



BIRLA CORPORATION LIMITED

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Press Release (Q3: 2013-14) **9 February 2014**

BIRLA CORPORATION Q3 NET SALES AT Rs.709.84 CRORES

	Q3 2013-14	Q2 2013-14	Q3 2012-13
Cement despatch (Lakh Tons)	18.08	18.52	15.52
Net Sales/Income from Operations (Net of Excise Duty) (Rs in Crores)	709.84	710.71	612.55
Profit After Tax (Rs in Crores)	15.99	41.58	32.21

Birla Corporation Limited, the flagship Company of the M P Birla Group and cement major, despatched 18.08 lakh tons of cement against 15.52 lakh tons in the corresponding quarter the previous year, registering a rise of 16.49%. Net Sales/Income from operations for the third quarter of the current financial year stood at Rs.709.84 crores (Rs 612.55 crores). The Profit after Tax was Rs.15.99 crores against Rs 32.21 crores in the previous corresponding quarter.

Shri Harsh V. Lodha, Chairman of the Company, commenting on the results in the third quarter of 2013-14, after its Board meeting 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. The realisation was substantially lower, particularly in the Northern and the Eastern regions, compared to the rates in the previous corresponding quarter.

Though, during the quarter under review, substantial quantity of limestone could be raised by mechanical means at the Company's Chanderia unit, it was still short of the total requirement which had to be outsourced at substantially high rates. The Unit purchased about 30% of its limestone requirement from the market. Further, the cost of mechanical mining is higher by about 30%, compared to the conventional mining by blasting method.

Pursuant to the Interim Order passed by the Hon'ble Supreme Court, the Central Building Research Institute (CBRI) is continuing with its comprehensive study of all relevant aspects and facets relating to full-scale mining operation and its impact, if any, on the Chittorgarh Fort. The part of the study, insofar as it relates to mining by blasting method, is likely to be completed by March-April 2014 after which the CBRI is expected to submit its interim report to the Apex Court.

The operations at the Company's Durgapur cement units remained suspended for about 10 days, during the quarter, on account of a severe 'tornado' which damaged the local high tension line and pole structure. The operations could be resumed after the restoration of power supply by the Damodar Valley Corporation.

Sales of UNIQUE, the premium brand of Portland Slag Cement launched by the Company two years ago in the eastern parts of the country, have continued to grow.

The Ministry of Coal de-allocated Bikram Coal Block, allocated to the Company, on the grounds that the block has not been developed as per the milestones prescribed in the allocation letter. Though significant progress has been made in the development of the coal block the delays have been entirely due to delays/lapses in receipt of various clearances and approvals from the Government authorities, which were beyond the control of the Company. Such facts have not

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been recognized by the Inter-Ministerial Group (IMG), constituted by the Government to review the progress of development of allocated coal blocks, in arriving at the decision to de-allocate the block. The Company is in the process of taking appropriate legal recourse against the de-allocation of the block and deduction of Bank Guarantee.

PROJECTS:

Work has started for the blending unit at Raebareli and the project is expected to be commissioned by the first quarter of the financial year 2015-16. Also, work on the other blending and grinding plants, sanctioned by the Board of Directors of the Company, is progressing and the land acquisition process has been initiated.

JUTE DIVISION:

Owing to relaxation in the compulsory packaging order for the sugar industry, demand for jute bags has reduced substantially. Consequently, the jute industry has to resort to production cuts. The Company has been laying emphasis on accelerating exports which has started showing positive results.

Following the implementation of the tripartite agreement, productivity has improved. Further, workers/staff quarters have been provided with direct power connection from the West Bengal State Electricity Board grid, as a result of which, power cost for the Division will come down.

Highlights:

FOR THE QUARTER ENDING 31 DECEMBER 2013

- **Net Sales** at Rs.709.84 Crs. up by 15.88%*
- **EBIDTA** at Rs.62.21 Crs. **PAT** at Rs.15.99 Crs. **EPS** at Rs.2.08
- **Cement Despatches** at **18.08 Lac tons** up by 16.49 %*
- **Cement Production** at 17.56 Lac tons up by 10.30%*
- Percentage of **Blended Cement** as a %age of **Total Cement Sales** continues to be high at about 85.11%

* as compared to corresponding quarter of previous year

FIRST NINE MONTHS OF 2013-14

- **Net Sales** at Rs.2192.51 Crs. up by 15.52%*
- **EBIDTA** at Rs.266.49 Crs. down by 30.53%*
- **PAT** at Rs.103.56 Crs. down by 47.48%*
- **EPS** at Rs.13.45 down by 47.48%*
- **Cement Despatches** at 55.29 Lac tons up by 16.18%*
- **Cement Production** at 54.31 Lac tons up by 13.62%*
- Percentage of **Blended Cement** as a %age of **Total Cement Sales** continues to be high at about 86.44%

* 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.

Submitted for favour of publication by Biswajit Matilal (98740 44485)

