

Consolidated Financial Results for 1st Quarter (January-March) 2016

		Quarter Jan-Mar 2016	Quarter Jan-Mar 2015
Sales volume – Cement	Million Tonnes	6.36	5.82
Net Sales	₹Crore	2927.38	2885.44
Operating EBITDA	₹Crore	433.59	609.48
Profit before Tax	₹Crore	313.97	310.12
Net Profit after Tax	₹Crore	226.95	236.54

Cement

With construction activity picking up especially in infrastructure and housing sectors during the quarter, the demand for cement registered a perceptible increase as compared to the slow pace witnessed in the previous year. Better offtakes enabled the company to achieve a growth of 9% in cement sales volume during the quarter. Sales volume in this quarter was the highest since Q1 2014. Premium cement products continued to be promoted vigorously and their sales registered an increase of 53% during the quarter as compared to the previous year. Realisations in the quarter were 8% down YoY. Lower input costs especially from optimisation of the fuel mix through increased use of pet coke, a decline in solid fuel prices together with various other initiatives helped achieve a visible reduction in production and distribution costs.

Ready Mixed Concrete

This business notched robust growth of 13% in sales volumes, catering to the core segments of infrastructure, industrial and high-rise building projects, while widening its national presence with the addition of three new plants and expanding the sale of its premium range of value-added products and solutions. The business also maintained a strong thrust on enhancing plant efficiency and productivity levels.

Financial Results

The company's consolidated Net Sales was higher by 1.5% at ₹2927.38 crore as compared to the corresponding quarter of the previous year.

Operating EBITDA for the quarter was ₹433.59 crore against ₹609.48 crore during Q1 2015. Last year the higher Operating EBITDA in Q1 2015 was explained by the fact that it included an accrual of ₹139.74 crore pursuant to a favourable order from the Jharkhand High Court pertaining to sales tax incentives for earlier years.

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Profit before Tax was ₹ 313.97 crore during the quarter as compared to ₹ 310.12 crore in the corresponding quarter of 2015. The latter included an additional charge of ₹ 164.45 crore being the carrying amount as of January 1, 2015 of fixed assets with no remaining useful life as of that date in accordance with the provisions of Schedule II of the Companies Act 2013.

Profit after Tax in Q1 2016 was ₹ 226.95 crore as against ₹ 236.54 crore in the first quarter of 2015.

Outlook

We expect that acceleration in Government's investment in infrastructure and other urbanization projects, new schemes and allocations announced in the recent Union Budget especially in roads and housing, softening of interest rates giving a fillip to housing and the forecast of an above normal monsoon this year are all trends that portend well for heightened construction activity and in turn for an increase in the demand for both cement and concrete. Simultaneously we will continue with efforts to improve on our operating efficiencies.



R Nand Kumar
Vice President – Corporate Communications

Mumbai. April 28, 2016