

# JSW Cement raises ₹400-cr. in sustainability-linked loan

JSW Cement Ltd. said it has raised ₹400 crore (\$50 million) in a sustainability-linked loan from MUFG Bank India.

The company would deploy the funds for capital expenditure with increasing focus on sustainability. JSW Cement said it was pursuing the goal of creating a sustainable future for India through its green cement portfolio.

“The new capital will enable us to meet our goal of achieving 25 mtpa capacity in the near term,” managing director Parth Jindal said.

# JSW Cement Raises ₹400-cr Loan to Fund Capacity Expansion

MUFG Bank to provide the loan; this is the third fundraising by the firm in 15 months

## Our Bureau

**Mumbai:** JSW Cement on Monday said it is raising ₹400 crore through a sustainability-linked loan from MUFG Bank India to fund its capacity expansion plans. MUFG Bank acted as the mandated lead arranger and bookrunner (MLAB) and the sustainability loan coordinator for this transaction, JSW Cement said. DNV Business Assurance India (DNV) acted as the second-party opinion (SPO) provider.

This is MUFG's first transaction from its new office at Gujarat International Finance Tec City (GIFT City), which was set up in August. The fundraise will help the cement maker towards its announced target of building up 25 million tonnes per annum capacity by FY25 from 17 million tonnes at present.

This is the third fundraise by JSW Cement in the last 15 months. It had raised ₹100 crore from the State Bank of India last December 2021 as compulsorily convertible preference shares to be converted into equity at the time of the company's debut on the bourses. In Ju-

ly 2021, the company had raised ₹1,500 crore from Apollo Global and Synergy Metals Investments. JSW Cement had earlier set December 2022 as a timeline to get listed on the stock exchanges.

The sustainability-linked loan reiterated the company's purpose of pursuing sustainable business growth, said Parth Jindal, managing director of JSW Cement. Such loans usually provide a slightly preferable rate of interest as the capital investors meet their sustainability investment goals.



**JSW Cement also raised ₹1,500 crore from Apollo Global and Synergy Metals Investments in July 2021**

Earlier this year, market leader UltraTech Cement had raised \$400 billion through sustainability-linked bonds.

"Right now, it (raising sustainability-linked loans) is a fashionable thing for companies to do," said an analyst at a rating

agency who requested not to be named. "It also helps them gain better publicity while offering a small benefit in interest rates."

The cement industry is one of the leading polluters, necessitating a move towards sustainable processes and materials in the sector. JSW Cement uses industrial waste as feed material for making cement. This includes slag from JSW Steel, the flagship company of the JSW Group.

## ● SUSTAINABILITY LINKED LOAN FROM MUFG

# JSW Cement secures ₹400-crore funding

FE BUREAU

New Delhi, October 3

**JSW CEMENT HAS** raised its first sustainability linked loan of ₹400 crore (\$ 50 million) from MUFG Bank India. The company plans to deploy these funds as a capital expenditure to achieve its capacity target of 25 MTPA by financial year 2024-2025, with increasing focus on sustainability. This is the company's third fund raise in the last 15 months.

According to a statement from the company, it has developed a sustainability-linked loan framework to link its capital-raising with long-term ESG objectives.

"This will enable JSW Cement to meet its ambitious timelines for achieving an improved sustainability performance. The sustainability-linked loan framework is also aligned with the sustainability-linked loan principles administered by the loan market association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association in March 2022," it said.

With this fund raise, JSW Cement has raised ₹2,000 crore since July 2021 for funding its capacity expansion plans. In July last year, the com-



**PARTH JINDAL,**  
MD, JSW CEMENT

**The sustainability linked loan raised from MUFG Bank reiterates our purpose of pursuing sustainable business growth while ensuring a sustainable future for the next generations**

pany had raised ₹1,500 crore from Apollo Global and Synergy Metals Investments as compulsorily convertible preference shares (CCPS) to be converted into equity at the time of initial public offering. Later in December 2021, the company raised ₹100 crore from

State Bank of India in a similar manner.

JSW Cement has installed capacity of 17 million tonne across its units at Vijayanagar in Karnataka, Nandyal in Andhra Pradesh, Salboni in West Bengal, Jajpur in Odisha and Dolvi in Maharashtra.

Its subsidiary Shiva Cement is investing ₹1,500 crore in a 1.36 million tonne clinker unit in Sundergarh district of Odisha along with a 1 million tonne grinding unit.

Commenting on the fund raise, Parth Jindal, managing director, JSW Cement said, "The sustainability linked loan raised from MUFG Bank reiterates our purpose of pursuing sustainable business growth while ensuring a sustainable future for the next generations. The new capital will enable us to meet our goal of achieving 25 MTPA capacity in near term."

Shashank Joshi, deputy CEO of MUFG India said, "Through this transaction, JSW Cement has not only reaffirmed its sustainability vision but served as a leading flag-bearer for the industry's net zero transition. With our market-leading ESG financing capabilities, MUFG has long played a defining role in the sustainability journey of India's corporate sector."

# जेएसडब्ल्यू को मिला कर्ज

मुंबई। जेएसडब्ल्यू सीमेंट ने सोमवार को कहा कि उसने एमयूएफजी बैंक इंडिया से 400 करोड़ रुपए का कर्ज लिया है जिसका इस्तेमाल उत्पादन क्षमता बढ़ाने के लिए किया जाएगा। सज्जन जिंदल की अगुवाई वाली कंपनी ने एक बयान में कहा कि यह कंपनी का पहला वहनीयता-संबद्ध ऋण है। इस वित्त का इस्तेमाल कंपनी अपने वार्षिक उत्पादन को वर्ष 2024-25 तक 2.5 करोड़ टन तक पहुंचाने में करेगी। यह एमयूएफजी बैंक इंडिया का भी अगस्त 2022 में गुजरात के गिफ्ट सिटी में स्थित अपनी नई आईएफएससी शाखा की तरफ से पहला लेनदेन है।