

**BIRLA CORPORATION LIMITED****CIN-L01132WB1919PLC003334**

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Press Release (Q2: 2014-15)**5 November 2014****BIRLA CORPORATION Q2 NET SALES AT Rs 767.11 CRORES**

	Q2 2 014-15	Q2 2013-14	Q1 2014-15
Cement despatch (Lakh Tons)	19.12	18.52	20.56
Net Sales/Income from Operations (Net of Excise Duty) (Rs in Crores)	767.11	710.71	859.32
Profit After Tax (Rs in Crores)	32.46	41.58	99.52

Birla Corporation Limited, the flagship Company of the M P Birla Group and Cement major, has achieved cement production of 19.10 lakh tons (18.38 lakh tons). Net Sales/Income from Operations for the second quarter of the current financial year stood at Rs 767.11 crores (Rs 710.71 crores). The despatch of cement stood at 19.12 lakh tons (18.52 lakh tons).

The Profit after Tax was Rs 32.46 crores against Rs 41.58 crores in the previous corresponding quarter.

During the quarter, the realizations were better compared to the corresponding quarter the previous year. The profitability of the Company suffered owing to all-round increase in costs, including those of pet coke, fly ash, gypsum, packaging material, diesel as well as railway freight.

During the period under review, linkage coal could not be lifted owing to non-availability of railway rakes. This affected operations of the captive power plants in Satna and Chanderia. Consequently, an increased quantum of power had to be drawn from the grid at higher rates, leading to higher power cost.

Regarding the mining matter, relating to the Chanderia Units, the Hon'ble Supreme Court heard the matter on 13 October 2014 after getting the report from the Central Building Research Institute (CBRI) and fixed the next hearing on 17 November 2014.

Though, during the quarter under review, substantial quantity of limestone could be raised by mechanical means at Chanderia, it was still short of the total requirement which had to be outsourced at substantially high rates. The Unit had to purchase about 2.7 lakh tons of limestone from the market.

Launch of ULTIMATE Cement:

The Company has introduced the premium Portland Pozzolana Cement (fly ash-based) brand called Birla Samrat ULTIMATE, pioneering the Complete Particle Size Distribution (CPSD) technology. The “double refined” cement in tamper-proof packaging is corrosion-resistant and has low alkali properties. The new product is cohesive and has high early setting properties. The brand was launched at Lucknow on 14 August 2014, in Kolkata on 12 August 2014 and at Jaipur on 4 August 2014, preceded by Patna and Indore launches. Trade associates have welcomed the initiative in offering the premium product which, it is felt, will cater to the demands of discerning consumers. The initiative will help in capturing the premium segments of the market.

The market share of UNIQUE cement has been improving since the introduction of the premium Portland Slag Cement brand in 2011.

Ongoing projects:

Raebareli: Work to set up a 5-lakh ton per annum blending unit has been progressing smoothly and the plant is expected to be commissioned by the first quarter of the financial year 2015-16.

Chandaria expansion: Environmental clearance has been obtained for the second phase expansion of New Chandaria Cement Works from 1.2 million tons per year to 2.7 million tons per year. The project will be executed once the pollution clearance for additional limestone mining is received.

Barnagar: Land for a green field grinding unit has been acquired and the project will be implemented once environmental clearance is obtained.

Outlook:

The demand for cement is likely to be healthy in the coming months in view of the focus of the new Government on housing and infrastructural activities.

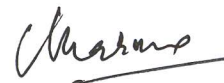
Jute Division:

The Jute Industry had to go in for production cuts on account of a demand slump as a result of poor off-take by the Government. The industry depends on the support of the Jute Packaging Materials Act, 1987, which has been diluted and only 90% of food grain and 20% of sugar are required to be packed in jute bags. Even the diluted order is not being implemented in the required spirit, as the order flow from the Government has drastically come down, resulting in pile-up of stocks across the industry.

Under the circumstances, the Jute Division of the Company is focusing on increasing its presence in the overseas market, development of value-added products and cost control.

Financial Highlights:

FOR THE QUARTER ENDING 30 SEPTEMBER 2014



- **Net Sales** at Rs 767.11 crores, up by 7.94% *
- **EBIDTA** at Rs 101.20 crores. **PAT** at Rs 32.46 crores. **EPS** at Rs 4.22

- **Cement Despatches** at **19.12** lakh tons, up by 3.24% *
- **Cement Production** at **19.10** lakh tons, up by 3.92% *
- Percentage of **Blended Cement** as a % of **Total Cement Despatches** continues to be high at about 85.36%

FOR THE SIX-MONTH PERIOD ENDING 30 SEPTEMBER 2014

- **Net Sales** at Rs 1626.43 crores, up by 9.70% *
- **EBIDTA** at Rs 287.11 crores. **PAT** at Rs 131.98 crores. **EPS** at Rs 17.14
- **Cement Despatches** at **39.69** lakh tons, up by 6.66% *
- **Cement Production** at **39.54** lakh tons, up by 7.59% *
- Percentage of **Blended Cement** as a % of **Total Cement Despatches** continues to be high at about 86.19%

*as compared to corresponding quarter and period of previous year

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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.

