

JK Lakshmi Cement begins work on 2.7-mt plant 6/11

Our Bureau

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JK Lakshmi Cement Ltd, flagship of JK Organization, has commenced work on the 2.7 million tonnes (mt) greenfield cement plant at Durg, Chhattisgarh with an investment of over Rs 1,100 crore. The plant is scheduled to be commissioned by 2011.

The company is enhancing clinkerisation capacity and installing a split location grinding unit at Kalol in Gujarat to take its capacity from 3.65 mt to 4.75 mt this year. The cement capacity expansion would be completed by December 2008.

On completion of the Chhattisgarh plant, the company's capacity would increase to about 7.5 mt, giving it a wider footprint.

PERFORMANCE

In the first quarter ended

June 30, the company recorded a 43 per cent drop in net profit at Rs 39 crore (Rs 68 crore), while the total income rose marginally to Rs 269.93 crore (Rs 268.48 crore).

Ms Vinita Singhania, Managing Director, said had it not been for the overall improvement in efficiencies and cost savings, the unprecedented rise in the costs of major inputs would have further impacted the profitability.

The intensified Gujjar agitation during May and part of June affected the company's dispatches, especially by rail. Due to the commitment given to the Government, the company has so far not increased the price of cement despite steep increases in the input cost which continues to affect the company's profitability, Ms Singhania said.