



PROJECT PROFILE

Punjab National Bank

ABG Cement Limited (ABGCL) is setting up a 3.3 mio tpa Clinkerization unit at village Akri and Thumdi, Taluka Abdasa, District Kutch, Gujarat and 5.80 mio tpa cement grinding unit at village Mora in district Surat, Gujarat.

ABGCL started the project by placing the order for setting up a 10,000 tpd (3.3 mio tpa) clinker producing line with split cement grinding of 5.8 mio tpa cement (3.45 mio tpa PPC and 2.35 mio tpa PSC) and two captive jetties at Kutch and Surat.

The Company has to incur additional cost on account of various factors including escalation of

land cost, taxes & excise duties paid and additional support infrastructure and has approached the banks for an additional term loan.

PNB as lead bank approached for the services of **Holtec Consulting Private Limited (HOLTEC)**, to carryout a Techno Economic Viability cum Due Diligence of the project and give assessment, reasons and justifications for the additional investment and requirement of funds. As such the study covered mainly the impact of increase in the investment cost, revision in financial projections and over all viability of the project.

ABG Cement Plant, Kutch



Key Assignment Information

- ➔ A comprehensive study covering all aspects of the cement plant vs Current plant status, Technology employed, Equipment sizing and adequacy, Raw material concession status and availability, Identification of Target Markets, Demand Supply Gap and Achievable sales volume, Assessment of additional Capex
- ➔ Evaluations carried out by team of experts for raw materials, plant operations, marketing, logistics and Additional Capex required to complete the balance work
- ➔ About 12 consultant days spent on field and 60 consultant days in the home office

Objective and Coverage

The basic objectives of the assignment are to:

- Determine the **technical feasibility** of the plant after taking into account:
 - ✓ The qualitative & quantitative adequacy of raw materials that it expects to utilize,
 - ✓ Its location, infrastructure and access to various inputs necessary for cement manufacture,
 - ✓ The appropriateness of the technology
- Determine the **commercial viability** of the project after taking into consideration
 - ✓ Its competitiveness in markets
 - ✓ Its project investment and operating costs,
 - ✓ Its revenue stream and profitability
- The broad study coverage includes study of raw material, Infrastructure & Site Conditions, Markets, Technical Concept, Financial Appraisal and plant status vis-à-vis Additional Investment required to commission the plant.

- A key objective was to identification of balance work and to arrive at the additional capex required to complete the integrated cement plant at Kutch and clinker grinding plant at Surat.
- The status of the cement market in the country was studied including key players, supply patterns and distribution.
- The status of various raw materials including limestone, coal, gypsum and blending materials like fly ash and slag was evaluated.
- A key component of the study encompassed an assessment of jetty at both locations.
- Infrastructural factors including issues like land availability & costs, access to ports, power, social infrastructure, etc were studied in detail.
- Significant bottlenecks were highlighted along with means of overcoming them.

Holtec's intervention was instrumental in providing PNB a detailed understanding of the ABG cement project and identifying the key factors withholding the plant commissioning and additional capex required.