



Birla Corporation Limited

Corporate Office:

1, Shakespeare Sarani,
A.C. Market (2nd Floor), Kolkata 700 071

P: 033 6603 3300-02

F: +91 332288 4426

E: Coordinator@birlacorp.com

5th August, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code: 500335

National Stock Exchange of India Ltd.

'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 conference call on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 2025

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 conference call held on 31st July, 2025 at 2.00 P.M. (IST) on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 2025. The event concluded at 2.57 P.M. (IST) on 31st July, 2025.

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 KUMAR MEHTA)

Company Secretary & Legal Head

Encl: As above



“Birla Corporation Limited
Q1 FY '26 Earnings Conference Call”
July 31, 2025



MANAGEMENT: **MR. SANDIP GHOSE –MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – BIRLA CORPORATION LIMITED**
MR. ADITYA SARAOGI – GROUP CHIEF FINANCIAL OFFICER - BIRLA CORPORATION LIMITED
MR. RAJAT KUMAR PRUSTY – CHIEF OF MANUFACTURING AND 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 Birla Corporation Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajesh Kumar Ravi, HDFC Securities. Thank you. And over to you, sir.
- Rajesh Kumar Ravi:** Hi. Good afternoon, everyone. On behalf of HDFC Securities, I welcome you all to the Q1 FY '26 conference Call of Birla Corporation Limited. From the management side, we have Mr. Sandip Ghose, MD and CEO; and Mr. Aditya Saraogi, Group CFO. I'll now hand over the call to the management team. Post their opening remarks, we will open the floor for Q&A. Over to you, Sandip, sir.
- Sandip Ghose:** Very good afternoon to everybody, and thank you so much for joining in such large numbers. Though as been reminded just before the conference that probably our timing is not very correct. It eats into literally into a lot of your lunch time. So, we'll consider next time onwards whether we should keep it at two or a little later, and then keep all of you hungry or interrupt your lunch break. So good to have everybody here, and I will come straight to the brass tacks without too much of a preamble or going around.
- I sense and for the few people who have called us, etcetera, there is a slight dissonance or surprise at the kind of results we have done in terms of what were being expected by many of you as well as in the market. And I'd like to put it in context so that you understand the basis because this is something we encounter every quarter, irrespective of whether the quarter has gone very well or not so well.
- When it goes very well, sometimes there is an element of surprise there. And when things are not according to expectation also, I think there is a degree of confusion. And that's probably what is not understood very clearly to our mind is the changing business profile of Birla Corporation over the few years.
- Initially, of course, market took into notice our acquisition of Reliance, but post-acquisition of Reliance, things have also further undergone some amount of structural changes at each stage, and it will probably keep happening as we go forward. The most significant one, as you would know, in the last 2 years has been Mukutban and the rapid scaling up of Mukutban. But simultaneously, there are other things happened like our Chanderia expansion, which had happened earlier.
- The utilization of Chanderia, although it was high, but now its utilization in the core market has gone up significantly, and that's linked to how those markets have performed now vis-a-vis some other markets in the neighboring regions. To be clear, what I'm trying to say is Chanderia caters for us a large part of the traditional north, but in our terminology, we look at also Western MP and Western UP as part of Chanderia's reach.

And sometimes it can even in terms of clinker, not necessarily in terms of cement, we could be even taking Chanderia clinker all the way down to center to -- if the demand in that area, central and East is different. So that's is something which keeps changing in our company and similarly so Chanderia, Mukutbhan equally also plays not just a role in Vidarbha but we have always seen this Mukutbhan as a very integral part of our larger footprint map.

I recall when I first came in, there was a lot of skepticism among many of you -- some of your colleagues when I said that Mukutban, we can actually supplement our Mukutban production in clinker to use as far as if required, all the way down to the east in Durgapur and people doesn't believe in some people, as I said, very skeptical or cynical about it. But that is precisely what we have been doing very profitably and successfully, and that's where our strategy has played out.

So the point of my elaborating on these things is there is this whole context of our geographic footprint and how we move things seamlessly between our various units. I think there is probably not a very full understanding of that. The analogy I try to look at it when I talk to our marketing colleagues, they think that today, the organization is more like an amoeba, it changes shapes depending on how the market behaves, how the opportunities arise, and that's how we also operate in our planning. When we look at it very holistically, we are a smaller player, we granted, we are a smaller player.

We operate in a limited geography. But within that, this is how we try to optimize. The point I'm getting in here is when you look at realization, etcetera, our volume mix today, as of today in the last quarter, it stands at 50% in Central India. It stands 21% in the East, 16% in the North and West is 13%. As opposed to -- I don't want to take names of some of our peer groups.

But if I were to -- all of you can guess some of our peers who are in the same range, if I were to say one; the first set of people, they have as high as 68% or close to 70% in Eastern India, no presence in the North or West, or negligible presence in the West and they have a Southern presence. There are other people we have who have again got 70% presence in the East, and they maybe similar to us kind of presence in the North.

But in the West, they are negligible. There are, again, some other people who are in our league who have almost equal presence between North and Central. Unlike us, where Central is heavier, North is less, they have almost -- so all these things, factors would be influencing the results, not only in terms of what is there in this quarter, but also in terms of the base effect.

And I would ask for your indulgence for a minute to just recall, you know last year, first quarter, East was down, North was down, whereas Central was by and large holding on. And for us, although the West or Maharashtra areas markets were not as buoyant because last year, if you recall, these were all the aftermath of the elections, run up to the elections, summers, everything.

Although those markets are not buoyant, our presence there was much more limited because Mukutban had not been ramped up to today's level. So, these things have changed, and therefore, this mix also is constantly changing. So, our mix as in last year and our mix today is very different.

So this year, we have -- though we have a very small presence in the East, we have benefited also from the price increase, etcetera, which has happened in the East, which is both -- although our Durgapur unit is a very small unit, it is very much in Bengal, etcetera, the market which is there. Durgapur produces, as you know, slag cement mainly.

We have a premium brand there, Unique Plus, and that has done very well. And then Bihar also has been a market, which has been on an upswing -- upbeat, I would say upswing, have been upbeat due to all the things. But the Bihar, we have a slight disadvantage because we don't have a grinding unit there as compared to many of our peers. So, we have to service them from Maihar and Satna. And sometimes we are therefore, subject to the vagaries of the logistics system.

So, taking all these things into account, how this is -- how this situation has fared, last year, again, talking of our Central regions, between -- if we were to see in our markets between center region, there has not been too much of a price change between Q1 last year to Q1 this year over there. Or even if we were to compare Q4 of last year to Q1 now, there has been a drop there, but it's a marginal drop. It is not a drop of a very significant level. I think it would be -- it's about 2%.

Aditya Saraogi:

On the whole, there is 2%.

Sandip Ghose:

About a 2% kind of a thing on the whole, we have seen. But we have tried to hold on to our central prices as we will talk later in greater detail. You will see in terms of how we have further buttressed our premium portfolio over there, how we have increased our blended cement percentage there, which we were -- in the previous quarters, we were forced to sell a lot in the non-trade, which we have reduced dramatically. We have reduced our OPC dramatically, taking up our blended cement and everything together. And that is how the -- if you were to look at it from a realization standpoint, that is how things have panned out.

Where we have had a problem this quarter is we had two extended shutdowns in Mukutban and Maihar. These shutdowns were planned shutdowns, but their period got extended due to some unforeseen thing. In Mukutban, there was heavy rains in that area. In Maihar, we have faced certain problems. So those got extended.

And having had a very strong quarter in Q4, we were actually short of clinker, maintaining -- because our ambition of the plant was very high. As you know, our plant in our core areas, our plants operate at full capacity, full throttle. So, we were short of clinker. So, we had to purchase a lot of clinker from the market. We purchased maybe about a lakh tons of clinker from the market, which is 1 lakh tons we have purchased. And in fact, in the previous quarter, we were actually -- there was a net sales which was happening over in the previous quarter.

Aditya Saraogi:

Immediately preceding.

Sandip Ghose:

Yes. Immediately preceding quarter is what I mean. So, there is a delta which has hit us in terms of the clinker cost, which you see reflected. If you have seen our EBITDA per ton being lower than maybe what some of you have estimated, a large component of that comes from the clinker cost impact, which we have had, especially in our Central region, which is our core market, as I

said, about 50%. Equally, when we had a problem in Mukutban area, obviously, that took some jolt on the sales.

In Mukutban, we could have done much better in Mukutban region, given we had already ramped up. We had a market presence over there and some markets around it were also doing pretty well. So, we lost something over there. So between these two things, I don't want to put a number, but if you'll be able to guess the 7.5 if it -- because all of you had your own estimates, could have been much higher had it not been for these two, the negative hit.

So therefore, if I were to compare the two, the largest contributor of this result is the marginally lower realization, which is a function of, as I said, the Central region prices being somewhat lukewarm compared to what has happened in the North and what has happened in the East, especially.

So, those who have a higher presence in the North, obviously, have benefited in the North prices. Those who have presence in the East, we also have a small presence. So, we have also benefited, but albeit because our plant is small. Our impact what we have got is not as large to compensate for this clinical loss, etcetera, which I was talking about in the Central markets where we had to buy clinker from many of our competitors nearby, whereas as I said, in the previous quarters, we were net sellers. We were doing -- there are many places, which was a swapping situation.

But net-net, we were sellers in some markets. That has changed, and that's impacted the overall sales. So, these two per se should be able to explain, as I said, any deviation which you have in your mind between our performance. But we, as a company, as we have stated in the press release, today, we think we are positioned on very firm footing standing on four legs, very strong and with the flexibility, which is something, which we keep on highlighting everywhere. And this gives us the confidence of now moving forward with our plans as -- again, there is no change.

We have stated our growth plans earlier. So, we feel we are able to move forward with far greater confidence and some of it you would have seen reflected. In terms of our longer-term plans, though this is not related to our caution to add to anything specific, but many people have observed our acquisition of some mining rights of late, etcetera.

So these, as you see, are building blocks, which are falling in place for delivering whatever our commitment is to our stakeholders and to the market going forward by 2027 and then by 2030. I would probably rest here and invite questions, which would be answered, not just by me, but I have with me, as usual, our Group CFO, Mr. Aditya Saraogi; our Chief Controller; Mr. Arun Agarwal. We have got Rajat Prusty, our CMOP, our Chief of Manufacturing and Projects; and Mr. -- of course, Kalidas Pramanik, our Chief Marketing Officer. So, they will all join in to respond to your questions.

But as always, we have been totally transparent and that's how we will be with you. There's nothing to hide. There's nothing to -- we don't find anything that we need to be defensive about because that's how things are as it stands. And we are confident of the future. Thank you.

Moderator:

The first question is from the line of Shravan S from Dolat Capital.

Shravan S:

Sir, whatever you have given, so just to try to understand in terms of the profitability, so given from INR1,000-odd EBITDA per ton, now we came to INR715-odd. So given, both on the pricing front and on the cost front, how one can look at this profitability from this quarter Q2 onwards or maybe for full year, any sense how one can look at? So, both you can say the current prices versus what it was in the Q1 and from the cost perspective, any further cost reduction, how one can look at the profitability?

Sandip Ghose:

See, first of all, before I hand over to Mr. Saraogi, I'd like to make two comments. INR715, which I have already underscored, there is a certain, I would call it abnormal loss, which is on account, as I said very clearly, largely on account of our clinker shortage and therefore, purchase clinker, which you know, Maihar plant. I would not be able to tell you specifically, but all of you are very knowledgeable. Our Maihar plant clinker is one of the cheapest clinker production, which we have within the company, so is Mukutban.

It's one of the cheapest sources of clinker, not only in the company, but some of them compare with the best in the industry. As opposed to that, our own variable cost of clinker, if I have had to purchase clinker from our competitors who in a normal situation, they would not be also having a huge surplus. So, they obviously would not give it to me at any great discount. So, that delta is very significant. And that delta is what has given us a hit in the results.

INR715, if you were to -- since you're comparing from INR1,000, a large component of that would be coming from this one single factor. Then the second factor is which we've already said there is -- in our case, on a weighted average basis, we haven't had a spike in the prices, which people in the East and people in the North have benefited from.

People in the East and South are not taking into account because South, we are not present, but East and North. And when you do peer comparisons, when you do industry thing, obviously, the South factor will play in the results and some of our competitors who got a strong South presence, obviously, they have benefited from that I told you. We have among our people, some people who are as high as 12% of their volumes coming from the South.

Others have close to 10% or more, or 25%, 26% also in the case of one particular player who also are in our league. So, obviously, their realizations would have been higher. In our case, a combination of our Central region being slightly depressed, but also when we look at Mukutban, that area, the overall realization is much lower than if you were to compare with the East or North because the prices there are at a lower peg. So when you do a weighted average thing, our overall average realization comes down. So, that has also had an impact. So, these 2 impacts are there.

Now if I were to talk going forward, what you will see, what we can predict? Obviously, I don't see our clinker shortage situation continuing, okay? So, we are not buying any clinker just now, and I don't expect to buy any clinker going forward either in Q2 or Q3, Q4. We are quite self-sufficient in our clinker position. So, that is not going to happen.

So, whatever amount you are assigning on account of the clinker thing, that you can take out straight away. Rest in terms of prices, everything is transparent before you. The good story is,

as all of you have been commenting in your report. There is some background noise coming from

Moderator: Yes sir...

Sandip Ghose: So as you will see, the prices, I think overall between Q1 to Q2, except what I am reading in the South, there has not been any dramatic change. I can't predict. I can't do crystal ball gazing as to how it will behave in the coming months. It depends on monsoons, depends on various other factors.

But I'm not seeing any huge dark clouds on the pricing front. So, those factors remain static. What will change for us again, while I told you about the clinker element in center, that won't be there, but we'll also have Mukutban, which I told you we had lost a little bit of volume in the last quarter. That will get corrected. We will get back to our plan of ramp-up.

And we believe in the center, we will add to our volumes and market share because of some debottlenecking and other things, which are happening as all of you know, so that should give us. So, those will change. Some of the other factors, which is true for us could be true for others also in terms of reduction in non-trade sales, etcetera.

But there are also players we know who are in our direct competition who are highly OPC focused as well as non-trade focused. Compared to them, the more the market develops, we would be in a better position to reduce our non-trade component and increase our blended cement going back to the kind of levels we were operating in the past.

Shravan S: Sir, a couple of data points for Q1, if you can share, our Mukutban volume, lead distance, KKL cost and capex and net debt?

Sandip Ghose: Who is speaking, please?

Shravan S: Sir, Shravan here from Dolat Capital.

Aditya Saraogi: Mukutban volume was 6.6 lakh tons. Fuel cost 146 Kcal, capex was round INR100 crores and what else?

Shravan S: Fuel Cost

Aditya Saraogi: Avg total lead distance was 342

Shravan S: Sorry, lead distance, sir, you said 340?

Aditya Saraogi: 342, yes.

Shravan S: 342. And KKL cost, you said 142.

Aditya Saraogi: 146.

Shravan S: And capex is INR100 crores.

- Moderator:** The next question is from the line of Jyoti from Nirmal Bang.
- Jyoti:** Yes. I mean, yes, just first of all, in terms of the number, I hope -- we know that the second half is going to be a very good year for the cement industry, while this quarter has been almost like a 10% Y-o-Y. My concern is that would be a limited ability to cater to the market because of the capacity. Do you think there is a possibility that in third end quarter, you may lose market share even if you are running at 90% utilization level. So could you just give us -- yes, sir.
- Sandip Ghose:** Two things. One is we don't run at 90%. We run at much higher than that, okay?
- Jyoti:** I know that. 90% plus. I mean last 90% plus plus.
- Sandip Ghose:** Okay. And as I said, there will be some more changes, which are happening in the pipeline which will make it plus, plus, plus. It will not put us in the league of people who have expanded their capacity and continuing to expand their capacity. That is something, which we are very conscious of, but that's why our focus is not really what others are doing. They have their strategy.
- They have their own fights to play in the market. We focus on our strategy, and that has been, as you know, focusing on our value share. Now, at this juncture we are not worried about volume share as much because, obviously, since we have a limited volume, so we would like to improve our value share wherever possible. And there is no hiding this fact. There's nothing to be, as I said, defensive or apologetic.
- We have a certain constraint, but we do -- we feel that we do have an opportunity to increase our value share. I was personally quite -- in the presence of my colleagues, I must say I was personally quite happy and flattered, if I may say, that some of you who went -- I saw some of the analyst reports, which coming in from field visits, which have now for the first time I found they have acknowledged openly that our product, Perfect Plus is operating at par or higher than some of our A-category competitors.
- So, that should reinforce apart from the percentage figures, which we give you in various markets where we are operating with more than -- in UP, we have three premium brands, Perfect Plus, Ultimate, Samrat Advance and each has a segment. So, that is how we have been doing in terms of moving up.
- In this quarter, Mr. Pramanik and his team have further increased the premium component in the Mukutban region where we are selling -- we increased our premium percentage from what used to be about 40% of sales to now 50% of sales. And again, I hope some of you who go for field visits will realize that our products are selling no less than the erstwhile top brands in these markets. So, we are focusing on that.
- We are aware of the -- Jyoti, there will be -- we cannot compete on market share -- volume market share with people at this point in time because we haven't set up new capacity. Even if we are setting up new grinding capacity, we don't have additional clinker coming in immediately.

So, we have to make do with what we have. So, we focus on our strategy because through that, our focus is to give the maximum returns to our shareholder with whatever assets we have, not only sweating them, but getting the maximum return out of them. And again, to repeat what I have always emphasized, we as a company have always believed from that the assets are not just your plant assets, not just your thing.

Your major part of the asset, which is not always recognized in this industry is the go-to-market assets, which is your sales and distribution, the channel, plus your people and your -- obviously, your brand and marketing strength.

Jyoti: I agree, sir. In fact, I would rather look at Star Cement because in this situation where even Star, while it has actually increased capacity, but I feel that they will also have very limited presence. Yet even if at the current capacity, whatever little debottlenecking we do, if we maintain EBITDA of about INR1,000, that creates a lot of value for the shareholders. That's all I want to say that while we may be limited for the next maybe couple of months. But if we continue to maintain a very healthy EBITDA per ton, that alone speaks volumes about the company's performance.

Sandip Ghose: Jyoti, thank you. But you know that's the only reason we -- that's our reason for existence. We will not give up EBITDA per ton for either lack of will or lack of -- you might say competence.

Jyoti: So full year, can we expect that you will recover in the next 3 quarters and will be close to ballpark of, let's say, 1,000 or we will be close to INR1,100? Is there any estimate or benchmark you set for full-year EBITDA per ton for the company? And what is the kind of cost savings that you expect in the next -- over this year, which you will achieve?

Sandip Ghose: Jyoti, you know us long enough to know that we don't commit numbers in terms of future EBITDA. You know sometimes better than us what we are going to deliver, go by your judgment rather than me making a hazardous, okay? Or if you can give me a separate call and tell me what is your estimate of EBITDA for the rest of the year. I'll keep that in mind, or target if you set for me. Thank you.

Jyoti: I will do that.

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

Sandip Ghose: Saket, you don't come for tea, but you join up here and ask questions. That's not fair.

Saket Kapoor: Yes, sir. No sir, I will make it a point, seek an appointment and will be there before the AGM, sir. Thank you sir personally for acknowledging me and namaskar to the team....

Sandip Ghose: You have another -- I mean, it's an unfair advantage over everybody else, you also attend the AGM. So today, you should not ask too many questions.

Saket Kapoor: Okay, sir. Sir, the first part is towards the employee cost. When we see on a quarter-on-quarter basis, that has also gone up. So, any one of item in it or is it the annual increment that have been tested?

Sandip Ghose: These are all function of fixed costs, a function of volume also. So when your volumes have suffered, obviously, fixed cost absorption will go up. If your answer is that, I don't think apart from the usual increment, nothing really -- I have to give a better idea about where we are placed on the remuneration bracket. It is just a function of volumes and you see changes in that as we go forward.

Saket Kapoor: And sir, for the capex, you mentioned INR100 crores for this quarter. What have we budgeted for the entire year?

Aditya Saraogi: I think in the last call, we had mentioned around INR1,100 crores.

Sandip Ghose: In the ballpark of INR1,000 crores, we had said. No change.

Aditya Saraogi: No change to what we had said last quarter.

Saket Kapoor: Sir, the number I missed, how many crores you mentioned?

Sandip Ghose: Around INR1,000 crores we had said.

Aditya Saraogi: You can check the last call transcript.

Sandip Ghose: We are one company, Saket. You will appreciate, we don't change our position frequently.

Saket Kapoor: Okay. So sir, keeping that into account, what is the current net debt number, our current year maturities and what should be closing the year in terms of the debt levels?

Aditya Saraogi: Our current net debt is around INR2,300 crores, and we expect to close less than INR3,000 crores.

Saket Kapoor: Under INR3,000 crores. And last question is on the jute part, sir. In your release, you mentioned about the cost and the profitability to be best in the industry. And I think so you also mentioned the impact of higher raw jute prices. So, what steps are we taking and what are we eyeing in terms of being best-in-class in terms of jute and what can we expect from this segment going forward, sir?

Sandip Ghose: Jute, as we said, we want to be the best in class. We are, as you know, the oldest jute operating company and this is a flagship company. What I always emphasize that other companies, some of them may be old, but none of them have remained with the same owners for this length of time. Everybody has undergone a change. So, we have a very different kind of not only a commitment, but our relationship with this business.

But what we are seeing today, Saket, first of all, jute, there is a lot of -- I wouldn't call it low-hanging fruit, but there is a lot of things on the ground, which can be swept aside. If you were to just simply change your manufacturing practices, your efficiencies and we have already started getting benefits of that.

We are trying to reduce our dependence on government orders, improve our non-government orders both in domestic as well as we have said, there is new focus we are putting on exports.

But along with that, there is some modernization going on, getting more the modern looms and changing/increasing the efficiency there. We are working on the raw jute and a whole host of things.

The pricing, which is going up in the market, that is not really in our control. That we can only try to do best by sharpening our buying practices, buying policies, where also we are having a much more focused commercial approach.

Saket Kapoor: Right, sir. And lastly, sir, if we take the volume, how should the volume shape up for the balance 3 quarters in terms of the volume growth trajectory, if you could just articulate for us?

Sandip Ghose: Nothing changes, Saket. We have been giving the annual indication. We have given you a 6% to 7% kind of indication. That's what we had maintained. We will maintain that guidance.

Moderator: The next question is from the line of Kunal Shah from DAM Capital.

Kunal Shah: Yes. Just a couple of things. So one, on a couple of previous calls and this press release as well, you highlighted about prices in Central India being a bit depressed. I just wanted to get your thoughts on how would the supply-demand dynamics play out in our micro pockets once Jaypee is acquired and ramped up. Now, like do you see this pricing pressure to sort of sustain over the near to mid-term?

Sandip Ghose: JK or Jaypee?

Kunal Shah: Jaypee as such. Jaiprakash.

Sandip Ghose: That's still some way off. But the Central market operates at three or four-level segments and the growth also comes from three or four segments very clearly. There is going to be a lot of infra-led growth, which is heartening and where people who were much more dominant in the OPC segment and who go through in the non-trade route for them, there is lesser area. But at the same time, if there are investments and economic growth happening in those places, we also see a clear trend towards premiumization and growth of individual house builders as well as in the retail segment really. We are seeing an upgrading happening in those markets.

Some of them -- you have commented, you have visited Western MP, but similarly, if you go to UP, you are due to go. You'll find all these markets. There is a huge upgrading, which is happening there. We would like to operate largely in the cream over there. And so that's why even in this quarter, if you were to look at how we have maintained our net realization, we have been able to maintain -- I can't give you comparative figures between us and some of our peers in the relevant as you use your very nice term, micro markets.

Our realization, we've been able to maintain basically on the premium we command. And that also gives us stickiness in the volume there and gives us -- retains our market share in those particular segments. The real tussle will happen, I think at the bottom of the pyramid as new capacities come up because people have to sell more on non-trade, on OPC, and that's where you see -- obviously, that also impacts the retail segment. But when you are higher up on the value chain, you are somewhat insulated.

- Kunal Shah:** Got it. And just one related question then in this backdrop, like how do we plan to retain our trade level share, like given we have limited capacity expansion for the next 2 years in these home markets? So, will we just keep focusing more towards the trade and back track from the non-trade/OPC segment? Or how to think about this?
- Sandip Ghose:** We have said this again and again, Kunal, that trade is our bread and butter. That has always been our situation if you go back not just today. Even earlier, we have always operated at plus 85% on trade as well as on blended cement, sometimes going even higher. So we have no -- we are not back tracking on the non-trade. We sell non-trade only when it is necessary.
- Otherwise, we are quite happy to leave the non-trade for those who are interested in playing in that ground. We choose our price segment on the ground, which we want to play in with what we have. So to say that for 2 years, we will remain static is perhaps not very correct. You will see, of course, our new capacity of Maihar will take 2 years to come up.
- But while that is happening, even within our existing mix, you will see both a qualitative change and some amount of innovation, debottlenecking or some other tactical moves, which will give us some edge. Obviously, we cannot be competing with somebody setting up a new plant or reactivating a new plant. But within our distinct, what I keep referring to our value share, we will try to maintain that.
- Aditya Saraogi:** So Kunal, just to add to what Mr. Ghose said, our share of blended cement -- proportion of blended cement this quarter was 89%. That is up from 82% on a sequential basis. So, that is the kind of change we have been able to affect. And coming to the trade sale again, in the immediately preceding quarter was 72%, from there we have taking it to 78% in this quarter.
- Sandip Ghose:** And that change of 82% to 89%, I hope all of you will recognize, appreciate. It's a reflection of our brand strength, our marketing, sales and distribution strength. This is something I'd like to emphasize because anybody wanting to turn the switch on and off are not able to do it so easily without sacrificing their brand premiums or increasing discounts or whatever.
- Moderator:** The next question is from the line of Sanjay Nandi from VT Capital.
- Sanjay Nandi:** Sir, in the beginning you just mentioned that you have bought 1 lakh ton of clinker for this quarter because of shortage of clinker. So, could you please guide us like what price did we buy or what is the average price, which is running on as on date for the clinker, that you buy from outside?
- Sandip Ghose:** We can't divulge the exact prices, Sanjay. We have given an indication and that's something very easy for you guys to find out. A couple of calls you'll get to know what are the clinker price sales today.
- Moderator:** The next question is from the line of Rajesh Kumar Ravi from HDFC Securities.
- Rajesh Kumar Ravi:** Sir, in this quarter, obviously, you delivered very strong volumes, gaining market share. And you also shared the regional breakup of your sales volume. We wanted to understand

sequentially how were your regional sales mix in Q4 to understand the sequential decline in pricing, which is visible in the numbers, where has the decline come from on a Q-on-Q basis?

Sandip Ghose:

Decline in pricing. You see there are two elements. You see there is a price mix and the geographic mix, volume in terms of geography, which happened. So, Central region is the overall 50% of our volumes coming from center. There the prices not having gone up.

You have to compare it relative to the other regions and that's how things have gone -- how they have gained in the overall mix. So, Central region is where we have -- we said about minus 2% or so is the price hit, which we have got. But other regions, where it has gone up, which is East primarily, we have benefited, but our volumes there is pretty small.

So, we have not obviously got the same benefit as other people. In Mukutban area, the loss is essentially a volume. So, there has been marginal improvement in prices in Maharashtra -- in the West markets in the last quarter. But we have obviously not benefited totally from this because of our -- this thing.

Rajesh Kumar Ravi:

Sir, in Q4, what was the volume mix? As you mentioned 50% Central in Q4, what was the Central mix?

Sandip Ghose:

I don't have the exact numbers, but our West would have been slightly more. East would have been slightly lower. I think about 18% or 19% would have been East. West would have been higher at about 14% or 15%, I guess. And North would have been by and large around the 16% or so. Last quarter, we had done very well in the North.

Rajesh Kumar Ravi:

And how much has been the incentive accrued in Q1?

Aditya Saraogi:

INR23 crores, Rajesh.

Rajesh Kumar Ravi:

Okay. INR23 crores. So versus INR40 crores in Q4, we have accrued only INR23 crores in Q1.

Aditya Saraogi:

Yes. INR41 crores in Q4.

Rajesh Kumar Ravi:

INR41 crores, right. And sir, this depreciation 10% decline year-on-year, what led to this fall in depreciation expense?

Aditya Saraogi:

There is no specific reason as such, Rajesh. Maybe because there was shutdown, the running days was less. Maybe because of that days fall.

Management:

Certain depreciation on limestone, which has come down and second of all many assets have reached its 5% -- decrease in their depreciation, we have stopped charging as per book.

Rajesh Kumar Ravi:

Okay. And lastly, in the progress of the clinker expansion and Kundanganj project, what milestone we have achieved so far on the Maihar expansion clinker line and what is the status on the Kundanganj commissioning?

Sandip Ghose:

In fact, Rajesh, there is nothing very specific to report at this point in time. Maybe when we are having the next con call, you will hear more from us.

- Rajesh Kumar Ravi:** Okay. Out of INR1,000, INR1,100 crore, which you had targeted for this year, Q1 you mentioned we have spent INR100 crores. So, INR900-odd crores out of INR1,000 crores, you'll be doing it the subsequent 9 months and where would they be allocated into those buckets?
- Aditya Saraogi:** We don't have that breakup. It is a mix of projects and sustenance capex.
- Sandip Ghose:** Some of that, which is in pipeline will get capitalized. Not yet been done. Some of that will come from there and few of them are from, as Mr. Saraogi mentioned, are from sustenance capex because we have a very [ible 0:48:11].
- Rajesh Kumar Ravi:** And lastly before I move on, this clinker purchase which you did, what was the additional cost, which would have put on the books in Q1, which will not be present in subsequent quarter versus your own production cost?
- Sandip Ghose:** Rajesh, as I mentioned, we cannot give the exact specific figures, but you have a fair idea. We have given you as much of a hint that Maihar is our lowest cost producer. And opposed to that, the people I buy from there, cost itself is much higher. Again, I don't have to tell you the names or the kind of thing. And they obviously -- the situation would not give me a big discount. So it is a fairly heavy charge.
- Moderator:** The next question is from the line of Ashutosh Murarka from Choice Institutional Equities. As there's no response from the participant, we'll move on to the next one. The next question is from the line of Saket Kapoor from Kapoor & Co.
- Sandip Ghose:** Saket, I thought your next question would be on 15th of September at the AGM. Why are you...
- Saket Kapoor:** Sir, for the WHRS, what is our current capacity and what have we outlined for the incremental capacity and the savings thereof, if I may ask, sir?
- Rajat Prusty:** So the current capacity of WHRS is around 40 megawatts, and we are planning for any other modernization on these areas with around 10 megawatt more we are planning. So it will be roughly -- you can say that 50 megawatt will be our whole capacity. Once we complete all the expansion, which we have planned or modernization, which we have planned for the existing setups.
- Saket Kapoor:** Okay. And how much you will spend for the same and the payback period?
- Rajat Prusty:** Those are the things already...
- Aditya Saraogi:** We don't give such specific details, Saket.
- Saket Kapoor:** Okay, sir. Sir, since you mentioned that there is -- our Maihar clinker are the cheapest, so if you could just outline to us, what was the absolute number impact for the EBITDA per ton going down to INR700? Had been a normalized quarter, what would have been this number, sir? Any...
- Sandip Ghose:** We have said this repeatedly, Saket, in the course of this call itself. We can't talk of specific numbers on this. You're a very educated guest. I told this four or five times here. We gave you

as much as saying that we have bought about a lakh ton of clinker. We have said that. You find your numbers.

Moderator: Ladies and gentlemen, we'll take that as our last question. I would now like to hand the conference over to the management for closing comments.

Sandip Ghose: There is a call from Motilal Oswal. Prathamesh.

Moderator: Next question is from the line of Prathamesh Dahake from Motilal Oswal.

Prathamesh Dahake: Just one small question from my side. I wanted to check the update on the upcoming capacities and what will be the capacity installed by the end of FY '26 and '27?

Aditya Saraogi: We have given the guidance in the last conference call. You can have a look at that. There's no change in the guidance that we have given.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Sandip Ghose: Thank you very much for participating in such large numbers. Hope we have been able to answer some of your queries and doubts. Rest of it, while we have not been specific, that's part of the policy. But I guess all of you have a fair idea on all the questions there. The last question, which was asked, I would only like to comment that you don't see a clinker capacity coming before '27. It is all the major change you will find is at Kundanganj new line, which is going to -- that is going to get commissioned in the course of the year. Thank you.

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