

India

ADD (no change)

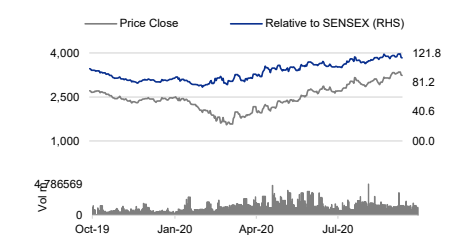
Consensus ratings*: Buy 38 Hold 4 Sell 4

Current price:	Rs12,577
Target price:	Rs14,100
Previous target:	Rs13,550
Up/downside:	12.1%
InCred Research / Consensus:	7.3%
Reuters:	ULTC.NS
Bloomberg:	UTCEM IN
Market cap:	US\$42,946m
	Rs3,706,180m
Average daily turnover:	US\$46.3m
	Rs3993.1m
Current shares o/s:	288.7m
Free float:	37.8%

*Source: Bloomberg

Key changes in this note

- Raise EBITDA by 3% for FY26F.
- Introduce FY28F estimates.
- Retain ADD rating with a higher target price of Rs14,100.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	9.8	5.4	11.7
Relative (%)	10.0	2.0	9.4

Major shareholders	% held
Promoter & Promoter Group	59.2
LIC	2.5
ICICI Pru	2.3

Research Analyst(s)



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UltraTech Cement Ltd

Demand, prices give an ideal start to FY26

- 1QFY26 consol. EBITDA was Rs44.1bn, ~4% above our estimate. Consol. volume rose ~15% yoy (+10% adj.). Grey cement realization rose 2.3% qoq.
- Management is confident of double-digit growth, ahead of the industry, in FY26F. Despite the monsoon season, cement prices holding up is positive.
- We raise EBITDA estimates by 3% for FY26F to reflect cost savings and ramp-up of acquired assets. Retain ADD rating with a higher TP of Rs14,100.

Steady volume growth in 1Q; double-digit growth likely in FY26F

Ultratech Cement or UTCEM's 1QFY26 consol. sales volume grew ~15% yoy to ~37mt (+10% yoy after restating for acquisitions), although it dipped qoq due to seasonal weakness. As per UTCEM, demand was steady, with an uptick in central government capex in the first two months of 1Q and stronger traction in states like Bihar, Gujarat and Andhra Pradesh. Rural demand remains resilient and is likely to stay strong while urban housing demand is showing early signals of a turnaround. India Cements' (ICEM) volume grew by ~11% yoy, benefiting from tolling arrangement with UTCEM. UTCEM's domestic grey cement realization improved by ~4% qoq & standalone UTCEM brand realization was up 2.3% qoq. As per UTCEM, current prices are holding up, despite onset of the monsoon season, which is a positive. In FY26F, UTCEM to grow in double digits on the FY25 base.

P&F costs rise qoq; ICEM to witness gains post capex

Total operating costs stood at Rs4,759/t in 1QFY26, up ~2% qoq and down ~7% yoy (~1% above Incred estimate), driven by higher power & fuel (P&F) costs. P&F costs/t rose 4% qoq. Consumed pet-coke prices were higher during the quarter (Rs1.78 vs. Rs1.73 qoq); however, management expects fuel costs to ease marginally or remain flat in 2QFY26F. ICEM's cost structure remains elevated and post-capex it should align with UTCEM's South India plant's profitability. UTCEM is confident of achieving ICEM EBITDA/t of Rs1,000 by FY28F. The benefits of the tolling arrangement have been passed on to ICEM and after deducting the marketing benefit of Rs10/bag or Rs200/t, ICEM achieved positive EBITDA/t despite imposition of limestone duty in Tamil Nadu.

FY26F capex at Rs100bn; ICEM supports brownfield expansion

Organic capex incurred stood at ~Rs20bn in 1QFY26, and UTCEM expects ~Rs100bn in FY26F, largely for growth. C&W capex to remain below Rs18bn. Brownfield expansion opportunities at ICEM remain under evaluation. Net debt declined to Rs163bn vs. Rs177bn in 4QFY25. The company to come up with its next phase of expansion plan soon.

Maintain ADD rating; recommend accumulation on any weakness

We maintain our ADD rating on the stock with a Mar 2026F target price of Rs14,100 (Rs13,550 earlier) or 19x EV/EBITDA. We maintain our thesis and continue to prefer UTCEM, given the visibility on the volume front and improvement in profitability. Downside risks: Weak demand and pricing, rise in input costs, and delay in expansion.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	709,081	759,551	899,461	994,187	1,086,185
Operating EBITDA (Rsm)	129,686	125,575	175,560	215,325	242,995
Net Profit (Rsm)	70,050	60,391	87,804	116,235	134,662
Core EPS (Rs)	244.5	209.5	298.0	394.4	457.0
Core EPS Growth	39.4%	(14.3%)	42.3%	32.4%	15.9%
FD Core P/E (x)	51.83	60.75	42.21	31.89	27.52
DPS (Rs)	70.0	77.5	74.5	98.6	114.2
Dividend Yield	0.67%	0.74%	0.59%	0.00%	0.00%
EV/EBITDA (x)	28.31	30.94	22.47	18.26	16.00
P/FCFE (x)	163.99	132.18	326.83	80.64	45.71
Net Gearing	6.7%	25.0%	25.7%	21.9%	15.4%
P/BV (x)	6.03	5.24	4.82	4.36	3.92
ROE	12.3%	9.3%	11.9%	14.4%	15.0%
% Change In Core EPS Estimates			(0.34%)	(0.30%)	(0.30%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Demand, prices give an ideal start to FY26

Overall review

1QFY26 results review and earnings-call takeaways ➤

Update on operational performance:

Demand & pricing outlook

- **Demand:** Market is steady. Central government capex improved in the first two months of 1Q; states like Bihar, Gujarat, and Andhra Pradesh are doing much better. Road construction projects increased by ~11% yoy.
- UTCEM's volume growth to be in double digits in FY26F, supported by capacity addition and acquisitions.
- Consolidated volume grew by 9.8% yoy. Based on the NCLT scheme, Kesoram's numbers were included in 1QFY25 results.
- **Sector-wise demand:** Rural demand continues to be strong and is expected to remain strong going ahead. Land purchases and deal signings hint towards a rebound in urban housing development. Redevelopment projects are strong in Mumbai and Pune. Mumbai accounts for ~3% of all-India cement demand.
- **Pricing:** Prices are favourable and have not declined, despite the onset of the monsoon season, which is a positive sign. Prices have risen in some pockets too. The southern and eastern regions led the prices, followed by northern and western regions. The eastern region continues to show price rise while the northern and western region prices are flat, but well-priced.
- **Volume:** Consolidated sales volume stood at 36.83mt, up 15.3% yoy (+10% yoy after restating) and down by ~10% qoq, and ~1% below Incred estimate.
- **Realization/t:** Domestic grey cement realization/t stood at Rs5,777, +4% qoq and -2% yoy, and +2% vs Incred estimate.
- Realization improved largely for the UTCEM brand, up 2.3% qoq.
- As per UTCEM, ~40% of cement demand comes in 4Q; the cement season starts post-Diwali festival. UTCEM remains confident of a strong demand rebound in 2HFY26F.

Costs & margin

- **Total operating costs declined** by ~7% yoy and rose by ~2% qoq to Rs4,759/t (~1% above our estimate) on higher P&F costs. **a) P&F costs/t** at Rs1,320, +4% qoq. **b) Freight costs/t** at Rs1,262, flat qoq. **c) Raw material costs/t** stood at Rs1,037, -2% qoq and +3% yoy.
- **Energy costs** stood at Rs1.78/kcal vs. Rs1.73/kcal qoq and Rs2/kcal yoy.
- **Consolidated EBITDA** improved by ~46% yoy and declined by ~5% qoq to ~Rs44.1bn (vs. our expectation of ~Rs42.3bn); restated consol. EBITDA at Rs45.9bn vs. Rs31.9bn yoy. **Consol. EBITDA/t** stood at Rs1,197 (up Rs72/t qoq and Rs253/t yoy) during the quarter.
- **Reported PAT** was down ~10% qoq at ~Rs22.2bn vs. our expectation of ~Rs22.02bn.
- Consumed pet-coke prices were higher during the quarter. Expect fuel costs to decline marginally in 2QFY26F.
- Depreciation was up by ~21% yoy at ~Rs11.1bn.
- **India Cements:** The ICEM team is assessing the scope of investment and improvement required. Costs to cool down by FY28F, with a rising green power share and the waste heat recovery system or WHRS. Capex to be funded by debt and internal accruals. Expects to reach a debt level of Rs0.5bn by the end of the program.
- **Tolling arrangement of UTCEM and ICEM:** UTCEM passes on all the benefits to ICEM, which is Rs10/bag or Rs200/t for marketing expenses.

Other updates:

- The current cost of production at ICEM is higher and going ahead, it is expected to decline. Post-capex, ICEM costs to be like UTCЕМ level.
- For ICEM, fuel costs remain stable; achieved positive EBITDA/t after implementation of limestone Acts.
- The consolidation of South India market is good for prices; projects like data centres, warehousing, and commercial centres seem to be positive for the region's demand. Andhra Pradesh government demand has started showing improvement. Tamil Nadu is nearing assembly elections, which should contribute to demand going ahead.
- Inter-company elimination is related to consumption of cement by the readymix concrete or RMC business.
- To complete the transition of ICEM brand to UTCЕМ brand by the end of FY27F.
- The company has brownfield opportunities for ICEM facilities too.
- The benefits of the last RBI repo rate cut have not flowed in yet; ~7% current cost of funds.
- **Capex:** Incurred Rs20bn capex in 1QFY26 solely for UTCЕМ. Capex in FY26F at Rs10bn.
- **Cable & wire or C&W business:** A major order has been placed for the C&W business, talent acquisition has started, and the land has been finalized for the same. Capex to remain at Rs18bn.
- RMC business growth to continue.
- **Net debt** was ~Rs163bn in 1QFY26 vs. Rs177bn in 4QFY25.
- The green power mix stood at 39.5% vs. 35.4% qoq.
- Premium product mix stood at 33.8% of trade sales vs. 30.8% qoq.
- Lead distance stood at 370km in 1QFY26 vs. 384km qoq and 386km yoy.
- UBS contribution to domestic grey sales volume touched 21% vs. 21% qoq.
- The clinker conversion ratio was 1.49x vs. 1.47x qoq and 1.44x yoy.
- The trade mix stood at 66.3% vs. 66.4% qoq.

Figure 1: Consolidated quarterly performance

Particulars (Rs m)	1QFY26	1QFY26F	4QFY25	1QFY25	% Change		
					1QFY26F	4QFY25	1QFY25
Net Sales	2,12,755	2,11,356	2,30,633	1,88,186	1%	-8%	13%
Raw Materials Consumed	38,190	38,365	43,490	32,308	0%	-12%	18%
Freight and Forwarding Expenses	46,490	45,994	51,762	44,279	1%	-10%	5%
Power and Fuel Costs	48,619	47,948	52,236	47,880	1%	-7%	2%
Employee Costs	9,722	9,449	9,815	7,793	3%	-1%	25%
Other Expenses	25,630	27,281	27,146	25,754	-6%	-6%	0%
Total Expenditure	1,68,651	1,69,038	1,84,449	1,58,015	0%	-9%	7%
EBITDA	44,103	42,319	46,184	30,171	4%	-5%	46%
Depreciation	11,068	10,869	11,246	9,179	2%	-2%	21%
EBIT	33,036	31,450	34,939	20,992	5%	-5%	57%
Interest	4,333	4,600	4,750	3,258	-6%	-9%	33%
Other Income	1,802	1,732	1,021	1,685	4%	76%	7%
PBT	30,121	28,582	31,210	18,538	5%	-3%	62%
Tax	7,869	6,482	6,261	3,633	21%	26%	117%
PAT before MI & Associates	22,252	22,100	24,949	14,906	1%	-11%	49%
Minority Interest	-50	0	-73	-14		-31%	264%
Profit from Assoc.	-43	-45	-201	29	-4%	-79%	-249%
Recurring PAT	22,259	22,055	24,820	14,948	1%	-10%	49%
Extraordinary Items	-384	0	0	-881			
Reported PAT	22,259	22,055	24,820	14,948	1%	-10%	49%
EPS (Rs)	77.1	76.4	86.0	51.8	1%	-10%	49%
Margins (%)							
Gross Margin	37.3%	37.4%	36.1%	33.9%	-5bp	130bp	349bp
EBITDA Margin	20.7%	20.0%	20.0%	16.0%	71bp	70bp	470bp
EBIT Margin	15.5%	14.9%	15.1%	11.2%	65bp	38bp	437bp
PBT Margin	14.2%	13.5%	13.5%	9.9%	63bp	63bp	431bp
PAT Margin	10.5%	10.4%	10.8%	7.9%	3bp	-30bp	252bp
Tax Rate	26.1%	22.7%	20.1%	19.6%	344bp	606bp	653bp
Cost Items as a % of Sales							
RM Costs	18.0%	18.2%	18.9%	17.2%	-20bp	-91bp	78bp
Freight Costs	21.9%	21.8%	22.4%	23.5%	9bp	-59bp	-168bp
P&F Costs	22.9%	22.7%	22.6%	25.4%	17bp	20bp	-259bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

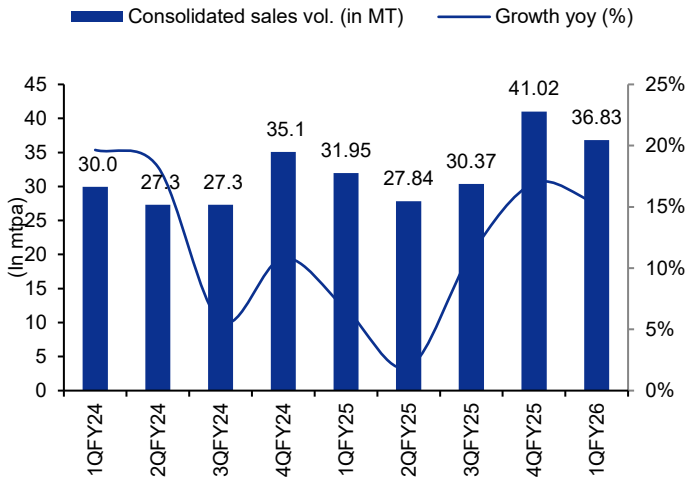
Figure 2: 1QFY26 results on per tonne analysis

Per tonne analysis	1QFY26	1QFY26F	4QFY25	1QFY25	% Change		
					1QFY26F	4QFY25	1QFY25
Sales Volume (mnt)	36.8	37.1	41.0	32.0	-0.8%	-10.2%	15.3%
Blended Realization (Rs/t)	5,777	5,641	5,555	5,890	2.4%	4.0%	-1.9%
EBITDA/t	1,197	1,140	1,126	944	5.0%	6.4%	26.8%
RM Costs/t	1,037	1,034	1,060	1,011	0.3%	-2.2%	2.5%
P&F Costs/t	1,320	1,292	1,273	1,499	2.2%	3.7%	-11.9%
Freight Costs/t	1,262	1,239	1,262	1,386	1.9%	0.0%	-8.9%
Employee Costs/t	264	255	239	244	3.7%	10.3%	8.2%
Other Expenses/t	696	735	662	806	-5.3%	5.2%	-13.7%
Costs/t	4,579	4,554	4,497	4,946	0.5%	1.8%	-7.4%

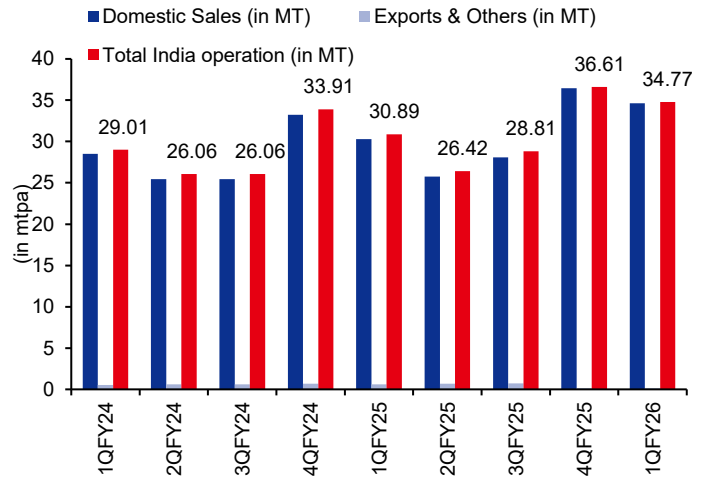
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Key charts ➤

Figure 3: Consolidated sales volume rose by ~15% yoy in 1QFY26 **Figure 4: Total India operations, including exports, in 1QFY26**

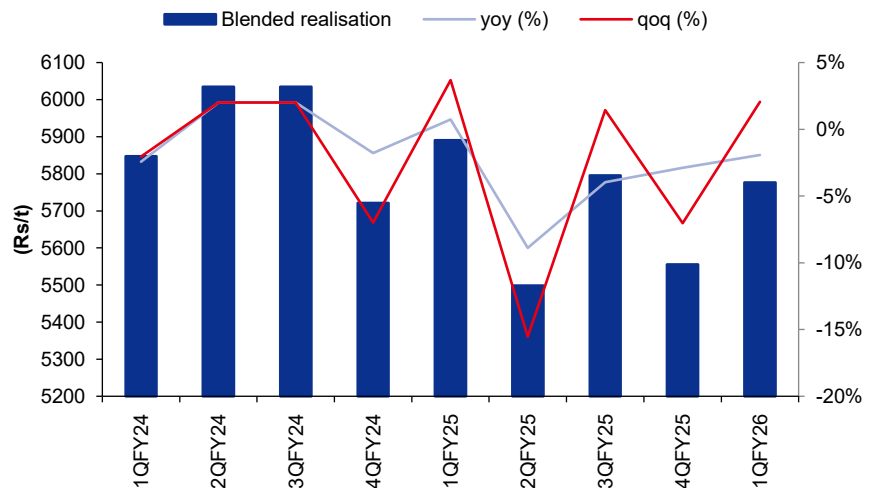


SOURCE: INCRED RESEARCH, COMPANY REPORTS



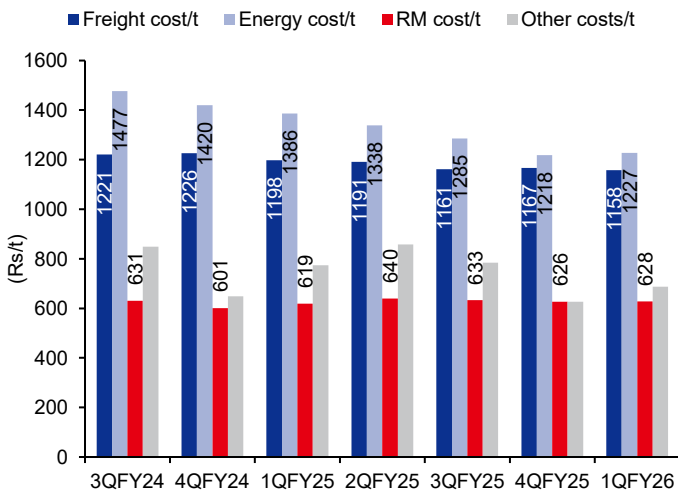
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Blended cement realization declines by 2% yoy

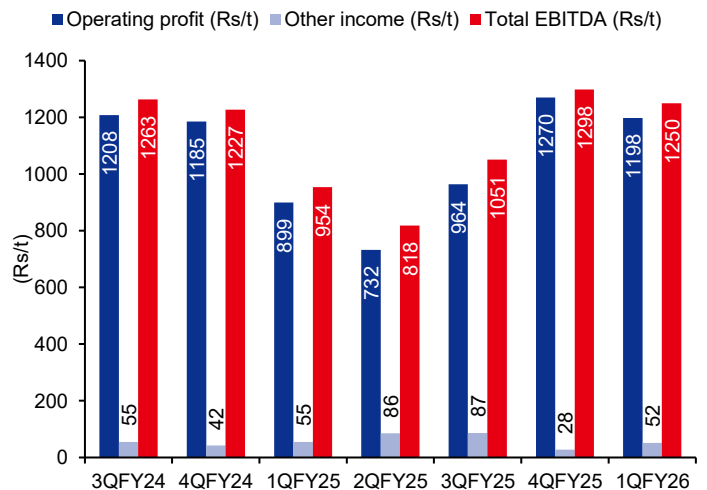


SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: Reported operating costs/t trend in line with its savings target on the cost front, with declining freight & power costs **Figure 7: Reported EBITDA/t trend**



SOURCE: INCRED RESEARCH, COMPANY REPORTS



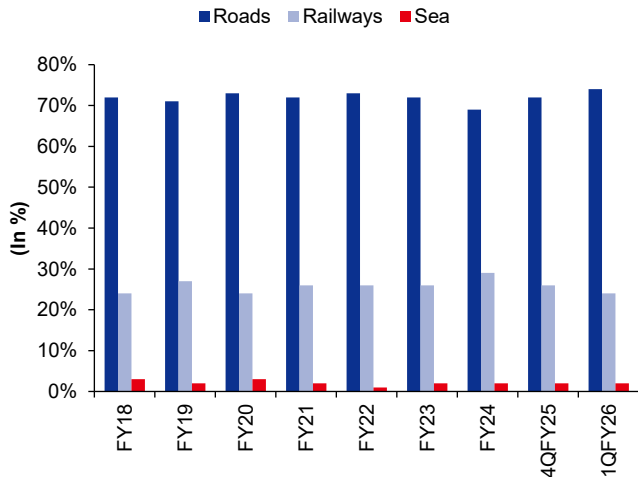
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Key cost indicators of grey cement in 1QFY26, as reported by UTC

Cost (Rs/t)	1QFY26	4QFY25	1QFY25	yoy	qoq	Comment
Logistics	1,158	1,167	1,198	-3%	-1%	YoY: Benefit on account of lead optimization and increased capacity, QoQ: Lead time reduced to 370km in 1QFY26 vs. 384km qoq and 386km yoy.
Energy	1,227	1,218	1,386	-11%	1%	YoY and QoQ: Blended pet-coke/ coal costs at US\$127/t, up qoq; pet-coke consumption was 52% vs. 55% qoq.
Raw Material	628	626	619	1%	0%	Improved clinker conversion ratio; 1.49x vs. 1.47 qoq and 1.44x yoy.
Other costs	687	626	774	-11%	10%	YoY & QoQ: Operating leverage benefit.

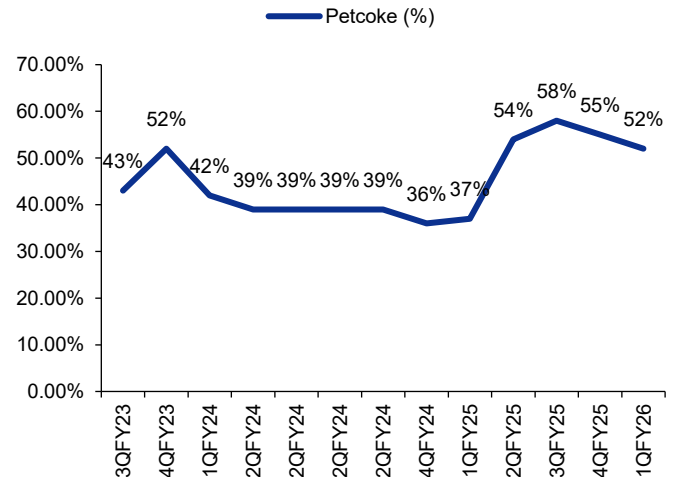
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Share of various transportation modes (%)



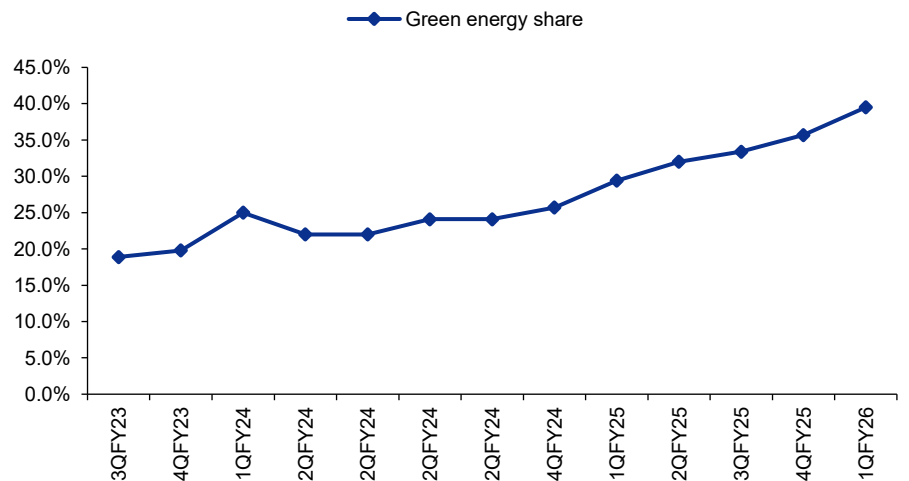
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Pet-coke accounted for 52% of kiln fuel mix vs. 55% qoq



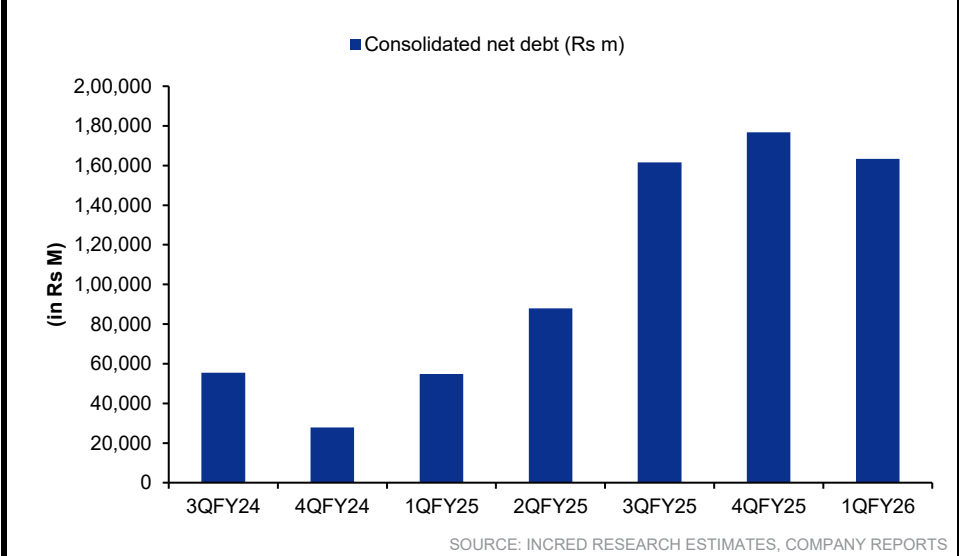
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Power mix trend – for UTC it was ~39% in 1QFY26



SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: Consolidated net debt was ~Rs163bn, which is expected to reduce post-FY26F



Phase-wise expansion & cost savings plan of UTCEM ➤

Figure 13: UTCEM's capacity expansion status as of 1QFY26-end

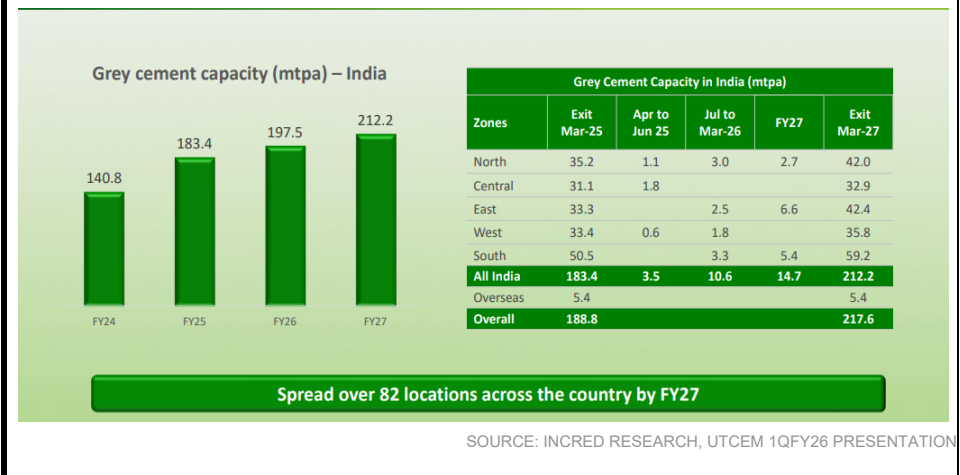
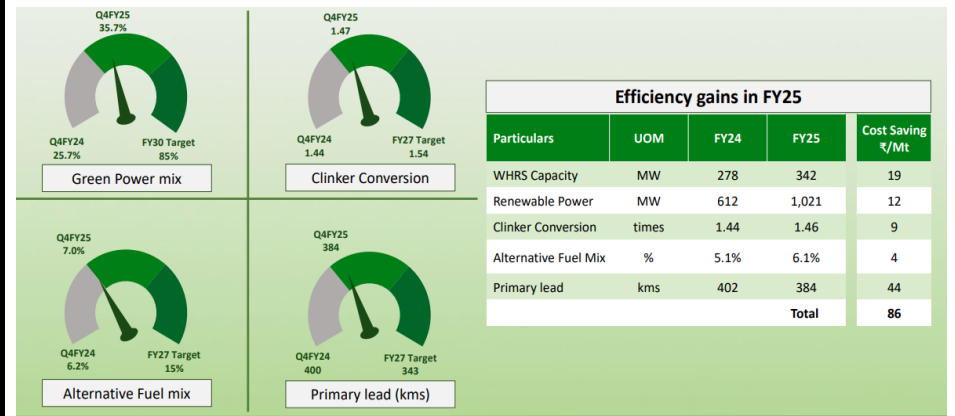


Figure 14: Location-wise expansion status in 1QFY26

Particulars	Unit	Project	Cement Capacity (Mtpa)	Particulars	Unit	Project	Cement Capacity (Mtpa)
Capacity as at March-25				To be commissioned in FY27			
183.4				Aligarh, Uttar Pradesh	GU	B	2.7
Nagpur, Maharashtra (Debottlenecking)	GU	B	0.6	Bihar	GU	G	3.3
Panipat, Haryana (Debottlenecking)	GU	B	0.4	West Bengal	GU	G	3.3
Jhajjar, Haryana (Debottlenecking)	GU	B	0.4	APCW, Andhra Pradesh	IU	B	2.7
Banswara, Rajasthan (Debottlenecking)*	IU	B	0.3	Andhra Pradesh	IU	G	2.7
Maihar, Madhya Pradesh (Phase II)	IU	B	1.8	Gujarat	BT	G	1.2
Patratu, Jharkhand	GU	B	2.5	Karnataka	BT	G	1.2
Shahjahanpur, Uttar Pradesh	GU	G	1.8	Assam	BT	G	1.2
Nathdwara, Rajasthan	IU	B	1.2	Tamil Nadu	BT	G	1.8
Dhule, Maharashtra (Phase II)	GU	B	0.6	Capacity addition in FY27 (Excl. BT)			
Visakhapatnam, Andhra Pradesh	GU	G	3.3	14.7			
Parli, Maharashtra	GU	B	1.2				
Panvel, Maharashtra	BT	B	1.0				
Capacity addition in FY26 (Excl. BT)							
14.1							

SOURCE: INCRED RESEARCH, UTCEM 1QFY26 PRESENTATION
G : GREENFIELD, B : BROWNFIELD, GU : GRINDING UNIT, IU : INTEGRATED UNIT, BT : BULK TERMINAL

Figure 15: UTCEM achieves ~28% of its targeted cost savings of Rs200-300/t



SOURCE: INCRED RESEARCH, UTCEM 4QFY25 PRESENTATION

Sectoral update by UTCEM ➤

Figure 16: Demand drivers by region and key segments during 1QFY26

Zone	I	C	H	R	Key drivers
North	↓	↑	↓	↓	<ul style="list-style-type: none"> Housing segment growth was impacted due to unseasonal rains and temporary pause in construction activities in border states due to geopolitical tensions Infrastructure segment registered degrowth on account of unseasonal rains in May and June, completion of major projects and lack of announcement of new projects Commercial segment registered overall growth
Central	↓	↑	↓	↓	<ul style="list-style-type: none"> Housing and rural segment registered degrowth due to shortage of labour on account of harvesting and wedding season, low government fund allocation in PMAY scheme and other state projects Infrastructure segment registered degrowth due to completion of major projects and lack of announcement of new projects except dam and irrigation projects in East Madhya Pradesh Commercial segment demand remains stable
East	↑	↑	↑	↑	<ul style="list-style-type: none"> Housing and rural segment registered growth across regions. Odisha impacted due to delay in fund allocation in PMAY, heavy rains and floods in June as well as sand and aggregate shortage Infrastructure segment demand was supported by projects like Patna-Kolkata Expressway, Buxar-Bhagalpur Expressway, Kolkata and Patna metro expansion, airport expansion in Kolkata and Bagdogra Commercial segment registered overall growth
West	↑	↑	↑	↑	<ul style="list-style-type: none"> Maharashtra: Infrastructure segment demand was supported by projects like Mumbai metro, Mumbai-Delhi Expressway, Nagpur metro extension, High Speed Rail corridor, various NHAI projects etc. Housing segment demand was stable. Mumbai and Pune demand was impacted due to unseasonal rains Commercial segment registered strong growth across all regions
South	↑	↑	↑	↑	<ul style="list-style-type: none"> Gujarat: Housing segment registered growth with strong demand led by rural areas Infrastructure segment continue to degrow on account of near completion of major projects like High-Speed Rail, lack of announcement of new projects, labour shortage on account of festivities as well as early arrival of monsoon Commercial segment demand was stable

SOURCE: INCRED RESEARCH, UTCEM 1QFY26 PRESENTATION

I: INFRASTRUCTURE, R: RURAL, H: HOUSING, C: COMMERCIAL

IHB: INDIVIDUAL HOUSING BUILDER, PMAY: PRADHAN MANTRI AWAS YOZNA, PMGSY: PRADHAN MANTRI GRAM SADAK YOZNA, RRTS: REGIONAL RAPID TRANSIT SYSTEM

Key changes ➤

Figure 17: Our revised earnings estimates

Rs. m	New		Old		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	8,99,461	9,94,187	8,95,294	9,94,481	0%	0%
EBITDA	1,75,560	2,15,325	1,70,798	2,15,874	3%	0%
PAT	87,804	1,16,235	84,280	1,16,641	4%	0%
EPS (Rs.)	298.0	394.4	286.0	395.8	4%	0%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 18: Changes in our estimates vs. Bloomberg consensus estimates

Rs. m	Incred			Consensus			Change (%)		
	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Sales	8,99,461	9,94,187	10,86,185	8,88,680	9,88,355	10,55,000	1%	1%	3%
EBITDA	1,75,560	2,15,325	2,42,995	1,78,861	2,16,759	2,38,899	-2%	-1%	2%
PAT	87,804	1,16,235	1,34,662	91,305	1,33,942	1,35,164	-4%	-13%	0%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 19: Key assumptions

	FY24	FY25	FY26F	FY27F	FY28F
Volume (in mtpa)	119	136	159	174	188
Yoy	13%	14%	17%	9%	9%
Realization (per tonne)	5,864	5,517	5,597	5,653	5,687
Yoy	-1%	-6%	1%	1%	1%
Cost (per tonne)	4,867	4,667	4,564	4,487	4,476
Yoy	-2%	-4%	-2%	-2%	0%
EBITDA (per tonne)	1,089	924	1,107	1,240	1,290
Yoy	8%	-15%	20%	12%	4%
EBITDA (Rs m)	1,29,686	1,25,575	1,75,560	2,15,325	2,42,995
Yoy	22%	-3%	40%	23%	13%

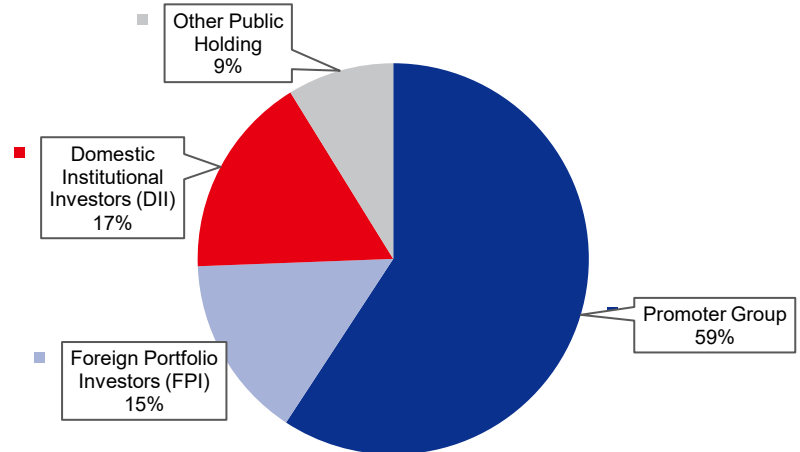
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 20: Maintain ADD rating on the stock with a Jun 2026F target price of Rs14,100, set at an EV/EBITDA of 19x (unchanged)

Valuation	Target price
Target EV/EBITDA (x)	19
Target EV (Rs m)	46,41,202
Net debt / (cash) (Rs m) – one-year lag	1,70,061
No. of shares (m)	289
Fair value per share (Rs)	14,100

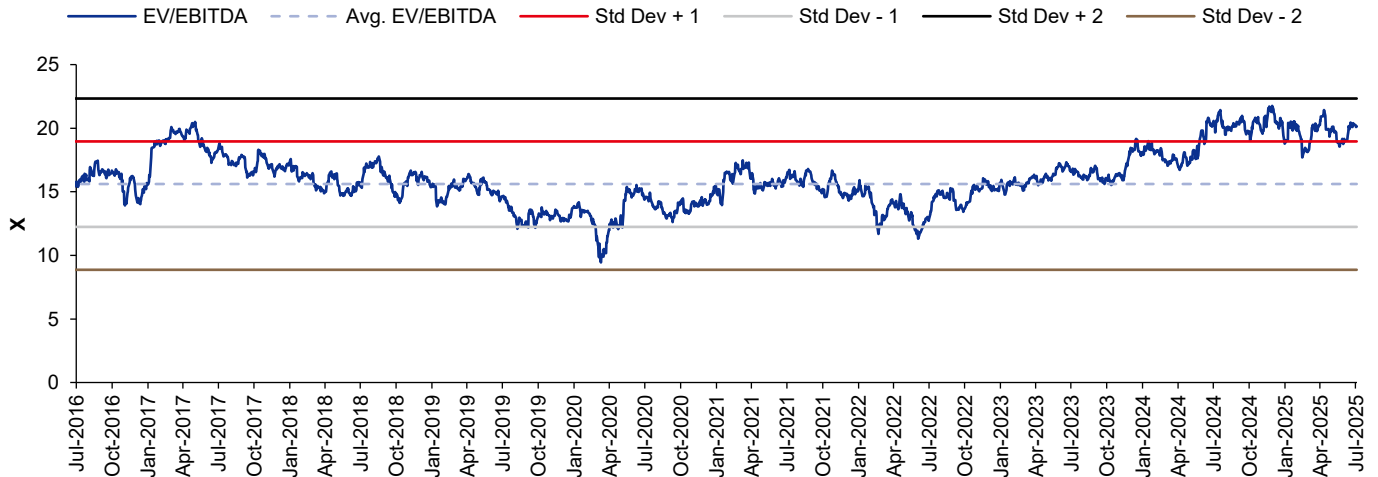
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 21: UTCEM's shareholding pattern (as of end-Mar 2025)



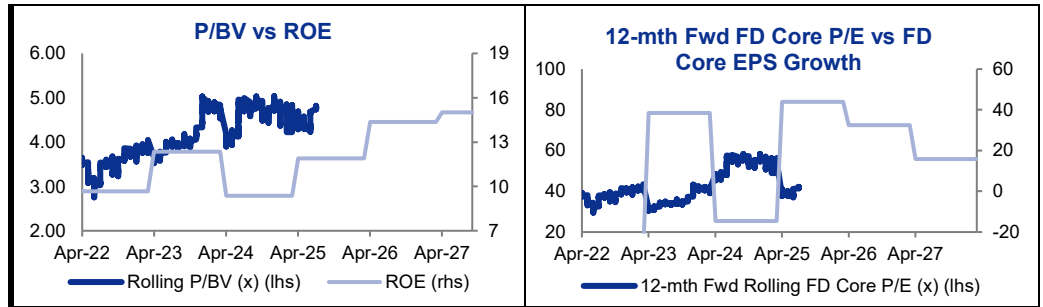
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 22: UTCEM's one-year forward EV/EBITDA trades above +1 SD



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	709,081	759,551	899,461	994,187	1,086,185
Gross Profit	709,081	759,551	899,461	994,187	1,086,185
Operating EBITDA	129,686	125,575	175,560	215,325	242,995
Depreciation And Amortisation	(31,453)	(40,150)	(44,967)	(50,364)	(56,407)
Operating EBIT	98,233	85,425	130,593	164,962	186,588
Financial Income/(Expense)	(9,680)	(16,505)	(19,476)	(15,581)	(12,465)
Pretax Income/(Loss) from Assoc.	220	(199)	(199)	(199)	(199)
Non-Operating Income/(Expense)	6,170	7,442	7,814	7,970	8,129
Profit Before Tax (pre-EI)	94,942	76,162	118,731	157,152	182,053
Exceptional Items	(720)	(881)			
Pre-tax Profit	94,222	75,281	118,731	157,152	182,053
Taxation	(24,183)	(14,885)	(30,922)	(40,911)	(47,386)
Exceptional Income - post-tax					
Profit After Tax	70,040	60,396	87,809	116,240	134,667
Minority Interests	10	(5)	(5)	(5)	(5)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	70,050	60,391	87,804	116,235	134,662
Recurring Net Profit	70,585	61,098	87,804	116,235	134,662
Fully Diluted Recurring Net Profit	70,585	61,098	87,804	116,235	134,662

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	129,686	125,575	175,560	215,325	242,995
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(4,811)	(6,711)	(465)	4,328	4,972
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	6,170	7,442	7,814	7,970	8,129
Other Operating Cashflow	4,116	9,941	9,941	9,941	9,941
Net Interest (Paid)/Received	(9,680)	(16,505)	(19,476)	(15,581)	(12,465)
Tax Paid	(16,505)	(13,006)	(30,922)	(40,911)	(47,386)
Cashflow From Operations	108,975	106,734	142,452	181,071	206,186
Capex	(88,841)	(89,506)	(98,144)	(82,748)	(66,705)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	959	(75,538)	(28,967)	(40,364)	(46,407)
Cash Flow From Investing	(87,881)	(165,045)	(127,112)	(123,112)	(113,112)
Debt Raised/(repaid)	1,047	86,064	(4,000)	(12,000)	(12,000)
Proceeds From Issue Of Shares	(825)	(670)	(4,295)	(34,811)	(40,362)
Shares Repurchased					
Dividends Paid	(24,351)	(27,519)	(26,451)	(35,016)	(40,567)
Preferred Dividends					
Other Financing Cashflow	4,872	(7,117)	(5,645)	24,871	30,422
Cash Flow From Financing	(19,257)	50,758	(40,391)	(56,956)	(62,507)
Total Cash Generated	1,838	(7,553)	(25,052)	1,003	30,567
Free Cashflow To Equity	22,141	27,754	11,340	45,960	81,074
Free Cashflow To Firm	30,774	(41,805)	34,816	73,541	105,539

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	62,680	45,324	20,272	21,275	51,842
Total Debtors	42,782	58,903	61,607	68,095	74,396
Inventories	83,297	95,630	103,500	111,676	122,010
Total Other Current Assets	42,825	37,516	43,174	47,721	52,137
Total Current Assets	231,584	237,372	228,553	248,767	300,385
Fixed Assets	565,321	868,824	965,969	1,047,717	1,113,422
Total Investments	27,642	22,974	22,974	22,974	22,974
Intangible Assets	131,567	168,427	152,427	142,427	132,427
Total Other Non-Current Assets	51,907	39,374	40,374	41,374	42,374
Total Non-current Assets	776,436	1,099,600	1,181,744	1,254,492	1,311,197
Short-term Debt	49,906	72,502	72,502	72,502	72,502
Current Portion of Long-Term Debt					
Total Creditors	84,783	93,275	96,017	101,558	110,101
Other Current Liabilities	134,370	157,873	170,898	188,895	206,375
Total Current Liabilities	269,060	323,650	339,417	362,956	388,979
Total Long-term Debt	53,078	157,808	153,808	141,808	129,808
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	83,049	116,581	116,581	116,581	116,581
Total Non-current Liabilities	136,126	274,388	270,388	258,388	246,388
Total Provisions					
Total Liabilities	405,186	598,038	609,805	621,344	635,367
Shareholders Equity	602,275	707,062	768,620	850,043	944,343
Minority Interests	559	31,872	31,872	31,872	31,872
Total Equity	602,834	738,934	800,491	881,915	976,215

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	12.1%	7.1%	18.4%	10.5%	9.3%
Operating EBITDA Growth	22.1%	(3.2%)	39.8%	22.7%	12.9%
Operating EBITDA Margin	18.3%	16.5%	19.5%	21.7%	22.4%
Net Cash Per Share (Rs)	(139.61)	(627.75)	(699.19)	(655.07)	(510.61)
BVPS (Rs)	2,086.23	2,399.42	2,608.32	2,884.63	3,204.64
Gross Interest Cover	10.15	5.18	6.71	10.59	14.97
Effective Tax Rate	25.7%	19.8%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	34.4%	44.9%	25.0%		
Accounts Receivables Days	20.96	24.43	24.45	23.81	23.94
Inventory Days	(38.46)	(42.99)	(40.40)	(39.50)	(39.26)
Accounts Payables Days	49.41	51.26	47.72	46.30	45.81
ROIC (%)	14.1%	8.4%	11.9%	14.1%	15.3%
ROCE (%)	14.6%	10.2%	13.1%	15.5%	16.4%
Return On Average Assets	8.4%	6.6%	7.8%	9.0%	9.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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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.

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- 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.

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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.