



**Birla Corporation Limited**

**Corporate Office:**  
1. Shakespeare Sarani,  
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Ref. No. 74G/

5th November, 2020

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

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 Sirs,

We are enclosing herewith a copy of Press Release issued by the Company after the Board Meeting held on date i.e. 5th November, 2020.

This is for your kind information and necessary action.

Thanking you,

Yours faithfully,  
For **BIRLA CORPORATION LIMITED**

A handwritten signature in black ink, appearing to read "Girish Sharma", with a horizontal line underneath.

**(GIRISH SHARMA)**  
**Jt. President (Indirect Taxes)**  
**& Company Secretary**

**Encl:** As above



Birla Corporation Limited  
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**Press Release (Q2 2020-21)**

5 November 2020

**Birla Corporation registers highest ever quarterly EBITDA and cash profit in Q2FY21, net profit up 88.6%**

**KOLKATA, 5 November:** Birla Corporation Limited's September quarter EBITDA and cash profit jumped to a record high thanks to sustained cost rationalization initiatives and a better-than-expected recovery in cement demand in key markets. The company's net profit for the quarter at Rs 166.62 crore was up 88.6% over the same period last year.

EBITDA for the September quarter at Rs 403.85 crore and cash profit at Rs 327.86 crore represent a growth of 21.7% and 43.2% respectively. They were the highest ever for any quarter in the history of Birla Corporation Limited. Revenue for the quarter at Rs 1,675.41 crore was up 1.7% year-on-year as sales by volume grew 2% to 3.26 million tons.

Even amidst continuing disruptions in the construction sector due to the Covid-19 pandemic, recovery in cement demand in Birla Corporation Limited's key markets was better than expected. This was largely on account of demand for rural housing and government spending on rural infrastructure. In the three months till 30 September, Birla Corporation Limited managed to shore up its realization per ton by 1.3% to Rs 4,862.

Birla Corporation Limited has continuously focused on cost rationalization and managed to bring down expenses for the September quarter by as much as 4% compared with the same period last year. The company was able to substantially rationalize power, fuel and finance costs, while scaling back discretionary expenditure such as on advertising and marketing.

At the end of September, Birla Corporation Limited's consolidated cost of borrowing stood at 8.15%, down 168 basis points from a year earlier. (One basis point is one-hundredth of a percentage point.) Interest cost for the September quarter came down sharply from Rs 102.97 crore a year earlier to Rs 75.99 crore. Birla Corporation has pared its indebtedness from Rs 4,172.77 crore a year earlier to Rs 4,060.65 crore at the end of September, despite spending close to Rs 800 crore on the upcoming factory at Mukutban over the past 12 months.

"It is a matter of great satisfaction that the units under RCCPL, which we acquired in 2016, today rank amongst the most efficient and profitable cement plants in the country, making Birla Corporation one of the market leaders in central India," said Harsh Vardhan Lodha, Chairman, Birla Corporation. "This is the result of sustained



*[Signature]* 1

efforts put in by our management under the guidance of the company's board. Over the years, we have taken several steps to make our cement business more efficient, sustainably profitable and more resilient to vagaries of the market. A lot has been achieved, and we have a clear plan charted out on how to make Birla Corporation more competitive. We have also discussed with our board and finalized a plan to scale up our capacity to 25 million tons by 2025."

	Q2FY21	Q2FY20	H1FY21	H1FY20
<b>Revenue</b>	Rs 1,675.41 crore (up 1.7%)	Rs 1,646.73 crore	Rs 2,916.42 crore (down 17.8%)	Rs 3,547.40 crore
<b>EBITDA</b>	Rs 403.85 crore (up 21.7%)	Rs 331.97 crore	Rs 656 crore (down 10.6%)	Rs 733.47 crore
<b>Cash profit</b>	Rs 327.86 crore (up 43.2%)	Rs 229 crore	Rs 500.05 crore (down 6.4%)	Rs 534.47 crore
<b>Net profit</b>	Rs 166.62 crore (up 88.6%)	Rs 88.34 crore	Rs 232.39 crore (up 1.5%)	Rs 228.96 crore
<b>Realisation/ton*</b>	Rs 4,862 (up 1.3%)	Rs 4,801	Rs 4,881 (up 0.2%)	Rs 4,870
<b>EBITDA/ton*</b>	Rs 1,154 (up 20.8%)	Rs 955	Rs 1,080 (up 8%)	Rs 1,001

\*Realisation/ton and EBTDA/ton are for cement division only

During the September quarter, rural, retail and independent home builder segments boosted cement demand in the northern, central and eastern Indian markets. A steady ramp up in demand is being witnessed from the infrastructure sector as well, as migrant workers return to works. Prices remained largely stable through the September quarter except for seasonal disturbances due to monsoons. States such as Uttar Pradesh, Madhya Pradesh and Bihar were key contributors in the 2% growth in sales by volume.

Birla Corporation continued to focus on sales of premium and blended cement. Some new brands were added to the MP Birla Cement portfolio and they were received well by consumers. Share of premium cement in sales through the trade channel was scaled up to 48% for the September quarter as against 41% in the same period a year earlier. For the six months till 30 September, the share of premium cement was 46% compared with 38% in the previous year. The share of high-yielding blended cement in total sales in the September quarter was sustained at 93.5%.

Through judicious choice of markets, Birla Corporation was able to reduce its delivered cost of cement for the September quarter by 1%, despite a substantial increase in the price of diesel.

Information technology was extensively used to remotely connect with trade channel influencers and independent home builders in line with the company's



*Manoj*

strategy of helping consumers with smart construction ideas. Birla Corporation is constantly improvising through information technology to make it easier for channel partners to do business with the company.

The company continues to work towards improving efficiency and rationalizing costs. An exercise of digital transformation has been undertaken at Birla Corporation with the key objective of achieving operational excellence in the areas of sales and marketing, customer service, plant operation, logistics, accounts and other support functions. The initiatives range from increasing market share in certain regions to enhancing supply chain efficiency to reduction in power and fuel costs.

With various indicators pointing towards revival in the broader Indian economy, it is expected that the recovery in cement demand would be sustained through the rest of the financial year. Real estate development in large metros, however, is still to pick up, so some uncertainties remain. But demand from so called tier-1 and tier-2 cities has started to firm up.

Alongside, it is anticipated that in the months ahead, cement manufacturers will face significant cost pressure as prices of pet coke and other key fuels are hardening.

	Q2FY21	Q2FY20	H1FY21	H1FY20
<b>Sales (by volume)</b>	3.26 mt (up 2%)	3.19 mt	5.67 mt (down 17.2%)	6.85 mt
<b>Capacity utilization</b>	84%	83%	71%	89%
<b>Blended cement</b>	93.4%	93.5%	93.8%	93.6%
<b>Trade channel</b>	80.5%	83.1%	82.5%	82.7%
<b>Premium cement*</b>	48%	41%	46%	38%

\*share within trade channel only

**Projects:** In view of the recovery witnessed in the past few months, Birla Corporation has decided to bring back on track its Rs 250-crore capacity expansion project at Kundanganj, which, in May, was put on hold due to uncertainties over cement consumption.

The company's factory under construction at Mukutban in Maharashtra is expected to be commissioned in September 2021. Its construction was delayed due to the lockdown imposed in March, and the labour shortage that followed even after restrictions were removed. The window for tax incentives for the factory has been extended by the state government of Maharashtra by 18 months till December 2022.

Alongside, the Rs 150-crore project to scale up kiln capacity at Chanderia in Rajasthan is nearing completion and will be hooked up during the next planned shutdown of the plant.



**Jute division:** Birla Jute Mills, the first unit of the company set up in 1919, reported its highest ever quarterly cash profit in the September quarter, despite decline in production. The unit turned in a cash profit of Rs 8.35 crore (compared with Rs 5.59 crore in the same period a year earlier), which represents a growth of 49.4%.

The growth came on the back of a substantial jump in sales of value-added products in overseas markets.

The unit's total production in the September quarter fell sharply from 9,434 metric tons a year earlier to 6,861 metric tons due to shortage of workers in July and August in the wake of the Covid-19 pandemic. Still, production of value-added products was scaled up from 1,703 metric tons a year earlier to 1,883 metric tons.

Thanks to Birla Jute's sustained focus on overseas markets and value-added products, cash profit per ton more than doubled year-on-year from Rs 5,690 to Rs 12,167.

"We are particularly happy about the performance of our jute division," said Mr Lodha. "Not very long ago, it was making losses. But we continued to invest in jute to develop new value-added products as we believe it is a sustainable business for the future. We are confident about jute continuing to create value for our shareholders and the environment."

**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 Shri MP Birla. Birla Corporation Limited has interest in cement and jute. The Company's Birla Jute Mills is the first jute mill started by an Indian entrepreneur. The Company and its subsidiary, RCCPL Private Limited (the erstwhile Reliance Cement Company Private Limited), have 10 cement plants spread across the country, with an annual installed capacity of 15.5 million tons. A 3.9 mtpa cement plant is under construction at Mukutban, Maharashtra.

For more information, visit [www.birlacorporation.com](http://www.birlacorporation.com)

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#### **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, 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.



A handwritten signature in black ink, appearing to be 'Umesh'.