



BIRLA CORPORATION LIMITED

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Press Release (Q3: 2014-15)

5 February 2015

BIRLA CORPORATION Q3 NET SALES AT Rs. 743.18 CRORES

	Q3 2014-15	Q2 2014-15	Q3 2013-14
Cement despatch (Lakh Tons)	18.22	19.12	18.08
Net Sales/Income from Operations (Net of Excise Duty) (Rs in Crores)	743.18	767.11	709.84
Profit After Tax (Rs in Crores)	15.00	32.46	15.99

Birla Corporation Limited, the flagship Company of the M P Birla Group and cement major, despatched 18.22 lakh tons of cement against 18.08 lakh tons in the corresponding quarter the previous year, registering a rise of 0.77%. Net Sales/Income from operations for the third quarter of the current financial year stood at Rs 743.18 crores (Rs 709.84 crores). The Profit after Tax was Rs. 15.00 crores against Rs 15.99 crores in the previous corresponding quarter.

Shri Harsh V. Lodha, Chairman of the Company, commenting on the results in the third quarter of 2014-15, after its Board meeting in Kolkata today, said the cement industry has witnessed a challenging scenario with subdued realization on one hand and higher input and logistic costs on the other.

During the quarter under review, the demand for cement, particularly in the northern and central regions, was subdued. This affected the volume of sales. Average realization was also lower compared to the immediately preceding quarter. However, on the year-to-year basis, realization during the quarter was higher.

Consequent to reduction in the availability of linkage coal, the Company had to procure coal from the open market as well as take recourse to imports. This has resulted in substantially higher cost of coal. Further, availability of railway rakes came down significantly, resulting in shortage of coal delivery affecting the generation of captive power as well as the working of the kilns and increasing costs substantially.

Due to restriction on blasting for limestone production, the Chanderia unit continued to procure substantial quantity of limestone during the quarter at a substantially higher cost, resulting in significant erosion of profit. Further, as the full quantity of limestone, required for running the kilns at rated capacity, was not available, production of clinker was lower by more than 1.25 lakh tons during the quarter.

During the quarter, two of the kilns were shut down for maintenance, including bricklining, leading to lower production and higher stores consumption.

The Company continues to take various measures to improve operational efficiency, including higher use of additives and alternative fuel. The power as well as coal consumption has been lower per ton compared to the previous quarter. This has helped in containing erosion in profit.

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In respect of the mining matter of Chanderia before the Hon'ble Supreme Court, a comprehensive report has been submitted by Central Building Research Institute (CBRI) on full-scale mining. The next date of hearing is fixed on 17 February 2015.

WOMAN DIRECTOR: The Board of Directors of the Company has been pleased to appoint Mrs Shailaja Chandra, former Chief Secretary of Delhi, as an independent woman director on the Board.

JUTE DIVISION: The jute industry continues to operate in challenging environments. The management continues to focus on increasing exports to mitigate the situation in domestic markets associated with the jute industry.

OUTLOOK: Given the several initiatives being taken by the Government to augment housing and infrastructure, the demand for cement is widely expected to increase in medium and long term.

AWARDS: Satna Cement Works has been conferred the Greentech Gold Award 2014 for Outstanding Achievement in the areas of Environment Management and Corporate Social Responsibility. Birla Cement Works has received the Greentech Silver Award for Outstanding Achievement in Environment Management.

Highlights:

FOR THE QUARTER ENDING 31 DECEMBER 2014

- **Net Sales** at Rs.743.18 Crs. up by 4.70%*
- **EBIDTA** at Rs.65.72 Crs. **PAT** at Rs.15.00 Crs. **EPS** at Rs.1.95
- **Cement Despatches** at **18.22 Lac tons** up by 0.77 %*
- **Cement Production** at 18.05 Lac tons up by 2.79%*
- Percentage of **Blended Cement** as a %age of **Total Cement despatches** continues to be high at about 83.37%

* as compared to corresponding quarter of previous year

FIRST NINE MONTHS OF 2014-15

- **Net Sales** at Rs.2369.61 Crs. up by 8.08%*
- **EBIDTA** at Rs.352.83 Crs. up by 32.40%*
- **PAT** at Rs.146.98 Crs. up by 41.93%*
- **EPS** at Rs.19.09 up by 41.93%*
- **Cement Despatches** at 57.90 Lac tons up by 4.72%*
- **Cement Production** at 57.59 Lac tons up by 6.04%*
- Percentage of **Blended Cement** as a %age of **Total Cement despatches** continues to be high at about 85.30%

* as compared to corresponding period of previous year

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.

