

Bharathi Cement doubles production at 5 MTPA -Andhra Business Bureau,
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HYDERABAD: Bharathi Cement Corporation Pvt Ltd, promoted by Y S Jaganmohan Reddy who recently sold a majority stake of 51 per cent in the company to French cement major Vicat Group, on Tuesday said it opened its second line of production as per schedule to double its production capacity from the existing 2.5 MTPA (million tonnes per annum) to 5 MTPA (50 lakh tonnes per annum).



M Ravinder Reddy, Director, Marketing, Bharathi Cement, addressing a press conference in Hyderabad on Thursday.

The cement plant, established with German technology and robotic quality control mechanism, is located at Nallalingayapalli village in Kadapa (YSR) district.

“The cement plant including the second line of production is set up with an investment of Rs 1,623 crore. Of this, an amount of Rs 36 crore was spent for robotic quality control mechanism which enables the company to maintain highest standards of quality in each and every bag,” M Ravinder Reddy, Director, Marketing, Bharathi Cement, told media persons here on Thursday, after announcing opening of the second production line.

Mr Reddy said the company would use the increased production capacity to expand its reach in the existing markets of Andhra Pradesh, Tamilnadu, Karnataka, Kerala, Maharashtra, Goa, Pondicherry and Andaman & Nicobar. “With the increased production, we will cover the remaining untapped areas in these states,” he said.

He said the company would expand its dealership network from existing 1,525 to 2,000 dealers by 2011 and launch Portland Pozzolana Cement (PPC) shortly.

Replying to a query, he said Bharathi Cement generated revenues of Rs 140 crore last fiscal and Rs 340 crore this fiscal till now through 58 per cent utilization of the existing production capacity. "The plant will break even this fiscal," he said.

Mr Reddy said Bharathi Cement would look at entering into ready mix concrete (RMC) after stabilising the existing production capacities. "It takes some time for any cement company to stabilize its production capacity. We will look at other alternatives only after that," Mr Reddy said.

Asked about the shareholder pattern of the company, he said: "Bharathi Cement is a subsidiary of Vicat Group as it holds 51 per cent stake, while the remaining 49 per cent is held by Mr Jaganmohan Reddy." He said he was not aware of any plans of Mr Jaganmohan Reddy further diluting his stake in the company.