

JSW Cement plans to double Dolvi plant capacity

Will invest ₹1,500 cr in the two-stage expansion, says MD

OUR BUREAU

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JSW Cement Ltd, a part of \$11 billion JSW Group led by Sajjan Jindal, is planning to expand the manufacturing capacity of its Dolvi facility in Maharashtra from 1 million tonne (mt) per annum to 2.2 mt by February.

The company has started manufacturing its Concreel HD product line launched a year ago in the Dolvi plant to cater to the demand from the western region.

Although JSW does not have presence in the retail segment in the region, it aims at growing its market share in the region to 20 per cent within a year's time, Pushpraj Singh, Chief Marketing Officer, told *BusinessLine*. Around 80 per cent of total sales of the company are currently coming from the five States of the Southern re-

gion, he added. The first phase of expansion at Dolvi plant will take the company's total capacity to 12.5 mt. JSW Cement is further planning to increase the Dolvi plant capacity to 4.5 mt by 2019. The company is investing around ₹1,500 crore in the two-stage expansion, Parth Jindal, Managing Director told *BusinessLine*.

High targets

JSW Cement's pan-India expansion planned for the current fiscal for which the company had earlier committed an investment of around ₹2,700 crore, except Dolvi plant, includes 2.4 mt Salboni plant in West Bengal commissioned in July and ongoing capacity addition of 2.4 mt at Vijayanagar, Karnataka, and 1.2 mt in Jajpur, Odisha.

The current expansion is in the line with JSW Cement's strategy to reach 20 mtpa capacity by 2019 when the company is planning to launch its initial public offering.

"End of 2019 or early 2020 is

what we are targeting IPO," Jindal said. Post-IPO, according to him, the company will be targeting at reaching 30 mt by 2025 and 50 mt by 2030, both through organic and inorganic growth.

Post-IPO the company will also look at entering northern and central India regions.

"Our strategy is to acquire limestone blocks in these areas, after which we have a reason to enter those regions," he added.

Greenfield strength

Earlier this year, the company has acquired a stake of up to 54.4 per cent in Shiva Cement. However, it is not targeting any other acquisitions at the moment given high valuation expectations in the market.

"It does not make sense for a company like ours to go for any inorganic growth," Jindal said. "We are strong in execution, so the greenfield capacity is our strength and that's what we are trying to leverage."