



## BIRLA CORPORATION LIMITED

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**Press Release** (Q2: 2015-16)

**4 November 2015**

### BIRLA CORPORATION Q2 NET SALES AT Rs 801.78 CRORES

	Q2 2015-16	Q1 2015-16	Q2 2014-15
<b>Cement despatch</b> (Lakh Tons)	<b>19.59</b>	<b>19.56</b>	<b>19.12</b>
<b>Net Sales/Income from Operations</b> (Net of Excise Duty) (Rs in Crores)	<b>801.78</b>	<b>773.48</b>	<b>767.11</b>
<b>Profit Before Exceptional Items &amp; Tax</b> (Rs in Crores)	<b>55.16</b>	<b>30.74</b>	<b>42.45</b>
<b>Profit After Tax</b> (Rs in Crores)	<b>18.48</b>	<b>16.64</b>	<b>32.46</b>

The flagship Company of the M P Birla Group and Cement major, Birla Corporation Limited, has achieved cement production of 19.65 lakh tons (19.10 lakh tons) during the second quarter of the current fiscal. Net Sales/Income from Operations stood at Rs 801.78 crores (Rs 767.11 crores). The despatch of cement stood at 19.59 lakh tons (19.12 lakh tons).

Profit before exceptional items was at 55.16 crores, 30% higher than the previous corresponding quarter. Profit for the quarter was impacted by exceptional items, amounting to Rs 27.95 crores, relating to excise duty and contribution to the District Mineral Foundation and National Mineral Exploration Trust.

The Profit after Tax was Rs 18.48 crores against Rs 32.46 crores in the previous corresponding quarter.

Shri Harsh V. Lodha, Chairman of the Company, referring to the performance, said after the meeting of the Board of Directors in Kolkata today that the cement market was subdued during the quarter under review. This affected the performance of the Company, denting the profit margin.

The working of the Chanderia Unit has been affected on account of the suspension of mining. Consequently, the Unit had to purchase limestone and clinker at higher costs, which has affected profitability.

Shri Lodha added that the Company could partially mitigate the impact of adverse market conditions on profitability by focusing on improvements in operational efficiencies in various areas, including higher use of pet coke at Satna, instead of coal, higher use of additives, use of cheaper alternative fuel and purchase of power from the exchanges at rates lower than the grid. Steps taken for reduction of power consumption at all units are also bearing fruit.

He said additional equipment for mechanical mining in Chanderia is expected to be operational by the year-end after which 70% of the limestone requirement at Chanderia is likely to be resourced from captive mines.

**AFRS:** The Company is installing equipment to set up the Alternative Fuel and Raw Material Feeding System (AFRS) for increase in the use of alternative fuel on continuous basis at its clinker manufacturing units. This initiative to utilize alternative fuel, in the form of agricultural waste, is expected to be operational by the first quarter of the next fiscal.

Vacant land at the Company's cement plants is also being utilized to grow alternative fuel inputs to meet the AFR requirement partially. This pioneering move will ensure the availability of alternative fuel throughout the year which will not only bring down the fuel cost but also help in reducing the carbon footprint.

**Raebareli:** Commercial production at the 5-lakh ton blending unit at Raebareli has started. The unit will produce superior quality of cement which will be marketed mainly under the premium brand, Birla Samrat ULTIMATE Cement.

**Chandaria:** In respect of the mining matter of Chandaria before the Hon'ble Supreme Court, a comprehensive report has been submitted by the Central Building Research Institution (CBRI) on full-scale mining. The hearing, fixed on 6 May 2015, did not take place and the fresh date has been fixed on 17 November 2015.

**Jute Division:** The Division recorded the highest ever profit in its history during the quarter under review, consequent to the continuous modernization and upgrading of equipment. These measures have resulted in better efficiency, higher productivity per workman, lower power and steam consumption, use of caddies instead of coal to produce steam and reduction in consumption of raw jute as well as thread wastage, etc. If the demand for jute bags for packaging of food grains continues, the Division is equipped to meet the same profitably.

### Financial Highlights:

#### FOR THE QUARTER ENDING 30 SEPTEMBER 2015

- **Net Sales** at Rs **801.78** crores, up by 4.52% \*
- **EBIDTA** at Rs 115.46 crores. **PAT** at Rs 18.48 crores. **EPS** at Rs 2.40
- **Cement Despatches** at **19.59** lakh tons, up by 2.46% \*
- **Cement Production** at **19.65** lakh tons, up by 2.88% \*
- Percentage of **Blended Cement** as a % of **Total Cement Despatches** continues to be high at about 84%

#### FOR THE SIX-MONTH PERIOD ENDING 30 SEPTEMBER 2015

- **Net Sales** at Rs 1575.26 crores, decreased by 3.15% \*
- **EBIDTA** at Rs 201.87 crores. **PAT** at Rs 35.12 crores. **EPS** at Rs 4.56
- **Cement Despatches** at 39.15 lakh tons, decreased by 0.74% \*
- **Cement Production** at 39.18 lakh tons, decreased by 0.94% \*
- Percentage of **Blended Cement** as a % of **Total Cement Despatches** continues to be high at about 85%

\*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.

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*Chandaria*