

Sanghi Ind to invest ₹250cr to raise cement production, buy ships

Piyush Mishra | TNN

Ahmedabad: Sanghi Industries Ltd (SIL) will invest Rs 250 crore in next 18 months to increase capacity in cement production by 30% and for acquiring ships and setting up sea terminals.

Out of this, manufacturers of Sanghi cement invest Rs 150 crore in acquiring vessels for logistics as well as in commissioning new sea terminals. The company will also spend Rs 100 crore to raise cement production capacity from 2.6 million tonnes per annum (mtpa) to 3.5 mtpa by end of 2015.

“Currently, clinker production is higher than cement production at our plant. To correct the mismatch, we are investing Rs 100 crore in increasing the grinding capacity. This will take 14 months in commissioning,” said Alok Sanghi, director, Sanghi Industries Ltd. The debottlenecking will increase the grinding capacity by 30% of the Abdasa plant in Kutch.

SIL will acquire six vessels in next five years for transportation of its products into newer markets to reduce fuel cost and increase distribution capability.

“We currently charter ships from market for distribution. We will acquire two vessels immediately and then two vessels every 18 months,” added Sanghi. Company plans to pro-



Alok Sanghi, director, Sanghi Industries Limited

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quire ships from China to save cost and time.

The company is also in the process of setting up jetties at Navlakhi port in Morbi district and at Mumbai.

With an eye on new markets, SIL is also planning to set up jetties at Goa and Kochi ports. SIL exports 20% of its total production, mainly clinker to middle-east, Africa, Sri Lanka and Bangladesh.

SIL has invested over Rs 2,000 crore on the Abdasa plant that began production in 2003. “We will have Rs 450 crore debts by the end of the current financial year,” added Sanghi.

The holding of the promoters in the company will be 66% by end of the current fiscal after promoters acquired 5% shares through creeping acquisition.