

# ACC Limited

CMP : Rs 2189.05

July 21 ,2018

## Provisioning for mark to market losses on investments affect Q1 show

HDFC Bank registered an 21% rise in Interest income to Rs 22548.98 crore in the quarter ended June 2018. A 26% rise in interest expenses to Rs 11735.41 crore saw net interest income (NII) grow 15% to Rs 10813.57 crore.

Other income grew 9% to Rs 3818.06 crore, which took net total income up 15% to Rs 10813.57 crore.

The Reserve Bank of India granted banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT categories for the quarter ended June 2018 equally over four quarters. The Bank has chosen not to avail of this option and has recognised the entire mark to market loss of Rs 391 crore in the current quarter ended June 30, 2018.

Operating expenses increased 11% to Rs 5983.88 crore, after which OP grew 15% to Rs 8647.75 crore.

Provision and contingencies grew 5% to Rs 1629.37 crore after which PBT grew 18% to Rs 7018.38 crore.

As tax expenses grew 17% to Rs 2416.94 crore, net profit increased 18% to Rs 4601.44 crore.

## FY 2018 results

In FY 2018 HDFC Bank registered 16% rise in Interest income to Rs 80241.35 crore. An 11% rise in interest expenses to Rs 40146.49 crore saw net interest income (NII) grow 21% to Rs 40094.86 crore.

Other income grew 24% to Rs 15220.31 crore, which took net total income up 22% to Rs 55315.17 crore.

Operating expenses increased 15% to Rs 22690.36 crore, after which OP grew 27% to Rs 32624.81 crore.

Provision and contingencies soared 65% to Rs 5927.49 crore after which PBT grew 21% to Rs 26697.32 crore.

As tax expenses grew 21% to Rs 9210.57 crore, net profit increased 20% to Rs 17486.75 crore.

## Asset Quality

Gross NPA stood at Rs 9538.62 crore as of June 2018 quarter against Rs 8606.97 crore in March 2018 quarter and Rs 7242.93 crore as of June 2017 quarter.

In percentage terms, %GNPA stood at 1.33% as of June 2018 quarter against 1.30% in March 2018 quarter and 1.24% as of June 2017 quarter.

Net NPA stood at Rs 2907.10 crore as of June 2018 quarter against Rs 2601.02 crore in March 2018 quarter and Rs 2528.21 crore as of June 2017 quarter.

In percentage terms, %NNPA stood at 0.41% as of June 2018 quarter against 0.40% in March 2018 quarter and 0.44% as of June 2017 quarter.

## Fund raising

The Board of Directors of the Bank, at their meeting held on December 20, 2017 had approved the raising of funds aggregating up to Rs 24,000 crore, of which an amount up to a maximum of Rs 8,500 crore was approved to be through the issuance of equity shares of face value of Rs 2/- each pursuant to a preferential issue to Housing Development Finance Corporation Limited and the balance was approved to be through the issuance of equity shares/ convertible securities/ depository receipts pursuant to a Qualified Institutions Placement (QIP)/ American Depository Receipts (ADR)/ Global Depository Receipt (GDR) program. The said raising of funds was approved by the shareholders of the Bank at its Extra Ordinary General meeting held on January 19, 2018. The Bank has received all relevant approvals in this regard. On July 17, 2018, the Bank allotted 39,096,817 equity shares to Housing Development Finance Corporation Limited at the issue price of Rs 2,174.09 per equity share (including share premium of Rs 2172.09 per equity share), aggregating to Rs 8,500 crore.

## INDEX DETAILS

SENSEX	36718.60
NIFTY (S&P CNX)	11084.75

## SCRIP DETAILS

Industry	Cement & Cement Products
Mkt Cap (Rs in Crore)	24512.81
Book Value (Rs)	498.72
Free Float (%)	45.47
Avg Vol Weekly (NSE)	499570
52 Week H/L (NSE)	1869.00 / 1255.00
Dividend Yield (%)	1.99
BSE Code	500410
NSE Code	ACC

## SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	54.53	54.53
FIIIs	10.87	13.69
DIIIs	19.88	17.36
Others	14.72	14.42
Totals	100	100

## Price Comparison with Sensex



## Book Value

Book Value per share after preferential allotment to HDFC stands at Rs 439.5 per share at end June 2018.

Adjusted Book value after preferential allotment to HDFC (adjusting for NNPA and 10% of restructured advances) stood at Rs 425.8 per share at end June 2018.

## ACC: Consolidated Results

Particulars	Q2CY18	Q2CY17	Var %	H1CY18	H2CY17	Var %	CY17	CY16	Var %
Income from Operations	3848.25	3453.25	11	7472.84	6627.26	13	13285.13	10989.72	21
OPM (%)	16.2	18.4		14.9	15.9		14.4	13.5	
Operating Profit	624.9	636.85	-2	1116.8	1053.63	6	1912.43	1478.49	29
Other income	32.55	26.46	23	79.91	58.59	36	128.86	122.81	5
PBIDT	657.45	663.31	-1	1196.71	1112.22	8	2041.29	1601.3	27
Interest	27.26	21.57	26	45.48	45.81	-1	98.53	78.67	25
PBDT	630.19	641.74	-2	1151.23	1066.41	8	1942.76	1522.63	28
Depreciation	149.02	162.98	-9	297.27	328.88	-10	643.62	609.18	6
PBT before EO	481.17	478.76	1	853.96	737.53	16	1299.14	913.45	42
Exceptional Income/Expenses	0	0		0	0		0	-38.59	
PBT after EO	481.17	478.76	1	853.96	737.53	16	1299.14	874.86	48
Taxation	154.4	155.64	-1	279.75	205.41	36	385.55	226.89	70
PAT before minority interest	326.77	323.12	1	574.21	532.12	8	913.59	647.97	41
Share in Profit of Associates	1.97	3.11	-37	4.92	5.17	-5	10.92	10.45	4
Minority Interest	0	0		0	0		0	0	
Net Profit	328.74	326.23	1	579.13	537.29	8	924.51	658.42	40
EPS (Rs)*	#	#		#	#		49.2	36.6	

## ACC: Consolidated Segment Results

Particulars	Q2CY18	Q2CY17	Var (%)	% to Total	H1CY18	H2CY17	Var (%)	% to Total	CY17	CY16	Var (%)	% to Total
Segment Revenue												
Cement	3581.37	3744.51	-4	92	6938.35	7145.78	-3	91	13267.64	11713.33	13	92
Ready Mix Concrete	320.66	273.17	17	8	652.34	558.17	17	9	1163.16	1002.84	16	8
Total	3902.03	4017.68	-3	100	7590.69	7703.95	-1	100	14430.8	12716.17	13	100
Less: Inter Segment Revenue	53.78	58.74			118	114			230.08	192.78		
Net Sales/Income from operations	3848.25	3958.94	-3		7472.84	7589.99	-2		14200.72	12523.39	13	
Segment Results (PBIT)												
Cement	443.59	460.94	-4	94	765.39	689.25	11	93	1173.78	834.61	41	92
Ready Mix Concrete	27.42	15.81	73	6	59.89	38.85	54	7	98.1	55.64	76	8
Total	471.01	476.75	-1	100	825.28	728.1	13	100	1271.88	890.25	43	100
Less: Interest	27.26	21.57			45.48	45.81			98.53	78.67		
Less: Unallocable expenditure (net of unallocable income)	-10.68	-2.71			-24.39	-17.27			-33.92	-36.28		
Add: Interest and Dividend Income	26.74	20.87			49.77	37.97			91.87	65.59		
Profit before share of profit of associates and joint ventures, exception item and tax	481.17	478.76	1		853.96	737.53	16		1299.14	913.45	42	
Add: Share of profit of associates and joint ventures	1.97	3.11			4.92	5.17			10.92	10.45		
Less Exceptional item	0	0							0	38.59		
Profit Before Tax	483.14	481.87			858.88	742.7			1310.06	885.31		
Capital Employed (Segment Assets - Segment Liabilities)												
Cement	8112.65	8066.32	1	84	8112.65	8066.32	1	84	8066.32	7931.59	2	87
Ready Mix Concrete	115.68	91.2	27	1	115.68	91.2	27	1	91.2	105.12	-13	1
Unallocated	1373.05	1062.56	29	14	1373.05	1062.56	29	14	1062.56	859.37	24	12
Total	9601.38	9220.08	4	100	9601.38	9220.08	4	100	9220.08	8896.08	4	100



## NOTES :-

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