



Birla Corporation Limited

Corporate Office:
1, Shakespeare Sarani,
A.C. Market (2nd Flr), Kolkata 700 071
P: 033 6603 3300-02
F: +91 033 2288 4426
E: coordinator@birlacorp.com

Ref. No. 74G/

6th August, 2022

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 Code: BIRLACORPN

Dear Sir(s),

Sub: **Press Release**

Please find enclosed a copy of the Press Release issued by the Company after the conclusion of the Board Meeting held on 6th August, 2022.

A copy of the same will also be uploaded on the Company's website at www.birlacorporation.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For **BIRLA CORPORATION LIMITED**

A handwritten signature in blue ink, appearing to read 'Manoj Kumar Mehta'.

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above



Press Release (Q1 2022-23)

6 August 2022

**Birla Corporation June quarter revenue up 25%,
profitability hit by rising input costs**

Kolkata, 6 Aug.: Birla Corporation Limited has in the quarter ended 30 June registered a 25.2% increase in revenue even amid tepid cement demand as the Company managed to ramp up capacity utilization (on a like-for-like basis) to 101%.

The Company's consolidated revenue for the first quarter of FY22-23 was Rs 2,218.06 crore against Rs 1,758.41 crore in the same period last year. Sales in the first quarter of FY21-22 were disrupted by Covid-related outages and are not strictly comparable with the quarter under review.

Profitability, however, was dented by escalating power, fuel and freight costs. Costs of optimizing Birla Corporation subsidiary RCCPL Private Limited's newly commissioned Mukutban plant in eastern Maharashtra also had a major impact on overall profitability, broadly in line with the management's internal projections.

	Q1/FY22-23	Q1/FY21-22	Change
Revenue	Rs 2,218.06 crore	Rs 1,758.41 crore	26.14%
EBITDA	Rs 273.61 crore	Rs 352.90 crore	-22.47%
(excl. Mukutban)	Rs 312.19 crore		-11.53%
Cash Profit	Rs 203.32 crore	Rs 288.98 crore	-29.64%
(excl. Mukutban)	Rs 256.58 crore		-11.21%
Net Profit	Rs 61.92 crore	Rs 141.51 crore	-56.25%
Realization per ton	Rs 5,311	Rs 4,933	7.66%
(excl. Mukutban)	Rs 5,320		7.85%
EBITDA per ton	Rs 645	Rs 1,001	-35.56%
(excl. Mukutban)	Rs 751		-24.97%

(Only figures excluding Mukutban are comparable with those of last year.)

Mukutban: Commercial production at Mukutban started on 30 April 2022 and the management has drawn up a detailed plan to ramp up production over the next few quarters. It is expected that the Mukutban plant will break even at EBITDA level by the end of the current financial year.



The state of the art integrated plant will, at peak capacity, produce 3.9 million tons of cement a year, and scale up the Company's total production capacity to almost 20 million tons, an increase of more than 20% over earlier capacity.

As regards tax incentives, the total entitlement is based on the capital expenditure incurred for the Mukutban project. The incentive will be granted by way of 100% reimbursement of SGST, electricity duty and royalty on limestone paid by the unit. Incentive on account of SGST reimbursement will start to accrue after exhaustion of the input tax credit on capital expenditure from FY23-24. It will significantly boost the Company's profitability.

Profitability: All units combined, the Cement Division's EBITDA per ton plunged 35.5% to Rs 645. However, if adjusted for the start-up costs of Mukutban, the Division's profitability for the June quarter, expressed as EBITDA per ton, remained more or less unchanged at Rs 751, compared to Rs 755 for the full financial year ended 31 March, despite intensifying cost pressure.

Consolidated EBITDA for the June quarter at Rs 273.61 crore was down 22.5% year-on-year, while cash profit fell 29.6% to Rs 203.32 crore. Excluding Mukutban, EBITDA and cash profit for the June quarter would have come to Rs 312.19 crore and Rs 256.58 crore, respectively, both down a little over 11%.

Though the Company managed to improve realization from cement sales for the June quarter by 7.7% over the same period last year to Rs 5,311 per ton, it wasn't enough to offset the 79% year-on-year increase in fuel costs. On a sequential basis, fuel costs have gone up by 21% in the June quarter. Combined with an across-the-board increase in commodity prices, overall cost for the June quarter went up by 19% over last year to Rs 734 per ton.

Challenges from rising fuel prices were aggravated by disruptions in supply of linkage and e-auction coal from Coal India Limited, which forced the Company to procure coal from open market at much higher prices. Given the fact that large quantities of linkage and e-auction coal were used in the comparable period of last year, the relative increase in coal cost in the June quarter of FY22-23 was higher.

Further, due to poor availability of linkage coal, cost of generation of captive power shot up at the Company's Satna and Chanderia plants. Even as consumption of captive power was scaled back to the extent possible, power cost for the June quarter rose to Rs 433 per ton of production from Rs 372 last year.

To mitigate the effect of rising cost of coal, the Company has taken the following initiatives:

- During the June quarter, coal extraction from RCCPL's captive mine at Sial Ghoghri was increased substantially. During the quarter, the Company mined 89,450 metric tons of coal from Sial Ghoghri against its rated quarterly capacity of 75,000 metric tons.
- Use of industrial waste as Alternative Fuel and Raw materials (AFR) was stepped up across all plants. AFR usage was at 12% of total fuel consumption



during the June quarter against 4% in the year-ago period and 7% in the full year till 31 March.

- In view of the increased cost of captive generation, the Company has increased demand from power utilities at both Satna and Chanderia, which going forward will reduce power cost.
- Among other initiatives taken to rationalize costs, the Company has increased transportation of fly ash (which is used as an additive in blended cement) by wagons. The Company was able to reduce the cost of additives to Rs 437 per ton in the June quarter from Rs 472 last year.

Other expenses incurred by Birla Corporation Limited during the June quarter include Rs 43 crore spent on coal mining, compared to Rs 14 crore last year, due to the substantial increase in coal extraction from the captive coal mine.

The Company has been consistently raising the share of renewables (WHRS and solar) within total power consumption. On a comparable basis, it was scaled up to 22.8% in the June quarter as against 22.3% last year. For the full year till 31 March, share of renewables was at 21.8%.

	Q1/FY22-23	Q1/FY21-22
Sales (by volume)	3.93 million tons (up 17.31%)	3.35 million tons
Capacity utilization	88%	90%
Blended cement	91%	92%
Trade channel	79%	83%
Premium cement*	47%	51%

* share of sales within trade channel only; all figures include Mukutban

Sales: Birla Corporation's cement sales by volume in the June quarter was at 3.93 million tons, compared to 3.35 million tons in the same period last year, up 17.3%. Mukutban included, the Company's capacity utilization for the June quarter was at 88% compared to 90% a year ago.

The Company's unyielding focus on shoring up sales of blended and premium cement continues to pay rich dividend. Sales of high-yielding blended cement grew 15% by volume in the June quarter over last year, though its share in total sales by volume, at 91%, reflect a marginal decline. Sales of premium products in the June quarter grew 3% by volume on a comparable basis over last year.

Birla Corporation Limited registered volume growth in the June quarter in all its key markets in northern, central and eastern India, driven largely by the infrastructure sector. Still, the price hike taken in April to pass on the increase in input costs could not be sustained due to adverse market conditions.

Indebtedness: Birla Corporation Limited's net debt stood at Rs 3,701 crore at the end of June against Rs 3,368 crore a year earlier and Rs 3,398 crore at the end of FY21-22. The Company has been consistently reducing its interest cost, and



notwithstanding the increase in policy rates and the inflationary pressure on the wider economy, interest cost has come down to 6.68% in the June quarter, down 65 basis points from a year earlier. (One basis point is one-hundredth of a percentage point.)

Jute Division: After several quarters of sustained improvement in financial performance, the Division faltered in the June quarter largely due to a sharp increase in raw jute prices. The division's cash profit of Rs 8.52 crore for the June quarter was down 16.9% from last year, as revenue per remained flat and raw jute prices per metric ton rose 11.4% year-on-year. The division could partly mitigate the effects of input cost escalation by rationalizing conversion costs, but total expenses were still 5.6% higher than last year. The division continues to focus on exports of value-added jute products as a measure to reduce dependence on government orders at regulated prices.

Birla Corporation Limited is the flagship Company of the MP Birla Group. Incorporated as Birla Jute Manufacturing Company Limited in 1919, it was given shape by Syt MP Birla. The Company has interest in cement and jute goods. Its Birla Jute Mills is the first jute mill started by an Indian entrepreneur. The Company and its subsidiary, RCCPL Pvt Ltd, have 11 cement plants spread in eight locations across the country, with an annual installed capacity of almost 20 million tons. The Company produces an array of cement products, under the MP Birla Cement brand, suited to different climatic conditions as well as consumer segments. It also sells construction chemicals and wall putty.

For more information, visit www.birlacorporation.com

DISCLAIMER

Statements in this release describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's Operations include global and domestic demand-supply conditions, finished goods prices, raw materials and fuel costs & availability, transportation cost, competitive intensity, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Neither our Company, our Directors, nor any of our affiliates, have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of the underlying events, even if the underlying assumptions do not come to fruition.

