ADITYA BIRLA
HINDALCO

AM:SJV: STEX: 16 **Date : 12th November, 2016**

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17, R Kamani Marg
Ballard Estate,
Mumbai 400 001
Tel No. 4080 7000

Dear Sir,

Dear Sir,

Sub : **Outcome of the Board Meeting held on 12th November, 2016**

We are sending herewith the "Unaudited Financial and Segment Results" of the Company for the Second Quarter ended on 30th September, 2016, approved at the Meeting of the Board of Directors of the Company held on Saturday, the 12th November, 2016 concluded at 1.45 P.M. along with "Limited Review Report" of Statutory Auditors of the Company, M/s. Singhi & Co.

Please also find enclosed herewith a copy of the Press Release.

Further the Board of Directors of the Company has approved raising of long term finance by way of one or more public and / or private offerings, through equity/ equity linked instruments including on Preferential allotment basis, Qualified Institutions Placement ("QIP"),Rights Offer, Global Depository Receipts ('GDRs") American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs") etc. or any combination thereof to eligible investors up to an amount not exceeding Rs. 5000 Crores in pursuant to the provisions of Sections 62 and all other applicable provisions of the Companies Act, 2013 and subject to all other applicable rules, regulations and guidelines of SEBI and enabling provisions of the Memorandum and Articles of Association and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in such manner and on such price, terms and conditions in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 or other provisions of the Law.

The Board has also constituted a Committee of Directors to take decision on type of offering and also for taking all necessary actions in connection with the offering.

The Board has also approved calling of an Extra-ordinary General Meeting on Friday, the 9th December, 2016.

Thanking you,

Yours faithfully,
For Hindalco Industries Ltd

Anil Malik
President &
Company Secretary

HINDALCO INDUSTRIES LIMITED
Registered Office
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Worli, Mumbai 400030, India

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Email hindalco@adityabirla.com
Website www.adityabirla.com
Corporate Identity No. L27020MH1958PLC011238

HINDALCO INDUSTRIES LIMITED

Regd. Office: "Century Bhavan", 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai-400 030
Website: www.hindalco.com, E mail: hindalco@adityabirla.com, Corporate Identity No. L27020MH1958PLC011238

Statement of Standalone Unaudited Results for the Quarter and Six Months ended 30th September, 2016

(₹ Crore)

Particulars	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 30/06/2016 (Unaudited)	Quarter ended 30/09/2015 (Unaudited)	6 Months ended 30/09/2016 (Unaudited)	6 Months ended 30/09/2015 (Unaudited)
1 Income from Operations	**9,561.91**	**8,159.31**	**9,561.22**	**17,721.22**	**18,734.38**
(a). Sales	9,457.59	8,063.36	9,477.48	17,520.95	18,592.66
(b). Other Operating Revenues	104.32	95.95	83.74	200.27	141.72
2 Expenses	**8,757.13**	**7,372.84**	**9,245.48**	**16,129.97**	**17,870.95**
(a). Cost of Materials Consumed	4,966.01	3,973.19	4,621.57	8,939.20	9,852.45
(b). Purchases of Stock-in-Trade	15.15	73.77	1.73	88.92	1.73
(c). Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(173.87)	(408.90)	677.71	(582.77)	335.65
(d). Excise Duty	549.63	574.63	646.35	1,124.26	1,253.29
(e). Employee Benefits Expenses	481.54	407.65	444.09	889.19	822.58
(f). Power and Fuel	1,482.29	1,484.85	1,682.12	2,967.14	3,326.28
(g). Depreciation and Amortization (including Impairment)	351.60	338.21	298.81	689.81	629.53
(h). Other Expenses	1,084.78	929.44	873.10	2,014.22	1,649.44
3 Profit before Other Income and Finance Costs from Continuing Operations	**804.78**	**786.47**	**315.74**	**1,591.25**	**863.43**
4 Other Income	**336.39**	**226.24**	**459.72**	**562.63**	**585.99**
5 Profit before Finance Costs and Exceptional Items from Continuing Operations	**1,141.17**	**1,012.71**	**775.46**	**2,153.88**	**1,449.42**
6 Finance Costs	**594.27**	**599.57**	**627.47**	**1,193.84**	**1,231.42**
7 Profit before Exceptional Items and Tax from Continuing Operations	**546.90**	**413.14**	**147.99**	**960.04**	**218.00**
8 Exceptional Income/ (Expenses) (Net)	**84.89**	-	-	**84.89**	-
9 Profit before Tax from Continuing Operations	**631.79**	**413.14**	**147.99**	**1,044.93**	**218.00**
10 Tax Expenses	**192.85**	**118.87**	**24.27**	**311.72**	**32.89**
11 Profit from Continuing Operations	**438.94**	**294.27**	**123.72**	**733.21**	**185.11**
12 Profit/ (Loss) from Discontinued Operations (Net of Tax)	**0.80**	**(0.20)**	**(0.26)**	**0.60**	**(0.55)**
13 Net Profit for the Period	**439.74**	**294.07**	**123.46**	**733.81**	**184.56**
14 Other Comprehensive Income (Net of Tax)	**527.13**	**188.17**	**164.20**	**715.30**	**528.52**
(a). Items that will not be reclassified to Statement of Profit and Loss	226.04	610.52	267.45	836.56	326.42
(b). Items that will be reclassified to Statement of Profit and Loss	301.09	(422.35)	(103.25)	(121.26)	202.10
15 Total Comprehensive Income (Net of Tax)	**966.87**	**482.24**	**287.66**	**1,449.11**	**713.08**
16 Paid-up Equity Share Capital (Net of Treasury Shares) (Face Value ₹ 1/- per Share)	**204.91**	**204.89**	**204.89**	**204.91**	**204.89**
17 Earnings per Share (EPS) of ₹ 1/- each (not annualised)					
(a). EPS from Continuing Operations					
Basic (₹)	2.14	1.44	0.60	3.58	0.90
Diluted (₹)	2.14	1.44	0.60	3.58	0.90
(b). EPS from Continuing and Discontinued Operations					
Basic (₹)	2.15	1.44	0.60	3.58	0.90
Diluted (₹)	2.14	1.43	0.60	3.58	0.90

Standalone Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Six Months ended 30th September, 2016

(₹ Crore)

Particulars	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 30/06/2016 (Unaudited)	Quarter ended 30/09/2015 (Unaudited)	6 Months ended 30/09/2016 (Unaudited)	6 Months ended 30/09/2015 (Unaudited)
1. Segment Revenue					
(a) Aluminium	4,930.15	4,590.61	4,496.14	9,520.76	8,766.36
(b) Copper	4,634.75	3,571.02	5,070.64	8,205.77	9,977.95
	9,564.90	8,161.63	9,566.78	17,726.53	18,744.31
Less: Inter Segment Revenue	(2.99)	(2.32)	(5.56)	(5.31)	(9.93)
Total Income from Operations	**9,561.91**	**8,159.31**	**9,561.22**	**17,721.22**	**18,734.38**
2. Segment Results					
(a) Aluminium	807.62	871.09	276.68	1,678.71	818.28
(b) Copper	365.86	264.33	366.21	630.19	730.35
	1,173.48	1,135.42	642.89	2,308.90	1,548.63
Less: Depreciation and Amortization (including Impairment)	(351.60)	(338.21)	(298.81)	(689.81)	(629.53)
Less: Finance Costs	(594.27)	(599.57)	(627.47)	(1,193.84)	(1,231.42)
	227.61	197.64	(283.39)	425.25	(312.32)
Add: Other Unallocated Income/ (Expenses) (Net)	319.29	215.50	431.38	534.79	530.32
Profit before Exceptional Items and Tax from Continuing Operations	**546.90**	**413.14**	**147.99**	**960.04**	**218.00**
3. Segment Assets					
(a) Aluminium	41,179.60	41,701.26	43,596.94	41,179.60	43,596.94
(b) Copper	8,772.12	8,588.29	8,023.71	8,772.12	8,023.71
	49,951.72	50,289.55	51,620.65	49,951.72	51,620.65
Unallocated Assets	28,824.34	27,897.02	26,135.07	28,824.34	26,135.07
Total Assets	**78,776.06**	**78,186.57**	**77,755.72**	**78,776.06**	**77,755.72**
4. Segment Liabilities					
(a) Aluminium	4,673.22	4,748.63	4,376.06	4,673.22	4,376.06
(b) Copper	3,032.52	2,566.70	2,145.82	3,032.52	2,145.82
	7,705.74	7,315.33	6,521.88	7,705.74	6,521.88
Unallocated Liabilities (including Borrowings)	29,975.68	30,509.16	30,845.21	29,975.68	30,845.21
Total Liabilities	**37,681.42**	**37,824.49**	**37,367.09**	**37,681.42**	**37,367.09**

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Notes:

1. The Company has adopted from 1st April, 2016 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. These results have been prepared in accordance with recognition and measurement principles laid down in Ind AS 34 on Interim Financial Reporting. The figures for the quarter and six months ended 30th September, 2015 presented here are also Ind AS compliant.

2. Statement of Assets, Equity and Liabilities is given below:

(₹ Crore)

	As at 30/09/2016	As at 30/09/2015
A. ASSETS		
1. Non-Current Assets	**54,392.64**	**55,114.75**
Property, Plant and Equipment	31,896.40	28,905.15
Capital Work-in-Progress	3,048.85	7,308.15
Investment Property	9.38	9.59
Other Intangible Assets	147.74	61.88
Intangible Assets under Development	0.13	0.12
Financial Assets:		
Investments	18,104.18	17,540.87
Loans	97.43	89.75
Other Financial Assets	333.33	331.12
Other Non-Current Assets	755.20	868.12
2. Current Assets	**24,383.42**	**22,640.97**
Inventories	8,969.25	8,637.32
Financial Assets:		
Investments	7,193.88	5,668.74
Trade Receivables	1,918.40	1,932.74
Cash and Cash Equivalents	1,404.96	718.16
Bank balances other than Cash and Cash Equivalents	80.50	270.35
Loans	37.58	45.27
Other Financial Assets	1,002.18	1,831.32
Other Current Assets	3,685.57	3,426.07
Non-Current Assets Held for Sale/ Disposal Group	91.10	111.00
	78,776.06	**77,755.72**
B. EQUITY AND LIABILITIES		
1. Equity	**41,094.64**	**40,388.63**
Equity Share Capital	204.91	204.89
Other Equity	40,889.73	40,183.74
2. Non-Current Liabilities	**25,422.03**	**25,374.71**
Financial Liabilities:		
Long-term Borrowings	23,200.73	23,014.99
Long-term Trade Payables	2.05	16.57
Long-term Other Financial Liabilities	616.73	561.24
Long-term Provisions	383.43	349.31
Deferred Tax Liabilities (Net)	1,214.68	1,428.53
Other Non-Current Liabilities	4.41	4.07
3. Current Liabilities	**12,259.39**	**11,992.38**
Financial Liabilities:		
Short-term Borrowings	4,196.96	5,512.82
Short-term Trade Payables	4,456.54	3,519.25
Short-term Other Financial Liabilities	1,521.25	1,673.14
Short-term Provisions	266.18	233.33
Current Tax Liabilities (Net)	855.62	353.37
Other Current Liabilities	962.70	700.08
Liability of Non-Current Assets Held for Sale/ Disposal Group	0.14	0.39
	78,776.06	**77,755.72**

3. Reconciliation between Net Profit previously reported under erstwhile Indian GAAP and as presented now under Ind AS for the quarter and six months ended 30th September, 2015 are given below:

(₹ Crore)

Particulars	Quarter ended 30/09/2015	6 months ended 30/09/2015
Reported Net Profit for the Period as per Indian GAAP	103.27	210.46
Adjustments:		
(a). Change in fair valuation of investments	43.31	(28.43)
(b). Actuarial Loss on defined benefit obligations accounted through Other Comprehensive Income	3.02	5.96
(c). Other Adjustments	(7.18)	(6.75)
(d). Deferred Tax impact on aove adjustments (Net)	(18.96)	3.32
Net profit for the period as per Ind AS	123.46	184.56

4. Reconciliation of Equity as on 30th September, 2015 between previously reported under erstwhile Indian GAAP and as presented now under Ind AS is given below:

	(₹ Crore)
Equity reported under Indian GAAP	**37,801.91**
Adjustments for:	
Treasury shares	(34.45)
Change in fair valuation of investments	2,918.11
Fair valuation of ESOS over intrinsic value	16.07
Other adjustments	(210.15)
Deferred Tax Impact	(102.86)
	2,586.72
Equity under Ind AS	**40,388.63**

5. During the quarter ended on 30th September, 2016, the Company has allotted 202,658 equity shares of ₹1/- each to the option grantees pursuant to the exercise of options under the Employees Stock Option Schemes.

6. Mahan Coal Limited and Tubed Coal Mines Limited, joint operations of the Company, have been classified as discontinued operations since going concern concept is vitiated following deallocation of coal blocks earlier allotted to them. Details of results of the same are given below:

(₹ Crore)

Particulars	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 30/06/2016 (Unaudited)	Quarter ended 30/09/2015 (Unaudited)	6 Months ended 30/09/2016 (Unaudited)	6 Months ended 30/09/2015 (Unaudited)
Other Income	1.05	0.01	-	1.06	-
Employee benefit expenses	(0.05)	(0.21)	(0.16)	(0.26)	(0.46)
Power and fuel	-	-	-	-	(0.01)
Other expenses	(0.20)	-	(0.10)	(0.20)	(0.08)
Profit / (Loss) from Discontinued Operations (Net of Tax)	0.80	(0.20)	(0.26)	0.60	(0.55)

7. Details of Exceptional Income / (Expenses) are as under:

   a. During the quarter, the Company has sold its entire holding in its subsidiary, Aditya Birla Minerals Limited, Australia (ABML) by accepting the off-market takeover offer announced by Metals X Limited. As per the offer, a part of the proceeds were realized in cash and the balance in equity Shares of Metals X Limited. The shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain arising out of these transactions is ₹144.93 Crore.

   b. Through a Gazette notification (G.S.R 837(E) dated 31st August, 2016), Ministry of Coal, Government of India has amended the date of applicability of the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 retrospectively from 12th January, 2015 as against earlier applicability being later of date on which District Mineral Foundation is established or 20th October, 2015. Accordingly, an amount of ₹60.04 crore has been provided during the current quarter for additional obligation that may arise as a result of this amendment in respect of coal purchased by the Company through e-auction and linkage.

8. During the quarter, the Company has prepaid ₹689 Crore of its Term Loan to certain banks falling due from December, 2016 through March, 2020.

9. Segment reporting has been done in compliance with Ind AS 108. For this purpose, Aluminium and Copper have been identified as reportable segments with "Earnings before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization (including Impairment) but after allocation of Corporate Expenses" as the segment performance measure. Segment Results of previous periods have undergone change to the extent of Corporate Expense allocation.

10. Additional disclosures as per Clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ Crore)

Sr. No.	Particulars	As at 30/09/2016		As at 30/09/2015	
(a)	Debt-Equity Ratio (in times)	0.67		0.71	
(b)	**Previous due date for the payment of Interest of Non-Convertible Debentures (NCDs)**				
	(a) 9.55% NSDs Series-I (2012) (issued on 25/04/2012)	25/04/2016		25/04/2015	
	(b) 9.55% NSDs Series-II (2012) (issued on 27/06/2012)	27/06/2016		27/06/2015	
	(c) 9.60% NSDs Series-III (2012) (issued on 02/08/2012)	02/08/2016		02/08/2015	
	Interest has been paid	Yes		Yes	
(c)	**Previous due date for the repayment of Principal of NCDs**				
	(a) 9.55% NSDs Series-I (2012) (issued on 25/04/2012)	Not Applicable		Not Applicable	
	(b) 9.55% NSDs Series-II (2012) (issued on 27/06/2012)	Not Applicable		Not Applicable	
	(c) 9.60% NSDs Series-III (2012) (issued on 02/08/2012)	Not Applicable		Not Applicable	
	Principal has been repaid	Not Applicable		Not Applicable	
(d)	**Next due date and amount for the payment of interest of NCDs**	Amount	Date	Amount	Date
	(a) 9.55% NSDs Series-I (2012) (issued on 25/04/2012)	286.50	25/04/2017	286.50	25/04/2016
	(b) 9.55% NSDs Series-II (2012) (issued on 27/06/2012)	143.25	27/06/2017	143.25	27/06/2016
	(c) 9.60% NSDs Series-III (2012) (issued on 02/08/2012)	144.00	02/08/2017	144.00	02/08/2016
(e)	**Next due date and amount for the repayment of Principal of NCDs**	Amount	Date	Amount	Date
	(a) 9.55% NSDs Series-I (2012) (issued on 25/04/2012)	3,000.00	25/04/2022	3,000.00	25/04/2022
	(b) 9.55% NSDs Series-II (2012) (issued on 27/06/2012)	1,500.00	27/06/2022	1,500.00	27/06/2022
	(c) 9.60% NSDs Series-III (2012) (issued on 02/08/2012)	1,500.00	02/08/2022	1,500.00	02/08/2022
(f)	Net Worth	41,094.64		40,388.63	
(g)	Debenture Redemption Reserve	675.00		525.00	
(h)	Debt Service Coverage Ratio (DSCR) (in times)	2.24		1.54	
	DSCR = Profit before Depreciation, Finance Costs and Tax from Continuing Operations/ (Finance Costs (net of capitalization) + Scheduled principal repayments)				
(i)	Interest Service Coverage Ratio (ISCR) (in times)	2.45		1.69	
	ISCR = Profit before Depreciation, Finance Costs and Tax from Continuing Operations / Finance Costs (net of capitalization)				
(j)	The Company had a credit rating "AA+" by CARE and CRISIL for its NCDs at the time of issue. The said rating has been revised by CARE to "AA" and by CRISIL to "AA(-)".				
(k)	The Company continues to maintain 100% asset cover for the secured NCDs issued by it.				

11. These results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on Saturday, 12th November, 2016. Limited Review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors of the Company.

12. Figures of previous periods have been regrouped wherever necessary.

By and on behalf of the Board

Satish Pai
Managing Director

Place: Mumbai
Dated: 12th November, 2016

ADITYA BIRLA

HINDALCO

November 12, 2016

Hindalco Reports Second Quarter 2017 Results [Unaudited Standalone]

PBDT doubled to Rs 899 crore compared to Rs 447 crore in Q2 FY16

- ***Aluminium***

  – Robust operational performance in a challenging macroeconomic environment on the back of efficiency gains and lower input costs.

  - Improved visibility over coal sourcing and cost. Major portion of requirement secured through linkages.

- ***Copper***

  – Copper performance rebounded strongly post successful completion of planned maintenance shutdown.

Hindalco Industries Limited, the flagship company of the Aditya Birla Group, today announced its unaudited standalone results for the quarter ended September 30, 2016.

Second Quarter Highlights:

The company registered Revenues of Rs 9,562 crore, PBITDA (Profit before Interest, Tax, Depreciation and Amortisation) ***was up 39% at Rs 1,493 crore and Net Profit jumped 255% to Rs 440 Crore.***

Y-O-Y

- Aluminium production increased 19% to 321 KT (Kilo Tonne), significant cost efficiencies achieved across the plants. Inputs costs were largely supportive though crude derivative prices hardened sequentially.
- Aluminium Value Added Products (FRP and Extrusions) - up 8%, Wire Rod Production increased 36% reflecting the Company's focus on power and other growth sectors.
- Delivered highest ever quarterly Copper production at 106 KT, after successful planned annual maintenance shutdown. Improved efficiencies helped offset sharp decline in sulphuric acid prices.

Financial Highlights:

(In Rs. crore)	Q2FY17	Q2FY16	Q1FY17	H1FY17	H1FY16
Revenue from Operations	9,562	9,561	8,159	17,721	18,734
Profit Before Interest, Tax and Depreciation (PBITDA)	1,493	1,074	1,351	2,844	2079
Depreciation	352	299	338	690	630
Finance Costs	594	627	600	1,194	1231
Profit before Exceptional Items and Tax	547	148	413	960	218
Exceptional income/(expense) - net	85	-	-	85	-
Profit before Tax from continuing operations	632	148	413	1045	218
Tax Expenses	193	24	119	312	33
Profit from continuing operations	439	124	294	733	185
Profit/(loss) from discontinued operations (net of tax)	0.80	(0.26)	(0.20)	0.60	(0.55)
Net Profit	440	123	294	734	185
Basic EPS – Rupees	2.14	0.60	1.44	3.58	0.90

Revenues for the quarter were broadly stable, as the impact of higher aluminium revenues was largely negated by a sharp decline in copper realisation. YOY, aluminium revenues were higher by almost 10% (excluding Utkal and Y-O-Y and if we include Utkal it is 9%) on the back of strong volume growth, however a 9% drop in copper revenues negated this increase. The copper revenues declined due to decline in copper LME, along with lower premium and lower co-product prices (sulphuric acid and DAP).

The average LME (USD) for aluminium was mildly supportive (up by 2% YoY) along with a weaker Rupee; the local market premium was sharply lower (down 34%). The copper LME was lower by 10% vs. Q2FY16. Continued surge in imports of aluminium in the country also adversely affected the results.

The cost of most inputs continued to remain benign, though prices of crude derivatives increased marginally with a rise in crude prices. Coal cost increased marginally due to a decline in quality during the monsoon season. Alumina costs were also higher for standalone Hindalco as the transfer price is linked to alumina index prices, which rose sequentially. However, this price increase benefitted Utkal Alumina International Limited, the wholly owned unlisted subsidiary of the Company.

Y-O-Y, quarterly PBITDA at Rs 1,493 crore was higher by 39%. This reflects a robust operational performance, notwithstanding the macro- economic headwinds. Depreciation and finance charges at Rs 946 crore against Rs 926 crore in Q2FY16 were marginally higher. Profit before tax for the quarter at Rs 547 crore (before exceptional items) was much higher than that in the corresponding quarter of the previous year driven by strong operational gains. Net profit for Q2FY17 at Rs 440 crore, was significantly better than that in Q2FY16.

Compared to Q1FY17, Revenues from Operations were up by 17% mainly on account of higher volumes in both aluminium and copper segments. PBITDA rose 11% led by the copper segment's enhanced performance. Sequentially, Net Profit rose 50%.

Following a notification issued by the Ministry of Coal making applicability of contribution to District Mineral Foundation effective retrospectively from 12th January, 2015, a one-time provision of Rs 60 crore has been made during the current quarter and is included in exceptional items.

Hindalco has adopted Indian Accounting Standards (Ind –AS wef. April 1, 2016 as mandated by the Ministry of Corporate Affairs. Figures for comparable period have been revised to comply with Ind-AS.

Segmental Results:

(In Rs. crore)	Q2FY17	Q2FY16	Q1FY17	H1FY17	H1FY16
Aluminium Segment					
Sales	4,930	4,496	4,591	9,521	8,766
Results	808	277	871	1,679	818
Copper Segment					
Sales	4,635	5,071	3,571	8,206	9,978
Results	366	366	264	630	730

Aluminium Business:

During the quarter, Alumina production (including Utkal Alumina) at 726 KT was 16% higher vis- a-vis that in Q2FY16. Aluminium metal production stood at 321 KT and was up 19% on YoY basis. Higher production, improved efficiencies, with the stabilisation of operations and supportive input costs resulted in a higher EBITDA of Rs 808 crore, an increase of 192% over the corresponding quarter of the previous year.

For the half year ended September 30, 2016, Aluminium production at 687 KT augmented by 14% as the new plants ramped up to designated capacities.

The standalone financials do not include financial performance of Utkal Alumina

Copper Business:

The Copper Business performance rebounded smartly owing to higher volumes and efficiency gains after the planned maintenance shutdown during the first quarter of the current financial year. Not only did it deliver the highest ever cathode volumes at 106 KT, but the efficiency gains allowed offsetting the impact of a sharp decline in co-product prices, especially sulphuric acid, which were lower by around 30% as compared with those in Q2 FY16. Y-O-Y, the Copper segment EBIDTA at Rs 366 crore was stable and 38% higher on sequential basis.

The divestment of Aditya Birla Minerals Ltd (ABML), Australia was completed during the quarter. The transaction yielded a gain of Rs 145 crore and is included in exceptional items. The total cash consideration from this deal was Rs 367 crore.

Coal Security:

The Company secured a good portion of its coal requirement so far in the recent coal linkage auctions, at a reasonable premium to government notified price. This, along with the existing linkage for Renusagar power plant and captive coal mines will provide adequate coal security. This is a significant development, considering the Company's cost effective alumina value chain, including Utkal, which will help bolster cost competitiveness.

Utkal Alumina International Ltd [UAIL]:

The alumina refinery at UAIL produced 375 KT of alumina in Q2 FY17 compared to 338 KT in Q2 FY16. The cost of production of alumina at UAIL is comparable to the world benchmark cost of production. UAIL EBITDA during the current quarter was Rs. 170 crore.

(Considering the fact that Utkal serves as a captive supplier of alumina to Hindalco, the numbers are not simply additive for ascertaining financial performance on a combined basis.)

The Company delivered robust operational performance in a challenging macroeconomic conditions. Its operational performance was also supported by benign energy prices and some recovery in the aluminium prices. The macroeconomic headwinds still persist and the uncertain global macro factors pose several challenges. The price recovery is vulnerable to imminent Chinese capacity additions and smelter restarts. The high level of imports continue to impact domestic sales volumes. Hindalco remains focussed on operational excellence, higher value addition, customer centricity and cash conservation to tide over these issues.

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