

# Axis Annual Analysis 2025



Shree Cement Ltd

## Growth through Capacity Expansion, Premiumization, & Market Diversification

### Summary

- **Revenue and Volume Trajectory:** The company reported sales of Rs 18,037 Cr, down 8% YoY, on account of lower demand and blended realisation in key markets in the North and East India. Its blended realisation for the year declined by 9% to Rs 5,031/tonne. The cement sales volume increased moderately by 0.9% YoY (35.9 mtpa in FY25 vs. 35.5 mtpa in FY24), as demand was impacted owing to the general election, excessive rainfall, and lower government capex.
- **Lower Realisation Impacts EBITDA Margin:** The company reported a lower EBITDA margin of 21.3% in FY25 compared to 22.3% in FY24 due to lower cement realisation as prices were subdued in its operating region.
- **Increasing Traction in Premium Brands:** The company's premium brands, Roofon Plus, Bangur Magna, continued to receive encouraging responses from the market in FY25 and contributed to double-digit growth in the overall trade sales volume during the year. It has also launched Bangur Marble as a new premium product during the year.

### Key Highlights

- **Capacity Expansion:** During the year, Shree Cement commissioned an integrated Cement unit at Guntur, Andhra Pradesh, with a 1.5 mtpa Clinker Unit and 3 mtpa Clinker Grinding unit, taking total capacity to 56.4 mtpa on a standalone basis. Furthermore, in Apr'25, the company also commissioned a 3.4 mtpa Clinker grinding Unit at Baloda Bazar, Raipur, Chhattisgarh, taking the total capacity to 59.8 mtpa. It aims to reach the cement production capacity of 80 mtpa by FY28.
- **Decline in EBITDA/Tonne:** During the year, EBITDA per tonne declined by 12% to Rs 1,070 per tonne, on the back of subdued demand and lower realisation.
- **Foray into RMX Segment:** During the year, the company forayed into the RMX business as a natural extension of its core cement business, offering value-added services to its customers to participate in the growing urban and infrastructure development space more directly
- **Focus on Sustainability:** The company continued to focus on ensuring demand sustainability and made significant strides in decarbonization, energy transition, water management, biodiversity, and energy management. In FY25, it significantly expanded its green power capacity to 581.9 MW, up from 480.3 MW in FY24 and increased the share of green energy in total consumption to 56.09% from 55.89% the previous year.

**Key Competitive Strengths:** a) Lowest cost producer of cement in India; b) Robust sales and distribution network; c) Robust financial position; d) Experienced and competent management bandwidth

**Strategies Implemented During FY25:** a) Enhance brand equity to create more value; b) Planned expansion to increase capacity to capitalise on growing markets; d) Digitisation of various operations; e) Sustainable leadership practice through more green energy, producing more blended cement and using more alternate fuels

**Growth Drivers:** a) Infrastructure push by the government; b) Housing for all; c) Revival in private capex; d) Real Estate growth.

**Key Focus Areas in FY25:** a) Increasing market share by expanding capacities in new markets; b) Increasing sales of premium cement; c) Enhancing cost leadership; and d) Practising sustainable growth.

**Outlook & Recommendation:** The company's capacity expansion plan remains on track, complemented by cost-optimisation measures, premiumization, and brand-strengthening initiatives to enhance its market positioning. It enjoys a strong presence in its core markets of Northern and Eastern India, where demand trends remain encouraging, supported by healthy cement consumption. The stock trades at 20x/17x FY26E/FY27E EV/EBITDA, respectively. We maintain our BUY rating with a target price of Rs 33,960/share, valuing the company at 19x FY27E EV/EBITDA, implying a 13% upside from the CMP.

### Key Financials

(Rs Cr)	FY25	FY26E	FY27E
Net Sales	18,037	20,645	22,509
EBITDA	3,837	5,196	5,759
Net Profit	1,196	2,175	2,259
EPS (Rs)	332	603	626
PER (x)	92	51	49
P/BV (x)	5.2	4.8	4.4
EV/EBITDA (x)	26	19	17
ROE (%)	6	10	9

Source: Company, Axis Securities Research

(CMP as of 26<sup>th</sup> August, 2025)

CMP (Rs)	30,110
Upside/Downside (%)	13
High/Low (Rs)	32,508/23,500
Market cap (Cr)	108422
Avg. daily vol. (6m) Shrs.	51,000
No. of shares (Cr)	3.61

### Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoter	62.6	62.6	62.6
FII's	9.7	9.7	10.1
MFs / UTI	10.2	10.2	10.3
Banks / FIIs	0.0	0.0	0.0
Others	17.5	17.5	17.1

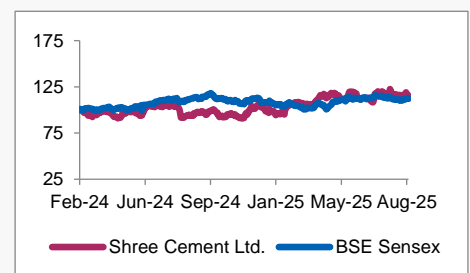
### Financial & Valuations

Y/E Mar (Rs. Cr)	FY25	FY26E	FY27E
Net Sales	18,037	20,645	22,509
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### Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0	0
EBITDA	0	0
PAT	0	0

### Relative Performance



Source: Ace Equity, Axis Securities Research

### Uttam Kumar Simal

Sr Research Analyst  
 Email: [uttamkumar.simal@axissecurities.in](mailto:uttamkumar.simal@axissecurities.in)

### Shikha Doshi

Research Associate  
 Email: [shikha.doshi@axissecurities.in](mailto:shikha.doshi@axissecurities.in)

## Company Overview

Shree Cement Limited (SCL) was established in 1979 and belongs to the B.G. Bangur-H. M. Bangur faction of the Bangur family, based in Kolkata. SCL has a consolidated cement production capacity of 61 mntpa (including overseas) and a power generation capacity of 889 MW. The company has a presence in both India and the UAE with 6 integrated plants in India, 1 plant in the UAE, and 11 grinding plants across both regions. Shree Cement is also one of the pioneers in the industry to use alternative fuels in cement production, and today currently holds the distinction of having the highest installed capacity of waste heat recovery plants in the world, following China.

## FY25 Performance Round-up

- **Revenue and Volume:** The company reported sales of Rs 18,037 Cr, down 8% YoY, on account of lower demand and blended realisation in key markets in the North and East India. Its blended realisation for the year declined by 9% to Rs 5,031/tonne. The cement sales volume increased moderately by 0.9% YoY (35.9 mtpa in FY25 vs. 35.5 mtpa in FY24), as demand was impacted owing to the general election, excessive rainfall and lower government capex.
- **Lower Realisation Impacts EBITDA Margin:** The company reported a lower EBITDA margin of 21.3% in FY25 compared to 22.3% in FY24 due to lower cement realisation as prices were subdued in its operating region.
- **Increasing Traction in Premium Brands:** The company's premium brands, Roofon Plus, Bangur Magna, continued to receive encouraging responses from the market in FY25 and contributed to double-digit growth in the overall trade sales volume during the year. It has also launched Bangur Marble as a new premium product during the year.
- **Depreciation:** Depreciation during the year increased sharply by 74% to Rs 2,808 Cr on the back of commissioning of new capacity and the accelerated method of charging depreciation.
- **Dividend:** The total dividend for FY25 is Rs 110/share, which is equivalent to Rs 397 Cr. In FY25, the company paid a dividend of Rs 50/share (interim and final) amounting to Rs 180 Cr. The Board of Directors has proposed a Rs 60/share final dividend for FY26.
- **Cash:** Cash and cash equivalents (including liquid investments) as of 31<sup>st</sup> March, 2025, amounted to Rs 6,540 Cr, most of which is invested in liquid debt mutual funds.
- **Debt:** Gross debt stood at Rs 727 Cr, of which most was in the form of debentures. SCL ended FY25 as a net debt-free company with positive cash of Rs 5,724 Cr.

*The company delivered subdued performance during the year owing to lower cement prices; however, lower costs helped offset some of its impact. The company's focus on Premiumization is working well*

### Cost Optimisation Measures

The company's timely and proactive decision-making resulted in a cost/tonne decline of 8% during the year at Rs 3,961/tonne against Rs 4,283/tonne.

- **Power/Fuel Cost:** In FY25, the company benefited from the softening of international coal and pet coke prices, which helped meaningfully reduce power and fuel costs. In addition, its increasing focus on green energy adoption and energy efficiency initiatives further supported cost optimisation. As a result, power and fuel expenses declined to Rs 4,473 Cr in FY25 from Rs 5,574 Cr in FY24. On a per-tonne basis, costs reduced by 21% to Rs 1,248/tonne.
- **Freight/Forwarding Cost:** In FY25, freight and forwarding costs stood at Rs 1,159/tonne, compared with Rs 1,135/tonne in FY24. The company continued to demonstrate strong control over logistics expenses through strategic market planning, IT-driven analytics, and digital route optimisation tools. These initiatives helped rationalise the average lead distance and contain total logistics costs at Rs 4,155 Cr in FY25 versus Rs 4,032 Cr in FY24.
- **Raw Material Cost:** During the year, the company intensified its strategic initiatives to optimise raw material costs through a proactive procurement strategy and a well-diversified sourcing base. As a result, the cost of raw materials consumed declined by 9%, from Rs 1,833 Cr in FY24 to Rs 1,667 Cr in FY25.

*The overall cost of production declined led by lower PF cost. The use of Green energy increased to 60% in the mix.*

## Key Growth Drivers

### Sustained Growth Amid Challenges in the Cement Sector

The Indian cement industry, a cornerstone of the nation's infrastructure and construction ecosystem, continued to expand in FY24-25 despite challenges such as sluggish demand and pricing pressures. Growth was underpinned by sustained government-led infrastructure investments, capacity expansions by industry players, and an increasing emphasis on sustainability initiatives. The year also witnessed notable consolidation within the sector, further strengthening its long-term growth outlook.

### Election and Monsoon Reduced Cement Growth

The industry experienced headwinds in Q1FY25, as the General Elections 2024 led to curtailed government spending and reduced labour availability, dampening cement demand. This was further compounded by heavy monsoons, which constrained construction activity, resulting in a soft demand environment in H1FY26. However, demand revived in the second half, supported by increased government spending on infrastructure and a broader pick-up in economic activity, which helped build momentum. Overall, cement consumption is estimated to have grown by ~5% YoY in FY24-25, reaching 465–470 Mn tonnes. While positive, this represented the slowest pace of expansion since the 2020 pandemic.

### Infrastructure Boost Drives Cement Demand

The government's allocation of 3.4% of GDP for infrastructure in the FY24-25 budget bolstered demand. The residential sector, accounting for ~55% of cement consumption, was propelled by urbanisation and affordable housing schemes like PMAY. The commercial segment emerged as the fastest-growing, driven by urban retail and office space expansion.

### Capacity Expansions and Consolidation

The industry witnessed significant capacity additions during FY24-25, with installed capacity estimated to have reached ~665 MTPA by year-end. However, increased competition and excess supply led to a marginal moderation in capacity utilisation, which eased from 72% in FY24 to ~71% in FY25. The year was also notable for unprecedented consolidation, with the highest level of M&A activity since 2014, as leading players pursued scale, synergies, and stronger market positioning.

*The government infra push and housing to fuel Cement demand. Consolidation in the industry may continue*

## Key Strategies Moving Forward

### Cost Optimisation

SCL continuously optimise costs by improving processes, automating operations, embracing digitalisation, and driving operational excellence. This makes the company one of the most cost-effective cement manufacturers in the Indian industry. The company has the following focus areas for the same:

a) The Research and innovation; b) Rationalising asset utilisation, c) Automation and digitalisation, d) Maintaining a cost-competitive

### Increasing Market Share and Strengthening Brand Equity

To increase the market share and strengthen brand equity, the company is undertaking: a) Strengthening brand equity through expert advice and customer support; b) Expanding cement production capacity and distribution network; c) Diversifying into Ready-Mix Concrete to serve diverse customer needs; d) Foraying into premium product segments with Bangur Magna; e) Strengthening presence in infrastructure and key-account projects.

### Sustainable Growth

The company prioritise sustainable growth by minimising our environmental impact through green technologies, responsible raw material usage, and energy-efficient processes. The company is undertaking the following initiatives to achieve the same:

a) Increasing green electricity consumption; b) Promoting circular economy through alternative raw materials and fuels; c) Reducing energy consumption and ensuring responsible mining, and d) Expanding green power generation capacity

### Digital Transformation

Digitalisation and automation enhance efficiency, reduce costs, and ensure consistent product quality. Data-driven decision-making allows it to optimise operations and improve productivity. The company is a) Streamlining operations through digitalisation and b) Leveraging AI and IoT for smart manufacturing

*The company is focusing on capacity expansion, premiumization and cost optimization through various initiatives..*

## Business Outlook

The Indian cement industry is set for robust growth, supported by sustained infrastructure spending, rapid urbanisation, and rising housing demand. While near-term challenges persist in the form of overcapacity and moderated utilisation rates, the sector is strategically strengthening through capacity expansions, consolidation, and an increasing focus on sustainability. In FY26, demand is projected to grow by 6.5–7.5%, driven by infrastructure projects, rural recovery, and strong real estate momentum. Going forward, the industry's ability to balance growth with cost efficiency and sustainable practices will be key to reinforcing its role in building a new India.

*The industry is expected to grow in the range of 7-8% in FY26 driven by infra push, rural recovery and housing demand..*

## Risks & Mitigation

The company's risk management process aims to identify and mitigate risks that have the potential to materially affect its business objectives and maintain a balance between risk management and the exploitation of opportunities.

Key Risks Identified, Assessed, and Mitigated During the Year Under Review Include:

**Climate Change:** The rise in temperature as a result of high greenhouse gas emissions is the greatest threat currently facing humanity. Many countries around the world are working to reduce these emissions. India has committed to being carbon neutral by 2070. Since cement manufacturing is considered a carbon-intensive process, it faces restrictions and penalties from regulators.

### Mitigation:

- Identify and implement energy efficiency projects and initiatives, and increase the use of renewable energy and electricity generation from waste heat.
- Targeted increased use of AFR.
- Collaborate with industry and academic institutions to work on carbon capture, utilisation and storage (CCUS) and low carbon products.
- Establish roles and responsibilities, including a monitoring framework for the achievement of ESG-related targets.

**Consolidation and Intense Competition:** There are several large, medium, and small companies in the Indian cement industry. Over the years, supply has outstripped demand in the cement sector. Moreover, the industry is in a regular expansion mode. This has led to intense competition and affected capacity utilization across the industry.

### Mitigation:

- Regular capacity expansion at strategic locations to increase market share.
- Review and adjust market strategy to maintain and improve market share.

**Succession Planning:** Succession planning helps organisations identify the talent needed to sustain operations and future growth.

### Mitigation:

- Promote and create a culture that gives responsibility to younger talent to groom them as future leaders.
- Provide regular training for succession planning.
- Cross-functional and techno-commercial work experiences for staff to develop and improve business acumen for taking on leadership roles.
- Strengthen existing practices and create a roadmap to identify critical positions, potential successors and their development plans.

**IT Privacy and Cybersecurity:** IT systems play an important role in supporting business processes such as sales, logistics and production. Therefore, cybersecurity is an integral part of the group-wide IT security strategy.

**Mitigation:**

- Regular review of ERP and key software to meet current and future requirements.
- Strengthen established practices and procedures for IT security and governance across the organisation.
- Regularly monitor and track licenced products, unauthorised software usage, data leakage tracking, etc., across the organisation through best-in-class technology and processes.
- Assessing IT infrastructure (e.g. Vulnerability Assessment and Penetration Testing - VAPT) and then raising staff awareness of cybersecurity.

**Fuel Sourcing:** Cement operations are primarily dependent on coal/pet coke to meet fuel needs. Dependence on conventional sources can hinder growth and also create business continuity risks.

**Mitigation:**

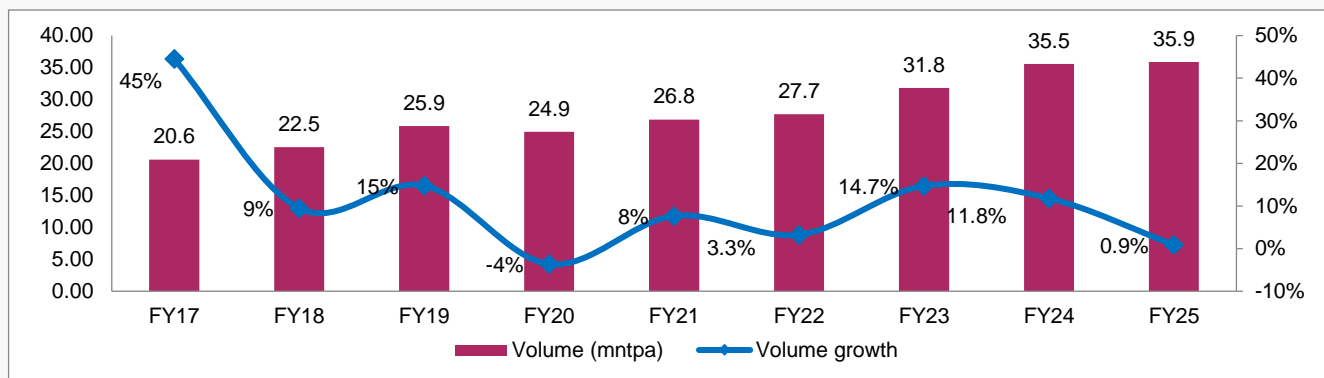
- The development of equipment and processes allows the company to work with multiple fuels and flexibly choose the type of fuel depending on availability and at competitive costs.
- Increasing the share of alternative fuels to replace the use of coal and petroleum coke.
- Procurement of coal from domestic sources (cogeneration and own coal block) to reduce dependence on imported coal.

**Profitability Analysis (Rs Cr)**

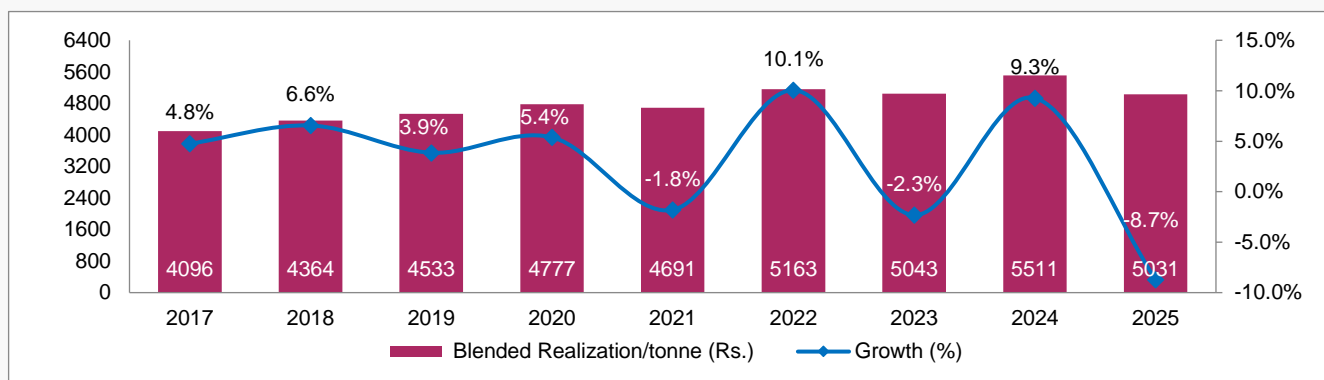
Particulars	FY24	FY25	Change	Comments/Analysis
Sales	19585	18037	-8%	Revenue declined owing to a decline in Cement prices during the year. We pencil in revenue CAGR of 12% over FY25-27E driven by higher prices and better volume growth.
Raw Materials/Others	11444	10544	-8%	Raw material/other costs were lower due to a decline in P/F cost during the year.
Gross Profits	8141	7493	-8%	Gross Profits were impacted by a decline in Cement prices and lower sales.
Operating Expenses	3777	3656	-3%	Operating expenses were lower owing to lower sales during the year.
Interest	264	208	-21%	Interest cost was lower on the back of a decline in borrowing during the year.
EBIT	3310	1605	-51%	EBIT was lower due to higher depreciation and lower sales during the year.
PAT	2609	1169	-54%	PAT was lower due to a decline in realisation, higher depreciation during the year.
EPS	723	332	-54%	EPS is in line with the PAT.

Source: the company; Axis Securities Research

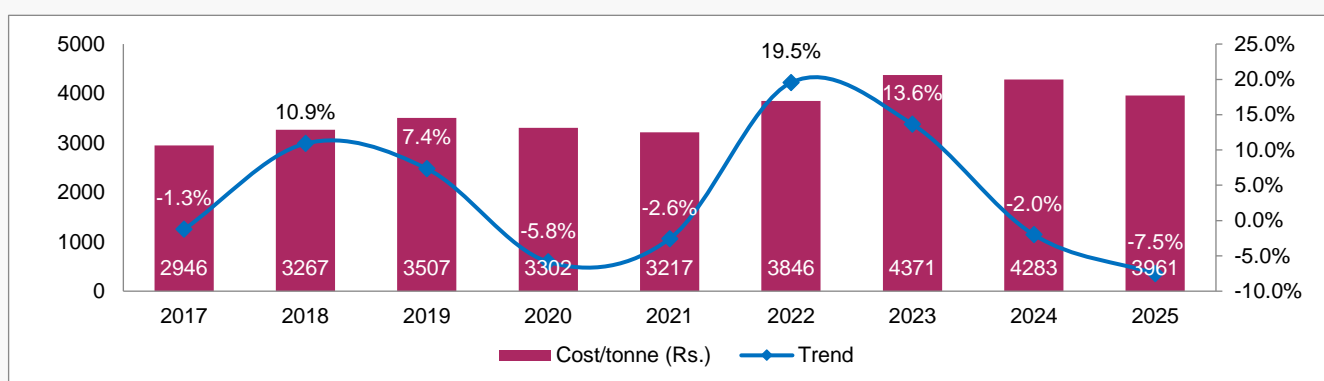


**Exhibit 2: Volume & Growth Trend**


Source: Company, Axis Securities Research

**Exhibit 3: Realisation/tonne & Growth Trend**


Source: Company, Axis Securities Research

**Exhibit 4: Cost/tonne Trend**


Source: Company, Axis Securities Research

### Growth Indicators (Rs Cr)

Particulars	FY24	FY25	Change	Comments/Analysis
Revenue	19585	18037	-8%	Revenue increased owing to an increase in volume due to increased government spending, better housing demand, and a renewed focus on improving brand equity
EBITDA	4363	3836	-12%	EBITDA is impacted by high raw material and fuel costs.
PAT	2609	1169	-54%	PAT was lower due to high cost, an increase in depreciation, and interest expense.
EPS	723	332	-54%	EPS is in line with the PAT.
Volume	35.5	35.9	0.1%	Volumes (mtpa) were largely flattish due to lower demand in the operational regions.

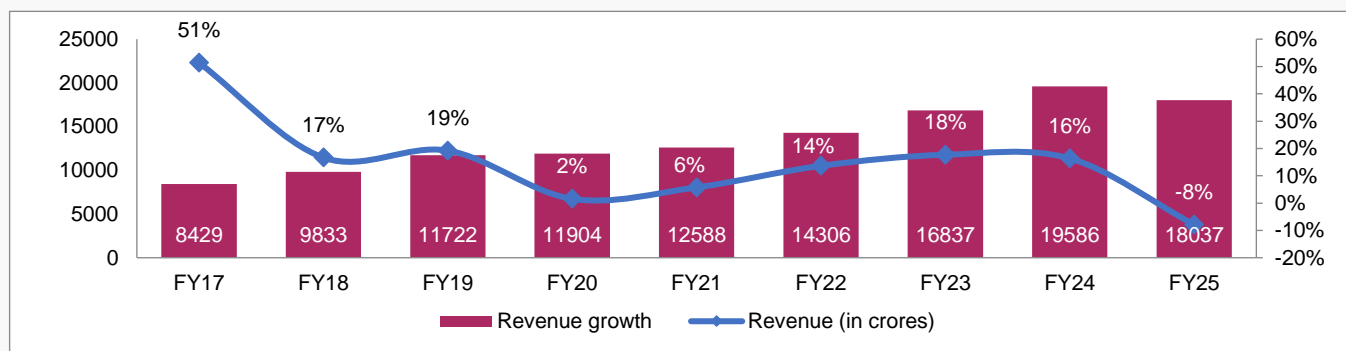
Source: the company; Axis Securities Research

### Profitability Margins

Particulars	FY24	FY25	Change	Comments/Analysis
GPM	41.6%	41.5%	(10 bps)	GPM was flattish on account of lower P/F cost despite lower cement prices.
EBITDAM	22.3%	21.3%	(100 bps)	EBITDAM was impacted owing to lower Cement prices.
PATM	13.3%	6.6%	(670 bps)	PATM is affected by higher depreciation and lower profit during the year.

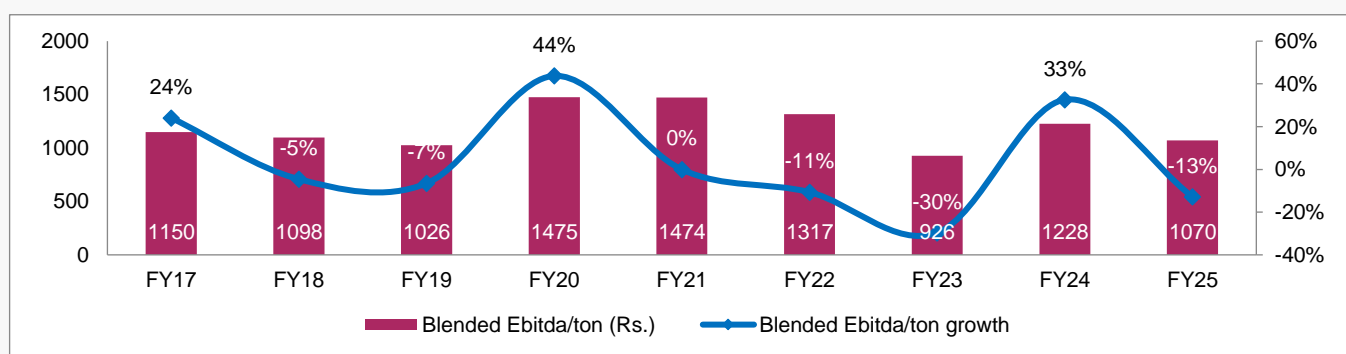
Source: the company; Axis Securities Research

### Exhibit 5: Revenue and Revenue Growth Trend

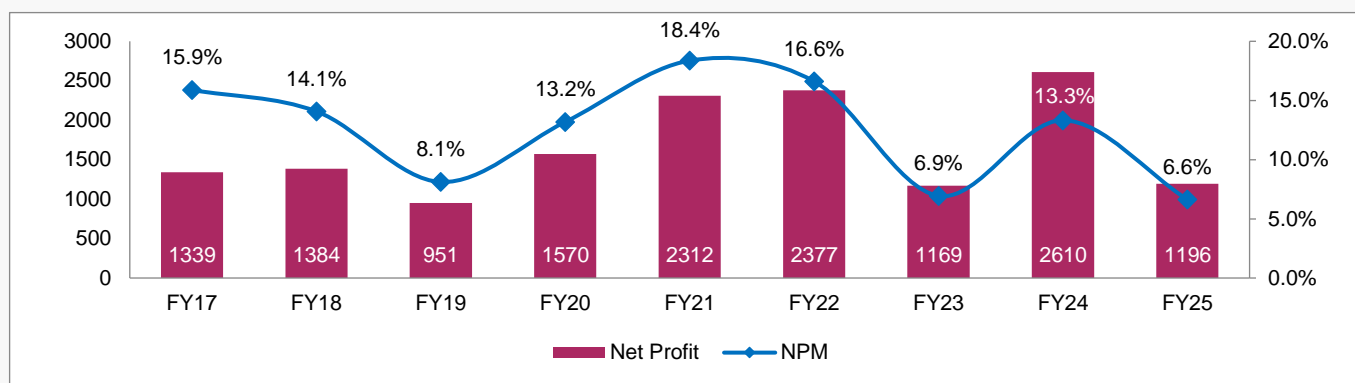


Source: Company, Axis Securities Research

### Exhibit 6: Blended EBITDA/tonne Trend



Source: Company, Axis Securities Research

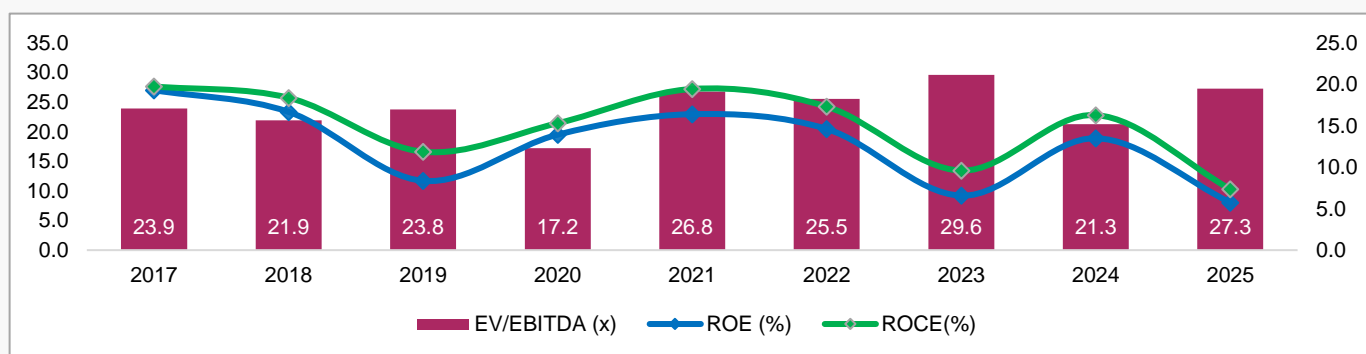
**Exhibit 7: Net Profit and NPM Trend**


Source: Company, Axis Securities Research

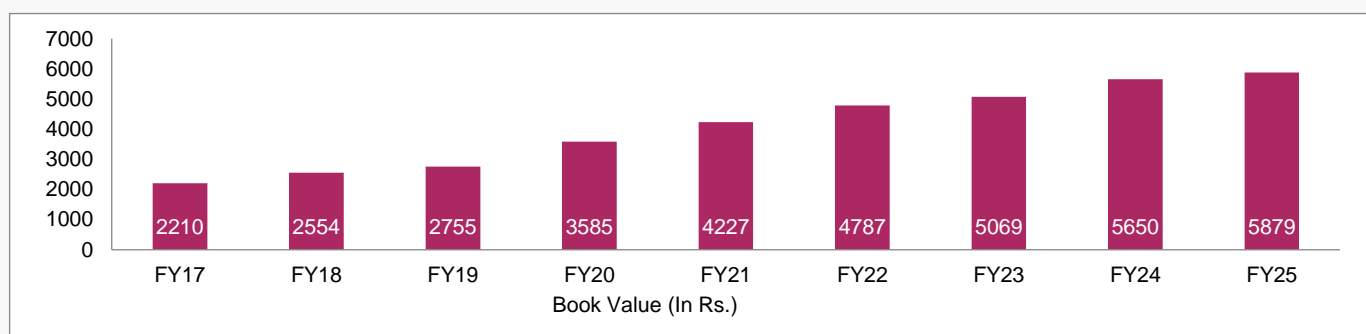
**Financial Ratios**

Particulars	FY24	FY25	Change	Comments/Analysis
ROE	13.5	5.8	(770 bps)	Lower owing to reduced margin and a higher base of R/S.
ROCE	16.3	7.4	(770 bps)	Lower owing to reduced margin caused by lower Cement prices.
Asset Turn	1.1	0.9	10 bps	Lower owing to capitalisation of assets.
Net Debt/Equity	-0.2	-0.3	10 bps	The company is net debt-free, and owing to repayment of loans net/debt ratio slightly improved.
EV/EBITDA	24	27	400 bps	An increase in stock price led to a higher EV/EBITDA multiple.

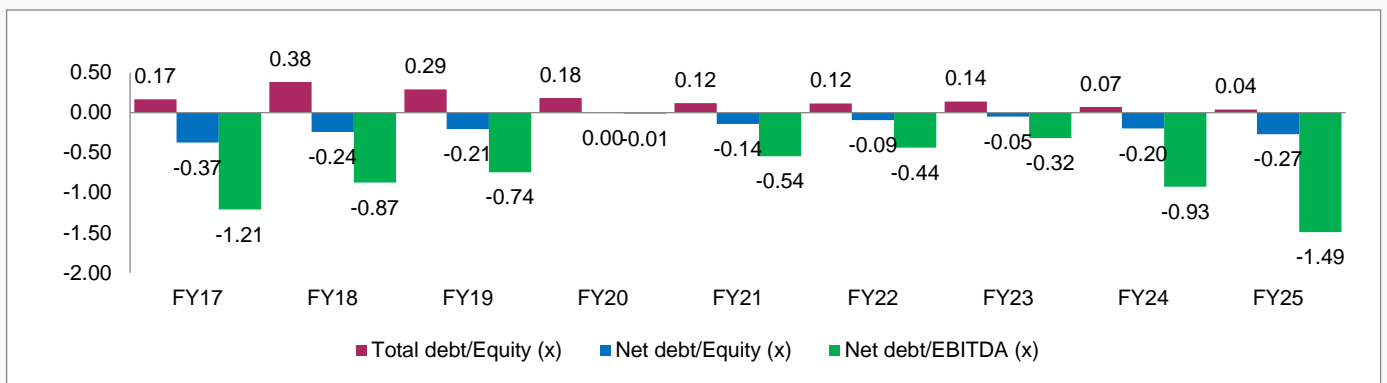
Source: the company; Axis Securities Research

**Exhibit 8: EV/EBITDA, ROE & ROCE Trend**


Source: Company, Axis Securities Research

**Exhibit 9: Book Value (Rs)**


Source: Company, Axis Securities Research

**Exhibit 10: Leverage Ratio**


Source: Company, Axis Securities Research

## Key Balance Sheet Takeaways

### Working Capital Management

- Working capital intensity in FY25 improved as the cash conversion cycle improved to 46 days in FY25 from 84 days in FY24. This was due to a reduction in debtors and inventories. During the year, the OCF to EBITDA ratio increased to 132% from 76% in FY24 due to better cash realisation in working capital management. The 5-year average OCF/EBITDA conversion ratio stands at 96% which is considered very healthy, indicating strong cash management.
- From FY20 to FY25, the company generated a total OCF of Rs 21,638 Cr, and 61% of the OCF (Rs 13,281 Cr) was utilised for its Capex. This indicates a medium to high Capex intensity. While CFO remained the main source of funding for the company, it generated FCF of Rs 8,357 Cr during FY20-FY25. FCF/net profit was 33% compared to -79% in FY24 as SCL generated more cash on the back of robust cash management during the year.

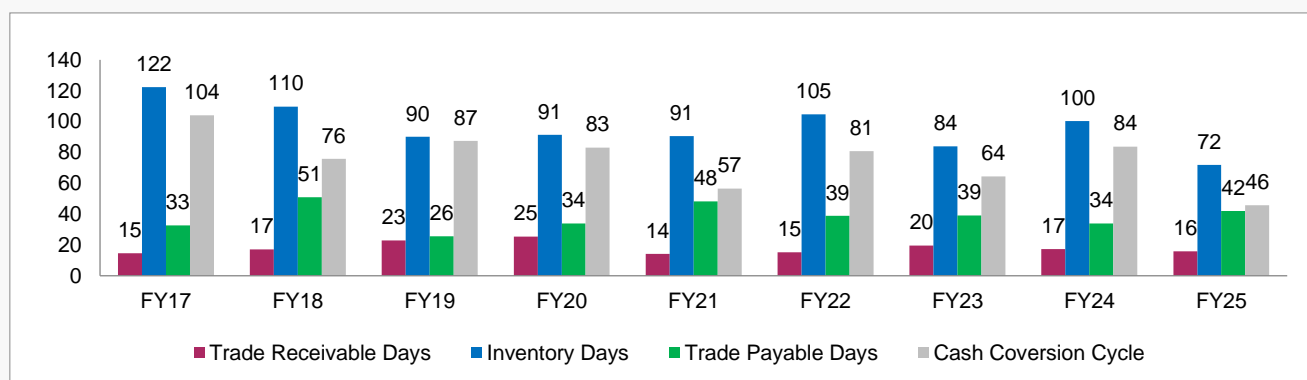
*The strong working capital management led to higher OCF/EBITDA conversion during the year.*

### Cash Conversion Cycle

Particulars	FY24	FY25	Change	Comments/Analysis
Inventory Days	100	72	-28	Inventory days were reduced owing to better management.
Trade Receivables Days	17	16	-1	Receivable days remained largely flat owing to business conditions.
Trade Payables Days	34	42	-8	Increased owing to better credit terms with suppliers.
Cash Conversion Cycle	84	46	-38	Overall, CCC improved.

Source: the company; Axis Securities Research

### Exhibit 11: Cash Conversion Cycle



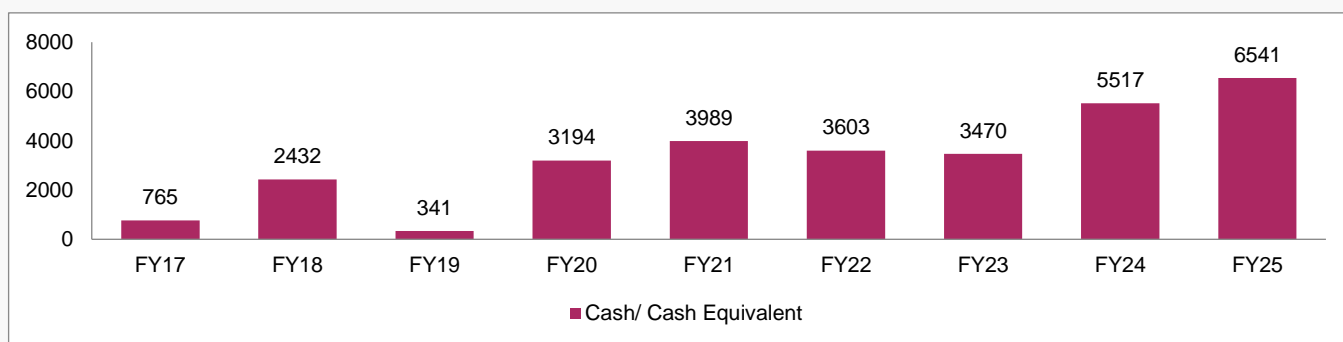
Source: Company, Axis Securities Research

### Key Balance Sheet Takeaways (Contd...)

- **Debt Levels:** The company reduced its short-term debt by 88% from Rs 760 Cr to Rs 90 Cr during the year, while long-term debt largely remained flat at Rs 726 Cr.
- **Fixed capital formation:** Gross fixed capital formation improved from Rs 17,600 Cr in FY24 to Rs 20,307 Cr in FY25, an improvement of 15% as the company is expanding its current capacity to sustain growth by increasing its market share.
- **Capex plans:** During the year, the company expanded its grinding capacity from 53.5 mtpa to 56.5 mtpa. It plans to expand its current cement capacity and expects the total capacity to reach 80 mtpa by FY2028-30.
- **Cash and liquidity position:** The cash/cash equivalent stood at Rs 6,541 Cr as of 31<sup>st</sup> March, 2025, compared to Rs 5,517 Cr in FY24, an increase of 19%. The high cash balance needs to be utilised for a better return on equity.

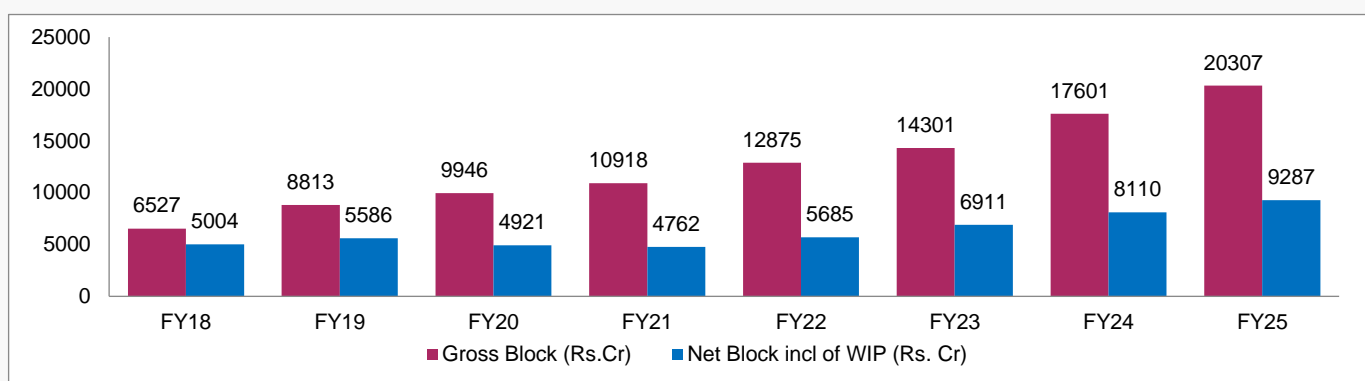
*The company remains net debt free . Its capacity expansion plan are in progress and expects total capacity to reach 80 mtpa by 2028-30.*

**Exhibit 12: Cash & Cash Equivalent (Rs Cr)**



Source: Company, Axis Securities Research

**Exhibit 13: Gross & Net Block**



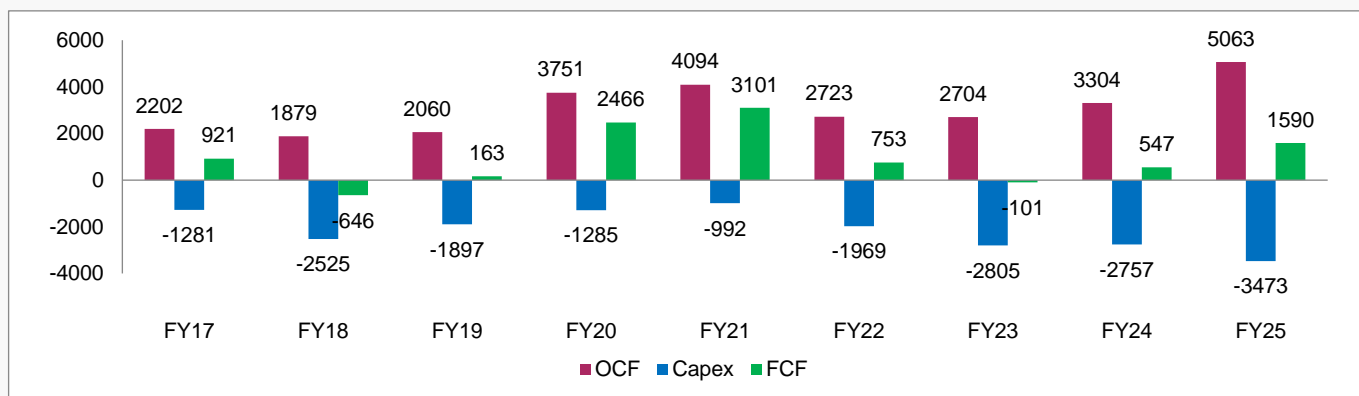
Source: Company, Axis Securities Research

## Key Cash Flow Takeaways

Particulars (Rs Cr)	FY24	FY25	Change	Comments/Analysis
PBT	30456	13974	-54%	PBT was lower due to higher depreciation and lower margin during the year.
Non-cash expenses				
Depreciation	1614	2808	74%	Depreciation is higher as new plants are commissioned during the year.
Finance Cost	264	208	-21%	Finance cost was higher owing to higher rates and higher short-term borrowings.
Others	-566	-562	0%	Lower owing to fair value gain on financial assets.
Working Capital Adjustments	-624	1639	NA	Strict management of working capital improved the capital flow during the year.
CFO	3303	5063	52%	Higher owing to efficient working capital management.
CFI	-1350	-3637	169%	Higher owing to high Capex and investments
CFF	135	97	-28%	Lower due to repayment of ST loan
Capex	2757	3473	26%	Higher due to expenses made for capacity expansion
Free Cash Flow Generation	547	1590	191%	Higher owing to better working capital management, resulting in higher FCF for the year.

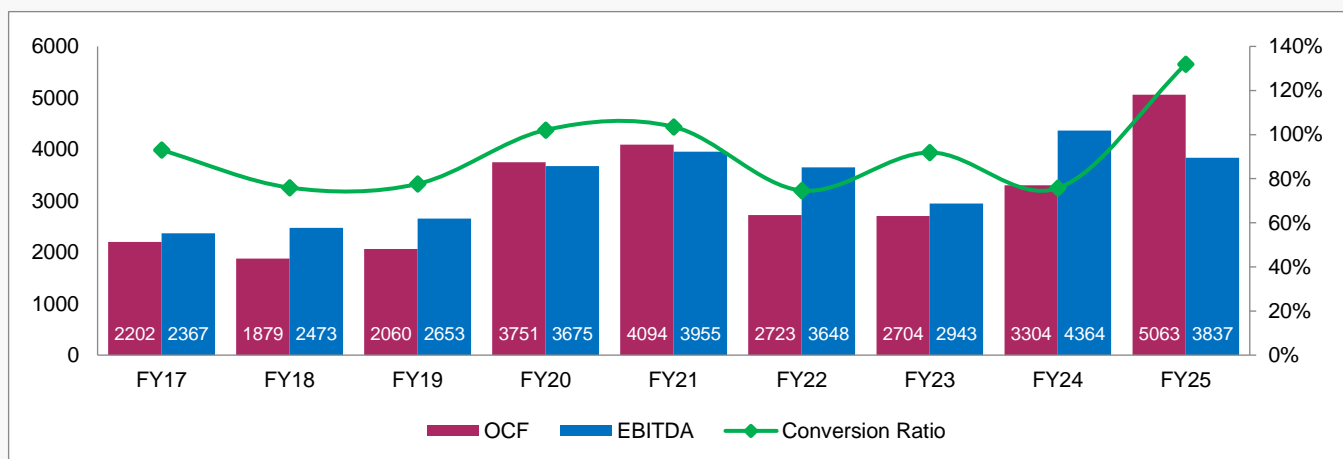
Source: the company; Axis Securities Research

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



Source: Company, Axis Securities Research

### Exhibit 15: OCF, EBITDA & Conversion Ratio Trend (Cr)



Source: Company, Axis Securities Research

## Contingent Liability Analysis

Particulars (Rs Cr)	FY24	FY25	Change	Comments/Analysis
Custom duty	76.6	78.9	2.3	No provision has been made based on the legal opinion gathered by the company.
CCI Penalty	398	398	-	The penalty of Rs 398 Cr was imposed in 2016, against which the company had appealed, and the authority-granted stay is subject to a deposit of 10% of the penalty amount. The matter is currently being heard by NCLAT. In other cases, CCI imposed a penalty of Rs 18 Cr in connection with the cement supply tender of the Government of Haryana. The company has filed an appeal against the order, which is being heard by NCLAT. In both the above cases, based on legal counsel's advice, no provision has been made.
Sales Tax/VAT	18.4	18.4	-	The appeal is pending with the Rajasthan High Court regarding a sales tax matter wherein the department has sought to reduce the subsidy benefit from 75% to 50%. The company, based on legal opinion, has not provided any provision in the accounts.
<b>Total</b>	<b>493</b>	<b>495</b>	<b>2</b>	Any adverse decision in the above cases may impact the profitability of the company.

Source: the company, Axis Securities Research



## Financials (Standalone)

### Profit & Loss

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25	FY26E	FY27E
<b>Net sales</b>	19586	18037	20645	22728
Other operating income	0	0	0	0
Total income	19586	18037	20645	22728
Raw Material	1832	1917	2317	2502
Power & Fuel	5581	4473	4776	5158
Freight & forwarding	4032	4155	4517	4878
Employee benefit expenses	938	991	1058	1153
Other Expenses	2840	2666	2781	3059
<b>EBITDA</b>	<b>4364</b>	<b>3837</b>	<b>5196</b>	<b>5977</b>
Other income	561	577	621	568
PBIDT	4925	4414	5817	6545
Depreciation	1615	2808	2802	3242
Interest & Fin Chg.	264	209	187	187
E/o income / (Expense)	0	0	0	0
Pre-tax profit	3046	1397	2828	3117
Tax provision	436	201	654	686
<b>RPAT</b>	<b>2610</b>	<b>1196</b>	<b>2175</b>	<b>2431</b>
Minority Interests	0	0	0	0
Associates	0	0	0	0
<b>APAT after EO item</b>	<b>2610</b>	<b>1196</b>	<b>2175</b>	<b>2431</b>

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25	FY26E	FY27E
<b>Total assets</b>	27419	27756	29647	31788
Net Block	8208	9356	9856	10023
CWIP	1833	3112	3112	3112
Investments	10675	11596	12396	13996
Wkg. cap. (excl cash)	3012	1645	1845	2012
Cash / Bank balance	297	231	499	600
Misc. Assets	3394	1816	1939	2045
<b>Capital employed</b>	27419	27756	29647	31788
Equity capital	36	36	36	36
Reserves	20348	21175	22953	24987
Minority Interests	0	0	0	0
Borrowings	2234	906	906	906
Def Tax Liabilities	0	0	0	0
Other Liabilities and Provision	4800	5638	5752	5859

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
<b>Profit before tax</b>	<b>3046</b>	<b>1397</b>	<b>2828</b>	<b>3117</b>
Depreciation	1615	2808	2802	3242
Interest Expenses	264	209	187	187
Non-operating/ EO item	-561	-577	-621	-568
Change in W/C	-624	1639	-200	-166
Income Tax	440	428	654	686
<b>Operating Cash Flow</b>	<b>3300</b>	<b>5048</b>	<b>4342</b>	<b>5125</b>
Capital Expenditure	-2757	-3473	-3303	-3409
Investments	1474	282	-800	-1600
Others	158	-335	621	568
<b>Investing Cash Flow</b>	<b>-1350</b>	<b>-3638</b>	<b>-3482</b>	<b>-4441</b>
Borrowings	-1895	-918	0	0
Interest Expenses	-219	-190	-187	-187
Dividend paid	-379	-380	-397	-397
<b>Financing Cash Flow</b>	<b>-2492</b>	<b>-1488</b>	<b>-583</b>	<b>-583</b>
Change in Cash	160	-38	277	101
Opening Cash	-25	135	97	373
Closing Cash	135	97	373	474

Source: Company, Axis Securities Research

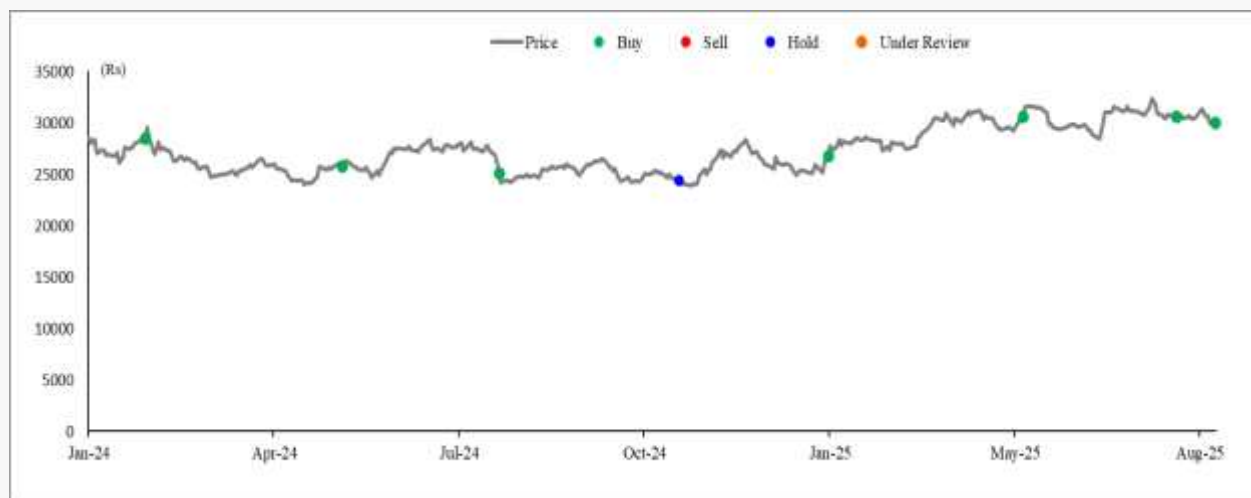
## Ratio Analysis

(%)

Y/E Mar	FY24	FY25	FY26E	FY27E
<b>Operational Ratios</b>				
Sales growth	16%	-8%	14%	10%
OPM	22.3%	21.3%	25.2%	26.3%
Op. profit growth	48%	-12%	35%	15%
COGS / Net sales	58%	58%	56%	55%
Overheads/Net sales	19%	20%	19%	19%
Depreciation / G. block	9.2%	13.8%	11.9%	12.0%
<b>Efficiency Ratios</b>				
Total Asset Turnover (x)	1.1	0.9	0.9	0.8
Sales/Gross block (x)	1.1	0.9	0.9	0.8
Sales/Net block(x)	2.6	2.1	2.1	2.3
Working capital/Sales (%)	0.2	0.1	0.1	0.1
<b>Valuation Ratios</b>				
PE (x)	37	92	51	45
P/BV (x)	4.7	5.2	4.8	4.4
EV/EBITDA (x)	21.3	27.3	19.9	17.1
EV/Sales (x)	4.7	5.8	5.0	4.5
<b>Return Ratios</b>				
ROE	13.5	5.8	9.8	10.1
ROCE	16.3	7.4	13.0	13.2
ROIC	22.4	10.5	19.4	21.0
<b>Leverage Ratios</b>				
Debt/equity (x)	0.1	0.0	0.0	0.0
Net debt/ Equity (x)	-0.2	-0.3	-0.3	-0.3
Debt service coverage ratio (x)	2.2	2.0	3.7	4.0
Interest Coverage ratio (x)	12.5	7.7	16.2	17.7
<b>Cash Flow Ratios</b>				
OCF/Sales	19%	30%	24%	26%
OCF/EBITDA	76%	132%	84%	86%
OCF/Capital Employed (%)	16%	23%	19%	20%
FCF/Sales (%)	3%	6%	5%	8%
Payout ratio (Div/NP)	15	33	18	16
AEPS (Rs.)	723	332	603	674
AEPS Growth (%)	11%	11%	11%	11%
CEPS (Rs.)	1171	1110	1379	1572
DPS (Rs.)	110	110	110	110

Source: Company, Axis Securities Research

## Shree Cement Price Chart and Recommendation History



Date	Reco	TP	Research
01-Feb-24	BUY	31,470	Result Update
16-May-24	BUY	29,350	Result Update
08-Aug-24	BUY	25,610	Result Update
12-Nov-24	HOLD	25,560	Result Update
31-Jan-25	BUY	30,000	Result Update
15-May-25	BUY	33,960	Result Update
05-Aug-25	BUY	33,960	Result Update
28-Aug-25	BUY	33,960	AAA

Source: Axis Securities Research

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Compliance Officer Details: Name – Mr. Rajiv Kejriwal, Tel No. – 022-68555574, Email id – [compliance.officer@axisdirect.in](mailto:compliance.officer@axisdirect.in);

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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HOLD	Between 10% and -10%
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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

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