BUY

UltraTech Cement

In-line quarter; in a sweet spot as outlook improves

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Cement ▸ Result Update ▸ **July 20, 2026**

CMP (Rs): 11,903 | TP (Rs): 13,000

UltraTech Cement (UTCEM) reported consolidated EBITDA of ~Rs50bn (up 14% yoy, down 10% qoq), in line with our estimate. Domestic grey cement volumes grew ~13% yoy (vs industry growth of ~8%), while grey realization rose ~4%/6% qoq/yoy, led by cement price hikes in Apr/May-26. Fixed cost/t increased 8%/14% yoy/qoq, primarily due to higher packing material cost. Inflation in unit variable cost (flat logistics cost) was limited to ~3%, both yoy and qoq, resulting in overall operating costs rising ~4%/5% yoy/qoq. Consequently, EBITDA/t stood at Rs1,215 (Emkay: Rs1,190) vs ~Rs1,200 in 1QFY26 and ~Rs1,255 in 4QFY26. Our view: We believe UTCEM offers a safe zone amid the current volatile situation and remains our top pick. We continue to back its ability to deliver cost savings and consolidate its pole market-share position. We raise FY27E EBITDA by ~19%, factoring in healthy revenues and cost discipline, while broadly maintaining our FY28 estimates. We continue to value UTCEM at 18x Mar-28E EV/EBITDA with an unchanged TP of Rs13,000; maintain BUY.

Robust volumes, pricing, and disciplined costs paint a healthy picture

UTCEM (consolidated) delivered robust revenue growth of ~16% yoy (down ~4.5% qoq) to ~Rs246bn, driven by 12% yoy volume growth to >41mt (implying market share gains) and ~3.5% rise (both yoy and qoq) in blended realization. The company displayed tight control over costs, as unit variable cost rose <3% (~Rs105/t), both yoy and qoq. Unit logistics cost was flat, also both yoy and qoq, as lower distance (down 8/7km yoy/qoq) offset higher diesel prices. Fixed cost/t increased 8%/14% yoy/qoq, primarily due to higher packing material cost. The management is confident of limiting the rise in unit operating cost to Rs130-140/t (qoq) in 2QFY27, on the back of strong operating leverage coming into play. As the realization gain outpaced the cost increase, EBITDA/t rose ~1% yoy to Rs1,214 (down ~3% qoq), and EBITDA came in at ~Rs50bn (up ~14% yoy). UTCEM is targeting EBITDA of Rs1,400/ton by 4QFY28, contingent on a stable environment. PAT stood at ~Rs26bn, up ~17% yoy.

Marching toward 240mtpa, with a resilient balance sheet

UTCEM stays steadfast on reaching >240mtpa by FY28 (capex of Rs180bn over FY27-28), funded via internal accruals, given robust operating cash flow generation. With Phase-IV expansion underway, we maintain a positive stance, led by 1) its commitment to deliver >Rs300/t of operational cost savings organically (Rs185/t achieved by FY26); 2) a visible turnaround in acquired entities (ICEM/Kesoram), now that brand transitions are complete and cost-benefit accrual becomes visible in FY27 (ICEM reported EBITDA/t of ~Rs600 vs ~Rs500 qoq and ~Rs375 yoy); and 3) a strong balance sheet, with net debt/EBITDA expected at ~0.6x by FY28E (vs 1x in FY26), allowing the company to grow faster than peers and strengthen its limestone bank under the 2030 auctions.

Target Price – 12M	Mar-28
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	9.2

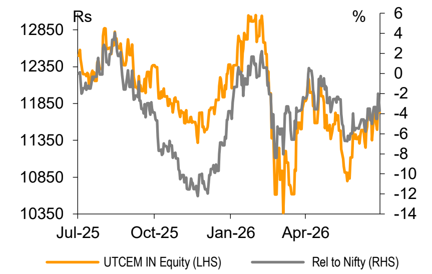
Stock Data	**UTCEM IN**
52-week High (Rs)	13,110
52-week Low (Rs)	10,325
Shares outstanding (mn)	294.7
Market-cap (Rs bn)	3,508
Market-cap (USD mn)	36,366
Net-debt, FY27E (Rs mn)	196,961.8
ADTV-3M (mn shares)	0.3
ADTV-3M (Rs mn)	4,007.7
ADTV-3M (USD mn)	41.6
Free float (%)	40.7
Nifty-50	24,238.5
INR/USD	96.5

Shareholding,Jun-26	
Promoters (%)	59.3
FPIs/MFs (%)	12.4/20.2

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	4.7	(0.1)	(4.8)
Rel. to Nifty	3.7	0.4	(1.9)

1-Year share price trend (Rs)



UltraTech Cement: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	709,081	759,551	885,115	998,686	1,082,922
EBITDA	129,686	125,575	170,202	186,351	219,986
Adj. PAT	70,550	61,471	83,200	91,980	113,972
Adj. EPS (Rs)	244.4	208.6	282.3	312.1	386.8
EBITDA margin (%)	18.3	16.5	19.2	18.7	20.3
EBITDA growth (%)	22.1	(3.2)	35.5	9.5	18.0
Adj. EPS growth (%)	39.4	(14.6)	35.3	10.6	23.9
RoE (%)	12.3	9.4	11.3	11.5	13.1
RoIC (%)	16.9	12.0	12.8	12.9	14.8
P/E (x)	49.1	58.1	43.0	38.1	30.8
EV/EBITDA (x)	26.9	29.5	21.7	19.9	16.6
P/B (x)	5.7	5.0	4.6	4.2	3.8
FCFF yield (%)	0.6	0.5	1.8	1.2	2.8

Source: Company, Emkay Research

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Conference call KTAs

Demand/Volume

- UTCEM's domestic grey cement volumes grew ~13% yoy in 1QFY27 (UltraTech brand grew 21% yoy) ahead of industry growth of 7-8% yoy, translating into market-share gains.
- Capacity utilization reached ~81% in 1QFY27 (vs 76% in 1QFY26).

Price

- Cement prices were stable or improved throughout the quarter, with all-India exit prices rising through June.
- Despite the seasonal weakness, the management expects prices to hold steady through 2QFY27, due to the West Asia crisis-led cost escalations.

Cost

- During the quarter, fuel cost rose ~Rs40/t and packing bags ~Rs20/t (average bag cost rose from Rs9 to Rs14-15, before settling at ~Rs10) due to the West Asia crisis.
- Fuel cost stood at ~Rs2/kcal, and the management does not expect it to exceed the Rs2/kcal level, given its inventory backup.
- Domestic coal trades at $134/t (cheaper than petcoke), making it a better choice.
- Limestone raising cost rose 13-14% due to a sharp spike in industrial diesel prices, which rose from ~Rs80/ltr pre-war to Rs150/ltr in 1QFY27.
- Lead distance reduced to 360km vs 367km, with each km worth ~Rs2.5-3/t of saving.
- Green power (~1.9GW) met 47% of power needs at quarter-exit, with 71MW of renewables and 19MW of WHRS added in 1Q; the company targets 2.5-3GW shortly.
- EBITDA/t held steady above Rs1,200, absorbing the imported-fuel cost shock on an enlarged volume base; the C:C ratio improved to 1.5x.
- The management expects 2QFY27 to see a further cost impact of Rs130-140/t, driven by the full war impact, maintenance shutdowns, and operating deleverage.

Capex

- The company targets >240mtpa capacity by FY28, with Phase 5 of expansion currently underway.
- The management has guided for a capex outlay of ~Rs170bn over the next two years, funded through internal accruals.
- Of the Rs18bn capex for cables and wires, the company has spent ~Rs9bn; the facility setup is now complete, with trial runs in progress (commercialization expected by 3QFY27).

Others

- The management highlighted that ICEM and Kesoram are now fully transitioned to UltraTech, with wide customer acceptance and no market-share loss in their regions.
- The company will no longer report standalone ICEM volumes, as the entire volume will now be part of UTCEM.

Exhibit 1: UTCEM (Consolidated) – 1QFY27 results snapshot

Particulars (Rs mn)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)	1QFY27E	Var (%)
Volume sales (mt)	41.3	36.8	12.2	44.7	(7.6)	41.2	0.1
Blended realization (Rs/t)	5,967	5,777	3.3	5,770	3.4	5,889	1.3
Net sales	**246,482**	**212,755**	**15.9**	**257,995**	**(4.5)**	**242,917**	**1.5**
Raw material cost	47,041	38,190	23.2	50,757	(7.3)	45,041	4.4
Personnel cost	11,063	9,722	13.8	10,844	2.0	11,061	0.0
Power and fuel cost	54,187	48,619	11.5	54,164	0.0	56,159	(3.5)
Freight cost	52,106	46,490	12.1	56,353	(7.5)	51,991	0.2
Other expenses	31,931	25,630	24.6	29,873	6.9	29,574	8.0
Total expenses	**196,328**	**168,651**	**16.4**	**201,992**	**(2.8)**	**193,825**	**1.3**
Total cost/t (Rs)	**4,753**	**4,579**	**3.8**	**4,518**	**5.2**	**4,699**	**1.1**
EBITDA	**50,155**	**44,103**	**13.7**	**56,003**	**(10.4)**	**49,091**	**2.2**
EBITDA/t (Rs)	**1,214**	**1,197**	**1.4**	**1,253**	**(3.1)**	**1,190**	**2.0**
Interest	4,529	4,333	4.5	4,869	(7.0)	4,869	(7.0)
Depreciation	12,005	11,068	8.5	12,081	(0.6)	12,081	(0.6)
Other income	1,303	1,802	(27.7)	876	48.8	876	48.8
Recurring pre-tax income	**34,923**	**30,505**	**14.5**	**39,929**	**(12.5)**	**33,017**	**5.8**
Extraordinary income/(expense)	132.5	0	NA	109.4	NA	0	NA
Taxation	8,753	8,296	5.5	9,819	(10.9)	8,419	4.0
Reported net income	**26,037**	**22,209**	**17.2**	**30,000**	**(13.2)**	**24,598**	**5.9**
Recurring net income	**26,170**	**22,209**	**17.8**	**30,110**	**(13.1)**	**24,598**	**6.4**

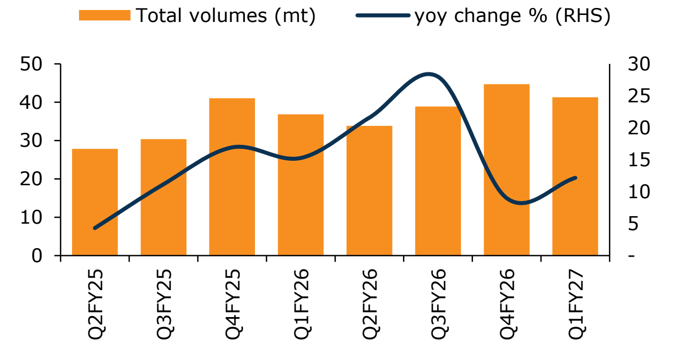
Source: Company, Emkay Research

Exhibit 2: Sectoral update – 1QFY27

North	I C H R	- Infrastructure demand remained steady, supported by projects such as the Delhi–Amritsar Expressway, Indore Metro, Bhopal Metro, Mumbai–Delhi Expressway and Jewar Airport. - Commercial demand witnessed healthy growth. - Housing and rural demand grew overall; higher LPG prices impacted labor availability in Delhi and Himachal Pradesh.
Central	I C H R	- Infrastructure demand grew, supported by projects such as the Lucknow–Kanpur Expressway, Varanasi–Kolkata Expressway, Kanpur Ring Road, Ken–Betwa River Linking Project, Dam projects and Thermal Power Plant projects. - Commercial demand grew across regions. - Housing and rural demand grew across regions.
East	I C H R	- Infrastructure demand was subdued due to delays in fund flows and unavailability of sand, labor, diesel in West Bengal and Jharkhand. - Collapse of Vikramshila bridge over Ganga in Bhagalpur disrupted material supply in Seemanchal, Bihar. - Commercial demand was under pressure owing to sand, aggregate and labor unavailability. - Housing and rural demand registered growth across most markets except West Bengal owing to sand and labor unavailability.
West	I C H R	- Infrastructure demand in Maharashtra was supported by projects like Mumbai-Metro, Mumbai-Delhi Expressway, etc. In Gujarat, demand held firm, aided by projects like Ahmedabad–Mehsana road works, wind turbine foundations, solar park control rooms in Kachchh–Surendranagar, Surat Metro, Vadodara–Mumbai Expressway. - Commercial demand registered growth. - Housing demand remained buoyant, driven by rural demand.
South	I C H R	- Infrastructure demand remained muted due to labor unavailability and delay of fund flows in Tamil Nadu, Kerala and Andhra Pradesh. - Commercial demand grew with data centres / GCC. - Housing and rural demand registered overall growth except in Kerala, where labor unavailability persisted due to elections in West Bengal and Assam.

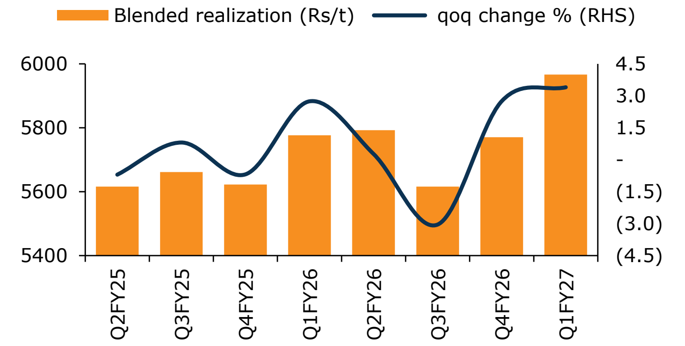
Source: Company, Emkay Research; Note I = Infrastructure, C = Commercial, H = Housing, R = Rural, Green = Growth, Yellow = Stable and, Red = Degrowth

Exhibit 3: Quarterly volume trend



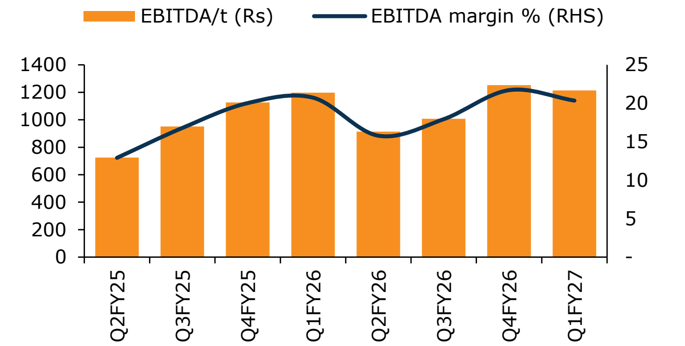
Source: Company, Emkay Research

Exhibit 4: Quarterly blended realization trend



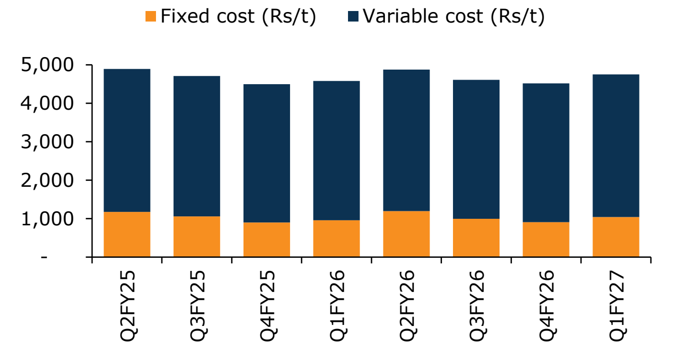
Source: Company, Emkay Research

Exhibit 5: Quarterly margin trend



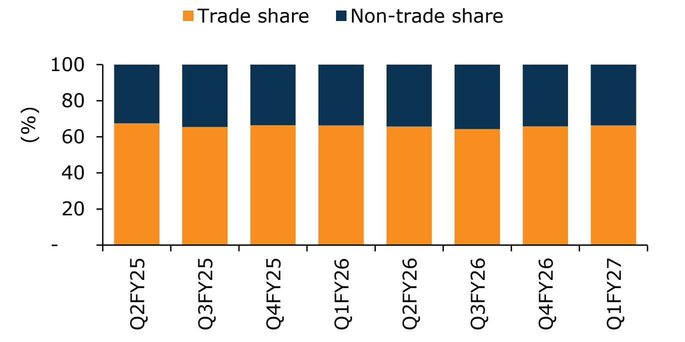
Source: Company, Emkay Research

Exhibit 6: Split between unit fixed cost and variable cost



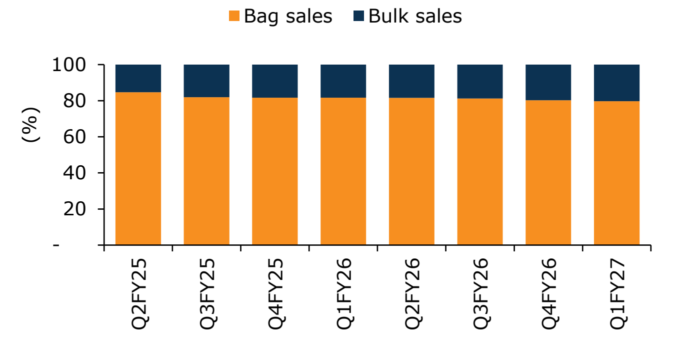
Source: Company, Emkay Research

Exhibit 7: Quarterly trade share trend



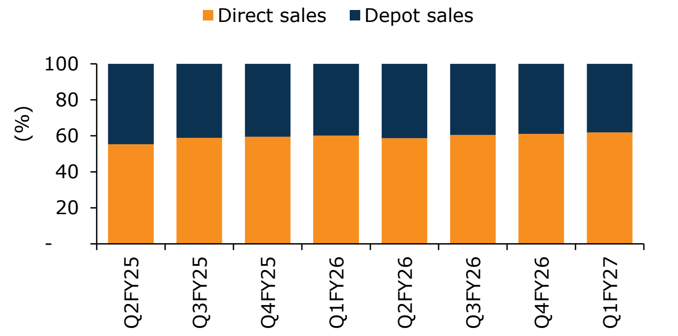
Source: Company, Emkay Research

Exhibit 8: Quarterly bulk/bag sales trend



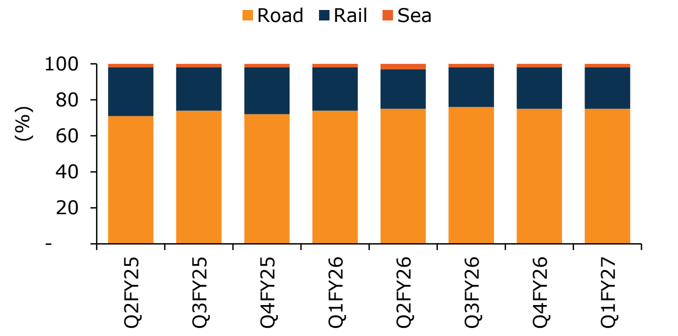
Source: Company, Emkay Research

Exhibit 9: Quarterly direct/depot sales trend



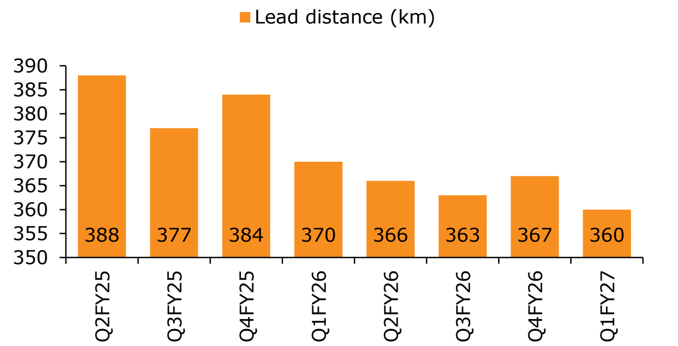
Source: Company, Emkay Research

Exhibit 10: Quarterly logistics mix



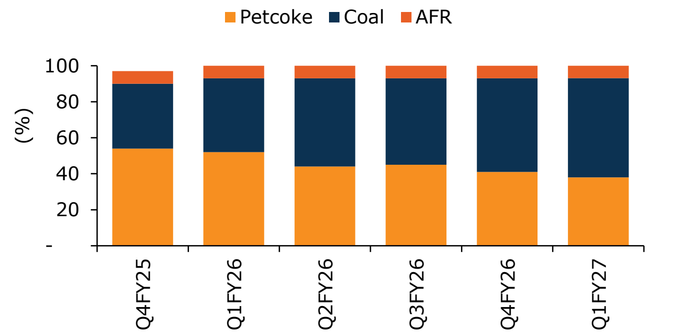
Source: Company, Emkay Research

Exhibit 11: Quarterly lead distance trend



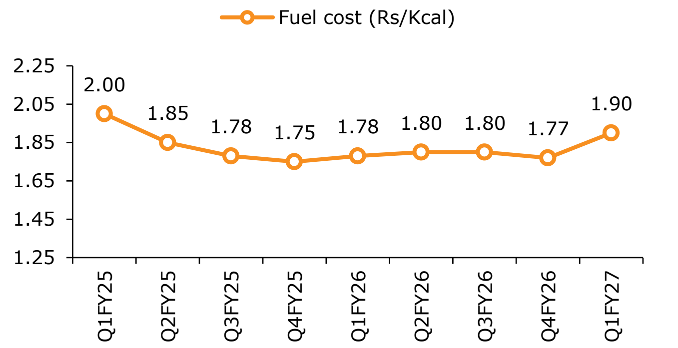
Source: Company, Emkay Research

Exhibit 12: Quarterly fuel mix



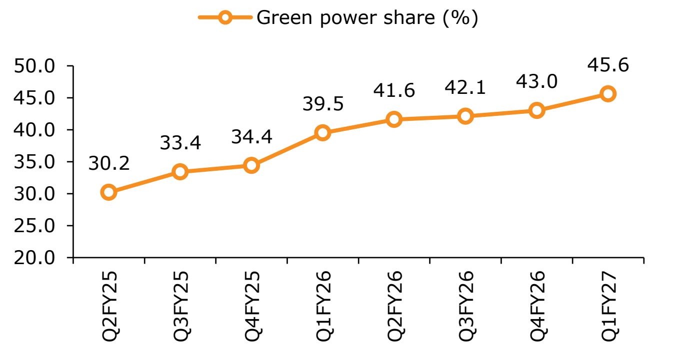
Source: Company, Emkay Research

Exhibit 13: Quarterly fuel consumption cost



Source: Company, Emkay Research

Exhibit 14: Quarterly green power share trend



Source: Company, Emkay Research

Exhibit 15: Sources of power (grey cement production) – 1QFY27

Particulars	Q1FY26		Q1FY27	
	Power mix	Rate (Rs./kWh)	Power mix	Rate (Rs./kWh)
Captive thermal power	38.4%	6.69	33.9%	5.94
State grid and others	22.1%	7.13	17.9%	7.87
Renewable energy	19.1%	4.48	26.0%	4.52
Waste heat recovery system	20.4%	0.77	22.2%	0.71
Power cost (Rs./kWh)	**5.14**		**4.73**	
Total power consumed (kWh/t of cement)	**69.29**		**68.17**	
Power cost (Rs./t)	**356**		**322**	

Source: Company, Emkay Research

Exhibit 16: Historical quarterly product unit economics

Grey Cement	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue (Rs mn)	**184,190**	**166,110**	**186,700**	**219,870**	**211,890**
Growth yoy (%)	*17.8*	*26.1*	*27.6*	*10.0*	*15.0*
Realization (Rs/t)	**5,066**	**4,990**	**4,872**	**4,990**	**5,196**
Growth yoy (%)	*2.1*	*3.8*	*(0.6)*	*1.0*	*2.6*
Volume (mt)	**36.4**	**33.3**	**38.3**	**44.1**	**40.8**
Growth yoy (%)	*15.4*	*21.5*	*28.3*	*8.9*	*12.2*
White Cement	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**
Revenue (Rs mn)	**5,700**	**6,660**	**6,770**	**8,000**	**7,000**
Growth yoy (%)	*(2.7)*	*26.9*	*5.6*	*14.8*	*22.8*
Realization (Rs/t)	**12,128**	**11,893**	**12,309**	**12,308**	**13,208**
Growth yoy (%)	*(11.0)*	*1.9*	*(2.1)*	*(1.1)*	*8.9*
Volume (mt)	**0.5**	**0.6**	**0.6**	**0.7**	**0.5**
Growth yoy (%)	*9.3*	*24.4*	*7.8*	*16.1*	*12.8*

Source: Company, Emkay Research

Exhibit 17: Historical quarterly unit economics

(Rs/t)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Sales volumes (mt)	36.83	33.85	38.87	44.71	41.31
Blended realization	**5,777**	**5,792**	**5,616**	**5,770**	**5,967**
Raw material cost	1,037	1,149	1,133	1,135	1,139
Power and fuel cost	1,320	1,313	1,254	1,211	1,312
Freight cost	1,262	1,219	1,224	1,260	1,261
Employee cost	264	314	268	243	268
Other expenses	696	882	730	668	773
Total operating cost	**4,579**	**4,878**	**4,609**	**4,518**	**4,753**
EBITDA	**1,197**	**914**	**1,007**	**1,253**	**1,214**

Source: Company, Emkay Research

Exhibit 18: Performance trends and assumptions

Particulars	FY24	FY25	FY26	FY27E	FY28E
Grey cement capacity (mtpa)	146	189	197	213	243
Grey cement sales volume (mt)	117	129	152	166	180
Capacity utilization (%)	*80.1*	*68.4*	*77.2*	*78.0*	*74.2*
Capacity growth (%)	*10.5*	*29.1*	*4.2*	*8.1*	*14.0*
Grey cement realization (Rs/t)	**5,255**	**4,908**	**4,978**	**5,128**	**5,130**
Blended realization (Rs/t)	**5,956**	**5,638**	**5,738**	**5,930**	**5,937**
Blended realization growth (%)	*(0.5)*	*(5.3)*	*1.8*	*3.4*	*0.1*

Source: Company, Emkay Research

Exhibit 19: Unit economics – Trends and assumptions

(Rs/t)	FY24	FY25	FY26	FY27E	FY28E
Blended realization	**5,956**	**5,638**	**5,738**	**5,930**	**5,937**
Raw material cost	1,000	1,051	1,114	1,164	1,172
Staff cost	255	275	270	271	271
Power and fuel cost	1,536	1,337	1,270	1,381	1,292
Freight expenses	1,334	1,277	1,243	1,261	1,261
Other expenses	742	741	737	747	736
Total operating cost	**4,867**	**4,680**	**4,634**	**4,824**	**4,731**
EBITDA	**1,089**	**958**	**1,103**	**1,107**	**1,206**

Source: Company, Emkay Research

Exhibit 20: Valuation snapshot

(Rs mn)	FY28E
Target EV/EBITDA (x) (A)	18.0
Total EBITDA (B)	219,986
EV (C) = (A) + (B)	**3,959,752**
Add: Wires and Cables (D) * (refer to Exhibit 21)	54,000
Total EV (Rs mn) (E) = (C) + (D)	**4,013,752**
Less: Net debt (FY27E) (F)	178,785
M-cap (G) = (E) – (F)	**3,834,967**
Shares o/s (mn) (H)	295
Value per share (Rs) (I) = (G)/(H)	**13,000**

Source: Company, Emkay Research

Exhibit 21: Wires and cables valuation

Particulars (Rs mn)	FY28E
Wires and Cables capex (Rs mn)	18,000
Asset turn (x)	3.0
Revenue (assuming 50% utilization)	**27,000**
EBITDA (assuming 10% margin)	2,700
Target EV/EBITDA FY28E	20
Wires and Cables EV	**54,000**

Source: Company, Emkay Research

- **Key risks:** Sharp fall/rise in cement prices/input costs.

Exhibit 22: Change in estimates

(Rs mn)	FY27E				FY28E			
	Revised	Earlier	Var (%)	yoy (%)	Revised	Earlier	Var (%)	yoy (%)
Revenue	998,686	977,951	2.1	12.8	1,082,922	1,053,931	2.8	8.4
EBITDA	186,351	156,103	19.4	9.5	219,986	214,979	2.3	18.0
PAT	91,980	71,065	29.4	12.6	113,972	116,822	(2.4)	23.9

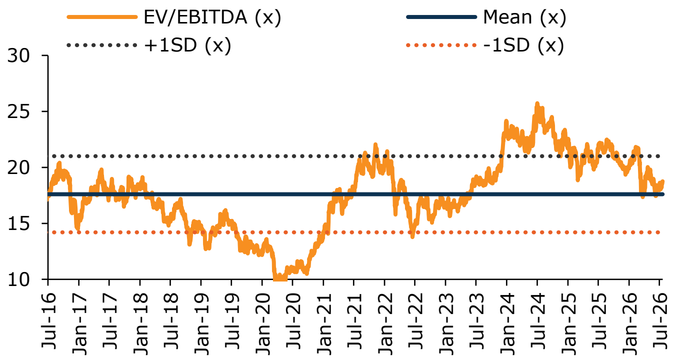
Source: Company, Emkay Research

Exhibit 23: Emkay vs consensus

(Rs mn)	FY27E			FY28E		
	Emkay	Consensus	Var (%)	Emkay	Consensus	Var (%)
Revenue	998,686	995,465	0.3	1,082,922	1,114,000	(2.8)
EBITDA	186,351	193,344	(3.6)	219,986	233,340	(5.7)
PAT	91,980	97,911	(6.1)	113,972	123,076	(7.4)

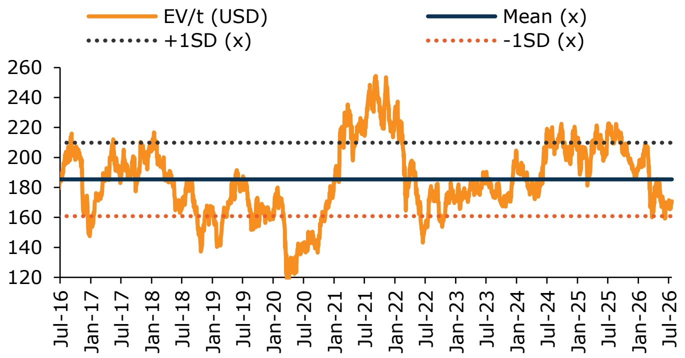
Source: Company, Bloomberg, Emkay Research

Exhibit 24: UTCEM trades near its 10Y mean 1YF EV/EBITDA…



Source: Company, Bloomberg, Emkay Research

Exhibit 25: …and near its -1SD on EV/t basis



Source: Company, Bloomberg, Emkay Research

UltraTech Cement: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	**709,081**	**759,551**	**885,115**	**998,686**	**1,082,922**
Revenue growth (%)	12.1	7.1	16.5	12.8	8.4
EBITDA	**129,686**	**125,575**	**170,202**	**186,351**	**219,986**
EBITDA growth (%)	22.1	(3.2)	35.5	9.5	18.0
Depreciation & Amortization	31,453	40,150	46,445	48,622	51,804
EBIT	**98,233**	**85,425**	**123,758**	**137,729**	**168,182**
EBIT growth (%)	27.0	(13.0)	44.9	11.3	22.1
Other operating income	-	-	-	-	-
Other income	6,170	7,442	5,775	4,739	2,629
Financial expense	9,680	16,505	18,717	18,699	17,499
PBT	**94,722**	**76,361**	**110,816**	**123,768**	**153,312**
Extraordinary items	500	1,080	1,544	0	0
Taxes	24,183	14,885	27,388	31,561	39,095
Minority interest	(10)	5	227	227	245
Income from JV/Associates	-	-	-	-	-
Reported PAT	**70,050**	**60,391**	**81,656**	**91,980**	**113,972**
PAT growth (%)	38.3	(13.8)	35.2	12.6	23.9
Adjusted PAT	**70,550**	**61,471**	**83,200**	**91,980**	**113,972**
Diluted EPS (Rs)	**244.4**	**208.6**	**282.3**	**312.1**	**386.8**
Diluted EPS growth (%)	39.4	(14.6)	35.3	10.6	23.9
DPS (Rs)	**70.0**	**77.5**	**240.0**	**100.0**	**100.0**
Dividend payout (%)	**28.8**	**37.8**	**86.6**	**32.0**	**25.9**
EBITDA margin (%)	18.3	16.5	19.2	18.7	20.3
EBIT margin (%)	13.9	11.2	14.0	13.8	15.5
Effective tax rate (%)	25.5	19.5	24.7	25.5	25.5
NOPLAT (pre-IndAS)	**73,154**	**68,773**	**93,171**	**102,608**	**125,295**
Shares outstanding (mn)	289	295	295	295	295

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	2,887	2,947	2,947	2,947	2,947
Reserves & Surplus	599,388	704,121	763,289	825,801	910,305
Net worth	**602,275**	**707,068**	**766,235**	**828,748**	**913,252**
Minority interests	559	31,866	40,889	40,889	40,889
Non-current liab. & prov.	64,478	95,794	98,901	98,901	98,901
Total debt	**114,849**	**242,175**	**243,622**	**243,622**	**213,622**
Total liabilities & equity	**782,161**	**1,076,903**	**1,149,647**	**1,212,159**	**1,266,663**
Net tangible fixed assets	501,261	760,152	802,834	848,592	896,787
Net intangible assets	127,515	185,490	185,102	185,102	185,102
Net ROU assets	-	-	-	-	-
Capital WIP	95,085	86,524	87,423	87,423	77,423
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**62,680**	**45,324**	**51,200**	**46,660**	**73,211**
Current assets (ex-cash)	174,573	197,784	223,086	260,391	252,756
Current Liab. & Prov.	225,859	260,068	264,114	280,125	282,733
NWC (ex-cash)	**(51,286)**	**(62,284)**	**(41,028)**	**(19,734)**	**(29,977)**
Total assets	**782,161**	**1,076,903**	**1,149,647**	**1,212,159**	**1,266,663**
Net debt	52,169	196,851	192,422	196,962	140,410
Capital employed	782,161	1,076,903	1,149,647	1,212,159	1,266,663
Invested capital	**449,975**	**697,868**	**761,806**	**828,857**	**866,810**
BVPS (Rs)	2,086.2	2,399.4	2,600.2	2,812.4	3,099.1
Net Debt/Equity (x)	0.1	0.3	0.3	0.2	0.2
Net Debt/EBITDA (x)	0.4	1.6	1.1	1.1	0.6
Interest coverage (x)	10.8	5.6	6.9	7.6	9.8
RoCE (%)	**15.2**	**10.9**	**12.8**	**13.2**	**15.0**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	94,222	75,281	109,272	123,768	153,312
Others (non-cash items)	-	-	-	-	-
Taxes paid	(16,505)	(13,006)	(13,007)	(31,561)	(39,095)
Change in NWC	(4,811)	(6,711)	4,948	(21,294)	10,243
Operating cash flow	**108,975**	**106,734**	**160,438**	**138,007**	**193,519**
Capital expenditure	(88,841)	(89,506)	(95,106)	(94,380)	(90,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	1,612	3,420	-	-	-
Investing cash flow	**(87,881)**	**(165,045)**	**(96,874)**	**(94,380)**	**(90,000)**
Equity raised/(repaid)	19	20	0	0	0
Debt raised/(repaid)	3,299	88,593	(12,225)	0	(30,000)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(8,535)	(14,790)	(18,687)	(18,699)	(17,499)
Dividend paid (incl tax)	(10,944)	(20,117)	(22,734)	(29,468)	(29,468)
Others	(3,095)	(2,949)	(2,763)	0	0
Financing cash flow	**(19,257)**	**50,758**	**(56,409)**	**(48,167)**	**(76,967)**
Net chg in Cash	1,838	(7,553)	7,155	(4,540)	26,552
OCF	108,975	106,734	160,438	138,007	193,519
Adj. OCF (w/o NWC chg.)	113,786	113,445	155,490	159,301	183,276
FCFF	20,135	17,228	65,332	43,627	103,519
FCFE	12,067	4,143	46,615	24,928	86,020
OCF/EBITDA (%)	84.0	85.0	94.3	74.1	88.0
FCFE/PAT (%)	17.2	6.9	57.1	27.1	75.5
FCFF/NOPLAT (%)	**27.5**	**25.1**	**70.1**	**42.5**	**82.6**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	49.1	58.1	43.0	38.1	30.8
EV/CE (x)	4.9	3.8	3.5	3.3	3.1
P/B (x)	5.7	5.0	4.6	4.2	3.8
EV/t (USD)	244.8	201.8	192.8	178.8	154.6
EV/EBITDA (x)	26.9	29.5	21.7	19.9	16.6
EV/EBIT(x)	35.5	43.4	29.9	26.9	21.7
EV/IC (x)	7.8	5.3	4.9	4.5	4.2
FCFF yield (%)	0.6	0.5	1.8	1.2	2.8
FCFE yield (%)	0.3	0.1	1.3	0.7	2.5
Dividend yield (%)	0.6	0.7	2.0	0.8	0.8
DuPont-RoE split					
Net profit margin (%)	9.9	8.1	9.4	9.2	10.5
Total asset turnover (x)	0.9	0.8	0.8	0.8	0.9
Assets/Equity (x)	1.3	1.4	1.5	1.5	1.4
RoE (%)	**12.3**	**9.4**	**11.3**	**11.5**	**13.1**
DuPont-RoIC					
NOPLAT margin (%)	10.3	9.1	10.5	10.3	11.6
IC turnover (x)	1.6	1.3	1.2	1.3	1.3
RoIC (%)	**16.9**	**12.0**	**12.8**	**12.9**	**14.8**
Operating metrics					
Core NWC days	(26.4)	(29.9)	(16.9)	(7.2)	(10.1)
Total NWC days	**(26.4)**	**(29.9)**	**(16.9)**	**(7.2)**	**(10.1)**
Fixed asset turnover	1.5	1.2	1.1	1.2	1.2
Opex-to-revenue (%)	64.9	65.4	61.4	61.7	60.0

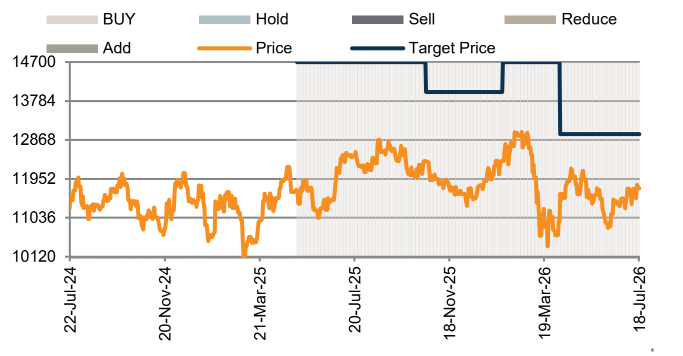
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
28-Apr-26	11,817	13,000	Buy	Harsh Mittal
20-Apr-26	11,917	13,000	Buy	Harsh Mittal
08-Apr-26	11,603	13,000	Buy	Harsh Mittal
16-Mar-26	11,099	14,700	Buy	Harsh Mittal
04-Mar-26	12,107	14,700	Buy	Harsh Mittal
03-Feb-26	12,590	14,700	Buy	Harsh Mittal
25-Jan-26	12,369	14,700	Buy	Harsh Mittal
14-Jan-26	12,255	14,000	Buy	Harsh Mittal
06-Jan-26	12,204	14,000	Buy	Harsh Mittal
01-Jan-26	11,901	14,000	Buy	Harsh Mittal
02-Dec-25	11,666	14,000	Buy	Harsh Mittal
01-Nov-25	11,947	14,000	Buy	Harsh Mittal
19-Oct-25	12,370	14,000	Buy	Harsh Mittal
08-Oct-25	11,991	14,700	Buy	Harsh Mittal
02-Oct-25	12,095	14,700	Buy	Harsh Mittal
31-Aug-25	12,640	14,700	Buy	Harsh Mittal
22-Jul-25	12,452	14,700	Buy	Harsh Mittal
07-May-25	11,658	14,700	Buy	Harsh Mittal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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