



BIRLA CORPORATION LIMITED

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Press Release (Q2 2013-14)

30 October 2013

BIRLA CORPORATION Q2 TURNOVER AT Rs 823.51 CRORES

	Q2 2013-14	Q1 2013-14	Q2 2012-13
Cement despatch (Lakh Tons)	18.52	18.69	15.79
Cement production	18.38	18.37	15.47
Net Sales/Income from Operations (Net of Excise Duty) (Rs in Crores)	710.71	771.96	627.44
Profit After Tax (Rs in Crores)	41.58	45.99	80.24

Birla Corporation Limited, the flagship Company of the M P Birla Group and Cement major, has achieved the highest ever production for the quarter as well as for the half year ending 30 September 2013. Net Sales/Income from Operations for the second quarter of the current financial year stood at Rs 710.71 crores (Rs 627.44 crores). The despatch of cement at 18.52 lakh tons was higher by 17.29% than the corresponding quarter of the previous year.

The Profit after Tax was Rs 41.58 crores against Rs 80.24 crores in the previous corresponding quarter. The profit is lower mainly because of lower realization and higher logistics cost and power and fuel expenses.

Commenting on the performance of the Company, Shri Harsh V Lodha, Chairman, attributed lower profits to severe drop in realization, subdued demand, rise in operational costs and suspension of captive mining operations at Chanderia plants during July 2013. Mining, banned since August 2011 by the Hon'ble High Court at Jodhpur, has since been allowed by the Hon'ble Supreme Court, vide its Order dtd. 29 July 2013, by use of heavy earth moving equipment instead of normal blasting. The extraction of limestone from mines, which was hitherto suspended, has since commenced. The unit has still to procure limestone from the market to utilize effectively its plant capacity.

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The cement business environment continued to be dull because of low demand especially in housing and infrastructure sectors. Extended monsoon with severe rainfall affected construction activities leading to slackness in demand. Rupee depreciation against US Dollar has offset the declining coal import costs. Increase in freight costs owing to frequent increase in diesel prices and railway freight affected margins.

The pre-election spending on construction activities during the post-monsoon period is yet to gain momentum.

As a major relief, in the matter relating to mining operations at Chanderia, the Supreme Court, after having considered the report by the Central Building Research Institute (CBRI), Roorkee, and the reply filed by the Archeological Survey of India (ASI), vide its Interim Order on 29 July 2013, allowed mining operations beyond two kilometers from the Chittorgarh Fort by using heavy earth moving machinery. Pursuant to the said order mechanical mining of limestone at Chanderia started in the first week of August 2013. This will bring down the cost of limestone and also lead to higher capacity utilization at Chanderia.

Vide an Order on 23 September 2013, the Supreme Court has further directed the CBRI to undertake a comprehensive study of all relevant aspects and facets relating to full-scale mining operation and submit its report within six months.

Considering factors such as market potential, proximity to fly-ash sources, availability of tax incentives etc., the Board of Directors has approved the setting up of three grinding/blending units in Madhya Pradesh, one grinding unit in Bihar, one blending unit in Uttar Pradesh and another blending unit in Jharkhand, having an aggregate installed capacity of about 4.5 million tons, at an estimated cost of around Rs 950 crores.

This is expected to bring down logistic costs, improve quality and increase competitiveness.

RECOGNITION: Birla Corporation Limited has been declared “Winner of the Silver Award in the Cement Sector for Outstanding Achievements in Safety Management” by Greentech Safety Award 2013. Further, the Quality Circle team, “Anusandhan”, of the Satna unit, has won the “Distinction Award” at the International Convention of Quality Circles at Taiwan. Also, Birla Jute Mills has become the first composite jute mill to be certified under ISO 14001: 2004 and the OHSAS (Occupational Health and Safety management System) 18001: 2007.

Financial Highlights:

FOR THE QUARTER ENDING 30 SEPTEMBER 2013

- **Net Sales** at Rs 710.71 crores, up by 13.27% *
- **EBIDTA** at Rs 100.76 crores. **PAT** at Rs 41.58 crores. **EPS** at Rs 5.40, down by 30.44%, 48.18% and 48.18% respectively.
- **Cement Despatches** at 18.52 lakh tons, up by 17.29% *
- **Cement Production** at 18.38 lakh tons, up by 18.75% *
- Percentage of **Blended Cement** as a % of **Total Cement despatches** at about 87.04%

*as compared to the corresponding quarter of the previous year

FOR THE SIX-MONTH PERIOD ENDING 30 SEPTEMBER 2013

- **Net Sales** at Rs 1482.67 crores, up by 15.34% *
- **EBIDTA** at Rs 204.28 crores. **PAT** at Rs 87.57 crores. **EPS** at Rs 11.37, down by 33.08%, 46.92% and 46.92% respectively.
- **Cement Despatches** at 37.21 lakh tons, up by 16.03% *
- **Cement Production** at 36.75 lakh tons, up by 15.27% *
- Percentage of **Blended Cement** as a % of **Total Cement despatches** at about 87.05%

*as compared to the corresponding six-month period of the 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 (98310 52485 / 98740 44485)