

Cement players cementing track in newer mkts

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Despite the 212 million tonne cement industry nearing oversupply, cement manufacturers are betting on the long term perspective and are entering into new markets to spread their footprint and capture the growing demand in India. Companies are also adopting different strategies to penetrate and compete with their competitors.

Binani Cement, which has entered Kolkata markets last month told *FE* that the company will go only for exclusive dealership to penetrate in the eastern markets. It currently has 15 exclusive dealers in Kolkata and is scouting for more dealers to increase the sales of its commodity. The company has also made its entry in newer markets in Aurangabad, Nasik, Kolhapur and Pune in Maharashtra where it will have exclusive as well as regular dealers.

"We have basically entered Kolkata to test the eastern market. If successful, we might set up an integrated cement plant there. Currently, cement is supplied from our Sirohi (Rajasthan) plant to Kolkata. Nevertheless, so far the response has been good for our cement in the East," said Vinod Juneja, MD of Binani Cement.

According to experts,

looking at the demand scenario since last quarter, it would not be difficult for Binani to sell its cement. However, the real test will be visible once the monsoon sets in and demand slows down.

Similarly, to take the advantage of good realisation, Prism Cement is targeting the southern markets with its new plant in Andhra Pradesh.

This will give Prism Cement exposure to markets not only in Andhra Pradesh but Karnataka, Tamil Nadu and some parts of Kerala as well.

The 3 million tonne green field plant in Kurnool district, Andhra Pradesh is expected to be operational by 2011.

Moreover, JK Lakshmi Cement, with 10% market share in the Northern markets is targeting to have access to central and Eastern markets with its Rs 1,100 crore green field plant in Chhattisgarh.

Shailendra Chouksey, whole time director of JK Lakshmi had earlier told *FE*, "The land acquisition work for our 2.7 million tonnes greenfield cement plant at Durg (Chhattisgarh) is going on and as per the present reckoning it should be commissioned by 2011. This project will enable us to have access in Chhattisgarh, West Bengal, Orissa, Bihar, Jharkhand and Andhra Pradesh," he adds.