from our outlook of next year, which is -- which as we elaborated in our press release, so unless we have any further visibility, this is what we would like to stick with, 8% to 10%.

Moderator: Next question is from the line of Vipul Kumar Anopchand Shah from Sumangal Investment.

Vipul Shah: Yes, all my questions have been answered.

Moderator: The next question is from the line of Saket Kapoor from Kapoor Company.

Saket Kapoor: Yes. So, already you mentioned INR800 crores capex for the current financial year, '24-'25. Where will the money spent for and what will be the capacity augmentation? And then our net debt numbers will remain flat for this year even with the current maturities because the EBITDA adjusted number with the current maturity and the capex works out to flattish numbers.

Aditya Saraogi: See, out of the INR800 crores, we plan to spend about INR400 crores on sustenance capex, about INR200 crores on the development of coal mines and another INR200 crores on Kundanganj line three. And as a result, net debt number, we expect to close that number below INR3,000 by the end of next year.

Saket Kapoor: So INR3,003 is close to INR3,000 only? So many…

Aditya Saraogi: Below that. That I can say at this time.

Saket Kapoor: Right, sir. I'll again join, sir. One more question is there.

Sandip Ghose: Saket, you're monopolizing. You are being the closest to Calcutta and to the office. We can't give you undue advantage.

Moderator: The next question is from the line of Girija Rai from Asit C. Mehta Financial Services Limited.

Girija Rai: And more congratulations on a good set of numbers. So my first question is with regards to premium segment. So just wanted to check, our premium segment prices like last quarter, INR2 to INR3, more than other players. So are we going to see any kind of threat when other players are coming up with premium segments? And what is the price right now for the premium segment sales?

Sandip Ghose: Price for premium segment would vary from market-to-market. And it vary from period-to-period. So therefore, we can't talk of a single pricing. Other people coming into premium segment, they would come in only if the premium segment is growing. They don't really cannot come in to cannibalize somebody else's premium product per se. So we don't see that as a problem for us with all the brand investments you would -- I don't know how much you've been following this company's brand strategy.

Right from the time of 2016, when we acquired Reliance, initially again, a lot of people apprehended that whether we will be able to maintain the price premium of the Reliance brand or whether that will get pulled out to our legacy brands, which used to operate primarily in the popular segment. But I think what we achieved significantly at that point in time, and I was in the company, then some of you would recall as CEO and CMO, we were one of the first companies to adopt our brand architecture.

In that brand architecture, we had our flagship brand called Perfect Plus, and that cut across all the geographies where we were operating. And we have consistently gone on and investing in that brand, and we are seeing clear dividends of that. A classic example or a best example of that is when we entered Mukutban, where we were a totally new kid on the block. For us, it was a virgin territory we didn't know.

We have from -- practically from day 1, we are selling 40% as premium volume. And as Perfect Plus, where we found immediate acceptance of the brand. That shows the brand equity, which has been created over the years. And in the core market of UP and Eastern Central UP, I'm happy to state and some of you can verify this through your own market checks.

Today, our Perfect Plus sells at a premium over some of our very well entrenched and large competitors. It is clearly established that we are selling higher than that. So -- and we, as I mentioned, we will continue to invest on it. Those are -- if you follow cricket on television or even today, following the political news and television for the elections, you will see the kind of visibility this brand has got there. And this is part of strategy, and that is how we have been ongoing, whereas our regional brands, what we call our regional champions, which is the heritage brand, we have a separate strategy for that. Like Samrat is a very big brand in Central India.

In the popular segment, it has got very clear clientele customer segment where it goes. Similarly we have Chetak in Rajasthan, which is a heritage plant with a long history, which we support there. So those brands are supported. So we have been one company which has now for much before others have entered -- drive this kind of brand architecture. We have been operating in that way.

And that's why I said, we are -- the few companies which can make offerings in both the segments. So when you look at our dealers, especially in our core market and whereas the figures indicate our premium brands has over 50%, and almost equal quantity is sold in the popular brand. Our channel is on a few channels which can offer the customer both the brands from the same shelf and same counter. And therefore, that is played.

And if you were to compare with many of our peer group, which we are quoting, it's not for me to say the numbers. They are talking. Even some large companies, they're talking about 10% to 12% in the premium category, whereas as we said, we are operating already at 54%, 57% in our principal markets.

Girija Rai: That's quite helpful. And second question was with regards to freight cost. So I can see there is a decline on freight costs, 3% on quarter-on-quarter basis. Because we have sold -- I think we are catering to Gujarat market from Mukutban plant as well. So any further kind of reduction in or what kind of strategy are we using to see respite on freight cost?

Sandip Ghose: We look at our net realization. So if you see a Mukutban situation, obviously, there, we will have to now spread ourselves further. So you may not get a freight cost reduction in Mukutban. Whereas in the markets where we have saturated, there, we try to see how we optimize on our freight costs further to increase our realization. So it's a combination of those factors. So we don't look at this thing in isolation. We look at from market-to-market. We look at where is the scope for optimization with road versus rail.

But even when we look at road, we try to see where we can do direct dispatches from factory instead of routing them through the godowns out there. And so that is a continuous optimization process which goes on. But it's a market-to-market, say it so -- distance per se or just the number of freight costs don't make absolute sense, because we have to finally look at what is our net NODT realization.

Girija Rai: Okay. So, if I may allowed for a last question. So if I see from past 12 quarters, there is a price decline, more price impact in Central region, the rest of the regions like Western region, Northern regions and Eastern regions prices are at a good and stable, I can say. But Central region prices are quite down. So are you seeing any kind of price installed in kind of in near term? Any price stabilization in Central region?

Sandip Ghose: Why would you say Central region prices are down? It's all a matter of averaging from quarter-to-quarter, which has happened in different areas. You see Maharashtra was quite depressed for the better part of last year. North picked up at the point in time, then there has been slippages. So this has been going on.

And I think, as I kept saying in previous conversations, that I think the overall last year's price movement was quite in line with expectation or what has been the projections at the beginning of the year. At the beginning of the year, all of you who are the analysts as well as firms like CRISIL and everybody had predicted just about 1% growth in pricing throughout the year. So basically a flattish pricings menu for all India.

And whereas they had talked about a high single digit between 8% to 10% growth in volumes, that is precisely how it played out last year. This year is different, and you'll have to see it from quarter-to-quarter, because there are several factors. As we have indicated in our own press release this quarter is affected by elections, extreme heat in most of the country. And once the elections and everything is over, it will probably take a little while for the economic condition to stabilize.

But then we have to see how the monsoons play out in the next quarter. So it's a bit early for anybody to predict how the demand scenario will go and therefore, consequently, how the price scenario will go. But looking at last year, I don't see a great cause for disappointment, except in the last quarter where it was unexpectedly soft, because every time traditionally, in the last quarter, prices used to go up in the cement industry, so as to demand. But this is one aberration of a year when in the last quarter, you actually saw a decline.

Moderator: The next question is from the line of Tushar, who is an individual investor.

Tushar: My question is how much savings are possible from the Bikram coal mine that are to be commissioned in Q2 FY -- sorry, Q4 FY '25?

Aditya Saraogi: In this year, we don't envisage much savings, because it is in a ramp-up phase. The savings will start acquiring from next financial year.

Moderator: Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Rajesh Kumar Ravi. Please go ahead.

Rajesh Kumar Ravi: Yes. Thanks, everyone, for joining in the call. If there any closing remarks from the management, after that, we will close the call. Over to you, sir.

Sandip Ghose: No, I would just like to thank all of you, a, for joining and a, for the support and understanding, which you have extended to us over the last entire year and has been very meaningful conversations whenever we have either met in person or spoken in these sort of calls, and we will continue to count on your good wishes and goodwill and understanding.

And I hope we never used to interact earlier, as you know, it is only last year we started the conference call process as well as having investor roadshows, etcetera. I hope this has been a -- for us, it has been a great learning experience, very meaningful experience. I hope it has been mutually rewarding and wish you all the very best for the new financial year. And please take care of yourselves in the heat. And this weather is excruciatingly hot of yourself this and there, and thank you very much and hope to see you in about 3 months' time.

Moderator: On behalf of HDFC Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.