

Media Release

Adani acquires Orient Cement at INR 8,100 crore equity value

Acquisition adds 16.6 MTPA capacity (8.5 MTPA operational, 8.1 MTPA Ready to Execute).

Accelerates Ambuja's journey to achieve 100+ MTPA operational capacity in FY 25

Provides 6 MTPA potential additional capacity in North India, leveraging OCL's high quality limestone reserves in Rajasthan

EDITOR'S SYNOPSIS

- Ambuja enters into a binding agreement to acquire 46.8% stake in Orient Cement Ltd (OCL). The acquisition helps to move towards target capacity of 140 MTPA by 2028.
- OCL has an existing 5.6 MTPA clinker and 8.5 MTPA cement operational capacity, 95 MW CPP, 10 MW WHRS, 33 MW Renewable Energy spread across the states of Telangana, Karnataka and Maharashtra. It improves Adani Group's market share pan-India by 2% in the cement industry.
- OCL has secured a concession from Madhya Pradesh Power Generating Company Ltd ("MPPGCL") to set up 2.0 MTPA Cement GU within the premises of Satpura Thermal Power Station in Sarni, MP.
- OCL also has a large high quality limestone mining lease in Chittorgarh, Rajasthan, providing the potential to set up additional 6 MTPA capacity in North India.
- The acquisition of OCL complements Ambuja's existing cement footprint, reducing overall lead distances and logistics costs for the cement business and improving market share in our core markets.
- Acquisition will be funded through internal accruals, Ambuja remains debt free.

Ahmedabad, 22 October 2024: Ambuja Cements, the cement and building material company of Adani Cement and part of the diversified Adani Group, today announced the signing of a binding agreement for the acquisition of Orient Cement Ltd (OCL) at an equity value of Rs. 8,100 crore. Ambuja will acquire 46.8% shares of OCL from its current promoters and certain public shareholders. The acquisition will be fully funded through internal accruals.

"This timed acquisition marks another significant step forward in Ambuja Cements' accelerated growth journey, increasing cement capacity by ~30 MTPA within two years of Ambuja's acquisition," said **Mr Karan Adani, Director of Ambuja Cements**. "By acquiring OCL, Ambuja is poised to reach 100 MTPA cement capacity in FY 25. The acquisition will help to expand Adani Cement's presence in core markets and improve its pan-India market share by 2%. OCL's assets are highly efficient, equipped with railway sidings and well supported by captive power plants, renewable energy, WHRS and AFR facilities. OCL's strategic locations, high-quality limestone reserves and requisite statutory approvals present an opportunity to increase cement capacity in the near term to 16.6 MTPA."

Mr CK Birla, Chairman of Orient Cement and the CK Birla Group, said, "The CK Birla Group is continuously reallocating capital to sharpen its focus on consumer centric, technology driven and service-based businesses. I take pride in Orient Cement's impressive track record of building premium brands and maintaining a leading market share in the geographies it operates in. We are confident that the Adani Group, with its strong focus on cement and infrastructure, is the ideal new owner to drive continued growth at Orient Cement for our people and stakeholders".

Ms Amita Birla, Co-Chairman, CK Birla Group, added, "Orient Cement has a strong market presence, with sustainability initiatives, particularly in renewable energy, being a significant part of its DNA. I am convinced that Ambuja Cements is the right home for all our colleagues at Orient Cement, as well as our customers."

OCL has 5.6 MTPA clinker capacity and 8.5 MTPA cement capacity along with statutory clearance to increase the clinker capacity by another 6.0 MTPA and cement capacity by another 8.1 MTPA. In addition, OCL also has a limestone mining lease in Chhattorgarh for setting up an Integrated Unit (IU) with clinker of 4 MTPA and a split Grinding Unit (GU) of 6 MTPA in North India. OCL has also secured a concession from MPPGCL, Madhya Pradesh for setting up a Grinding Unit within the premises of Satpura Thermal Power Plant. Both these complement the Adani Group's existing cement footprint. *(Refer Annexure – 1 for OCL's location wise cement capacity and other assets and Annexure - 2 for Adani Cement's footprint post-acquisition of OCL.)*

OCL has recently commissioned a WHRS in Chittapur IU and is in the final stage of commissioning 16 MW solar in Chittapur and 3.7 MW solar in Jalgaon. OCL's efficient plants, highly motivated teams, strong balance sheet and well-distributed dealer network will be excellent additions to the Adani Group's existing cement business. OCL's existing dealers will move to Adani Cement's market network, creating formidable synergies.

Ambuja plans to optimize OCL's overall capacity utilization to enhance its cost and competitiveness and improve its operating performance while leveraging the synergies inherent in the existing cement business.

About Ambuja Cements Ltd (ACL)

Ambuja Cements Ltd 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, Penna Cement Industries Ltd and Sanghi Industries Ltd, has taken the Adani Group's cement capacity to 88.9 MTPA, with 20 integrated cement manufacturing plants, 20 cement grinding units and 12 bulk terminals across the country. Ambuja has been recognized 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 facilitates timely, cost-effective and cleaner shipments of bulk cement to its customers. Its innovative products like Ambuja Cement, Ambuja Plus, Ambuja Compocem and Ambuja Kawach are now listed in the 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 | Existing Cement Assets of Orient Cement Limited

Plant	Clinker (MTPA)	Cement (MTPA)	CPP/WHRS/Solar	Railway Siding
Devapur IU, Telangana	3.5	3.5	CPP – 50 MW	Yes
Chittapur IU, Karnataka	2.1	3.0	CPP – 45 MW WHRS – 10 MW Solar – 16 MW*	Yes
Jalgaon GU, Maharashtra	-	2.0	Solar – 13.5 MW+ 3.7 MW*	Yes
Operational Capacity	5.6	8.5		

** capacity is in commissioning stage*

Annexure – 2 | Footprint of Adani Group – Cement business post OCL Acquisition

