



Birla Corporation Limited

Corporate Office:

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8th November, 2023

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
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 Symbol: 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 November, 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 (Q2 2023-24)
8 November 2023

Birla Corporation Limited's profit jumps on the back of Mukutban ramp-up

Kolkata, 8 Nov: Birla Corporation Limited's September quarter profitability jumped in spite of seasonal factors on the back of Mukutban ramp-up, cost-initiatives, premiumisation and optimisation of power and fuel mix and aided by softening fuel prices.

Consolidated cash profit for the quarter at Rs 221 crore rose 414% over last year, and net profit for the quarter was at Rs 58 crore against a net loss of Rs 56 crore in the comparable period a year ago. For the six months till the end of September 2023, the Company's consolidated net profit was at Rs118 crore against Rs 5 crore a year ago.

Speaking on the occasion, Chairman Harsh V. Lodha said: "The Company has recorded steady progress in the last three quarters, recovering from the power and fuel cost shock of 2022, triggered by the Ukraine crisis. The results were achieved despite cement prices remaining flat and many of our core markets affected by heavy rains and other seasonal factors. This vindicates our strategy and initiatives on multiple fronts. The ramp-up of Mukutban operations has been progressing as per plan notwithstanding the tepid market conditions in the region. We are well on track to meet our targets in the near term."

Consolidated revenue for the September quarter at Rs 2,313 crore was up 13.3% year-on-year, Realisation per ton during the quarter at Rs 5,062 was marginally lower, sequentially and year-on-year, due to soft pricing situations across markets. However, sales by volume grew 14.8% to 4.18 million tons (mt) in the September quarter, against 3.64 mt in the same period last year. Capacity utilisation increased to 83% (74% a year ago) and 87% for the six months till the end of September (81% last year), primarily due to scaling up of production at Mukutban, a unit of the Company's subsidiary, RCCPL Pvt. Limited.

	Q2/FY24	Q2/FY23	Change	H1/FY24	H1/FY23	Change
Revenue	Rs 2,313 crore	Rs 2,042 crore	13.3%	Rs 4,738 crore	Rs 4,260 crore	11.2%
EBITDA	Rs 316 crore	Rs 136 crore	133.0%	Rs 630 crore	Rs 409 crore	54.0%
Cash profit	Rs 221 crore	Rs 43 crore	414.0%	Rs 437 crore	Rs 246 crore	77.6%
Net profit	Rs 58 crore	(Rs 56 crore)		Rs 118 crore	Rs 5 crore	2,260.0%
Realisation/ton	Rs 5,062	Rs 5,089	(0.5%)	Rs 5,087	Rs 5,195	(2.1%)
EBITDA/ton	Rs 683	Rs 234	191.9%	Rs 673	Rs 447	50.5%

Power and fuel costs per ton of production declined 24.4% year-on-year in the September quarter. With coal prices easing, the Company switched from grid to its own thermal power plants. In the September quarter, thermal power plants provided 60% of the power consumed by the Company's integrated units against 22% in the same period a year ago. The share of renewable power in the total power consumed in the September quarter was at 23%, the highest ever, against 21% a year ago.

The Company has ramped up production at Mukutban to close to 1.5 lakh tons a month at the end of September. Premium products account for more than 40% of the unit's output. Full-scale operation at the captive limestone mines in Mukutban has started, reducing cost of raw materials. As a result of the scaling up, the Company has managed to reduce production cost significantly. The Company is well on track to meet its near-term targets for Mukutban.

"Project Shikhar" for manufacturing excellence has gathered momentum. It delivered savings to the tune of Rs 50 per ton during the September quarter through process improvements in the areas of power and fuel consumption, fly ash absorption, limestone costs and plant overheads.

"Project Unnati" has been launched with a view to increasing the efficiency of the Company's "Go-to-Market" operations, focussing on sales, logistics and marketing domains. It aims to enlarge market footprint and increase intensity of coverage in core geographies by improving reach and penetration. The impact is already visible in the Company gaining market share in almost all key markets, except Bihar, and sales of premium products going up 13% year-on-year and accounting for 54% of total sales for the September quarter. Perfect Plus, the flagship brand from the MP Birla Cement portfolio, has registered a growth of 23% by volume year-on-year, led by the Company's priority markets of Uttar Pradesh and Madhya Pradesh.

	Q2/FY24	Q2/FY23	H1/FY24	H1/FY23
Sales (by volume)	4.18 mt	3.64 mt (up 14.8%)	8.59 mt	7.58 mt (up 13.3%)
Capacity utilisation	83%	74%	87%	81%
Blended cement	86%	90%	87%	91%
Trade channel	72%	78%	74%	79%
Premium cement	54%	51%	54%	49%

The Company had adopted cross-branding since 2016 to serve its primary markets seamlessly from multiple plants. The addition of Mukutban has enabled the Company to address primary markets in central India with a 360-degree surround strategy. With southern Madhya Pradesh and southern Gujarat areas coming within the reach of Mukutban, capacity at Chanderia and Maihar could be freed up and redirected to profitable proximate geographies in eastern Uttar Pradesh, Rajasthan, western Madhya Pradesh and Bihar.

With stable fuel prices and by reducing lead distance the Company was able to mitigate the impact of “busy season surcharge” of the Railways to achieve marginal reduction in logistics costs.

Greenfield Grinding Unit

The Board of the Company’s subsidiary, RCCPL Pvt. Limited, on Monday, 6 November 2023, approved a plan to set up a 1.4 mt greenfield grinding unit at Prayagraj in Uttar Pradesh. This will substantially enhance the Company’s servicing capabilities to its core markets of “Purvanchal” (Eastern Uttar Pradesh). The estimated cost of the project is around Rs 400 crore. The Company is in possession of requisite land for the project and construction can start almost immediately on receipt of necessary clearances. As per current projections, the unit should commence production by Q2 of 2025. As it will replace current supplies from Satna and Maihar in existing markets where the Company already has a strong presence, a quick ramp-up of capacity is expected. The Unit will be eligible for tax incentives of the Uttar Pradesh Government, which, along with savings in logistics and fly ash costs, will add substantially to profitability.

The HR initiatives rolled out for creating a high performance “future-ready organisation” have gained traction. The 4Vs methodology—Vision, Value (addition), Velocity and Visibility—and OKRs (Objectives and Key Results) have been enthusiastically adopted. The Company has launched the best-in-class human resource management system (HRMS), Darwin Box, for talent management and is creating a leadership pipeline, keeping in mind the growth plans.

Jute Division: Poor overseas demand for Value-Added Products continues to be a dampener on the performance of the jute business. The division reported an operating profit of Rs 2.88 crore for the September quarter against Rs 8.60 crore in the same period last year. Cash profit for the quarter was at Rs 4.45 crore, compared to Rs 13.45 crore a year ago.

Outlook: The Company expects the price situation to remain stable during the December quarter. Demand in its key markets of Madhya Pradesh and Rajasthan may be impaired by State elections. However, we expect the momentum to be maintained by Central Government spends on infrastructure and welfare projects as well as the buoyant housing sector. The Company's focus on manufacturing excellence, supply chain efficiencies and go-to-market operations will continue to drive performance in the coming period. Demand for jute and jute products, however, is likely to remain subdued for some more time.

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.
