

Adani Group acquires Penna Cement at enterprise value of Rs. 10,422 crore

Acquisition adds 14 MTPA capacity, total now 89 MTPA

EDITOR'S SYNOPSIS

- Ambuja enters into binding agreement to acquire 100% stake in PCIL, moving towards its target capacity of 140 MTPA by 2028
- PCIL has 14 MTPA capacity in Andhra Pradesh, Telangana, and Rajasthan (under-construction)
- Surplus clinker at Jodhpur plant will support additional 3 MTPA cement grinding capacity
- Strengthens Adani Cement's Sea transportation logistics with five bulk cement terminals at Kolkata, Gopalpur, Karaikal, Kochi and Colombo to serve peninsular India
- Will improve Adani Cement's market share pan India by ~2%, south India by ~8%
- Acquisition will be funded by internal accruals

Ahmedabad, 13 June 2024: Ambuja Cements Limited, the cement and building material company of the diversified Adani Group, today announced the signing of a binding agreement for the acquisition of Penna Cement Industries Ltd (PCIL) at an enterprise value of Rs. 10,422 crore. 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 MTPA cement capacity, of which 10 MTPA is operational, and the remaining is under construction at Krishnapatnam (2 MTPA) and Jodhpur (2 MTPA) 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 MTPA cement grinding capacity over and above 14 MTPA. *(Refer Annexure - 1 for PCIL's location wise cement capacity and Annexure - 2 for Adani Cement's footprint post-acquisition of PCIL.)*

The existing dealers of PCIL will move to Adani Cement's market network to bring in formidable synergy.

About Ambuja Cements Limited (ACL)

Ambuja Cements Limited is one of India's leading cement companies and a member of the diversified Adani Group – the largest and fastest growing portfolio of diversified sustainable businesses. Ambuja, with its subsidiaries ACC Ltd. and Sanghi Industries Ltd, has taken the Adani Group's cement capacity to 78.9 MTPA, with 18 integrated cement manufacturing plants and 19 cement grinding units across the country. Ambuja has been recognised among 'India's Most Trusted Cement Brand' by TRA Research in its Brand Trust Report, 2024 and among 'Iconic Brands of India' by The Economic Times. Ambuja has provided hassle-free, home-building solutions with its unique sustainable development projects and environment-friendly practices since it started operations. The company has many firsts to its credit – a captive port with six terminals that has facilitated timely, cost-effective and cleaner shipments of bulk cement to its customers. To further add value to customers, the Company's innovative products like Ambuja Cement, Ambuja Plus, Ambuja Compecem and Ambuja Kawach are now enlisted in GRIHA product catalogue. These products not only fulfil important customer needs but also help in significantly reducing their carbon footprints. Being a frontrunner in sustainable business practices, Ambuja Cements ranks among 'India's Top 50 companies contributing to inclusive growth' by SKOCH and 'India's Top 50 Most Sustainable Companies' Cross-Industry by BW Businessworld.

For further information on this release, please contact: roy.paul@adani.com

Annexure -1 | Key Statics of PCIL

Plant	Clinker (MTPA)	Cement (MTPA)	CPP/WHRS	Railway Siding
Talariceruvu, AP	1.3	1.8		No
Boyareddypalli, AP	3.5	2.0	WHRS – 25 MW	Yes
Ganeshpahad, TG	1.0	1.2	CPP – 77MW WHRS – 7 MW	Yes
Tandur, TG	1.5	2.0		Yes
Krishnapatnam, AP	-	2.0		Yes
Patas, MH	-	1.0		Yes
Operational Capacity	7.3	10.0		
Jodhpur, RJ #	3.0	2.0		Yes
Krishnapatnam, AP		2.0		Yes
Under Construction Capacity	3.0	4.0		
Total Capacity	10.3	14.0		

- Surplus clinker at the Jodhpur plant will support an additional 3 MTPA cement grinding capacity over and above 14 MTPA.

Annexure – 2 | Footprint of Adani Cement post PCIL Acquisition

