



BIRLA CORPORATION LIMITED

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Press Release

25 July 2013

BIRLA CORPORATION Q1 TURNOVER AT Rs 771.96

	Q1 2013-14	Q4 2012-13	Q1 2012-13
Cement despatch (Lakh Tons)	18.69	17.08	16.28
Net Sales/Income from Operations (Net of Excise Duty) (Rs in Crores)	771.96	665.75	658.02
Profit After Tax (Rs in Crores)	45.99	72.63	84.74

Birla Corporation Limited, the flagship Company of the M P Birla Group and Cement major, has achieved the highest ever Net Sales/Income from Operations for the first quarter of the current financial year at Rs 771.96 crores (Rs 658.02 crores). The despatch of cement was also the highest ever at 18.69 lakh Tons.

The Profit after Tax was Rs 45.99 crores against Rs 84.74 crores in the previous corresponding quarter. The profit is lower mainly because of lower realization and foreign exchange losses.

Commenting on the performance of the Company, Shri Harsh V Lodha, Chairman, said it could have achieved better results but for the continued suspension of captive mining operations at Chanderia plants. Purchase of limestone and clinker at substantially higher costs at Chanderia dented margins. However, higher volumes during the quarter have partially mitigated the losses arising due to lower realizations.

The Chairman referred to despatches of 7.88 lakh tons of cement at Chanderia despite suspension of mining operations there. Mining operations at the Chanderia unit remained suspended during the quarter under review owing to an Order of the Hon'ble Rajasthan High Court. The Company's Special Leave Petition (SLP) was admitted by the Hon'ble Supreme Court. The apex court appointed the Central Building Research Institute (CBRI), Roorkee, to study the cumulative effect of vibration induced by earthmoving machineries on the structural components of Chittorgarh Fort. The CBRI has since submitted the report. The case is likely to be heard by the Hon'ble Supreme Court shortly. The Unit is geared up to carry out mining operations by mechanical means and utilize its capacity at Chanderia as may be permitted by the apex court.

Environmental clearance has been obtained for expansion of cement capacity at Chanderia by a further 1.5 million tons along with the setting up of a 50 MW captive power plant. These projects will be implemented once relief is granted by the apex court on the mining matter.

Environmental clearance has also been received for a 35 MW power plant at Satna.

Birla Samrat UNIQUE, the premium Portland Slag Cement brand with improved quality & fineness, introduced by the Company last year, has been well received in the Bengal market and has been launched in other parts of the eastern region.

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The Board of Directors of the Company, at its meeting today, decided to merge Talavadi Cements Limited, a 98% subsidiary Company of Birla Corporation Limited, with it. The Madhya Pradesh Government has recommended to the Union Ministry of Mines allotment of mining lease of about 2,130 hectares in Satna district to Talavadi Cements Limited. The recommendation was challenged by various parties in the Mines Tribunal and the High Court at Jabalpur. All the petitions have since been dismissed but for one before the Tribunal and another before the High Court.

After the merger, the merged entity will consider setting up a 3-million ton cement plant along with a captive power unit.

At Chanderia, a Waste Heat Recovery System of 2 MW has been commissioned. At Satna, a 1.5 MW solar power plant has been commissioned.

The Company was allotted the Bikram Coal Block in Shahdol district, Madhya Pradesh, for captive use. The mining plan has been approved and administrative approval of mining lease has been granted by the Union Ministry of Coal. Forest and environment clearance is at various stages of approval

CRISIL has reaffirmed the AA+ / stable rating for Birla Corporation Limited's Rs 5,000 million Non-Convertible Debentures. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations.

JUTE DIVISION: During the quarter under review, production in the division suffered owing to shortage of manpower. However, new labour productivity norms and modernization of the plant are expected to cut down operational costs of the Division.

RECOGNITION: Birla Corporation Limited has been ranked 6th among India's "Most Admired Companies" in the Cement Sector by *Fortune India*, the eminent business magazine. The ranking has been based on a number of criteria, including "size, contribution to GDP, growth rate, maturity of industry and sufficient competition." The ranking of the Company has gone up to 6th in 2013 from 8th in 2012. This is *Fortune India's* second survey of India's "Most Admired Companies".

Financial Highlights: FOR THE QUARTER ENDING 30 JUNE 2013

- **Net Sales** at Rs 771.96, up by 17.32% *
- **EBIDTA** at Rs 103.52 crores. **PAT** at Rs 45.99 crores. **EPS** at Rs 5.97
- **Cement Despatches** at 18.69 lakh tons, up by 14.80% *
- **Cement Production** at 18.37 lakh tons, up by 11.87% *
- Percentage of **Blended Cement** as a % of **Total Cement Sales** continues to be high at about 87.05%

*as compared to corresponding quarter 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.

Submitted for favour of publication: