

ACC's income from power sale rises four-fold

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ACC, part of the Swiss cement giant Holcim, registered a four-fold rise in its income from selling surplus power in 2009.

The company sold 113 million energy units of surplus power in the year worth Rs 60 crore from its captive power plants (CPPs), which was 6.5 per cent of ACC's total power generation output of 1,733 million units. In the previous year, the company sold 32 million units for Rs 13.7 crore, from 1,517 million units of output.

"This has helped increase the share of power from CPPs in total power consumption for cement production, from 64 per cent in 2008 to 70 per cent in 2009," said ACC in its report.

The company commissioned a 15-Mw plant in its Bargarh project in Orissa last year. Further, in the current calendar year, ACC has planned to

add another 90 Mw which is likely to get commissioned and stabilised. "With this increased captive generation, we expect our dependence on grid power to go down further," added the report.

ACC, which currently has an installed cement making capacity of 26 million tonnes per annum, is adding another 4.5 million tonnes in this calendar year.

"After the current quarter, there will be pressure on margins of the cement companies. Cement being an energy consuming sector, captive power will help ACC partially sustain the margin pressure in the coming quarters as more capacities go on stream," said an industry expert and head of a domestic brokerage firm.

ACC's peers, including Aditya Birla group's UltraTech and the northern major Shree Cement, are fast adding captive power capacities for uninterrupted power supply.