

JK Lakshmi to raise Rs 800 cr to fund project

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JK Lakshmi Cement, the Hari Shankar Singhania group flagship, will raise nearly Rs 800 crore through debt and equity to part finance setting up a greenfield project in Chhattisgarh in order to get a foothold in the central and eastern India. Whole-time director Shailendra Chouksey told ET that the remaining funds required for the Rs 1,200-crore project would come from internal accrual. The company, he said, is sitting on a cash pile of Rs 450 crore. However, he did not divulge the exact time frame of the fund raising.

Delhi-based JK Lakshmi, which sells cement under the same brand name, is setting up a 2.7 million tonnes unit in Chhattisgarh. Post the commissioning of the plant, which is expected by 2011, the company's capacity will go up to 6.35 million tonnes. It plans to hike capacity to 8 million tonnes in five years. JK Lakshmi is also setting up a waste heat recovery power plant at Sirohi in Rajasthan for Rs 125 crore to generate 12 MW of cheap power. This project is likely to



PLANS IN PLACE

Funds to part finance setting up 2.7 MT greenfield project in Chhattisgarh. remaining funds required for the Rs 1,200-crore project would come from internal accrual. After commissioning of the plant, the company's capacity will go up to 6.35 MT. The company is sitting on a cash pile of Rs 450 crore

be commissioned by March 2011.

JK Lakshmi sells cement in the western (65%) and northern (35%) states with a dominant presence in Rajasthan and Gujarat. It has a network of over 2000 dealers in Rajasthan, Gujarat, Delhi, Haryana, UP, Uttarakhand, Punjab, J&K, HP and Mumbai. Cement analysts said northern and western markets are expected to see robust demand for cement as compared to the Southern India.

Preparations for the Commonwealth Games to be held in Delhi would support volumes in the northern region. The company is also scouting for 30 acres of land in Haryana and Uttar Pradesh to set up a 5.5 lakh tonne cement grinding unit. The cement industry in India has added a whopping 50 million tonnes capacity last three years, taking the total installed capacity to 220 million tonnes.

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