



CEMENT UPDATE

JULY 2024

Port Analysis



CEMENT TRAFFIC AT INDIAN PORTS

(Qty in Metric Tonnes)

- Indian port traffic for cement in the period of Apr-June'24 saw a increase of 21.80% at 1957168 MT as compared to the same period of the previous fiscal.
- Pipavav port saw the highest traffic of cement in the period of Apr-June'24.

Cement Traffic At Indian Ports			
(Quantity in MT)			
Ports	Apr-June'24	Apr-June'23	Y.O.Y Variance
PIPAVAV	770000	663500	106500
JNPT	444065	353809	90256
DHARAMTAR	279300	54100	225200
ULWE JETTY	223900	NA	223900
COCHIN	140000	185592	-45592
BEDI	90499	0	90499
BHAGWATI BANDAR	65040	56886	8154
TUTICORIN	55470	55800	-330
NAVLAKHI	52098	0	52098
MANGALORE	30000	50000	-20000
PORBANDAR	15750	10500	5250
Grand Total	2181068	1530584	650484

- Ultratech Cement turned out to be a major cement supplier to Sri Lanka, exporting 150000 MT of cement.

Cement Exports: Apr-June'24		
Exporters	Coastal	Sri Lanka
ULTRATECH CEMENT LTD.	620000	150000
SAURASHTRA CEMENT LTD.	11600	
Grand Total	631600	150000

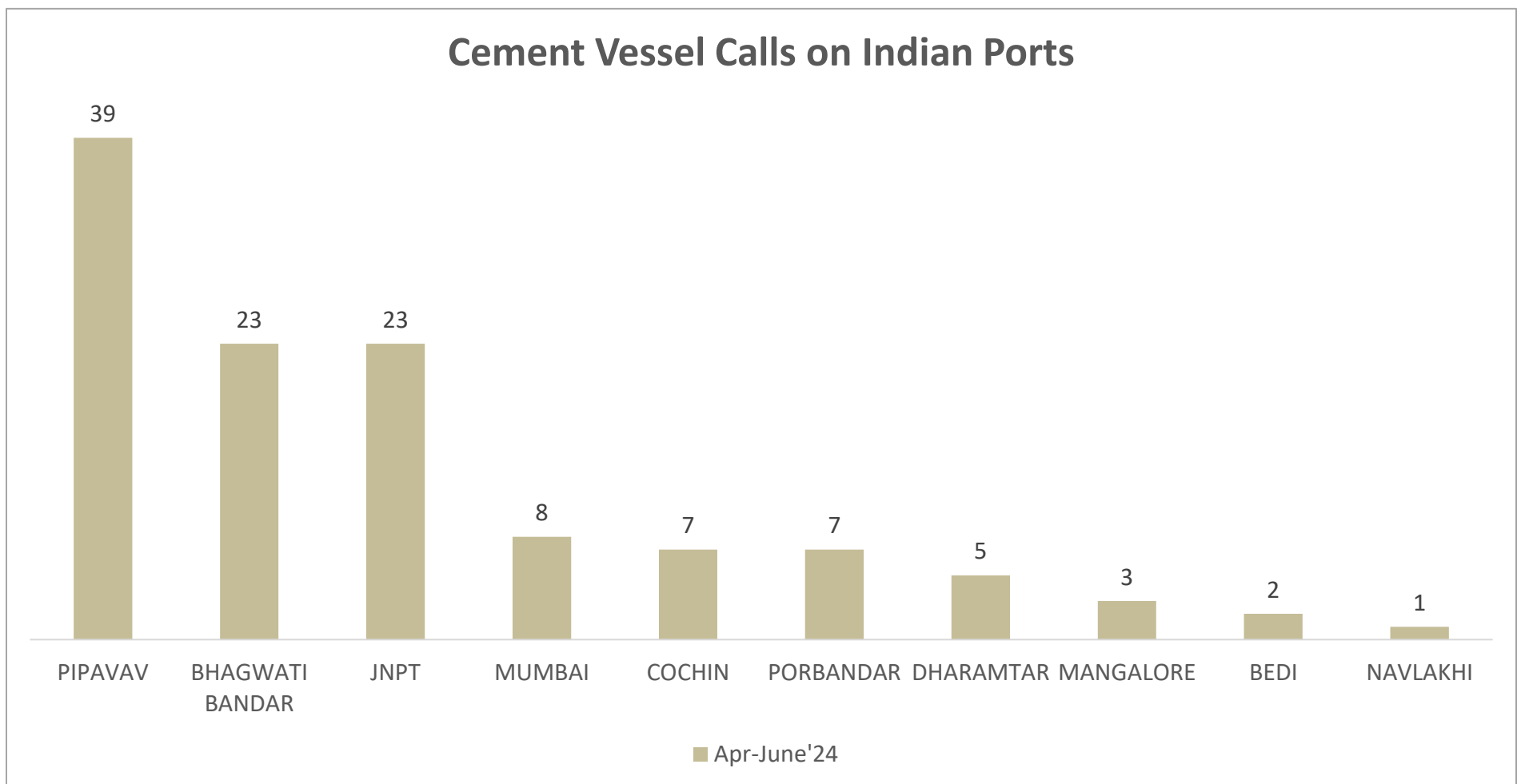
NOTE: Above Statistics is drawn from data received from Port and Custom Authorities, while all information is believed to be correct, the editors of this compilation or JM Baxi do not guarantee the authenticity of data.

Cement Imports between Apr-June'24 (Qty in Metric Tonnes)

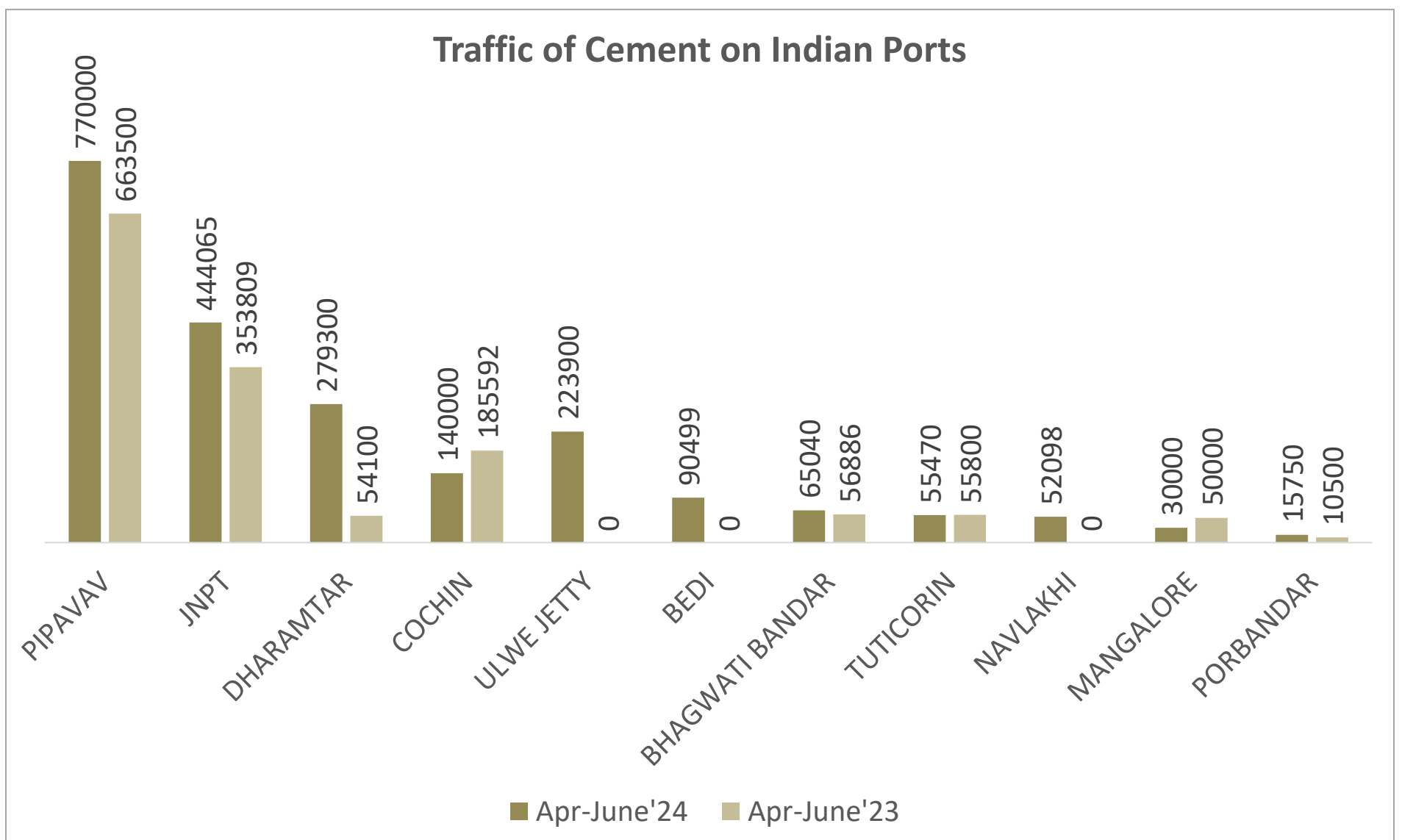
IMPORTERS	COASTAL	EXIM
ULTRATECH CEMENT LTD.	496052	
AMBUJA CEMENT LTD.	279370	
MINA RESOURCES PVT. LTD.		45000
Grand Total	775422	45000

- India's imports decreased by 13.22% in the period of Apr-June'24 at 1351910 MT as compared to the same period of the previous fiscal.

Cement Vessel Calls on Indian Ports



Traffic of Cement on Indian Ports





MARKET HIGHLIGHTS

- **UltraTech's plans to acquire Orient Cement**
- **BEUMER Group sets up production site in Reliance MET City**
- **Adani Group acquires Penna Cement at enterprise value of Rs. 104.22 billion**

UltraTech's plans to acquire Orient Cement

- UltraTech is in advanced negotiations for the acquisition of the company amid intensifying consolidation efforts in the sector. Kumar Mangalam Birla's flagship UltraTech is in advanced negotiations with the promoter of Orient Cement, his uncle CK Birla, after restarting talks in recent weeks, said people familiar with the discussions to ET.
- Kumar Birla's renewed efforts to buy Orient are seen as an attempt to trump Adani Cement and consolidate UltraTech's position in the southern and western markets, especially Maharashtra and Telangan after buying a 23% stake in India Cements at the end of last month. Adani Cement, which controls India's second-largest cement capacity, has been engaged in talks with CK Birla since late last year but is said to have balked at the valuation sought. The promoter stake in Orient Cement held by the Birla family and private investment vehicles is 37.9%. The company has a market value of Rs 6,417.51 crore, having almost doubled from Rs 3,878 crore in October.
- The UltraTech offer translates to an enterprise value of Rs 7,300-7,800 crore (\$840-\$938 million) or \$109-110 per ton based on Orient Cement's current installed capacity of 8.5 million tons per annum, aligning with recent transactions in the range of \$90-110 per ton for mid-tier companies.
- Last month, the Adani Group, through Ambuja Cement, acquired South-based Penna Cement at \$90 per ton. UltraTech acquired the cement assets of Century Textiles at a \$91 per ton valuation and those of Kesoram Industries in November 2023 at an implied valuation of \$95 per tonne through a share swap. Adani's offer was also contingent on obtaining environmental clearance for the expansion phase in Telangana, which the current Orient management was unable to commit to definitively, according to sources' citation to ET. A formal announcement is expected before or during Orient Cement's upcoming quarterly earnings scheduled for July 19. However, the final valuation is still being worked upon and the deal may not happen if there's a mismatch, said the people cited to ET. A successful closure will accelerate Birla's plans to achieve a 200 million tons per annum (MTPA) capacity for UltraTech by 2027. At the end of May 2024, UltraTech's capacity stood at 152.69 MTPA, excluding Kesoram's capacity of 10.75 MTPA

Source: Economic Times

BEUMER Group sets up production site in Reliance MET City

- BEUMER Group is continuing on its growth path and expanding its commitment in India.

The global manufacturer of material handling solutions invests more than Rs. 2 billion in a new production city in Reliance MET City/Jhajjar. Laying of the foundation stone took place on 27 June 2024, with representatives of BEUMER Group and Reliance MET City attending the ceremony. The new production site will further strengthen BEUMER's global factory footprint as well as boosting the continued success of its BEUMER India subsidiary. With an area of more than 10 acres, the new plant will be placed at a highly strategic location, with Reliance MET City offering exemplary infrastructure and support. BEUMER will be the first German company to set up production in the development zone. Construction work will commence this summer, the inauguration of the new plant is scheduled for September 2025. BEUMER Group has been active in India since 2003. Initially catering to the cement industry exclusively, BEUMER India has grown significantly over the years and now offers solutions for the airport industry, minerals and mining, for automated warehouses and distribution centres in the retail industry as well as in the areas of e-commerce and courier, express and parcel. In addition, BEUMER India is also providing engineering support to the group's global network.

On the product side, BEUMER India has been a trailblazer of new bulk as well as discrete material handling technologies to India, for example: high-capacity, high-speed automatic loop sortation for passenger baggage, fully automated truck loading for cement bags, high-efficiency bulk material transport, as well as curved belt and pipe conveyors. Over the years, BEUMER strengthened its position in India through various steps, such as diversifying to all business segments as global operations, acquisition of ENEXCO Technologies India, FAM India and the establishment of a modern manufacturing unit at Naurangpur, Haryana. "This expansion reflects BEUMER Group's strategic focus and commitment to long-term success in India. The new production site plays an important part in our global factory footprint, strengthening our position as a quality leader and partner of choice for our customers", said Rudolf Hausladen, CEO BEUMER Group. "Our new production site at Reliance MET City offers a convenient ease of business and synergy in approaching infrastructure and facilities with a vision towards sustainable development. Setting up a manufacturing unit in the context is truly 'plug and play', with Reliance staying true to its goal of developing a 'Model Economic Town'", said Nitin Vyas, Cluster Asia CEO, BEUMER Group.

Source: World Cement .com

Adani Group acquires Penna Cement at enterprise value of Rs. 104.22 billion

- Ambuja Cements Limited, the cement and building material company of the diversified Adani Group, has announced the signing of a binding agreement for the acquisition of Penna Cement Industries Ltd (PCIL) at an enterprise value of Rs. 104.22 billion.

Ambuja will acquire 100% shares of PCIL from its existing promoter group, Mr. P. Pratap Reddy and family. The acquisition will be fully funded through internal accruals. "This landmark acquisition is a significant step forward in Ambuja Cements' accelerating growth journey", said Mr. Ajay Kapur, CEO & Whole Time Director of Ambuja Cements. "By acquiring PCIL, Ambuja is poised to expand its market presence in south India and reinforce its position as a pan-India leader in the cement industry. PCIL's strategic location and sufficient limestone reserves provide an opportunity to increase cement capacity through debottlenecking and additional investment. Importantly, the bulk cement terminals (BCTs) will prove to be a gamechanger by giving access to the eastern and southern parts of peninsular India, apart from an entry to Sri Lanka, through the sea route. Our aim is to make PCIL highly competitive on cost and productivity and improve its operating performance." PCIL has 14 million tpy cement capacity, of which 10 million tpy is operational, and the remaining is under construction at Krishnapatnam (2 million tpy) and Jodhpur (2 million tpy) and will be completed within 6 to 12 months. Around 90% of the cement capacity comes with railway sidings, and some are supported by captive power plants and waste heat recovery systems. Further, surplus clinker at the Jodhpur plant will support an additional 3 million tpy cement grinding capacity over and above 14 million tpy. The existing dealers of PCIL will move to Adani Cement's market network to bring in formidable synergy.

Source: World Cement .com

Research & Analysis Desk:

J. M. BAXI

Godrej Coliseum, Office No. 801, 8th floor, "C" wing, Behind Everard Nagar,
Off. Somaiya Road, Sion. Mumbai - 400022 INDIA.

T: 022 61077100 Ext 161/145, | M: 091-7506004224 / 7045659111
E: shwetalk@jmbaxi.com | W: www.jmbaxico.com