

Jai Balaji opts for land-for-land rehabilitation package

Jai Balaji Industries Ltd, the flagship company of Jai Balaji Group, which is engaged in construction of a 5-million-tonne steel plant in Purulia in West Bengal plans a land-for-land rehabilitation package for the displaced people.

Rajeev Jajodia, joint managing director of Jai Balaji Group, said: 'We will rehabilitate the displaced people within the 3,800 acres that will be acquired for the project. We are going for land-for-land package.'

Of the 3,800 acres required, the West Bengal Industrial Development Corporation (WBIDC) has so far acquired around 600 acres and identified 1,200 acres more for acquisition.

Jai Balaji would require at least 1,500 acres to implement its first phase of project.

The company is setting up a steel plant, a one-million tonne cement plant and a 400 MW captive power plant in the state.

It is relying more on foreign loans to fund its Rs.160 billion project with a debt- equity mix of 70:30.

'We are planning to fund our entire equipment procurement through external commercial borrowings and that would be possible as our entire procurement would be foreign currency expenditure,' said Aditya Jajodia, chairman and managing director.

He added: 'The cost of debt in India has gone up by 1-1.5 percent and foreign loans would be cheaper in that respect.'

The first phase of the project would be have an investment of Rs.50 billion. It would start commissioning within 40 months, he said.

The company also plans to invest Rs.17 billion this fiscal to set up a sinter plant, ferro alloy plant, coke oven plant and increase the capacity of its power plant as an exercise for cost reduction.

The company posted an increase in net profit by 91 percent for the fiscal that ended March 31, 2008.

The total revenue of the company stood at Rs.13.47 billion, an increase of 29.7 percent compared to 2006-07. The board of directors recommended a final dividend of 10 percent on equity shares for this fiscal.

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