BIRLA CORPORATION LIMITED

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Press Release **(Q4: 2015-16)**
6 May 2016

BIRLA CORPORATION TURNOVER AT RS 3,275 CRORES

	Quarter Ended		Year Ended	
	31 March '16	31 March '15	31 March '16	31 March '15
Cement despatch (Lakh tons)	**22.06**	**18.81**	**80.86**	**76.72**
Total Income from Operations (Rs in Crores)	**866.60**	**797.15**	**3274.99**	**3,209.89**
Profit After Tax (Rs in Crores)	**115.66**	**28.46**	**157.35**	**175.44**

Birla Corporation Limited, the flagship company of the M P Birla Group, has achieved a total income of Rs 3,274.99 crores from operations in 2015-16, against Rs 3,209.89 crores the previous year. The total income from operations for the quarter under review was Rs 867 crores (Rs 797 crores) and profit after tax Rs 115.66 crores (Rs 28.46 crores). The EBIDTA per ton of cement during the quarter was substantially higher at Rs 923, as compared to that the previous year. The profit after tax for the financial year 2015-16 was lower at Rs 157.35 crores, against Rs 175.44 crores, with an EPS of Rs 20.43 (Rs 22.78).

The Company's Board of Directors approved the audited financial results for 2015-16 on 6 May 2016 and proposed a dividend of Rs. 6 per share (previous year Rs 6). The total outgo on account of dividend, including taxes, for 2015-16 works out to Rs. 55.61 crores.

Shri H V Lodha, Chairman, said after the Board meeting today that both the Cement and Jute Divisions of the Company performed well during the quarter under review owing to higher production and substantially better operational efficiency. Had cement prices not remained subdued the Cement Division could have shown even better results.

Referring to the Cement Division, the Chairman said that the operating costs could be brought down as a result of operational efficiencies, a judicious fuel mix and lower fuel prices. Higher usage of additives such as fly ash and slag brought in substantial savings.
The highest ever cement despatch of 80.86 and 22.06 lakh tons was achieved during the year and the quarter under review, respectively.

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Shri Lodha said the use of pet coke in the thermal plant at Chanderia and at the kiln at Satna resulted in substantial savings. The use of high purity imported gypsum and higher use of additives, such as fly ash and slag, reduced the cost of production and improved the quality of cement. Other operational parameters at the plants also improved. All these contributed to better performance by the Cement Division.

Shri Lodha added that the Jute Division reported better performance during the quarter and the year under review. The focus on modernizing the Jute Division in the past 4-5 years has started giving rich dividends, generating the ever highest profit during the quarter as well as the year under review. The efficiency of the spinning frames and looms has increased substantially. At the same time, generation of waste has come down. The Division recorded one of the lowest power consumption in the industry. Further, the quality of the products improved substantially, commanding brand premium in the market. The Company is in the process of evaluating the performance of the Division for further investment to take efficiency to an even higher level.

Acquisition of cement business of Reliance Infrastructure Limited:

During the year the Company has signed a definitive Share Purchase Agreement with Reliance Infrastructure Limited for acquisition of its entire cement business for an enterprise value of Rs.4,800 crores. The Company will acquire all the shares of Reliance Cement Company Private Limited (RCCPL). The acquisition will provide the Company ownership of modern plants and take its total cement production capacity from 9.8 MTPA to 15.4 MTPA, strengthening its presence in the high growth Central region. The Company's expansion potential will also be enhanced with mineral concession in Madhya Pradesh, Maharashtra, Rajasthan, Karnataka, Andhra Pradesh and Himachal Pradesh to emerge as a pan-Indian player in the foreseeable future.

RCCPL has three cement Units, an integrated cement plant at Maihar (Madhya Pradesh) and grinding units at Kundanganj (Uttar Pradesh) and Butiburi (Maharashtra). The Company will also benefit from Reliance Cement's strategically located raw material sources, captive coal mine, optimum manpower, efficient operating parameters and technical capability for producing top-end quality product. The said acquisition, however, is subject to the approval of applicable statutory and regulatory authorities.

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Chanderia Mining Status:

Though suspension of normal mining operations (with blasting) continues at Chanderia, as per the Supreme Court's Order, the Company has been producing cement with limestone procured from the market as well as by operating its own mines by mechanical means, both of which result in much higher costs to the Company. Despite the restrictions on normal mining operations, the Chanderia unit could achieve the highest ever cement production and despatch at 35.92 and 35.87 lakh tons, respectively, during the year under review.

AFRS: The Company is installing equipment to set up the Alternative Fuel and Raw Material Feeding System (AFRS) for higher use of alternative fuel on continuous basis at its clinker manufacturing units. Use of alternative fuel and bio-waste, procured at cheap rates, will reduce the fuel cost. Initiatives have been taken at Satna (both the kilns) and Chanderia (one of the kilns) to use bio-fuel.

Vacant land at the Company's cement plants is being utilized to grow alternative fuel inputs to meet the requirements of the Company partially. This will help in the availability of alternative fuel throughout the year, bring down the fuel cost and help in reducing the carbon footprint.

WHRS: Due to the improved performance of the plants, the Company could generate a higher quantum of power through the Waste Heat Recovery System which is not only environment-friendly but also does not require any fuel support.

Birla Samrat UNIQUE and ULTIMATE Cement: Both the premium PSC & PPC brands, Birla Samrat UNIQUE Cement and Birla Samrat ULTIMATE Cement, are fetching good realizations. While UNIQUE recorded a sale of 1.29 lakh tons, the sale of ULTIMATE was 85,000 tons during the quarter under review.

Shri Lodha said cement prices continued to remain under pressure during most of the year on account of low housing demand. Low production of crops affected rural demand. However, he added that signs of green shoots were visible towards the second-half of the quarter under review, particularly on the back of increased construction activities. The

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demand of cement is expected to grow, in the wake of the forecast of an above normal monsoon and infrastructural and developmental activities of the Government.

HIGHLIGHTS:

For Quarter Ending 31 March 2016

- **Total Income** at Rs 866.60 Crs., up by 8.71% *
- **EBIDTA** at Rs 174.52 Crs., **PAT** at Rs 115.66 Crs., **EPS** at Rs 15.02
- **Cement Despatches** at 22.06 lakh tons, up by 17.28 %*
- **Cement Production** at 22.58 lakh tons, up by 21.07 %*
- Percentage of **Blended Cement** as a %age of **Total Cement Despatch** continues to be high at about 82 %

*as compared to corresponding quarter of previous year

For the Year 2015-16

- **Total Income** at Rs 3274.99 Crs., up by 2.03%*
- **EBIDTA** at Rs 448.98 Crs., down by 1.87 %*
- **PAT** at Rs. 157.35 Crs., down by 10.31 %*
- **EPS** at Rs 20.43, down by 10.32%*
- **Cement Despatches** at 80.86 lakh tons, up by 5.73%*
- **Cement Production** at 81.39 lakh tons, up by 6.75%*
- Percentage of **Blended Cement** as a %age of **Total Cement Despatch** continues to be high at about 83%

*as compared to the previous year

Submitted for kind use: **Biswajit Matilal (98740 44485 / 98310 52485)**