

Shiva Cement eyes Rs 450-cr revenue in FY16

The company eyeing capacity expansion recently entered into an MoU with Odisha involving investment of Rs 800 crore



Cement manufacturer Shiva Cement is expecting Rs 450 crore revenue in FY16 on the back of expansion plans, an official has said.

The company has embarked on a massive capacity expansion and entered into an MoU with the Odisha government involving investment of Rs 800 crore recently.

"The first phase of our expansion plan, which involves an investment of Rs 270 crore, is expected to be operational by

January 2015. We will start seeing the results of this expansion in 2015-16," Chairman and Managing Director R P Gupta told PTI here.

In the phase I, the company will be expanding its current 0.132 mtpa capacity to one mtpa and in the second it will go up to more than 2 mtpa, he said.

"The cement industry has slowed down... But we expect to see a revival by 2015, which is when our plant will also be operational. We will take complete advantage of this turnaround and we expect our revenues to grow manifold to nearly 450 crore in FY16," he said.

Shiva Cement had reported total income of Rs 50.79 crore for the 9-month period of April-December 2012.

The company has already entered into alliance with cement major ACC for equity participation for the expansion. ACC currently holds 14.5% share in the company.

"ACC's major investment is going to come in phase II. But we are expecting some equity infusion even in the phase I, but these things are yet to be discussed," Gupta said.

He said out of the Rs 270 crore investment for the phase I, promoters have already pumped in Rs 30 crore. The company has tied up for Rs 170 crore as term loan and the balance will be contributed by ACC as well as the promoters.

"Financial closure for the first phase is expected to be achieved by June after which the work will commence," he said.

Gupta further said that in the second phase, since ACC would be infusing a significant amount in expansion, its stake holding is likely to go up to 25%.

"Takeover by ACC will be a win-win situation for both the companies. We have a good amount of limestone deposits and we are further looking at acquiring more mines. Once we get them, we will be able to increase our capacity to over 5 mtpa. This will make ACC's position in the eastern market even stronger," Gupta added.