



**Birla Corporation Limited**  
**Corporate Office**  
1, Shakespeare Saran  
A.C. Market (2<sup>nd</sup> Floor), Kolkata 700 07  
P: 033 6603 3300-0  
F: +91 332288 442

Ref. No. 74G/

22nd May, 2020

Corporate Relationship Department  
BSE Limited  
1st Floor, New Trading Ring, Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
Mumbai- 400 001  
Fax No. (022) 2272 2037/2039/2041/2061/3121/371

The Manager  
Listing Department,  
National Stock Exchange of India Limited  
'Exchange Plaza', C-1, Block G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051  
Fax No. (022) 2659 8237/38/8348

Dear Sir,


We are enclosing herewith a copy of Press Release issued by the Company after the Board Meeting held on date i.e. 22nd May, 2020.

This is for your kind information and necessary action.

Thanking you,

Yours faithfully  
For **BIRLA CORPORATION LIMITED**

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

  
**Encl:** As above



Birla Corporation Limited  
Registered Office:  
Birla Bhawan, 601-610, Mahatma Road,  
Kolkata 700 011  
CIN: L1130 WB1919PLC005554  
Corporate Office:  
1, Shakespeare Sarani,  
A.C. Market (2<sup>nd</sup> Floor), Kolkata 700 071  
P: 033 2330301/02 F: 2288 4470  
E: coordinator@birlacorp.com  
www.birlacorporation.com

**Press Release (Q4 2019-20)**

22 May 2020

**Birla Corporation FY20 net profit up 98% at Rs 505 crore;  
EBITDA and cash profit at all-time high**

**KOLKATA, 22 MAY:** Birla Corporation Limited has recorded its highest ever EBIDTA and cash profit in financial year 2019-20, at Rs 1,421 crore and Rs 1,033 crore, respectively. The Company registered a growth of 38% in EBIDTA and 57% in cash profit over the previous year. Its net profit for 2019-20 at Rs 505 crore was 98% higher than the previous year.

For the March quarter, the Company registered a net profit of Rs 195 crore, up 51.9% over the previous year, despite dispatches grounding to a halt in later part of March. The Company's total income for the quarter at Rs 1,718 crore was down 9.4% year-on-year as dispatches were suspended towards the end of the financial year due to the Covid-19 pandemic. EBIDTA per ton for the March quarter grew 31% year-on-year to Rs 1045. (see chart 1)

The Company reported higher profits during the March quarter with EBITDA for the quarter being higher by 11.7% over the previous year at Rs 373 crore, despite loss of volumes since 22 March due to the situation arising out of Covid-19.

During the March quarter, the Company reaped the benefits of lower fuel costs and its sustained investments into improving efficiency and cost rationalisation. The Company's subsidiary, RCCPL Pvt. Limited (formerly Reliance Cement Company Limited), has migrated to the new tax regime announced in October last year, and gains on account of the change have contributed significantly to the growth in consolidated net profit.

The Company's board on Friday, 22 May, decided to pay a dividend of Rs 7.50 per share, the same as last year. In view of the adverse business environment prevalent in the country, the Board decided to give a token amount of Re 1 as commission to the non-executive directors.

Despite lower sales, realisation for the March quarter was up 3.9% year-on-year at Rs 4,795 per ton. Realisation for the full year at Rs 4,811 per ton was up 5.7% while revenue for fiscal 2019-20 at Rs 7,001 crore was up 5.6% over the previous year.



Chart 1

	Q4/FY20	Q4/FY19	Full year/FY20	Full year/FY19
<b>Revenue</b>	<b>Rs 1,718 crore</b> (down 9.4%)	<b>Rs 1,897 crore</b>	<b>Rs 7,001 crore</b> (up 5.6%)	<b>Rs 6,627 crore</b>
<b>EBITDA</b>	<b>Rs 373 crore</b> (up 11.7%)	<b>Rs 334 crore</b>	<b>Rs 1,421 crore</b> (up 38.4%)	<b>Rs 1,027 crore</b>
<b>Cash profit</b>	<b>Rs 282 crore</b> (up 15.6%)	<b>Rs 244 crore</b>	<b>Rs 1,033 crore</b> (up 57.2%)	<b>Rs 657 crore</b>
<b>Net profit</b>	<b>Rs 195 crore</b> (up 51.9%)	<b>Rs 128 crore</b>	<b>Rs 505 crore</b> (up 97.5%)	<b>Rs 256 crore</b>
<b>Realisation/ton*</b>	<b>Rs 4,795</b> (up 3.9%)	<b>Rs 4,616</b>	<b>Rs 4,811</b> (up 5.7%)	<b>Rs 4,553</b>
<b>EBITDA/ton*</b>	<b>Rs 1,045</b> (up 31.1%)	<b>Rs 797</b>	<b>Rs 962</b> (up 41.3%)	<b>Rs 681</b>

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

Despite muted market conditions, Birla Corporation was able to raise price realisation through judicious adjustment of geographic and product mix aimed at increasing the share of blended and premium cement within its brand portfolio.

Capacity utilisation for the March quarter climbed down to 93% from 98% in the previous year. This was due to a 13% year-on-year drop in sales by volume to 3.3 million tons, which was consistent with the performance of the Company's peer group in comparable markets. Thanks to a 6% growth in sales by volume in the 11 months till February, capacity utilisation for the full year at 91% was up two percentage points—among the best in the industry. (see chart 2).

During the year, the Company consolidated its share of key markets by continuing to focus on premium and blended cement. Sales of its premium slag brand, MP Birla Cement Unique (sold in eastern Indian markets), grew 18% over the previous year. Among new launches, the super-premium Ultimate Ultra brand with water-repellent properties has made its mark in Madhya Pradesh, while Samrat Advanced (a premium variant of the Company's heritage MP Birla Cement Samrat brand) gained significant grounds in key markets of eastern Uttar Pradesh.

In fiscal 2019-20, sales of premium cement by volume grew 8% year-on-year and its share within the trade segment rose four percentage points to 41% in a sign that the Company's investments into its brands and distribution assets are paying off. High-yielding blended cement accounted for 93% of sales by volume for the year, compared with 89% in the previous year, thanks to the Company's strategy of focusing on brand-conscious individual home-builders.





Chart 2

	Q4/FY20	Q4/FY19	Full year/FY20	Full year/FY19
<b>Sales by volume</b>	3.3 million tons (down 13%)	3.8 million tons	13.6 million tons	13.6 million tons
<b>Capacity utilisation</b>	93%	98%	91%	89%
<b>Blended cement</b>	92%	92%	93%	89%
<b>Trade channel</b>	80%	83%	81%	81%
<b>Premium cement*</b>	43%	39%	41%	37%

\*Share in trade channel only

### Debt

The Company's gross term debt at the end of March stood at Rs 4,226 crore compared with Rs 4,049 crore a year earlier. Net debt at the end of fiscal 2019-20 at less than Rs 3,500 crore (~2.5x the 2019-20 EBITDA) includes bank loans of Rs 543 crore for the under-construction cement plant at Mukutban in Maharashtra. The Company continues to adopt a strategy for pre-payment/ refinancing of loans to reduce its cost of funding or reduce foreign exchange exposure, wherever opportunities exist. The board at its meeting on 22 May has also passed an enabling resolution for premature redemption/buy back of secured Non-Convertible debentures issued by the Company with a view to bring down borrowing cost, if such opportunity prevails in the market.

Birla Corporation is not taking the moratorium offered by the Reserve Bank of India in the wake of the Covid-19 pandemic on repayment of term loans and interest. In response to the situation arising out of the pandemic, the management, with the aim of protecting profitability, guarding financial metrics and conserving liquidity, is taking several initiatives to cut costs across the board and defer capital expenditure. These measures are being taken despite securing financial closure for all projects currently underway.

### Projects

**Mukutban:** The Company is setting up a factory at Mukutban in Maharashtra with an annual clinker output of 2.64 million tons and a cement production capacity of 3.9 million tons. The factory, with its own railway siding, is expected to be commissioned by June 2021. The proposed unit is to have a captive thermal power plant with a generation capacity of 40 megawatt and waste heat recovery system of 9 megawatt. Till the end of fiscal 2019-20, the Company has spent Rs 1,085 crore on the project.

**Kundanganj:** The Company has decided to keep its Rs 250 crore project to expand the capacity of its Kundanganj unit on hold for the time being to restrict debt and conserve liquidity. The management will consider commencing it on normalisation of the business environment.



**Chandaria:** Birla Corporation is expanding the kiln capacity of its Chandaria unit in Rajasthan and it is expected that on completion of the project by the end of the current financial, production capacity will be augmented by around 400,000 tons. Out of the total outlay for project of Rs 150 crore, the Company has spent Rs 70 crore till the end of March.

**Projects concluded:** In fiscal 2019-20, the Company concluded the following projects:

- 11 megawatt waste heat recovery system at Maihar;
- Railway siding at Kundanganj;
- Installation of solar power plants with aggregate generation capacity of 12 megawatt at Maihar, Satna and Chandaria

The Company continues to ramp up its coal mining capacity at its captive coal block and the full financial benefits of the projects above will be realised in the current financial year.

#### Current status of operations

Birla Corporation has commenced manufacturing at all its plants taking all safety measures to protect its staff members and associates. All plants, except the grinding units at Raebareli and Durgapur, are currently running at 80-100% of their production capacity as the Company witnesses a gradual pick-up in demand since the lockdown was relaxed at the beginning of May.

#### Jute Division

The Company's Jute Division reported a full year EBITDA of Rs 23.37 crore as against Rs 20.20 crore in the previous year, registering a growth of 15.7%. Production during the year at 35,718 metric tons (37,308 metric tons in 2018-19) was impacted by the lockdown in March. Eight working days in the financial year were lost due to the lockdown, resulting in an estimated production loss of 959 metric tons.

The Company's constant thrust on value-added products has led to a 33% jump in exports during the year. Revenue from exports was at Rs 39.07 crore for the full year, compared with Rs 29.44 crore in the previous year. Growth in exports has helped sustain profitability amid mounting cost pressures.

#### Other material development

In May, a two-judge division bench of the Calcutta High Court passed a verdict allowing Birla Corporation to declare the results of polls taken at its annual general meeting last year. The verdict, quashing an interim order of a single judge of the Calcutta High Court, was within a week upheld by the Supreme Court. Following the removal of restraints imposed on declaration of results of polling, the Company has given effect to all resolutions passed at the last annual general meeting and has started the process of paying dividend to its shareholders for 2018-19.

**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.

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Submitted for kind coverage: By Biswajit Matilal (98740 44485)

