Q1FY22 Cement Result Review

Our coverage universe of 12 stocks reported revenue of Rs324.3 bn in Q1FY22, a growth of 49.4% YoY (-15.1% QoQ) led by blended volume growth of 44.3% YoY (-19.1% QoQ) to 61.0 mt coupled with increase in blended realization by 3.6% YoY (+5.0% QoQ) to Rs5,315/ tn (highest ever). EBITDA increased 51.3% YoY (-9.3% QoQ) to Rs85.1 bn and blended EBITDA/ tn increased 4.9% YoY (+12.1% QoQ) to Rs1,395 (highest ever) led by blended realization growth of 3.6% YoY (+5.0% QoQ) to Rs5,315/tn which was partially offset by rise in blended cost/tn by 3.1% YoY (+2.6% QoQ) to Rs3,920/ tn. APAT witnessed growth of 84.6% YoY (-11.9% QoQ) to Rs48.3 bn in Q1FY22.

All the companies reported robust revenue growth in Q1FY22 with Star Cement/ JK Cement reporting highest growth of 75.1%/ 69.3% YoY and Ramco cement lowest growth of 17.9% YoY. On the volumes front, all companies reported YoY growth with JK Cement reporting highest growth of 71.0% YoY and Ramco cement lowest growth of 10.5% YoY. On realization front, 8 companies reported growth and 4 companies reported de-growth YoY with JK Lakshmi cement reporting highest growth of 7.0% YoY and Sagar cement reporting highest de-growth of 6.2% YoY. On EBITDA/tn basis, 8 companies reported growth and 4 companies reported de-growth where Ramco cement reported highest growth of 26.7% YoY and Sagar cement reporting highest de-growth.

On QoQ front, EBITDA/tn increased 12.1% to Rs1,395/tn led by 5.0% QoQ rise in realization/tn to Rs5,315/tn which was partially offset by 2.6% QoQ rise in cost/tn to Rs3,920/tn. Each and every cost item has increased QoQ except for raw material/tn which decreased 22.9% QoQ to Rs611/tn led by inventory adjustment.

As the sentiments move on to the post covid cyclical recovery, we decipher the levers at play for the cement players. We observe that for our coverage universe (12 companies, cumulative 73% of India cement consumption), revenues grew at 9.9% CAGR over FY16-21 with volumes (+7.8%) as the major contributor to the growth. Average realizations grew at 2.0% CAGR over FY16-21. This translated into an EBIDTA/tn CAGR of 8.1% over the period, and contributed substantially to the re rating of multiples.

Our analysis suggests that volumes shall continue to drive FY21-23E earnings recovery as realization/tn to grow at 1.9% CAGR and EBITDA/tn at 2.1% CAGR. We estimate revenues to grow at 13.1% CAGR over FY21-23E split by 11.0% volume CAGR and 1.9% realization CAGR.

Company	CMP/ Target
ACC	Rs2,291/Rs2,432
Ambuja	Rs392/Rs402
Birla Corp	Rs1,313/ Rs1,680
JK Cement	Rs3,113/ Rs3,357
JK Lakshmi	Rs697/ Rs640
Shree	Rs26,291/Rs29,417
Ramco	Rs958/Rs1,115
Ultratech	Rs7,493/Rs8,109
Dalmia	Rs1,953/Rs2,235
Heidelberg	Rs254/Rs278
Sagar	Rs294/ Rs276
Star	Rs116/ Rs132

**CMP as on 20 Aug 2021*

Shravan Shah
VP Research
+9122 40969749
shravans@dolatcapital.com

Maulik Shah
Associate
+9122 40969775
mauliks@dolatcapital.com

Parth Bhavsar
Associate
+9122 40969775
parthb@dolatcapital.com

Top Picks

ACC - ACC, a pan India player, with 34.5mtpa capacity accounts for about 6.4% of India's capacity. ACC has 17 (11 integrated + 6 grinding units) cement plants spread across the East (9.7mtpa - 28%), West (4mtpa - 12%), North (5.9mtpa - 17%), South (10.4mtpa - 30%), and Central (4.5mtpa - 13%) regions. It also has 79 RMC plants. A strong brand equity in Eastern and Northern India, focus on premium product, continuous effort on optimization of market, and product mix bode well for volume growth in the next few years.

We expect 14.7%/ 23.0%/ 25.1% revenue/ EBITDA/ APAT CAGR over CY20-22E led by 17.1%/ 8.2% volume growth and 1.3%/ 1.0% cement realization growth in CY21E/ CY22E. Considering ACC's healthy cash flow & RoE, net cash position, and 6.2mtpa (18.8% increase, 1.4mtpa done in Jan'21) capacity expansion by CY23E, current valuation of 12.0x/ 10.6x CY21E/ CY22E EV/EBITDA provides comfort which is 6% discount to 1yr Fwd EV/EBITDA of 10 years. We have a BUY rating with a TP of Rs2,432 (11x CY22E EV/EBITDA).

Birla Corp - BCORP has 10 plants at seven locations, with a total capacity of 15.5mtpa. BCORP's capacity is primarily based in the Central region (8.5mtpa – 55%) and the Northern region (4mtpa – 26%) whereas balance 16% (2.4mtpa) and 4% (0.6mtpa) of installed capacity is in the Eastern and Western regions, respectively. We like BCORP's focus on trade segment (83% share), increasing share of premium products (51% share in trade), higher share (92%) of high margin blended cement and sizable presence in relatively better regions of Central, North and expansion in West. Post-acquisition of 5.6mtpa of Reliance Cement in FY17 at an EV of Rs48 bn, BCORP's 14.1% CAGR in cement volume, 7% CAGR in cement realization and 28.2% CAGR in cement EBITDA/tn over FY16-20 are industry leading as well as remarkable.

We factor 3.9mtpa Mukutban (Maharashtra) expansion to commence by Q4FY22 (earlier Q3FY22 end) and 0.7 mtpa (reduced from 1.2 mtpa) Kundanganj (UP) by Q1FY23. These expansions likely to provide decent growth from FY23E onwards. These expansions will keep its net D:E high till FY22E which will start to decline from FY23E. To support the growth beyond FY23E, BCORP will embark on the next phase of growth to enhance its capacity to 25mtpa from 15.5/20.1mtpa in FY21/ FY23E. We have a Buy rating with a TP of Rs1,680 based on 8.5x consolidated FY23E EV/EBITDA (Our TP factors EV of USD 108/tn).

Ultratech - Ultratech Cement, a Pan India giant with 111.4mtpa of total capacity in India, accounts for 21% of India's capacity, spread across West (27.7 mtpa - 25%), North (23.8 mtpa - 21%), Central (23.3 mtpa - 21%), South (20.5 mtpa - 18%) and East (16.1 mtpa - 14%) regions.

Recent capacity expansion plan of 19.5mtpa (backed by 11.4mtpa clinker) primarily in East and Central region with average capex less than $60/tn will not only take its India cement capacity to 131mtpa (FY23) but also strengthen its overall RoCE. We expect 11.0%/ 11.7%/ 18.3% revenue/ EBITDA/ APAT CAGR over FY21-23E led by 8.9%/ 7.5% volume growth and 4.0%/ 1.2% realization growth in FY22E/ FY23E.

UTCEM will continue to witness healthy operating cash flow (average Rs104.8bn/year) and free cash flow (average Rs64.8 bn/year) leading to further deleveraging (Net D:E of -0.05x in FY23E vs. 0.14x FY21). UTCEM, being the largest player in Indian cement industry is its biggest advantage. We have a Buy rating with a TP of Rs8,109 based on 16x consolidated FY23E EV/EBITDA.

Exhibit 1: Q1FY22 performance for DART coverage (12 stocks)

Particulars (Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	FY20	YoY (%)
Total Revenue	**3,24,269**	**2,16,997**	**49.4**	**3,81,807**	**(15.1)**	**12,46,853**	**11,54,439**	**8.0**
Raw Material Cost	**37,251**	**33,962**	**9.7**	**59,693**	**(37.6)**	**1,85,160**	**1,69,442**	**9.3**
Employee Expenses	18,636	16,567	12.5	18,966	(1.7)	71,946	72,319	(0.5)
Power and Fuel	**66,667**	**37,152**	**79.4**	**69,778**	**(4.5)**	**2,28,579**	**2,29,933**	**(0.6)**
Freight Cost	71,658	45,717	56.7	87,125	(17.8)	2,78,658	2,59,674	7.3
Other expenses	44,962	27,347	64.4	52,437	(14.3)	1,71,548	1,74,524	(1.7)
Total Expenditure	**2,39,174**	**1,60,745**	**48.8**	**2,87,999**	**(17.0)**	**9,35,892**	**9,05,892**	**3.3**
PBIDT (Excl. OI)	85,095	56,252	51.3	93,808	(9.3)	3,10,961	2,48,547	25.1
Other Income	**6,589**	**7,748**	**(15.0)**	**4,272**	**54.2**	**22,467**	**21,045**	**6.8**
Depreciation	18,445	18,577	(0.7)	19,764	(6.7)	76,512	84,780	(9.8)
Foreign currency variation	(40.0)	(10.0)	300.0	(20.0)	100.0	(80.0)	230.0	(134.8)
Interest	6,743	8,055	(16.3)	7,121	(5.3)	30,327	38,394	(21.0)
EBT	**66,457**	**37,358**	**77.9**	**71,175**	**(6.6)**	**2,26,509**	**1,46,649**	**54.5**
Exceptional items	381	(1,574)	(124)	1,011	(62.3)	(1,941)	2,084	(193.2)
EBT	**66,838**	**35,784**	**86.8**	**72,186**	**(7.4)**	**2,24,568**	**1,48,732**	**51.0**
Tax	18,962	10,772	76.0	15,295	24.0	57,518	18,273	214.8
RPAT	**47,875**	**25,012**	**91.4**	**56,891**	**(15.8)**	**1,67,050**	**1,30,459**	**28.0**
Share of JV	5	(2)	(313.0)	23	(78.4)	22	(12)	(277.2)
Minority Interest	71	(33)	(317.2)	78	(9.9)	101	112	(9.8)
Other adjustments	381	1,082	(64.8)	1,883	(79.8)	3,756	(20,668)	(118.2)
APAT	**48,271**	**26,144**	**84.6**	**54,803**	**(11.9)**	**1,65,640**	**1,05,039**	**57.7**
			bps		**bps**			**bps**
EBIDTA Margin (excl. O.I.)	26.2	25.9	32	24.6	167	24.9	21.5	341
Tax Rate (%)	28.4	30.1	(173)	21.2	718	25.6	12.3	1,333
NPM (%)	14.9	12.0	284	14.4	53	13.3	9.1	419

Source: DART, Company

Exhibit 2: Volume, Realization & Cost/tn Analysis

(Rs)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	FY20	YoY (%)
Volume(MT)	61.0	42.3	**44.3**	75.4	**(19.1)**	247.2	232.0	6.5
Realization/tn (Rs)	5,315	5,131	**3.6**	5,064	**5.0**	5,044	4,976	1.4
EBITDA/tn (Rs)	1,395	1,330	**4.9**	1,244	**12.1**	1,258	1,071	17.4
Cost/tn (Rs)	3,920	3,801	**3.1**	3,820	**2.6**	3,786	3,905	(3.0)
Raw Material Cost/tn (Rs)	611	803	**(24.0)**	792	**(22.9)**	749	730	2.6
Employee Expenses/tn (Rs)	305	392	**(22.0)**	252	**21.4**	291	312	(6.6)
Power and Fuels/tn (Rs)	1,093	879	**24.4**	926	**18.1**	925	991	(6.7)
Freight Expenses/tn (Rs)	1,175	1,081	**8.6**	1,156	**1.6**	1,127	1,119	0.7
Other expenses/tn (Rs)	737	647	**14.0**	696	**6.0**	694	752	(7.7)

Source: DART, Company

Exhibit 3: % of Revenue

Particulars	Q1FY22	Q1FY21	Bps	Q4FY21	Bps	FY21	FY20	Bps
Raw Material Cost	11.5	15.7	(416)	15.6	(415)	14.9	14.7	17
Employee Expenses	5.7	7.6	(189)	5.0	78	5.8	6.3	(49)
Power and Fuels	20.6	17.1	344	18.3	228	18.3	19.9	(158)
Freight Expenses	22.1	21.1	103	22.8	(72)	22.3	22.5	(14)
Other expenses	13.9	12.6	126	13.7	13	13.8	15.1	(136)

Source: DART, Company

Exhibit 4: Revenue grew 49.4% YoY (-15.1% QoQ) for DART coverage

(Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	38,848	26,008	49.4	42,919	(9.5)	1,58,587	15.8
Ambuja Cement	33,712	21,768	54.9	36,214	(6.9)	1,33,601	24.1
Birla Corp	17,491	12,220	43.1	21,326	(18.0)	67,855	-1.9
JK Cement	16,337	9,650	69.3	20,525	(20.4)	63,283	15.8
JK Lakshmi	12,315	8,252	49.2	13,220	(6.8)	43,847	8.4
Shree Cement	34,495	23,324	47.9	39,580	(12.8)	1,26,689	6.4
The Ramco Cement	12,287	10,418	17.9	16,306	(24.6)	52,684	-1.9
Ultratech Cement	1,18,298	76,711	54.2	1,44,056	(17.9)	4,47,258	5.4
Dalmia Bharat	25,890	19,010	36.2	31,460	(17.7)	1,00,970	4.4
Heidelberg	5,559	4,077	36.4	6,000	(7.3)	21,167	-2.4
Sagar Cement	3,926	2,641	48.6	4,177	(6.0)	13,713	16.7
Star Cement	5,111	2,920	75.1	6,026	(15.2)	17,199	-6.7
Total	**3,24,269**	**2,16,997**	49.4	**3,81,807**	(15.1)	**12,46,853**	**8.0**

Source: DART, Company

Exhibit 5: Volumes grew 44.3% YoY (-19.1 % QoQ) for DART coverage

(mt)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	7.4	4.9	50.0	8.4	(12.1)	31.6	11.4
Ambuja Cement	6.3	4.2	51.1	7.2	(11.7)	26.4	21.5
Birla Corp	3.4	2.4	38.4	4.2	(19.7)	13.4	(1.8)
JK Cement	3.0	1.8	71.0	3.9	(22.4)	11.6	19.1
JK Lakshmi	2.7	1.9	39.5	2.9	(8.5)	9.9	7.7
Shree Cement	6.8	4.9	38.8	8.2	(16.7)	26.8	7.7
The Ramco Cement	2.1	1.9	10.5	3.2	(33.3)	10.0	(11.0)
Ultratech Cement	21.5	14.7	46.9	27.8	(22.5)	86.4	4.0
Dalmia Bharat	4.9	3.7	33.6	6.4	(23.8)	20.7	7.2
Heidelberg	1.2	0.9	38.2	1.3	(5.4)	4.5	(4.7)
Sagar Cement	0.9	0.6	58.4	1.0	(14.0)	3.2	0.9
Star Cement	0.8	0.5	65.6	0.9	(16.6)	2.7	(8.5)
Total	**61.0**	**42.3**	**44.3**	**75.4**	**(19.1)**	**247.2**	**6.5**

Source: DART, Company

Exhibit 6: Realization/tn grew 3.6% YoY (+5.0% QoQ) for DART coverage

(Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	5,236	5,256	-0.4	5,085	3.0	5,017	4.0
Ambuja Cement	5,326	5,195	2.5	5,051	5.4	5,064	2.2
Birla Corp	5,221	5,049	3.4	5,114	2.1	5,064	-0.1
JK Cement	5,407	5,463	-1.0	5,270	2.6	5,436	-2.8
JK Lakshmi	4,633	4,331	7.0	4,552	1.8	4,434	0.7
Shree Cement	5,041	4,730	6.6	4,818	4.6	4,720	-1.1
The Ramco Cement	5,739	5,378	6.7	5,080	13.0	5,282	10.2
Ultratech Cement	5,495	5,233	5.0	5,186	6.0	5,175	1.4
Dalmia Bharat	5,294	5,194	1.9	4,900	8.0	4,882	-2.6
Heidelberg	4,695	4,757	-1.3	4,792	-2.0	4,718	2.3
Sagar Cement	4,463	4,756	-6.2	4,084	9.3	4,339	15.6
Star Cement	6,725	6,361	5.7	6,615	1.7	6,363	2.0
Average	**5,315**	**5,131**	**3.6**	**5,064**	**5.0**	**5,044**	**1.4**

Source: DART, Company

Exhibit 7: EBITDA grew 51.3% YoY (-9.3% QoQ) for DART coverage

(Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	8,747	5,244	66.8	8,594	1.8	29,759	34.8
Ambuja Cement	9,597	5,952	61.2	9,768	(1.8)	33,846	54.9
Birla Corp	3,436	2,331	47.4	3,920	(12.4)	13,376	0.1
JK Cement	3,996	2,153	85.6	4,391	(9.0)	15,139	28.1
JK Lakshmi	2,161	1,433	50.7	2,679	(19.3)	7,898	17.5
Shree Cement	10,135	7,005	44.7	11,825	(14.3)	39,798	8.3
The Ramco Cement	3,640	2,600	40.0	4,490	(18.9)	15,480	36.2
Ultratech Cement	33,075	20,777	59.2	36,904	(10.4)	1,15,679	25.1
Dalmia Bharat	7,000	6,150	13.8	7,630	(8.3)	27,590	31.0
Heidelberg	1,311	1,083	21.0	1,522	(13.8)	5,066	(4.0)
Sagar Cement	1,071	870	23.1	1,043	2.7	4,004	115.9
Star Cement	927	653	41.9	1,044	(11.2)	3,326	(15.7)
Total	**85,095**	**56,252**	**51.3**	**93,808**	**(9.3)**	**3,10,961**	**25.1**

Source: DART, Company

Exhibit 8: EBITDA Margin expanded 32 bps YoY (+167 bps QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	Bps	Q4FY21	Bps	FY21	Bps
ACC	22.5	20.2	235	20.0	249	18.8	264
Ambuja Cement	28.5	27.3	112	27.0	149	25.3	503
Birla Corp	19.6	19.1	57	18.4	126	19.7	39
JK Cement	24.5	22.3	215	21.4	307	23.9	230
JK Lakshmi	17.5	17.4	17	20.3	(272)	18.0	138
Shree Cement	29.4	30.0	-65	29.9	(49)	31.4	55
The Ramco Cement	29.6	25.0	467	27.5	209	29.4	821
Ultratech Cement	28.0	27.1	87	25.6	234	25.9	407
Dalmia Bharat	27.0	32.4	-531	24.3	278	27.3	556
Heidelberg	23.6	26.6	-299	25.4	(178)	23.9	(39)
Sagar Cement	27.3	32.9	-566	25.0	232	29.2	1,342
Star Cement	18.1	22.4	-424	17.3	81	19.3	(206)
Average	**26.2**	**25.9**	32	**24.6**	167	**24.9**	**341**

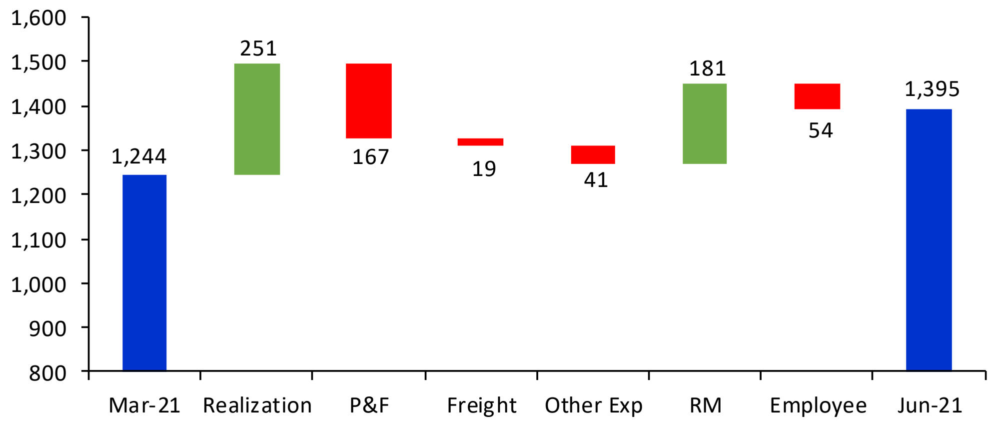
Source: DART, Company

Exhibit 9: EBITDA/tn grew 4.9% YoY (+12.1% QoQ) for DART coverage

(Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	1,179	1,060	11.2	1,018	15.8	941	21.0
Ambuja Cement	1,516	1,421	6.7	1,362	11.3	1,283	27.5
Birla Corp	1,026	963	6.5	940	9.1	998	1.9
JK Cement	1,323	1,219	8.5	1,127	17.3	1,301	7.6
JK Lakshmi	813	752	8.0	922	(11.9)	799	9.1
Shree Cement	1,481	1,421	4.3	1,439	2.9	1,483	0.6
The Ramco Cement	1,700	1,342	26.7	1,399	21.5	1,552	53.0
Ultratech Cement	1,536	1,417	8.4	1,328	15.6	1,339	20.3
Dalmia Bharat	1,431	1,680	-14.8	1,188	20.4	1,334	22.2
Heidelberg	1,107	1,264	-12.4	1,215	(8.9)	1,129	0.7
Sagar Cement	1,218	1,567	-22.3	1,019	19.5	1,267	113.9
Star Cement	1,220	1,423	-14.3	1,146	6.4	1,230	-7.8
Average	**1,395**	**1,330**	**4.9**	**1,244**	**12.1**	**1,258**	**17.4**

Source: DART, Company

Exhibit 10: Movement in EBITDA/tn



Source: DART, Company

Exhibit 11: Total Cost/tn up 3.1% YoY (+2.6% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	4,057	4,196	-3.3	4,067	-0.3	4,076	0.7
Ambuja Cement	3,810	3,775	0.9	3,688	3.3	3,781	-4.3
Birla Corp	4,196	4,086	2.7	4,174	0.5	4,066	-0.6
JK Cement	4,085	4,244	-3.8	4,143	-1.4	4,136	-5.6
JK Lakshmi	3,820	3,579	6.7	3,630	5.2	3,635	-1.0
Shree Cement	3,560	3,309	7.6	3,379	5.4	3,237	-1.9
The Ramco Cement	4,039	4,036	0.1	3,681	9.7	3,730	-1.3
Ultratech Cement	3,958	3,815	3.7	3,857	2.6	3,837	-3.9
Dalmia Bharat	3,863	3,514	9.9	3,712	4.1	3,548	-9.6
Heidelberg	3,588	3,493	2.7	3,577	0.3	3,589	2.8
Sagar Cement	3,246	3,189	1.8	3,064	5.9	3,072	-2.8
Star Cement	5,506	4,938	11.5	5,469	0.7	5,133	4.7
Average	**3,920**	**3,801**	**3.1**	**3,820**	**2.6**	**3,786**	**-3.0**

Source: DART, Company

Exhibit 12: Power & Fuel/ tn up 24.4% YoY (+18.1% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	1,118	924	21.0	953	17.3	954	-0.3
Ambuja Cement	1,245	988	26.0	1,025	21.4	1,061	2.7
Birla Corp	1,113	862	29.1	844	31.8	904	-10.7
JK Cement	989	867	14.1	908	8.9	948	-8.4
JK Lakshmi	908	690	31.5	782	16.1	789	-14.2
Shree Cement	953	790	20.7	774	23.1	776	-17.6
The Ramco Cement	1,031	780	32.1	771	33.6	797	-15.1
Ultratech Cement	1,127	942	19.7	973	15.8	964	-5.9
Dalmia Bharat	1,057	686	54.2	875	20.8	799	-11.3
Heidelberg	1,137	976	16.5	1,202	-5.5	1,088	8.1
Sagar Cement	1,138	802	41.9	864	31.7	827	-16.2
Star Cement	1,105	1,103	0.2	1,290	-14.3	1,252	2.2
Average	**1,093**	**879**	**24.4**	**926**	**18.1**	**925**	**-6.7**

Source: DART, Company

Exhibit 13: Freight/ tn up 8.6% YoY (+1.6% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	1,246	1,219	2.2	1,290	-3.4	1,233	0.1
Ambuja Cement	1,246	1,201	3.7	1,228	1.5	1,243	-2.3
Birla Corp	1,242	1,064	16.8	1,254	-0.9	1,164	-2.3
JK Cement	1,107	994	11.4	1,080	2.5	1,065	0.9
JK Lakshmi	934	870	7.3	935	-0.1	893	0.3
Shree Cement	1,216	1,136	7.0	1,160	4.9	1,132	8.2
The Ramco Cement	1,073	1,042	3.0	1,074	-0.1	1,029	1.3
Ultratech Cement	1,230	1,097	12.2	1,183	3.9	1,162	-0.8
Dalmia Bharat	1,057	948	11.5	1,044	1.3	1,002	2.0
Heidelberg	614	644	-4.6	647	-5.1	618	1.0
Sagar Cement	762	704	8.2	742	2.8	741	3.7
Star Cement	1,139	1,208	-5.7	1,275	-10.6	1,176	-1.6
Average	**1,175**	**1,081**	**8.6**	**1,156**	**1.6**	**1,127**	**0.7**

Source: DART, Company

Exhibit 14: Other expenses/ tn up +14.0% YoY (+6.0% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	734	688	6.7	696	5.4	733	-1.2
Ambuja Cement	786	676	16.3	720	9.2	757	-11.4
Birla Corp	1,039	921	12.7	913	13.7	964	5.5
JK Cement	783	740	5.7	992	-21.1	866	-13.9
JK Lakshmi	574	473	21.4	545	5.3	527	-11.4
Shree Cement	802	705	13.6	748	7.2	721	1.1
The Ramco Cement	748	738	1.4	605	23.8	634	-11.4
Ultratech Cement	656	572	14.6	611	7.2	618	-12.8
Dalmia Bharat	812	590	37.6	755	7.5	681	-13.3
Heidelberg	652	711	-8.2	697	-6.4	769	0.3
Sagar Cement	531	528	0.4	514	3.1	503	-4.2
Star Cement	992	685	44.9	899	10.3	727	4.6
Average	**737**	**647**	**14.0**	**696**	**6.0**	**694**	**-7.7**

Exhibit 15: Raw material/ tn down -24.0% YoY (-22.9% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	677	1,009	-32.9	884	-23.4	881	7.6
Ambuja Cement	277	553	-49.8	479	-42.1	463	-5.0
Birla Corp	477	875	-45.5	908	-47.4	737	9.3
JK Cement	795	1,105	-28.0	880	-9.6	903	2.0
JK Lakshmi	1,091	1,121	-2.7	1,095	-0.3	1,096	18.2
Shree Cement	280	327	-14.5	399	-30.0	326	5.9
The Ramco Cement	696	974	-28.5	936	-25.6	868	11.2
Ultratech Cement	674	821	-17.9	868	-22.4	820	4.5
Dalmia Bharat	546	847	-35.5	762	-28.3	746	-17.6
Heidelberg	913	849	7.6	730	25.0	830	0.5
Sagar Cement	598	892	-33.0	716	-16.5	758	4.5
Star Cement	1,817	1,281	41.8	1,609	12.9	1,492	9.7
Average	**611**	**803**	**-24.0**	**792**	**-22.9**	**749**	**2.6**

Source: DART, Company

Exhibit 16: Employee exp/ tn down -22.0% YoY (+21.4% QoQ) for DART coverage

(%)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	281	356	-21.0	244	15.3	275	-7.8
Ambuja Cement	255	357	-28.4	236	8.2	257	-15.2
Birla Corp	324	364	-10.9	255	27.1	297	-0.7
JK Cement	410	538	-23.8	282	45.5	354	-11.5
JK Lakshmi	312	424	-26.3	273	14.5	331	-2.7
Shree Cement	309	351	-12.0	297	3.9	283	-3.5
The Ramco Cement	490	503	-2.5	295	66.2	403	22.7
Ultratech Cement	272	384	-29.3	221	23.0	272	-10.2
Dalmia Bharat	391	443	-11.8	276	41.7	320	-8.7
Heidelberg	272	314	-13.4	300	-9.4	284	1.8
Sagar Cement	217	262	-17.2	229	-5.1	242	16.6
Star Cement	452	660	-31.5	396	14.2	486	13.4
Average	**305**	**392**	**-22.0**	**252**	**21.4**	**291**	**-6.6**

Source: DART, Company

Exhibit 17: APAT grew 84.6% YoY (-11.9% QoQ) for DART coverage

(Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	YoY (%)
ACC	6,481	2,680	141.8	5,288	22.6	19,312	66.9
Ambuja Cement	7,231	4,534	59.5	6,646	8.8	23,253	67.6
Birla Corp	1,415	658	115.2	1,822	-22.3	5,630	15.6
JK Cement	2,083	777	168.1	2,302	-9.5	7,697	33.0
JK Lakshmi	1,187	444	167.2	1,674	-29.1	3,947	49.8
Shree Cement	6,617	3,708	78.5	7,677	-13.8	23,119	47.2
The Ramco Cement	1,690	1,096	54.2	2,331	-27.5	7,799	27.8
Ultratech Cement	17,026	9,024	88.7	18,141	-6.1	55,809	53.1
Dalmia Bharat	2,660	1,930	37.8	6,170	-56.9	12,190	444.2
Heidelberg	687	489	40.3	1,400	-51.0	3,150	17.5
Sagar Cement	514	361	42.3	500	3.0	1,860	596.4
Star Cement	680	441	54.0	853	-20.3	1,873	-34.4
Total	**48,271**	**26,143**	**84.6**	**54,803**	**-11.9**	**1,65,640**	**57.7**

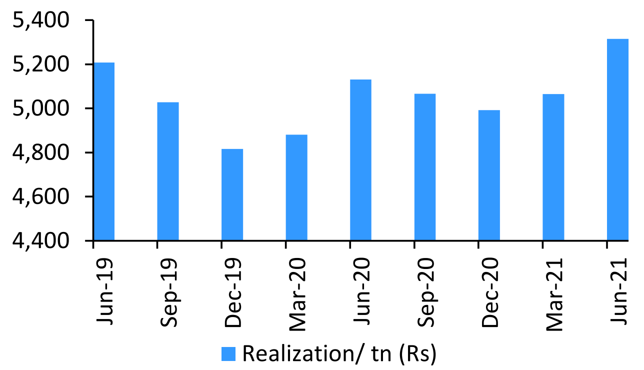
Source: DART, Company

Exhibit 18: Increase FY22E/FY23E estimates for DART coverage

(Rs bn)	FY22E			FY23E		
	New	Old	Chg (%)	New	Old	Chg (%)
Net revenues	1,396	1,370	1.9	1,546	1,514	2.1
EBIDTA	338	321	5.1	382	363	5.4
EBIDTA margin (%)	24.2	23.5	74	24.7	24.0	78
Adj. Net Profit	178	163	9.0	204	187	8.7

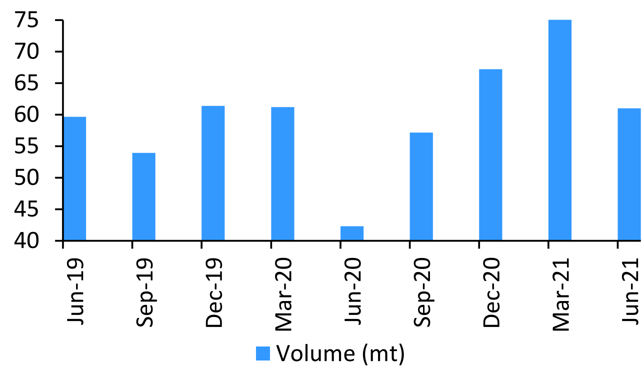
Source: DART, Company

Exhibit 19: Realization/ tn of DART coverage



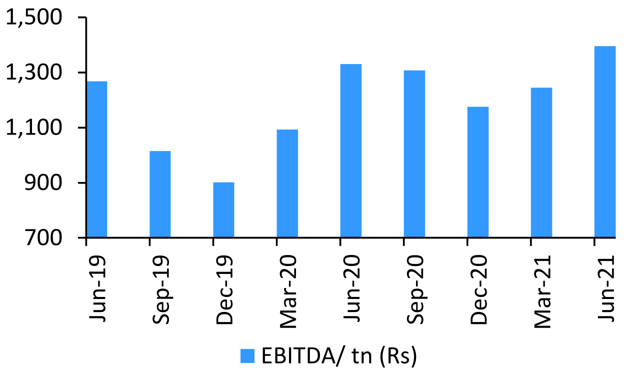
Source: DART, Company

Exhibit 20: Volume of DART coverage



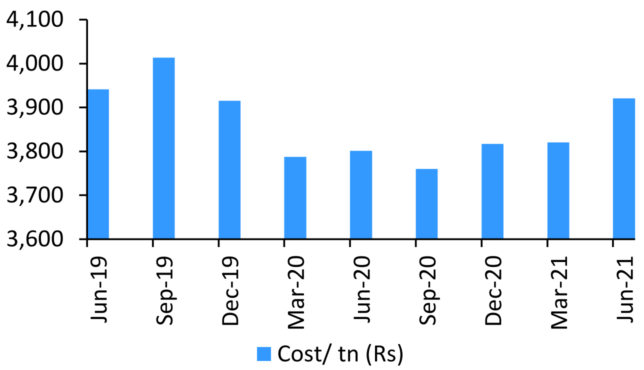
Source: DART, Company

Exhibit 21: EBITDA/tn of DART coverage



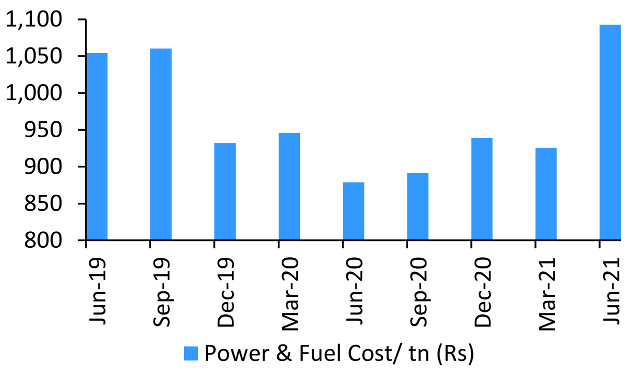
Source: DART, Company

Exhibit 22: Cost/ tn of DART coverage



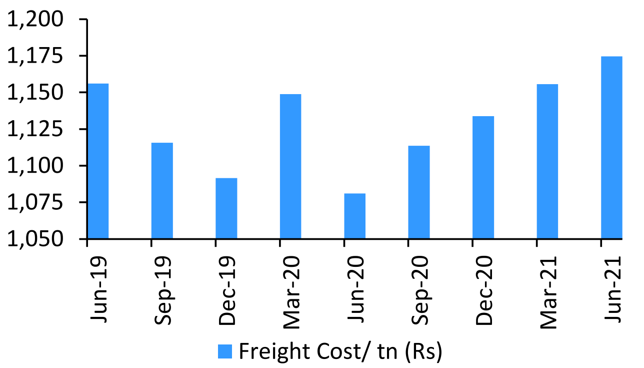
Source: DART, Company

Exhibit 23: Power & Fuel/ tn of DART coverage



Source: DART, Company

Exhibit 24: Freight/ tn of DART coverage



Source: DART, Company

	Industry & Demand
Dalmia Bharat	▪ Dalmia management has a deep conviction in the long term India macro story. Expect infra and housing demand strong and sustainable for cement demand growth over the next decade. ▪ Management expects industry to grow at 2%-3% higher than the GDP growth with top 5 cement players growing at a higher rate. Cement industry demand expected to grow at 7-9% CAGR over the next decade ▪ Management is hopeful that the rural housing will bounce back and with the govt support the industrial segment will also grow (PLI scheme). ▪ Demand in East has been buoyant. ▪ Top 5 cement players have increased their market share from 50% to 65% in the last 5 years and 80% of incremental demand in the past 5 years have met from these top 5 players and will continue to come from them. Industry will see consolidation on market share and M&A. ▪ Dalmia expects similar volume CGAR of 14-15% over next decade of capacity addition CAGR. ▪ East – Dalmia performed well last. Growth looks lower as base was higher in East. The company did lose market share in April'21 and May'21 as grinding unit in Odisha was stopped due to lockdown coupled with some operational issues. Now everything is up and running. Next quarter expect a better performance in East. They are confident of the supply of slag and flyash in the region. ▪ South – Dalmia has good position in the AP and Karnataka market, with the new capacity addition they are trying to target the Tamil Nadu and Kerala market (3mtpa capacity addition). ▪ North East – Focus of central and the state government will increase demand. Dalmia is adding capacity as they did not want to run out of capacity when there is demand. ▪ East plants are doing 100% blended (Slag and PPC) as it is accepted by the consumers. The GOI is trying to increase the use of blended cement to be more environment friendly. Company has long term contract for slag and flyash. ▪ South has OPC plants and PPC will increase in 2 years. ▪ Dalmia has enough clinker available to manufacture cement as they aims to achieve 100% blended cement over the next 5 years from 83% in FY21. In FY21 clinker ratio was 1.65. In FY21 OPC:PPC mix was 18:82, PPC segment has seen a growth of 15% YoY.
Heidelberg	▪ Non trade orders coming in from government side however don't prefer much of non-trade sales. Rural demand looking stronger than urban demand. UP elections in 2022 will accelerate Infra projects. ▪ Expect demand growth of 8-9% in FY22 (assuming no 3rd wave). Management believes 3rd wave of covid will not be as harsh as the 2nd wave. ▪ Trade mix stood at 83% and target to keep it at 85% and target to touch 25% premium cement from 20% currently. Lead distance was 350 kms. ▪ Capacity utilization for Q1FY22 stood at 76%. Company is using 100% blended cement and share of green power stands at 23%. Clinker production stood at 0.69 mt / 2.6 mt for Q1FY22/ FY21.

JK Cement	▪ Volume - Trade: Non trade mix 68:32 in Q1FY22 vs. 63:37 inQ4FY21 and OPC:PPC was 38:62 in Q1FY22 vs. 42:58 in Q4FY21. Lead distance is 450 km in Q1FY22 vs. 459 kms in Q4FY21. Road:Rail mix is 84:16 in Q1FY22 vs. 79:21 in Q4FY21. Share of premium cement in trade mix was 5% in Q1FY22. Clinker sale was 76,000 tonnes in Q1FY22. Utilization was 71% in Q1FY22. ▪ Vision is to maintain leadership in North and expanding in Central region. ▪ The company has plans to increase the share of blended cement from 62% to 70% in the future, depending on the type the demand as well. Central region has higher demand for blended cement.
JK Lakshmi	▪ Demand was very good till 22nd April'21, after which lockdown was imposed and it restricted the dispatches till 1St June'21. Demand picked up well from 1st June'21 until 1st July'21, after which monsoon started dampening the demand. Expect demand to pick up after Sept'21. ▪ In FY22, volume expected to grow 8%-9% YoY. Performance in Q3FY21 and Q4FY21 was good and on that higher base the management expects a 4%-6% growth in volumes. Q2FY22 expected to be subdued. ▪ The company is confident that they will not lose market share in the absence of any big expansion. They will create opportunities in their key markets and will have major share in the key markets. Expect supply to get absorbed in the markets they are present without having the need to go sell somewhere else. ▪ Q1FY22 standalone clinker production was 1.745 mt vs. 1.724 mt in Q4FY21. Standalone cement production in Q1FY22 was 2.09 mt vs. 2.60 mt in Q4FY2. Standalone clinker sales was 0.369 mt vs 0.104 mt in Q4FY21 vs. 0.301 in Q1FY21 mt and cement sales was 2.289 mt in Q1FY22 vs 2.804 mt in Q4FY21 vs 1.60 mt in Q1FY21. RMC revenue in Q1FY22 was Rs330 mn vs. Rs410 mn in Q4FY21 and non-cement revenue was Rs780 mn vs. Rs950 mn in Q4FY21. ▪ Sale of clinker was higher during the quarter since there was a lot of uncertainty in April'21 and May'21 and hence surplus was sold in the market. ▪ UCWL sold 0.593 mt of cement in Q1FY22 vs. 0.581 mt in Q4FY21. ▪ Trade: Non trade mix was 53:47 in Q1FY22. OPC:PPC mix was 42:58 in Q1FY22. ▪ Capacity Utilization of clinker unit stood at 100% in Q1FY22. ▪ The company will try to maximize premium sales from current 25% of trade sales to 30%.

Ramco	▪ Rural economy was very strong and not affected as badly as forecasted. Demand will bounce back once lockdowns are lifted. Management guided a 20% volume growth on all India level if normalcy is achieved and we are not hit by another wave of COVID-19. ▪ South – Housing sector bouncing back in Q2FY22 especially the retail segment. Second wave impacted the demand in May'21 and June'21, movement was restricted as government imposed strict lockdown. In Kerala, there are still weekend lockdowns. Southern companies impacted more than the northern companies as the Govt was very proactive in south to contain COVID-19. Ramco saw de-growth in TN and Kerala QoQ. ▪ East – Demand saw good growth from housing, infra as well commercial segment. Management expect the demand recovery to sustain in East. In East there was clinker shortage which when sorted, got impacted by lockdown. ▪ Management said that they have not lost market share in south but have lost sales since lockdowns were imposed in regions where they operate like Tamil Nadu and Kerala. They are confident that once normalcy returns they will be able to grow faster. ▪ Cement sales in Q1FY22 was 2.14 mt vs 1.94 in Q1FY21 vs. 3.21 mt in Q4FY21. ▪ Utilization rate based on clinker capacity stood at 71% for Q1FY22 vs. 53% for Q1FY21. ▪ Lead distance stood at 346 kms (Q1FY22) vs. 315 kms (Q1FY21) vs. 341 Kms in Q4FY21. ▪ Ramco planning to launch a new product Ramco Super Plaster in Q2FY22 which non-cement premium product. ▪ Trade: Non-Trade mix was 75:25 in Q1FY22, similar to 76:24 in FY21. PPC:OPC mix was 77:23 in Q2FY22. Road: Rail share stood at 88:12, in South road share is 100%. ▪ The Jayanthipuram clinker plant was running well in the first week of operation at 80% utilization, it is running very smoothly and producing good quality cement. Expect a 85%-90% utilization on overall capacity by Aug'21 or Sept'21. ▪ Kurnool plant – Focus will be to target the markets of Karnataka and Maharashtra from the capacity added at Kurnool. ▪ It purchased clinker in Q1FY22 which was contracted in Jan'21 but the shipment came late. Now, with commissioning of Jayanthipuram clinker plant and Kurnool clinker in Q2FY22, Ramco will not buy clinker.
Sagar	▪ Q1FY22 witnessed low volumes due to 2nd wave of covid however, volumes improved by end of Q1FY22. In the south region, retail demand was benign but government demand was strong in Hyderabad. In the West region, Non-trade demand improved but retail demand decreased. East region improved. ▪ Demand contracted 15% in FY21 in states where the company operates, not giving any demand guidance on industry due to 3rd wave of covid, but can expect ~2% growth in FY22. ▪ Volume guidance for FY22 – Maintains target to achieve 3.6mt in FY22, of which 3.2mt (~1-2% YoY growth) will come from the existing plants and 0.4mt from 2 new plants. ▪ East region consistently growing at 10% for the past 15 years and will continue to grow. Lot of capacity coming up in East but its majorly grinding and not clinker unit. Management believes with supply coming in the East, demand will catch up. ▪ 55-60% of Sagar's volume comes from AP & Telangana and its exposure to TN is very limited and Kerala is negligible. Companies having more exposure to TN and Kerala had witnessed more de-growth in Q1FY22. Kerala is going for strict weekend lockdown.

Star	▪ Second wave of COVID-19 impacted the dispatches in Q1FY22 as restrictions were imposed in various states. ▪ Demand in North East (NE) continue to be robust. Demand in NE grew 6% in FY21 and managements expects it to grow by 8% in FY22. Demand in East grew 4% in FY21 and is expected to grow by 6% in FY22. ▪ Few things that impacted the company in Q4FY21 was the collapse of two bridges connecting company's market which got resolved in Q1FY22. New bridge was constructed and movement was as usual as normal with no load restriction. In NE especially in Assam, Mizoram and Shillong, curfew is imposed only in specific areas, however there are no state lockdowns and no impact on movement of goods. ▪ The main purpose to expand in Silliguri was to be near the market and take logistic advantage as it has many close sources of flyash. Savings from transportation of key raw material will be seen in coming quarters. ▪ No company planning expansion in NE right now but Star is moving ahead with their plans as per the timeline. ▪ Premium cement is in nascent stage of development; it will take time to quote as a percent of sales. Good markets like Bihar and Assam will accept it. ▪ In Q1FY22 clinker production was 0.431 mt in Q1FY22 vs. 0.331 mt in Q1FY21 vs. 0.630 mt in Q4FY21, Cement production was 0.772 mt in Q1FY22 vs. 0.416 mt in Q1FY21 vs. 0.899 mt in Q4FY21. Cement sales (negligible clinker sale) was 0.760 mt in Q1FY22 vs. 0.447 mt in Q1FY21 vs. 0.906 mt in Q4FY21. ▪ Cement sales in Northeast was 0.603 mt in Q1FY22 vs. 0.343 mt in Q1FY21 vs. 0.746 mt in Q4FY21. Cement sales outside northeast was 0.158 mt in Q1FY22 vs. 0.104 mt in Q1FY21 vs. 0.160 mt in Q4FY21. ▪ Trade:Non trade mix was 87:13 in Q1FY22 vs. 86:14 in Q4FY21. ▪ In Q1FY22 OPC/ PPC share was 8%/92% vs. 8%/ 92% in Q4FY21. ▪ Lead distance in Q1FY22 was 325 kms.
Ultratech	▪ Seeing revival in cement demand with state unlocking. Demand is visible in both trade and non-trade segments. ▪ Capacity utilization was 73% in Q1FY22. East being highest at 95%+ followed by North at 75%+, Central and West at 70%+ and South at 50%+. Capacity utilization in Jun'21 stood at 74% (much better vs. Apr'21). ▪ Trade mix stood at 70% (Rural was 65% of trade sales) and blended cement at 72%. Lead distance stood at 430 kms for Q1FY22 vs. 440 kms for Q4FY21. ▪ Management believes wave 3 wont impact demand much. Rural demand is increasing which is reflecting in trade segment. Urban real estate is doing good. ▪ Demand is also seen across large infra projects especially on road sector. As on Jun'21, construction of road stood at 37km/ day. Focus is on expressways as all are cemented road. 1 lane km of concrete road requires 600 tn of cement. ▪ Other areas of focus are health infra, metros, airports, smart cities, high speed rail. Infra will lead from the front. ▪ As monsoon recedes, industry will witness pent up cement demand. ▪ Over the long term, management believes utilization will tighten over time.

	Cement Prices
Dalmia Bharat	▪ Prices have increased YoY and QoQ. Prices over 10 year period have grown 1%-2% annual and expect that trend to continue, with industry facing consolidation the control of prices will go in the hands of the select few.
Heidelberg	▪ Realization decreased and slightly sold to distant market and little price pressure in the Central region due to supply of material from other regions to Central region. ▪ Cement prices in Jul'21 are stable but with monsoon kicking in, can't comment on future. ▪ Can see minor prices changes but not much as cost is going through the roof. Can see hike in prices in Q3FY22/ Q4FY22. ▪ South region witnessed Rs100-150 price increase in Q1FY22 but don't see such benefit in central.
JK Cement	▪ Realization/ Cement Prices – Prices saw a decline of Rs5-Rs6/ bag in July'21 and Aug'21 in North and Central and higher in South. Price difference between Trade and Non Trade segment stands at Rs30/ bag. There are no one off in the grey cement revenue, per tonne realizations improved (+5.9% QoQ) on account of lower clinker sales and higher trade sales. ▪ White cement saw decline in realization on account of lower demand in April'21 and May'21, as it is mainly sold in urban areas which were impacted by lockdown due to 2nd wave of COVID-19.
JK Lakshmi	▪ Currently there is price pressure in the North and prices are stable in the East and West. ▪ Increase in input cost is across the industry. Currently the management does not expect cement price till Sept'21. ▪ Realization at UCWL is lower compared to JK Lakshmi standalone because of the market they sell the product has lower prices but it also has lower freight cost.
Ramco	▪ Prices in both South and East have increase YoY and QoQ. Increase input cost will leave no options but to increase the prices of cement.
Sagar	▪ South and East region witnessed steady pick up, West was stable. Management is hopeful that industry likely to pass on increase in input cost to end consumers ▪ Trade prices in Hyderabad – Q4FY21 exit prices at Rs350 then increased to 360-370 and now stands at Rs365. In Bangalore, Rs350 was the Q4FY21 exit prices post which increased to Rs370-385 and now stands at Rs380. Prices in Chennai (North TN) was Rs375 in Q4FY21 exit post which increased to 385-395 and now stands at Rs390. ▪ In absolute terms, cement prices are high but management believes adjusted for inflation, prices are not at multi-year high.
Star	▪ Prices during Q2FY22 saw a small decline in NE by 3%-4% (approximately Rs10-Rs15/ bag) from the peak of May'21. Prices outside NE are down Rs20-Rs25/ bag during Q2FY22 form the peak of May'21. Management expects prices to move up only after Sept'21 as there is pressure on price due to monsoon.
Ultratech	▪ Cement prices are stable but July month being a monsoon month, prices may be stable to slightly lower. ▪ Price hike in Q1FY22 – East and South 10%, West 7-10%, North and Central 3-6%.

	COST
Dalmia Bharat	▪ Pet coke prices have been on a rise and Dalmia focused on reducing the portion of pet coke in the fuel mix. It was 46% in Q1FY22 and 34% in June'21. ▪ Share of green fuel is increasing, it was 9.1% in Q1FY22 vs. 8.4% in Q4FY21 vs. 6.0% in Q1FY21, it is currently 14%c, target is to reach 20%. ▪ Logistic cost increased due to increase in diesel prices.
Heidelberg	▪ Fuel mix – 65% coal and 35% petcoke. Power consumption stood at 72-73 kwh/tn cement. ▪ Petcoke price is Rs16,500 vs. coal price of Rs8,500. Company is buying domestic coal from e-auction coal (5,200-5,500 kcal) and FSA (4,500 kcal). Difficult to predict fuel cost inflation. ▪ Keep an inventory of 30 days thus any major price changes is reflected in the same quarter. ▪ Challenges like changing the cement receipe and how the limestone is used occur when fuel is changed from petcoke to coal and vice versa. ▪ Upcoming 5 MW solar power plant should be operational anytime. This will lead to reduction in grid dependency. Don't foresee any increase in grid power cost for the next 2-3 quarters as UP is going for election and MP recently revised down power tariff. ▪ Company finds difficulty in predicting how unfolding of the recent diesel price hike will impact freight cost. ▪ Don't foresee any major benefit of DFC for cement companies as cement has geographical boundaries. ▪ Target to reach 500 kgs/t CO2 emission by FY25 from 511 in FY20. It plans to use AFR at Narsingarh plant, MP. ▪ Recent limestone auctions were good but with less clarity. No clear picture was given for the reserves. Company bids based on the various information provided and expected ROI. Government decides the base price and company bids the premium.
JK Cement	▪ Cost Savings – JK cement has good amount of inventory and have good long-term contracts with dealers, helped company reduce the impact of pet coke and coal spot prices. Pet coke prices saw an increase of Rs2,500/ tn QoQ in Q2FY22 and imported coal prices gone up by 25% on purchase basis and on consumption basis 10% in Q2FY22. Full impact of pet coke cost inflation will be felt in Q3FY22. P&F cost savings are visible when Nimbahera expansion is complete, will witness further savings of Rs150/tn from Q3FY22 onwards as demand picks up. ▪ Diesel price increase already impacting the cost but expect some improvement due to expansion and efficiency. ▪ JKCE has a target to increase green power from 25% in FY21 to 75% in FY30. This will be done by increasing share of WHRS (25% to 50%), Solar and Wind power. May setup 15MW WHRS at Karnataka plant costing Rs1.5-Rs1.8 bn. Also thinking to set up solar plants in all the cement plants on opex model. ▪ Fuel Mix stands at 40% petcoke and 60% imported coal and AFR in Q1FY22 vs. 35% petcoke and 65% imported coal and AFR in Q4FY21.
JK Lakshmi	▪ Raw material cost was higher QoQ on increase in the cost of gypsum, flyash and some clinker purchase primarily at UCWL. ▪ P&F input (coal + pet coke) cost for JK Lakshmi stands at Rs7,000/tn in Q1FY22 vs. Rs6,600/tn in Q4FY21 vs. Rs6,500 in Q1FY21. The company has inventory for next 3-5 months. Expect P&F input cost to increase >Rs8000/tn in Q2FY22 considering the increase in prices of pet coke and coal, and expect to be higher in Q3FY22 as well. Fuel mix stood at 54% coal, 40% pet coke and 6% biomass in Q1FY22 vs. 45% pet coke, 45% coal and 10% bio mass in Q4FY21. ▪ 10MW WHRS plant at sirohi will help reduce cost, it will get commissioned by Q3FY22. ▪ Freight cost remained flat during in Q1FY22 on account of savings made through direct product allocation, plant location and lower lead distance. Impact of diesel prices increase will be felt on freight cost, it has increased 27% YoY and 15% QoQ. The company will ensuring best optimization of the plant location and direct shipments but there is limited headroom available to reduce freight cost. ▪ Other expenses higher on account of higher cost of packing material on per tonne basis. ▪ No additional cost will be incurred on consultancy services of BCG.

Ramco	▪ Petcoke/ Imported Coal/ Alternate fuel in overall fuel mix stood at 33%/ 39%/ 28% for Q1FY22 vs. 56%/ 33%/ 11% for Q1FY21. ▪ Power Mix – Thermal/ Grid/ Green power at 67%/ 19%/ 14% for Q1FY22 vs. 80%/ 15%/ 5% for Q1FY21. ▪ Power and Fuel – P&F/tn cost will not rise much from current levels. Currently spot prices of pet coke are $150-$160. Company has inventory for next 2-3months. Booking price of pet coke in Q1FY22 was $110-115. The company have no plans to buy pet coke at current high spot price as they have inventory that would last 2-3 months coupled with alternate fuels (4-5 months inventory). Cement companies have long term contract with companies for both pet coke and imported coal which helps them get some pricing advantage. Company has the ability to switch from pet coke to coal on the basis of what is available cheap. ▪ Savings from alternate fuels are sustainable but the management did want to reveal the source. ▪ Share of WHRS in power consumption is currently 14%, with new capacity addition it can go up to 18%-20% by Q3FY22. The cost savings WHRS brings is equivalent to share of WHRS in power consumption (i.e. 14%) as it cost very less (Rs0.50 paise/ unit) compared to other sources. ▪ Freight cost went down since it also includes cost related to godowns which were reduced as the product was directly supplied to the end consumer and is expected to be sustainable.
Sagar	▪ Input cost are increasing very high. Management has factored Rs150/tn QoQ increase in operating cost in Q2FY22. ▪ Management expects Power & Fuel cost/tn to increase by Rs100/tn from exit of Q1FY22 to Q2FY22. However, increase in blended cement can set off the rise in fuel prices to some extent. ▪ Increasing diesel cost is a worry. If it moves further, cost will shot up majorly. ▪ Fuel ordering is a continuous process and alternate fuel arrangement is being made. Sagar Cement continues with is the policy to hedge fuel inventory for two quarters beyond which it is not viable to hedge since holding cost increases and it becomes expensive to hedge beyond 2 quarters. It used 100% imported coal in Q1FY22 but now back to use pet coke and domestic coal (Singareli coal). ▪ With 2 new capacities blending rate is expect ▪ Petcoke is higher on Kcal basis. Company will procure domestic coal from Singareni coal (low quality coal) and will blend both which will lead to lower Kcal value.
Star	▪ Company is dependent on auction coal from eastern coal fields and they have inventory to meet the requirement of Q2FY22. There was supply disruption due to monsoon. Coal prices stood at Rs8,000/ tn in Q1FY22 (kcal cost of Rs1.5/ unit). Auctions have not yet been started by Coal India, expect domestic coal prices to catch up with international coal prices once the auctions begin. ▪ Freight and forwarding cost stood at Rs865.8 mn in Q1FY22 vs. Rs507 mn in Q1FY21. ▪ Power and Fuel cost stood as Rs840 mn in Q1FY22 vs Rs555mn in Q1FY22. ▪ Other expenses were higher on account of maintenance shutdown taken in April’21 (Rs154.2 mn), expenses incurred on elections in Bihar and Assam (Rs50-Rs60 mn) and advertisement expenditure for silliguri plant (Akshay Kumar was the ambassador). This year shutdown was taken in April’21 for 25 days due to lockdown vs. normal practice of taking in Q2FY22.

Ultratech	▪ DFC is going to be a game changer for logistics for the cement industry. Out of 2,800km, 435 km are operational. This will increase the rake speed by 2x and rake size by 4x. This will increase more usage of rail vs. road thus lowering logistics cost for cement companies. ▪ Petcoke prices stood at $123 as on Jun'21 vs. $109 in Mar'21 vs. $60 in Jun'20. Prices today stand at $160. No signal of any increase in production. However, there is always a point from where price growth will slow down or reverse. ▪ Fuel mix stood at 17% petcoke and 80% coal. Fuel mix depends on the plant location. Plants in central and east region are near coal thus linkage is there but plants in north and west are not nearby coal mines. ▪ Company carries 45 days of inventory for pet coke and coal. ▪ Company saved Rs64/ tn on limestone royalty due to amendment in the MMDR Act. ▪ Green power share will increase to 34% by FY24 vs. 15.5% in Q1FY22. ▪ Travel costs have reduced and some of the maintenance costs are preponed. Don't foresee any increase in fixed cost.

	Capacity and Capex
Dalmia Bharat	▪ Dalmia has a vision to become a pure play Pan India cement company with significant presence in the markets they serve. They plan to increase their capacity 14-15% CAGR over the next decade from 30.8mtpa in FY21 to 110-130mtpa in FY31. They have laid out a capital allocation policy in which their grinding capacity to increase from current 30.8mtpa in FY21 to 48.5mtpa in FY24 through organic capex (debottlenecking, brownfield and greenfield). Dalmia aim to increase its capacity to 60mtpa by 2025 (details to be announced over next 6-9 months). ▪ Capital allocation framework – Up to 10% of the operating cash flow each towards (i) shareholders' return (dividend & share buy-backs) (ii) an Innovation Green Energy Fund focused on R&D in the areas of climate changes and technology advancements and (iii) balance up to 80% of operating cash flow towards growth and maintenance capex. It target Net Debt/EBITDA <2.0x (Deviation, if any, could be in exceptional cases for large inorganic opportunities) and RoCE of 14-15%. ▪ 7.8mtpa ongoing expansion – Line 2 of grinding unit at Odisha expect operations to start by end of Sept'21, Murli industries plants to get operational by Dec'21 and Bihar grinding unit expected to get commissioned by Q2FY24 (vs earlier guidance of FY23). Bihar grinding unit delayed due to land acquisition issues, it can get commissioned by June'23-Sept'23 but management wanted to be conservative. Balance capex for this ongoing expansion is Rs19.5-20 bn (revised upward from Rs9.5 bn guided in Q4FY21). ▪ 10mtpa new expansion - Dalmia has laid out plan to add 3mtpa greenfield GU in Tamil Nadu (to cater Tamil Nadu and Kerala market), 1.7mtpa brownfield GU at Bokaro, Jharkhand and 5.2mtpa through de-bottlenecking process at various plants. It will do capex of Rs40-50 bn for this 10mtpa GU + 4.72mtpa clinker capacity expansion. 3mtpa greenfield and 1.7mtpa brownfield likely to come in FY24. The plants are capable of adding new capacities by adding few new equipment's and technological upgradation. Management believes it is more prudent to utilize the plants efficiently and churn more, which is cost effective. They will also keep an eye on limestone reserves for the new plants. ▪ 4.72mtpa clinker expansion – Dalmia plans to add 4.72mtpa clinker which will increase its clinker capacity from 18.68mtpa (1.98mtpa Mulri included) in FY21 to 23.4mtpa in FY24 through debottlenecking. This will increase its clinker capacity in South from 7.8 to 9.4mtpa, in East from 6.6 to 8.3mtpa, in North-East from 2.3 to 3.3mtpa and in West from 1.98 to 2.4mtpa. ▪ Capex – Dalmia allocated Rs85.5-92 bn capex for above GU + clinker expansion and green initiatives (WHRS, Solar and AFR) and maintenance/ROI. It plans to sped Rs40 bn (Rs3 bn done in Q1FY22) in FY22 and Rs30-40 bn in FY23 and balance in FY24. ▪ WHRS capacity addition of 62MW will get completed by June'22 baring one plant.

Heidelberg	▪ Gujarat plant expansion – Environment clearance, licensing and other approvals will take 1.5-2 years after which project will start. During Q3FY21 concall, company expected timeline to complete the project is 3 years with a capacity of 3mtpa in the 1st phase. ▪ Group (including Zuari) capacity stands at 14mtpa and are open for organic and inorganic growth opportunities. Exploring limestone mines as well. Have a potential to touch 20mtpa capacity as a group. ▪ Started looking into Zuari merger post amendment in the MMRD Act, but difficult to predict time line. ▪ Maintained capex guidance of Rs950 mn for FY22E. Balance maintenance work of 22 km long conveyor belt is completed and total capex done was Rs180 mn.
JK Cement	▪ Capex – Rs12.5 bn (Rs 9bn for Panna expansion + Rs 500 mn pending for Nimbahera line 3 upgradation + Rs500-600 mn pending for Mangrol plant + routine maintenance) for FY22 and Rs14-15 bn (Rs12-13 bn for Panna expansion + Rs 2bn routine maintenance) for FY23. ▪ 4 MTPA Panna expansion – JKCE is setting up an integrated greenfield grey cement plant of 4mtpa by wholly owned subsidiary Jaykaycem (Central) Ltd (board approved amalgamation w.e.f. 1 Apr'21) at Panna, MP with split grinding unit in UP with a capex of Rs29.7 bn (Equity - Rs13 bn, Debt - Rs17 bn). Out of Rs29.7 bn, Rs4.4 bn have already been spent and capex for FY22/ FY23/ FY24 is Rs9 bn/ Rs12-13 bn and Rs5-6 bn. Civil & Mechanical Contracts have been finalized and placed orders for main equipment. Civil contractors have mobilized the team at Panna site and started work. This expansion includes clinker plant of 8,000 tpd (2.5mtpa) with 22MW WHRS, 2mtpa cement grinding unit at Panna, MP, and 2mtpa split grinding unit at Hamirpur (near Kanpur) in UP. ▪ This plant has no railway siding and no thermal power plant. This plant will have tax benefit (eligible for 25% tax rate) and already has 2 mining leases at subsidiary level for 50 years. Currently it will operate 1 mining lease and will make 2 lease operational in next 2 years. It has obtained EC for plant and mining. Factory land and 600 acres of mining land acquired and will buy additional 300-400 acres of land before commission of plant. JKCE is covering half UP from its North plants and other half of UP and entire MP will be covered by this Panna plant. The ground breaking ceremony took place on 5 May'21 and shall complete by Q4FY23 (earlier Q1FY24). Cost of this plant is comparatively higher as have to buy entire land and mining leases etc. However, in future, any additional expansion in the same plant will be a done at a substantially lower cost as basic infra is ready. Utilization in year 1 is expected to be 60% and will be increased to 75% in coming years. ▪ Upgradation of line 3 at Nimbahera – JKCE spent Rs3.87 bn till Jun'21 out of Rs4.05 bn and balance to be spent in Q2FYFY22. This will increase clinker production by 1000 TPD. JKCE expects commissioning of the same by Q2FY22 and expects Rs100/tn savings on production from this plant starting from Q3FY22.
JK Lakshmi	▪ Capex – The balance Rs1.36 bn out of Rs2.4 bn capex primarily for 10MW WHRS at Sirohi and maintenance capex of Rs300-400 mn will be incurred in FY22. ▪ The company has acquired two mines on lease in Rajasthan and Kutch. After the expansion at UCW line 2 is completed, management will take a call on whether to expand in east through a brownfield project or near the mine through a greenfield project.

Ramco	▪ Q1FY22 capex incurred was Rs3.97 bn. Guided Rs4 bn capex in remaining 9MFY22 excluding modernisation in Ramasamy Raja Nagar (Capex of Rs4.76 bn), as it would take time to pick up. ▪ Line 3 clinker unit of 1.5mtpa at Jayanthipuram is commissioned on 28 Jun'21 taking the plant's capacity to 4.61mtpa and Ramco's clinker capacity to 11.4mtpa. ▪ 2.25mtpa clinker at Kurnool, AP is expected to be operational before Q2FY22. ▪ The 1mtpa (the last GU of ongoing 4mtpa expansion) at Kurnool, AP along with 18MW of TPP, 12MW of WHRS and railway siding is expected to operational in FY23. ▪ In Jayanthipuram, AP out of 27MW of WHRS, the balance 9MW is expected to be commissioned in FY22. ▪ Modernisation in Ramasamy Raja Nagar - New clinker line with 3000 TPD; Old kiln of 1450 TPD will be de-commissioned. Net increase in Clinkerisation capacity will be from 1.09mtpa to 1.44mtpa. Estimated project cost of Rs4.76 bn. Public hearing is completed, EC expected in Sep'21 and expected to commission in 15 months from receipt of EC. The de-commissioning will bring cost savings of Rs500 mn per year. The call was taken on the basis of efficiency, management thought it's better to run the plants efficiently or just shut it down. Sales demand will be met through the new plant. They have sufficient limestone to run the new plant once it commissions. No other plant will be de-commissioned. ▪ Additional capacity for Dry Mortar Business - 2 plants in TN, 1 plant in Orissa and 1 Plant in AP with a capex of Rs1.60 bn (Rs400 mn for each plant, capacity 30TPH each plant) to produce High value products (Water proofing, repair products, flooring screeds including liquid products). Target Rs500-700 mn revenue from each plant.
Sagar	▪ Matampally/ Gudipadu/ Bayyavaram utilization stood at 56%/ 78%/ 59%. ▪ Satguru and Jajpur plants to commission by Sept'21. Expect 1st dispatch by 15 Aug'21 and full production by Sept'21. Expect 75%/ 60-65% capacity utilization for FY22E and 85%/ 70-75% for FY23E at Satguru/ Jajpur plants. ▪ The plan to expand capacity to 10mtpa by FY25 and doubling capacity in a decade is on. Sagar is open for organic and inorganic expansion and brownfield and greenfield. They will not opt for North East region for expansion. ▪ Company has enough clinker to support 70%/ 70%/ 65% utilization at Jajpur/ Vizag/ Matampally plants.
Star	▪ Silliguri plant produced 0.159 mt in Q1FY22 (Demand outside NE met from this plant). The plant was operated for two months' period, as there was monsoon later on. Capacity utilization currently is 35%. Silliguri unit has just been started and will ramp mainly in Q2 and Q3. Capacity utilization is not low due to lockdowns. ▪ STRCEM is waiting for environment clearance for its 3mtpa clinker expansion in Meghalaya. Difficult to predict the timeline as 6-9 months is usually the time taken to the get the environmental clearance. Internal target to commission clinker expansion by FY24. ▪ WHRS capacity expansion of 13MW is going smooth and expect completion in 15-18 months (end of FY23) from the ground breaking that happened in June'21. This WHRS capacity will meet 45% of the power requirement of Star (27MW) bringing savings of Rs150-Rs200/ tn. ▪ In FY22 capex worth Rs1.3 bn for WHRS and Rs1-1.5 bn capex (out of Rs13 bn) for the clinker expansion to be incurred by Star. ▪ Gross cash stood at Rs5.46 and gross debt was Rs230 mn as on 30th June'21.
Ultratech	▪ 19.5mtpa capacity expansion is on track and estimated to be completed by FY23 taking total capacity to 136.25mtpa. Expect 3.2 (2mtpa Bara in MP, 0.6mtpa Patna in Bihar and 0.6mtpa Dhankuni in WB) / 3.5/ 0.6/ 9.4/ 2.8mtpa capacity addition in Q2FY22/ Q1FY23/ Q2FY23/ Q3FY23/ Q4FY23. ▪ Expect Dalla Super 2.3mtpa clinker plant to commence by Mar'22. Stage 1 approval is received from MOEF and stage 2 approval is in process. It will cater to East and Central market. The remaining 9.1mtpa clinker capacity to start by FY23. ▪ Expect 0.4mtpa putty capacity addition by Q2FY23. ▪ Capex in Q1FY22 stood at Rs10 bn.

	DEBT
Dalmia Bharat	▪ Dalmia is a net debt (Rs2.28 bn) free company and can continue to add capacity at 10% CAGR over next decade without taking debt. But, as it targets to add capacity at 14-15% CAGR over next decade, it will incur capex through a mix of debt and equity to maximize shareholder's wealth.
Heidelberg	▪
JK Cement	▪ Debt – Gross Debt/ Net Debt stood at Rs28.1 bn/ Rs14 bn as on Jun'21. Wont cross range of Rs30 bn for Net Debt, even post Panna expansion. Company repaid Rs1.0 bn of debt of its UAE subsidiary in Q1FY22 and debt stands at Rs2.6 bn (to be repaid over 2 years) as on Q1FY22.
JK Lakshmi	▪ The balance capex of Rs600 mn at UCW is now completed. UCWL's clinker capacity increased from 1.2mtpa to 1.5mtpa and grinding capacity from 1.6mtpa to 2.2mtpa. ▪ The mix of funding for recently announced Rs.14-15 bn capex (1.5mtpa clinker and 2.5mtpa spilt grinding) at UCWL likely to be announced by next quarter. However, broadly D:E of 70:30 and exploring equity infusion by parent. This expansion is having a timeline of three years wherein 1.5mtpa clinker combined with 1 GU at Udaipur to be commissioned in 2 year and 2 split GU (locations to be decided by next quarter) in the third year. ▪ Standalone Gross debt/ Net debt stood at Rs1.01 bn/ Rs4.4 bn vs. Rs11.3 bn/ 4.0 bn as on FY21. Consolidated Gross debt/ Net Debt stood at Rs16.6 bn/ Rs8.5 bn as on 30th June'21 vs. Rs16.5 bn/ Rs8.2 bn as on FY21. ▪ UCWL's Gross debt/ Net debt stood at Rs5.5 bn/ Rs4.1 bn as on 30th June'21. ▪ There is no debt repayment due at UCWL in FY22 but Rs3.3 bn is maturing in FY22 at JKLC which will be paid through internal accrual and from profits generated during the year.
Ramco	▪ Debt – Increase in WC led to increase in gross debt to Rs37 bn (Q1FY22) vs Rs31 bn (Q4FY21). The company will aim to bring down Rs4 bn the WC requirement mostly by Q2FY22 and expect ~Rs13 bn reduction from current level of Rs37 bn. The cost of debt has been reduced by 200bps.
Sagar	▪ Gross debt increased by Rs377 mn QoQ to Rs8.44 bn (Q1FY22) and cash balance stands at Rs1.72 bn, so net debt at Rs6.72 bn. Net D:E at 0.56x. Management expects gross debt (incl WC) to peak at Rs8.5-8.75 bn (earlier Rs8 bn) but by Q1FY23E debt should reduce. It has Rs1.85 bn repayment including interest scheduled for FY22. ▪ Capex of Rs750 mn is done in Q1FY22 and Rs1.5 bn is pending for Q2FY22. ▪ MP state has Rs1.5 bn incentives paid over 7 years and Odisha government is providing incentive in transit for which detail clarity to come in 1st week of Oct'21. ▪ Expect 8-10% hike in employee cost on annual basis. Recruitment for both new plants is done and will be capitalized before commissioning of those plants. ▪ M&A potential always exist and nothing can be ruled out.
Star	▪
Ultratech	▪ Debt & Cash Flows - Covid had an impact on cash flows thus working capital requirement increased by Rs6-7 bn in Q1FY22, despite which the company was able to reduce net debt by Rs7.3 bn in Q1FY22. It expects working capital to come down in coming quarters. Cash flows will be utilized for growth and shareholder returns. Management expects to turn Net Cash by FY23. Gross Debt stood at Rs190 bn and Cash Rs130 bn as on Q1FY22 and it prepaid Rs50 bn in Jul'21.

	Others
Dalmia Bharat	▪ Management plans to divest their retail business of refractories over the next 2-3 months completely. Till now they have invested Rs990 mn and expect capital infusion of Rs400mn till the time divestment is completed. ▪ Sold 4.5% stake in IEX and will sell the rest as the right comes. Sale proceeds will be invested in AAA+ rated debt (85%) and in AA+ rated debt (15%). ▪ Company plans to allocate 10% of operating cash flows to dividends and share buyback and other 10% towards WHRS capacity, solar capacity and in the field of technology for cost savings and controlling carbon emission. Majority of the investment will be made to reduce the variable cost and increase the ROE to 14-15%. ▪ Management appointed Grant Thornton as their auditor, shareholder approval is awaited.
Heidelberg	
JK Cement	▪ UAE operations – Volumes at UAE for Q1FY22/ Q4FY21 stood at 0.13mt/0.112mt. Impairment of Rs3.45 bn done in past 2 years, most likely don't expect further impairment, depends on covid situation. Debt stands at Rs2.6 bn and JKCE will most likely have to pay for the same over a period of 2 years. ▪ Amalgamation with Jaykaycem should take another 6-8 months, as the company is waiting for approvals from authorities.
JK Lakshmi	▪ Reason for not merging UWCL with JKLC is due to different tax rate at both companies. UCWL has shifted to new tax rate whereas JKLC follows the old tax rate. Management waiting for MAT credit of JK Lakshmi to get utilized. ▪ UCWL incentive has expired.
Ramco	
Sagar	
Star	
Ultratech	▪ Incentives were Rs700 mn during Q1FY22. ▪ Century brand transition is done except Chhattisgarh plant. Century plant has crossed EBITDA of Rs1000/tn. ▪ Ultratech smart factory will use more of technology like Artificial Intelligence and Internet of Things. ▪ Construction chemicals - Building scale but too small for Ultratech. ▪ RMC division added 4 plants taking total plants to 136. RMC and white cement volumes are bit slow but gaining speed. Expect Putty plant to commence by Q2FY23. ▪ RMC/ White cement revenue stood at Rs5.1 bn/ Rs3.6 bn for Q1FY22, a growth of 291%/ 47% YoY.

Valuation Matrix

Company	Revenue (Rs bn)					EBITDA (Rs bn)					PAT (Rs bn)					Capacity (mtpa)		CAGR (21-23E)		
	FY20	FY21	FY22E	FY23E	CAGR	FY20	FY21	FY22E	FY23E	CAGR	FY20	FY21	FY22E	FY23E	CAGR	FY21	FY23E	Volume	Realization	EBITDA/tn
ACC	156.6	137.8	165.2	181.5	14.7	24.1	23.5	31.9	35.6	23.0	12.6	13.4	18.8	21.0	25.1	33.1	34.5	12.6	1.1	9.2
Ambuja	116.7	113.7	136.3	146.8	13.6	21.5	26.3	33.6	37.3	19.2	15.3	18.0	22.8	25.3	18.7	29.7	31.5	11.1	2.2	7.3
Birla Corp	69.2	67.9	79.0	93.2	17.2	13.4	13.4	14.9	18.5	17.7	4.9	5.6	6.0	7.9	18.4	15.5	20.1	15.6	1.5	1.9
Dalmia Bharat	96.7	101.0	117.5	132.8	14.7	21.1	27.6	27.0	30.6	5.3	2.2	12.2	7.8	8.8	(14.8)	30.8	40.2	13.0	1.5	(6.8)
Heidelberg	21.7	21.2	24.6	27.0	12.9	5.3	5.1	6.0	6.8	15.8	2.7	3.1	3.3	3.7	8.5	6.3	6.3	11.4	1.3	4.0
JK Lakshmi	40.4	43.8	49.4	51.5	8.4	6.7	7.9	8.1	8.9	6.2	2.6	3.9	3.9	4.3	4.2	11.7	11.7	6.3	2.0	(0.1)
JK Cement	54.6	63.3	73.7	83.8	15.1	11.8	15.1	17.6	20.7	17.1	5.8	7.7	8.9	10.8	18.5	16.6	20.6	13.7	1.2	3.0
Sagar Cement	11.8	13.7	16.3	22.1	26.8	1.9	4.0	3.6	4.8	9.7	0.3	1.9	1.4	2.0	3.1	5.8	8.3	28.1	(1.0)	(14.4)
Shree Cement	119.0	126.7	142.8	160.1	12.4	36.7	39.8	42.7	49.3	11.3	15.8	23.2	24.3	27.5	8.9	43.4	46.4	10.5	1.7	0.7
Star Cement	18.4	17.2	21.8	24.3	18.8	3.9	3.3	4.4	5.1	24.4	2.9	1.9	3.0	3.6	38.2	5.7	5.7	19.7	(0.8)	3.9
Ramco Cement	53.7	52.7	62.5	71.9	16.8	11.4	15.5	17.4	20.3	14.6	6.1	7.8	8.8	10.5	16.2	19.4	20.4	15.0	1.8	(0.3)
Ultratech	424.3	447.3	506.6	551.4	11.0	92.3	115.4	130.7	144.4	11.8	36.3	55.6	68.9	78.2	18.6	116.8	136.7	8.2	2.6	3.3

Company	Mcap (Rs bn)	CMP* (Rs)	TP (Rs)	Rating	EV/EBITDA (x)				EV/tn ($)				Net Debt/ EBITDA (x)				RoE (%)			
					FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E
ACC	430	2,291	2,432	Buy	16.0	15.8	11.6	10.3	156	151	144	142	(1.9)	(2.5)	(1.9)	(1.8)	12.3	13.6	14.1	13.8
Ambuja	778	392	402	Accumulate	26.0	22.0	16.9	14.8	253	261	243	235	(2.2)	(1.1)	(1.1)	(1.5)	7.1	8.5	10.7	10.9
Birla Corp	101	1,313	1,680	Buy	10.1	10.1	9.3	7.2	117	117	96	89	2.5	2.5	2.5	1.7	10.5	13.2	10.4	12.4
Dalmia Bharat	366	1,953	2,235	Accumulate	18.7	13.3	14.4	13.3	200	160	146	136	1.4	0.1	0.9	1.3	2.1	10.5	6.0	6.4
Heidelberg	58	254	278	Accumulate	10.8	11.1	9.2	7.9	122	121	119	115	(0.1)	(0.3)	(0.4)	(0.6)	21.6	22.4	21.2	21.3
JK Lakshmi	82	697	640	Sell	13.7	10.9	10.4	9.6	106	99	98	99	1.5	0.5	0.4	0.4	16.3	20.8	17.1	16.4
JK Cement	241	3,113	3,357	Accumulate	21.9	16.7	14.6	12.4	224	205	207	168	1.5	0.8	0.9	0.8	25.1	27.3	21.6	21.6
Sagar Cement	35	294	276	Accumulate	21.2	10.0	11.4	8.5	92	94	68	66	2.6	1.4	1.9	1.3	2.9	28.6	19.2	25.1
Shree Cement	949	26,291	29,417	Accumulate	24.9	22.2	20.4	17.4	304	273	253	249	(0.9)	(1.6)	(1.8)	(1.8)	14.0	16.5	14.9	14.7
Star Cement	48	116	132	Accumulate	11.4	12.9	9.9	8.4	141	101	104	102	(0.7)	(1.4)	(0.8)	(0.8)	16.0	9.5	14.1	15.1
Ramco Cement	226	958	1,115	Accumulate	22.5	16.5	14.6	12.2	183	177	176	163	2.6	1.9	1.6	1.1	12.8	14.4	14.5	15.2
Ultratech	2,163	7,493	8,109	Buy	25.2	19.3	16.8	14.8	273	256	246	210	1.8	0.5	0.3	(0.2)	10.0	13.4	14.6	14.6

*Sources: Company, DART *CMP as on 20 Aug 2021*

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

DART Team

Purvag Shah	**Managing Director**	**purvag@dolatcapital.com**	**+9122 4096 9747**
Amit Khurana, CFA	**Head of Equities**	**amit@dolatcapital.com**	**+9122 4096 9745**

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Anjana Jhaveri	VP - FII Sales	anjanaj@dolatcapital.com	+9122 4096 9758
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	**Designation**	**E-mail**	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co - Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685

Registered office: Unit no PO6-02A - PO6-02D, Tower A, WTC, Block 51, Zone-5, Road 5E, Gift City, Gandhinagar, Gujarat – 382355

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com