

Jaypee Cement chalks out Rs 3,500cr expansion plan

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JAYPEE Cement has chalked out plans to invest around Rs 3,500 crore during the ongoing financial year to increase its production capacity. The amount is part of the Rs 10,000-crore investment earmarked by Jaypee Cement for its growth plans. The company has already spent Rs 6,000 crore.

"A part of the corpus of money has been raised through foreign currency convertible bonds (FCCB)," said Manoj Gaur, executive chairman of Jaypee Group. Gaur added that by the end of the financial year 2011, the company plans to add 25 million metric tonnes production capacity. "Of this, the company will have close to 10 million metric tonnes cement production capacity by the end of



Shamik Banerjee

FIELDS OF GOLD: Jayprakash Gaur (extreme right), chairman of Jaypee Group presenting a miniature gold bat to Sachin

October 2009." The company currently produces close to 15 million metric tonnes.

A large part of the capacity addition will come through greenfield projects and the rest through acquisitions. Gaur refused to share further details on the acquisition plans of the company.

Gaur said that given the current stress on

infrastructure and construction business in smaller cities, the demand for cement is bound to increase in the future. "Our capacity addition plans are in tune with this reality."

To promote its brand of cement, the company has for the first time roped in a brand ambassador by signing cricketer Sachin Tendulkar. Tendulkar will be the face of the brand

through a long-term contract signed by the company. In fact, even in the face of slowdown, wherein the companies are cutting down on expenditure, Jaypee Cement plans to invest over Rs 50 crore to boost its branding positioning this year.

"We have been seeing growth in our business. And we feel that now is an appropriate time for us to have a brand ambassador. It is a planned move and will not affect our costs adversely," said Gaur. He, however, did not divulge any details about the endorsement fee of the cricketer, nor did he specify the number of years Tendulkar would endorse the Jaypee brand of cement. The company, after its association with Tendulkar, plans to develop a stadium and also start a cricket academy.

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