

JK Lakshmi Cement plans Rs 1,100 crore greenfield plant at Durg

To set up 5.5 lakh t grinding unit in Haryana or UP

Pooja Sarkar, Mumbai

JK Lakshmi Cement, the north India-based cement player, will put up a 5.5 lakh tonne location grinding unit either in Haryana or Uttar Pradesh at a cost of Rs 80 crore, said Shailendra Chouksey, a whole time director of the company.

The move is part of the company's plans to raise the clinker capacity of its 4.7 million tonne Sirohi plant in Ra-

jasthan. The location grinding unit will grind 0.5 mtpa more cement in the next 12-16 months.

Chouksey said the order for equipment for the plant has been already placed and he expects the unit to be completed within the next 16 months.

JK Lakshmi Cement said its 2.8 mtpa greenfield project at Durg in Chhattisgarh will be operational by October 2012 and currently the land acquisition process is on.

"The project entails an investment of Rs 1,100 crore and the production from here would be sold in central and eastern markets," Chouksey added.

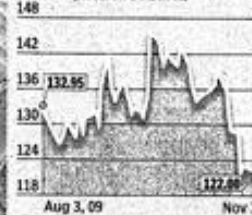


In the first of this year, the cement industry grew 12% and in north India, it grew 10% approximately.

Chouksey said once the new capacities were commissioned, there would be pressure on prices. "I don't really think there

JK Lakshmi Cement

Share price on BSE in Rs



would be influx of cement from the southern market as logistics challenges and networking is an issue there."

Out of the company's total dispatches for the second quarter of the current fiscal, 30% went to Rajasthan, 30% to Gujarat, 5% to the northern markets and 5-7% to Maharashtra.

The company has also tied up with long-term private player for electricity supply, which will enable it to receive 21 mw and save around Rs 15-20 crore on its bottomline. At present, it has a captive power capacity of 36 mw, which is being expanded to 66mw.

The company reported a net profit of

Rs 47.17 crore for the second quarter of the current fiscal as compared with Rs 26.88 crore reported in the year-ago period.

Net sales shot up 18% in the said period to Rs 345.19 crore as compared with corresponding quarter of last year.

The company has also split equity shares of Rs 10 each into two shares of Rs 5 each, subject to requisite approval, in order to allow smaller investors to partake in the company and to increase its market float. The company at present has a gross debt of Rs 500 crore and cash balance of Rs 450 crore.

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