

# Research Report

## ACC Limited



Prepared By-

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# About

ACC Limited (incorporated in 1936), a member of the Adani Group, is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

## Key Business segments

1. Cement (94% in FY24 vs 91% in CY19)
2. Ready Mix Concrete-RMC (6% in FY24 vs 9% in CY19)

### Sector Wise Revenue Mix FY24

- Retail: 72%
- Wholesale: 28%

## Synopsis of Financials

### Q4FY25 and FY25 Financials

- Q4FY25: Revenue of ₹9,889 crore (+11% YoY), EBITDA ₹1,868 crore (margin ~19%, ₹1,001/ton), operational cost ₹4,104/ton (down from ₹4,250+), cash & equivalents at ₹10,125 crore.
- FY25: Revenue ₹35,045 crore (highest ever), EBITDA ₹5,971 crore, EBITDA/ton ₹915. Net worth at ~₹64,000 crore (up from ₹50,000 crore YoY), debt-free, highest credit rating in the sector.

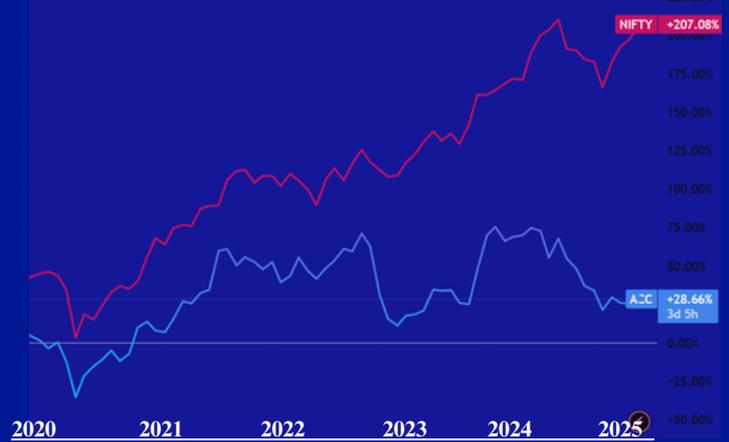
### Cost Leadership Initiatives

- Targeting operational cost of ₹3,650/ton by FY28 (from ~₹4,250/ton in Sep'22). Already achieved ₹150–175/ton reduction; balance ₹300–325/ton expected over FY26–28.

## Stock data (as 24th June 2025)

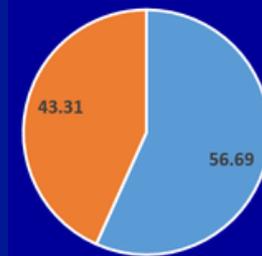
Nifty Price	: 25,548.85
52 week High (in Rs.)	: 2,844
52 week Low (in Rs.)	: 1,775
Market Cap. (in Crore)	: 35,326
NSE Code	: ACC

### Stock data



-NIFTY50  
-ACC Limited

### Shareholding Pattern (March 2025)



-PUBLIC GROUP  
-PROMOTER GROUP

### Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	22,210	19,959	21,762
Sales Growth %		-10.14%	9.04%
Expenses	20,285	16,897	18,701
Operating Profit	1,925	3,062	3,061
OPM %	9%	15%	14%
Net Profit	885	2,335	2,402
EPS in Rs	47.13	124.34	127.92

# Quarterly Results



Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	4,435	4,914	5,409	5,155	4,614	5,927	6,067
Expenses	3,885	4,010	4,572	4,476	4,178	4,812	5,236
Operating Profit	549	905	837	679	436	1,116	830
OPM %	12%	18%	15%	13%	9%	19%	14%
Other Income	212	94	350	73	124	649	330
Interest	29	34	67	33	33	28	14
Depreciation	213	235	237	235	242	260	265
Profit before tax	519	729	883	484	284	1,476	882
Tax %	25%	26%	-7%	26%	30%	26%	15%
Net Profit	388	538	943	360	200	1,092	751

Source: Screener

## Key Ratios

Sr. No.	Ratio	Numerator - Description	Denominator - Description	April 24- March 25	April 23- March 24	% Variance	Reason for variance
1	Current Ratio (in times)	Current assets	Current liabilities	1.60	1.57	2%	Not Applicable
2	Return on Equity ratio (in %)*	Profit after tax (excluding other comprehensive income)	Average total equity	14%	14%	1%	Not Applicable
3	Inventory Turnover Ratio (in times) *	Cost of goods sold (Refer Note -2 below)	Average Inventory	6.66	6.13	9%	Not Applicable
4	Trade Receivables turnover ratio (in times) *	Sale of products and services	Average trade receivable	20.46	22.81	(10%)	Not Applicable
5	Trade Payables turnover ratio (in times) *	Total Purchase (Refer Note -1 below)	Average trade payable	10.84	9.51	14%	Not Applicable
6	Net Capital turnover ratio (in times)	Sale of products and services	Working Capital	6.11	5.70	7%	Not Applicable

Source: Annual Report

# Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	188	188	188
Reserves	13,950	16,140	18,367
Borrowings	153	355	430
Other Liabilities	6,252	6,685	6,428
Total Liabilities	20,544	23,368	25,413
Fixed Assets	7,512	10,007	10,829
CWIP	1,684	986	2,061
Investments	163	811	1,509
Other Assets	11,185	11,564	11,013
Total Assets	20,544	23,368	25,413

# Synopsis Quarter Results

## Concall Notes - May-2025: Key Highlights

### 1. Strategic Milestones and Capacity Expansion

#### Crossing 100 MTPA – Fastest in Indian Cement History

- Ambuja Cements (Adani Cement) announced it has crossed 100 million tonnes (MTPA) cement capacity, making it the 9th largest cement company globally. This milestone was achieved in just 30 months, a feat the CEO termed “remarkable” and “a contribution in nation building.”

#### Recent Acquisitions and Integration

- Acquisitions of Sanghi, Penna, My Home, Asian Cement, and Orient Cement have been completed, with Orient being the latest. The integration of these assets is “progressing extremely well, unlocking synergies faster than expected across operations, logistics and procurement.”

#### Project Pipeline and Execution Status

- - Several brownfield and greenfield expansions are underway:
  - Clinker Units: Bhatapara (Chhattisgarh, 4 MTPA, 87% complete, Q1FY26), Maratha (Maharashtra, 4 MTPA, 44% civil work complete, Q4FY26), Jodhpur (Rajasthan, 3 MTPA, 95% civil work complete, Q3FY26).

#### Decommissioning of Old Assets

- Proactive impairment of legacy clinker lines at Bargarh, Chaibasa, and Wadi I (total ~2.5 MTPA) due to unfeasibility and high cost. These are being replaced by larger, more efficient new units.

### 3. Market Positioning and Product Mix

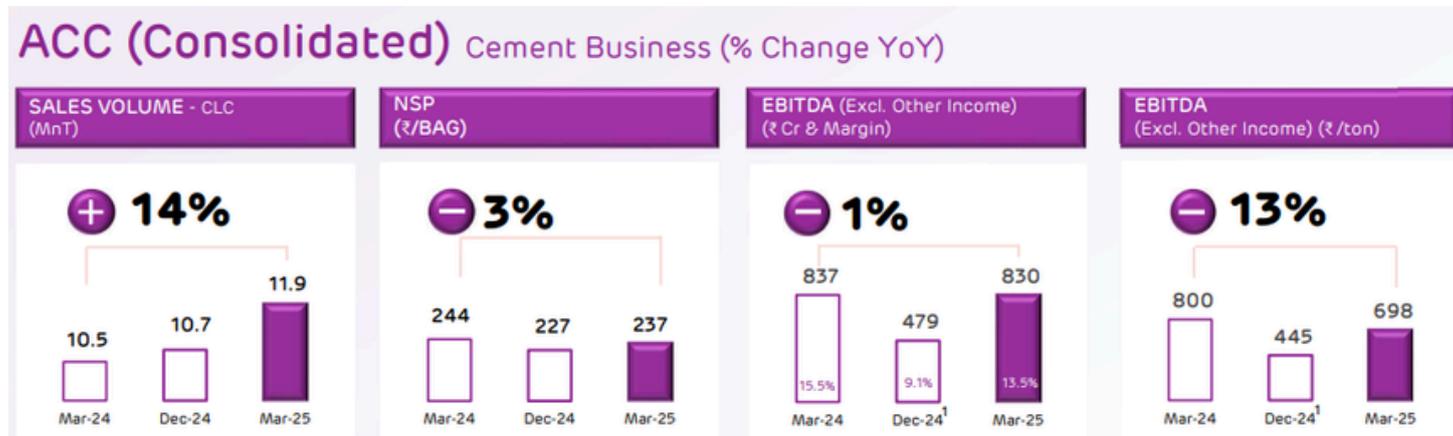
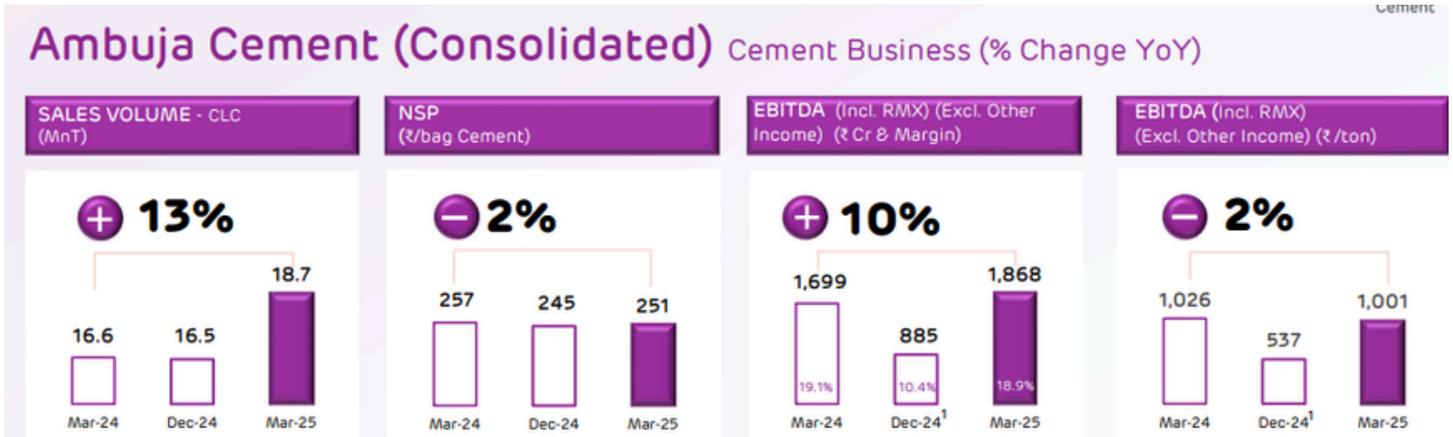
#### Premium Cement and Brand Strategy

- Share of premium products increased to 29.1% of trade sales (up 5.3% YoY). Targeting 35% in FY26.

#### Volume and Market Share

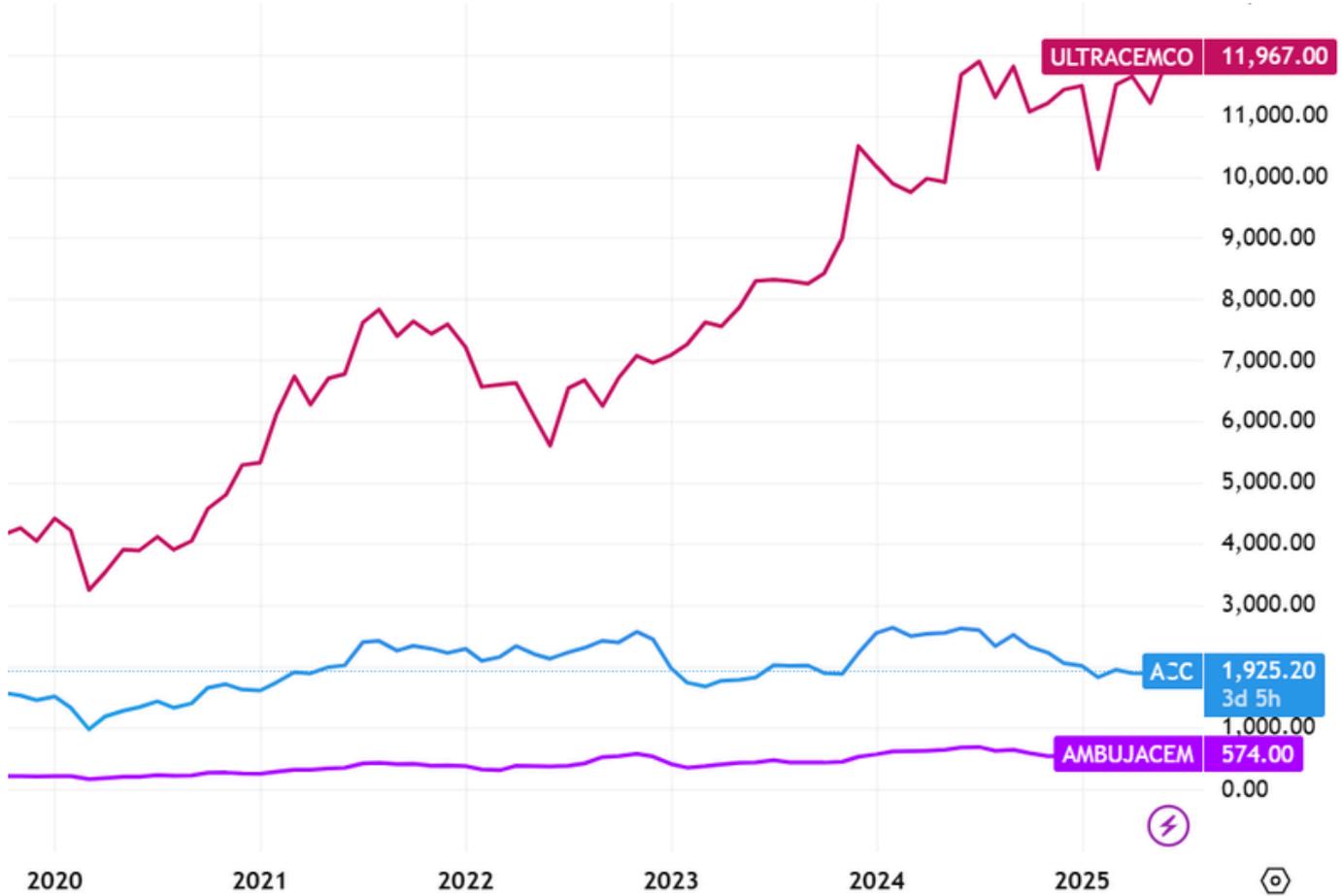
- Company outperformed industry volume growth (industry at 4–5% for FY25, Ambuja/ACC higher). Q4 cement consumption grew 6.5–7%; management expects 8% demand growth in FY26.

# Highlights



# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.
1.	<a href="#">UltraTech Cem.</a>	11944.80	57.47	351988.36	0.60	2474.79	7.44	23063.32
2.	<a href="#">Grasim Inds</a>	2880.00	51.76	196052.79	0.35	2973.26	-3.01	44267.26
3.	<a href="#">Ambuja Cements</a>	567.30	33.73	139720.51	0.35	1282.24	-3.56	9888.61
4.	<a href="#">Shree Cement</a>	30047.55	96.60	108413.81	0.36	574.99	-14.90	5532.02
5.	<a href="#">J K Cements</a>	6039.75	59.04	46668.12	0.25	361.33	68.44	3581.18
6.	<a href="#">Dalmia BharatLtd</a>	2189.50	58.54	41067.45	0.43	439.00	38.10	4091.00
7.	<a href="#">ACC</a>	1881.30	15.32	35325.56	0.40	751.04	-11.60	6066.52

Source: Screener

# Final Outlook

**ACC: HOLD | LTP: 1,881**

ACC is the most efficient and profitable company among its major competitors. Its operational performance is industry-leading, with the best ROCE and inventory management.

While there's a slight increase in cash conversion and working capital days, these are not concerning compared to peers.

The rising costs, margin pressure, and sectoral overcapacity are weighing on profits. The company's stock has underperformed and is likely to remain range-bound in the near term.

Competitive and operational challenges, including high costs and weaker branding, limit near-term upside. There are no major red flags for a sell, but the current risk/reward does not support a fresh buy either.

If you already own ACC, HOLD your position for now. The company's fundamentals are strong, and it remains well-placed for long-term growth. Consider accumulating more only on significant price dips or if you have a long-term investment horizon.

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