



Birla Corporation Limited

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Ref. No. 74G/

5th August, 2021

Corporate Relationship Department
BSE Limited
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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,

Suh: **Press Release**

We are enclosing herewith a copy of Press Release issued by the Company after the Board Meeting held on date i.e. 5th August, 2021.

This is for your kind information and record.

Thanking you,

Yours faithfully,
For **BIRLA CORPORATION LIMITED**

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above



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Press Release (Q1 2021-22)

5 August 2021

Birla Corporation June quarter net profit of Rs 142 crore up at pre-pandemic level, rises 115% over last year

KOLKATA, 5 August: Overcoming pandemic-related challenges which impacted operations in April and May, Birla Corporation Limited turned a net profit of Rs 142 crore in the quarter ended 30 June—more than double compared with the same period last year and a tad higher than the June quarter of FY2019-20 in spite of volumes bearing brunt of the lockdowns in the first two months of the quarter. Better management of the lockdown this year, both by the company and the administration, helped mitigate the effects of restrictions imposed in the areas of operations of the company relative to last year.

Birla Corporation sold 3.35 million tons of cement in the June quarter, registering a growth of 38.4% over last year, but sales by volume were 8% lower than the pre pandemic levels in Q1FY2019-20.

Revenue for the June quarter at Rs 1,758 crore represents a growth of 41.7% over last year, while EBITDA rose 40.1% year-on-year to Rs 353 crore. Cash Profit was higher by 68% compared to corresponding quarter previous year and just 5% lower than the highest ever Q1 cash profit recorded in 2019-20.

Despite significant pressure on costs led by soaring commodity prices, the margins at Rs 1,001 per ton have been ahead by 2% YOY and 7% QOQ, an outcome of the initiatives taken by the management on a proactive basis in all areas of operations. It continued to rationalise operating costs with a sharp focus on plant efficiency, fixed costs and logistics whereby substantial savings were achieved.

Even in challenging market conditions, Birla Corporation has managed to protect realisation by focusing its sales and marketing initiatives on premium products. These offerings have made strident gains in states such as Uttar Pradesh and Madhya Pradesh.

Realisation per ton for the June quarter at Rs 4,933 was up at pre-pandemic levels and 0.5% higher than the same period last year, despite contraction in cement prices in recent months in the central and northern markets. The company maintained a healthy capacity utilisation of 90% for the June quarter, which was among the best in the industry.



	June 2021	June 2020	Change
Revenue (incl. other income)	Rs 1,758 crore	Rs 1,241 crore	41.7%
EBITDA	Rs 353 crore	Rs 252 crore	40.1%
Cash profit	Rs 289 crore	Rs 172 crore	68.0%
Net profit	Rs 142 crore	Rs 66 crore	115.2%
Realisation per ton*	Rs 4,933	Rs 4,906	0.5%
EBITDA per ton*	Rs 1,001	Rs 981	2.0%

*for cement division only

The company managed to scale up sales of its premium products to a record high to claim a 51% share of sales by volume through the trade channel in the June quarter. This was the key to shoring up realisation and reflects the fast growing popularity of premium brands such as MP Birla Cement Perfect Plus and MP Birla Cement Samrat Advanced in the independent home builders (IHB) segment.

The company continues to scale up the share of renewable power in its total power consumption. The share of green power (derived from Waste Heat Recovery System and solar power) in total power consumption was increased to 22% for the June quarter from 20% for the full financial year ended March 2021. The company is also taking steps to increase the use of alternate fuels at its plants and providing suitable infrastructure where required to do so. This will enable the company to move towards creating a more sustainable environment.

	June 2021	June 2020
Sales (by volume)	3.35 mt (up 38.4%)	2.42 mt
Capacity utilisation	90%	58%
Blended cement	92%	94%
Trade channel	83%	85%
Premium cement*	51%	43%

*share of sales within trade channel only

"The Company has exhibited resilience in posting a strong quarter in the midst of significant challenges. Demand for cement barring the seasonal monsoon remains strong, somewhat undeterred by the pandemic and its impact on the Indian economy. With the commissioning of Mukutban project now clearly in sight, the Company will embark on the next phase of growth to enhance its capacity to 25 Million Tons," stated Harsh V. Lodha, Chairman of the company.

Mr. Arvind Pathak the Managing Director & Chief Executive Officer of the company said that "A good *kharif* crop should boost farm income and as the monsoon abates, it is expected that cement companies will be able to pass on a portion of substantial price increase in input costs." He also said that the effort to ramp up the manpower availability at the Mukutban project will enable the company to complete the project in the shortest possible time frame. "We are confident now that the project will be commissioned in the fourth quarter of the current financial year," commented Mr. Pathak.



Impacted by the second wave of COVID 19, which was particularly severe in Maharashtra, the work at the project site at the company's cement factory under construction at Mukutban in Maharashtra was hampered during the quarter. Several initiatives were taken by the management and the manpower strength at the project site has again gone up to more than 3,000. The project cost of Mukutban has been revised from Rs 2,450 crore to Rs 2,744 crore on account of revision in project commencement schedule necessitated due to pandemic, augmentation of infrastructure and other factors including commodity price.

Jute division: The jute division reported its highest ever EBITDA per ton of Rs 15,389 in the June quarter as exports of value-added products were scaled up to a record high of Rs 24.62 crore. Exports contributed 26.54% of the division's total sales by revenue of Rs 92.77 crore for the June quarter. The jute division turned a cash profit of Rs 10.24 crore for the June quarter as against a loss of Rs 3.46 crore last year. The continued focus on increasing the share of value added products contributed to improving the financial performance of the division

Despite staffing being capped at 30-50% during May and June, which impacted production, the division produced 6,595 tons of jute goods, compared with 1,715 tons in the same period last year. During the quarter, the division produced 1,718 tons of value-added products such as shopping bags and floor liners as against 350 tons a year ago.

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

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.

Submitted for kind coverage:

