

Ramco Cements to commission new projects worth ₹2,000 crore

G BALACHANDAR

Chennai, July 29

Ramco Cements Ltd, a prominent player in South India, is expected to commission about ₹2,000 crore worth of expansion projects during the current fiscal.

The company is implementing ₹3,500-crore capacity expansion across six sites, including a greenfield project, to boost the capacity to 20 million tonnes by 2020.

A few brownfield and greenfield expansions will be completed this fiscal and the incremental capacity will come on stream, the company said in its annual report.

A cement grinding unit of 1 million tonne per annum

(MTPA) capacity is coming up at Haridaspur in Jajpur district in Odisha at a total outlay of ₹515 crore. This will be commissioned during the current fiscal.

The company is in the process of enhancing its clinkerisation capacity at the Jayanthipuram plant in Andhra Pradesh by an additional 1.5 MTPA and a WHRS (waste heat recovery system) of 27 MW. The ₹740-crore project is slated to be completed by this fiscal.

Capacity augmentation at its grinding units at Visakhapatnam (Andhra Pradesh) and Kolaghat (West Bengal), with additional grinding lines of 1 MTPA capacity each, are underway at a cost of ₹250 crore and ₹425 crore respectively. These pro-



AV Dharmakrishnan, CEO, Ramco Cements

jects are also expected to be commissioned in 2019-20.

“The expansion projects on completion would take the aggregate capacity of the company’s satellite grinding units to 9.5 MTPA, compared to the 4.2 MTPA at present,” AV Dharmakrishnan, Chief Executive Of-

ficer, Ramco Cements, said in the annual report.

While the new capacity comes at a time when the cement demand has softened in the country, the company’s penetration into the eastern region with the capacity expansion may help it offset the slowdown in other regions.

“The strategic locations of the grinding units proximately to fly ash / slag availability areas and major cement consumption areas would enable the company to economise its transportation costs and expand its markets in Odisha, Jharkhand and West Bengal,” said Dharmakrishnan.

The Kolaghat unit is strategically located to serve the growing

demand in West Bengal, Odisha and the North-East. Equipped with a high, energy-efficient vertical roller mill, the Haridaspur greenfield unit on completion will have the capability to grind different cement variants for different applications and will cater to the Eastern markets.

“In the first quarter, demand remained tepid across the sectors due to liquidity issues, weaker sentiments and lower govt spending. We do expect some revival in demand post monsoons on the back of revival in govt spending. Nevertheless, all India demand growth would be in the range of 5-6 per cent for the current fiscal,” analysts of Prabhudas Lilladher said in a recent report.