
Binani Cement plans to expand Chinese operations

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ET reported that Binani Cement Limited plans to invest USD 125 million for expansion of its cement manufacturing capacity from 0.50 million tonne to 3 million tonne at its Chinese subsidiary, Shandong Binani Rong'An Cement Company Limited.

Mr Vinod Juneja MD of Braj Binani Group said "We have undertaken expansion of cement manufacturing capacity from 0.50 million tonne to 3 million tonne, at an estimated project cost of USD 125 million at our Chinese subsidiary, Shandong Binani Rong'An Cement Company Limited. The land acquisition and project design and engineering works are in progress. The plant is expected to go into production by the Q1 of 2010-11."

Mr Juneja said "We have got good limestone reserves in China and our Binani brand cement is well accepted locally. We are looking at selling 50% clinker and cement in the domestic market and 50% exports."

He said "It has also taken up expansion of its unit in the UAE and setting up the first cement unit in Mauritius. The expansion of capacity of the grinding unit of Binani Cement Factory LLC at UAE from 1.2 million tonne to 2 million tonne is expected to start trial run by the end of this month, adding that it is also setting up first cement unit in Mauritius for which it has received all clearances from the local authorities."

However, BCL has CAPEX plans of INR 1,700 crore to be spent over the next 2 to 3 years which includes Greenfield expansion in Gujarat, a grinding unit in Mauritius, expansion in China and mine development in Nimbri Chandawatan, Rajasthan.

As per report, BCL has cement manufacturing capacity of 8.5 million tonne per annum. During Q1 FY 2010, it registered a 61% growth in net sales at INR 524 crore, compared to INR 326 crore in Q1 FY 2009. Profit before tax in Q1 FY 2010 stood at INR 129 crore, compared to INR 60 crore in Q1 FY 2009, registering an increase of 113%. Net profit stood at INR 107 crore in Q1 FY 2010, compared to INR 53 crore in Q1 FY 2009, registering an increase of 100%.

(Sourced from The Economic Times)

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