India

ADD *(no change)*

Consensus ratings*:	Buy 36 Hold 7 Sell 3
Current price:	Rs577
Target price: ▲	Rs680
Previous target:	Rs660
Up/downside:	17.9%
InCred Research / Consensus:	2.5%
Reuters:	ABUJ.NS
Bloomberg:	ACEM IN
Market cap:	US$16,070m
	Rs1,426,737m
Average daily turnover:	US$18.3m
	Rs1621.4m
Current shares o/s:	2,463.1m
Free float:	25.0%

Source: Bloomberg

Key changes in this note

- Increase EBITDA estimates by 2% for FY27F-28F.
- Roll forward and maintain ADD rating on the stock with a higher target price of Rs680.

Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.2	(5.1)	(0.9)
Relative (%)	(3.1)	(8.9)	(5.9)

Major shareholders	% held
Promoter & Promoter Group	67.6
Life Insurance Corporation of India	7.9
HDFC MF	2.2

Research Analyst(s)

Nishant BAGRECHA
T (91) 22 4161 1564
E nishant.bagrecha@incredresearch.com

Rohan KALLE
T (91) 22 4161 1561
E rohan.kalle@incredresearch.com

Ambuja Cements Ltd

Operational beat; maintains outlook

- 2Q consol. EBITDA was ~Rs17.6bn, up ~58% yoy & ~18% above expectations. Blended unit EBITDA/t declined by ~Rs5 qoq to Rs1,061 vs. our Rs914 estimate.
- ACEM to revise target capacity of 140mtpa to 155mtpa by FY28F. Also, add incremental capacity at low cost via debottlenecking. Cost savings to flow in.
- We raise our FY26F-28F EBITDA estimates by ~2-4% to factor in a strong 2Q. Maintain ADD rating with a higher target price of Rs680 (Rs660 earlier).

Strong volume growth; target capacity revised upwards to ~155mtpa

Ambuja Cements (ACEM) reported consolidated cement volume of 16.6mt in 2QFY26, up ~20% yoy and down 10% qoq. Ex-acquired assets, it grew by ~11% yoy (2-2.5x of 4-5% industry growth), and market share expanded to 16.6% vs. 15.5% qoq. Trade share declined by 68% vs. 74% qoq due to seasonally weak demand. Management maintained its guidance to grow in double digits vs. industry growth of 7-8% in FY26F. Blended realisation declined by ~1% qoq to Rs5,527/t, which was better than the industry trend. Go-to-market efforts are driving premium sales (~35% vs. 33% qoq) and improvement in realisation. Current installed cement capacity stands at ~107mtpa and it aims to reach ~118mtpa by FY26F. It has revised target capacity of ~140mtpa to ~155mtpa by FY28F (ref. Fig 11). Incremental capacity to be added by debottlenecking at EV/t ~US$48. ACEM highlighted several more opportunities to add capacity via debottlenecking. ACEM has revised its clinker target from ~84mtpa to ~96mtpa by FY28F to support GU expansion.

Profitability improves; cost savings and synergies gain traction

Consolidated EBITDA/t was down by ~Rs5 qoq at Rs1,061/t. During 2Q, total costs/t declined by ~1% qoq and 4% yoy, with group synergies starting to flow in. With a dip of Rs62/t on qoq basis, despite high brand spending and full benefits assumed to flow in from FY27F. Kiln fuel costs stood at Rs1.6/kcal vs. Rs1.59/kcal qoq. In 3QFY26F, ACEM to benefit from higher build-up of coal inventory at lower cost. Primary lead distance was 265km vs. 269km qoq. Total costs/t to reach Rs4,000 by FY26F, Rs3,800 in FY27F and by Rs3,650 in FY28F, with savings from heads like raw material, power and fuel, logistics and other expenses (ref Fig.10). Improving profitability of acquired assets, with faster integration at parent brand levels, to further enhanced consolidated profitability, in our view.

Maintain ADD rating with a higher target price of Rs680

We maintain our ADD rating on ACEM with a higher target price of Rs680 (roll forward to Sep 2026F vs. Jun 2026F earlier), from Rs660 earlier, based on implied consolidated EV/EBITDA of 17.5x (unchanged). Though its current valuation is at a marginal premium vs. long-term median, the premium is to reflect the possibility of a potential rise, and cost-saving synergy with group companies. Both Penna & Sanghi consolidation to be completed by the end of FY26F. On the balance sheet, ACEM had a consolidated cash balance of Rs18.13bn vs. Rs30bn in Jun 2025. Minimum targeted capex for every quarter is Rs20bn (Rs80bn annually achievable). Increase in working capital requirement was due to increase in non-trade demand and tactical build-up of inventory to benefit from low coal inventory. Downside risks: Pricing pressure, delay in projects, rise in input costs, and dismal demand growth.

Financial summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	331,596	342,184	417,909	481,181	531,945
Operating EBITDA (Rsm)	63,995	51,443	78,292	98,277	115,427
Net Profit (Rsm)	35,734	41,674	38,654	49,782	59,769
Core EPS (Rs)	16.2	14.8	15.7	20.2	24.3
Core EPS Growth	14.0%	(8.4%)	5.9%	28.8%	20.1%
FD Core P/E (x)	33.79	32.28	36.78	28.56	23.79
DPS (Rs)	2.0	2.0	3.8	4.9	5.8
Dividend Yield	0.35%	0.35%	0.65%	0.84%	1.01%
EV/EBITDA (x)	17.25	24.95	17.87	14.37	12.27
P/FCFE (x)	(36.27)	(20.81)	(24.35)	(34.61)	(48.37)
Net Gearing	(20.3%)	(9.6%)	(3.4%)	(1.3%)	(0.8%)
P/BV (x)	2.49	2.22	2.11	1.97	1.83
ROE	7.6%	6.0%	5.9%	7.1%	8.0%
% Change In Core EPS Estimates			(0.44%)	(0.41%)	(0.39%)
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Operational beat; maintains outlook

2QFY26 results review and earnings-call takeaways

Update on operational performance:

Demand & pricing:

- **Volume**: During 2Q, consolidated cement volume came in at 16.6mt (~2% above our expectation), +20% yoy and -10% qoq. Standalone volume was 9.9mt, +21% yoy. Market share stood at 16.6%.
- **Realisation:** Blended realisation was down by ~1% qoq to ~Rs5,527/t due to seasonal weakness, but still ~1% above our estimate due to improved premium product sales (35%) and trade sales. Trade sales stood at 68% vs. 74% qoq.
- **Demand scenario:** Management highlighted cement demand growing by 4% yoy in 2QFY26 and expects industry to grow by 7-8% in FY26F. ACEM expects to grow at double-digit rates in FY26F. It will focus on balancing both realisation and market share, with a rising share of premium cement sales.
- Concentrated branding, marketing, and advertising initiatives are driving premium product sales and improving realisation as well.
- Expects Goods and Services Tax (GST) rate cut and other reforms to start reflecting benefits from 2HFY26F, driving cement demand.
- Integration of Orient Cement and Penna Cement has been done very quickly, improving the profitability of the acquired assets supported by better realisation.
- During 2QFY26, the company grew by 11% (2–2.5x growth of the industry) without the acquired assets, which is better than industry growth rate of 4–5%.
- **Overall capacity utilisation** level was 65–67%. ACC, ACEM at 70–75% utilisation levels. Subsidiary-wise: Orient Cement is at healthy level, Penna Cement in South India remains volatile, and Sanghi should reach ~65-70% in 3Q and 4QFY26F.

Costs & margin

- **Costs:** Overall blended costs/t were ~2% below our estimate at Rs4,466, down by ~1% qoq and ~4% yoy, on account of the decline in raw material and freight costs by 5% and 6% on qoq basis, respectively. However, P&F costs were up by ~1% on a qoq basis.
- **EBITDA:** Consolidated EBITDA for the quarter came in at ~Rs17.6bn (~18% above our estimate), down by ~10% qoq and up 58% yoy. Unit EBITDA stood at Rs1,061/t during the quarter vs. Rs1,066/t qoq and Rs805/t yoy.
- **Reported PAT** stood at Rs17.6bn vs. our expectation of Rs7.1bn. Depreciation up by 70% yoy at Rs8.8bn. Reversed an amount of Rs11.79bn in holding companies pertaining to reassessment of tax positions where the expected outcome is favourable.
- Reduction in other expenses at Rs62/t on a qoq basis due to synergies, efficiency gains, and an analytical promotional approach despite maintenance expenses. Expects actual synergies to flow in from FY27F.
- Higher brand expenses of acquired assets at Rs70/t are expected to improve with growing volume. However, the focus is on topline growth.
- Expects overall EBITDA profitability to improve following the improving cost structure of acquired assets.
- Consolidated profitability is better because of the MSA agreement.
- Total costs reduced on a yoy basis due to group synergies flowing in.
- **Cost savings:** To achieve Rs4,000/t by FY26F. To end FY27F with total costs at Rs3,800/t, which may further dip by ~5% to Rs3,650/t by FY28F. All targets refer to the last quarter of the fiscal year.

Other updates

- Green power share stood at 33%. Total installed RE capacity at 673MW and is expected to reach 900MW by FY26F, and 1,122MW by FY27F.
- Revised target capacity by FY28F to 155mtpa vs.140mtpa earlier. Incremental capacity to be added through debottlenecking at a lower cost of EV/t of US$48.
- **Current capacity** of 107mtpa to reach 118mtpa by FY26F. Cement grinding unit (GU) at Salai Banwa (2.4mtpa), Marwar (2.4mtpa), Dahej (1.2mtpa), Kalamboli (1.0mtpa) are expected to be commissioned in 3QFY26F (total 7mtpa) while an additional 5.6mtpa (Bhatinda, Jodhpur, Warisaliganj) will come on stream in 4QFY26F. 2mtpa GU operationalised at Krishnapatnam.
- **Cost of acquired assets:** Rs30/t for sales promotion and Rs42/t relating to maintenance costs was witnessed during the quarter for acquired assets.
- **Liquidity profile:** Net worth at Rs694.9bn. Cash & cash equivalents at Rs18.13bn vs. Rs29.71bn as of Jun 2025-end. Cash flow from operations was at Rs14.4bn and CFI at Rs86.5bn in terms of outflow.
- **Penna & Sanghi acquisitions:** Both have filled joint applications with NCLT, Ahmedabad bench, on 16th Oct 2025 and the process is expected to be completed by FY26F.
- Kiln energy costs stood at Rs1.6/kcal vs. Rs1.63/kcal yoy. Lead distance stood at 265km.
- **RMC business:** Expects ~5% of cement capacity output to be consumed by the readymix concrete (RMC) business. Current consumption is 2%.
- **Clinker capacity:** Targeted clinker capacity revised from 84mtpa to 96mtpa by FY28F. The current installed clinker capacity is 65mtpa. Setting up three clinker lines with an average capacity of 4mtpa each — one in Bhatapara, one in Chilati, and one at Sanghi. Clinker capacity to reach 73mtpa by FY26F and 81mtpa by FY27F.
- Will have more opportunities for debottlenecking in GU and it will continue to add clinker capacity to support GU expansion.
- New expansion plans aim to reduce the average age of the plants by 40%.
- **Increase in working capital requirement:** Receivables increased due to higher non-trade sales and soft demand from dealers because of seasonal weakness. The company has also built-up inventory for 3QFY26F to benefit from current lower coal costs.
- **Capex:** Rs14bn capex incurred in 2Q. Capex run-rate for every quarter was Rs20bn.

2QFY26 results summary

Figure 1: Consolidated quarterly performance

Particulars (Rs m)	2QFY26	2QFY26F	1QFY26	2QFY25	% Change 2QFY26F	% Change 1QFY26	% Change 2QFY25
Net Sales	91,745	89,038	1,02,891	75,525	3%	-11%	21%
Raw Materials Consumed	13,085	14,486	15,245	14,224	-10%	-14%	-8%
Freight and Forwarding Expenses	20,632	20,990	24,225	18,252	-2%	-15%	13%
Power and Fuel Costs	22,804	21,519	25,131	18,153	6%	-9%	26%
Employee Costs	4,051	4,218	4,177	3,486	-4%	-3%	16%
Other Expenses	13,564	12,911	14,502	10,295	5%	-6%	32%
Total Expenditure	**74,136**	**74,124**	**83,280**	**64,410**	**0%**	**-11%**	**15%**
EBITDA	**17,609**	**14,914**	**19,611**	**11,114**	**18%**	**-10%**	**58%**
Depreciation	8,852	8,114	7,984	5,205	9%	11%	70%
EBIT	**8,757**	**6,800**	**11,627**	**5,910**	**29%**	**-25%**	**48%**
Interest	768	350	671	669	119%	14%	15%
Other Income	2,570	3,295	2,561	3,740	-22%	0%	-31%
PBT	**8,375**	**9,745**	**13,958**	**7,442**	**-14%**	**-40%**	**13%**
Tax	-14,648	2,670	3,789	2,477	-649%	-487%	-691%
Recurring PAT	**17,657**	**7,075**	**8,352**	**4,795**	**150%**	**111%**	**268%**
Extraordinary Items	7,550	0	1,376	1,709			
Reported PAT	**17,657**	**7,075**	**8,352**	**4,795**	**150%**	**111%**	**268%**
EPS (Rs)	7.1	3.6	3.4	1.9	100%	111%	267%
Margins (%)							
Gross Margin	38.4%	33.5%	37.2%	33.0%	485bp	118bp	543bp
EBITDA Margin	19.2%	16.7%	19.1%	14.7%	244bp	13bp	448bp
EBIT Margin	9.5%	7.6%	11.3%	7.8%	191bp	-176bp	172bp
PBT Margin	9.1%	10.9%	13.6%	9.9%	-182bp	-444bp	-72bp
PAT Margin	19.2%	7.9%	8.1%	6.3%	1,130bp	1,113bp	1,290bp
Tax Rate	-174.9%	27.4%	27.1%	33.3%			
Cost Items as a % of Sales							
RM + Freight + P&F Costs	61.6%	64.0%	62.8%	67.0%	-241bp	-118bp	-543bp
Employee Costs	4.4%	4.7%	4.1%	4.6%	-32bp	36bp	-20bp
Other Expenses	14.8%	14.5%	14.1%	13.6%	28bp	69bp	115bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

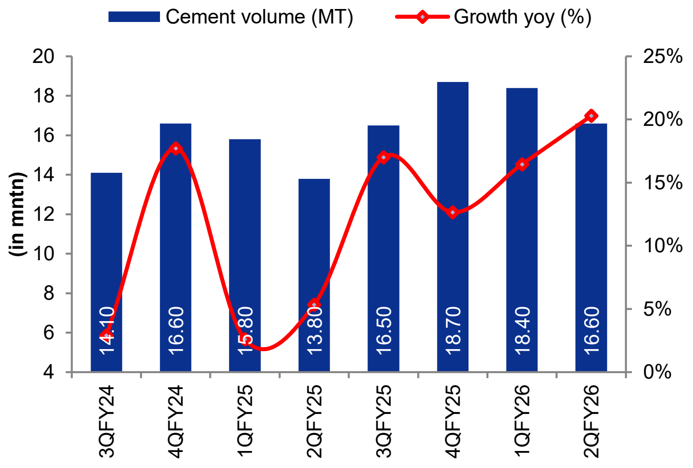
Figure 2: 2QFY26 results: Per tonne analysis

Per tonne analysis	2QFY26	2QFY26F	1QFY26	2QFY25	% Change 2QFY26F	% Change 1QFY26	% Change 2QFY25
Sales Volume (cement) (in mt)	16.60	16.31	18.40	13.80	1.8%	-9.8%	20.3%
Realisation	5,527	5,459	5,592	5,473	1.2%	-1.2%	1.0%
EBITDA/t	1,061	914	1,066	805	16.0%	-0.5%	31.7%
RM Cosst/t	788	888	829	1,031	-11.2%	-4.9%	-23.5%
P&F Costs/t	1,374	1,319	1,366	1,315	4.1%	0.6%	4.4%
Freight Costs/t	1,243	1,287	1,317	1,323	-3.4%	-5.6%	-6.0%
Employee Costs/t	244	259	227	253	-5.6%	7.5%	-3.4%
Other Expenses/t	817	792	788	746	3.2%	3.7%	9.5%
Total Costs/t	4,466	4,545	4,526	4,667	-1.7%	-1.3%	-4.3%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

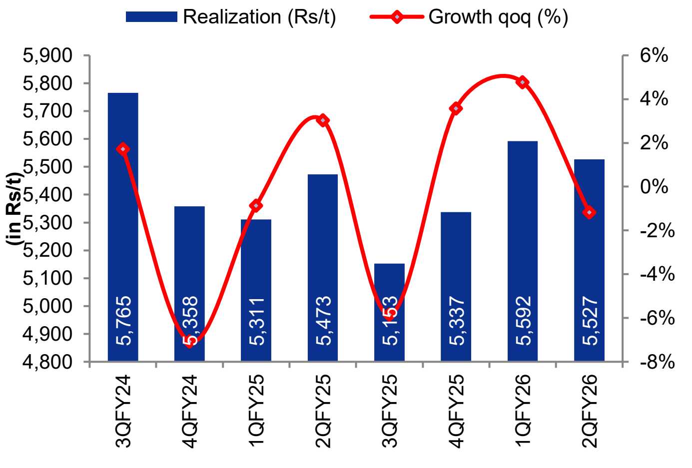
Key charts ➤

Figure 3: Cement sales volume, including clinker, up by ~20% yoy



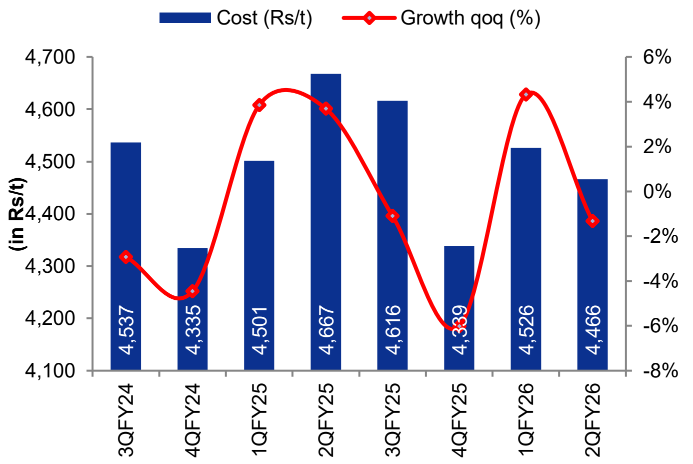
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Realisation declines by ~1% qoq in 2QFY26



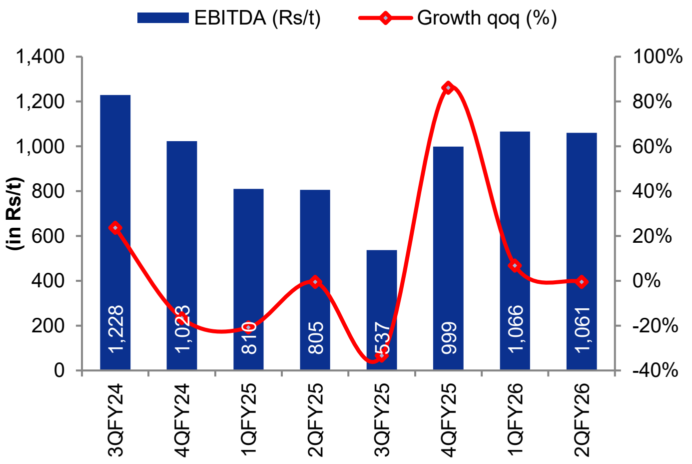
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Total operating costs/t down by ~1% qoq and ~4% yoy



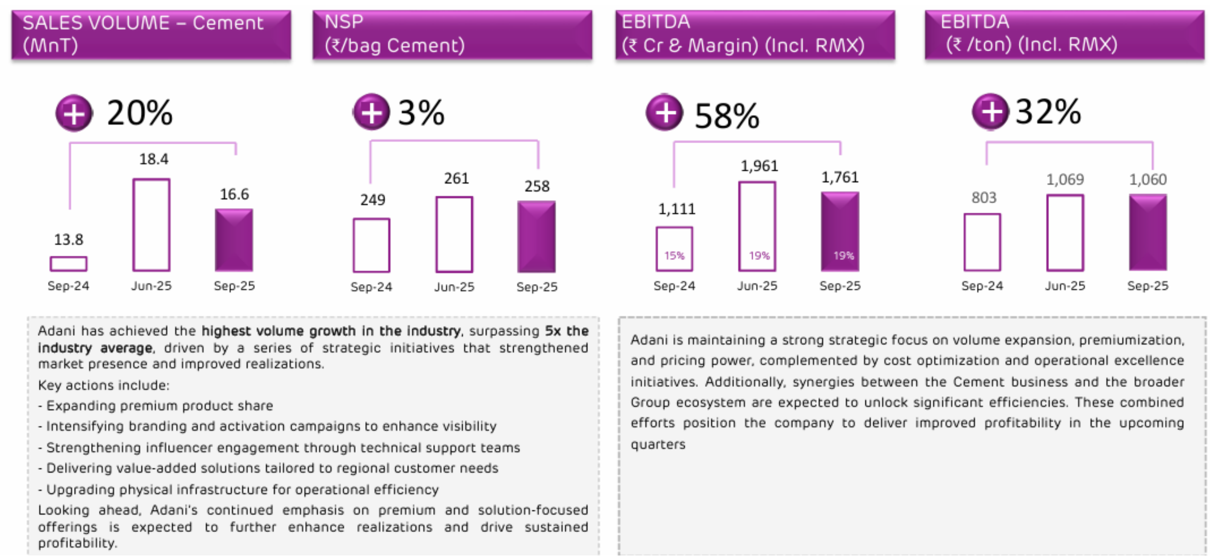
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Unit EBITDA contracts by Rs5/t qoq to Rs1,061/t in 2QFY26



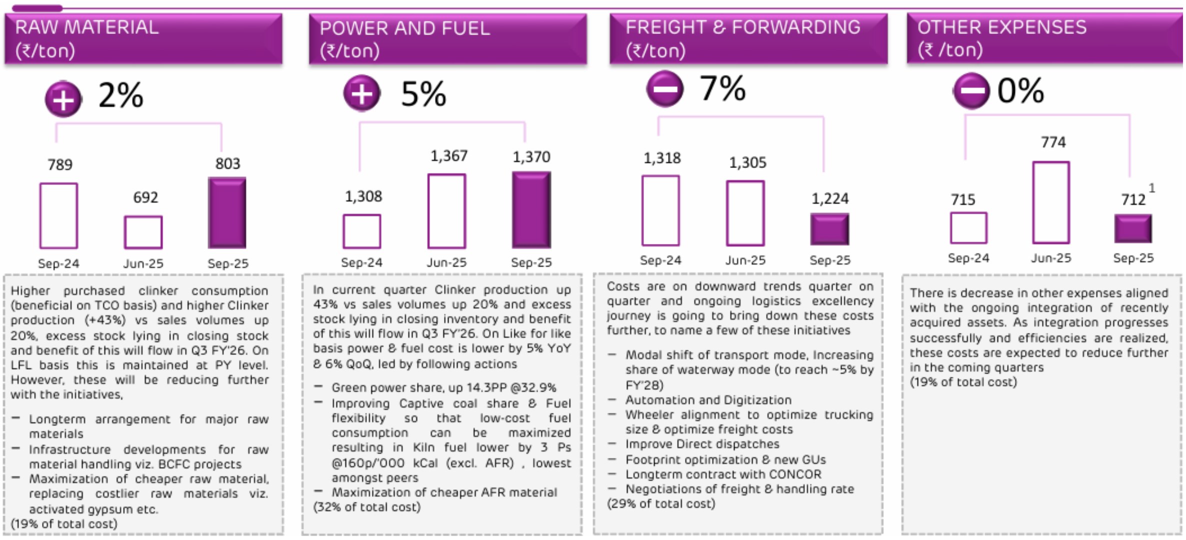
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: ACEM (consolidated) cement business - 2Q operational performance overview



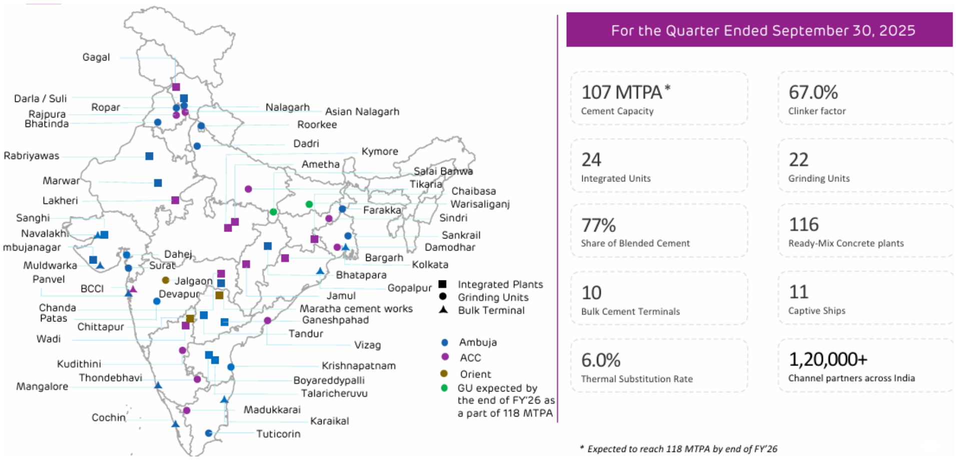
SOURCE: INCRED RESEARCH, ACC-ACEM 2QFY26 INVESTOR PRESENTATION

Figure 8: ACEM (consolidated) cement business –2Q costs performance



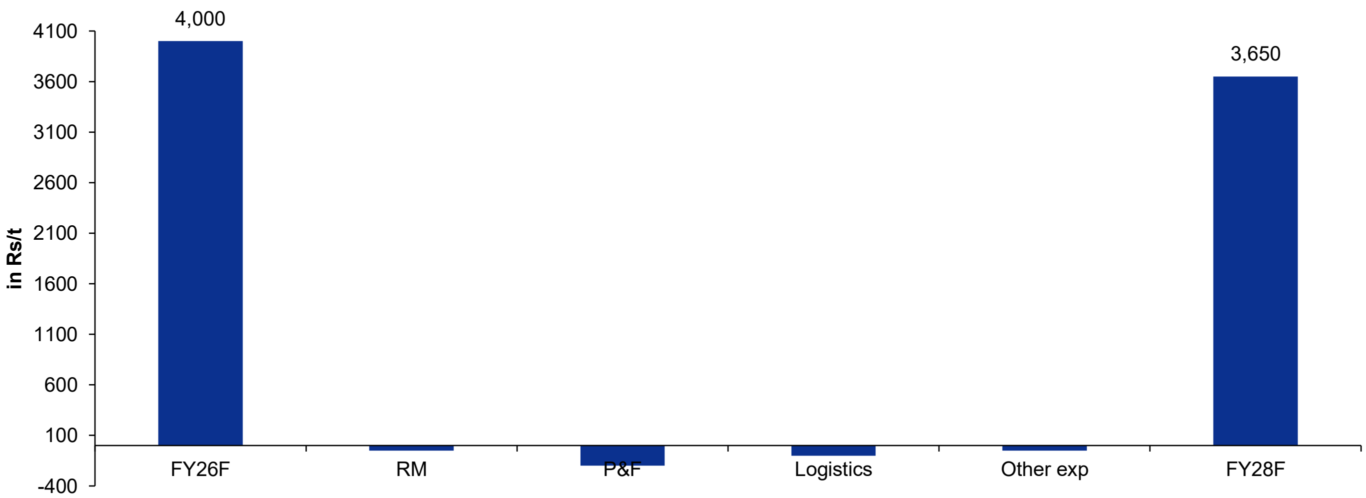
SOURCE: INCRED RESEARCH, ACC-ACEM 2QFY26 INVESTOR PRESENTATION

Figure 9: Adani Group's cement business - presence in 31 states and 665+ districts



SOURCE: INCRED RESEARCH, ACC-ACEM 2QFY26 INVESTOR PRESENTATION

Figure 10: ACEM expects to reduce total costs to Rs3,650/t by FY28F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Debottlenecking to add incremental capacity of 15mtpa GU by FY28F

Debottlenecking (FY27F)	Additional Capacity (mtpa)	Debottlenecking (FY28F)	Additional Capacity (mtpa)
Jamul	0.3	Boyareddypalli	1.1
Chanda	0.3	Rabriyawas	1.1
Sindri	0.3	Tandur	1.1
Nalagarh	0.3	Bhatapara	1.2
Ropar	1.1	Wadi	2.2
Roorkee	1.1	Tikaria	2.7
Maratha	2.2		
Total	**5.6**		**9.4**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Adani Group's cement biz current expansion

Projects under execution	Unit	State	Clinker Capacity (mtpa)	Cement Capacity (mtpa)	Expected Completion
Bhatapara Line 3	CU	Chhattisgarh	4		3QFY26F
Salai Banwa	GU	Uttar Pradesh		2.4	3QFY26F
Marwar	GU	Rajasthan		2.4	3QFY26F
Dahej Line-2	GU	Gujarat		1.2	3QFY26F
Kalamboli	GU	Maharashtra		1	3QFY26F
Bathinda	GU	Punjab		1.2	4QFY26F
Jodhpur - Penna	IU	Rajasthan	3	2	4QFY26F
Warisaligani	GU	Bihar		2.4	4QFY26F
Maratha Line 2	CU	Maharashtra	4		1QFY27F
Total			**11**	**12.6**	

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: CU= CLINKER UNIT, IU=INTEGRATED UNIT, GU= GRINDING UNIT

Key changes ➤

Figure 13: Our revised earnings estimates

Rs.m	New			Old			Change (%)		
	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Sales	4,17,909	4,81,181	5,31,945	4,10,641	4,72,812	5,22,694	2%	2%	2%
EBITDA	78,291	98,276	1,15,426	75,153	96,059	1,12,856	4%	2%	2%
PAT	38,653	49,781	59,768	36,309	48,125	57,849	6%	3%	3%
EPS (Rs.)	15.7	20.2	24.3	15	20	23	6%	3%	3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Changes in our estimates vs. Bloomberg consensus estimates

Rs. m	Incred			Consensus			Change (%)		
	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Sales	4,10,641	4,72,812	5,22,694	4,25,977	4,87,131	5,42,602	-4%	-3%	-4%
EBITDA	75,153	96,059	1,12,856	80,501	1,03,372	1,20,919	-7%	-7%	-7%
PAT	36,309	48,125	57,849	39,384	50,934	56,598	-8%	-6%	2%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 15: Key assumptions

	FY24A	FY25A	FY26F	FY27F	FY28F
Volume (in mtpa)	59	65	77	88	96
Yoy	-12%	10%	18%	14%	10%
Realisation (per t)	5,601	5,248	5,432	5,486	5,514
Yoy	-3%	-6%	3%	1%	0%
Cost (per t)	4,520	4,459	4,414	4,366	4,317
Yoy	-10%	-1%	-1%	-1%	-1%
EBITDA (per t)	1,081	789	1,018	1,120	1,196
Yoy	42%	-27%	29%	10%	7%
EBITDA (Rs m)	63,995	51,443	78,291	98,276	1,15,426
Yoy	25%	-20%	52%	26%	17%

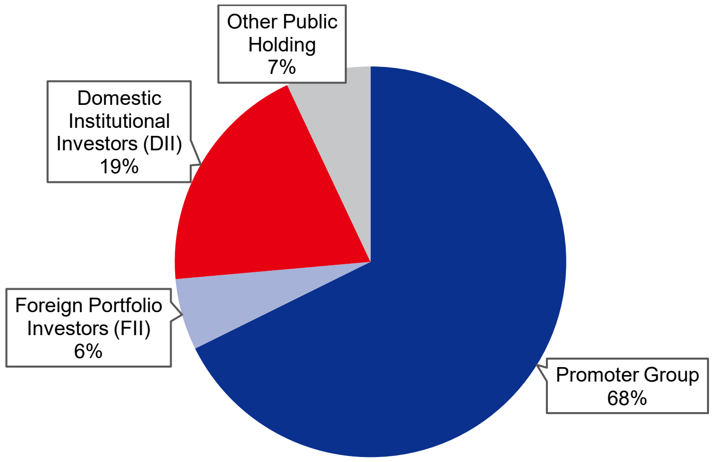
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 16: Maintain ADD rating on Ambuja Cements with a Sep 2026F target price of Rs680

Particulars	Unit	Valuation
Consolidated FY28F EBITDA	Rs m	1,15,426
One- year forward multiple	x	18
End-FY28F EV	Rs m	20,19,948
End-FY27F net debt	Rs m	(9,399)
End-FY28F equity value	Rs m	20,29,348
ACC's equity value at our target price	Rs m	4,19,815
ACEM's share in ACC	%	50
ACEM's share in ACC's market capitalisation	Rs m	2,09,949
End-FY28F equity value	Rs m	17,95,399
Sep 2026F target price	**Rs/share**	**680**

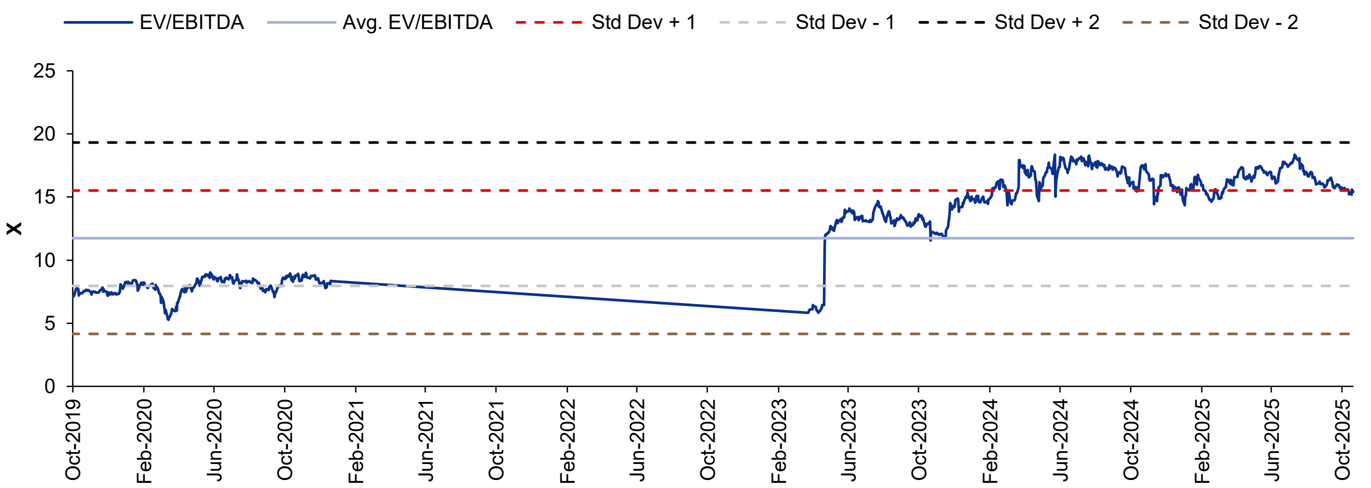
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 17: Ambuja Cements' shareholding pattern (as of end-Sep 2025)



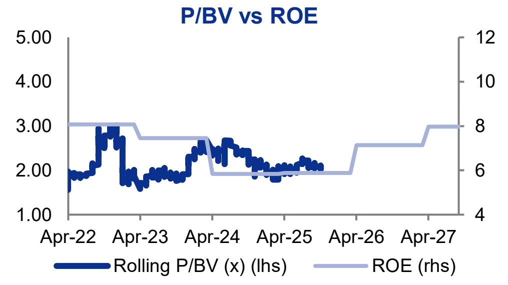
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

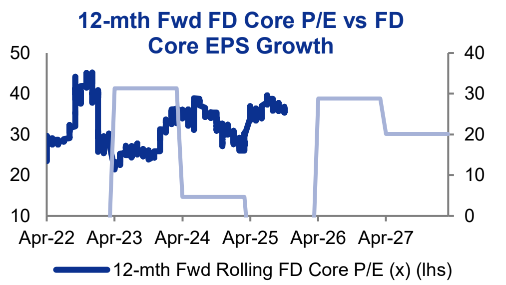
Figure 18: Ambuja Cements' one-year forward EV/EBITDA trades at the +1SD level



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS





Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	**331,596**	**342,184**	**417,909**	**481,181**	**531,945**
Gross Profit	**331,596**	**342,184**	**417,909**	**481,181**	**531,945**
Operating EBITDA	**63,995**	**51,443**	**78,292**	**98,277**	**115,427**
Depreciation And Amortisation	(16,279)	(24,783)	(30,979)	(34,697)	(38,166)
Operating EBIT	**47,716**	**26,660**	**47,313**	**63,580**	**77,260**
Financial Income/(Expense)	(2,764)	(2,159)	(2,203)	(2,247)	(2,292)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	11,664	26,543	6,636	5,309	5,043
Profit Before Tax (pre-EI)	**56,616**	**51,043**	**51,746**	**66,642**	**80,012**
Exceptional Items	2,345	8,181			
Pre-tax Profit	**58,961**	**59,224**	**51,746**	**66,642**	**80,012**
Taxation	(11,615)	(7,640)	(13,091)	(16,860)	(20,243)
Exceptional Income - post-tax					
Profit After Tax	**47,346**	**51,584**	**38,654**	**49,782**	**59,769**
Minority Interests	(11,612)	(9,910)			
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**35,734**	**41,674**	**38,654**	**49,782**	**59,769**
Recurring Net Profit	33,851	34,549	38,654	49,782	59,769
Fully Diluted Recurring Net Profit	**33,851**	**34,549**	**38,654**	**49,782**	**59,769**

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	63,995	51,443	78,292	98,277	115,427
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(32,801)	(18,036)	(8,742)	3,725	2,449
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	11,664	26,543	6,636	5,309	5,043
Other Operating Cashflow	27,979	(27,777)	(28,777)	(29,777)	(30,777)
Net Interest (Paid)/Received	(2,764)	(2,159)	(2,203)	(2,247)	(2,292)
Tax Paid	(11,615)	(7,640)	(13,091)	(16,860)	(20,243)
Cashflow From Operations	**56,458**	**22,374**	**32,115**	**58,427**	**69,608**
Capex	(39,611)	(85,915)	(92,500)	(96,500)	(96,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(49,893)	10,604	(4,000)	(4,000)	(4,000)
Cash Flow From Investing	**(89,504)**	**(75,311)**	**(96,500)**	**(100,500)**	**(100,500)**
Debt Raised/(repaid)	(241)	(11,711)	6,000	1,000	1,500
Proceeds From Issue Of Shares	66,610	83,391	4,999	9,999	9,999
Shares Repurchased					
Dividends Paid	(4,395)	(3,971)	(9,049)	(11,467)	
Preferred Dividends					
Other Financing Cashflow	(5,086)	(11,788)	29,549	30,296	17,432
Cash Flow From Financing	**56,888**	**55,920**	**31,498**	**29,828**	**28,931**
Total Cash Generated	23,842	2,983	(32,886)	(12,245)	(1,961)
Free Cashflow To Equity	**(33,287)**	**(64,648)**	**(58,385)**	**(41,073)**	**(29,392)**
Free Cashflow To Firm	**(30,282)**	**(50,778)**	**(62,182)**	**(39,826)**	**(28,601)**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS…cont'd

Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	103,691	61,799	28,912	16,668	14,707
Total Debtors	11,896	15,903	17,174	19,775	21,861
Inventories	36,086	42,480	48,088	54,050	59,753
Total Other Current Assets	88,209	76,990	73,134	85,169	90,963
Total Current Assets	**239,882**	**197,172**	**167,309**	**175,662**	**187,283**
Fixed Assets	314,360	413,014	488,682	549,985	607,819
Total Investments	20,706	37,556	37,556	37,556	37,556
Intangible Assets	26,585	97,930	101,930	105,930	109,930
Total Other Non-Current Assets	49,505	65,393	51,245	51,745	52,245
Total Non-current Assets	**411,155**	**613,892**	**679,413**	**745,216**	**807,550**
Short-term Debt	179	124	1,124	1,624	2,124
Current Portion of Long-Term Debt					
Total Creditors	29,641	29,948	28,133	31,826	34,658
Other Current Liabilities	91,469	108,380	104,477	125,107	138,306
Total Current Liabilities	**121,289**	**138,453**	**133,735**	**158,557**	**175,088**
Total Long-term Debt	189	144	5,144	5,644	6,644
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	21,134	32,996	33,996	34,996	35,996
Total Non-current Liabilities	**21,323**	**33,140**	**39,140**	**40,640**	**42,640**
Total Provisions					
Total Liabilities	**142,612**	**171,593**	**172,875**	**199,197**	**217,728**
Shareholders Equity	508,425	639,471	673,847	721,681	777,104
Minority Interests					
Total Equity	**508,425**	**639,471**	**673,847**	**721,681**	**777,104**

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	(14.8%)	3.2%	22.1%	15.1%	10.5%
Operating EBITDA Growth	24.9%	(19.6%)	52.2%	25.5%	17.5%
Operating EBITDA Margin	19.3%	15.0%	18.7%	20.4%	21.7%
Net Cash Per Share (Rs)	47.01	24.98	9.19	3.82	2.41
BVPS (Rs)	231.34	259.62	273.58	293.00	315.50
Gross Interest Cover	17.26	12.35	21.48	28.30	33.71
Effective Tax Rate	19.7%	12.9%	25.3%	25.3%	25.3%
Net Dividend Payout Ratio	13.2%	14.7%	24.0%	24.0%	24.0%
Accounts Receivables Days	12.90	14.83	14.44	14.01	14.28
Inventory Days	37.87	41.90	39.55	38.74	39.04
Accounts Payables Days	39.13	37.40	31.21	28.58	29.13
ROIC (%)	11.8%	4.6%	7.3%	9.0%	10.0%
ROCE (%)	10.6%	4.6%	7.2%	9.0%	10.2%
Return On Average Assets	8.2%	6.2%	4.9%	5.9%	6.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as “IRSPL”). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted “Incred Equities” as its trademark for use in this report.

The term “IRSPL” shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

a) Received any compensation/other benefits from the subject company,
b) Managed or co-managed public offering of securities for the subject company,
c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.
Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

InCred Research Services Private Limited
Research Analyst SEBI Registration Number: INH000011024
Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051
Phone: +91-22-6844-6100
Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051
Phone: +91-22-4161-1500
Name of the Compliance Officer: Mr. Mayuresh Kadam
Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Rajarshi Maitra
Phone no. +91-022-41611546
Email ID: rajarshi.maitra@incredresearch.com
CIN: U74999MH2016PTC287535

Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.