BIRLA CORPORATION LIMITED

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Press Release (Q4:2014-15) 7 May 2015

ANNUAL RESULTS OF BIRLA CORPORATION LIMITED

	Quarter Ended		Year Ended	
	31 March '15	31 March '14	31 March '15	31 March '14
Cement despatch (Lakh tons)	18.81	19.06	76.72	73.47
Total Income from Operations (Rs in Crores)	797.15	793.48	3,209.89	3,016.35
Profit After Tax (Rs in Crores)	28.46	26.20	175.44	129.76

Birla Corporation Limited, the flagship company of the M P Birla Group, has achieved a total income of Rs 3,210 crores from operations, against Rs 3,016 crores the previous year. The profit after tax for the financial year 2014-15 was higher at Rs 175 crores, against Rs 130 crores, with an EPS of Rs 22.78 (Rs 16.85). The total income from operations for the quarter under review was Rs 797 crores (Rs 793 crores) and profit after tax Rs 28 crores (Rs 26 crores).

The Company's Board of Directors approved the audited financial results for 2014-15 on Thursday (7 May 2015) and proposed a dividend of Rs. 6 per share against Rs. 6 per share the previous year. The total outgo on account of dividend, including taxes, for 2014-15 works out to Rs. 55.61 crores.

The performance of the Company was severely impacted for the following reasons:

(a) Substantial quantity of limestone had to be outsourced at higher prices at Chanderia as the limestone raised through mechanical mining was insufficient.
(b) Due to non-availability of sufficient quantity of limestone, clinker production at Chanderia had to be curtailed, adding to the production cost.
(c) Owing to non-availability of linkage coal in time, the Company had to procure coal from the open market, including imports, at a substantially higher cost.
(d) The grid power rates have gone up. Also, the cost of power generation by the Company had gone up owing to the purchase of coal from the open market.
(e) The cost of gypsum, fly ash and other materials had gone up substantially.
(f) Though the road freight cost came down during the year on account of lower diesel prices the saving was negated by higher railway freight.

Barring the first quarter of the current fiscal, the demand for cement as well as prices remained sluggish. East, North and Central markets, in particular, were the worst hit. Weak monsoon and widespread unseasonal rain during the last quarter of the year, in the North and Central parts of the country, pushed the demand down, especially from the non-urban belt.

The Company continues to take various measures to improve operational efficiency, including higher use of fly ash and slag.

New Projects:

The 5-lakh ton blending unit at Raebareli is in an advanced stage of completion and will be commissioned in July this year.

Land for the grinding unit at Barnagar and blending unit at Mundi has already been acquired and environmental clearance is expected within the next 3 to 4 months.

Chanderia Mining Status:

Pursuant to the Interim Order by the Hon'ble Supreme Court, the Central Building Research Institute (CBRI) submitted its final report on the study of mining and blasting activities on 30 September 2014. The report concluded that vibrations and air pressures, induced by blasting at mines of Birla Cement Works and the adjoining mines, were well within safe limits as per national and international standards. The Institute also made some recommendations. The respondent raised certain objections on the report and the Company countered these. The respondent, thereafter, filed certain additional documents. The matter is pending for final hearing.

Birla Samrat Ultimate Cement:

The premium Portland Pozzolana Cement (fly ash-based) brand, Birla Samrat ULTIMATE, introduced in 2014, has been well received by the market. The brand, introduced in Patna, was launched at Lucknow, Kolkata and Jaipur during the year under review. Based on the Complete Particle Size Distribution (CPSD) technology, the "double refined" cement is being offered in tamper-proof packaging. The product is corrosion-resistant, cohesive and has low alkali properties. Trade associates have welcomed the premium product which, it is felt, will cater to the demands of discerning consumers and help in capturing the premium segments of the market.

Birla Samrat Unique Cement:

The market share of this Portland Slag Cement brand has been improving since its introduction in 2011. Offered in pilferage and weather-proof packing, the finer grains of Unique give higher compressive strength and larger surface area coverage. It has lower water absorption and silica-rich slag, ensuring dense and durable concrete.

Outlook:

With the prediction of weak monsoon in the current financial year, the demand from the rural market may be impacted adversely. However, the steps by the new Government, such as development of the infrastructure, housing for all, smart cities, the *Swachh Bharat* initiative and 'Make in India' campaign, concrete roads initiative and an increase in allocation of funds to States, are likely to help improve demand. While the signals are positive, ground-level actions will help rev up the economy. It is expected that demand-supply mismatch will reverse for better gradually with slower pace of capacity addition. The proposed implementation of GST is expected to simplify the tax structure, benefitting the cement industry.

Jute Division:
The jute industry is going through a tough time because of competition from synthetic bags. Further, the new wage agreement at higher rates has impacted the production cost. However, during the quarter under review, higher procurement by the Government has resulted in positive contribution.

HIGHLIGHTS:

For Quarter Ending 31 March 2015

- **Total Income** at Rs 797.15 Crs., up by 0.46% *
- **EBIDTA** at Rs 104.72 Crs., **PAT** at Rs 28.46 Crs., **EPS** at Rs 3.70
- **Cement Despatches** at 18.81 lakh tons, down by 1.31%*
- **Cement Production** at 18.65 lakh tons, down by 2.66%*
- Percentage of **Blended Cement** as a %age of **Total Cement Despatch** continues to be high at about 82.84%

*as compared to corresponding quarter of previous year

For the Year 2014-15

- **Total Income** at Rs 3,209.89 Crs., up by 6.42%*
- **EBIDTA** at Rs 457.55 Crs., up by 19.97%*
- **PAT** at Rs 175.44 Crs., up by 35.20%*
- **EPS** at Rs 22.78, up by 35.19%*
- **Cement Despatches** at 76.72 lakh tons, up by 4.42%*
- **Cement Production** at 76.24 lakh tons, up by 3.77%*
- Percentage of **Blended Cement** as a %age of **Total Cement Despatch** continues to be high at about 84.37%

*as compared to the previous year