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J. M. BAXI & CO.

MONTHLY REPORT - OCTOBER 2020

Cement Update

# TABLE OF CONTENTS

Shree Cement plans new INR10bn plant	..... 07
Cement industry has started recovering.	..... 08
India Cements transports fly ash by rail to its Vishnupuram plant	..... 09

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# PORT ANALYSIS



## Cement Traffic at Indian Ports

**OCTOBER 2020**  
(Qty in Millions Tonnes)

CEMENT TRAFFIC AT INDIAN PORTS (QTY IN MILLION TONNES)

Port Name	Apr-Aug 2020	Apr-Aug 2019	Variance Y-o-Y
CHENNAI	0	0.001	-0.001
COCHIN	0.39	0.597	-0.207
DHAMRA	0	0.193	-0.193
DHARAMTAR	0.057	0.148	-0.091
GANGAVARAM	0	0.182	-0.182
GOPALPUR	0.025	0.05	-0.025
HALDIA	0.111	0.274	-0.164
JNPT	0.15	0.395	-0.245
KAKINADA	0.159	0.059	0.099
KANDLA	0.002	0	0.002
KARAIKAL	0	0.025	-0.025
KRISHNAPATNAM	0.359	0.309	0.05
MANGALORE	0.135	0.165	-0.031
PIPAVAV	0.869	1.141	-0.272
PORBANDAR	0.016	0.078	-0.062
PORT BLAIR	0	0.01	-0.01
SAGAR ROADS	0	0.005	-0.005
SANDHEADS	0.03	0	0.03
TUTICORIN	0.072	0.103	-0.031
Grand Total	2.381	3.736	-1.355

**CEMENT IMPORTS - APR - AUG 2020 (QTY IN MILLION TONNES)**

<b>IMPORTERS</b>	<b>BANGLADESH</b>	<b>COASTAL</b>	<b>IRAN</b>	<b>JAPAN</b>	<b>OMAN</b>	<b>U.A.E.</b>
AMBUJA CEMENT LTD.	0	0.066	0	0	0	0
FAIRMAX SHIPPING TRANSPORT SER.	0	0.002	0	0	0	0
GLOBAL COAL & MINING PVT. LTD.	0	0	0.028	0	0	0
GP GLOBAL ENERGY PVT. LTD.	0	0	0	0	0.044	0
JSW CEMENTS & CO.	0	0	0.029	0.03	0.028	0
JSW STEEL LTD.	0	0	0	0	0	0.057
PENNA CEMENT INDUS. LTD.	0.025	0.025	0	0	0	0
RAMCO CEMENTS LTD.	0	0.027	0.105	0	0	0
ULTRATECH CEMENT LTD.	0	0.242	0	0	0	0

**CEMENT EXPORTS - APR - AUG 2020 (QTY IN MILLION TONNES)**

<b>EXPORTER</b>	<b>BANGLADESH</b>	<b>COASTAL</b>	<b>MAURITIUS</b>	<b>SRI LANKA</b>
BHARATHI CEMENT	0.045	0	0	0.026
PENNA CEMENT INDUS. LTD.	0	0.175	0	0.084
RAMCO CEMENTS LTD.	0	0.051	0	0
SAURASHTRA CEMENT LTD.	0	0.016	0	0
SUNRISE MINING CO.	0	0	0.002	0
ULTRATECH CEMENT LTD.	0	0.401	0	0.468



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# HIGHLIGHTS

- Shree Cement plans new INR10bn plant
- Cement industry has started recovering.
- India Cements transports fly ash by rail to its Vishnupuram plant

# Shree Cement plans new INR10bn plant



- It is expected to reach completion by the end of the 3Q22.

represent an investment of around INR10bn (US\$135.66m). Shree plans to finance the project through internal accruals and debt. It is expected to reach completion by the end of the 3Q22.

India's Shree Cement has received board approval to set up a new clinker plant in Baloda Bazar, Chhattisgarh. The unit could have a capacity up to 12,000tpd and is expected to

Source: Cement News



# Cement industry has started recovering



- The Indian cement industry has started recovering from the impact of COVID-19 helped by pent-up demand and improved rural markets, India Cements Vice-Chairman & Managing Director N Srinivasan said

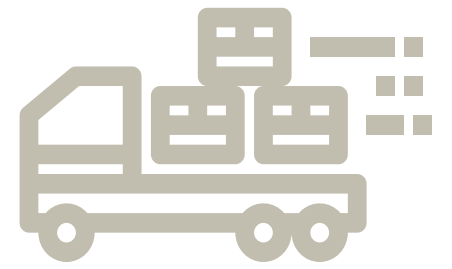
The Indian cement industry has started recovering from the impact of COVID-19 helped by pent-up demand and improved rural markets, India Cements Vice-Chairman & Managing Director N Srinivasan said. The company expects an uptick in demand on the back of government's push towards infrastructure projects such as construction of highways, rural infrastructure and irrigation projects, Srinivasan said while addressing the 74th Annual General Meeting of India Cements Ltd (ICL). "The industry has started recovering slowly from May 2020 given the pent-up demand and the improved rural demand," Srinivasan said while addressing the shareholders virtually. During the first quarter of FY2021, Andhra Pradesh and Telangana governments restarted their infrastructure projects and housing for poor schemes. "With further relaxation of lockdown measures, there are expectations of increased public spending on rural infrastructure, irrigation, road building and other projects. This along with pick up in individual home building and construction is expected to improve the cement demand," he added. According to DIPP data, the cement industry had a steep de-growth of 86 per cent in production in April 2020 and marginally improved to register a de-growth of 39 per cent unto June 2020, said Srinivasan. "Based on the information available, the cement industry in the south had also registered a negative growth of

around 45 per cent during the first quarter," he said. While talking about ICL's performance in the COVID impacted April-June quarter, Srinivasan said it reported good working results on the back of improved selling price and sustained efforts on cost reduction despite the steep drop in volume caused by the lockdowns. "The company achieved an EBIDTA of Rs 159 crore during the first quarter as compared to Rs 245 crore in the previous year during these challenging times with much lower volume (was down by 52 per cent) as compared to the previous year," he said. Total revenue of Chennai-based ICL, including other income, was down to Rs 5,085 crore in FY 2019-20 as against Rs 5,659 crore. As per the official estimates, the overall cement production for the industry in 2019-20 had a "marginal negative growth" to 334.48 million tonnes from 337.32 million tonnes in 2018-19. The cement industry had a healthy demand growth of 13.31 per cent in FY2018-19. The demand was affected post the general elections in May 2019 due to stalling of the some of the existing projects for review, extended monsoons, low capital outgo on infrastructure and road projects. "The overall capacity utilisation at the all India level dropped to 74 per cent from 78 per cent in 2018-19. The industry in the south reported a de-growth of around 8 per cent last year reversing the turnaround reported in 2018-19 with robust growth of 19 per cent," Srinivasan said. Though there was some recovery in cement demand from December, the momentum could not be sustained with the outbreak of COVID-19 pandemic and the nation-wide lockdown from March 25 which paralysed the construction activity.

Source: Business Standard



# India Cements transports fly ash by rail to its Vishnupuram plant



- This is the first time that fly ash is being loaded by Railways from this plant.

The India Cements plant at Chilamkur (near Yerraguntla in Andhra Pradesh) has started loading wet fly ash to its plant in Vishnupuram, near Miryalaguda in Telangana. This is the first time that fly ash is being loaded by Railways from this plant. Previously, the company used to transport the same through roadways. Fly ash is an input used by the cement companies for manufacturing PCC (Portland Cement Concrete) cement in an environment-friendly way. Newly formed Business development Unit (BDU) of

Guntakal Division has been holding regular meetings to make the freight customers aware of the benefits of transporting by Railways like the policy rebate of 40% concession on the Normal Tariff Rates (NTR), for freight customers who load fly ash either in bagged or in loose/bulk condition through open wagons. General Manger Gajanan Mallya complimented the team of officers and staff of the division for initiating this new stream of traffic for the railways. Freight customers should be made aware of how loading by railways is not economically beneficial but is also safe, fast and eco-friendly, a press release said.

Source: The Hindu

# Reports for October 2020

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