11th Aug 2025 | Close* – ₹1249/- | View – **Hold**

Q1FY26 Performance

- Birla Corporation Limited (BCL) reported a consolidated revenue of ₹2,486crs for the June quarter, marking a 13% YoY growth over ₹2,207crs in Q1FY25.
- Consolidated sales by volume for the quarter grew 9% YoY. Cement sales by volume reached 4.79 mt in Q1FY26, up from 4.38 mt in Q1FY25. Growth was led by 18% in the east and 15% in the west, with 7-8% growth in central and northern regions. Plants operated above 90% of utilization levels.
- EBITDA was ₹347crs, an increase of 34% YoY from ₹258crs in Q1FY25. This growth was attributed to improved cement sales, lower operating costs, and a turnaround in the Jute Division.
- Consolidated net profit for Q1FY26 was ₹120crs, representing a significant 267% YoY increase from ₹33crs in Q1FY25
- Sales of premium products accounted for 58% of total sales through the trade channel in Q1FY26. This reflects a slight decrease compared to 59% in Q1FY25. The company focused on driving up sales of premium products and blended cement while lowering sales of OPC and dependence on the non-trade segment.
- The blended cement portfolio accounted for 89% of total sales in Q1FY26, up from 84% in Q1FY25 and 82% in the immediately preceding quarter. Trade channel sales were 78% in Q1FY26, an increase from 72% in both Q1FY25 and Q4FY25.
- Power and fuel costs per ton of cement production stood at ₹824 in Q1FY26, reflecting an 8.4% decline from ₹1,004 in Q1FY25 due to benign fuel costs.
- EBITDA per ton for the Cement Division was ₹724 in Q1FY26, an increase of 23% YoY from ₹590 in Q1FY25. This figure was impacted by an "abnormal loss" resulting from extended maintenance shutdowns at Mukutban and Maihar plants, which led to a clinker shortage and necessitated the purchase of approximately 1 lakh tons of higher-cost third-party clinker. Management does not expect to purchase clinker in the subsequent quarters (Q2, Q3, or Q4).
- The Jute Division staged a significant turnaround, reporting a ₹6.4crs cash profit in Q1FY26, compared to a loss of ₹3.9crs in Q1FY25. This was driven by a strong growth in sales, including a 63% YoY increase in local sales and a 133% increase in exports in value terms.

Important Statistics

Nifty	24,363.30
Sensex	79,857.79
Close* (₹)	1249
MCap (₹ crs)	~9726
52 Week H/L (₹)	1535/910
NSE Code	BIRLACORPN
BSE Code	500335
Bloomberg	BCORP:IN

Close as on 8th Aug 2025*

Shareholding %	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25
Promoters	62.9	62.9	62.9	62.9	62.9
FII	5.99	5.46	5.6	6.27	7.05
DII	16.26	16.2	16.24	15.6	15.55
Public	14.84	15.44	15.24	15.23	14.5

Financials

Particulars	FY24	FY25	FY26E	FY27E
Revenue	9,663	9,214	9,960	10,696
PAT	421	295	522	661
EBITDA margin %	14.9	13.2	15.1	16.4
EPS (₹)	54.6	38.34	67.9	86.5
ROE (%)	7	4	7	9
ROA (%)	3	2	3	4
P/BV	1.1	1.5	1.4	1.3
EV/EBITDA (x)	8.5	10.5	8.5	7.3

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
Birla corp	**-7**	**35**	**114**
Nifty 50	0.4	38	116
Sensex	0.5	35	109

Source: Company, Way2Wealth

Key Concall Highlights

- **Capacity Expansion –** BCL currently possesses an annual installed cement capacity of 20 million tons across 10 plants in eight locations. These plants operate at a utilization rate higher than 90%. While BCL acknowledges "limited new capacity for volume expansion," its strategic focus remains on increasing its "value share" in the market. The Kundanganj new line is anticipated to be commissioned during the current financial year. A clinker capacity expansion at Maihar is projected to take two years to come online, not expected before 2027. This is part of future "brownfield investments and new greenfield capacities", with mining rights serving as "building blocks.
- **Volume** – Birla Corporation's Mukutban plant has rapidly scaled operations, serving Vidarbha and potentially supplying clinker to Durgapur. In Q1FY26, it produced 6.6 lakh tons. The Chanderia plant, profitably expanded, caters to North India and parts of Madhya Pradesh and Uttar Pradesh, with clinker transport flexibility. Maihar and Satna support Bihar, despite no grinding unit there, with Maihar offering highly cost-efficient clinker. Durgapur, a smaller unit

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in West Bengal, focuses on slag cement and premium brand Unique Plus. Total cement sales volume for the quarter was 4.8 mt, increased 9% YoY. with regional contributions: Central 50%, East 21%, North 16%, and West 13%. Extended maintenance at Mukutban and Maihar in Q1, worsened by heavy rains, led to a 17% drop in clinker production to 2.44 mt. To meet demand, BCL purchased 1 lakh tons of clinker at higher market rates, affecting profitability. Despite this, the company focused on boosting clinker realization through increased sales of premium and blended cement.

- **Cement prices –** Cement prices varied across regions, strong in the west and east, but subdued in central India, which saw a slight 2% decline from Q4. Early monsoons added pressure. BCL improved overall realization by focusing on premium products. Management does not anticipate major pricing concerns in Q2.
- **Premium cement Sales** – Birla Corporation's flagship brand Perfect Plus grew 19% in Q1, driven by strong sales across key states. Unique Plus rose 37%, albeit from a lower base. In Mukutban, premium sales rose from 40% to 50%. Management notes Perfect Plus performs on par with or better than top-tier competitors.
- **Jute Vertical** –Jute Division delivered a strong turnaround in Q1FY26, posting a cash profit of ₹6.4crs, reversing last year's loss. This was driven by robust sales growth—domestic sales rose 63% and exports surged 133% in value. Despite rising raw jute prices, the division reduced processing costs and increased output. Strategic upgrades include installing modern looms and launching a rooftop solar power facility to cut energy costs. The company aims to become the most efficient jute processor in terms of cost, profitability, and safety. Notably, Birla Jute Mills was the first jute mill founded by an Indian entrepreneur.
- **Energy cost** – Birla Corporation benefited from lower fuel costs in Q1FY26, with power and fuel expenses per ton of cement dropping 18% to ₹824 from ₹1,004 last year. Green power usage rose to 26.9% of total consumption. The company's Waste Heat Recovery System (WHRS) currently has a 40 MW capacity, with plans to expand to 50 MW. In the Jute Division, productivity and cost-efficiency initiatives include a rooftop solar power facility, expected to deliver significant savings by year-end. Fuel consumption for cement production was 146 Kcal, reflecting ongoing efforts to optimize energy use and enhance sustainability across operations.
- **Freight cost** – Average lead distance for transportation was 342 km. Transport and forwarding expenses rose to ₹564.13crs from ₹516.45crs YoY, covering finished goods and internal transfers. Logistics challenges in Bihar, due to the absence of a grinding unit, added complexity. Extended maintenance at Mukutban and Maihar, worsened by rains, led to clinker shortages and costly market purchases, impacting central region profitability. The company leverages its geographic spread to optimize logistics—moving clinker from Chanderia to central and eastern regions or supplementing Mukutban's output for Durgapur—enhancing operational flexibility and cost efficiency.
- **Debt** – Consolidated net debt stood at ₹2,300crs in Q1FY26, with expectations to close the year below ₹3,000crs. The debt-equity ratio improved to 0.49 from 0.61 last year, reflecting stronger financial stability. As of June 30, 2025, the company had ₹175crs in secured debentures with an asset cover of 3.98 times, and ₹50crs in unsecured listed commercial papers. These figures highlight improved debt management and a stronger capacity to meet interest obligations. The company's disciplined financial strategy supports its long-term growth while maintaining a healthy balance sheet.

- **Capex** – BCL reported a capex of ₹100crs in Q1FY26. The full-year budget remains unchanged at ₹1,000–₹1,100crs, indicating that ₹900–₹1,000crs will be deployed over the next three quarters. The capex includes both project investments and sustenance spending, with some pipeline projects expected to be capitalized. This strategic allocation supports modernization, efficiency improvements, and long-term growth. The company's disciplined approach to capital expenditure reflects its focus on optimizing operations while maintaining financial prudence.
- **Incentive** – The company accrued ₹23crs in incentives during Q1FY26, a decrease from ₹41crs in the immediately preceding quarter.

Key Risks

- Rising transportation distances and fluctuating fuel prices may increase logistics and operational expenses.
- Declining cement prices in key markets like Maharashtra and central India could impact realizations and margins.

Key Metrics

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Sales (by volume) (Mn Tn)	4.79	4.38	9	5.25	(9)
Capacity Utilisation	96%	88%	9	105%	(9)
Blended cement	89%	84%	6	82%	9
Trade channel	78%	72%	8	73%	7
Premium cement	58%	59%	(2)	59%	(2)

Source – Company, Way2Wealth

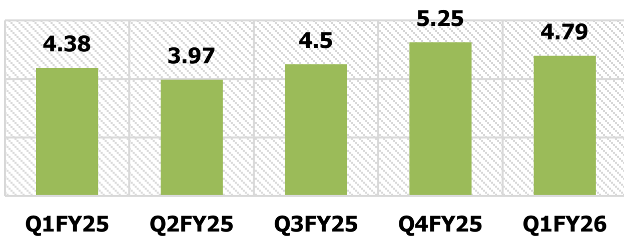
View

BCL maintains a positive outlook, anticipating a new phase of growth through brownfield and greenfield investments, with the Kundanganj new line commissioning within FY26 and a substantial budgeted capex of around ₹1,100crs for the year. The company's strategy focuses on enhancing "value share" and maximizing returns from existing assets, supported by a strong brand portfolio and an increased blended cement sales proportion (89% in Q1FY26). Financially, the consolidated net debt is around ₹2,300crs, with an improved debt-equity ratio of 0.49 times (from 0.61 times) and a strong consolidated Interest Service Coverage Ratio of 5.35 times (up from 3.21 times) in Q1FY26, indicating healthy debt management and a stable financial position that could positively influence valuation. Further, the company expects no clinker purchases in subsequent quarters, removing an "abnormal loss" factor from Q1 profitability, although the realization of significant outstanding government incentives (₹138.58crs for DHTC, ₹28.58crs for DCW) faces ongoing legal challenges. Hence, **the stock is recommended to Hold at its current price, trading at 8x FY27E EV/EBITDA.**

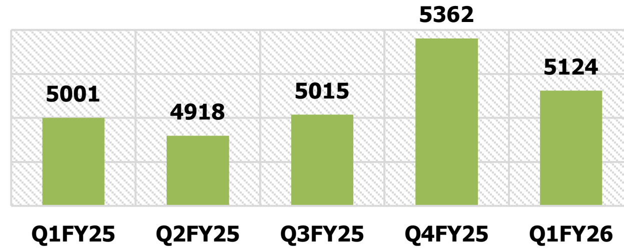
11th Aug 2025 | Close* – ₹1249/- | View – **Hold**

Story in Charts

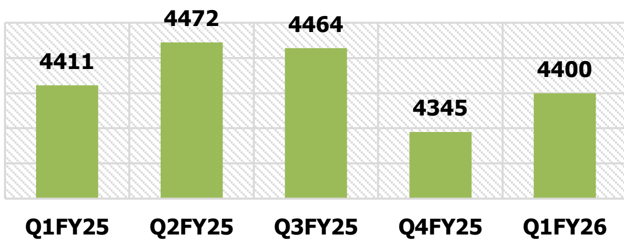
Volumes (MMT)



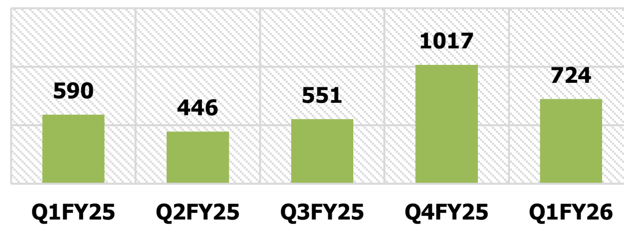
Realisation/tonne



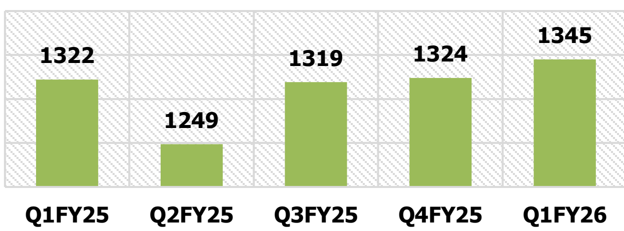
Cost/tonne



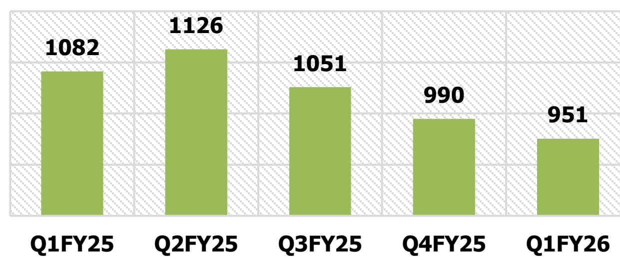
EBITDA/tonne



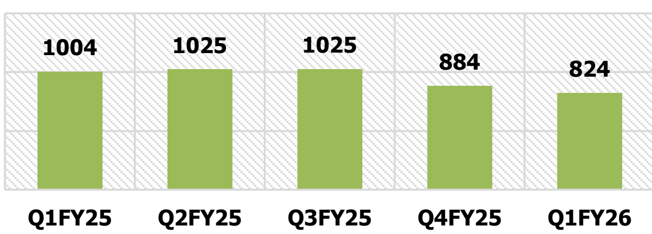
Freight/tonne



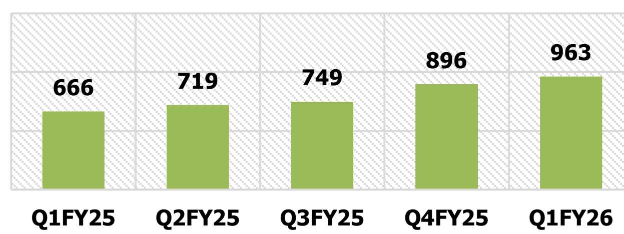
Other expenses/tonne



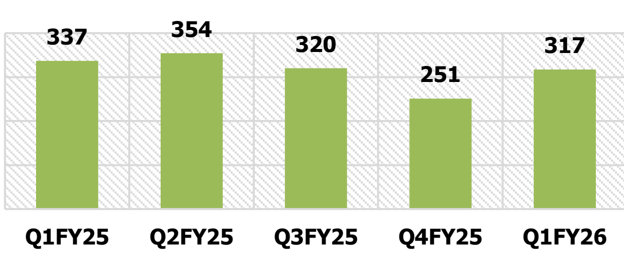
Energy Cost/tonne

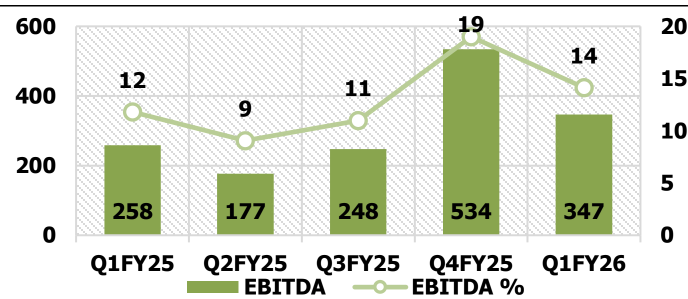


RM/tonne



Employee Cost/tonne





Source – Company, Way2wealth Research

W2W Lighthouse – A Quick Perspective

11th Aug 2025 | Close* – ₹1249/- | View – **Hold**

Important Ratios

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ	FY25	FY24	YoY
Debt Equity Ratio (in times)	0.49	0.61	(8)	0.56	(13)	0.56	0.67	(16)
Debt Service Coverage Ratio (in times)	1.01	0.99	88	1.86	(46)	1.22	1.52	(20)
Interest Service Coverage Ratio (in times)	5.35	3.21	131	7.42	(28)	3.9	4.12	(5)
Debenture Redemption Reserve is in Crs)	16.51	24.96	(34)	16.51	0	16.51	24.96	(34)
Net Worth (* in Crs)	6138	5,838	1	5,892	4	5,892	5,633	5
Net Profit/{Loss) After Tax (* in Crs)	120	33	687	257	(53)	295	421	(30)
EPS	15.53	4.24	686	33.32	(53)	38.34	54.61	(30)
Current Ratio (in times)	1.1	1.14	(4)	1.09	1	1.09	1.18	(8)
Long Term Debt to Working Capital (in times)	4.02	4.14	(10)	3.74	7	3.74	3.63	3
Current Liability Ratio (in times)	0.36	0.34	9	0.37	(3)	0.37	0.32	16
Total Debts to Total Assets (in times)	0.21	0.24	(4)	0.23	(9)	0.23	0.26	(12)
Debtors Tumover (in times)	19.97	18.52	34	24.83	(20)	24.09	25.65	(6)
Inventory Tumover (in times)	9.55	8.49	27	10.82	(12)	9.41	9.35	1
Operating Margin (in %)	14.29%	11.95%	234 bps	19.29%	(500) bps	13.40%	15.18%	(178) bps
Net Profit Margin (in %)	4.93%	1.51%	342 bps	9.27%	(434) bps	3.25%	4.44%	(119) bps

Source – Company, Way2wealth Research

11th Aug 2025 | Close* – ₹1249/- | View – **Hold**

Financial Highlights

(₹ crs)

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ	FY25	FY24	YoY
Income								
Revenue from operations	2,454	2,190	12	2,815	(13)	9,214	9,656	(5)
Other income	32	17	87	48	(34)	98	86	14
Total income	2,486	2,207	13	2,863	(13)	9,312	9,742	(4)
Expenses								
Cost of materials consumed	374	367	2	394	(5)	1444	1482	(3)
Purchases of stock in trade	8	4	108	7	14	19	24	(22)
Changes in inventories	79	-79	(200)	70	13	-78	75	(203)
Employee benefits expense	152	147	3	132	15	564	554	2
Finance costs	71	86	(18)	73	(3)	327	172	90
Depreciation and amortisation expense	131	146	(10)	142	(8)	572	578	(1)
Power fuel	395	440	(10)	464	(15)	1772	1947	(9)
Freight expenses								
On finished products	564	516	9	623	(9)	2119	2035	4
On internal material transfer	80	63	28	72	11	245	271	(10)
Other expenses	455	474	(4)	520	(12)	1913	1827	5
Total expenses	2309	2163	7	2497	(8)	8896	9170	(3)
Profit (Loss) before exceptional items and tax	177	44	303	367	(52)	416	573	(27)
Exceptional Items	-	0	-	38	-	38	-7	(666)
Proft (Loss) before tax	177	44	303	328	(46)	378	580	(35)
Tax expenses								
Current tax	34	7	377	77	(56)	85	17	412
Deferred tax	24	4	460	-5	(549)	-2	103	(102)
Net Profit / (Loss) for the period	120	33	267	257	(53)	295	421	(30)
Pald-up Equity Share Capital (FV ₹ 10/- each)	77.01	77.01	0	77.01	0	77.01	77.01	0
Other Equity						6938	6597	5
Basic and Diluted EPS	15.53	4.24	267	33.32	(53)	38.34	54.61	(30)

Source: Company, Way2wealth Research

11th Aug 2025 Close* – ₹1249/- View – **Hold**

Disclosure of Interest StatementBirla Corporation Ltd.as on August 11th, 2025

Name of the Security	Birla Corporation Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL