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11th May, 2022

Corporate Relationship Department
BSE Limited
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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 Code: BIRLACORPN

Dear Sir(s),

Sub: **Press Release**

Please find enclosed a copy of the Press Release issued by the Company after the conclusion of the Board Meeting held on 11th May, 2022.

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 (Q4 2021-22)

11 May 2022

Birla Corporation Limited clocks highest ever cement sales at 14.22 million tons, full-year total income at record high of Rs 7,560 crore

Highlights of performance in FY2021-22:

- Mukutban plant commissioned with zero accidents, dispatches start to roll out
- Highest ever cement sales by volume at 14.22 mt, up above pre-pandemic levels
- Highest ever cement sales in as many as five key States
- Cement Division capacity utilization scaled up to 92% from 85% in previous year
- Sales of blended and premium cement ramped up
- Full-year realization from cement up 2.2% despite tepid demand
- Coal extraction at captive mine scaled up to 30,000 tons/month
- Jute Division scales up exports, turns stellar profits
- Net debt as on 31 March 2022 at Rs 3,398 crore versus Rs 3,250 crore a year earlier

Kolkata, 11 May: Birla Corporation Limited has, in FY2021-22 achieved its highest ever cement sales by volume, overcoming unprecedented challenges such as cost pressure, sluggish demand and disruptions owing to the Covid-19 pandemic.

Sales for the full year at 14.22 million tons (mt) represent a 6.2% growth over the previous year. The previous highest of 13.65 mt was achieved prior to the pandemic in FY2018-19. The spurt in sales came mostly towards the end of the financial year. March quarter sales at 4.24 mt were up 27% sequentially and 1.7% year-on-year.

Sales in the three months till 31 March were the highest ever for a quarter. Birla Corporation's capacity utilization for FY2021-22 was one of the best in the industry at 92% against 85% in the previous year.

This translated into a revenue growth of 9.8% for the full year and 8.7% for the March quarter, but even so, profitability came under immense pressure because of the extremely high fuel costs which could not be passed on to consumers.

Market conditions were not conducive for price hike until at the end of the financial year, and it is estimated by rating agency Crisil that margins for the cement industry contracted by 400-500 basis points in FY2021-22.



Though Birla Corporation managed to raise its full-year realization from cement sales to Rs 4,938 per ton, up 2.2% over Rs 4,829 in the previous year, it wasn't enough to mitigate the cost pressure. The Company's EBITDA for the full year at Rs 1,208.79 crore was 15.9% lower than the previous year. EBITDA per ton for FY2021-22 declined 25.4% year-on-year to Rs 755.

While Profit before Tax for the March quarter at Rs 153.18 crore was lower by 14.8%, the net profit at Rs 111.08 crore was down 55.5% year-on-year, due to one-off credit adjustment of Rs 124.98 crore in income-tax expense in the previous year. Similarly, profit before tax for the year at Rs 537.75 crore was down 24.5%, while the net profit for the year at Rs 398.59 crore was 36.8% lower than the previous year.

	Q4/FY21-22	Q4/FY20-21	FY21-22	FY20-21
Revenue	Rs 2,333.54 crore (up 8.73%)	Rs 2,146.12 crore	Rs 7,560.00 crore (up 9.80%)	Rs 6,885.36 crore
EBITDA	Rs 346.03 crore (down 14.67%)	Rs 405.53 crore	Rs 1,208.79 crore (down 15.90%)	Rs 1,437.48 crore
Cash profit	Rs 291.30 crore (down 13.86%)	Rs 338.16 crore	Rs 966.13 crore (down 15.34%)	Rs 1,141.20 crore
Profit before Tax	Rs 153.18 crore (down 14.79%)	Rs 179.78 crore	Rs 537.75 crore (down 24.53%)	Rs 712.59 crore
Net profit	Rs 111.08 crore (down 55.45%)	Rs 249.33 crore	Rs 398.59 crore (down 36.75%)	Rs 630.14 crore
Realization per ton*	Rs 5,042 (up 4.32%)	Rs 4,833	Rs 4,938 (up 2.25%)	Rs 4,829
EBITDA per ton*	Rs 650 (down 30.53%)	Rs 937	Rs 755 (down 25.39%)	Rs 1,012

*for Cement Division only

Faced with unfavourable market conditions, Birla Corporation chose to focus on volume growth. While scaling up sales in all key markets, the Company achieved several feats during the year such as registering the highest ever full-year sales in as many as five States, including Uttar Pradesh and Madhya Pradesh—the biggest markets for Birla Corporation.

Alongside, Birla Corporation managed to shore up sales of blended and premium cement. For the full year, sales of blended cement at 12.87 mt represent a year-on-year growth of 4%, while sales of premium cement were the highest ever at 5.69 mt, up 7% over the previous year.



Despite healthy growth in sales by volume in almost every segment and market, Birla Corporation's profitability was hugely impaired by at least 40% increase in fuel cost and 8% increase in cost of delivery. Freight costs continued to rise through the year as diesel prices were revised in tandem with rising crude prices. To rationalize cost of delivery, the Company worked towards reducing the lead distance for each production unit and dependence on road transport.

During the year, the Company launched a super-premium brand Rakshak, sales of which have gained momentum. In its bid to improve market penetration, the Company has in FY2021-22 appointed close to 2,000 new dealers. However, going forward, it is looking to sharpen focus on the non-trade segment as well with the anticipation that it will emerge as a major growth driver in the current financial year.

Birla Corporation's total outstanding debt stood at Rs 4,208 crore as of 31 March 2022, only marginally higher than Rs 4,046 crore a year earlier, despite fresh borrowings during the year of Rs 432 crore for the Mukutban project.

"Despite achieving the highest ever production at three of our units—Satna, Maihar and Chanderia—and record sales in five States, our profitability took a hit because of excessive rise in fuel and freight costs, which could not be passed on to consumers," said Shri Harsh V. Lodha, Chairman, MP Birla Group. "The tide has, however, started to turn from March, and we are hopeful that in the current financial year, our Company will reach new heights. The Mukutban unit which has commenced production at the end of April will add a lot of heft to our cement business in the near future."

	Q4/FY21-22	Q4/FY20-21	FY21-22	FY20-21
Sales (by volume)	4.24 mt (up 1.68%)	4.17 mt	14.22 mt (up 6.20%)	13.39 mt
Capacity utilization	108%	108%	92%	85%
Blended cement	92%	91%	91%	92%
Trade channel	78%	78%	79%	80%
Premium cement*	49%	53%	51%	50%

*share of sale within trade channel

Mukutban: During FY2021-22, Birla Corporation's subsidiary RCCPL Private Limited commissioned its 3.9 mt cement plant at Mukutban in eastern Maharashtra. This new unit has boosted Birla Corporation's consolidated annual production capacity to almost 20 mt. Despatch of cement has started from the Mukutban plant and it is expected that the plant's operating parameters will reach optimum levels by the end of the current financial year, pending further ramp-up.

Mining: As coal becomes more scarce and expensive, Birla Corporation is scaling up extraction from its own captive mines. Production from Sial-Ghoghri coal mine has recently been ramped up to 30,000 tons per month, which is 20% higher than its peak rated capacity. The Company has accelerated the development of its Bikram



peak rated capacity. The Company has accelerated the development of its Bikram coal mine, where extraction of coal is expected to start in the fourth quarter of the current financial year. These initiatives will insulate the Company from the volatilities in fuel prices to a large extent.

IT initiatives: Birla Corporation continues to focus on IT initiatives across all functions to improve efficiency in operations, optimize costs and to provide better service to consumers. During FY2022-23, the Integrated Logistics Management System will become fully operational at the Company's integrated plants, which will substantially improve supply-chain efficiencies.

Sustainability: Birla Corporation has undertaken several initiatives to make its operations more sustainable. One such is reducing its dependence on grid power. In FY2021-22, the share of renewables in the total power consumed by the Company was at 21.77% against 18.82% the previous year. This is to be scaled up further in the current financial year. In FY2022-23, the Company is looking to add a total of 8 megawatt of solar power capacity at Chanderia, Satna and Kundanganj. An additional 9 megawatt is to be derived from the waste heat recovery system at Mukutban.

The Company routinely consumes industrial waste such as slag and fly ash, which are blended with clinker to produce blended cement. In addition, the Company consumes agricultural and industrial waste to feed into its kilns as alternative fuel and raw materials (AFR). In FY2021-22, AFR usage was at 7% of total fuel consumption, which is to be scaled up to at least 12% in the current financial year.

Outlook: According to Crisil, cement demand in India is expected to remain stable and grow at 5%-7% in the current financial year if capital expenditure by State and Union Governments isn't scaled back. But uncertainties abound as the government grapples with inflation. Cement companies have recently been able to raise prices to partially mitigate the cost pressure, but it isn't immediately clear if the price hike would sustain in the face of inflationary pressure and slow recovery in private consumption. On the other hand, cost pressure for cement companies is unlikely to ease in the foreseeable future and profitability is going to remain under pressure.

Jute Division: The Jute Division turned impressive profits for yet another year by focusing on and shoring up production of value-added goods. The division clocked a cash profit of Rs 46.16 crore for FY2021-22, more than twice the cash profit of Rs 21.62 crore in the previous year. Despite disruptions in supply of raw jute, the division scaled up production to 30,792 metric tons during the year compared with 24,907 metric tons the previous year. For the March quarter, the division registered a cash profit of Rs 9.36 crore, up 8.8% year-on-year. During the year, close to 3.5 million shopping bags were exported against 1.2 million the previous year. The division is scouting for further opportunities to scale up exports in countries such as the USA, UK and France. Because jute is environment-friendly, the Company sees strong growth prospects in this business.

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 spread in eight locations across the country, with an annual installed capacity of almost 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, 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.

