

B.K. Birla to continue as Kesoram chairman

: The diversified Kesoram Industries Ltd will not be split for the time being, company chairman Basant Kumar Birla said Thursday.

'The whole company will remain one,' Birla said during the company's annual general meeting here.

Kesoram Industries will ultimately go to Kumar Mangalam Birla, while Manjushree Khaitan would continue to remain on the board.

'In my absence, the future of the company will be decided by Kumar Mangalam Birla and Manjushree Khaitan,' Birla said.

The company has planned to invest Rs.16 billion in the tyre business and Rs.3 billion in the cement sector in a phased manner till December 2009.

Kesoram has an existing capacity to produce 4.1 million tonnes of cement annually, and enjoys a 3 percent market share in India.

It is also investing Rs.5.5 billion for brownfield expansion of its Vasavadatta Cement plant at Sedam in Karnataka, which will bring its total capacity to 5.7 million tonnes by this year end.

Meanwhile, Birla Tyre - a Kesoram unit which produces 252 tonnes of radial tyres per day at its Balasore facility - has begun production at its new factory in Laskar in Uttaranchal, producing 257 metric tonnes a day.

The second phase would be completed by October-November this year.

Two more greenfield projects are underway at Haridwar in Uttaranchal .

The first project with an investment of Rs.4.95 billion would produce 100 tonnes of radial tyres per day on completion by October-December 2009.

The second plant, to be operational by October-December 2009, will have a capacity to produce 125 tonnes of tyres a day. The total investment for this unit would be Rs.3.45 billion.

Once all the projects go on stream by 2009-end, Birla Tyres would be producing 734 tonnes of tyres per day.

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