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16th May, 2018

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The Manager  
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Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051  
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Dear Sir,

We are enclosing herewith a copy of Press Release issued by the Company after the Board Meeting held on date i.e. 16th May, 2018.

This is for your kind information and necessary action.

Thanking you,

Yours faithfully  
For **BIRLA CORPORATION LIMITED**

  
**(GIRISH SHARMA)**  
Jt. President (Indirect Taxes)  
& Company Secretary

**Encl:** As above



## Birla Corporation Limited

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**Press Release (Q4: 2017-18)**  
**16 May 2018**

## Birla Corporation Q4 Consolidated EBIDTA at Rs 284 crores

Birla Corporation Limited, the flagship company of the M P Birla Group, announced today its financial results for the year ended 31 March 2018, as well as the consolidated results, including those of Reliance Cement Company Private Limited (RCCPL), wholly-owned material subsidiary of the Company.

The Company's Board of Directors approved the audited financial results for 2017-18 today and proposed a dividend of Rs 6.50 per share (previous year Rs 6.50). The total outgo on account of dividend, including taxes, works out to Rs 60.34 crores.

### Key Financial & Performance Highlights [Consolidated]

#### ❖ Cement Production

- For Q4 FY2018 stood at 34.4 lakh tons, compared to 33.1 lakh tons in Q4 FY2017, reflecting an increase of 4%.
- For 12M FY2018 stood at 125.3 lakh tons, compared to 101.3 lakh tons in 12M FY2017, reflecting an increase of 24%.

#### ❖ Cement Sales

- For Q4 FY2018 stood at 34.1 lakh tons, compared to 32.8 lakh tons in Q4 FY2017, reflecting an increase of 4%.
- For 12M FY2018 stood at 123.9 lakh tons, compared to 100.8 lakh tons in 12M FY2017, reflecting an increase of 23%.

#### ❖ Net Sales/Income from Operations

- During the quarter were Rs 1,650.6 crores, compared to Rs. 1,420.1 crores in Q4 FY2017, showing a growth of 16%.
- For 12M FY2018 were Rs 5,734.2 crores, compared to Rs. 4,347.7 crores in 12M FY2017, resulting in a growth of 32%.

#### ❖ Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

- For the quarter were Rs 284.1 crores, compared to Rs 269.7 in Q4 FY2017 resulting in growth of 5%.
- For 12M FY2018 were Rs 869.6 crores, compared to Rs 762.6 crores in 12M FY2017, resulting in a growth of 14%.

There was marked improvement in realizations during the quarter under review, which was partly off-set by sharp increase in input costs, especially fuel.

Demand in the markets, which are part of the marketing footprint of the Company, have been moderate to good, except in the North, in particular Rajasthan, which was affected due to availability of sand and aggregates. There has been a significant pick-up in rural housing with the *Pradhan Mantri Awas Yojana* and infrastructural activities.

The first nine months of the year had been challenging for the Company owing to restriction on sand mining in Uttar Pradesh and Bihar, major markets of the Company, which had a telling impact on cement demand. With the availability of sand easing, the demand in these markets has returned to normal, helping recovery in volumes and realisation.



The Company continues to evolve strategies and optimize operations for improvement in efficiencies across the functions with special emphasis on:

- a. Increasing blended cement ratio
- b. Enhancing proportion of sales in the Trade segment
- c. Increasing ratio of cement sales in premium category
- d. Optimising use of additives in the cement
- e. Increasing output at captive coal mines of RCCPL
- f. Reducing purchase of power from the grid in RCCPL by installing WHRS
- g. Use of alternate fuels

The quality of cement being produced by the manufacturing units continues to be the best in class. Operational parameters of the new plants are amongst the best in the industry.

Integration of operations of RCCPL with the Company has been completed and operations and management of operations are now being run seamlessly. The plants of RCCPL have been ramped up considerably. The kiln output of the integrated cement plant of RCCPL at Maihar is now at optimal levels. Synergy benefits that were expected to flow in on acquisition are also being realized. Brand portfolios of both the Companies, which complement each other, have been combined and brought together under "M P Birla Cement". RCCPL has since received VAT incentive from the UP Government for earlier periods which will improve the liquidity position of RCCPL significantly.

These measures are yielding results which are reflected in higher margins and improvement in EBIDTA in Q4 2018.

M P Birla Cement has recently introduced two super premium brands, Perfect Plus and Ultimate Ultra. Since the acquisition of Reliance Cement, the contribution of premium brands to the consolidated sales of the Company has increased substantially.

**M P Birla Cement Perfect Plus** has been introduced in all the major markets of the Company. The product has been formulated for application in vital parts of the construction-foundation, pillar and roof. It has been launched with a powerful new audio-visual film that brings out the special properties of the cement in a very charming manner.

**M P Birla Cement Ultimate Ultra** is produced at the Durgapur unit specially formulated for the requirements of the eastern markets. Ultimate Ultra is a high-performance cement, providing the best of strength & finish for the discerning home-builder. It has a high refractive index as its fine grains yield high early strength and additional compressive strength. It has excellent workability due to the optimal mix of raw materials and particle size distribution.

Ban on pet coke in Rajasthan affected profitability of the units of the Company at Chanderia. The ban, however, was lifted by the end of January 2018. The unit's functioning was also severely impacted by the ban on sand mining in the State. Coupled with these, the continuing suspension of normal mining operations (with blasting) necessitated sourcing part of the limestone requirement from third parties at significantly higher prices.

Freight costs went up, owing to higher diesel prices and high demand for transport vehicles on account of stronger movement of agricultural products. Also, prices of pet coke increased significantly.

Non-availability of railway rakes constrained the movement of both raw materials as well as finished products. Rakes had been diverted to meet the requirement of power plants for carrying coal. This disrupted not only supply of coal to the clinker plants of the Company but also transportation of clinker to the grinding units and cement to rail-fed destinations.

### Outlook

The expected rise in rural income and higher rural credit, coupled with increased allocation for rural, agricultural and allied sectors, are likely to boost the demand for cement. The higher budget outlay for housing, infrastructure and rural development will be the key drivers for the cement industry in the coming months. While the industry is facing challenges of rising input costs, we are optimistic that our relentless drive for reducing costs and increasing efficiencies in all areas of operations will continue to yield results in terms of better profitability.



## **Jute Division**

The Jute Division has reported EBIDTA of Rs 2,842.7 lakh (Rs 3,088.5 lakh). Production during the year was 37,208 MT (37,367 MT). Exports increased by about 12% to Rs 4,881 lakh (Rs 4,365 lakh).

## **M P Birla Hospital & Research Centre, Chittorgarh**

The M P Birla Hospital & Research Centre at Chittorgarh has recently started operations and is the latest initiative of the M P Birla Group to serve society in Chittorgarh region. This is the first full-service hospital in Chittorgarh, where the Company has two cement plants. The Hospital has in-house modern medical & pathological laboratories and modular OT, among other facilities. It also offers advanced critical care facilities as well as neonatal/infant care. The Company has provided financial as well as administrative support to the initiative.

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### **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.

For BIRLA CORPORATION LIMITED



**GIRISH SHARMA**  
Jt. President (Indirect Taxes)  
& Company Secretary