
Slowdown signs - Ambuja defers grinding plant in Gujarat

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BS reported that India's third largest cement maker Ambuja Cements has deferred its 1.5 million tonne clinker grinding unit at Sanand near Ahmedabad till 2010.

The move comes despite the fact that the demand for cement has been going up since November last with an average growth of over 8% in dispatches.

Industry analysts said that since the current demand was an aberration as the next couple of months were likely to be tough for the cement sector, the company might have taken the decision by sensing the adverse market scenario due to newer capacity additions.

The investment earmarked for the Sanand unit was around INR 275 crore and the plant was scheduled to go on stream in 2009. It was among the four grinding units which the company had planned to commission in 2009 and 2010 at an overall investment of INR 1,000 crore. Out of these, now two projects stand deferred.

The decision comes within a year of the company's decision to postpone work on its 1 million tonne grinding project at Barh in Bihar.

(Sourced from Business Standards)

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