



## **BIRLA CORPORATION LIMITED**

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**PRESS RELEASE**

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### **BIRLA CORPORATION RECORDS HIGHEST EVER QUARTERLY PROFIT**

**Birla Corporation Limited**, the flagship company of the M P Birla Group, has achieved the highest ever quarterly profit of Rs.155.34 crores after tax in the first quarter of the financial year 2009-10 which is 69% higher than the profit recorded in the corresponding period last year. The turnover for the quarter was also higher at Rs.541.18 crores (Rs.459.03 crores). The EBITDA (earning before interest, tax & depreciation) for the quarter was Rs.227.42 crores and EPS Rs.20.17

The Company could reach the milestone of excellent results because of the various steps taken over a period of time. The initiatives included the highest ever blended cement dispatch of more than 91%, against 77% in the corresponding period last year, use of imported clinker to compensate loss in production during the plant stoppages and to maintain market share, import of cheaper pet coke and gypsum, and sale of power, etc. All these and continuous upgradation of the plants place the Company in a competitive position vis-à-vis similarly placed plants in the country. Higher realization in cement business and sustained demand on account of stimulus announced by the Government helped the company in achieving better results.

The second phase of the capacity enhancement programme at Satna, being carried out without disrupting production, is likely to be completed by the end of the financial year 2009-10. After completion of the expansion project, the clinker capacity at Satna will go up to 9,600 tons per day.

With the completion of the expansion at the Chanderia (Rajasthan) cement plant in April 2009 the clinker capacity there has gone up from 3,450 TPD to 4,050 TPD. In order to grow and become more competitive, the Company has planned several capacity enhancement and infrastructure development measures. These include setting up of a 1.2 million ton brownfield plant at Chanderia, along with the Waste Heat Recovery System and 30-MW Captive Power Unit, increase in the grinding capacity at Durgapur by 6 lakh tons, installation of a Coal Washery and 30-MW Captive Thermal Plant at Satna and replacement of the old Cement Mill with a new one at Satna. These projects will be completed in two years time.

The formation of a stable Government at the Centre bodes well for the sustainable growth and development of the economy as well as for the industry. The massive investment planned in the recent Budget for rural and infrastructure developments will also help the industry maintain the growth momentum. However, paucity of rains may have a ripple effect on all sectors of the economy, including the cement sector.

Submitted by:  **Biswajit Matilal**