

JK Lakshmi to invest Rs 1,100cr for Chhattisgarh greenfield unit

Company logs 9% sales growth in March, to add 2.7mt extra capacity in 2 years

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BUOYED by a surge in demand, cement maker JK Lakshmi Cement is planning to infuse Rs 1,100 crore in setting up a greenfield manufacturing facility in Durg, Chhattisgarh to create an additional capacity of 2.7 million tonnes over the next two years.

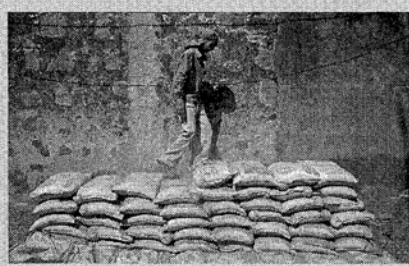
"The new plant will be spread across 750 acres, which includes the mining area as well," Shalendra Chouksey, whole-time director of JK Lakshmi Cement, told *Financial Chronicle*. JK Lakshmi Cement has a capacity of 3.6 million tonnes at present.

The cement maker has already invested Rs 210 crore to create an additional capacity of 1.2 million tonnes at its existing plants in Kalol, Gujarat,

and Sirohi, Rajasthan. "While the current financial year saw capacity addition by augmenting the capacity in our current facilities at Kalol in Gujarat and Sirohi in Rajasthan, the Durg facility will entirely be a new setup for the company," Chouksey said, adding that the company plans to fund the investments through a mix of debt and internal accruals.

The company witnessed a robust 9 per cent growth in its sales volumes during March this year. "After a sluggish growth of 6.8 per cent during the April-November period, sales picked up from December in the present financial year," he said.

He attributed the growth in sales to increased demand from smaller cities, rural areas and government infra-



Cementing growth

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structure projects. "Around 45 per cent of the cement manufactured by us is bought by the government for its infrastructure projects. The metropolitan areas and urban centres account for a mere 8-11 per cent of the total cement sold by us," he

said.

Chouksey was optimistic that sales will grow by at least 8 per cent in the first quarter of the next financial year.

Despite the slowdown, data released by Cement Manufacturers Association (MCA) suggests that there has been a surge in demand for cement in April-January period. Cement dispatches grew by around 7.5 per cent during the period under review over the corresponding period of the last financial year.

The growth figures for dispatch of cement for the month of February '09 compared with February '08 were even better at 8.73 per cent.

JK LAKSHMI/BSE Rs 42 ▼
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