

JSW Cement's Jindal Opts for Organic Growth, Avoids Bidding Wars in Cement Sector



JSW Cement will focus on organic growth and capacity expansion rather than engaging in high-stakes bidding wars for acquisitions, according to a recent statement from Managing Director Parth Jindal. The company, which is preparing for its Initial Public Offering (IPO), recognizes that it lacks the "financial muscle" to compete with the industry's dominant players like the Adani Group and Ultratech Cement.

Speaking at a media roundtable, Jindal candidly stated, "I don't want to get into a bidding war with the big boys in the cement space." He explained that while the company will evaluate any available assets, it is not in a position to challenge larger, more powerful competitors. Instead, JSW Cement's strategy is to leverage its upcoming ₹3,600 crore IPO to fund its own capacity expansion and debt reduction. The company aims to nearly double its current capacity from 20.6 million tonnes per annum (MTPA) to 42 MTPA.

This organic approach is a key part of JSW Cement's plan to increase its market share. The company, which currently holds about 3% of the market, has a goal to reach 10% in the medium to long term. According to Jindal, their organic roadmap is "far more exciting" because it allows the company to strategically choose which geographies to enter, based on a detailed analysis of supply and demand. JSW has already laid out plans to expand in North, Central, and Northeast India, including an ₹800 crore unit in Punjab.

Jindal also noted that the cement industry is undergoing a period of consolidation, with major players actively acquiring smaller firms. However, he believes that some semblance of "better behavior" has returned to the market after a period of what he termed "irrational" pricing last year. He acknowledged that as a smaller player, JSW Cement's pricing strategy is often dictated by the decisions of its larger rivals.

The IPO, with a price band of ₹139-147 per share, is set to open on August 7. The funds raised will be used to finance expansion projects and repay debt, reinforcing the company's commitment to self-funded, sustained growth.