Q4FY23 Cement Result Review

DART universe (13 stocks) reported revenue of Rs510.6 bn in Q4FY23, +15.2% YoY (+16.1% QoQ) led by +11.4% YoY in volume to 90.8mt (+16.8% QoQ) coupled with +3.4% YoY (-0.6% QoQ) in blended realization/tn to Rs5,624. EBITDA +0.1% YoY/ +34.4% QoQ to Rs81.0 bn and blended EBITDA/tn -10.1% YoY/ +15.1% QoQ to Rs893 led by +6.5% YoY/ -3.1% QOQ in blended cost/tn to Rs4,731 which was partially offset by +3.4% YoY/ -0.6 QoQ in blended realization to Rs5,624. Accordingly, APAT witnessed de-growth of 4.9% YoY to Rs37.7 bn (+67.5% QoQ) in Q4FY23.

On YoY basis, all companies reported revenue growth in Q4FY23 (except HEIM and NUVOCO) with TRCL reporting highest growth of 50.3% and HEIM lowest growth of -2.9%. Volumes – all companies (except HEIM and NUVOCO) reported growth with TRCL highest (+45.5%) and NUVOCO lowest (-5.3%). Realization – all companies reported growth with JKLC highest (+13.1%) and ACEM lowest (+0.2%). EBITDA/tn – all companies reported de-growth (except STRCEM) with SGC witnessing highest (-47.1%) and STRCEM lowest (+36.8%).

On QoQ front, 5 companies reported realization growth (except ACC, followed by NUVOCO, STRCEM, ACEM, UTCEM, SGC, DALBHARA and TRCL) with SRCM highest (+7.0%) and ACC lowest (-4.3%). On EBIDTA/tn, all companies reported increase in EBITDA/tn (except SGC and DALBHARA) with HEIM highest (+72.2%) and SGC lowest (-25.4%). Cost/tn decreased by Rs151 primarily led by -12.8% (Rs219)/ -11.9% (Rs34)/ -11.3% (Rs86) in P&F cost/ Employee cost/ Other expenses per tn, which was partially offset by +22.2% (Rs195) in RM cost per tn.

Net debt increased by Rs29.5 bn YoY (ACC and ACEM for 15MFY23) to Rs28.2 bn in FY23 with ACC highest increase (Rs43.8 bn), whereas ACEM witnessed highest decline (Rs42.0 bn). **Net Debt/ EBITDA increased from -0.0x (FY22) to 0.1x (FY23).**

We would await for more development on consolidation in the sector as Adani still re-iterates doubling its capacity over 5 years coupled with other large players showing interest for inorganic growth. We expect this to support realizations to justify higher cost of acquisition. However, we are cautious on increasing probability of higher incremental capacity addition vs. incremental demand over next 5-7 years, which will restrict realization growth. Our analysis suggests that **volumes shall continue to drive FY23-25E earnings recovery, as was the case historically (FY18-FY23).** We estimate **revenues** to grow at **9.7% CAGR over FY23-25E** primarily driven by **10.4% volume CAGR,** which will be partially offset by -**0.6%** (~3.1% CAGR over FY18-23) **realization CAGR**. However, **EBITDA** to grow at **27.6% CAGR over FY23-FY25E** primarily driven by 10.4% volume CAGR coupled with -3.6% Opex/tn CAGR as **EBITDA/tn to increase at 15.5% CAGR**.

Cement players felt cost pressure in FY22 and H1FY23, which start softening from Q3FY23 (~+12.9% in FY23) and expect to continue. With no major price hikes in Q4FY23/ Q1FY24, softening in cost pressure and volume growth (~+12.0% in FY24) to result in continuation of improvement in EBITDA/tn in FY24 (~+26.6% in FY24).

Company	CMP/ Target (Rs)
ACC	1,777/ 2,162
Ambuja	434/ 416
Birla Corp	1,121/ 1,355
Dalmia	2,130/ 2,339
Heidelberg	172/ 181
JK Cement	3,208/ 3,200
JK Lakshmi	663/ 761
Nuvoco	339/ 327
Sagar	203/ 223
Shree	25,165/ 24,040
Star	133/ 137
Ramco	904/ 836
UltraTech	7,870/ 8,552

**CMP as on 31st May'2023*

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In FY23, Revenue/ EBITDA/ APAT +18.0%/ -16.2%/ -28.6% YoY to Rs1,782.0 bn/ Rs257.7 bn/ Rs108.4 bn for DART coverage companies. Revenue grew primarily led by +12.3% YoY in volume to 315.0 mt coupled with +5.1% YoY in realization/tn to Rs5,657. EBITDA/tn declined by 25.4% YoY to Rs818 due to +12.9% YoY in cost/tn to Rs4,839, which was partially offset by +5.1% YoY in realization/tn to Rs5,657.

(Note – ACC, BCORP, DALBHARA, JKCE, JKLC, NUVOCO, SGC, STRCEM and UTCEM reported numbers are on consolidated basis and the others are on standalone)

Top Picks

Dalmia Bharat – DALBHARA to expand its capacity from 35.9mtpa (FY22)/ 38.6mtpa (FY23)/ 41.1mtpa (Apr'23) to 56mtpa (incl. 9.4mtpa of JAL)/ 70-75mtpa by FY24E/ FY27E through organic and inorganic capex. It targets to start 0.6/0.9mtpa (debottlenecking) in East/ South, 2mtpa (greenfield)/ 2mtpa (brownfield) in South in FY24. It allocated Rs50-57 bn capex (till 56mtpa) for above GU + 2mtpa clinker expansion and green initiatives and maintenance/ ROI. We expect 17.9%/ 30.1%/ 46.6% revenue/ EBITDA/ APAT CAGR over FY23-25E led by 23.4%/ 14.0% volume growth and -1.2%/ 0% realization growth in FY24E/ FY25E.

We factor increase in Net Debt from Rs5.2 bn (FY23) to Rs44.6 bn (FY25E) considering Rs65 bn/ Rs30 bn capex in FY24E/ FY25E. DALBHARA expects to gain market share with capital allocation plans and 14-16.4% capacity CAGR from 38.6mtpa in FY23 to 110-130mtpa in FY31 (56/ 70-75mtpa by FY24/ FY27). This is structurally positive as it enhances growth visibility. Thus, we maintain Buy with a revised TP of Rs2,339 based on 12x FY25E EV/EBITDA + 50% of FY25E CWIP.

Birla Corporation – We like BCORP's focus on trade segment (77% share), increasing share of premium products (54% share in trade), higher share (89%) of high margin blended cement and sizable presence in relatively better regions of Central, North and West. Improvement in profitability to continue as Mukutban utilization improves and full benefit to be seen in FY25E. To support the growth beyond FY23, BCORP will embark on the next phase of growth to enhance its capacity to 30mtpa by FY30E from 20.0mtpa in FY23. We expect 9.4%/ 45.8%/ 394.1% revenue/ EBITDA/ APAT CAGR over FY23-25E led by 12.0%/ 6.2% volume growth and -0.5%/ 1.5% cement realization growth in FY24E/ FY25E. Thus, we maintain Buy with a revised TP of Rs1,355 based on 8.0x consolidated FY25E EV/EBITDA and 50% Capital WIP of FY25E (Our TP factors EV of USD 84/tn).

Exhibit 1: Q4FY23 performance for DART coverage (13 stocks)

(Rs mn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	FY22	YoY (%)
Total Revenue	**5,10,560**	**4,43,248**	**15.2**	**4,39,729**	**16.1**	**17,82,029**	**15,10,376**	**18.0**
Raw Material Cost	97,518	74,355	31.2	68,303	42.8	2,83,122	2,18,483	29.6
Employee Expenses	22,858	20,263	12.8	22,221	2.9	89,047	83,541	6.6
Power and Fuel	1,35,681	1,09,025	24.4	1,33,163	1.9	5,19,194	3,48,211	49.1
Freight Cost	1,11,931	99,107	12.9	96,363	16.2	3,91,766	3,36,332	16.5
Other expenses	61,546	59,568	3.3	59,387	3.6	2,41,178	2,16,144	11.6
Total Expenditure	**4,29,533**	**3,62,318**	**18.6**	**3,79,436**	**13.2**	**15,24,307**	**12,02,712**	**26.7**
EBITDA	**81,027**	**80,930**	**0.1**	**60,293**	**34.4**	**2,57,722**	**3,07,664**	**(16.2)**
Other Income	7,480	5,506	35.8	5,313	40.8	27,467	21,663	26.8
Depreciation	27,322	23,395	16.8	25,820	5.8	1,01,585	87,832	15.7
Foreign currency variation	0	0	-	0	-	0	0	-
Interest	8,695	7,169	21.3	8,607	1.0	32,931	29,896	10.2
EBT *(before exceptional item)*	**52,490**	**55,872**	**(6.1)**	**31,179**	**68.3**	**1,50,674**	**2,11,600**	**(28.8)**
Exceptional items	(5,106)	985	-	(1,405)	-	(6,942)	(210)	-
Share of profits from JV	5,329	38	14,004.2	83	6,292.4	5,705	173	3,201.9
EBT	**52,712**	**56,895**	**(7.4)**	**29,858**	**76.5**	**1,49,438**	**2,11,563**	**(29.4)**
Tax	8,165	4,548	79.5	8,622	(5.3)	33,688	39,617	(15.0)
RPAT	**44,548**	**52,346**	**(14.9)**	**21,236**	**109.8**	**1,15,750**	**1,71,946**	**(32.7)**
Minority Interest	242	(64)	-	124	94.8	363	152	139.0
Other adjustments	(6,594)	(12,744)	-	1,399	-	(6,974)	(19,889)	-
APAT	**37,712**	**39,666**	**(4.9)**	**22,510**	**67.5**	**1,08,414**	**1,51,905**	**(28.6)**
			bps		***bps***			***bps***
EBIDTA Margin (excl. O.I.)	15.9	18.3	(239)	13.7	216	14.5	20.4	(591)
Tax Rate (%)	15.5	8.0	750	28.9	(1,339)	22.5	18.7	382
NPM (%)	7.4	8.9	(156)	5.1	227	6.1	10.1	(397)

*Source: DART, Company *Note: ACC & ACEM TTM numbers*

Exhibit 2: Volume, Realization & Cost/tn Analysis

Particulars	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	FY22	YoY (%)
Volume(MT)	90.8	81.5	11.4	77.7	16.8	315.0	280.6	12.3
Realization/tn (Rs)	5,624	5,437	3.4	5,658	(0.6)	5,657	5,384	5.1
EBITDA/tn (Rs)	893	993	(10.1)	776	15.1	818	1,097	(25.4)
Cost/tn (Rs)	4,731	4,444	6.5	4,882	(3.1)	4,839	4,287	12.9
Raw Material Cost/tn (Rs)	1,074	912	17.8	879	22.2	899	778	15.5
Employee Expenses/tn (Rs)	252	249	1.3	286	(11.9)	283	298	(5.1)
Power and Fuels/tn (Rs)	1,495	1,337	11.8	1,713	(12.8)	1,648	1,241	32.8
Freight Expenses/tn (Rs)	1,233	1,216	1.4	1,240	(0.6)	1,243	1,199	3.7
Other expenses/tn (Rs)	678	731	(7.2)	764	(11.3)	766	770	(0.5)

Source: Company, DART

Exhibit 3: % of Revenue

(%)	Q4FY23	Q4FY22	Bps	Q3FY23	Bps	FY23	FY22	Bps
Raw Material Cost	19.1	16.8	233	15.5	357	15.9	14.5	142
Employee Expenses	4.5	4.6	(9)	5.1	(58)	5.0	5.5	(53)
Power and Fuels	26.6	24.6	198	30.3	(371)	29.1	23.1	608
Freight Expenses	21.9	22.4	(44)	21.9	1	22.0	22.3	(28)
Other expenses	12.1	13.4	(138)	13.5	(145)	13.5	14.3	(78)

Source: Company, DART

Exhibit 4: Revenue grew 15.2% YoY (+16.1% QoQ)

(Rs mn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC#	47,909	44,265	8.2	45,370	5.6	1,77,836	9.2
Ambuja	42,563	39,267	8.4	41,285	3.1	1,60,539	12.5
Birla Corp#	24,626	22,642	8.8	20,161	22.1	86,823	16.4
Dalmia Bharat#	39,120	33,800	15.7	33,550	16.6	1,35,400	20.0
Heidelberg	6,020	6,200	(2.9)	5,401	11.5	22,381	(2.6)
JK Cement#	27,779	23,512	18.1	24,361	14.0	97,202	21.6
JK Lakshmi#	18,621	15,998	16.4	15,617	19.2	64,515	19.0
Nuvoco Vistas#	29,285	29,302	(0.1)	26,046	12.4	1,05,862	13.6
Sagar Cements#	6,215	5,017	23.9	5,757	8.0	22,295	39.6
Shree Cement	47,851	40,988	16.7	40,688	17.6	1,68,375	17.7
Star Cement#	8,250	7,492	10.1	6,195	33.2	27,048	21.7
The Ramco Cements	25,697	17,091	50.3	20,088	27.9	81,353	36.0
UltraTech#	1,86,624	1,57,673	18.4	1,55,209	20.2	6,32,400	20.2
Total	**5,10,560**	**4,43,248**	**15.2**	**4,39,729**	**16.1**	**17,82,029**	**18.0**

Source: Company, DART #Consolidated

Exhibit 5: Volumes grew 11.4% YoY (+16.8 % QoQ)

(MT)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	8.5	7.9	7.6	7.7	10.4	30.7	5.0
Ambuja	8.1	7.5	8.1	7.7	5.2	30.3	11.1
Birla Corp	4.4	4.2	4.6	3.7	19.3	15.7	10.6
Dalmia Bharat	7.4	6.6	13.3	6.3	17.8	25.7	15.9
Heidelberg	1.2	1.2	(3.9)	1.1	8.3	4.4	-8.0
JK Cement	4.7	4.0	15.8	4.1	12.7	16.2	15.8
JK Lakshmi	3.4	3.3	2.9	2.9	17.7	11.8	5.6
Nuvoco Vistas	5.2	5.5	(5.3)	4.5	16.5	18.8	5.7
Sagar Cements	1.4	1.1	20.3	1.2	9.5	4.8	33.7
Shree Cement	8.8	8.0	10.0	8.0	9.9	31.8	14.7
Star Cement	1.2	1.2	7.2	0.9	36.0	4.0	18.0
The Ramco Cements	4.7	3.2	45.5	3.6	29.2	15.0	34.9
UltraTech	31.7	27.7	14.5	25.9	22.6	105.7	12.5
Total	**90.8**	**81.5**	**11.4**	**77.7**	**16.8**	**315.0**	**12.3**

Source: Company, DART

Exhibit 6: Realization/tn grew 3.4% YoY (-0.6% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	5,636	5,603	0.6	5,892	(4.3)	5,800	4.0
Ambuja	5,255	5,243	0.2	5,362	(2.0)	5,300	1.2
Birla Corp	5,553	5,340	4.0	5,425	2.3	5,520	5.2
Dalmia Bharat	5,258	5,145	2.2	5,314	(1.1)	5,258	3.5
Heidelberg	5,076	5,025	1.0	4,933	2.9	5,095	6.0
JK Cement	5,947	5,827	2.1	5,878	1.2	5,990	5.1
JK Lakshmi	5,496	4,861	13.1	5,426	1.3	5,455	12.7
Nuvoco Vistas	5,584	5,289	5.6	5,788	(3.5)	5,624	7.5
Sagar Cements	4,581	4,448	3.0	4,645	(1.4)	4,628	4.4
Shree Cement	5,419	5,105	6.2	5,065	7.0	5,291	2.6
Star Cement	6,680	6,504	2.7	6,823	(2.1)	6,738	3.2
The Ramco Cements	5,467	5,291	3.3	5,523	(1.0)	5,439	0.8
UltraTech	5,887	5,694	3.4	6,002	(1.9)	5,983	6.9
Average	**5,624**	**5,437**	**3.4**	**5,658**	**(0.6)**	**5,657**	**5.1**

Source: Company, DART

Exhibit 7: EBITDA grew 0.1% YoY (+34.4% QoQ)

(Rs mn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	4,685	6,347	(26.2)	3,791	23.6	12,903	(53.5)
Ambuja	7,883	7,933	(0.6)	6,393	23.3	24,181	(20.1)
Birla Corp	2,743	2,767	(0.9)	1,444	90.0	7,720	(30.5)
Dalmia Bharat	7,070	6,830	3.5	6,440	9.8	23,160	(4.5)
Heidelberg	691	1,186	(41.7)	371	86.5	2,489	(42.7)
JK Cement	3,495	3,842	(9.0)	2,473	41.3	13,143	(11.3)
JK Lakshmi	2,327	3,247	(28.3)	1,853	25.6	8,387	(11.8)
Nuvoco Vistas	3,804	4,249	(10.5)	2,683	41.8	12,104	(19.1)
Sagar Cements	389	611	(36.4)	476	(18.3)	1,532	(44.5)
Shree Cement	8,925	9,106	(2.0)	7,080	26.1	29,403	(19.4)
Star Cement	1,662	1,134	46.6	1,084	53.3	4,684	35.7
The Ramco Cements	4,128	2,951	39.9	2,846	45.0	11,820	(7.9)
UltraTech	33,225	30,728	8.1	23,359	42.2	1,06,199	(7.8)
Total	**81,027**	**80,930**	**0.1**	**60,293**	**34.4**	**2,57,722**	**(16.2)**

Source: Company, DART

Exhibit 8: EBITDA Margin contracted 239 bps YoY (+216 bps QoQ)

(%)	Q4FY23	Q4FY22	bps	Q3FY23	bps	FY23	bps
ACC	9.8	14.3	(456)	8.4	142	7.3	(977)
Ambuja	18.5	20.2	(168)	15.5	304	15.1	(614)
Birla Corp	11.1	12.2	(108)	7.2	398	8.9	(599)
Dalmia Bharat	18.1	20.2	(213)	19.2	(112)	17.1	(439)
Heidelberg	11.5	19.1	(764)	6.9	462	11.1	(780)
JK Cement	12.6	16.3	(376)	10.2	243	13.5	(503)
JK Lakshmi	12.5	20.3	(780)	11.9	63	13.0	(454)
Nuvoco Vistas	13.0	14.5	(151)	10.3	269	11.4	(463)
Sagar Cements	6.3	12.2	(592)	8.3	(201)	6.9	(1,040)
Shree Cement	18.7	22.2	(357)	17.4	125	17.5	(804)
Star Cement	20.1	15.1	501	17.5	264	17.3	178
The Ramco Cements	16.1	17.3	(120)	14.2	190	14.5	(694)
UltraTech	17.8	19.5	(169)	15.0	275	16.8	(510)
Average	**15.9**	**18.3**	**(239)**	**13.7**	**216**	**14.5**	**(591)**

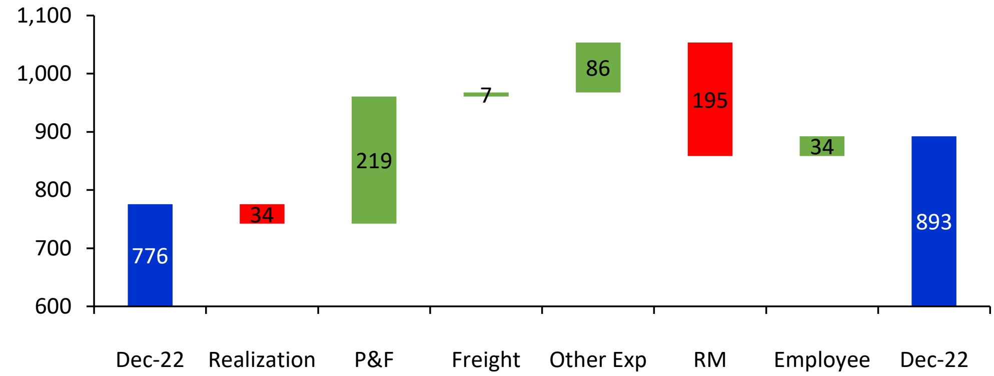
Source: Company, DART

Exhibit 9: EBITDA/tn decline 10.1% YoY (+15.1% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	551	803	(31.4)	492	11.9	421	(55.7)
Ambuja	973	1,059	(8.1)	830	17.2	798	(28.1)
Birla Corp	619	653	(5.2)	389	59.2	491	(37.1)
Dalmia Bharat	950	1,040	(8.6)	1,020	(6.8)	899	(17.6)
Heidelberg	583	961	(39.3)	339	72.2	566	(37.7)
JK Cement	748	952	(21.4)	597	25.4	810	(23.4)
JK Lakshmi	687	987	(30.4)	644	6.7	709	(16.5)
Nuvoco Vistas	725	767	(5.4)	596	21.7	643	(23.5)
Sagar Cements	286	542	(47.1)	384	(25.4)	318	(58.4)
Shree Cement	1,011	1,134	(10.9)	881	14.7	924	(29.7)
Star Cement	1,346	984	36.8	1,194	12.7	1,167	15.0
The Ramco Cements	878	914	(3.9)	783	12.2	790	(31.8)
UltraTech	1,048	1,110	(5.6)	903	16.0	1,005	(18.0)
Average	**893**	**993**	**(10.1)**	**776**	**15.1**	**818**	**(25.4)**

Source: Company, DART

Exhibit 10: Movement in EBITDA/tn



Source: Company, DART

Exhibit 11: Total Cost/tn up 6.5% YoY (-3.1% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	5,085	4,800	5.9	5,400	(5.8)	5,379	16.3
Ambuja	4,282	4,183	2.3	4,531	(5.5)	4,502	9.1
Birla Corp	4,934	4,688	5.3	5,037	(2.0)	5,029	12.6
Dalmia Bharat	4,307	4,105	4.9	4,294	0.3	4,359	9.3
Heidelberg	4,493	4,064	10.6	4,594	(2.2)	4,528	16.1
JK Cement	5,199	4,875	6.7	5,281	(1.6)	5,180	11.6
JK Lakshmi	4,809	3,875	24.1	4,783	0.6	4,746	18.9
Nuvoco Vistas	4,859	4,522	7.4	5,192	(6.4)	4,981	13.4
Sagar Cements	4,294	3,907	9.9	4,261	0.8	4,310	17.6
Shree Cement	4,408	3,971	11.0	4,184	5.4	4,367	13.7
Star Cement	5,335	5,520	(3.3)	5,629	(5.2)	5,572	1.0
The Ramco Cements	4,589	4,378	4.8	4,741	(3.2)	4,649	9.8
UltraTech	4,839	4,585	5.6	5,099	(5.1)	4,978	13.9
Average	**4,731**	**4,444**	**6.5**	**4,882**	**(3.1)**	**4,839**	**12.9**

Source: Company, DART

Exhibit 12: Power & Fuel/tn up 11.8% YoY (-12.8% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	1,109	1,317	(15.8)	1,468	(24.4)	1,534	24.4
Ambuja	1,277	1,377	(7.3)	1,573	(18.8)	1,644	20.6
Birla Corp	1,292	1,062	21.7	1,551	(16.7)	1,508	32.0
Dalmia Bharat	1,171	1,329	(11.9)	1,527	(23.3)	1,429	23.6
Heidelberg	1,692	1,588	6.6	1,572	7.7	1,759	30.8
JK Cement	1,659	1,299	27.7	1,679	(1.2)	1,580	34.0
JK Lakshmi	1,484	1,118	32.7	1,800	(17.6)	1,601	39.1
Nuvoco Vistas	1,167	1,097	6.4	1,779	(34.4)	1,483	25.6
Sagar Cements	1,782	1,512	17.8	1,690	5.4	1,855	29.6
Shree Cement	1,781	1,336	33.3	1,622	9.8	1,743	53.0
Star Cement	1,335	1,154	15.7	1,765	(24.4)	1,419	15.9
The Ramco Cements	1,635	1,445	13.2	1,931	(15.3)	1,779	42.1
UltraTech	1,675	1,433	16.9	1,884	(11.1)	1,749	35.5
Average	**1,495**	**1,337**	**11.8**	**1,713**	**(12.8)**	**1,648**	**32.8**

Source: Company, DART

Exhibit 13: Freight/tn up 1.4% YoY (-0.6% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	1,211	1,327	(8.7)	1,301	(6.9)	1,335	2.9
Ambuja	1,151	1,160	(0.7)	1,086	6.0	1,160	(4.1)
Birla Corp	1,342	1,252	7.2	1,327	1.1	1,339	8.8
Dalmia Bharat	1,105	1,128	(2.0)	1,112	(0.6)	1,088	2.7
Heidelberg	776	632	22.8	712	9.0	709	14.6
JK Cement	1,264	1,207	4.7	1,250	1.2	1,253	6.2
JK Lakshmi	1,086	1,025	5.9	1,059	2.5	1,064	8.4
Nuvoco Vistas	1,495	1,442	3.7	1,493	0.1	1,497	5.5
Sagar Cements	834	776	7.5	794	5.0	807	4.4
Shree Cement	1,167	1,172	(0.4)	1,174	(0.5)	1,173	0.4
Star Cement	1,137	1,414	(19.6)	1,255	(9.4)	1,262	0.6
The Ramco Cements	1,063	1,084	(2.0)	1,088	(2.4)	1,072	(2.2)
UltraTech	1,323	1,256	5.3	1,345	(1.6)	1,325	6.4
Average	1,233	1,216	1.4	1,240	(0.6)	1,244	3.7

Source: Company, DART

Exhibit 14: Other expenses/tn down 7.2% YoY (-11.3% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	659	772	(14.6)	695	(5.2)	751	(3.9)
Ambuja	572	732	(21.8)	694	(17.5)	747	(8.4)
Birla Corp	1,024	997	2.7	1,209	(15.3)	1,154	11.2
Dalmia Bharat	767	718	6.8	763	0.5	773	(0.0)
Heidelberg	846	722	17.2	938	(9.8)	844	10.5
JK Cement	941	981	(4.1)	971	(3.2)	973	0.5
JK Lakshmi	576	451	27.8	691	(16.6)	650	12.3
Nuvoco Vistas	675	655	3.0	771	(12.4)	730	5.6
Sagar Cements	572	639	(10.5)	552	3.7	566	(5.6)
Shree Cement	721	778	(7.3)	765	(5.7)	783	(6.0)
Star Cement	885	803	10.2	870	1.6	843	(4.1)
The Ramco Cements	521	690	(24.5)	634	(17.8)	592	(12.0)
UltraTech	615	685	(10.2)	733	(16.1)	725	1.1
Average	**678**	**731**	**(7.2)**	**764**	**(11.3)**	**766**	**(0.6)**

Source: Company, DART

Exhibit 15: Raw material/tn up 17.8% YoY (+22.2% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	1,856	1,140	62.8	1,672	11.0	1,485	43.6
Ambuja	1,073	708	51.5	971	10.5	738	49.4
Birla Corp	983	1,110	(11.5)	594	65.4	696	(6.1)
Dalmia Bharat	1,008	658	53.3	586	72.0	769	16.2
Heidelberg	846	839	0.8	1,118	(24.3)	913	1.7
JK Cement	975	1,051	(7.2)	995	(2.0)	982	6.8
JK Lakshmi	1,380	1,034	33.5	898	53.6	1,103	15.5
Nuvoco Vistas	1,222	1,077	13.5	822	48.7	949	22.8
Sagar Cements	916	744	23.2	1,022	(10.4)	876	40.2
Shree Cement	488	440	11.1	352	38.6	396	(3.5)
Star Cement	1,593	1,792	(11.1)	1,204	32.3	1,559	(7.6)
The Ramco Cements	1,130	835	35.2	765	47.7	898	11.8
UltraTech	1,000	984	1.7	868	15.3	919	8.5
Average	**1,074**	**912**	**17.8**	**879**	**22.2**	**899**	**15.4**

Source: Company, DART

Exhibit 16: Employee exp/tn up 1.3% YoY (-11.9% QoQ)

(Rs/ tn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	249	244	2.1	264	(5.4)	275	(2.4)
Ambuja	207	205	1.0	207	0.1	213	(12.4)
Birla Corp	293	267	9.6	355	(17.6)	331	5.2
Dalmia Bharat	257	272	(5.8)	306	(16.0)	299	(10.6)
Heidelberg	333	283	18.0	255	30.9	303	10.7
JK Cement	360	337	6.9	386	(6.8)	393	(1.4)
JK Lakshmi	284	246	15.3	335	(15.2)	328	1.2
Nuvoco Vistas	300	251	19.3	326	(8.2)	322	(1.2)
Sagar Cements	190	236	(19.2)	203	(6.0)	206	(13.1)
Shree Cement	250	245	2.1	271	(7.8)	272	(6.5)
Star Cement	385	357	8.0	536	(28.1)	488	4.2
The Ramco Cements	241	323	(25.6)	323	(25.5)	308	(25.3)
UltraTech	226	227	(0.2)	268	(15.8)	259	(3.9)
Average	**252**	**249**	**1.3**	**286**	**(11.9)**	**283**	**(5.1)**

Source: Company, DART

Exhibit 17: APAT de-grew 4.9% YoY (+67.5% QoQ)

(Rs mn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	YoY%
ACC	3,021	3,963	(23.8)	1,923	57.1	6,505	(62.9)
Ambuja	5,831	4,944	17.9	4,303	35.5	20,210	2.2
Birla Corp	596	1,486	(59.9)	(516)	(215.4)	251	(94.2)
Dalmia Bharat	2,010	2,650	(24.2)	2,010	0.0	6,250	(23.9)
Heidelberg	350	936	(62.6)	56	526.7	992	(60.7)
JK Cement	1,122	1,869	(40.0)	390	187.9	4,263	(36.6)
JK Lakshmi	1,100	1,221	(9.9)	770	42.8	3,593	(10.6)
Nuvoco Vistas	1,376	372	270.1	(756)	(282.0)	(479)	(219.4)
Sagar Cements	(675)	(115)	486.2	(220)	206.4	(1,390)	(301.0)
Shree Cement	3,919	5,450	(28.1)	2,768	41.6	11,739	(48.3)
Star Cement	885	879	0.7	529	67.4	2,400	(2.7)
The Ramco Cements	1,517	1,232	23.1	672	125.7	3,441	(41.7)
UltraTech	16,660	14,779	12.7	10,582	57.4	50,640	(10.6)
Total	**37,712**	**39,666**	**(4.9)**	**22,510**	**67.5**	**1,08,414**	**(28.6)**

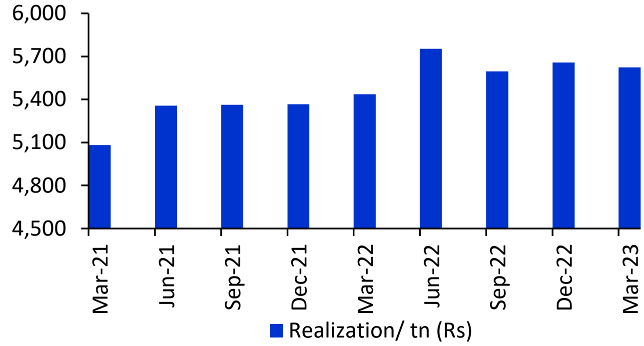
Source: Company, DART

Exhibit 18: Change in estimates – Broadly maintain estimates for FY24E/ FY25E

Particulars (Rs mn)	FY24E			FY25E		
	New	Old	Chg (%)	New	Old	Chg (%)
Net revenues	19,45,887	19,35,092	0.6	21,19,036	21,21,457	(0.1)
EBIDTA	3,61,916	3,53,058	2.5	4,15,115	4,07,336	1.9
EBIDTA margin (%)	18.6	18.2	35 bps	19.6	19.2	39 bps
Adj. Net Profit	**1,70,183**	**1,63,763**	**3.9**	**2,01,932**	**1,96,406**	**2.8**

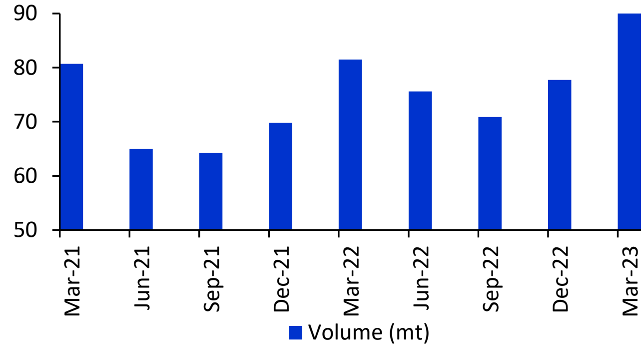
*Source: DART, Company *Note: Heidelberg Cement is not included*

Exhibit 19: Realization/tn of DART coverage



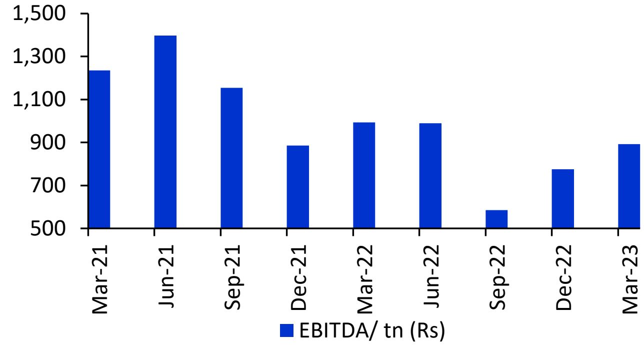
Source: Company, DART

Exhibit 20: Volume of DART coverage



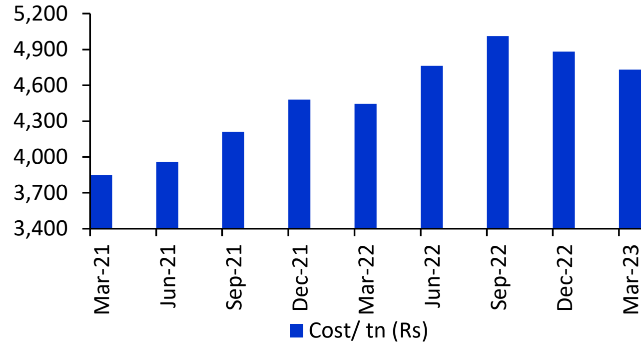
Source: Company, DART

Exhibit 21: EBITDA/tn of DART coverage



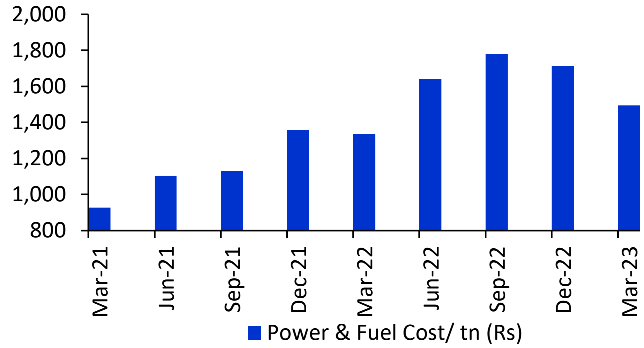
Source: Company, DART

Exhibit 22: Cost/tn of DART coverage



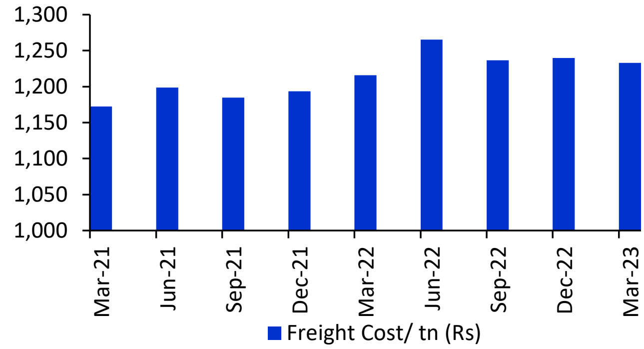
Source: Company, DART

Exhibit 23: Power & Fuel/tn of DART coverage



Source: Company, DART

Exhibit 24: Freight/tn of DART coverage



Source: Company, DART

Exhibit 25: Working capital decreases in FY23, impacting CFO

(Rs bn)	+/- WC	CFO	+/- WC	CFO	+/- WC	CFO
	FY23	FY23	H1FY22	H1FY22	FY22	FY22
ACC	(26.7)	(12.4)	(15.8)	(7.6)	1.3	28.4
Ambuja	(7.9)	20.1	(3.3)	8.0	(4.6)	24.7
Birla Corp	0.3	8.1	(5.8)	(2.8)	(0.0)	10.4
Dalmia Bharat	(0.8)	22.5	(5.2)	4.1	(5.9)	19.4
Heidelberg	0.2	2.3	(0.3)	0.9	(0.8)	3.0
JK Cement	(1.1)	13.8	(3.4)	2.8	(4.3)	8.8
JK Lakshmi	2.3	6.3	(4.2)	(0.5)	(1.5)	6.8
Nuvoco Vistas	4.8	17.1	(3.5)	2.2	(2.5)	12.2
Sagar Cement	0.2	1.8	(0.8)	(0.1)	(1.7)	0.9
Shree Cement	1.0	0.0	(4.4)	7.3	(7.3)	27.2
Star Cement	(0.4)	3.8	(0.3)	1.4	1.1	4.2
The Ramco Cement	2.5	14.1	(4.1)	0.7	(0.2)	11.3
Ultratech	(3.4)	90.7	(37.1)	8.3	(4.7)	92.8
Total	**(29.1)**	**188.0**	**(88.1)**	**24.7**	**(31.2)**	**250.0**

*Source: Company, DART, *Note – ACC and ACEM for 15FY23*

Exhibit 26: Decrease in WC combined with higher capex impacted FCFF

(Rs bn)	CFO	Capex	FCFF	CFO	Capex	FCFF	FCFF
	FY23	FY23	FY23	H1FY23	H1FY23	H1FY23	FY22
ACC *	(12.4)	21.0	(33.4)	(7.6)	10.8	(18.4)	16.6
Ambuja*	20.1	21.5	(1.4)	8.0	4.7	3.3	13.1
Birla Corp	8.1	6.3	1.7	(2.8)	3.3	(6.0)	2.6
Dalmia Bharat	22.5	27.1	(4.6)	4.1	11.7	(7.5)	1.7
Heidelberg	2.3	0.3	2.0	0.9	0.2	0.6	2.5
JK Cement	13.8	16.1	(2.3)	2.8	9.8	(7.0)	(6.8)
JK Lakshmi	6.3	7.4	(1.0)	(0.5)	3.3	(3.8)	3.1
Nuvoco Vistas	17.1	4.9	12.3	2.2	1.7	0.5	8.1
Sagar Cement	1.8	1.2	1.8	(0.1)	0.6	(0.7)	0.9
Shree Cement	0.0	28.1	(1.0)	7.3	12.5	(5.1)	7.5
Star Cement	3.8	5.7	(1.9)	1.4	1.3	0.2	2.2
The Ramco Cement	14.1	17.7	(3.6)	0.7	9.9	(9.2)	(6.9)
Ultratech	90.7	62.0	28.7	8.3	31.2	(22.9)	36.7
Total	**188.0**	**219.2**	**(2.9)**	**24.7**	**101.0**	**(76.2)**	**81.3**

*Source: Company, DART, *Note – ACC and ACEM for 15FY23*

Exhibit 27: Net Debt and Net Debt/EBITDA(x) increased in FY23

(Rs bn)	Net Debt	Net Debt	Net Debt/EBITDA (x)	
	FY23	FY22	FY23	FY22
ACC *	(31.4)	(75.2)	(2.4)	(2.7)
Ambuja*	(83.3)	(41.2)	(3.4)	(1.4)
Birla Corp	36.7	34.7	4.8	3.1
Dalmia Bharat	5.2	(14.4)	0.2	(0.6)
Heidelberg	(3.2)	(1.9)	(1.3)	(0.4)
JK Cement	33.7	25.7	2.6	1.7
JK Lakshmi	10.0	6.5	1.2	0.7
Nuvoco Vistas	44.1	50.6	3.6	3.4
Sagar Cements	12.6	13.4	8.2	4.9
Shree Cement	(61.5)	(70.9)	(2.1)	(1.9)
Star Cement	(5.0)	(5.0)	(1.1)	(1.5)
The Ramco Cements	43.2	37.5	3.7	2.9
UltraTech	27.0	39.0	0.3	0.3
Total	**28.2**	**(1.3)**	**0.1**	**(0.0)**

*Source: Company, DART, *Note – ACC and ACEM for 15FY23*

Q4FY23 ConCall Trend Analysis

	Industry & Demand
ACC & Ambuja	▪ Ambuja volume growth of 8% driven by strong demand with focus on micro markets. Company improved its penetration in Tier-II & III cities; expects to continue the momentum. Company continues to focus on branding and products positioning, with efforts to grow market of premium products which will led to higher realization. ▪ Company reached a positive outcome in HP and addressed the logistics challenge. Revenue growth in Q5FY23 was impacted by the lower volume due to the halt at HP plants for ACC+Ambuja for 50 days and small breakdown suffered in Farakka GU (Ambuja) in Eastern region. ▪ **Demand growth –** Expects 6-7% industry demand growth in FY24. ▪ **Guidance –** Company maintains its guidance of doubling its group (Ambuja + ACC) capacity from current 67.5mtpa to 140mtpa over 5 years spending Rs460 bn. **Adani Cement targets consolidated volume of ~119 mt (17% CAGR) by FY28. Also, targets consolidated revenue/ EBITDA of Rs~700 bn (19% CAGR)/ ~Rs175 bn (28% CAGR) and improvement in EBITDA margin from 19% (last 3yr avg) to 25% (FY28) and EBITDA/tn from Rs991 to Rs1,470.** ▪ **Consolidated trade share** stood at 79% in Q5FY23 vs. 79% in Q4FY23. **Blended cement** in Q5FY23 stood at 92% vs. 91% in Q4FY23. **Premium share of trade sales** stood at 22% in Q5FY2 (flat QoQ); targets to increase to 29-30%. Also, increase its share in B2B segment from current 21% to 25% by FY27. ▪ **TSR** stood at 8.8% (Q5FY23) vs. 8.2% (Q4FY23) vs. 6.5% (Q3FY23). ▪ **Rail:Road mix** stood at 30:70 in Q5FY23.
JK Cement	▪ Grey Consolidated volume/ Standalone volume stood at 4.67 mt/ 4.14 mt in Q4FY23. ▪ JKCE expects volume growth of 15% (2.5-3 mt) from Panna and some growth from existing plants in FY24. Central India (Panna) expansion has achieved 60% capacity utilisation in Q4FY23 with positive EBITDA (Rs20 mn) in first full quarter (Q4FY23) of operations without subsidy. ▪ Trade: Non-trade mix stood at 69:31 in Q4FY23 vs. 67:33/ 68:32 in Q3FY23/ Q4FY22; 68:32 in FY23 (flat YoY). ▪ Blended mix stood at 68% in Q4FY23 vs. 62%/ 62% in Q3FY23/ Q4FY22; 65% in FY23 vs. 62% in FY22. Company targets to increase its blended mix to a comfortable range of 65-70%. ▪ Premium products share in trade stood at 10% in Q4FY23 vs. 9%/ 7% in Q3FY23/ Q4FY22; 9% in FY23 vs. 9% in FY22. ▪ Road:Rail mix stood at 84:16 in Q4FY23 vs. 81:19 in Q3FY23 vs. 81:19/ 83:17 in Q2FY23/ Q1FY23. ▪ Lead distance in Q4FY23 reduced to 438 kms vs. 470 kms/ 457 kms in Q3FY23/ Q4FY22. Company expects further reduction in its lead distance and targets to reach 425-430 kms in the near term.

	Industry & Demand
Birla Corp	▪ Demand in Apr'23 is not a yardstick for the season. BCORP expects healthy growth in volumes, however it does not expect big price hikes and majority of price hikes have been rolled back. It expects higher demand unless for any unforeseen events. All the investments in Infra will bear fruits. Demand in Gujarat picked up on account of big railway and metro projects and expect same trend in Maharashtra, MP, UP, Rajasthan till 2024 elections. ▪ **Volume guidance –** Expects >15% volume growth in FY24 primarily led by extra volume from Mukutban plant coupled with higher output from Chanderia, Rajasthan and higher demand in Central India. ▪ BCORP mentioned that its objective was not to chase growth at the cost of profit. Strategy is to increase clinker production at Mukutban plant in order to supply to other GU's. ▪ Trade share in volumes stood at 77% (Q4FY23) vs. 75% (Q3FY23) vs. 78% (Q4FY22). ▪ Premium cement share in trade volumes stood at 54% (Q4FY23) vs. 51% (Q3FY23) vs. 49% (Q4FY22). Perfect Plus has been established as BCORP's premium product. It has a presence across Hindi speaking markets like UP, Haryana, Rajasthan and now increasing presence in MP as well; growth has been smooth and not volatile. ▪ Blended cement share in volumes stood at 89% (Q4FY23) vs. 88% (Q3FY23) vs. 92% (Q4FY22).
Dalmia Bharat	▪ DALBHARA continues to have deep conviction on the Indian growth story and cement sector to be a direct beneficiary for multiple decades. Company believes India economy is going on a large scale metamorphosis with millions of people coming out of poverty. Company believes cement is a proxy bet on India's growth and infra and housing sector will be the key drivers for robust growth for the sector for many decades. With a combination of newly added cement capacity, a well-capitalized balance sheet and a visionary leadership, DALBHARA has a large headroom to continually deliver industry leading performance and participate in India's growth story. ▪ Company's persistent efforts on enhancing sustainability of its operations & rationalization of operating costs enabled it to mitigate the adverse impact of inflation and deliver stable earnings performance. ▪ DALBHARA mentioned that volume growth is well balanced within the regions (East, North East, West and South) delivering double digit volume growth in FY23. ▪ Trade:Non-Trade mix stood at 64:36/ 63:37 in Q4FY23/ FY23 vs. 60:40/ 65:35 in Q3FY23/ Q4FY22. Capacity utilization stood at 77.1% in Q4FY23 vs. 68% in Q3FY23. ▪ Blending ratio stood at 88%/ 84.1% (all time high) in Q4FY23/ FY23 vs. 83.1%/ 78%/ 80% in Q3FY23/ Q4FY22/ FY22; expects to further improve to 100% in the coming years. ▪ Premium share as % of trade stood at 22.6%/21% in Q4FY23/ FY23 vs. 22%/ 20%/ 19% in Q3FY23/ Q2FY23/ Q1FY23. Sale of premium product in trade volumes increased by 19.9% YoY to 3.4 mt in FY23. ▪ Cement to clinker ratio stood at 1.74x/ 1.71x in Q4FY23/ FY23 vs. 1.72x/ 1.71x in Q3FY23/ Q2FY23. ▪ Rail:Road mix stood at 18:82 in Q4FY23 vs. 17:83 in Q3FY23. ▪ Lead distance stood at 300 kms in Q4FY23 vs. 310 kms/ 318 kms in Q3FY23/ Q4FY22.

	Industry & Demand
JK Lakshmi	▪ Q4FY23 standalone sales volume stood at 2.86mt/ 0.21mt cement/ clinker, totaling to 30.6mt (-2.6%/ +17.6% YoY/ QoQ). Consolidated sales volume stood at 3.16mt/ 0.23mt cement/ clinker, totaling to 3.39mt (+2.9%/ +17.7% YoY/ QoQ) in Q4FY23. ▪ Clinker production stood at 6.72mt/ 1.44mt for standalone/UCWL, totaling to 8.16mt in FY23. ▪ JKLC is **targeting cement volume growth of 19% in FY24** on standalone and consolidated level; company continues to maintain its focus on cement. ▪ **Total non-cement revenue** stood at Rs1.28 bn in Q4FY23 vs. Rs1.16bn/ Rs1.03 bn in Q3FY23/ Q4FY22. RMC revenue stood at Rs620 mn in Q4FY23 vs. Rs560 mn/ Rs480 mn in Q3FY23/ Q4FY22. Margins for non cement revenue stood at 5% for Q4FY23. ▪ **Trade:Non-trade mix** stood at 55:45 in Q4FY23 vs. 54:46 in Q3FY23 vs. 54-55:46-45 in Q2FY23 vs. 56:44 in Q1FY23 vs. 56:44 in Q4FY22. Trade share has been gradually increasing MoM (Jan 52%, Feb 54%, Mar 60%), company maintains its target to increase trade share to >60%. ▪ **Share of premium products** increased QoQ at 26% of trade sales (11% of total sales) in Q4FY23 vs. 21%/ 21%/ 19.5% in Q3FY23/ Q2FY23/ Q1FY23. ▪ **Blending ratio** stood at 55% in Q4FY23 vs. 66%/ 67%/ 67%/ 65% in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. ▪ **Lead distance** stood at 400kms/ 398kms in Q4FY23/ FY23 vs. 401 kms/ 395 kms/ 393 kms/ 395 kms in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. Company will try to reach lead distance of 375 kms in FY25. ▪ **Road:Rail mix** stood at 90:10 in Q4FY23, similar to Q3FY23.

	Industry & Demand
Nuvoco Vistas	▪ NUVOCO witnessed robust growth in demand coupled with softening of fuel prices supported margins in FY23. Demand was primarily driven by rapid execution in infrastructure projects and strong traction in the rural housing; although demand growth in WB and Jharkhand remained sluggish. Going forward, demand is expected to remain strong at 7-9% in FY24 for the cement industry led by pre-election spending by the government, continued thrust on infrastructure development and rural housing demand; East and Central regions to have better growth opportunities. ▪ Company remains focused on improving cement to clinker ratio, increasing its share of premium products, cost mitigating measures and continuous innovation. ▪ **Clinker production** stood at 10.3mtpa in FY23; total clinker capacity stood at 11.88mtpa in FY23. Clinker utilization stood at 87.5% in FY23. ▪ On volume mix front, WB and Jharkhand states constitutes ~50% in the East region. ▪ **Trade share** stood at 74% in Q4FY23 vs. 71% in Q3FY23 vs. 75% in Q4FY22. ▪ **Share of premium product** stood at 37% in Q4FY23 vs. 37% in Q3FY23 vs. 34% in Q4FY22. ▪ **Cement to clinker ratio** stood at 1.84x in Q4Y23 vs. 1.8x in Q3FY23/ Q4FY22; targets 1.92x in over 2 years period. ▪ **Lead distance** stood at 348 kms/ 340 kms in Q4FY23/ FY23 vs. 340kms in Q3FY23/ Q4FY22. ▪ **RMC –** Focus on ramping up number of RMX plants with back-to-back commissioning of Guwahati & Coimbatore plants. RMX segment has been showing good demand momentum as revenue increased by more than 20% in FY23. ▪ **MBM –** Revenue increased by ~20% in FY23. Company witnessed healthy growth in the regions of North and West with expansion into non-cement channels.

	Industry & Demand
Ramco	▪ Current demand remains good for individual housing and infra segments. Cement demand in the medium term is expected to be resilient in view of Government's focus on infra spend, upcoming elections and forecast of normal monsoon for FY23. For South, demand has seen pickup in trade and non-trade (particularly road projects) segments, whereas East markets have seen improvement in non-trade segment and trade remained flat. Company's strategy of right cement for right applications has been yielding positive results and it continues to focus on making its brand stronger. ▪ Volume growth of 45-46% in Q4FY23 was led by additional capacity coupled with good demand; both South and East witnessed similar growth. There is no change in market/ regional/ blending mix. ▪ **On guidance front, TRCL expects volume growth of ~20% YoY in FY24**. ▪ Company generated 18.7 mn/ 223.3 mn units from wind power in Q4FY23/ FY23 vs. 18.3 mn/ 232.5 mn units in Q4FY22/ FY22. ▪ **Capacity utilization** stood at 85% in Q4FY23/ FY23 vs. 70%/ 66% in Q3FY23/ Q4FY22. Capacity utilization stood at 73% in FY23 vs. 57% in FY22. ▪ **Trade: Non-trade mix** stood at 65:35 in Q4FY23 vs. 63:27/ 72:28 in Q3FY23/ Q4FY22; For FY23 Trade: Non-trade mix stood at 70:30 vs. 71:29 in FY22. Blended ratio stood at 70% in FY23 vs. 71% in FY22. ▪ **Share of premium** stood at 25% in Q4FY23 vs. 25%/ 26% in Q3FY23/ Q4FY22. For South, share of premium stood at 28% for Q4FY23/ FY23 and for East, it stood at 16% for Q4FY23/ FY23. ▪ **Lead distance** increased to 310kms in Q4FY23 vs. 299 kms/ 326 kms in Q3FY23/ Q4FY22. For FY23, average lead distance decreased to 298kms from 324kms in FY22 (-8% YoY). ▪ **Road:Rail mix** stood at 88:12 in Q4FY23 vs. 90:10/ 85:15 in Q3FY23/ Q4FY22. Road:Rail mix for FY23 stood at 89:11 vs. 87:13 in FY22.

	Industry & Demand
Sagar	▪ SGC ended FY23 on a positive note with strong volume growth and moderating raw material prices. Furthermore, this year also marks the milestone of achieving 10mtpa capacity following the acquisition of Andhra Cements. This acquisition will help the company to further solidify its position in its core markets and help in better serving customers in a cost effective way. ▪ Company witnessed good demand from infrastructure projects and IHB segment which helped in sustaining high volumes. Volumes would have been even higher but got impacted by unseasonal rains and labour unavailability due to festive season during the end of Q4FY23. **Demand has been strong in the markets where company operates; expects demand growth of 8-10% for FY24.** ▪ SGC's efforts are now primarily directed towards ramping up the utilization levels of the recently acquired assets. These assets not only offers company the requisite scale, but also helps in diversifying its geographic and product mix. Over the coming years, as company ramps up the operations and utilization levels across units, it expects significant improvement in operations and profitability. ▪ **Guidance – SGC targets volume of 6.5mt (35% YoY growth) in FY24; expects 1mt from Andhra Cements in FY24. Company expects volume to be in the similar range in Q1FY24 vs. Q4FY23.** ▪ SGC remains extremely cautious on volume sales to be done from Jajpur. Though company is not facing any challenge on the sales but is being cautious on the margins. It expects good ramp up in Satguru plant and achieve capacity utilization of 70-80% in FY24. And rest of the plants to have similar performance. ▪ Capacity utilization stood at 65% in Q4FY23 vs. 60% in Q3FY23 vs. 65% in Q4FY22. Capacity utilization for Jeerabad/ Jajpur stood at 81/ 16% in Q4FY23 vs. 57%/ 15% in Q3FY23 vs. 30%/ 10% in Q2FY23 vs. 46%/ <10% in Q1FY23, whereas for Gudipadu/ Bayyavaram/ Mattampally at 93%/ 66%/ 73% in Q4FY23 vs. 95%/ 68%/ 57% in Q3FY23 vs. 93%/ 64%/ 50% in Q2FY23. ▪ Trade:Non-trade mix stood at 60:40 in Q4FY23 vs. 60:40 in Q3FY23 vs. 65:35 in Q4FY22. ▪ Blended cement ratio stood at 48% in Q4FY23 vs. 49% in Q3FY23 vs. 46% in Q4FY22. ▪ Lead distance stood at 271 kms in Q4FY23 vs. 281kms in Q3FY23 vs. 283kms in Q4FY22.

	Industry & Demand
Shree	▪ SRCM is driving prioritized initiatives to increase its green power, usage of alternative fuels, process automations combined with advanced digitalization of the operations to deliver superior performance. The improved performance during this quarter is testimony of such initiatives amidst the challenge of managing high fuel costs. Company has been taking actions on strengthening its brand equity and is confident to deliver volume growth with focus on premium cement creating enhanced value for its customers. ▪ SRCM expects demand growth is expected at 8-9% in FY24. ▪ **Guidance –** SRCM expects to achieve volume of 36mt (~13% growth vs. industry growth of 7-8%) in FY24 led by capacity additions. Company has been actively working on achieving its goal of reaching 80mtpa capacity by FY30 through organic expansion. ▪ **Clicker production** for FY23 stood at 20.2mt vs. 17.7mt in FY22. ▪ **Trade share** stood at 80% for Q4FY23 vs. 78-80% in Q3FY23. **Share of premium products** stood at 7.5% in Q4FY23 vs. 7.2% Q3FY23 vs. 6.5% in Q4FY22; company targets to scale this up to 15% by FY24 and further improve in FY25. Company is targeting savings of Rs50/ tn post improving its premium share. Company is working on introducing new brands with sharper value proposition in order to increase share of premium cement. Recently, company launched new premium product “Rockstrong” in Odisha. ▪ **Blended cement** stood at 76.04% in Q4FY23 vs. 75.46% in Q4FY22. ▪ **Capacity utilization** stood at 78% in Q4FY23 vs. 72% in in Q3FY23 vs. 71% in Q4FY22. For FY23, utilization stood at 70% vs. 64% in FY22. **On region-wise,** North/ East/ South stood at 80%/ 82%/ 65% in FY23. ▪ **Lead distance** stood at 463 kms in Q4FY23 vs. 450 kms/ 459 kms/ 473 kms in Q3FY23/ Q2FY23/ Q4FY22. ▪ Company has declared a second interim dividend of Rs55/ sh; totaling to Rs100/sh in FY23.

	Industry & Demand
Star	▪ Clinker production stood at 0.778 mt in Q4FY23 vs. 0.739 mt/ 0.511 mt/ 0.671 mt in Q3FY23/ Q2FY23/ Q4FY22. Cement production stood at 1.253 mt in Q4FY23 vs. 0.921mt/ 0.891 mt/ 1.159 mt in Q3FY23/ Q2FY23/ Q4FY22. ▪ Cement sales stood at 1.235 mt in Q4FY23 vs. 0.908 mt/ 0.891 mt/ 1.152 in Q3FY23/ Q2FY23/ Q4FY22. ▪ **Company expects healthy volume growth of 12-13% in FY24.** Outside North East markets grew at 4-5% YoY in FY23; company expects the market to grow by 7-8% in FY24. ▪ **Trade:Non trade mix** stood at 87:13 in Q4FY23 vs. 92:8 in Q3FY23/ 84:16 in Q4FY22; share of non-trade was higher in Q4FY23 as margins improved for the segment. ▪ **Premium share** for the company stood at 4% in Q4FY23 vs. 4.5%/ 7%/ 8% in Q3FY23/ Q2FY23/ Q1FY23. Company is planning to launch new premium brand by the end of Q1FY24 which will improve the premium share going forward. In the next 2 quarters, company expects premium share to increase from current 4% to close to double digit. ▪ **Capacity utilization of the Siliguri plant** stood at 73% in Q4FY23 vs. 55%/ 50%/ 67%/ 65% in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. ▪ In Q4FY23, **PPC:OPC** stood at 91:9 vs. 92:8/94:6/ 89:11/ 87:13 in Q3FY23/Q2FY23/ Q1FY23/ Q4FY22. ▪ **Geological mix** stood at 74:26 in North East: Outside North East vs.73:27/ 73:27/ 66:34/ 71:29 in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. ▪ **Lead distance** increased in Q4FY23 to 224kms vs. 211 kms/ 233 kms/ 230 kms/ 217-218 kms in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22.

	Industry & Demand
UltraTech	▪ UTCEM has witnessed strong demand and the momentum has continued in the first month of FY24; expects the trend to continue. Going forward, company expects demand growth of 7-8% in FY24. ▪ On Consolidated basis, UTCEM sales volume stood at 31.7 mt (+14.5% QoQ/ +22.6% YoY)/ 105.7 mt (+12.5% YoY) in Q4FY23/ FY23 respectively. At India level, UTCEM has achieved +100 mt sales volume for the first time in FY23. ▪ **Capacity utilization** stood at 95%/ 84% in Q4FY23/ FY23 vs. 83% in Q3FY23 vs. 76% in Q2FY23 vs. 83% in Q1FY23. **Clinker utilization** stood at 91%/ 83% in Q4FY23/ FY23. ▪ **Cement to clinker ratio** stood at 1.42x in Q4FY23 vs. 1.42 in Q3FY23 vs. 1.41 in Q2FY23; expects to reach 1.5x in the near future. ▪ **Trade share** stood at 66% in Q4FY23 vs. 66% in Q3FY23 vs. 68% in Q2FY23 vs. 67% in Q1FY23. It expects OPC sales to remain strong as India sees growth in infrastructure. ▪ **Blended cement** in Q4FY23 stood at 69% vs. 68% in Q3FY23 vs. 71% in Q2FY23 vs. 70% in Q1FY23. ▪ **Premium products** contributed 20.4% of trade sales volume in Q4FY23 vs. 18.8% in Q3FY23/ Q2FY23 vs. 17.4% in Q1FY23. On net basis, premium products commands Rs10/ bag (Rs200/ tn) higher than normal products. ▪ **Lead distance** stood at 413kms in Q4FY23 vs. 413kms in Q3FY23 vs. 428kms in Q2FY23 vs. 429kms in Q1FY23.

	Cement Prices
ACC & Ambuja	
Birla Corp	▪ Prices in Maharashtra were not as good as other regions and cost of operation was high and Maharashtra market sells OPC more, which is a drag.
Dalmia Bharat	▪ Prices in the East, NE and West remained comfortably stable in Q4FY23 except South. Prices in South marginally subdued during the quarter. Also, company did not witness any price hike yet in Apr'23.
JK Cement	▪ From Mar'23 exit, JKCE witnessed flattish prices although there were some marginal pressure in East and West markets. Going forward, company expects some price hike post monsoon. ▪ Improvement in realization/tn of Rs69 QoQ in Q4FY23 was primarily led by higher trade sales, low clinker sale, change in mix and not due to any change in cement prices.
JK Lakshmi	▪ In Q1FY23 till date, company has witnessed negative to flattish growth in both trade and non-trade cement prices. ▪ Company continues to focus on West region as it delivers better pricing. Company continues to focus on optimization of geo-mix, trade mix, premium product mix and segment mix.

	Cement Prices
Nuvoco Vistas	▪ Prices have improved from FY22 levels with east (~7%) outperforming all India average (~3%) in FY23. However, price increase in FY23 has not been adequate to contain pressure from the high energy cost. Company expects better pricing in East and North vs. West and South.
Ramco	▪ In Q4FY23 TRCL witnessed weak prices in all the markets in South. However, prices witnessed some improvement in East/ North East.
Sagar	▪ Prices remained steady in Q4FY23 and expects to improve over time. Historically, this is the first time SGC witnessed North of South been strong vs. South of South. From middle of Apr'23 to May'23, company saw price hike of Rs10-15/ bag in Hyderabad, Bangalore at steady prices and Chennai (TN) slightly negative.
Shree	▪ SRCM has witnessed flat QoQ growth in prices in Q4FY23; Cement realization/ tn stood at Rs4,850 in Q4FY23 vs. Rs4,850/ Rs4,743 in Q3FY23/ Q4FY22. For FY23, realization grew 3% YoY at Rs4,872. ▪ From Q4FY23 exit, cement realization has slightly declined till May'23.
Star	▪ From Q4FY23 till date, company saw a price hike of Rs10/ bag in North East markets, whereas prices dropped by ~Rs10/ bag in the Eastern markets particularly in Bihar.
UltraTech	▪ UTCEM witnessed not much movement in prices in Q4FY23 as the quarter was all about volume growth. Also, prices remained stable in Apr'23 and not too much pressure is expected on prices. Company believes increase in cement prices when all India level capacity utilization comes at ~85% which is not the case now.

	COST
ACC & Ambuja	▪ **RM Cost –** Improved synergies within Ambuja & ACC as well as other group companies is expected to control and bring down the RM cost. Long term contract with group's thermal power companies is expected to bring down flyash cost along with assured long-term supplies. It is looking for long term supply arrangements for its current flyash requirement of 14mt. ▪ **P&F Cost –** It remains under high focus with various initiatives to control and bring it down/ hedge it. Initiative like 1) increased linkage materialization, 2) fuel mix optimization, 3) group synergies on coal procurement, 4) expansion of own coal mine - Gare Palma will help in reducing the cost. **Fuel cost per Kcal** reduced by 10% from Rs2.33 to Rs2.1 per kcal in Q5FY23. Company mentioned that coal contract with Adani done at $157/ tn and it is negotiable. ▪ **Freight & Forwarding Cost –** Company has taken various steps in optimizing the cost through 1) warehouse footprint optimization, 2) serving short lead markets directly to customers; 45% of sales volume <150kms market, 3) Improved synergies between AAA Cement and group companies, 4) Improved Rail/Road mix and 5) successful negotiation with union in HP. ▪ **Other expenses –** Other expense resulted in savings of Rs102/tn in Q5FY23 due to various cost saving initiatives. Manpower and admin costs are being optimized; expects to be further supported by digitization initiatives. ▪ Company has 3 levers in its strategy 1) doubling its plant capacity, 2) reduction in operating cost; targets to become lowest cost producer in the industry. **Company targets total cost reduction of Rs300-400/tn; Rs250/ Rs100/ Rs50 per tn from P&F cost/ Logistics cost/ Other expenses, and 3) enhancing its branding and marketing strategy.** ▪ **Green share –** Ambuja commissioned 38.4MW of WHRS (Bhattapara L1&2 13MW, Rauri 11.4MW & Marwar 14MW), 22.2MW under commissioning (Bhatapara L1 5.3MW and Suli 9.8MW). ACC commissioned 22.4MW of WHRS (Jamul - 10MW & Kymore - 12.4MW), 16.3MW under commissioning at Ametha. Company targets to increase its WHRS capacity from 80MW to 175MW by Q2FY25. Also, increase its AFR share from 7.5% to 30% over mid-term; expects to achieve 15% by end of FY24. RE capacity addition of 200MW targeted by FY24 end. WHRS share in power mix increase from 6.2% to 9.2% in Q5FY23. Power consumption / ton cement reduced from 74 to 71 kWh in Q5FY23. Initiatives of RE, WHRS, AFR capacity addition will constitute ~30% of current coal requirement. Targeting some more mines and long term coal supply arrangements in the near future.

	COST
Birla Corp	▪ **P&F cost –** In FY24, P&F cost is expected to reduce by Rs250/ tn YoY to Rs1,250/tn on account of WHRS, captive mine (Bikram) and solar power. Domestic coal cost is Rs1.55-1.75/ Kcal vs. Petcoke at Rs1.9-2/ Kcal. ▪ Expect cost savings of Rs50/tn (excluding savings from Bikram coal mine) mainly from higher share of green share (WHRS, Solar, AFR). ▪ **Cost at Mukutban –** Variable cost was Rs4,800/tn, when BCORP started operation at Mukutban and exited at Rs2,800/tn. Company expects this to come down by Rs300-400/ tn in FY24. It will be a linear reductions in costs.
Dalmia Bharat	▪ **RM Cost –** RM cost was up primarily on account of higher inventory, higher cc ratio and price increase of slag and flyash. ▪ In Q4FY23 variable cost was slightly impacted due to consumption of high cost opening inventory of clinker and cement; not much variation on inventory level is expected on full year basis. ▪ **P&F Cost –** Company witnessed substantial reduction in the P&F cost and is expected to continue in the coming quarters. ▪ **Other expenses –** higher by Rs750 mn (Rs350 / Rs200 mn/ Rs200 mn for advertisement/ packing/ depo charges) in Q4FY23. On per tonne basis, other expenses is expected to remain at similar levels in Q1FY24. ▪ DALBHARA continues to be one of the lowest Total Cost producer of cement in the country. ▪ **Fuel consumption cost** stood at $174-175/ tn in Q4FY23 vs. $195/ $215/ $218/ $120-130 per tn in Q3FY23/ Q2FY23/ Q1FY23/ Q2FY22. Avg. fuel consumption prices spiked from $141 in FY22 to $198 in FY23. **Spot price of petcoke stands at $140/ tn for which benefit will be effectively seen from Q2FY24 onwards.** ▪ **On Kcal basis, fuel cost** stood at Rs2.06/ Rs2.21 in Q4FY23/ FY23 vs. Rs2.42/ Rs2.52/ Rs2.47/ Rs2.07 per Kcal in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. **Company expects further reduction of 5-6% QoQ/ 10% QoQ on fuel cost in Q1FY24/ Q2FY24 indicating good savings.** ▪ DALBHARA has been effectively working on the Government's initiative to go fully green and various govt. departments has started accepting PPC and PSP in place of OPC. Company's PPC product has been approved in place of OPC which will help in increasing its blending ratio and reducing cost in the coming quarters. ▪ Q4FY23 **Fuel mix** stood at 57%/ 24%/ 19% for petcoke/ domestic coal/ green + AFR vs. 70%/ 16%/ 14% for petcoke/ domestic coal/ green + AFR in Q3FY23 vs. 59%/ 26%/ 15% for petcoke/ domestic coal/ green + AFR in Q2FY23 vs. 67%/ 16-17%/ 16-17% for petcoke/ domestic coal/ green + AFR in Q1FY23 vs. 64%/ 36% for petcoke/ domestic+ imported coal+ green in Q4FY22.

	COST
JK Cement	▪ P&F cost – Average fuel cost stood at Rs12,000 per tn in Q4FY23 vs. Rs12,400/ Rs9,300 per tn in Q3FY23/ Q4FY22. On per kcal basis, fuel cost stood at Rs2.4 in Q4FY23 vs. Rs2.6/ Rs2.2-2.3 per Kcal in Q3FY23/ Q4FY22. Company expects petcoke prices to come down by $20 every quarter; Rs75-100/ tn reduction in every quarter totalling to Rs250-300/tn reduction in FY24. Spot petcoke price stood at $120-130 per tn. Company expects fuel cost to come down to Rs1.8 per Kcal in Q3FY24. ▪ Fuel mix – 75%/ 25% of petcoke/ imported coal + AFR in Q4FY23 vs. 55%/ 45%/ in Q3FY23 vs. 50%/ 50% in Q2FY23/ Q1FY23/ Q4FY22. ▪ Freight Cost – JKCE mentioned that freight cost per tn per km is different in different regions. Freight cost is lower in the newer markets of Panna and Hamirpur vs. its existing markets. Going forward, company expects its cost to remain flattish. ▪ JKCE has returned to its normal coal inventory levels of 2 months from 5 months. ▪ Green Power mix stood at 44% (FY23) vs. 43% (Q3FY23). Target to reach 75% by FY30. ▪ TSR stood at 13% (FY23) VS. 12.9% (Q3FY23). Target to reach 35% by FY30.
JK Lakshmi	▪ **P&F cost –** On per Kcal basis, fuel cost stood at Rs2.42 in Q4FY23 vs. Rs2.57 in Q3FY23 vs. Rs2.30 in Q2FY23; **expects Rs2.31 for Q1FY24 and to further go down in Q2FY24.** ▪ **Fuel mix** stood at 44%/ 40%/ 16% for petcoke/ coal/ biomass + others in Q4FY23 vs. 48%/ 37%/ 15% in Q3FY23 vs. 48%/ 39%/ 13% in Q2FY23 vs. 41%/ 46% / 13% in Q1FY23 vs. 30%/ 56%/ 14% in Q4FY22. ▪ JKLC plans to increase its TSR from 4% to 16% (10% by Dec'23) in a phased manner at its Sirohi plant. Also, it is enhancing its WHRS capacity by 3.5MW at Sirohi expected to start by Q4FY24. Company has also tied-up with a private player for sourcing 40MW of solar power plant for its Durg Plant which will increase its share of renewable energy to 80%/ 50% for Durg plant/ company.

	COST
Nuvoco Vistas	▪ **RM cost –** Increase in demand of slag has resulted in inflationary condition. This has been partially mitigated with long term contract & improved cement to clinker ratio. Current slag cost stood at Rs1,900-2,100/ tn which is expected to come down. ▪ **Freight cost –** Company faced re-imposition of busy season surcharge on rail freight coupled with increase in road movement of clinker due to wagon availability issue. ▪ **P&F cost –** External pressure from high energy costs contributed to YoY rise. However, on QoQ basis there has been a reduction of 14% due to softening in fuel prices coupled with higher TSR (exit at 12%). While fuel prices are showing a downward trend, other raw material are facing availability issue & inflationary pressure; creating uncertain outlook for cost. ▪ **Consumption cost per Kcal** stood at Rs2.31 per Kcal in Q4FY23 vs. Rs2.6-2.7per Kcal in Q3FY23 vs. Rs2.64 per Kcal in Q2FY23 vs. 2.28 in Q1FY23. On per Kcal basis, petcoke came down from Rs2.67-2.68 per kcal to Rs1.95 per Kcal in North region. Blended cost stood at Rs2.49 per Kcal in FY23 and expects to bring it down to Rs2.1 per Kcal in Q1FY24. Company is targeting an improvement of Rs100/ tn form P&F cost in the near term. Petcoke cost came down from $250/ $150-160 per tn in Mar'22/ Jan-Feb'23 to $133 per tn at present. ▪ **Fuel Mix –** Petcoke/ Imported coal/ Linkage Coal/ AFR stood at 54%/ 18%/ 16%/ 12% in Q4FY23 vs. 57%/ 20%/ 14%/ 9% in Q3FY23 vs. 50%/ 23%/ 18%/ 9% in Q2FY23 vs. 53%/ 25%/ 16%/ 6% in Q1FY23. ▪ **AFR share** stood at 9% in H1FY23 and exited at 12% in FY23. AFR cost stood at Rs1.6 per Kcal in FY23; roughly 1:2 ratio of the overall blended AFR. At present, original arbitrage of Re.1 per Kcal has reduced to Rs0.60-0.70 per Kcal.

	COST
Ramco	▪ **P&F consumption cost per Kcal** stood at Rs2.21 in Q4FY23 vs. Rs2.43/ Rs2.7/ Rs2.6 in Q3FY23/ Q2FY23/ Q1FY23; Rs2.43 in FY23 vs. Rs1.52 in FY22. **Blended fuel consumption** cost/tn decreased to $178 in Q4FY23 vs. $191/ $199/ $164/ $162 in Q3FY23/ Q2FY23/ Q1FY23 ($178/tn in Q1FY23 as per Q1 PPT)/ Q4FY22; $177 in FY23 vs. $125 in FY22. **Company expects improvement in margins from Q2FY24 onwards which will flow from the softening of the fuel prices.** Current CIF spot price of petcoke stood at ~$125 vs. $178 in Feb'23. Rupee depreciation impacted the fuel procurement cost. ▪ **Fuel mix –** Coal/ Petcoke/ AFR at 31%/ 56%/ 13% in Q4FY23 vs. 32%/ 59%/ 9% in Q3FY23 vs. 33%/ 52%/ 15% in Q4FY22. For FY23, fuel mix for Coal/ Petcoke/ AFR stood at 32%/ 55%/ 13% vs. 40%/ 40%/ 20% in FY22. Company has been conducting optimum usage of fuels based on cost per Kcal. ▪ **Power mix –** Thermal/ Grid/ Green stood at 50%/ 27%/ 23% in Q4FY23 vs. 55%/ 25%/ 20% in Q3FY23 vs. 66%/ 18%/ 16% in Q4FY22. For FY23, Thermal/ Grid/ Green stood at 56%/ 22%/ 22% vs. 69%/ 16%/ 15% in FY22. ▪ Operation of WHRS increased to 40MW in FY23 and captive use of wind power capacity increased from 17MW in FY22 to 33MW in FY23. During FY23, 19% of the wind power capacity under 'Sale to Grid' was changed to 'Captive use' and expects 100% as 'Captive use' in FY24. Green share stood at 22% in FY23 vs. 15% in FY22; targets to improve it by another 10% in FY24. ▪ **Freight cost –** Impact of increase in diesel price in FY23 by 3% YoY coupled with 15% levy of busy season surcharge in H2FY23 have led to an increase in the overall freight cost; which was offset by lead distance reduction. Impact by busy season surcharge stood at Rs25/ tn for Q4FY23. ▪ **RM cost –** Additional incidence of freight on increased inter-unit clinker movement to grinding plants. Increase in RM cost was also due to increase in prices of raw materials such as Fly ash, Slag & Gypsum. ▪ Increase in interest and depreciation is due to commissioning of Jayanthipuram Line III, Kolimigundla, RR Nagar Line III and Dry Mortar Plants. ▪ Other expenses include contribution to political parties amounting to Rs205 mn.

	COST
Sagar	▪ Benign pricing environment, negated the dual benefit of high operating leverage and lower raw material prices. Company's continuous efforts towards cost rationalization and efficiency optimization helped limit the overall impact of soft pricing environment. Some of its key initiatives in recent years towards containing cost includes building railway sidings, CPP and WHRS; expects to have full benefits from these over the coming years. ▪ Input prices of coal and pet coke moderated during the quarter. Benign pricing environment, negated the dual benefit of high operating leverage and lower raw material prices. ▪ **RM cost –** RM cost/ tn stood at Rs916 in Q4FY23 vs. Rs744/ Rs1,022 YoY/ Rs689 QoQ. Increase in sales from Jajpur resulted into an increase in raw material cost since clinker is being transported from Mattampally unit to Jajpur. ▪ **P&F cost –** Increase in P&F cost is due to the significant increase in the prices of petcoke and coal. Cost of Petcoke/ Imported coal/ Domestic coal in KCal stood at Rs2.38/ Rs2.26/ Rs1.83 in Q4FY23 vs. Rs2.25/ Rs2.19/ Rs1.91 per Kcal in Q3FY23 vs. Rs2.8/ Rs0/ Rs1.88 in Q2FY23 vs. Rs1.81/ Rs2.07/ Rs1.56 in Q3FY22. At present, cost of Imported petcoke/ Indian petcoke/ Imported coal/ Domestic coal stands at Rs2.01/ Rs1.93/ Rs2.33/ Rs1.95 per Kcal. On thermal prices front, cost of Petcoke/ Imported coal/ Domestic coal stood at Rs18,299/ Rs12,452/ Rs8,222 per tn in Q4FY23 vs. Rs17,324/ Rs12,060/ Rs8,588 per tn in Q3FY23 vs. Rs13,099/ Rs11,205/ Rs7,865 per tn in Q4FY22. **Company expects P&F cost to reduce by Rs50/ Rs100 per tn in Q1FY24/ Q2FY24.** ▪ **Fuel mix –** Domestic coal/ imported coal/ petcoke/ AFR at 48%/ 7%/ 42%/ 3% in Q4FY23 vs. 19%/ 2%/ 76%/ 3% in Q3FY23 vs. 30.26%/ 0%/ 65.9%/ 3.84% in Q2FY23 vs. 26.01%/ 9.6%/ 60.09%/ 4.3% for Q3FY22. ▪ **Fuel inventory –** SGC has been maintaining healthy inventory. Company has shifted from its earlier 6 months inventory to 3 months inventory; expects significant savings in Q2FY24. ▪ **Green share –** SGC's green share stood at 30% in FY23; targets to increase to 32-33% in FY24. ▪ **Freight cost –** Higher diesel prices have also considerably impacted the outward freight costs. ▪ **Other expenses –** Company incurred one-time expenditure of Rs100-110 mn as promotion expenses for Andhra cement; expects sales promotion to ramp up the volumes. ▪ Optimal thermal efficiency at Mattampally plant 734 (Q4FY23) vs. 732 (Q3FY23) vs. 726 (Q2FY23) kcal/ kg of clinker, Gudipadu 683 (Q4FY23) vs. 681 (Q3FY23) vs. 683 (Q2FY23) kcal/ kg of clinker and Jeerabad 740 (Q4FY23) vs. 723 (Q3FY23) vs. 730 (Q2FY23) kcal/ kg of clinker.

	COST
Shree	▪ SRCM continues its strong focus on its operational efficiencies to mitigate increase in the input costs including fuel. Company is targeting to become the greenest cement company with global scale performance on power mix. It is continuing to strengthen its technology fundamentals with digitalization enabling it to create a significant advancement on customer satisfaction. ▪ **P&F Cost – Fuel cost per Kcal** stood at Rs2.53 in Q4FY23 similar as Q3FY23 vs. Rs2.83 in Q2FY23; at present spot price for petcoke/ thermal coal stands at Rs1.80/ Rs2.0 per Kcal. In Q1FY24, company expects fuel cost to come down to Rs2.35-2.4 per Kcal, full impact of lower spot prices will be visible from Q2FY24 as company is currently carrying high cost inventory. **For FY23, fuel cost stood at Rs2.62 vs. Rs1.69 per Kcal in FY22.** ▪ **Fuel Mix –** Petcoke/ Coal & AFR stood at 76%/ 24% in Q4FY23 vs. 58%/ 42% in Q3FY23; share of petcoke increased as currently petcoke was available at cheaper rates vs. thermal coal. ▪ ESG remains top priority of the Group. **Green share of total power consumption** stood at 54.6% in Q4FY23 vs. 53%/ 50.1% in Q3FY23/ Q4FY22. SRCM has completed 122MW of solar power plants in different states in FY23; total green power generation capacity increased to 385.5MW in FY23. Another 93MW of green power capacity is expected to be completed in FY24 and FY25 along with commissioning of new project sites. Company aims to increase its share of green share to >55% over FY24/ FY25. ▪ **TSR** stood at 4.35% in Q4FY23 vs. 3.91% in Q3FY23 vs. 4.20% in Q4FY22. Company is stepping up its efforts to increase use of agriculture and industrial waste to improve its TSR. It has undertaken initiatives to strengthen its waste utilization capabilities by installing state-of-the-art facilities. Company targets to achieve TSR of 15% by FY25; already equipment has been imported from Europe.

	COST
Star	▪ **Fuel mix** stands at 45-47%/ 25%/ 15%/ 15% for spot contract coal/ Nagaland Coal/ Biomass/ AFR in Q4FY23 vs. 50%/ 5-6%/ 25%/ 19-20% for spot contract coal/ FSA coal/ Nagaland Coal/ AFR in Q3FY23 vs. 45%/ 30-35%/ 10%/ 10% for spot contract coal/ FSA coal/ Nagaland Coal/ AFR in Q2FY23 vs. 65%/ 15-20%/ 10-15% for FSA coal/ Nagaland Coal/ AFR in Q1FY23. ▪ **On per kcal basis,** fuel cost stood at Rs2.1 in Q4FY23 vs. Rs2.1 (vs. earlier 2.09)/ Rs2.1/ Rs1.75/ Rs1.5-1.6 per Kcal in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22; Rs2 per Kcal in FY23**. Company expects fuel cost to come down to Rs1.85-1.9 per Kcal in Q1FY24 led by the decline in the coal cost and should further go down in Q2FY24.** Company to see full benefit of decrease in coal cost from Q2FY24 onwards. ▪ **Electricity cost** stood at Rs6.5/ Rs7.0 per unit in the main clinker plant/ GU in FY23. Flyash cost has gone up by Rs50/ tn. ▪ **Other expenses –** Increase in other expenses was due to the increase in packing cost led by higher volume coupled with CSR expenses. ▪ **Incentives –** Income from incentives stood at Rs190 mn/ Rs1.25 bn in Q4FY23/ FY23; major benefit was seen in Jan'23 vs. Feb/ Mar'23. Company expects no subsidy in FY24. Company will be getting SGST benefit in the new GU in Assam from the government in FY25. Currently, company is selling 1.7mt and post the expansion it will increase to 2mt.
UltraTech	▪ **RM Cost –** Increase in prices of flyash, slag and gypsum led to YoY increase in RM cost. ▪ **Freight cost –** Busy season surcharge on rail freight along with 2% YoY diesel cost hike led to YoY increase in the freight cost in Q4FY23. ▪ **Power & Fuel cost –** Fuel cost stood at Rs2.5/ kcal in Q4FY23 vs. Rs2.6/ kcal in Q3FY23 vs. Rs2.489/ kcal in Q2FY23 vs. Rs2.215/ kcal in Q1FY23. Company expects some softening in Q1FY24 though it remains cautious on the price volatility. At present coal prices are trending at $170-180/ tn whereas petcoke stands at $150-160/tn. At spot prices fuel cost can come down by ~15% with lag of ~2 months. But, management remains cautious with opening up of China as China has started importing coal from Australian and New Zealand. ▪ **Blended fuel (kiln) cost** stood at $194 / tn in Q4FY23 vs. $200/ tn in Q3FY23 vs. $164/ tn in Q4FY22. ▪ **Fuel mix –** Imported coal/ petcoke/ AFR + domestic coal stood at 40%/ 52%/ 8% in Q4FY23 vs. 46%/43%/ 11% in Q3FY23 vs. 50%/ 40%/ 10% in Q2FY23. ▪ UTCEM maintains fuel inventory days of 45 days to anticipate any supply issue; does not compromise on inventory level. ▪ **Cost saving –** UTCEM has been taking lots of initiatives on digital ways of working which in turn is reducing its operation cost, optimizing lead distances and freight cost. Also, running maintenance programs in power consumption; some are investment led while other are improvement and efficiency. It has dedicated mining operations having specific task force helping to improve the cost of mining.

	Capacity and Capex
ACC & Ambuja	▪ **Capex** stood at Rs21.5 bn in Q5FY23 vs. Rs26.2 bn in Q4FY23. **Company expects capex of Rs72 bn for FY24**. Management indicated company's growth capex (Rs460 bn over FY23-28) will be funded by internal accruals with limited incremental debt; current plans do not factor share warrants (Rs50 bn infused and Rs150 bn to be infused). ▪ **Expansions –** Adani Cement is targeting to increase its GU capacity by 11mtpa (2mtpa/ 2mtpa/ 2mtpa/ 2mtpa/ 2mtpa/ 2mtpa in Sankrail/ Kharagpur/ Hoshiyarpur/ Bhatinda/ Mirzapur/ Farakka) and clinker capacity by 15.05mtpa (4mtpa/ 4mtpa/ 3.75mtpa/ 3.3mtpa in Bhatapara/ Chandrapur/ Mundra/ Ametha) by FY24. It has also procured 10 rail rakes. ▪ Company will be needing 40mtpa (10 lines of 4mtpa each out which 9 lines are brownfield) additional clinker capacity to support doubling GU capacity from 68mtpa to 140mtpa by FY28; also sites has been identified. Most of the clinker lines will be having capacity of 4mtpa and grinding facilities of 2mtpa. Company has already shortlisted set of suppliers to whom the orders will be placed on an ongoing basis. All 9 clinker lines will have adequate limestone, land and approvals are already in place. Company also acquired new limestone mine in Odisha and Maharashtra. Some mines have enough reserves to set up even 3 lines of GU.
Birla Corp	▪ **Mukutban Operations –** Mukutban turned EBITDA positive (Rs146 mn loss in Q4FY23) in the month of Mar'23. BCORP managed outflow lower than internal budget. Ramp up of Mukutban was controlled in order to avoid costs overruns since the company was incurring losses hence the company did chase volume growth. Company sold 0.1mt in Mar'23 and expects to sell 0.2mt/month in FY24. ▪ Clinker from Mukutban can reach to Durgapur, WB and clinker from Maihar and Satna can be utilized in their respective markets, which will save freight cost. Mukutban volumes can be utilized to other states like South MP, Khandva, Jabalpur, Telangana, South of Gujarat but 80% volume to be sold in Maharashtra. At stable prices as well co. is well placed to achieve targets. ▪ **Expansion –** The plan to increase capacity from 20mtpa to 25/30mtpa by FY30 is there but timeline can change. The next expansion to happen at Maihar, MP for 2nd line of clinker and to utilize this clinker it has 3-4 options (locations) to set up GU capacity. Expansion will be taken based on B/s strength, cash flow and market condition. The company might even expand in East even before Maihar if there is BS strength. ▪ There is enough demand to cater in and near Chanderia from existing clinker. ▪ There is enough headroom to optimize existing clinker.

	Capacity and Capex
JK Cement	▪ JKCE incurred capex of Rs680 mn/ Rs280 mn at 1.5mtpa/ 2mtpa GU at Ujjain, MP/ Prayagraj, UP in FY23 and expects to commission by Mar'24/ Q2FY25, respectively. Company expects capex of Rs12-14 bn for FY24; Rs1.5-1.6 bn for its on-going WHRS plants/ Rs1.5-2 bn for Panna and Hamirpur plants/ Rs3 bn for Ujjain expansion/ Rs1.25-1.5 bn of Prayagraj expansion/ Rs2.5-3 bn maintenance capex. For FY25, it expects further capex of Rs7-8 bn; Rs500 mn for Ujjain expansion/ Rs2.5-3 bn of Prayagraj expansion/ Rs3 bn maintenance capex. ▪ WHRS at Panna to start by Jun’23 and clinker debottlenecking at Panna from 8,000 TPD to 10,000 TPD (0.66mtpa increase) to happen post monsoon. ▪ Next phase of expansion – JKCE likes to go ahead with 2nd phase expansion at Panna, MP vs. Jaisalmer, Rajasthan, though keeps on evaluating market dynamics every 6 months. It targets Net Debt/ EBITDA to not cross 2x post expansion ramp up.

	Capacity and Capex
JK Lakshmi	▪ **Expansion –** UCWL 1.5mtpa clinker capacity is expected to get commissioned by Oct-Nov'23 (earlier Mar'24); 2.5mtpa GU expansion is expected to be completed by Q2FY25 (earlier Q1FY25). Company plans to use the clicker produced in 1.5mtpa clinker unit to 2 grinding units in Gujarat until UCWL GU is commissioned. Total capex for the expansion stands at Rs16.5 bn (Debt: Equity - Rs11 bn: Rs5.5 bn). Out of the total capex of Rs16.5 bn, JKLC has already incurred Rs8.5 bn till now. Capex for FY23 stands at Rs6.3 bn; company guided capex of Rs5 bn/ Rs3 bn for FY24/ FY25. Consolidated capex is expected to be Rs7 bn/ Rs4.5-5 bn in FY25. ▪ **JKLC targets to increase its capacity up to 30mtpa by FY30.** Company is planning to undertake 3mtpa/ 3mtpa brownfield expansion in Durg, Chattisgarh (likely to announce in Q1FY24 concall) and Udaipur, Rajasthan. As company has limestone availability in Nagaur and Kutch, company is working on land acquisition activity for greenfield expansion. Also, company is trying to add railway sidings at Durg (Chattisgarh). Depending on the railway sidings at Durg, company will prioritize its expansions either at Durg or Udaipur (Rajasthan) and then at Kutch (Gujarat). ▪ Company is working on wall putty plant in Alwar, Rajasthan (capacity 0.1mt) and expects commissioning in Oct'23. Capex for this project stands at Rs650-700 mn. Company will grid white cement at its own mill; will buy clinker for the same either locally or imported. Company already has an established distribution network and is in process of adding new distributors. ▪ **UCWL rights issue –** UCWL proposes to go for the rights issue with size of Rs4.5 bn to part-finance its cement expansion in Jun/ Jul'23. JKLC will participate in proportion to its stake of 72.54% and if required will go for 100% if public do not subscribe. ▪ Company proposes to issue green bonds of Rs2 bn to fund green projects which would include TSR enhancement at Sirohi, increasing WHRS capacity, solar power plants.

	Capacity and Capex
Dalmia Bharat	▪ Capex stood at Rs27 bn in FY23. Capex expected for FY24 stands at Rs50-57 bn of which Rs30-35 bn is to be paid to JAL for the acquisition and Rs20-25 bn will be for the on-going expansion projects. And Rs8-10 bn will be spent on Jaypee Assets modernization over FY24 and FY25. ▪ **Ongoing Expansion to reach 56mtpa by FY24 (incl. 9.4mtpa of JAL) –** In H1FY23 DALBHARA has commissioned 1.1mtpa/ 2.0mtpa cement/ clinker capacity by debottlenecking at various plants taking its total cement/ clinker capacity to 37mtpa/ 20.9mtpa. Further, company increased its cement capacity by 1.6mtpa (Lanka/ KCW - 1.3mtpa/ 0.3mtpa) and clinker capacity by 0.8mtpa (East/ NE/ South - 0.3mtpa/ 0.3mtpa/ 0.2mtpa) in Q4FY23 taking its total cement/ clinker capacity to 38.6mtpa/ 21.7mtpa in FY23. Company also commenced commercial production at its 2nd cement line at Bokaro (JCW2), Jharkhand having capacity of 2.5mtpa on 22 Apr'23; total cement capacity increased to 41.1mtpa as on Apr'23. Further, expansion of 5.5mtpa (0.6mtpa debottlenecking in East/ 2mtpa brownfield in South (to start by Mar'24)/ 2mtpa greenfield in South (to start by Jun'23)/ 0.9mtpa debottlenecking in South) coupled with 9.4mtpa JAL acquisition is expected in FY24, taking its total capacity to 56mtpa vs. 49mtpa earlier guidance (excl. 5.2mtpa JAL acquisition); Deferred 2.5mtpa Bihar expansion. Also, it will be increasing its clinker capacity from current 21.7mtpa to 23.7mtpa (1.2mtpa/ 0.6mtpa/ 0.2mtpa in South/ East/ North East) by FY24. ▪ **Roadmap of 56mtpa to 70-75mtpa/ 110-130mtpa capacity by FY27/ FY31 –** DALBHARA continues to maintain its mid-term expansion plan from 56mtpa (FY24) to 75mtpa (FY27), details (region, capex, organic/ inorganic) will be share in next quarter. Company will keep evaluating its opportunities and believes it is on the right track; company has already started doing its groundwork and is confident to reach 75mtpa by FY27. In future, company is open to both inorganic and organic growth for its capacity expansion (given it meets certain requirements) from 49mtpa to 75mtpa/ 110-130mtpa by FY27/ FY31. Target to become a PAN India player remains intact. ▪ **Jaiprakash Associates (JAL) acquisition –** DALBHARA is in process for acquisition of 5.2mtpa GU/ 3.3mtpa clinker (entered into a binding Framework Agreement in Dec'22) in Central region for Rs32.38 bn where company will be able to get the acquisition in place in couple of months; NCLT approval not required for this. Also enrolled 1,000 dealers of JAL and in process to launch brand.

	Capacity and Capex
Dalmia Bharat	▪ Further, it executed definite agreement with JAL in respect of (i) acquisition of 2.3mtpa clinker of JP Super (UP) at an EV of Rs15 bn and costs and expenses upto Rs1.9 bn, subject to actuals, for various clearances and approvals related to the JP Super plant and mines and the agreement is subject to fulfilling certain conditions precedent including the final outcome of the pending arbitration between Jaiprakash Associates Limited and Ultratech, (ii) Share purchase agreement for 74% stake in Bhilai Jaypee Cement (BJCL) at an EV of Rs6.66 bn for 2.2mtpa GU at Chhattisgarh and 1.1mtpa clinker at Babupur, MP. (iii) In process to sign long-term lease agreement with Jaiprakash Power Ventures for seven years for 2mtpa Nigrie GU, Singruli, MP with an option to buy at Rs2.5 bn. ▪ **Green power –** DALBHARA has also increased its Solar/ Wind power capacity by 4.5MW/ 7.0MW in West in Q4FY23, totalling to 100MW/ 66MW in FY23 respectively; total renewable capacity at 166MW (>2.5X vs. FY22). Renewable power share increased to 20.9% in FY23 vs. 10.1% in FY22. Company plans to add WHRS for all its plants by FY24 except for one kiln in South. Additionally, as per its commitment towards becoming carbon negative by FY40 and RE100 by FY30, company targets to add further renewable energy capacities which will take its total renewal power capacity to 324MW (36% of total power mix) by end of FY24. ▪ **Murli/ Kalyanpur plant –** Capacity utilization stood at 52% in Q4FY23 and 60% in Mar'23 vs. 55% in Jan'23; targets to reach >60% in FY24. The plant is fully backed by limestone reservoir of 18-20 years. Commissioning of 7MW WHRS + 4.5MW solar power plant to provide cost benefit from FY24 onwards. At Kalyanpur unit it has set 4MW WHRS + 4MW floating solar power plant.

	Capacity and Capex
Nuvoco Vistas	▪ **Capex** stood at Rs4.86 bn in FY23 and expects Rs5.5 bn for FY24. Also, company expects capex of Rs250 mn for set up of new 12-15 RMX plants. ▪ **Expansions –** Clinker debottlenecking at Nimbol will increase its clinker capacity from 4,750 to 5,750TPD and from 11,000 to 11,500TPD in Risda. Bhiwani expansion includes 1.2mtpa GU expansion to start by Sep'23 (earlier H2FY24) which will take its North capacity to 6mtpa. Civil and fabrication advancement is on mark; all major orders have been released and deliveries are on track. And railway siding project at Jajpur & Sonadih front, track laying activity has commenced outside plant boundary area, Jajpur cement plant. ▪ **Future Expansion –** Company has option to expand its capacity in West (through Gulbarga, Karnataka) through greenfield and in North (preferred option) through brownfield. Limestone is available at Gulbarga (Karnataka) and Nimbahera and Nagaur in Rajasthan. The decision to be made depending upon the dynamics of the industry coupled with reduction in Net Debt to Rs40 bn. Principle criteria for the company is to bring down debt and expansion will also depend on that. ▪ Alternate fuel feeding system at Risda has been comissioned. Co-Processing circuit for alternate fuel feeding has been Commissioned in Nimbol, Pre-Processing circuit (Shredder) to be commissioned in Q1FY24.

	Capacity and Capex
Ramco	▪ **Capex** in Q4FY23/ FY23 stood at Rs3.9 bn/ Rs17.7 bn. Company maintains its capex guidance of Rs8.92 bn for FY24. ▪ TRCL expects no major change in its Working Capital and will maintain same inventory levels. Company is planning for sale of its non-core assets worth Rs3-4 bn to fund its expansion; exact timeline will be informed once it is decided. ▪ Capacity utilization of clinker at Kolimigundla plant (clinker/ cement 2.5/ 1.5mtpa) in AP has reached to 83% in Q4FY23 vs. 55% in Q3FY23. Out of 12MW WHRS in Kolimigundla, 8MW is operational and balance 4MW will be commissioned in May'23. TPP of 18MW and railway siding will be commissioned in FY24. ▪ On expansion of dry mortar plant front, one unit was commissioned in Dec'22 and another unit was commissioned in Feb'23 in TN. The remaining two units in AP & Odisha will be commissioned during FY24. ▪ **Expansion –** RRN Line-III (clinker/ cement capacity of 1.04/ 1mtpa) was commissioned in Mar'23. And Odisha GU Line-II (cement capacity of 0.9mtpa) is expected to commission come by Q3FY24. TRCL expects next phase of expansion to see lower capex (can add of 10mtpa capacity in <Rs50 bn) as most of infrastructure is built. Company will share the details of its expansion in coming earnings call once the timeline has been finalized. It will try to balance between growth and net debt, prefer 2-2.5x Net/EBITDA before next phase of expansion. Company will first prefer expansion at Kurnool plant (2-3mtpa/ 3mtpa - clinker/ cement capacity with capex of Rs8-9 bn) before expansion at Karnataka (received approval and now will start buying land). It has land for limestone mines in TN but once biding opens, it will inform expansion. TRCL has enough scope for organic expansion which is more RoE/ RoCE lucrative then inorganic. ▪ Further working capital release of Rs1-2 bn possible.

	Capacity and Capex
Sagar	▪ **Capex** for FY24/ FY25 is expected at Rs300 mn each (maintenance capex); expects additional capex of Rs2.75-3.25 bn for Andhra Cements. ▪ Company is maintains its target of double its capacity in every 10 years 20-22mtpa by FY35. ▪ **Andhra Cement acquisition –** SGC holds 95% stake and Public holds 5% stake in ACL. ACL will continue to remain listed. As per regulatory requirements, SGC will reduce its holding to 90%, within 12 months and further to 75% within 36 months from the NCLT approval date. Cement grinding and dispatches commenced at DCW unit from 12 Apr'23 and clinkerization process is expected to commence from mid Jun'23. Company has proposed to invest Rs2.75-3.25 bn (earlier Rs4.68 bn) in ACL to upgrade its clinker/ cement capacity from 1.65mtpa/ 1.8mtpa to 2.3mtpa/ 3mtpa; upgradation is expected to get completed by Q4FY25; more details to be share by the company once plans have been materialized. Operations at Vizag GU to be discontinued due to the operational constraints. Vizag plant has 107 acres of land where Govt. value is ~Rs40 mn per acre totalling to Rs4.32 bn. Company is looking into all the available options for this land monetization; outright sale will be its first preference which will take 15-18 months as all clearance/ approvals are in process. Company is not interested into any real estate development. Company has plans to upgrade the pre-heater at Guntur clinker plant which will generate savings of Rs200-250/ tn on P&F cost; more clarity to be shared in Q2FY24 earnings call.
Shree	▪ **Capex** stood at Rs33 bn in FY23 (consolidated); expects capex of Rs33-35 bn for FY24, this would include capex for Nawalgarh and Guntur, along with new projects which company is expected to announce in subsequent quarters. Company is planning to expand to 80mtpa organically, capex to be done through internal accruals. ▪ **Expansion update –** 1) 3.0mtpa clinker grinding unit at Purulia, WB (through WOS) is nearing completion; expected to get commissioned in Q1FY24 2) 3.5mtpa integrated cement unit at Nawalgarh, Rajasthan is progressing on schedule; expected to get commissioned by Q3FY24 and 3) 3.0mtpa integrated cement unit in Guntur, AP has also been progressing strongly; expected to get commissioned by early FY25 (vs. earlier Q2FY25). ▪ **M&A –** Company believes growth needs to be value-added and profitable to its shareholders and will definitely look into inorganic opportunities given it fits these criteria. Valuation benchmark for the company depends on the type of assets, the region it is placed and some other factors. ▪ **Union cement (UAE) –** SRCM witnessed poor performance in FY23 due to the collapsed market in Sri Lanka and Bangladesh; expects to improve in FY24.

	Capacity and Capex
Star	▪ Capex for 3mtpa clinker/ 2mtpa GU/ 2mtpa GU in Meghalaya/ Silchar/ Guwahati stands at Rs13 bn/ Rs5 bn/ Rs5 bn. Total capex stand at Rs23 bn. Company has already incurred capex of Rs4.3 bn till now and expects Rs13 bn/ Rs4 bn in FY24/ FY25. ▪ Company has started working on the 3mtpa clinker unit at Meghalaya and expects it to get commissioned by Jan'24 and expects 2mtpa Guwahati (brownfield)/ 2mtpa Silchar (greenfield) to get commissioned by Nov'23/ Aug-Sep'24 (vs. earlier Aug'24). ▪ 12.3MW WHRS has commissioned in Q4FY23 but did not get much benefit during the quarter; expects it to run in full capacity by mid of May'23 and targets savings of Rs400 mn per year. ▪ STRCEM is actively looking at opportunities to acquire new mines and plants (capacity 1-1.5mtpa) and plans to grow both organically and inorganically; details to be shared by Q2FY24. **Company targets to reach capacity of 20mtpa in the next 5-10 years.** ▪ Mr. Sajjan Bhajanka has resigned as CEO w.e.f. 19 May'23, however he will continue as the MD & Chairman of the company. Mr. Vinit Kumar Tiwari has been appointed as the new CEO effective from 20 May'23.
UltraTech	▪ UTCEM has incurred capex of Rs62 bn in FY23 and maintains capex guidance of ~Rs60-70 bn each for FY24/ FY25. Total capex outlay for Phase II expansion stands at Rs126 bn which will be spent in a phased manner. ▪ **Green power share –** Company commenced 43MW of WHRS capacity in FY23. With this, company's total WHRS capacity stands at 210MW (15% of total power). Targets to increase to 300MW by FY24. Also, commissioned renewable power capacity of 76MW during FY23 taking its total renewable power capacity to 345MW and plans to add 60-65MW renewal capacity in FY24. Green power share stands at 20% in Q4FY23 vs. 19.8% in Q3FY23 vs. 19.7% in Q4FY22 and targets to increase to 35-36% (incremental 6%/ 9-10% contribution from WHRS/ renewal). Company added that all new plants are being commissioned with WHRS; ~55% power can be generated from WHRS and are not adding any thermal power capacity. And for balance, company has been depending on grid supply as it is becoming a safer way of absorbing power. ▪ **Expansion –** In FY23 UTCEM commissioned 12.4mtpa additional capacity of grey cement and has further commissioned 2.2mtpa brownfield cement capacity at Patliputra in Apr'23. With commissioning of this, its total capacity in India now stands at 129.15mtpa (134.6mtpa including overseas). Ph-1 expansion is almost on the verge of completion; expected remaining 2.1mtpa to start by Q1FY24. Work on 2nd phase expansion (22.6mtpa) has already commenced. Civil work is in full swing at most sites. Commercial production from these new capacities is expected to go on stream in a phased manner by FY25/Q1FY26. Post completion of these expansions, company's capacity will reach to 160.45mtpa. **Company's next leg of expansion besides ongoing 22.6mtpa (Phase 2) expansion will be shared in Q1FY24 earnings call**. ▪ **RMC –** UTCEM mentioned that RMC operations has been running on full stream and already reached 235 plants vs. 231 plants in Mar'23 end. Targets to double the number of RMC plants in the near term.

	DEBT
ACC & Ambuja	▪ **Standalone Net Cash** stood at Rs83.3 bn (15MFY23) vs. Rs41.2 bn (CY21). **Consolidated Net Cash** stood at Rs115.3 bn (15MFY23). Increase of Rs20.76 bn in cash balance from Q4FY23 to Q5FY23 was mainly on account of improved profitability, better management of working capital and sale of surplus assets. Increase of gross fixed assets base by ~Rs42 bn.
Dalmia Bharat	▪ **Gross Debt** has decreased by Rs2.86 bn to Rs37.63 bn in Q4FY23. Cash stood at Rs31.02 bn in Q4FY23 vs. Rs31.51 bn/ Rs26.4 bn/ Rs45.6 bn in Q3FY23/ Q2FY23/ FY22. Net Debt decreased by Rs2.37 bn in Q4FY23 to Rs6.61 bn vs. Rs8.98 bn/ Rs6.51 bn / Rs14.2 bn in Q3FY23/ Q2FY23/ FY22. Net Debt/EBITDA stood at 0.29x in Q4FY23 vs. 0.39x/ 0.32x/ -0.59x in Q3FY23/ Q2FY23/ FY22.
JK Cement	▪ Debt – Consolidated Gross Debt/ Net Debt stood at Rs 49.9 bn/ Rs33.7 bn in FY23 vs. Rs44.9 bn/ Rs32.2 bn in Q3FY23 vs. Rs38.5 bn/ Rs25.7 bn in FY22. Net Debt/ EBITDA stood at 2.6x (FY23) vs. 1.7x (FY22) vs. 2.4x (Q3FY23). Working capital loan stood at Rs4 bn.
JK Lakshmi	▪ **Debt –** Consolidated Gross Debt/ Cash stood at Rs18.46 bn/ Rs8.5 bn in Q4FY23 vs. Rs18.75 bn/ Rs6.5 bn in Q3FY23 vs. Rs18.4 bn/ Rs7.0 bn in Q2FY23; Net Debt at Rs9.95 bn in Q4FY23 vs. Rs12.25 bn in Q3FY23 vs. Rs11.4 bn in Q2FY23.
Nuvoco Vistas	▪ **Net debt** has reduced substantially by Rs6.5 bn from Mar’22 to Rs44.1 bn in Mar'23 led by focused drive on collection coupled with efficient working capital management. Interest rate increased by ~160 bps to 8.5% as of Mar’23 vs Mar’22 despite 250 bps increase in repo rate. Company expects debt levels to remain in the tune of Rs40 bn (vs. earlier guidance of Rs30-35 bn).
Ramco	▪ **Net debt** stood at Rs43.5 bn in FY23, reducing by Rs2.06 bn QoQ. Net debt:EBITDA for FY23 stood at 3.57x vs. 2.88x in FY22. Average cost of borrowings has increased from to 6.35% in FY23 vs. 5.22% in FY22.
Sagar	▪ Gross debt stood at Rs14.7 bn out of which Rs12.8 bn/ Rs1.9 bn is long term debt/ working capital. Net Debt at Rs12.6 bn and Net D:E at 0.76x as on Mar'23. Company has guided its peak debt at Rs12-12.5 bn; expects to see sizable debt reduction in coming years.
Shree	▪ **Gross Debt/ Net Cash** stood at Rs25.4 bn/ Rs66.7 bn in Q4FY23 vs. Rs26.0 bn/ Rs57.0 bn in Q3FY23.
Star	▪ **Net Cash** stood at Rs5.3 bn in Q4FY23 vs. Rs5.48 bn/ Rs7.5 bn/ Rs7.5 bn/ Rs6.7 bn in Q3FY23/ Q2FY23/ Q1FY23/ Q4FY22. Company expects its peak debt not to exceed over Rs5 bn and it will be repaid in the first year of the commissioning of the expansion capacity. Company to become debt free by Mar'25.
UltraTech	▪ **Debt –** Consol Net Debt reduced from Rs77.22 bn in Dec’22 to Rs27.02 bn in Mar'23.

	Others
ACC & Ambuja	▪ Improvement in working capital was witnessed during the quarter; WC turnover days improved by 8 days in Q5FY23. ▪ **Related party transactions –** It is now getting into maturity stage and is at an advanced stage. ▪ Company has entered in an agreement with Adani sports in order to sponsor games in UAE and WPL. Idea is to increase its brand visibility. ▪ Company expanded its green portfolio by launching 2 new products in RMX - ACC Aeromaxx and Coolcrete. ▪ **CO_2 emission in Kg/tn** stood at 513 kg/tn in Q5FY23 vs. 519 kg/tn in Q4FY23; targets to reach 453 kg/tn by FY30. Both Ambuja+ACC have made substantial progress in ESG KPIs and is confident to achieve 2030 target much ahead of time. ▪ **Water Positive Index** stood at 8x in Q5FY23 (flat QoQ). ▪ Company declared final dividend of Rs2.5/ sh in FY23. ▪ **Company is targeting an EBITDA/tn of Rs1,200-1,400 (both ACC and Ambuja to witness improvement) in FY24** primarily led by continued focus on cost reduction and synergies in operations.

Others

Birla Corp	▪ Mr. Rajendra Singh Lodha - associated with MP birla group and close associate to the group. He led the group and now his son Harsh Lodha leading the company. Majority independent directors on the board. ▪ Mr. Prushti from ACC joined as manufacturing head, Mr. Kalidas Pramanik joined (Ex ACC and Coromandel) joined as president sales & logistic operations. And Mr. Durgamohanty joined from Penna Cement as IT head. ▪ **Distribution network –** BCORP has made sales in Maharashtra out of the 0.1 mt (80%) sold but the company has also sold in Telangana, Vidarbad and few others which are nearby areas instead of going further far and increasing freight cost. There are no plans to expand market reach where the company is not active instead target is to cater to markets in 280-300 kms radius. Once incentives flows in things will change. ▪ Company has launched a campaign by the name of **4Vs** (vision, value creation, velocity and visibility) to deliver focused and time-bound results using the Objectives and Key Results (OKR) methodology; had positive effect in Q4FY23 performance. ▪ Company has launched **Project Shikhar** to achieve excellence in manufacturing and operational efficiencies with an aim of aggressive cost reduction. ▪ Company declared dividend of Rs2.5/ sh in FY23. ▪ **Incentives WB –** BCORP has Rs1.4 bn outstanding. It filed petition in High court and high court direct state govt. to release the payment, still payment was not released and company later filed petition again. UP & MP there were some procedural issue which led the accruals to increase but now everything is back to normal. It received Rs2 bn incentives in FY23 and accrual was also in similar lines. ▪ **Mukutban Incentives –** Incentives is 100% of investments (Rs20-30 bn) for 20 year where 100% SGST is refunded. ▪ **Kundanganj incentives** will expire in FY24. ▪ **Jute -** Jute division reported cash profit of Rs81.9 mn/ Rs372 mn (Q4FY23/ FY23) vs. Rs703 mn (Q3FY23) vs. Rs93.6 mn (Q4FY22). Looking to scale up sales of food-grade bags in overseas markets and expanding production capacity of carry bags. Production from the expanded capacity is expected to start in Jul'23. ▪ **Mining –** Coal production at Sial Ghoghri mine increased by 72% YoY to 0.35mt in FY23. Green power stood at 22% in FY23 vs. 21.8% in FY22. ▪ **Coal mines –** Bikram mine will start operations in Oct'23 and Marki Barka, MP coal mine to start in Nov'25. Once Bikram is fully utilized 38-40% of coal requirement at klin will be met from Bikram and 60% when three coal mines (Sial Ghoghri, Bikram and Marki Barka) are operational. ▪ **Management targets an EBITDA/tn of Rs850-860 in FY24 including Mukutban ramp up and incentives.** ▪ BCORP's target is to maximize utilization at better profits.

	Others
Dalmia Bharat	▪ **Divestment in DBRL –** In line with company's strategy to exit its non-core business/investment and pursuant to the approval granted by its Board of Directors in its meeting held on 25 Mar'23, DALBHARA, a material wholly owned subsidiary of the company, has entered into a binding agreement to sell its entire investment of 1,87,23,743 equity shares of Rs10 each (42.36% of share capital) of DBRL, an associate company, at a consideration of Rs8 bn to M/s Sarvapriya Healthcare Solutions Private Limited (Sarvapriya), a promoter group Company. The transaction will be consummated within 30 days i.e. on or before 25 Apr'23 and the consideration for transfer of investment shall be received by DALBHARA as follows (NCDs will carry coupon of 8.5% p.a. payable quarterly): (i) 20% payment on the date of consummation of transaction - Rs1.6 bn (ii) 40% by way of NCDs redeemable on or before 31 Dec'23 - Rs3.2 bn (iii) 40% by way of NCDs redeemable on or before 30 Sept'24 - Rs3.2 bn ▪ Company has committed to divest its non-core assets over time primarily stake in IEX, Hippo stores and Refractories division. Company has already divested its stake from 20% to 15% in IEX and realized Rs6.14 bn; will gradually divesting its stake in IEX. It also divested Hippo Stores in Dec'21 through a slump sale for Rs1.55 bn. Company will be receiving outstanding Rs1.2 bn from the divestment in Hippo Stores in Dec'23. ▪ **Incentives –** Incentives accrued in Q4FY23 stood at Rs920 mn vs. Rs610 mn/ Rs610 mn in Q3FY23/ Q2FY23; Rs2.72 bn in FY23. Collections stood at Rs960 mn in Q4FY23 vs. Rs 250 mn/ Rs840 mn in Q3FY23/ Q2FY23; Rs2.5 bn in FY23. Incentive receivables stood at Rs7 bn in Q4FY23 vs. Rs7 bn/ Rs6.65 bn/ Rs6.65 bn in Q3FY23/ Q2FY23/ FY22. Going forward, company expects incentives accruals (incl. Murli) of Rs2.75-3 bn for FY24. ▪ For FY24 DALBHARA will be focusing on some of the areas a) timely completion of on-going capex and integration of the JAL assets, b) further improving its manufacturing KPI and build long term input security, c) HR transformation with focus on leadership development, d) digital enablement of the company. Company has also appointed Mr. Sameer Nagpal as COO; was previously associated with DBRL as CEO. ▪ Co2 emissions declined to 463 kg/tn of cement in FY23 vs. 489 kg/tn in FY22. Company expects to become 100% renewable by FY30 and carbon negative by FY40. ▪ Company declared total dividend of Rs9/ sh incl. the interim dividend of Rs4/ sh for FY23.

	Others
JK Cement	▪ Currently Grey and White cement have similar margins. With fuel cost cooling down, company will be happy if its Grey cement margin increases higher than White Cement as ~80% revenue comes from Grey cement. It expects its EBITDA margin (for both Grey and White cement) to improve from 15% to 17% in FY24. Company does not expect White cement margins to reach its pre-covid levels due to higher competition coupled with big hit on the pricing. ▪ **Paints business –** Revenue/ EBITDA for acro paints stood Rs200 mn/ Rs10 mn in Q4FY23. Targets revenue of Rs1.5-1.8 bn/ Rs2.7-3 bn for FY24/ FY25 with accounting EBITDA loss in FY24. Company does not expect investment to be >Rs500 mn (Rs300 mn/ Rs200 mn capex/ brand creation). Targets gross margin of ~30%. ▪ **Merger of Jaykaycem (Panna Subsidiary) –** JKCE expects it to get done by Q2FY24; will not have savings due to merger. ▪ Incentives – JKCE expects subsidy benefit of Rs200/ tn for volume in Central India from Panna which to come from Q2FY24 onwards. ▪ **Jaisalmer Limestone –** JKCE is in the process of land acquisition; will execute the mining lease in FY24. ▪ **Brand journey –** Company believes it is better placed vs. many peers and over the last few quarters it has been able to increase its trade share and gain market share. ▪ **CO_2 emission in Kg/tn** stood at 522kg/tn (FY23) vs. 522 kg/tn (Q3FY23). Target to reach 465 kg/tn by FY30. ▪ Company declared dividend of Rs15/ sh in FY23.
JK Lakshmi	▪ JKLC expects an improvement of Rs300 in EBITDA/tn over 18-24 months (by FY25) to reach Rs1,000; Rs195-210/ Rs70-75/ Rs20-30 per tn from topline (geo-mix, trade mix, premium product mix and segment mix) / supply chain (outbound logistics including reduction in lead distance)/ manufacturing (including higher TSR). ▪ Company plans to reach EBITDA/tn of Rs800 in FY24; having said that EBITDA/t is likely to be flattish QoQ in Q1FY24
Nuvoco Vistas	▪ Cement production with lowest carbon footprint at 465 kg/tn in FY23 vs. 478kg/tn in FY22. ▪ Company's Chittor cement plant demonstrated capability of 30%+ TSR. ▪ Company achieved >10.5% reduction in Fresh Water Consumption (Liter per ton of cementitious material) in FY23 over FY22.
Sagar Cement	▪ SGC targets EBITDA/tn of Rs625 (Rs4 bn+) in FY24; expects EBITDA/ tn improvement from i) 1-2% increase in realization; jump in realization will be happening from internal optimization and not market price hike, ii) reduction and optimization in P&F cost and freight cost.

	Others
Star	▪ STRCEM expects to maintain EBITDA/tn of Rs1,250-1,300 in near term.
Ramco	▪ **CO_2 emission in Kg/tn** stood at 591kg/tn in FY23 vs. 591 kg/tn in Q3FY23 vs. 561 kg/tn in Q2FY23. ▪ **Water Positive Index** stood at 3.8x in FY23. 2x in Q3FY23 (flat QoQ).
UltraTech	▪ **Working Capital –** Release of working capital of Rs23 bn in Q4FY23 vs. Rs5.6 bn/ 4.0 bn in Q3FY23 at India Operations/ Consolidated. ▪ **Dalla Super –** Dala Super with 2.3mtpa clinker capacity (only) is under arbitration with 100mt of limestone reservoirs. Management will intimate if any further development comes. ▪ **RAK Cement, UAE –** Operations are now coming under control and company has been rebranding its output as Birla White. White cement prices has seen a consequent improvement in the country and also witnessed an increase in its market share in the white cement space. Company believes the strategic investment is playing right. Going forward, company expects to consolidate and make it its subsidiary in FY24. ▪ UTCEM mentioned that Sri Lanka operation has normalized and company has started getting back its volume. Company has received the entire outstanding amount. ▪ **Construction Chemicals –** Company has 39 physical plants as of now and achieved revenue of Rs5.5 bn in FY23. EBITDA is not measurable. ▪ **M&A –** UTCEM continues to believe in India's growth story and company will simultaneously continue to grow; inorganic expansion needs to be opportunistic. ▪ CO_2 emission stood at 557 kg/ tn of cement in FY23 vs. 582 kg/ tn of cement in FY22. ▪ Water positive index stood at 4.1x in FY23 vs. 3.8x in FY22. ▪ Company has 300 railway sidings and 7 cement bulk terminals; 2 more terminals have been planned in UP and Karnataka.

Valuation Matrix

Company	Revenue (Rs bn)					EBITDA (Rs bn)					APAT (Rs bn)					Capacity (mtpa)		CAGR (23-25E)		
	FY22	FY23	FY24E	FY25E	CAGR	FY22	FY23	FY24E	FY25E	CAGR	FY22	FY23	FY24E	FY25E	CAGR	FY23	FY25E	Volume	Realization	EBITDA/tn
ACC#	161.5	222.1	186.3	198.1	(5.6)	30.0	19.2	27.9	32.2	29.3	19.2	10.5	16.5	19.0	34.7	36.1	37.1	(5.3)	(0.6)	36.5
Ambuja	139.8	199.9	164.5	173.0	(7.0)	32.2	32.2	36.3	40.8	12.5	21.5	25.2	22.4	24.3	(1.6)	31.5	39.5	(6.2)	(0.8)	20.0
Birla Corp#	74.6	86.8	96.4	103.8	9.4	11.1	7.7	13.4	16.4	45.8	4.3	0.3	3.8	6.1	394.1	20.0	20.0	9.0	0.5	34.4
Dalmia#	112.9	135.4	165.1	188.1	17.9	24.3	23.2	33.1	39.2	30.1	8.2	6.3	10.9	13.4	46.6	38.6	56.0	18.6	(0.6)	9.7
Heidelberg*	23.0	22.4	23.7	25.6	7.0	4.3	2.5	3.6	4.3	31.0	2.5	1.0	1.9	2.5	58.6	6.3	6.3	7.0	-	22.4
JK Cement#	79.9	97.2	114.4	129.6	15.5	14.8	13.1	18.3	22.9	31.9	6.7	4.3	7.1	10.3	55.2	23.5	27.0	17.1	(1.4)	12.6
JK Lakshmi#	54.2	64.5	68.7	75.5	8.2	9.5	8.4	10.6	12.8	23.4	4.0	3.6	5.0	6.1	30.5	14.0	16.5	8.7	(0.5)	13.5
Nuvoco #	93.2	105.9	115.4	127.1	9.6	15.0	12.1	17.3	20.9	31.4	0.4	(0.5)	2.7	5.5	-	23.8	25.0	10.3	(0.5)	19.1
Sagar Cement#	16.0	22.3	29.2	32.7	21.2	2.8	1.5	3.8	5.3	86.7	0.7	(1.4)	0.7	1.7	-	10.1	11.3	21.9	(0.6)	53.2
Shree Cement	143.1	168.4	186.7	203.5	9.9	36.5	29.4	40.9	46.4	25.6	22.7	11.7	19.1	21.2	34.3	46.4	55.9	10.5	(0.5)	13.7
Star Cement#	22.2	27.0	29.5	36.8	16.7	3.5	4.7	5.6	7.4	25.4	2.5	2.5	2.5	3.1	11.2	5.7	9.7	17.3	(0.5)	6.9
Ramco Cement	59.8	81.4	92.3	97.8	9.7	12.8	11.8	17.2	18.7	25.8	5.9	3.4	6.5	7.6	48.3	22.0	22.9	10.4	(0.5)	13.9
UltraTech#	526.0	632.4	697.4	752.9	9.1	115.1	106.2	137.4	152.2	19.7	56.7	50.6	73.1	83.6	28.5	132.4	155.3	9.8	(0.6)	9.1

*#Consolidated, *HEIM FY24E/ FY25E numbers to be reviewed*

Company	Mcap (Rs bn)	CMP* (Rs)	TP (Rs)	Rating	EV/EBITDA (x) FY22	FY23	FY24E	FY25E	EV/tn ($) FY22	FY23	FY24E	FY25E	Net Debt/ EBITDA (x) FY22	FY23	FY24E	FY25E	RoE (%) FY22	FY23	FY24E	FY25E
ACC#	334	1,777	2,162	Buy	8.6	15.7	10.6	8.8	92	103	98	93	(2.5)	(1.6)	(1.3)	(1.6)	14.2	7.4	11.1	11.6
Ambuja	841	424	416	Reduce	20.7	19.4	18.2	16.8	259	243	250	212	(1.3)	(2.6)	(1.2)	(0.6)	10.1	9.9	7.6	7.8
Birla Corp#	86	1,121	1,355	Buy	10.9	15.9	9.2	7.3	74	75	75	73	3.1	4.8	2.7	2.1	7.4	0.4	6.2	9.3
Dalmia Bharat#	399	2,130	2,339	Buy	15.9	17.5	13.5	11.3	131	128	97	97	(0.6)	0.2	1.4	1.1	5.6	6.6	6.7	7.8
Heidelberg	39	172	166	Reduce	8.5	14.4	10.2	8.5	72	70	71	71	(0.4)	(1.3)	(0.7)	(0.6)	16.5	6.6	13.2	16.9
JK Cement#	248	3,208	3,200	Reduce	18.5	21.4	15.6	12.2	191	147	140	127	1.7	2.6	2.1	1.4	17.0	9.5	14.2	17.9
JK Lakshmi#	78	663	761	Reduce	8.9	10.5	8.4	6.6	74	77	78	62	0.7	1.2	1.1	0.5	17.5	13.5	16.3	17.3
Nuvoco Vistas#	121	339	327	Sell	11.5	13.6	9.4	7.5	88	85	80	77	3.4	3.6	2.5	1.7	0.9	0.4	5.5	9.7
Sagar Cement#	27	203	223	Accumulate	14.5	25.6	10.2	7.0	59	48	47	41	4.9	8.2	3.2	2.0	5.4	1.9	4.0	9.6
Shree Cement	908	25,165	24,040	Sell	22.9	28.8	20.8	18.2	221	223	197	184	(1.9)	(2.1)	(1.4)	(1.4)	14.0	6.6	10.0	10.2
Star Cement#	54	133	137	Accumulate	14.1	10.4	10.4	7.8	104	104	92	73	(1.5)	(1.1)	0.8	0.5	11.6	10.8	10.0	10.8
Ramco Cement	214	904	836	Sell	19.6	21.7	14.9	13.5	158	143	136	135	2.9	3.7	2.4	2.1	14.7	5.2	9.2	9.8
UltraTech#	2,272	7,870	8,552	Accumulate	20.1	21.6	16.6	14.7	236	212	203	176	0.3	0.3	0.0	(0.2)	12.0	9.7	12.8	13.1

*Sources: Company, DART *CMP as on 31st May 2023 # Consolidated*

DART RATING MATRIX

Total Return Expectation (12 Months)

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

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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:

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