Axis Annual Analysis 2023

AAA

AXIS SECURITIES

Well-positioned to Capitalize on Demand Tailwinds; Maintain BUY

Summary

- In FY23, the company recorded a net revenue of Rs 63,240 Cr. Most notably, it also achieved the distinctive milestone of producing, dispatching, and selling 100 million tons, which was supported by the company's effective capacity utilisation rate of 84% for the year.
- The company reported an EBITDA of Rs10,620 Cr in FY23, which stood 8% lower than the previous year's EBITDA. Lower operating profits were on account of higher input costs, which were only partly offset by volume growth and better sales realisations.
- The company continued to focus on ensuring demand sustainability and made significant strides in decarbonization,energy transition, water management, biodiversity and energy management to achieve the same. It added 43 MW of WHRS capacity during the year, takingthe total WHRS capacity to 210 MW.WHRS now covers 16% of the overall power needs of the company and it aims to reach 300 MW of WHRS capacity by the end of FY24 post completion of the ongoing expansions.
- The company has substantiallyreduced its net debt/equity and net debt/EBITDA from 0.65x and 2.83x in FY18-19to 0.05x and 0.24x in FY2022-23.

Key Highlights

- **Capacity expansion work on track:** In FY23, the company commissioned an additional grey cement capacity of 12.4 MTPA. It also commissioned a 2.2 MTPA brownfield cement capacity at Patliputra (Bihar) in Apr'23. The company has embarked on the next phase of growth of 22.6 MTPA, which it announced in Q1FY23, and construction is well underway at most sites. Commercial production from this new capacity is expected to go on stream in a phased manner by FY25/FY26. Upon successful completion of all ongoing expansion projects, the company's capacity will increase to a robust 160+ MTPA.
- **New wall care putty plant to strengthen market position:** During the year, a third Birla White wall care putty plant was commissioned in Nathdwara (Rajasthan). The company now has a wall care putty capacity of 13 LTPA, which further strengthens its position in the markets.
- **Continues to work on increasing the share of blended and premium products:** In FY23, the company's trade mix was 67% and the blended cement sale was 69%. Sales of premium cement improved to 20% of trade sales, up 25% YoY. The company is continuously working to increase its share of blended and premium products in its product mix, which should lead to an improvement in overall profitability.

Key competitive strengths

a) Industry-leading brand;b) Extensive distribution network;c) Integrated operations;d)Experienced and reputed management

Strategies implemented during FY23

a) Capacity expansion in line with growing demand; b) Maintained strong market position; c) Ensured sustainable supply chain management; d) Smart Manufacturing; e)Increased share of premium products

Growth drivers

a)Rural Housing; b) Affordable Housing; c) The government's keen focus on infrastructure development including roads, railways, highways, metros, airports, irrigation, and water projects; d) Real estate growth; e) Increase in private Capex

Key focus areas for the company in FY23 include

a) Capacity expansion; b) Solving building and infrastructure challenges with new materials; c) Product development and innovation strategy; d)New product launches

Outlook & Recommendation

Given the robust demand, upcoming new capacity, ramping up of recently commissioned capacity, and benefit of lower commodity prices coupled with a higher blending ratioand increasing share of green energy,we expect the company to grow its Volume/Revenue/EBITDA/APAT at CAGR of 12%/12%/26%/40% over FY23-FY25E.The stock is currently trading at 16.5x and 14x FY24E/FY25E EV/EBITDA. **We maintain our BUY rating on the stock with a TP of Rs 9.520/share, implying an upside potential of 17% from the CMP.**

Key Financials

(Rs Cr)	FY22	FY23	FY24E	FY25E
Net Sales	52,599	63,240	71,516	78,836
EBITDA	11,514	10,620	14,225	16,883
Net Profit	7,164	5,083	8,223	9,885
EPS (Rs)	249	175	284	342
PER (x)	27	46	29	24
EV/EBITDA (x)	17	22	17	14
P/BV (x)	3.8	4.3	3.8	3.3
ROE (%)	14%	9%	13%	14%

Source: Capitaline, Axis Securities

(CMP as of 28th Aug,2023)

CMP (Rs)	8120
Upside /(Downside (%))	17
High/Low (Rs)	8,501/6,005
Market cap (Cr)	2,34,390
Avg. daily vol. (6m) Shrs.	345779
No. of shares (Cr)	28.9

Shareholding (%)

	Dec-22	Mar-23	June-23
Promoter	59.9	59.9	59.9
FIIs	14.1	14.7	15.8
MFs / UTI	17.4	16.9	15.9
Banks / FIs	0.05	0.05	0.05
Others	8.5	8.3	8.2

Financial & Valuations

Y/E Mar (Rs. Cr)	FY23	FY24E	FY25E
Net Sales	63,240	71,516	78,836
EBITDA	10,620	14,225	16,883
Net Profit	5,083	8,223	9,885
EPS (Rs.)	175	284	342
PER (x)	46	29	24
EV/EBITDA (x)	22	17	14
P/BV (x)	4.3	3.8	3.3
ROE (%)	9%	13%	14%

Change in Estimates (%)

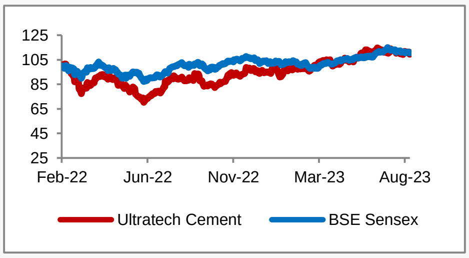
Y/E Mar	FY24E	FY25E
Sales	0	0
EBITDA	0	0
PAT	0	0

ESG disclosure Score**

Environmental Disclosure Score	60
Social Disclosure Score	43
Governance Disclosure Score	94
Total ESG Disclosure Score	65
Sector Average	46

Source: Bloomberg, Scale: 0.1-100
**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

Relative performance



Source: Ace Equity, Axis Securities

Uttam K Srimal
Research Analyst
Email: uttamkumar.srimal@axissecurities.in

Shikha Doshi
Research Analyst
Email: shikha.doshi@axissecurities.in

Company Overview

UltraTech Cement Limited is the cement flagship company of the Aditya Birla Group. It's a $5.9 Bn building solutions company and the largest manufacturer of grey cement, ready-mix concrete (RMC),and white cement in India. It is the third largest cement manufacturer in the world, excluding China. UltraTech is the only cement company in the world (outside China) that has over 130 MTPA of cement production capacity in a single country. The company's operations span the United Arab Emirates, Bahrain, Sri Lanka and India. On a consolidated basis, UltraTech has a grey cement capacity of 136 million metric tonnes per annum (MTPA). The company has a network of over 1,20,000 channel partners across the country and has a market reach of more than 80% across India. In the white cement segment, UltraTech sells its products under the brand name Birla White. The company has one white cement plant and 3 Wall Care putty units with a current capacity of 2 MTPA. With 231 ready-mix concrete plants in 109 cities, UltraTech is the largest producer of concrete in India. The company also has a range of specialty concretes to meet the specific needs of discerning customers. The company's Building Products business is a centre of innovation, offering a range of scientifically engineered products for modern construction.

FY23-Performance Round-up

Sales: In FY23, the company recorded net revenues of Rs 63,240 Cr. It also achieved the distinctive milestone of producing, dispatching, and selling 100 million tons in FY23, supported by an effective capacity utilisation rate of 84% for the year.It is an incredible achievement as it comes within just five years of thecompany achieving a production capacity of 100+ MTPA.

Operating Profits: EBITDA for the year stood at Rs10,620Cr, 8% lower than the previous year. The lower operating margin was attributable to higher input costs, partly offset by volume growth and better sales realisations.

Net profit: PATdecreased by 30% mainly on account of higher costs and was partly set off by higher volume, higher realisations and lower interest outgo during the year.

Blended Realization: During the year, blended realization improved by 7% to Rs 5,983 as the company hiked the cement prices across regions to combat higher costs of operation.

Cost/tonne: During the year,the company's cost/tonne increased by14% to Rs 4,978,primarily impacted by higher power/fuel cost which jumped by 35% on a per tonne basis to Rs 1,750.

RMC business: During the year,the company's RMC revenue grew sharply by 48% to Rs 3,920 Cr as demand for Ready Mix Concrete saw a notable increase. As of 31st March, the company was operating 231 plants spread across more than 100 cities. The company is the largest RMC player in India with tailor-made concrete solutions having 24 speciality concretes based on application.

Dividend: The directors have recommended a dividend of Rs 38/share of Rs 10 each for the year ended 31st Mar'23, aggregating to Rs 1,097 Cr. The recommended dividend is in line with thecompany's dividend policy.

Repayment of Borrowings: During the year, the company repaid debt (on a net basis) of Rs 360 Cr. The loan repayments have been done out of free cash flows that thecompany has generated during the year. The aforesaid steps have resulted in an improved Net Debt/Equity ratio and Net Debt/EBITDA ratio.

AXIS SECURITIES

Key Subsidiary Performance Analysis

Particulars (Rs Cr)	FY22	FY23	Change	Comments/Analysis
Revenue				
UltraTech Cement Lanka (Pvt.) Limited	933	468	-50%	
Star Cement Co LLC, Dubai	690	671	-3%	
Arabian Cement Industry LLC, Abu Dhabi	339	618	82%	
Star Cement Co LLC, Ras Al Khaimah	870	861	-1%	
Al Nakhla Crushers LLC, Fujairah	101	108	7%	
UltraTech Cement Bahrain Company WLL, Bahrain	249	251	1%	
Star Super Cement Industries LLC	(10)	70	600%	
Net Worth				
UltraTech Cement Lanka (Pvt.) Limited	(14)	39	179%	
UltraTech Cement Middle East Investment Ltd.	1137	2012	77%	
Star Cement Co LLC, Dubai	(471)	(483)	3%	
Star Cement Co LLC, Ras Al Khaimah	549	404	-26%	
Al Nakhla Crushers LLC, Fujairah	154	194	26%	
UltraTech Cement Bahrain Company WLL, Bahrain	273	297	9%	
Star Super Cement Industries LLC	53	130	145%	
PAT				
Harish Cement Limited	(4277)	(8466)	-98%	
UltraTech Cement Lanka (Pvt.) Limited	18	(42)	-133%	
Arabian Cement Industry LLC, Abu Dhabi	17	133	682%	
Star Cement Co LLC, Ras Al Khaimah	62	(189)	-205%	
Star Super Cement Industries LLC	(10)	70	600%	

Source: Company; Axis Securities

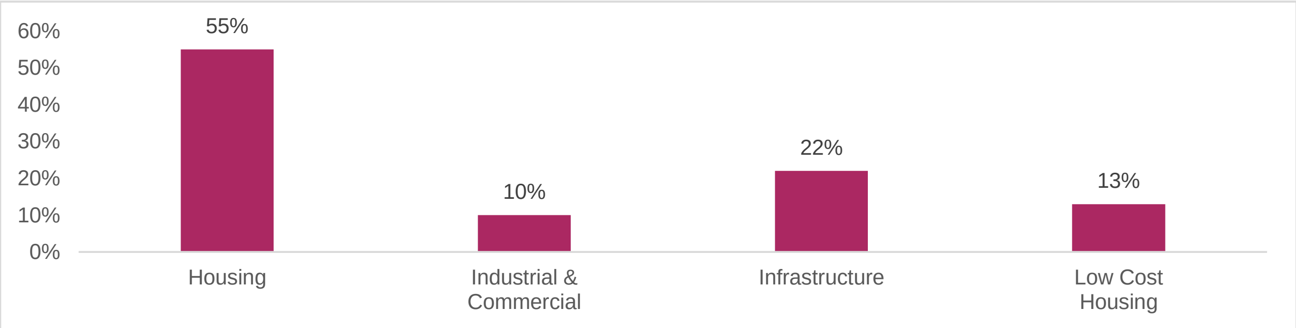
Cost OptimizationMeasures

- **Power/Fuel Cost**: In FY23, Power & Fuel costs increased by 35% per tonne YoY to Rs 1,749/tonne, on account of higher fuel prices. The company is working on increasing the use of green energy to reduce per tonne cost of power/fuel along with alternate fuel in its kiln to minimize carbon footprints.
- **Freight/Forwarding Cost**: Freight and forwarding costs stood at Rs 1,325/tonne in FY23 vs. Rs 1,246/tonne in FY22. Logistics costs increased slightly due to an increase in diesel costs and seasonal surcharges on rail freight. However, the reduction in lead distance, mainly due to a change in market mix, and synergies from the integration of acquired assets helped mitigate the impact of rising diesel costs. The company is exploring ways to increase backhaul opportunities to optimise road freight costs and is using digital tools for freight and network optimization. It has improved the use of rail terminals and coastal terminals to serve key urban markets at optimal cost.
- **Raw Material Cost:** Raw material cost increased from Rs 847/tonne to Rs 919/tonne due to an increase in prices of additives and fly ash. The increase in diesel prices impacted inbound transportation and mining costs, resulting in higher raw material costs. The company is continuously working to increase the proportion of blended and premium products in its product mix, which is expected to improve overall profitability.

Key Growth Drivers

- **Infrastructure push by the government:** The Government of India has been consistently investing in infrastructure to drive the country's development agenda. It has earmarked Rs 10 Tn as capital expenditure for Budget 2023- 24, an increase of 33% above FY23 budget estimates and 37% above revised estimates of FY22. The consistent rise in capital spending is a positive indicator for cement consumption in the coming years. Furthermore, initiatives like the National Infrastructure Pipeline and PM GatiShakti are likely to drive construction activities in the country, fuelling more demand for cement.
- **Housing rebound:** The country's housing sector experienced a prolonged cycle of slowdown in the pre-COVID period, resulting in high inventories and lower launches from the real estate sector. However, in the post-pandemic era, the sector rebounded, which was facilitated by increased preference towards home ownership, a favourable interest rate regime, and registration and stamp duty benefits offered by several state governments across the country. Furthermore, the government's increased outlay towards 'Housing for All' provided a fillip to housing demand in the country. The Union Budget 2023-24 outlined an investment of Rs54,487 Cr for PMAY – Grameen and Rs25,103 Cr for PMAY – Urban, registering a cumulative 66% growth over the previous year
- **Industrialization:** The rapid pace of industrialization in India is expected to play a key role in driving the growth of the cement industry. The growth of industries leads to demand for the construction of factories, warehouses and other infrastructure. With the growth of manufacturing, infrastructure, and transportation sectors, there has been a significant increase in the demand for cement.
- **Commercial RealEstate:** The growth of the construction industry in India, particularly in the commercial sector, has led to an increased demand for cement. With a growing economy and increasing urbanisation, demand for commercial buildings such as offices, malls, hotels, and hospitals has surged and this trend will keep cement demand at an elevated level.

Exhibit 1: Cement consumption trend segment-wise: Housing remains the largest cement consumer



Source: Company, Axis Securities

Key operational activities during the year

Cement Capacity Expansion

This year, the company commissioned an additional 12.4 MTPA of grey cement capacity. It also commissioned a 2.2 MTPA brownfield cement capacity at Patliputra (Bihar) in Apr'23. Work has already started on the next growth phase of 22.6 MTPA announced in Q1FY23. Construction is well underway at most sites. Commercial production from this new capacity is expected to go on stream in a phased manner by FY25/FY26. Upon successful completion of all ongoing expansion projects, the company's capacity will increase to 160+ MTPA.

Birla White Capacity Expansion

A third Birla White wall care putty plant was commissioned during the year in Nathdwara, Rajasthan. The two existing plants are located at Kharia in Rajasthan and Katni in Madhya Pradesh. The company now has a capacity of 13 LTPA for wall care putty, further strengthening its position in the markets. Together with the existing white cement production capacity in India and the investment in Ras Al Khaimah company for white cement and construction material inthe United Arab Emirates (UAE), the company is strategically well-positioned to serve the white cement and wall care putty market in the country.

Capacity Utilization

Cement production in FY23 increased by 14% YoY to 99.43 million tonnes, while capacity utilisation was at 84% as compared to 77% in the previous year.

Capex

The company spent Rs 5,831 Cr on various Capex during the year. This was primarily towards the growth and maintenance as well as Waste Heat Recovery Systems ("WHRS").

Depreciation: At Rs 2,619 Cr, depreciation was higher by 162 Cr, on account of the capitalization of new capacities during the year:

Energy Management

The company commissioned an additional 43 MW of Waste Heat Recovery System (WHRS) this year, taking its total WHRS capacity to 210 MW. It also added new 76 MW of renewable power capacity this year, bringing its total renewable power capacity to 345 MW.

Sales and Distribution

- **Product Portfolio**

  Ultratech is India’s largest and the world’s third-largest cement manufacturing company (excluding China), offering a wide range of products such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), Composite Cement (CC), and Ready-Mix Concrete (RMC).

- **Distribution Network**

  The company has 30,000 Dealers, above 89,000 Retailers and 3,450 USB Outlets.

- **Smart Manufacturing**

  The company continues to accelerate the adoption of digitization in its operations, encouraged by incremental value delivered through various initiatives. It is investing in the setting up of cloud infrastructure as a key foundation for smart and connected factories. Efforts to validate advanced algorithms to further improve process and equipment reliability are also underway.

- **Customer First**

  Over the past two years, the company has successfully completed the rollout of mobile app-based digital solutions for its distribution partners and institutional customers. These apps have replaced several paper-based processes, resulting in time savings and faster processes for customers, partners and internal teams. Continuous improvements made through deep customer understanding have enabled high adoption and usage of these solutions.

- **UltraTech Trade Connect**

  A mobile app-based solution provides unparalleled convenience to dealers and retailer networks across the country. By providing a single interface, distributors can manage their daily operations with ease. More than 90% of dealers across India use the app regularly to connect with the company.

Supply Chain & Logistics

- **Sustainability &Supply Chain Management**

  The company's sustainable supply chain framework promotes sustainable procurement and encourages its suppliers to adopt sustainable sourcing practices. The company has developed a comprehensive framework for assessing the ESG parameters of the associated suppliers, the implementation of which is monitored by the Board of Directors. The company has established screening KPIs based on commodity-specific and geographic risks. Suppliers that do not meet the minimum ESG requirements are excluded from the contract award process. To ensure compliance with the requirements, the company conducts on-site assessments of suppliers, which are carried out by independent, accredited auditing bodies.

- **Supply Chain**

  The company transports 5.7 million bags daily to 30,000 destinations and fulfils 30,000 orders daily. It has successfully started operations at 3 new units – Pali in the North, Cuttack in the East and Dhule in Maharashtra. The company planned upgrades to its loading infrastructure, resulting in increased rail and road loading capacity at various plants. It has also significantly increased its clinker dispatch volumes at Hirmi for the eastern zone and at Dhar and Pali for the northern zone and Gujarat. The company has carefully planned the optimal use of rail and road junctions for all sources and increased bulk cement shipments at various locations to meet the high demand for infrastructure projects. For example, the company has increased the bulk volume from approved sources for the High-Speed Rail project.

- **Logistics**

  To control its freight and forwarding costs, the company has taken several steps, including cross-functional collaboration to maximize direct shipments from units and ensure a fleet mix that meets market needs. To minimize handling and secondary costs, it has focused on increasing railhead firing. Its focus on improving overall asset utilization has helped control primary freights despite the increase in fuel prices. It is also looking for ways to increase backhaul options to optimize road freight costs and is using digital tools for freight and network optimization. The company has improved its use of rail terminals and coastal terminals to serve key urban markets at optimal costs.

Key Strategies Moving Forward

Capacity expansion

- The announced expansions will result in the company's capacity increasing to 155.05 MTPA (in India) by FY25/26 and reinforces the commitment to meeting the country's requirement for housing, road and infrastructure.

Solving building and infrastructure challenges with new materials

- This year, the company completed lab-scale testing for the development of machine-printable structural concrete, which significantly reduces construction time, enabling faster construction of structures. It has also developed ultra-high performance concrete (UHPC) for use in high-rise buildings, which reduces the size of columns and has higher early strength, enabling quicker restoration of traffic in road applications. The company has also developed low-density concrete to reduce the dead weight of structures and permeable concrete for use in open spaces and parking lots to recharge groundwater. In addition, it has developed a new method for identifying adulteration in market RMC concrete based on thermal signatures and has filed an Indian patent.

Product development and innovation strategy

- The company remains committed to investing in sources for developing low-carbon products, sustainable energy sources, resource conservation, reducing carbon footprint, extending product life, and imparting new functional properties to cement and its application in concrete. It is currently focusing on developing and testing 3D printable concrete mixes in-house, which will enable it to build faster, cheaper, safer and more efficiently, and also aligns with the government's 'Housing for All' scheme.

Key focus areas

- The company conducts field-scale testing of its in-house developed 3D printable mixes with different types of concrete grades and structures. It then performs detailed testing of various parameters on the built structures to evaluate their actual performance and estimate their lifecycle. The company's goal is to develop performance concrete with a high percentage of replacement of Supplementary Cementitious Materials (SCMs), such as over 50% cement replacement by fly ash or slag, and 3D printable concrete formulations with 30% SCMs.

New Product launches

- The company has developed two more innovative products – Weather Plus and UltraTech Premium, to provide enhanced performance in terms of strength development and better resistance to water permeability. These products are designed to improve the life cycle and stability of the structures. The company has also formulated special cement with improved crack resistance properties in both mortar and concrete, which can significantly enhance the life of structures.

Business Outlook

- Indian economic growth is expected to be buoyant in FY24 as a strong credit disbursement and capital investment cycle is expected to unfold in India as balance sheets in the corporate and banking sectors strengthen. In addition, economic growth will be supported by the expansion of public digital platforms and landmark policies such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive ("PLI") programmes to boost production.
- The capital expenditure initiatives of the central government are another growth driver of the Indian economy. A sustained increase in private Capex is imminent with the strengthening of the balance sheets of corporates and the consequent increase in credit financing it has been able to generate.
- The nationwide inoculation COVID -19 also plays an important role in stimulating the housing market, because without it, migrant workers could not have returned to build new homes. Apart from housing, construction activity, in general, has increased significantly in FY23 due to the greatly increased capital budget of the central government and its public enterprises.

Risks & Mitigation

The company's risk management process is designed to identify and mitigate risks that have the potential to materially impact its business objectives and maintain a balance between managing risk and making the most of the opportunities.

Key risks identified, assessed, and mitigated during the year under review include:

- **Economic Environment and Market Demand:** The demand for construction materials is driven by the economic growth in the country. Economic slowdown and subdued infrastructural development might lead to a slowdown in construction projects, thus leading to a reduction in cement consumption in the country.
  Mitigation: To mitigate this, continuous endeavours to enhance brand equity through innovative marketing activities, enhancement in the product portfolio, and value-add services have been the thrust areas for the company. Its engineering expertise and emphasis on quality also act as a significant countermeasure to the risk of market fluctuations.
- **Inflation and Cost of Production:** The cement industry is extremely energy-intensive, and changes in fuel prices can significantly impact production costs. The procurement of raw materials at an economical cost or of suitable quality faces a high degree of inflationary certainty.
  Mitigation: The company mitigates this risk through the establishment of exhaustive policies for the procurement of specific raw materials and stores those that are amenable to just-in-time inventories. Apart from the preservation and extension of existing reserves, a range of measures, including strategic sourcing and changing inputmix, are adopted by the company to mitigate the risk of unavailability of limestone.
- **Climate and Sustainability:** The following climate-related risks have been identified: A) Acute physical risks arising from longer-term changes in climate patterns causing damage to assets or supply chain disruption, such as floods, heat waves, cyclones, and droughts. B) Chronic physical risks such as variations in temperature, precipitation patterns, and water stress.
  Mitigation: The company diligently implements disaster management plans, health and safety protocols, and adequate communication protocols during extreme weather events to ensure site safety and minimize the impact on the workforce. The company has proactively installed rainwater harvesting systems across sites. In addition, at several of the manufacturing sites, Zero Liquid Discharge ("ZLD") plants have been installed to enable the reuse of 100% treated water within the sites.
- **Information Technology:** This comprises risks related to Information Technology ("IT") systems, such as data integrity and physical assets. The company deploys IT systems, including ERP, SCM, Data Historian, and Mobile Solutions, to support its business processes, communications, sales, logistics, and production. Risks could primarily arise from the unavailability of systems and/or loss or manipulation of information.
  Mitigation: To mitigate these risks, the company uses backup procedures and stores information at two different locations. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated periodically, and users are educated on adherence to the policies to eliminate data leakages.

Progress on sustainability

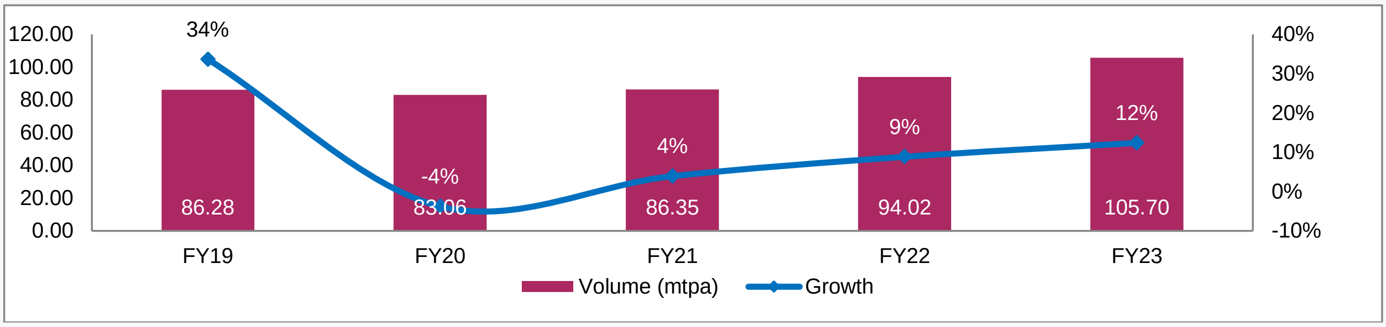
- It is the company's stated strategy to integrate sustainability into the value chain of its activities. During the year, the company made significant progress in each of its sustainability focus areas - decarbonization, energy transition, circular economy, water management and biodiversity management.
- As part of its ongoing efforts to improve environmental conservation and energy efficiency, the company added 43 MW of WHRS capacity during the year. This brings the total WHRS capacity to 210 MW and meets ~16% of its present power needs. This capacity is expected to increase to ~300 MW by the end of FY24 once the ongoing expansions are completed.
- UltraTech recently set an example of innovation by using both ocean and inland waterways to transport a bulk cargo carrier carrying 57,000 metric tonnes (MT) of phosphogypsum. This material, a byproduct of the industry, was safely transported from the port of Paradip in Odisha to UltraTech's jetty at Kovaya in Amreli district of Gujarat. It will be used in its cement manufacturing operations, demonstrating a safe and effective method of disposing of this industrial waste
- UltraTech was recently ranked first in sustainability in the Infrastructure and Engineering sector by Sustain Labs Paris (SLP) in collaboration with BW Business World. In addition, UltraTech's commitment to combating climate change has been recognized by the global non-profit organization Carbon Disclosure Project (CDP). In its 2022 report, it gave the company an 'A-' rating, placing it in the ' Leadership' category. This award reflects the consistent application of best practices and dedicated efforts in dealing with climate-related issues.

Profitability Analysis (Rs Cr)

Particulars	FY22	FY23	Change	Comments/Analysis
Sales	52,599	63,240	20%	Revenue increasedowing to growth in sales volume and better sales realization. We expect the company to grow its revenue at a CAGR of 12% driven by stable realization and higher volumeduring FY23-25E.
Raw Materials/others	31,815	42,215	33%	Increase in cost due to high fuel prices and RM cost during the year as cost pressure mounted.
Gross Profits	20,784	21,025	1%	Gross profits were marginally higher and were impacted by an increase in input costs. GP is expectedto improve in FY24 driven by lower cost of power/fuel.
Operating Expenses	33,158	41,085	24%	Other operating expenses increased owing to higher sales volume along with a rise in staff cost YoY.
EBITDA	11,514	10,620	-8%	The lower operating margin was attributable to higher input costs partly offset by volume growth andbetter sales realizations
Interest	945	823	-13%	Interest costs saw a decline as the company repaid the loan. However, it was impacted owing to a rise inrate of interest
PAT	7,164	5,083	-29%	Profits were impacted by higher input costs, depreciation and interest costs. We expect profitability to seeupward trajectory in FY24.
EPS	249	176	-29%	EPS in line with the decline in profits

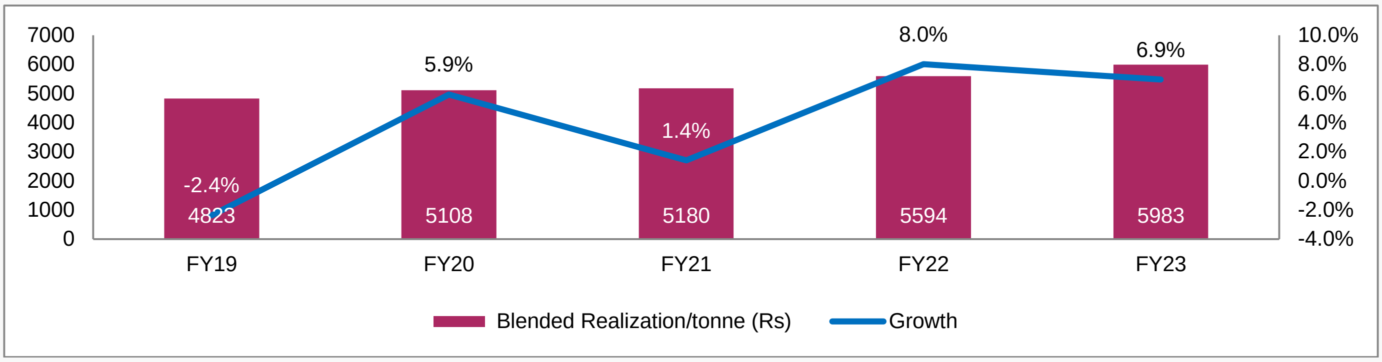
Source: Company; Axis Securities

Exhibit 2: Volume and Growth Trend



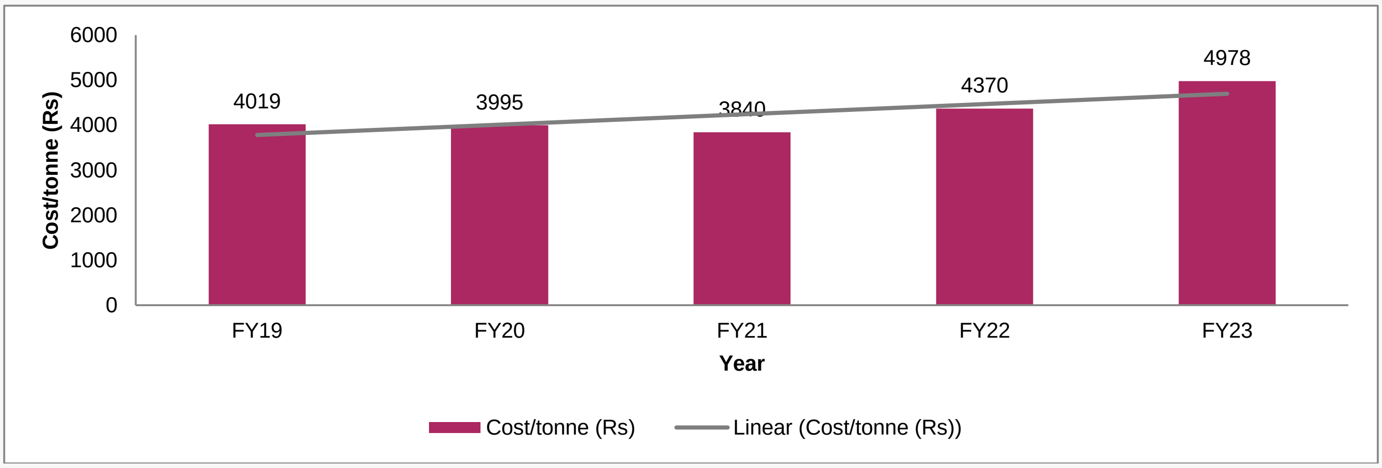
Source: Company, Axis Securities

Exhibit 3: Realization/Tonne and Growth Trend



Source: Company, Axis Securities

Exhibit 4: Cost/tonne Trend



Source: Company, Axis Securities

Growth Indicators (Rs Cr)

Particulars	FY22	FY23	Change	Comments/Analysis
Revenue	52,599	63,240	20%	Increase in revenue owing to growth in sales volume and better sales realization. We expect the company to grow its revenue at a CAGR of 12% driven by stable realization, and higher volume during FY23-25E.
EBITDA	11,514	10,620	-8%	The lower operating margin was attributable to higher input costs,partly offset by volume growth and better sales realizations. We expect the company to report EBITDA growth CAGR of 26% over FY23-25E, driven by higher sales volume, lower cost and stable realization.
PAT	7,164	5,083	-29%	Profits were impacted due to higher input costs, depreciation and interest costs. We expect the company to report a profit CAGR of 40% over FY23-25E driven by higher sales and lower costs.
EPS	249	176	-29%	EPS in line with the profits
Volume	94	106	13%	Increase in sale volumes supported by higher demand. We expect the company to report a sales volume CAGR of 12% over FY23-25E.

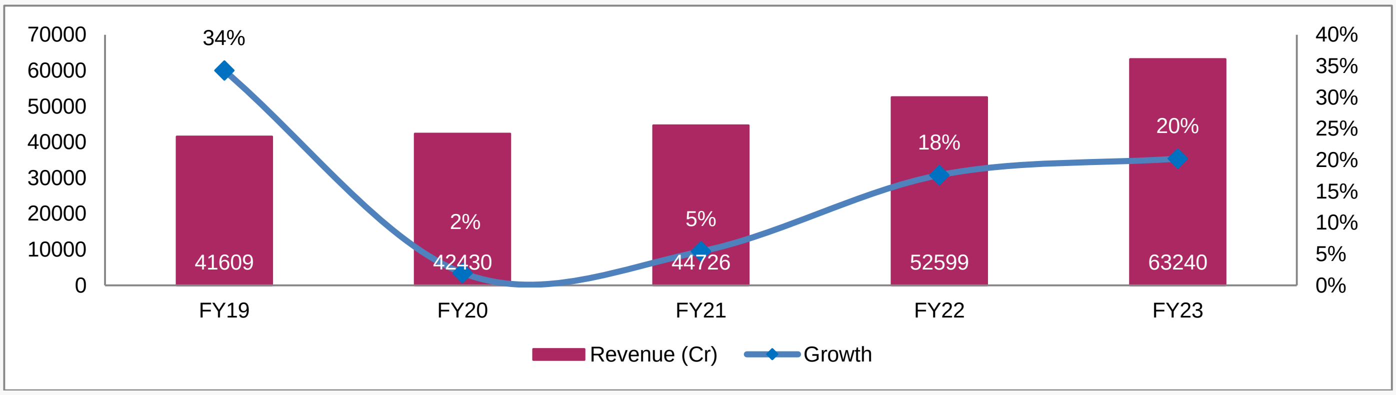
Source: Company; Axis Securities

Profitability Margins

Particulars	FY22	FY23	Change	Comments/Analysis
GPM	39.5%	33.2%	-630 bps	Margins were impacted by higher fuel prices. We expect GPM to improve in FY24 driven by lower costs and higherSales volume.
EBITDAM	21.9%	16.8%	-510 bps	The lower operating margin was attributable to higher input costs,partly offset by volume growth and better sales realizations. EBITDAM is expected to improve to 20% in FY24 driven by lower costs and better sales.
PATM	13.6%	8.0%	-560 bps	Profits were impacted by higher input costs, depreciation, and interest costs. PATM is expected to rebound in FY24to11.5%.

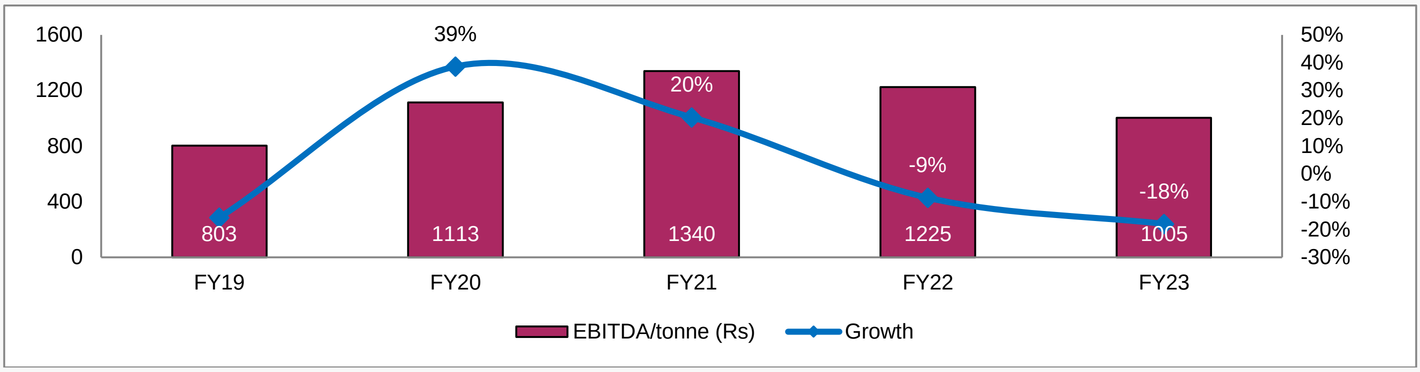
Source: Company; Axis Securities

Exhibit 5: Revenue and Revenue Growth Trend



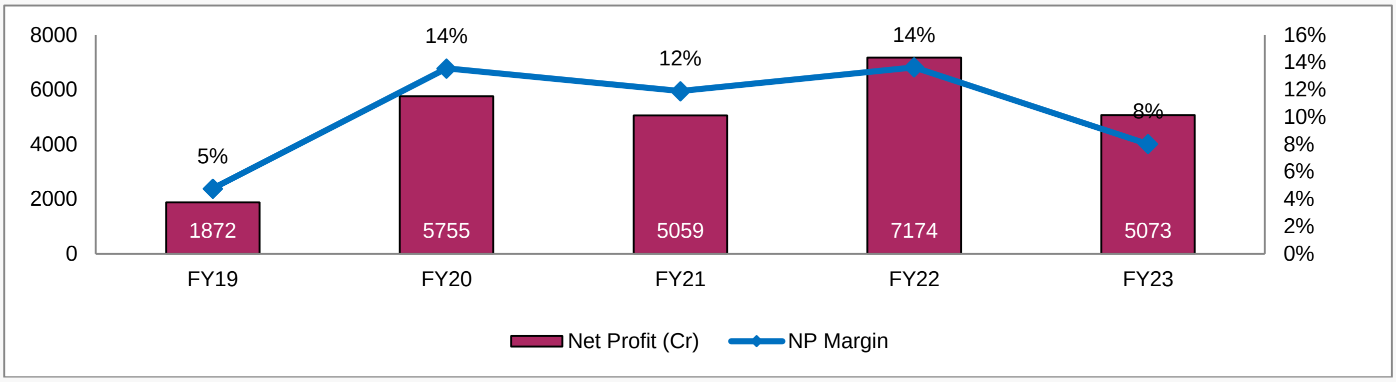
Source: Company, Axis Securities

Exhibit 6:EBITDA/tonne Trend



Source: Company, Axis Securities

Exhibit 7: Net Profit and NPM Trend



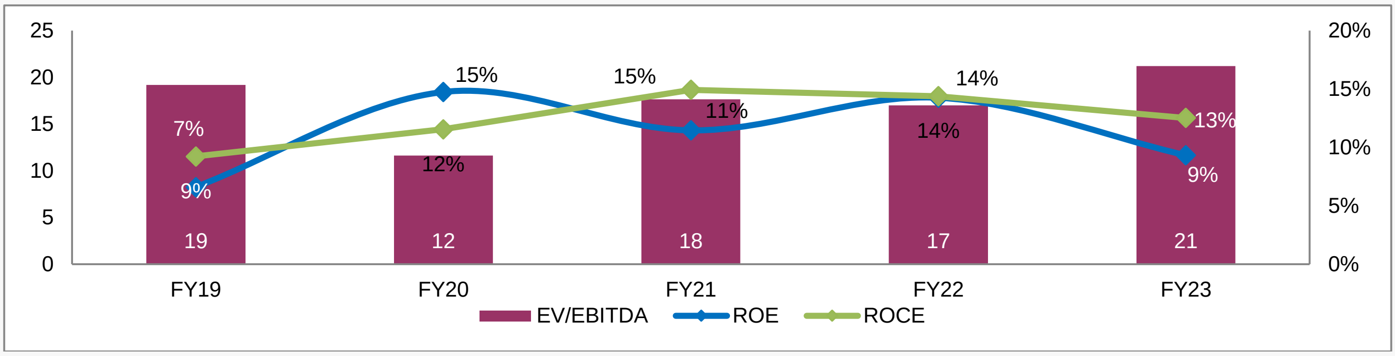
Source: Company, Axis Securities

Financial Ratios

Particulars	FY22	FY23	Change	Comments/Analysis
ROE	14.2%	9.3%	-490 bps	ROE impacted by lower profits during the year. We expect ROE to improve in FY24.
ROCE	14.4%	12.5%	-190 bps	ROCE was impacted as the EBIT margin reduced to 13% from 18% in FY22. We expect ROCE to Improve in FY24
Asset Turn	0.8	1.0	0.2	Increase due to higher sales during the year despite additions of fixed assets
Net Debt/Equity	0.1	0.1	-	Remained flat due to change in debt levels
EV/EBITDA	17.0	21.2	4.2	EV/EBITDA was higher owing to higher prices and lower EBITDA

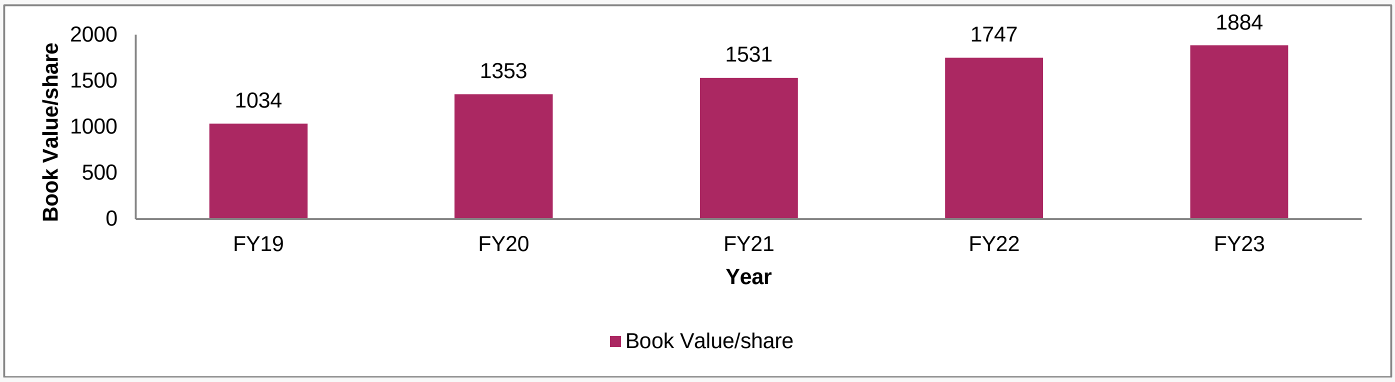
Source: Company; Axis Securities

Exhibit 8: EV/EBITDA, ROE & ROCE Trend



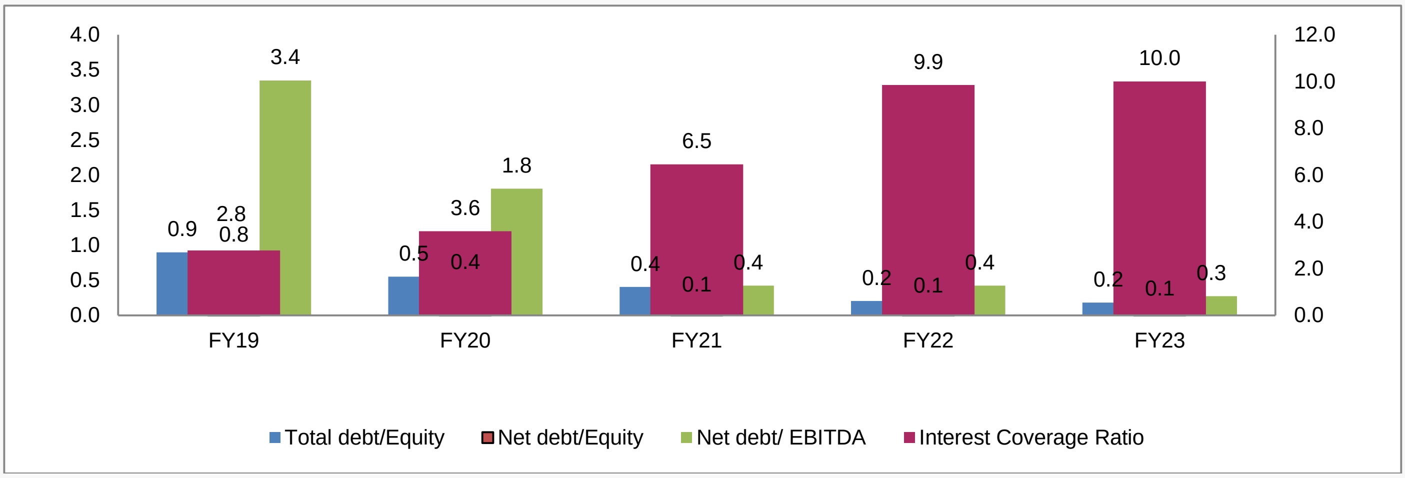
Source: Company, Axis Securities

Exhibit 9: Book Value (Rs)



Source: Company, Axis Securities

Exhibit 10: Leverage Ratio



Source: Company, Axis Securities

Key Balance Sheet Takeaways

Working Capital Management

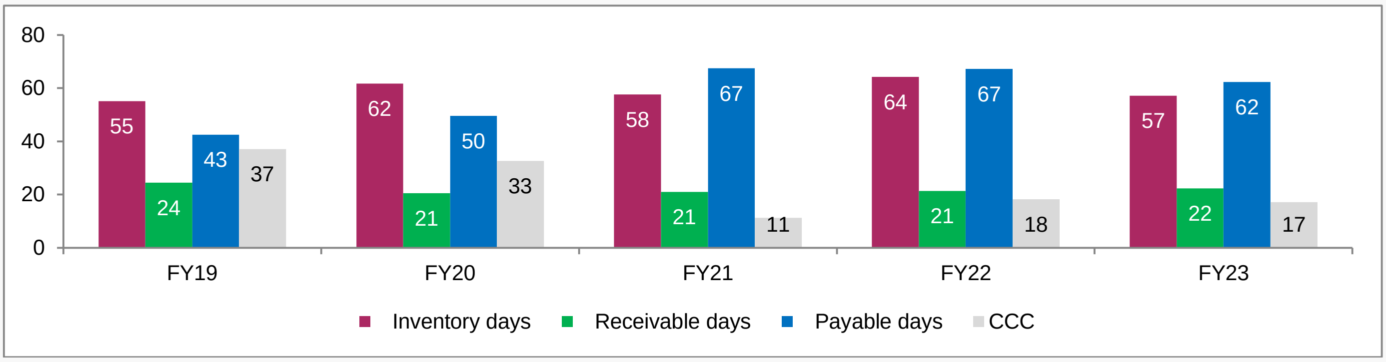
- During the year, the cash conversion cycle was maintainedto 17 days in FY23from 18days in FY22. This was on account of better inventory and supplier management. During the year, OCF to EBITDA increased to 85% as against 81% in FY22 owing to better cash realization on working capital management.
- From FY19-FY23,the company generated a total OCF of Rs 45,783Cr and 38% of the total OCF (Rs17,183 Cr) was utilized towards the company'sCapex for capacity expansion program. While the CFO remained the major source of funding for the company, during FY19-FY23, it generated an FCF of Rs28,599 Cr.

Cash Conversion Cycle

Particulars	FY22	FY23	Change	Comments/Analysis
Inventory Days	64	57	-7	Decrease in days due to better inventory management
Trade Receivables Days	21	22	1	Increase in days due to delay in collections
Trade Payables Days	67	62	5	Decrease in days due to timely payments to suppliers
Cash Conversion Cycle	**18**	**17**	**-1**	Maintained the same level of CCC

Source: Company; Axis Securities

Exhibit 11: Cash Conversion Cycle

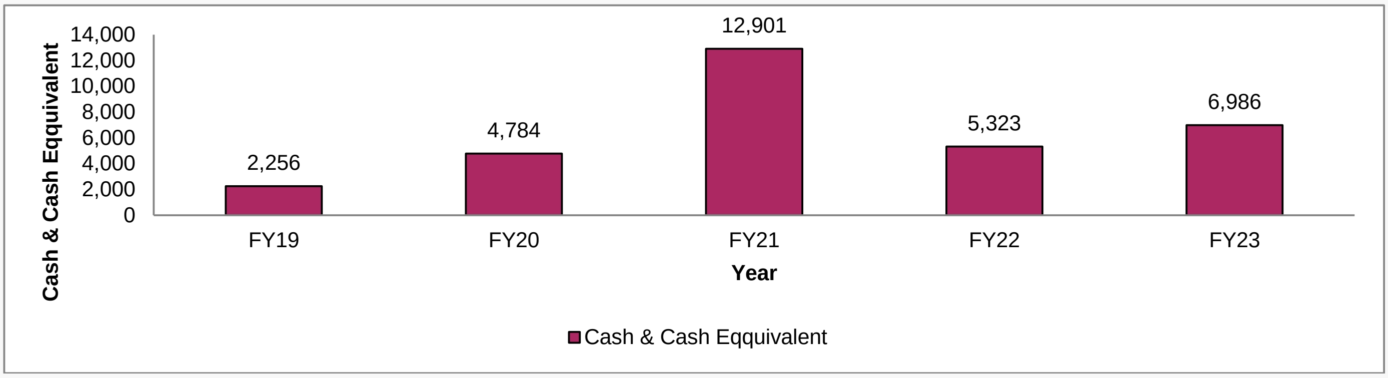


Source: Company, Axis Securities

Key Balance Sheet Takeaways (Contd...)

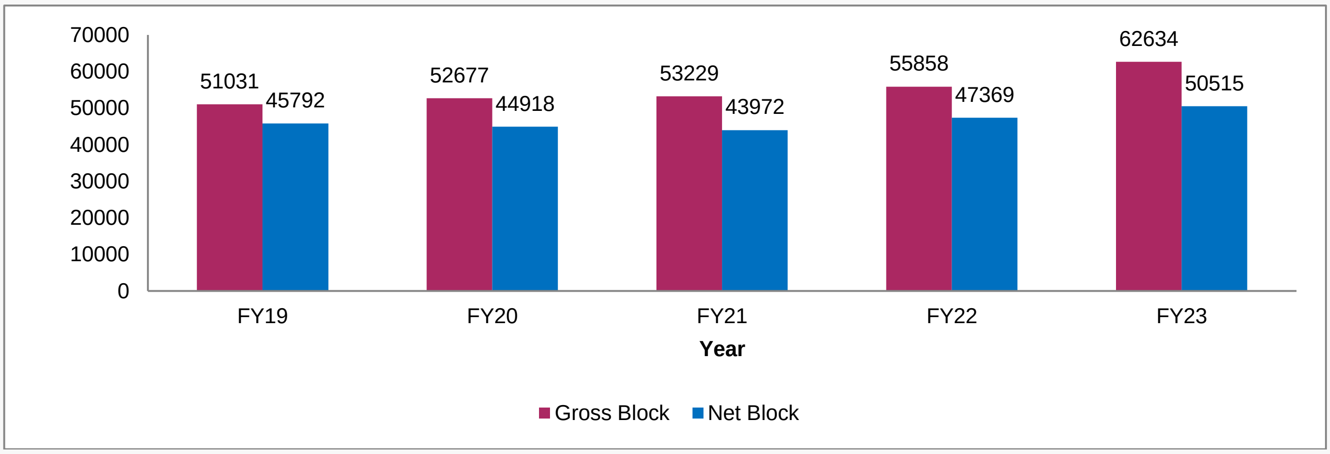
- **Debt Levels**: The companyreduced its long-term debt by 3% from Rs 10,203 Cr to Rs 9,901 Cr during the year.
- **Fixed capital formation**:Gross fixed capital formation improved from Rs 55,858Cr in FY22 to Rs 62,634Cr in FY23, an improvement of 12% as the company is expanding its current capacity to sustain growthby increasingits market share.
- **Capex plans**:During the year,the company expanded its grinding capacity from 121.4 mtpa to 134.3 mtpa.The second phase of expansion is underway and expected to be completed by FY25-26 taking the total capacity to over 165 mtpa.
- **Cash and liquidity position**:The cash/cash equivalent stood at Rs 6,986Cras of 3[1st]Mar'23 compared to Rs5,323 Cr in FY22, anincrease of 31%.

Exhibit 12: Cash & Cash Equivalent (Rs Cr)



Source: Company, Axis Securities

Exhibit 13: Gross & Net Block (Rs Cr)



Source: Company, Axis Securities

Forex Analysis

- Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuates due to changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to foreign currency borrowings, import of fuels, raw materials & spare parts, capital expenditure, exports of cement and the company's net investments in foreign subsidiaries.
- The company evaluates exchange rate exposure arising from foreign currency transactions. It follows established risk management policies and standard operating procedures and uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.

Particulars (Rs Cr)	FY22	FY23	Change	Comments/Analysis
USD	1.29	0.41	-68%	Trade Receivables
USD	23.03	37.91	64%	Trade Payables
Euro	0.62	0.40	-35%	Trade Payables
Others	0.46	0.15	-67%	Trade Payables
USD	40	50	25%	Borrowings
USD	25.14	34.92	39%	Investments
LKR	0.65	0.65	-	Investments

Contingent Liability Analysis

Particulars (Rs Cr)	FY22	FY23	Change	Comments/Analysis
Excise Duty and Service Tax Matters	1,614	1,646	2%	Related to the valuation matter (Rule 8 vs. Rule 4), Denial of Cenvat credit on Input Service Distributor and others
GST/ Sales-tax / VAT / Entry Tax Matters	1,033	1,062	3%	Related to stock transfer treated as interstate sales, Demand for freight component and levy of purchase tax on exempted supply, Demand of Entry Tax and others
Royalty on Limestone/ Marl / Shale	373	382	2%	Based on the fixed conversion factor on limestone, the royalty rate difference on Marl and additional royalty on mines transfer
Land Related Matters	274	281	1%	Demand for Higher Compensation
Electricity Duty / Energy Development Cess	692	270	-60%	Related to electricity duty, Minimum power consumption, Energy development cess and denial of electricity duty exemption
Customs	251	265	6%	Related to classification dispute
Stamp duty	353	358	1%	Related to stamp duty on name change
Others	363	367	1%	Related to Fly ash matters, claims raised by vendor/supplier, Road Tax matters, Income Tax matters and other
Total	**4,955**	**4,631**		**Any adverse decision may lead to financial implication**

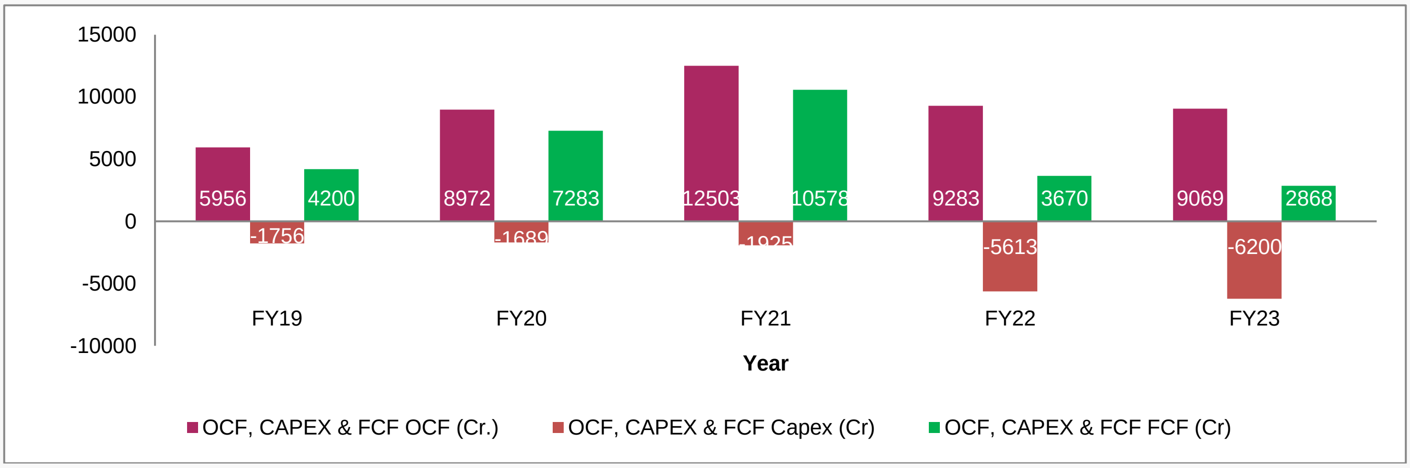
Source: the company, Axis Securities

Key Cash Flow Takeaways

Particulars (RsCr)	FY22	FY23	Change	Comments/Analysis
PBT	8,364	7,416	-11%	Profitability impacted due to high input costs, higher depreciation, and interest costs.
Non-cash expenses				
Depreciation	2,715	2,888	6%	Increase in depreciation owing to capitalization of new assets
Finance Cost	945	823	-13%	Declined due to repayment of borrowings
Others	-713	-597	-16%	
Working Capital Adjustments	-473	-337	-29%	Increase in working capital due to increase in inventories and trade receivables on account of the inflationary impact on fuel inventory and higher sales, respectively
CFO	9,283	9,069	-2%	Cash from operations was lower due to the rise in costs, which was partly setoff by higher volume and sales realization.
CFI	2,257	-7,187	-218%	Declined due to purchase of assets and investments
CFF	-12,498	-1,631	-89%	Decreased due to repayment of loan
Capex	-5,613	-6,200	-10%	Increased due to the capacity expansion plan
Free Cash Flow Generation	3,670	2,868	-22%	Reduced owing to higher Capex

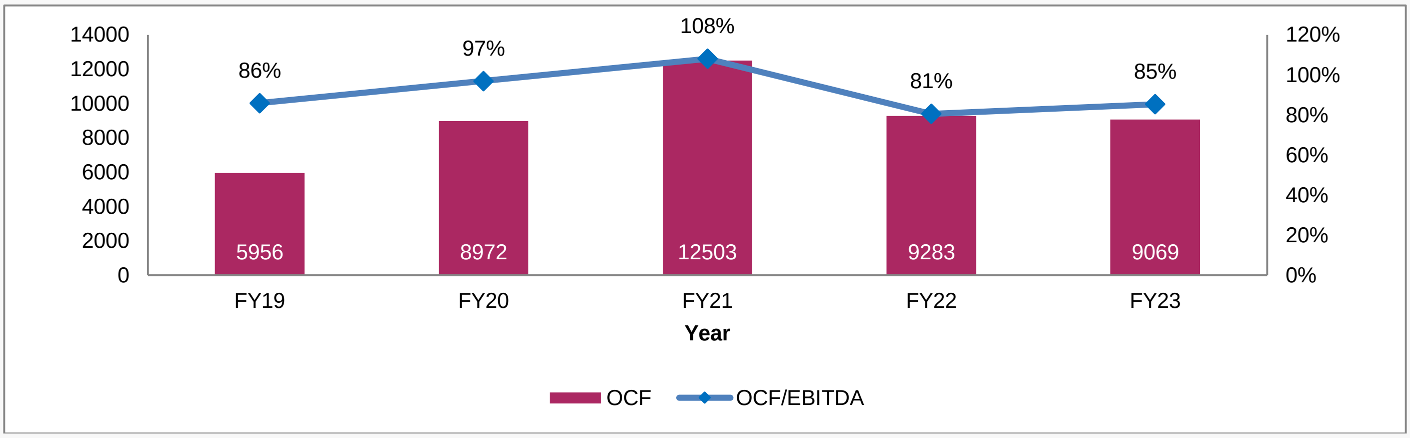
Source: Company; Axis Securities

Exhibit 14: OCF, Capex, FCF Trend(in Cr)



Source: Company, Axis Securities

Exhibit 15: OCF, EBITDA & Conversion ratio trend (Cr)



Source: Company, Axis Securities

Corporate Social Responsibility

During the year the company spent Rs 57 Cr against Rs 45 Cr spent last year on Corporate Social Responsibility. To create a positive impact on the local communities where it operates, it has undertaken several initiatives.

- **Education:** Teach Hirmi is an initiative in which dedicated company employees become mentors, providing valuable tutoring to students who do not have access to outside tutoring. In FY23, the company proudly extended its support to 113 enthusiastic students in grades XI and XII.
- **Health:** The company has undertaken several initiatives to provide accessible health services to underserved communities. These include Mobile Health Camps, which bring medical professionals and facilities directly to remote areas, ensuring that health care reaches those who need it most. In addition, Multispecialty Camps are organised to provide specialised medical services and consultations for specific health needs. To further improve emergency healthcare, ambulances are provided to quickly transport patients in critical situations.
- **Infrastructure development:** The company is actively engaged in the construction of village roads, the installation of streetlights, the construction of culverts and the development of key infrastructure. These initiatives aim to improve village connectivity and quality of life and create safer and well-lit routes for residents. By addressing the infrastructure needs of communities, it contributes to their overall development and enhancement.
- **Social welfare:** The company conducts high-impact training and awareness events as part of its dedicated women's empowerment programme. These events are designed to empower women and provide them with the necessary skills, knowledge and confidence to succeed in their personal and professional lives. Through institution building, the company creates solid structures and frameworks that support women's growth and success in a variety of areas

Corporate Governance Philosophy

- UltraTech Cement Limited is always committed to and adheres to best governance practices and its adherence in true spirit. The company’s Corporate Governance Philosophy enshrines the goal of achieving the highest level of transparency, accountability, sustainability, ethical conduct and safety in all aspects of its business. The company is committed to treating all its stakeholders fairly, which has helped to maintain their trust and appreciation. This has helped foster financial stability and business integrity, which in turn has led to inclusion and sustainable growth. The company is defined and driven by its unique set of ‘Power of Five’ values. This values-based approach is part of the company’s culture and ethics, which helps to pursue the company's purpose and achieve excellence in corporate governance. The Power of Five values are summarised as follows: Integrity, Commitment, Passion, Seamlessness and Speed.

AXIS SECURITIES

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY22	FY23	FY24E	FY25E
Net sales	**52,599**	**63,240**	**71,516**	**78,836**
Other operating income	-	-	-	-
Total income	**52,599**	**63,240**	**71,516**	**78,836**
Raw Material	7,965	9,715	10,960	11,891
Power & Fuel	12,137	18,491	18,238	19,514
Freight &Forwarding	11,712	14,009	16,601	18,095
Employee benefit expenses	2,535	2,739	2,977	3,170
Other Expenses	6,735	7,666	8,515	9,281
EBITDA	**11,514**	**10,620**	**14,225**	**16,883**
Other income	508	503	712	631
	-			
PBIDT	12,022	11,123	14,937	17,514
Depreciation	2,715	2,888	3,077	3,467
Interest & Fin Chg.	945	823	842	797
E/o income / (Expense)	-	-	-	-
Associates	2	4	7	7
Pre-tax profit	**8,364**	**7,416**	**11,025**	**13,256**
Tax provision	1,190	2,343	2,811	3,380
Minority Interests	-10	9	9	9
PAT	**7,164**	**5,083**	**8,223**	**9,885**
OCI	-	-	-	-
APAT	**7,164**	**5,083**	**8,223**	**9,885**

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E Mar	FY22	FY23	FY24E	FY25E
Total assets	**83,828**	**91,387**	**97,558**	**1,06,411**
Net Block	55,495	59,584	62,944	65,784
CWIP	4,777	4,035	4,035	4,035
Investments	4,963	5,837	7,337	12,417
Wkg. cap. (excl cash)	8,308	9,329	10,153	11,274
Cash / Bank balance	359	1,150	1,393	1,300
Misc. Assets	9,925	11,452	11,696	11,602
Capital employed	**83,828**	**91,387**	**97,558**	**1,06,411**
Equity capital	289	289	289	289
Reserves	50,147	54,036	61,086	69,798
Minority Interests	-3	56	65	74
Borrowings	11,299	11,058	9,558	9,058
Def Tax Liabilities	6,033	6,260	6,260	6,260
Other Liabilities and Provision	16,064	19,689	20,301	20,933

Source: Company, Axis Securities

Cash Flow (Rs Cr)

Y/E Mar	FY22	FY23	FY24E	FY25E
Profit before tax	**8,364**	**7,416**	**11,025**	**13,256**
Depreciation	2,715	2,888	3,077	3,467
Interest Expenses	945	823	842	797
Non-operating/ EO item	-713	-597	-712	-631
Change in W/C	-473	-337	-455	-395
Income Tax	1,555	1,124	2,811	3,380
Operating Cash Flow	**9,283**	**9,069**	**10,965**	**13,114**
Capital Expenditure	-5,613	-6,200	-6,436	-6,307
Investments	7,689	-1,808	-1,500	-5,080
Others	182	821	712	631
Investing Cash Flow	**2,257**	**-7,187**	**-7,225**	**-10,756**
Borrowings	139	826	-1,000	-
Interest Expenses	-961	-702	-842	-797
Dividend paid	-1,065	-1,091	-1,155	-1,155
Others	-10,611	-664	-500	-500
Financing Cash Flow	**-12,498**	**-1,631**	**-3,496**	**-2,452**
Change in Cash	-958	250	244	-94
Opening Cash	177	121	370	614
Closing Cash	**121**	**370**	**614**	**520**

Source: Company, Axis Securities

Ratio Analysis (%)

Y/E Mar	FY22	FY23	FY24E	FY25E
Operational Ratios	40%	33%	36%	37%
Gross profit margin	22%	17%	20%	21%
EBITDA margin	14%	8%	11%	13%
PAT margin	4.5%	4.5%	4.6%	5.0%
Depreciation / G. block				
Growth Indicator				
Sales growth	18%	20%	13%	10%
Volume growth	9%	12%	14%	9%
EBITDA growth	0%	-8%	34%	19%
PAT growth	35%	-29%	62%	20%
Efficiency Ratios				
Sales/Gross block (x)	0.75	1.01	1.04	1.05
Sales/Net block(x)	0.90	1.02	1.10	1.15
Working capital/Sales (x)	-0.05	-0.05	-0.01	0.07
Valuation Ratios		46	29	24
PE (x)	13	4.3	3.8	3.3
P/BV (x)	3.8	22	17	14
EV/Ebitda (x)	17	3.8	3.3	2.9
EV/Sales (x)	3.7	3.7	3.3	3.0
MCap/ Sales (x)	3.6	217	200	170
EV/Tonne $				
Return Ratios				
ROE	14%	9%	13%	14%
ROCE	14%	13%	17%	18%
ROIC	16%	14%	19%	22%
Leverage Ratios				
Debt/equity (x)	0.2	0.2	0.2	0.1
Net debt/ Equity (x)	0.1	0.1	0.0	-0.1
Net debt/Ebitda	0.4	0.4	0.1	-0.3
Interest Coverage ratio (x)	10	10	14	18
Cash Flow Ratios				
OCF/Sales	18%	14%	15%	17%
OCF/Ebitda	81%	85%	77%	78%
FCF/Sales	7%	5%	6%	9%
FCF/EBITDA	32%	27%	32%	40%
OCF/Capital Employed	14%	14%	15%	17%
		22%	14%	12%
Payout ratio (Div/NP) (%)	15%	175	284	342
AEPS (Rs.)	249	-30%	62%	20%
AEPS Growth (%)	42%	276	391	462
CEPS (Rs.)	343	38	40	40

Source: Company, Axis Securities

UltraTech Cement PriceChart and Recommendation History

Date	Reco	TP	Research
30-Jun-23	BUY	9,350	Initiating Coverage
24-Jul-23	BUY	9,520	Result Update
28Aug-23	BUY	9,520	AAA

Source: Axis Securities

About the analyst

Analyst: Uttam Kumar Srimal

Email: uttamkumar.srimal@axissecurities.in

Sector: cement/Infra

Analyst Bio: Uttam K Srimal is PGDBF from NMIMS with 20 years of experience in Equity Market/Research.

About the analyst

Analyst: Shikha Doshi

Email: shikha.doshi@axissecurities.in

Sector: Cement/Infra

Analyst Bio: Shikha Doshi is Master of Science in Finance from Illinois Institute of Technology, Chicago, currently handling Cement/infra sector.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

1. Axis Securities Ltd. (ASL) is a SEBI Registered Research Analyst having registration no. INH000000297. ASL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. ASL is a subsidiary the company of Axis Bank Ltd. Axis Bank Ltd. is a listed public the company and one of India's largest private sector bank and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.
2. ASL is registered with the Securities & Exchange Board of India (SEBI) for its stock broking & Depository participant business activities and with the Association of Mutual Funds of India (AMFI) for distribution of financial products and also registered with IRDA as a corporate agent for insurance business activity.
3. ASL has no material adverse disciplinary history as on the date of publication of this report.
4. I/We, Uttam Srimal, MBA-Finance, author/s and the name/s subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We (Research Analyst) also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or ASL does not have any financial interest in the subject the company. Also I/we or my/our relative or ASL or its Associates may have beneficial ownership of 1% or more in the subject the company at the end of the month immediately preceding the date of publication of the Research Report. Since associates of ASL are engaged in various financial service businesses, it might have financial interests or beneficial ownership in various companies including the subject the company/companies mentioned in this report. I/we or my/our relative or ASL or its associate does not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject the company in the last 12-month period.Any holding in stock – No
5. 5. ASL has not received any compensation from the subject the company in the past twelve months. ASL has not been engaged in market making activity for the subject the company.
6. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, ASL or any of its associates may have:

Received compensation for investment banking, merchant banking or stock broking services or for any other services from the subject the company of this research report and / or;

Managed or co-managed public offering of the securities from the subject the company of this research report and / or;

Received compensation for products or services other than investment banking, merchant banking or stock broking services from the subject the company of this research report;

ASL or any of its associates have not received compensation or other benefits from the subject the company of this research report or any other third-party in connection with this report.

Term& Conditions:

This report has been prepared by ASL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ASL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ASL will not treat recipients as customers by virtue of its receiving this report.

DEFINITION OF RATINGS	
Ratings	**Expected absolute returns over 12-18 months**
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning valuation and recommendation
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward looking estimates, valuation or recommendation for the stock

Disclaimer:

Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to the recipient's specific circumstances. The securities and strategies discussed and opinions expressed, if any, in this report may not be suitable for all investors, who must make its own investment decisions, based on its own investment objectives, financial positions and needs of specific recipient.

This report may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this report should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this report (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. Certain transactions, including those involving futures, options and other derivatives as well as non-investment grade securities involve substantial risk and are not suitable for all investors. ASL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc. Past performance is not necessarily a guide to future performance. Investors are advice necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ASL and its affiliated companies, its directors and employees may; (a) from time to time, have long or short position(s) in, and buy or sell the securities of the the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities or earn brokerage or other compensation or act as a market maker in the financial instruments of the the company(ies) discussed herein or act as an advisor or investment banker, lender/borrower to such the company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting this document.

ASL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that ASL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. ASL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. The Research reports are also available & published on AxisDirect website.

Neither this report nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ASL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The the company reserves the right to make modifications and alternations to this document as may be required from time to time without any prior notice. The views expressed are those of the analyst(s) and the the company may or may not subscribe to all the views expressed therein.

Axis Securities Limited, Dealing office: 1st Floor, I-Rise Building, Q Parc, Loma Park, Thane, Ghansoli, Navi Mumbai-400701, Regd. off.- Axis House,8th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Compliance Officer: Anand Shaha, Email: compliance.officer@axisdirect.in, Tel No: 022-49212706

NEERAJ CHADAWAR

Digitally signed by NEERAJ CHADAWAR
Date: 2023.08.28 15:19:40 +05'30'