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# CEMENT UPDATE

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# JANUARY 2024



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# Port Analysis



## **CEMENT TRAFFIC AT INDIAN PORTS**

(Qty in Metric Tonnes)

- Indian port traffic for cement in the period of Apr-Dec'23 saw a increase of 2.19% at 5345862 MT as compared to the same period of the previous fiscal but saw a decrease in Dec'23 of 12.47% at 695676 MT as compared to Dec'22.
- Pipavav port saw the highest traffic of cement in the period of Apr-Dec'23 and Dec'23 at 2243000 MT & 273000 MT respectively.

<b>Cement Traffic At Indian Ports</b> (Quantity in Metric Tonnes)			
<b>Ports</b>	<b>Apr-Dec'23</b>	<b>Apr-Dec'22</b>	<b>Y.O.Y Variance</b>
PIPAVAV	2243000	1849500	393500
JNPT	1146169	934165	212004
COCHIN	636475	895811	-259336
BEDI	218933	45000	173932
MANGALORE	187837	292176	-104339
MUMBAI	159406	49570	109836
TUTICORIN	150000	3900	146100
BHAGWATI BANDAR	133019	125454	7565
MULDWARKA	128000	76397	51603
DHARAMTAR	103773	220628	-116855
<b>Grand Total</b>	<b>5345862</b>	<b>5228868</b>	<b>116994</b>

- Ultratech Cement turned out to be a major cement supplier to Sri Lanka, exporting 351000 MT of cement.

<b>Cement Exports: Apr-Dec'2023</b>		
<b>Exporters</b>	<b>Coastal</b>	<b>Sri Lanka</b>
<b>ULTRATECH CEMENT LTD.</b>	<b>1892000</b>	<b>351000</b>
<b>AMBUJA CEMENT LTD.</b>	<b>18000</b>	
<b>HARI &amp; CO.</b>	<b>800</b>	
<b>PENNA CEMENT INDUS. LTD.</b>	<b>75000</b>	
<b>RAJ IMPORT AND EXPORT</b>	<b>27200</b>	
<b>SAURASHTRA CEMENT LTD.</b>	<b>38300</b>	
<b>SS ROCK LTD.</b>	<b>15600</b>	
<b>Grand Total</b>	<b>2066900</b>	<b>351000</b>

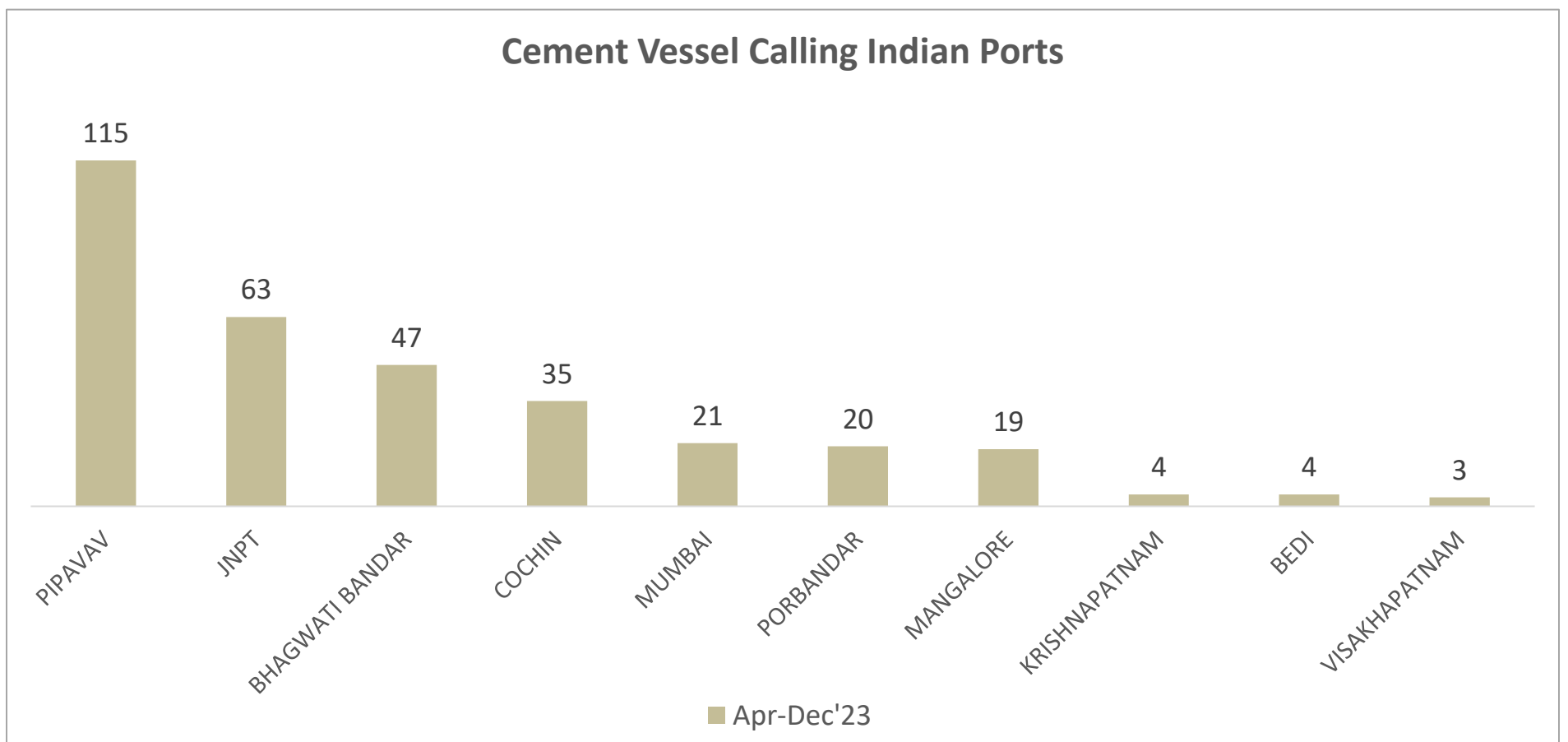
NOTE: Above Statistics is drawn from data received from Port and Custom Authorities, while all information is believed to be correct, the editors of this compilation or JM Baxi do not guarantee the authenticity of data.

## Cement Imports between Apr-Dec'23 (Qty in Metric Tonnes)

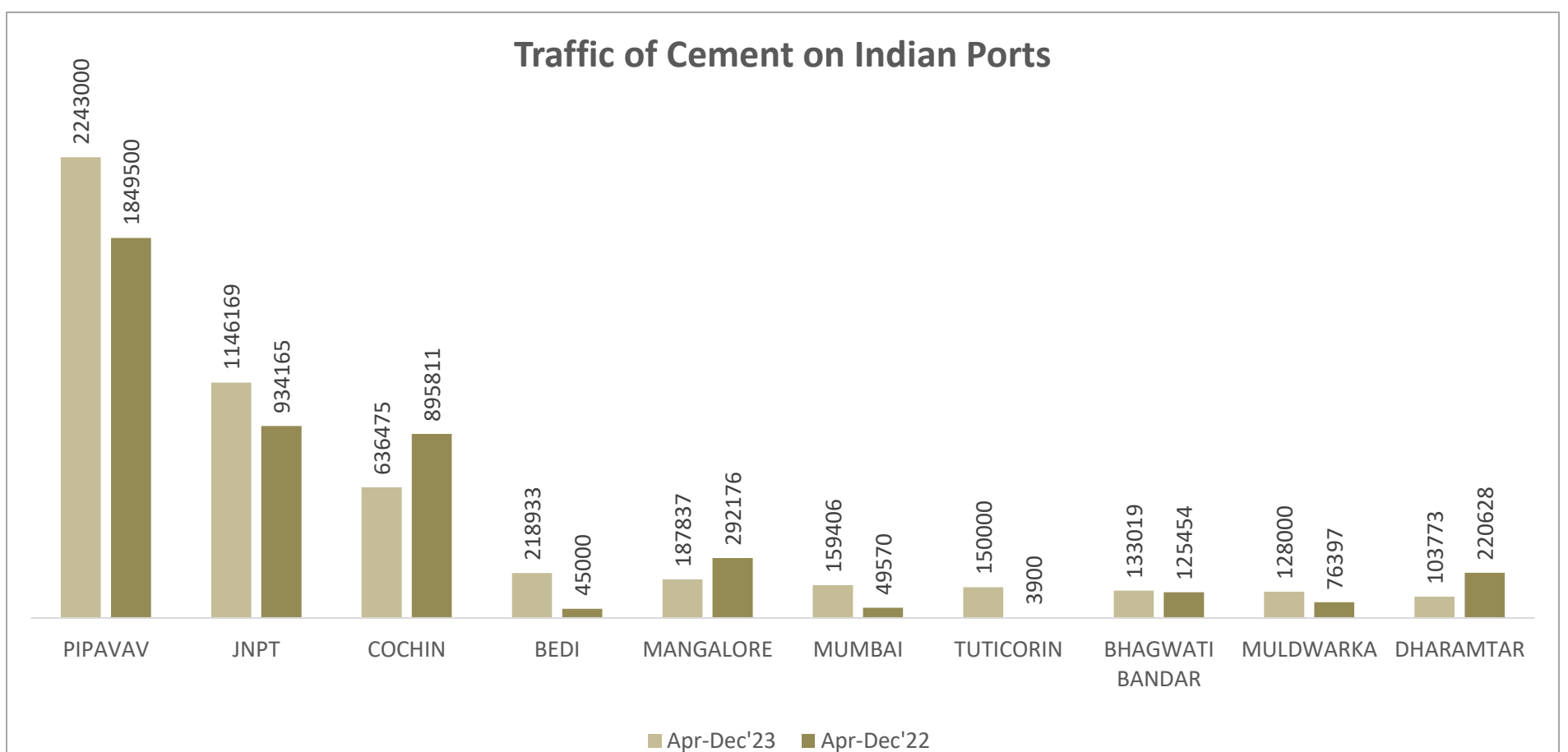
IMPORTERS	COASTAL	EXIM
ADANI CEMENT INDUS.	3908	
AMBUJA CEMENT LTD.	5855	
ARCELOR MITTAL NIPPON STEEL INDIA LTD.	2201	
FAIRMACS TRADING CO. PVT. LTD.	5794	
HATHI CEMENT LTD.	4650	
PENNA CEMENT INDUS. LTD.	50000	
ULTRATECH CEMENT LTD.	2022000	
ZUARI CEMENTS LTD.	5787	
VASUKI MINING & MINERALS PVT. LTD.		173633
OCEANIC TRADE MINERALS PVT. LTD.		94200
RM TRADEX		90998
COCHIN CEMENTS CO.		43000
JSW STEEL LTD.		103773
KALEESUWARI REFINERY CO.		55800
<b>Grand Total</b>	<b>2100195</b>	<b>561404</b>

- India's imports decreased by 8.53% in the period of Apr-Dec'23 at 2461486 MT as compared to the same period of the previous fiscal and also in Dec'23 by 46.31% at 500108 MT as compared to Dec'22.

### Cement Vessel Calling Indian Ports



### Traffic of Cement on Indian Ports





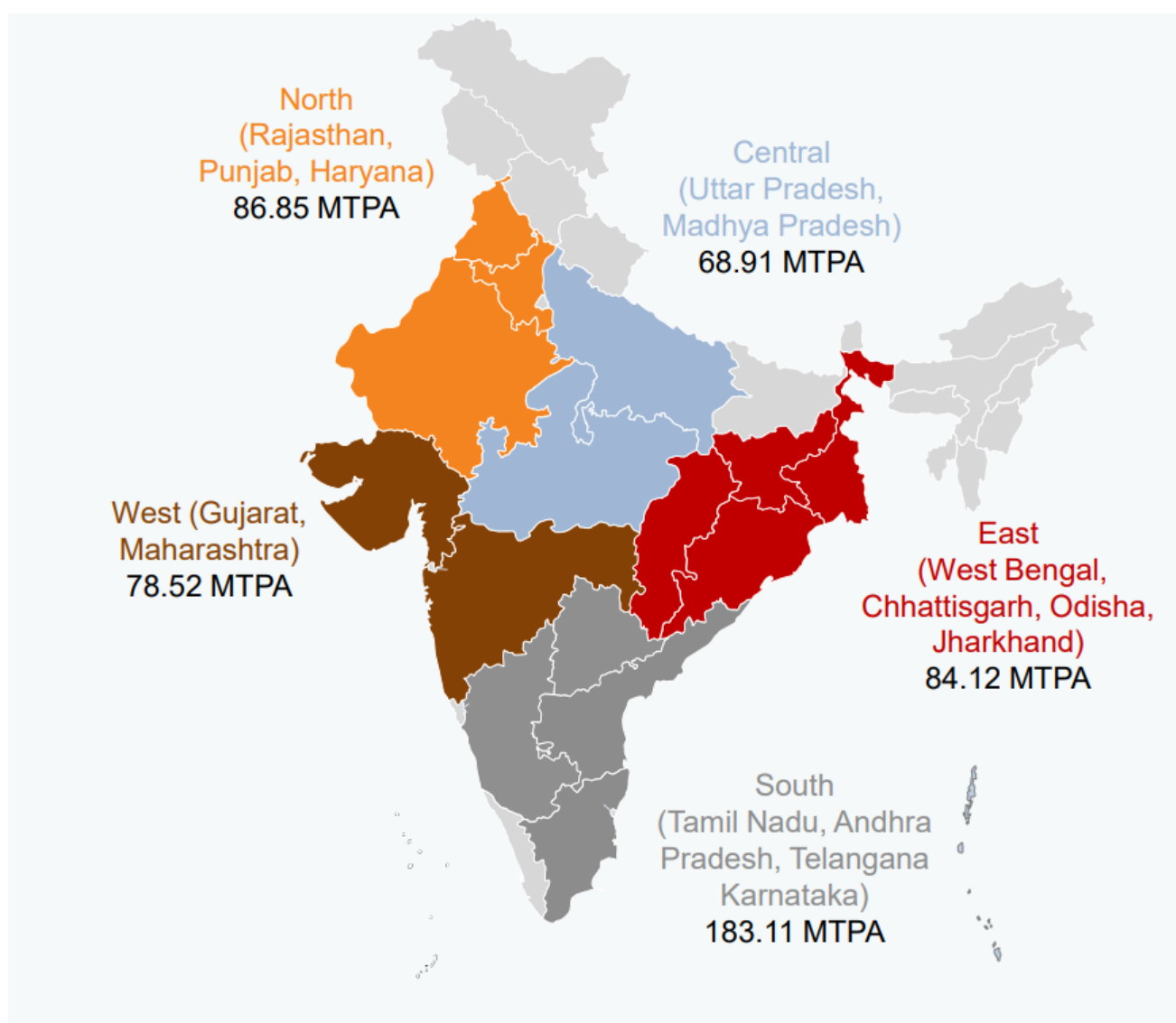
# MARKET ANALYSIS



## CEMENT MARKET ANALYSIS

## CEMENT OUTLOOK – 2023

- India is the second-largest producer and consumer of cement after China, with a total of 570 MT capacity as of FY22-end. The demand in the country has grown at an average 1.3 times its GDP. A wave of acquisitions also swept across the sector, starting with Adani Group's acquisition of Switzerland-based Holcim Group's stake in Ambuja Cements (ACL) and ACC for \$6.6 billion in September 2022.
- Almost all of the incremental cement demand was absorbed by the top four companies, which implied that the rest of the sector got impacted by both low market share and suffered from higher costs. This would have probably resulted in the recent consolidation in the sector,".
- "Over the past five years, The cement sector has witnessed an unparalleled surge in M&As, resulting in the transfer of 106-108 MTPA of capacity, of which 95-97 MTPA have been acquired by large players. On the other hand, large players have installed only 51-53 MTPA of capacities via the organic route."
- The acquisition spree continued with ACL acquiring a 56.74% stake in Sanghi Industries at an enterprise value of Rs 5,185 crore in August this year. UltraTech Cement's deal to acquire Kesoram Industries' cement assets in a share-swap deal in November for an enterprise valuation of Rs 7,600 crore is the latest in the series.
- On its part, UltraTech Cement – now topping the charts with 143.3 MTPA – has plans to increase installed capacity to 159 MTPA by FY25. Shree Cement has plans to expand capacity to 80 million tonne by 2030, while Dalmia Cement (Bharat), Nuvoco Vistas and JSW are among others looking for capacity additions.
- There are stressed assets of about 15.9 MTPA as of date, compared with the 29.95 MTPA earlier. This was after Dalmia Bharat acquired Jaypee Group's 11.45 MTPA assets and Sagar Cements bought Andhra Cements' 2.6 MPTA capacity. At present, Cement Corporation of India (8.5 MTPA capacity, of which about 1.5 MTPA is operational), Vadraj Cement (6 MTPA capacity, of which only 2 MTPA was operational before being shut) and Bheema Cement (1.4 MTPA operational but loss-making) are companies with stressed assets.





## **MARKET HIGHLIGHTS**

- **Wonder Cement announces setting up of new production unit at Tulsigam, Gujarat.**
- **UltraTech Cement to acquire 26% stake in Amplus Ages.**
- **Bhavya Cements merges into Anjani Portland Cement.**
- **Ratna Cements commissions upgraded Mudhol cement plant.**
- **Ambuja Cements signs memoranda of understanding for three new grinding plants in Tamil Nadu.**
- **UltraTech enables green mobility for clinker with electric trucks.**
- **SID completes alternative fuel project for Prism Cement.**
- **ACC acquires Asian Concretes and Cements.**



## **Wonder Cement announces setting up of new production unit at Tulsigam, Gujarat**

- Founded in 2012 with the cement capacity of 3 MTPA. The company has reached a significant milestone of 18 MTPA cement production capacity in 2023.
- They have production units in Maharashtra, Madhya Pradesh, and Haryana and upcoming in Gujarat and Uttar Pradesh.

**Source: Cemnet**

## **UltraTech Cement to acquire 26% stake in Amplus Ages**

- UltraTech Cement has concluded a deal to acquire a 26% stake in renewable energy provider Amplus Ages. ET Infra News has reported the value of the deal as US\$5.91m. The parties expect the deal to complete within 180 days of its execution.
- The cement producer, a subsidiary of Aditya Birla, said "The acquisition is for the purposes of meeting the company's green energy needs, optimising energy costs and complying with regulatory requirements for captive power consumption."

**Source: Global Cement**

## **Bhavya Cements merges into Anjani Portland Cement**

- Anjani Portland Cement has completed the amalgamation of Bhavya Cements into itself. Bhavya Cements operates the 1.4Mt/yr Bhavya cement plant in Andhra Pradesh.

**Source: Global Cement**

## **Ratna Cements commissions upgraded Mudhol cement plant**

- Ratna Cements has inaugurated its Mudhol cement plant in Karnataka after competing modernisation work. Following its previous upgrade in 2016, the plant had an integrated capacity of 365,000t/yr and an additional grinding capacity of 73,000t/yr. The Hindu newspaper has reported that parent company MRN Group marked the occasion of the latest inauguration with an announcement that it plans to build a new 1Mt/yr cement plant adjacent to the existing one in Mudhol.
- MRN Group chair Murugesh Nirani noted importance of the group's work to create jobs for Karnataka.

**Source: Global Cement**

## **Ambuja Cements signs memoranda of understanding for three new grinding plants in Tamil Nadu**

- Ambuja Cements has signed new memoranda of understanding (MoU) with the government of Tamil Nadu for the construction of three grinding plants in the state. Business Today Online News has reported that the plants are part of US\$5.14bn in planned capital expenditure (CAPEX) investments in Tamil Nadu by parent company Adani Group.
- Karan Adani, CEO of the group's shipping subsidiary Adani Ports, said "Today's Tamil Nadu is a standout example of stability, a well-established industrial ecosystem, advanced infrastructure, total connectivity, safe and secure neighbourhoods, business-friendly policies with an able and efficient team of officers and a diverse and highly-skilled workforce with more women in the ranks than anywhere else in the country."

**Source: Global Cement**

## UltraTech enables green mobility for clinker with electric trucks

- Giving a significant boost to 'green mobility', UltraTech Cement Ltd, India's largest cement and ready-mix concrete company, has introduced five electric trucks for transport of clinker from its integrated cement manufacturing unit Dhar Cement Works, located in Madhya Pradesh, to its grinding unit Dhule Cement factory, located in Maharashtra.
- To ensure reliable transportation, UltraTech has also set up three charging stations, one at each of the units and one en-route. The transportation of clinker using these five electric trucks instead of fossil-fuel based trucks will help to reduce transport emissions by about 680Mta of CO<sub>2</sub>.
- Mr K C Jhanwar, MD UltraTech Cement Ltd, said, "At UltraTech, we are committed to driving sustainability across the value chain of our operations. It is heartening that we have been able to accelerate our progress on sustainable transport. The successful pilot of electric trucks, in addition to the CNG and LNG trucks already deployed in our operations, is a significant step in our efforts to enable 'green mobility'."
- UltraTech is committed to enabling sustainable transport and has pledged to deploy 500 electric trucks and add 1000 CNG/LNG vehicles in its operations by June 2025 as part of the Government of India's eFAST initiative. Through concerted efforts with logistic partners, the company currently has more than 390 CNG trucks and 50 LNG trucks operational across 17 manufacturing units.

**Source: Cemnet**

## SID completes alternative fuel project for Prism Cement

- Prism Cement has announced the completion and hand over of another milestone project for the company in India. The joint efforts of SID SA of Switzerland and India have successfully completed the alternative fuel project at the cement plant.
- This project will reduce carbon consumption in cement production while using processed alternative fuel. Prism Cement operates a 5.6Mta plant in Satna, India.

**Source: Cemnet**

## ACC acquires Asian Concretes and Cements

- ACC Ltd, a subsidiary of Ambuja Cements Ltd, has announced that it is acquiring a 55 per cent stake in Asian Concretes and Cements Pvt Ltd (ACCPL) for an enterprise value of INR7750m (US\$93.3m). ACC currently holds a 45 per cent stake in ACCPL so this latest deal gives ACC entire ownership of ACCPL, increasing ACC's cement production capacity to 38.55Mta.
- ACCPL runs 1.3Mta of cement capacity in Nalagarh, Himachal Pradesh, while its subsidiary, Asian Fine Cements Pvt Ltd (AFCPL) has a 1.5Mta cement plant in Rajpura, Punjab. According to ACC, the acquisition has been funded through internal accruals and is designed to help the company and its parent company Ambuja to further bolster its market leadership in the north India market.
- "With this acquisition, we are furthering our growth trajectory, enriching our portfolio, and continuing to accelerate our journey towards value creation for all our stakeholders," said Ajay Kapur, CEO, ACC Ltd. The deal enhances ACC's cement capacity and progresses Adani Cement's target of 140Mta capacity by 2028. While ACC has an existing tolling arrangement with the Nalagarh unit, the Rajpura plant's additional 1.5Mta capacity will cater to a vast customer bases across Himachal Pradesh, Haryana and Punjab.

**Source: Cemnet**



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