



Birla Corporation Limited

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8th August, 2023

Corporate Relationship Department
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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 8th August, 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



Press Release (Q1 2023-24)
8 August 2023

Birla Corporation's June quarter EBITDA up 15% on volume growth in sales and fuel cost moderation

KOLKATA, 8 Aug: Birla Corporation Limited registered a near 15% growth in June quarter EBITDA despite subdued cement prices in core markets. The Company's consolidated revenue for the quarter grew 9.3% to Rs 2,425 crore as cement sales by volume jumped 12.2% over the same period last year to 4.41 million tons. EBITDA for the quarter was at Rs 314 crore, against Rs 274 crore in the same period last year, up 14.8%.

Consolidated net profit for the quarter at Rs 60 crore was marginally lower than last year (Rs 62 crore) due to higher depreciation and interest cost. Cash profit was up 6.5% year-on-year at Rs 217 crore, largely on account of improved sales and a substantial decline in power and fuel costs.

Birla Corporation achieved a capacity utilization of 91% for the quarter, which was among the best in the industry. The Company's subsidiary, RCCPL Private Limited, continues to steadily ramp up production at its 3.9 million ton-Mukutban plant, which was commissioned a year ago. As envisaged, the unit is fast making inroads into new markets such as southern Madhya Pradesh, Gujarat and Telengana. Dispatches from Mukutban in the June quarter rose 21% sequentially.

	Q1/FY2023-24	Q1/FY2022-23	Change
Revenue	Rs 2,425 crore	Rs 2,218 crore	9.3%
EBITDA	Rs 314 crore	Rs 274 crore	14.8%
Cash profit	Rs 217 crore	Rs 203 crore	6.5%
Net profit	Rs 60 crore	Rs 62 crore	-3.6%
Realisation/ton*	Rs 5,183	Rs 5,311	-2.4%
EBITDA/ton*	Rs 664	Rs 645	2.9%

*Cement Division only

With the commissioning of the Mukutban plant, Birla Corporation has created strategic synergy among its plants due to their geographical locations. With 360-degree coverage of its core markets, the Company is uniquely positioned to serve its customers more efficiently. The Mukutban unit has created opportunities to enter new markets, and together with the synergies that are to be realised in the days ahead, the Company expects its profitability to improve substantially.

Though demand for cement was robust except in June (due to unseasonal rainfall and floods in some parts of the Company's core markets), prices remained generally soft. It impacted Birla Corporation's core markets and realisation per ton for the June quarter was 2.4% lower than the same period last year at Rs 5,183. EBIDTA per ton, however, grew 2.9% to Rs 664 due to moderation in fuel costs.

Power and fuel costs, which were abnormally high in the last financial year, have started to ease. Power and fuel costs per ton for cement production for the June quarter fell 19% year-on-year, and it is expected to moderate further in the coming months. Sequentially, power and fuel costs were down 16.3%.

Alongside, the Company has been shoring up its consumption of renewable power, the share of which in total power consumption was at 23.1% for the June quarter—a record high for the Company. In the June quarter, the Company commissioned a 5-MW solar power plant at Satna, taking the total solar power capacity to 41.2 MW. The Company's Waste Heat Recovery System (WHRS) capacity stands at 43.35 MW.

Total cost for the June quarter declined 3% sequentially as well as year-on-year. At Mukutban, production cost in the June quarter declined 48% year-on-year and 3% sequentially. This trend of reducing cost is expected to continue in the coming quarters as well, while the Company scales up production at Mukutban as planned.

Fly ash transportation through specialised leak-proof BTAP rakes has increased substantially, and has been making significant contributions to cost savings.

	Q1/FY2023-24	Q1/FY2022-23	Change
Sales by volume	4.41 million tons	3.93 million tons	12.2%
Capacity utilisation	91%	88%	3.0%
Blended cement	88%	91%	-3.0%
Trade segment	76%	79%	-3.0%
Premium cement	54%	47%	7.0%

Birla Corporation's sustained focus on premium products has resulted in a 25% growth in sales by volume over the same period last year. Substantial growth in sales of premium cement was witnessed across geographies. From within the MP Birla Cement portfolio, Perfect Plus has positioned itself as the national flagship brand. Its sales in the June quarter grew 38% year-on-year. Premium products accounted for 54% of sales by volume through the trade channel as against 47% a year ago.

As we approach the tail-end of the monsoons, the Company does not expect any significant downside in prices in the wake of sustained government spending on infrastructure and on schemes such as Pradhan Mantri Awas Yojana.

Going forward, the Company will maintain its relentless thrust on cost rationalisation, shoring up sales of premium products in high realisation geographies, route-to-market optimisation and increasing leadership bench strength and depth.

Jute Division: The Division had a difficult quarter as demand for hessian fabric contracted. Cash profit for the June quarter, including other income at Rs 6.38 crore, was down 25.1%. Though the division managed to improve exports of shopping bags by 65% year-on-year, revenue from overseas sales was down 19.3% at Rs 16.14 crore. The Division intends to intensify focus on value added products to enhance profitability.

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 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.
