

Cement firms to hike prices second time this month

JHARNA MAZUMDAR

Mumbai

CEMENT companies in western and northern India plan to increase prices by Rs five per 50 kg bag, from Friday 18 March 2011, to mitigate higher input costs, said cement company officials.

This is the second price increase this month. Earlier cement companies had increased prices by Rs six per 50 kg bag to pass on the excise duty hike to consumers. In 2011 cement prices have gone up by around Rs 50-70 per 50 kg bag. At present cement prices range between Rs 270 to Rs 280 per 50 kg bag depending on the brand and location.

"We are increasing prices by around Rs five both in the Western region and North wherever we are present, to

"PRICES will rise in the north due to increase in tax and high input costs"

Vineeta Singhania

Managing Director,
JK Lakshmi Cement

mitigate higher input costs," Vinod Juneja, managing director at Binani group a larger cement manufacturer told Financial Chronicle.

Vineeta Singhania, managing director at J K Lakshmi Cement said, "The prices will increase in

North India as manufacturers are not able to absorb the rise in cost due to increase in tax and also high input costs." "In Western region companies are increasing prices from tomorrow and Northern region is also likely to follow. But in South demand has not really picked up as anticipated," said an office bearer of the Mumbai Cement Stockist and Dealer Association.

Cement manufacturers claim raw material prices have gone up significantly and to maintain margins it was important to pass on the hike in input costs. "Coal prices have risen 30 per cent as compared to the levels ruling a year ago. Prices of other raw material too have gone up," said Singhania.

jharnamazumdar
@mydigitalfc.com