



BIRLA CORPORATION LIMITED

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PRESS RELEASE

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BIRLA CORPORATION'S Q1 PROFIT AT RS 118 CRORES

	Q1 2010-11	Q1 2009-10	% increase/ (Decrease)
Cement Production	14.74 Lakh Tons	12.49 Lakh Tons	18.01
Cement Despatch	14.90 Lakh Tons	12.32 Lakh Tons	20.94
Turnover (Rs in crore)	651.99	541.18	20.48
Cash Profit (Rs in crore)	179.32	221.46	(19.02)
Profit After Tax (Rs in crore)	118.28	155.34	(23.86)
EPS (in Rs)	15.36	20.17	(23.86)

The M P Birla Group flagship company and cement major, Birla Corporation Limited, has earned a cash profit of Rs 179.32 crores and profit after tax of Rs 118.28 crores in the first quarter of the financial year 2010-11, against Rs 221.46 crores and Rs 155.34 crores, respectively, in the previous corresponding quarter. The turnover for the quarter was Rs 651.99 crores (Rs 541.18 crores).

Shri H V Lodha, Chairman, said that during the quarter under review the profitability of the company was impacted by lower cement realization, more use of outsourced clinker, higher transportation charges, power & fuel costs and increase in cost of packing materials and also reduction in other income by Rs 22.20 crores, compared to the corresponding quarter.

The de-bottlenecking of the clinker capacity at Satna, for which the kiln of one plant has been under planned shutdown since 16 April 2010, was completed today, increasing the capacity at the unit to 9,600 TPD from 7,400 TPD.

According to Shri B R Nahar, ED & CEO, erection of the 1.2 million-ton per annum brownfield unit at Chanderia, and expansion of the grinding capacity by 0.6 million tons at Durgapur, are going on as per schedule. After completion of all the expansion programmes, the effective annual capacity of the Cement Division will stand enhanced to about 9.3 million tons. This will also result in substantial improvement in operational efficiency.

The Board, at its meeting today, approved the capacity expansion at Chanderia from the ongoing 3,600 TPD of clinker to 6,000 TPD. With this, the corresponding cement capacity will go up from 1.2 million tons to about 2.7 million tons. Along with this, the capacity of the 35 MW power plant, sanctioned earlier, has been enhanced to 50 MW. The total cost of this incremental capacity will be Rs 273 crores. The enhancement in the capacity is to be brought about in a highly cost-effective manner. It will cost the Company only about 60% of a similar-size greenfield project.

The **Jute Division**, which had turned around last year, after more than 15 years, is continuing with its positive performance and has recorded profit in the quarter under review as well. Various management initiatives, including modernization of machinery, reduction in wastage and use of jute caddies as fuel in the boilers, yielded the desired results. The capacity of the Jute Division is also being increased.

Even though publication of figures of Assets & Liabilities has been made mandatory on six-monthly basis, the Company, as per the decision of its Board of Directors, taken at its meeting on 31 January 2010, has decided to upload the same on its website on quarterly basis. Accordingly, the unaudited figures of Assets & Liabilities for the quarter ended 30 June 2010 are being uploaded on its website.


Submitted by: Biswajit Majilal (98310 52485)