



Birla Corporation Limited

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9th May, 2023

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring,
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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 herewith a copy of the Press Release issued by the Company after the conclusion of the Board Meeting held on 9th May, 2023.

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**

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above



Birla Corporation Limited
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Press Release (Q4 2022-23)
9 May 2023

Birla Corporation stages profit turn-around, March quarter EBITDA jumps two-fold sequentially to end the year with Rs 41 crore net profit

Kolkata, 9 May 2023: Birla Corporation Limited concluded a challenging FY2022-23 with record sales and an all-round strong performance in the March quarter, which wiped out cumulative losses till the end of December. Despite sluggish demand in most key markets, the Company's consolidated cement sales by volume for the March quarter grew 4.5% year-on-year to 4.44 million tons, a record high, and even with price remaining weak, realisation was up 4.3% over the same period last year at Rs 5,261 per ton. For the full year, consolidated sales by volume grew 10.6% to 15.73 million tons.

Cost headwinds notwithstanding, the Cement Division registered an EBITDA per ton of Rs 615 for the March quarter, versus Rs 650 last year, and Rs 689 on a like-for-like basis—that is excluding the newly commissioned Mukutban unit—which represents a growth of 6% on a comparable basis. Net profit for the quarter at Rs 85 crore was down 23.4% compared with the same period last year, which reflects improving performance of the Mukutban unit. The costs of scaling up the one-year-old unit in eastern Maharashtra were well within internal budgets.

The Company's units in traditional markets in northern and central India operated at full throttle maintaining high capacity utilisation, and focused on shoring up market share in premium and blended cement. Their robust performance contributed significantly to improve profitability.

Mukutban: Mukutban is a unit of the Company's material subsidiary, RCCPL Private Limited. It has a nameplate capacity of 3.9 million tons and started commercial production at the beginning of FY2022-23. The unit has turned EBITDA-positive in March, and its performance has been ahead of internal expectations despite not-so-encouraging market conditions in Maharashtra.

The commissioning of the Waste Heat Recovery System (WHRS) at Mukutban, weakening fuel prices and improved production planning with seamless coordination between manufacturing and marketing teams to maximise kiln operations have resulted in quantum reduction in clinker cost. Initiatives to increase direct road dispatches (reducing depots and stock transfers) and higher movement

by rail to long lead markets have yielded substantial savings in trade and distribution costs and boosted realisation.

Further, to increase Mukutban's capacity utilisation and realisation, the Company has expanded its footprint in proximal markets such as Telengana, Madhya Pradesh and Gujarat. Also, the commissioning of the Mukutban unit has made the Company's clinkerization capacity more geographically balanced, which, in turn, has increased flexibility of clinker sourcing for its grinding units.

Birla Corporation Limited's consolidated revenue for the March quarter at Rs 2,512 crore represents a 7.6% growth year-on-year. For the full year, the Company registered a 16.3% growth in revenue. On a comparable basis (excluding Mukutban) the Company's revenue for the March quarter and the full year were up 1.5% and 12%, respectively. This was achieved through optimum geo-mixing of sales and ramping up sales of premium cement, while maintaining high capacity utilisation. Sales of premium cement was maintained at 51% for the full year and was raised to 54% for the March quarter (51% in the same period last year).

	Q4/FY22-23	Q4/FY21-22	Change	FY22-23	FY21-22	Change
Revenue	Rs2,512 crore	Rs2,334 crore	7.6%	Rs8,795 crore	Rs7,560 crore	16.3%
(excluding Mukutban)	Rs2,370 crore	Rs2,334 crore	1.5%	Rs8,471 crore	Rs7,560 crore	12%
EBITDA	Rs323 crore	Rs346 crore	-6.6%	Rs885 crore	Rs1,209 crore	-26.8%
(excluding Mukutban)	Rs338 crore	Rs346 crore	-2.3%	Rs1,026 crore	Rs1,209 crore	-15.1%
Cash Profit	Rs235 crore	Rs291 crore	-19.2%	Rs546 crore	Rs966 crore	-43.5%
(excluding Mukutban)	Rs279 crore	Rs291 crore	-4.1%	Rs776 crore	Rs966 crore	-19.7%
Net Profit	Rs85 crore	Rs111 crore	-23.4%	Rs41 crore	Rs399 crore	-89.7%
Realisation/ton*	Rs5,261	Rs5,042	4.3%	Rs5,216	Rs4,938	5.6%
EBITDA/ton*	Rs615	Rs650	-5.4%	Rs478	Rs755	-36.7%
(excluding Mukutban)	Rs689	Rs650	6%	Rs593	Rs755	-21.5%

* Realisation/ton and EBITDA/ton are for Cement Division only

During the year, the biggest challenge for the entire cement industry was abnormal rise in power and fuel costs, which typically account for around 30% of total production costs for all manufacturers. For Birla Corporation Limited, power and fuel costs went up 32% for the full year, while registering a sequential decline of 3% in the March quarter. The Company managed to scale back fuel cost by ramping up coal extraction from RCCPL's Sial Ghoghri captive coal mine and optimum mixing of fuels such as imported and domestic coal and pet coke. Production of coal at Sial Ghoghri reached 351,565 tons during the year, up 72% over the previous year.

The Company has been steadily investing in Waste Heat Recovery System (WHRS) and solar power generation facilities to step up use of renewable power, which for

the full year accounted for 22% of total power consumed. Alongside, the Company is investing in its kilns to equip them to consume industrial, agricultural and municipal waste as alternative fuel and resources (AFR). Consumption of AFR and thermal power, generated from waste, witnessed commensurate growth during the year, both in terms of volume and thermal substitution rate (TSR), resulting in cost savings for the Company.

Realisation remained weak except at the end of the financial year. It is widely expected that cement demand in India will grow at around 9% in FY2023-24, but cement companies may not have much pricing power owing to addition of new capacities. But Birla Corporation Limited is well placed in its core geographies to further enhance its competitiveness, given its manufacturing, sales and marketing assets.

The Company has undertaken multiple initiatives to improve internal efficiency and competitiveness in manufacturing, marketing and distribution. To name some of these initiatives, the Company has launched Project Shikhar to achieve excellence in manufacturing and operational efficiencies. This programme is also aimed at aggressive cost reduction, the details of which are to be announced later.

Similarly, on the logistics front, multiple initiatives, including complete automation, fly ash transportation by specialised BTAP wagons and increasing direct dispatches are in works for cost optimisation.

Alongside, the Company is rationalising its brand portfolio and revamping its brand architecture. Birla Corporation Limited has positioned Perfect Plus as its national flagship brand, and it has been well accepted in core markets for superior quality. Recent region-specific marketing activities for Perfect Plus are showing encouraging results. Samrat, Chetak and Unique are being positioned as regional champions in the value segment, while Rakshak is gaining ground in niche markets as a super-premium brand.

Within the year, there was a key change in the top management with Shri Sandip Ghose returning as the Managing Director & Chief Executive Officer. Following his return, the Company expanded its management bench strength and depth with key lateral hires to head functions such as manufacturing, projects, sales, logistics and marketing.

Within the Company, the management has launched a campaign by the name of 4Vs, which stands for vision, value creation, velocity (or speed of execution) and visibility, to deliver focused and time-bound results using the Objectives and Key Results (OKR) methodology. Even within a short timeframe, these initiatives have had a positive effect on the Company's March quarter performance.

	Q4/FY22-23	Q4/FY21-22	Change	FY22-23	FY21-22	Change
Sales (volume)	4.44 mt	4.24 mt	4.5%	15.73 mt	14.22 mt	10.6%
Capacity utilisation	89%	108%	-17.2%	81%	92%	-11.5%
Blended cement	89%	92%	-3.3%	90%	91%	-1.1%
Trade channel	77%	78%	-1.3%	77%	79%	-2.5%
Premium Cement*	54%	49%	10.2%	51%	51%	---

* share of sales within trade channel only

Net debt: Birla Corporation Limited's consolidated net debt at the end of March stood at Rs 3,659 crore against Rs 3,398 crore a year earlier. The Company is constantly working towards reducing its borrowing cost, renegotiating Rs 2,200 crore of term loans.

Jute division: The Jute Division's March quarter performance was impacted by the Russia-Ukraine war and consequent slowdown in demand in overseas markets. The Division managed to optimise conversion cost, but still reported a cash profit of Rs 8.19 crore for the March quarter against Rs 9.36 crore in the same period last year, down 12.5%. For the full year, the Division registered a cash profit of Rs 37.20 crore, down 19.4% from the previous year. The Division is rapidly expanding its overseas sales of shopping bags and carry bags, and exports, by volume, for the full year grew 19.6% over the previous year. In value terms, the Division registered a 26.3% growth in exports in FY2022-23. It is now looking to scale up sales of food-grade bags in overseas markets and expanding production capacity of carry bags. Production from the expanded capacity is expected to start in July this year.

Birla Corporation Limited is 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 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.
