2 July 2025

Company Update | Sector: Cement

Ambuja Cements

BSE SENSEX	S&P CNX
83,697	25,542

CMP: INR580 TP: INR700 (+21%) Buy

Accelerating transformation; growth drivers in place

We attended the plant visit event organized by ACEM at its Marwar Mundwa plant in Rajasthan, where we interacted with the senior management team, followed by a tour of the plant. Key highlights of the interaction are as follows: 1) the company's market share increased from 11-12% to 14.5%, with a target of ~17-18%/+20% by FY28E/FY30E; 2) increasing its premium cement share remains a key focus area, which is currently accounts for ~24% of its trade volume, with ~INR400/t higher profitability; 3) capacity expansion is on track and company is confident of achieving targeted capacity of 140mtpa by FY28; and 4) it has reiterated its EBITDA/t target of INR1,500/t by FY28E, led by cost savings and an increasing share of premium cement.

Key takeaways from the management meeting

- The company has reiterated its capacity target of 140mtpa by FY28E. After acquiring Holcim's stake in ACC and ACEM, the Group's capacity increased from 68mtpa in Sep'22 to 102.8mtpa currently. Acquisitions of Sanghi Industries (6.1mtpa), Asian Cement (1.5mtpa), Penna Cement (10mtpa), and Orient Cement (8.5mtpa) have supported progress toward the 140mtpa capacity target. In FY26, installed capacity will increase by ~19mtpa to ~118mtpa, and further to 140mtpa by FY28E.
- Capex cost/t for greenfield projects will be USD75-80/t, and the company aims to remain net debt free in this phase of capacity expansion.
- Adani Cement has increased its market share to 14.5% (vs 11-12% a few years ago) and plans to grow it by 1pp in FY26E. It aims to achieve a market share of ~17-18% by FY28E and over 20% by FY30E.
- Following recent acquisitions in the last few years and plans to merge some of the acquired capacities (the merger of Sanghi Industries, Penna Cement, and Adani Cement expected to be completed within two quarters), management chose to hold off on merging ACC with ACEM to better control capital market activities. The goal remains to have one company per business, and the ACC-ACEM merger will be initiated at an appropriate time.
- The company holds the highest premium cement share in the industry and plans to increase it further. Trade sales account for ~74% of total volumes, with premium cement constituting ~26% of trade volumes. Premium cement is ~INR400/t more profitable than regular grey cement. The company aims to continue increasing the share of premium products (can reach ~50% at maximum), driven by the rising consumption/demand trend for premium products.
- Cement demand is expected to grow at a CAGR of ~7% over FY25-30, outpacing capacity addition at ~6% CAGR, which will support higher industry capacity utilization and pricing power. Demand growth will be led by the infrastructure and industrial segments, with shares projected to increase modestly by FY30. In FY26, demand growth is estimated at ~7% (vs ~4% in FY25), although capacity additions are expected to be significantly higher at ~50-70mtpa.

Stock Info

Bloomberg	ACEM IN
Equity Shares (m)	2463
M.Cap.(INRb)/(USDb)	1429.2 / 16.7
52-Week Range (INR)	707 / 453
1, 6, 12 Rel. Per (%)	2/0/-22
12M Avg Val (INR M)	1739
Free float (%)	32.5

Financials Snapshot (INR b)

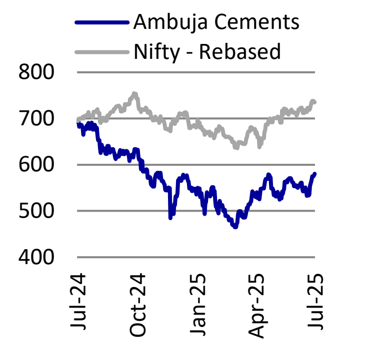
Y/E Mar	FY25	FY26E	FY27E
Sales	340.8	405.8	465.8
EBITDA	50.1	71.9	90.6
Adj. PAT	19.6	26.5	36.2
EBITDA Margin (%)	14.7	17.7	19.5
Adj. EPS (INR)	8.0	10.8	14.7
EPS Gr. (%)	-42.6	35.1	36.6
BV/Sh. (INR)	217	226	238
Ratios			
Net D:E	-0.1	-0.0	-0.1
RoE (%)	4.1	4.9	6.3
RoCE (%)	4.7	5.4	7.1
Payout (%)	25.1	18.6	20.4
Valuations			
P/E (x)	63.7	47.1	34.5
P/BV (x)	2.3	2.2	2.1
EV/EBITDA(x)	28.3	21.1	16.6
EV/ton (USD)	182	153	145
Div. Yield (%)	0.3	0.3	0.5
FCF Yield (%)	-4.4	-0.1	2.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	67.5	67.5	66.7
DII	17.3	16.6	14.5
FII	8.7	9.2	11.2
Others	6.5	6.7	7.7

FII includes depository receipts

Stock Performance (1-year)



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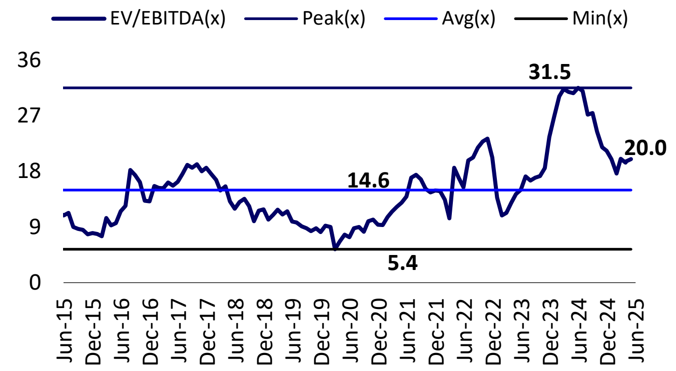
- The company targets EBITDA/t of INR1,500 by FY28E and plans to reduce cost by INR500-600/t by FY28E through: a) saving INR200-300/t in energy costs by increasing the share of green energy (376MW of green power capacity commissioned; targeting 1,000MW by Jun'26 and a TSR of 27% by FY28); b) saving INR100/t in logistics costs by increasing the share of sea transport and reducing lead distance, targeting to reach 5-8% sea-based transportation by FY28, which is ~60% cheaper than road transport and ~40% cheaper than rail transport; direct dispatches now at ~75% vs 50% two years ago, with a target of reaching ~85%); c) saving INR100/t in RM costs by leveraging group synergies; and d) saving INR50-100/t in admin and other overheads. These cost savings are expected to improve profitability, with EBITDA/t reaching INR1,500/t by FY28E.

View and valuation

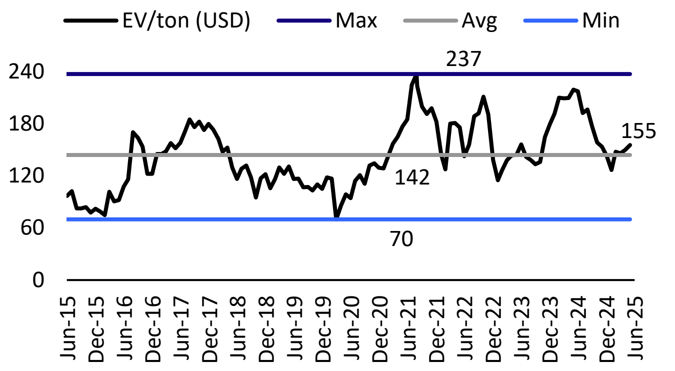
- ACEM has reiterated its capacity target of 140mtpa and EBITDA/t target of INR1,500 by FY28. So far, capacity growth has been largely driven by the inorganic route. However, in FY26, expansion will primarily be organic, with multiple projects underway across various locations. The company is also expected to prioritize integrating acquired assets. Profitability improvement will be driven by ongoing cost savings and a higher share of premium products.
- We estimate the company's consolidated revenue/EBITDA/PAT CAGR at ~17%/35%/36% over FY25-27, albeit on a low base. We estimate EBITDA/t to increase to INR960/INR1090 in FY26/FY27 vs. INR768 in FY25. ACEM (consol.) trades at 21x/17x FY26E/FY27E EV/EBITDA and USD154/USD147 EV/t. We reiterate our BUY rating with a TP of INR700 (valuing the stock at 20x FY27E EV/EBITDA).

Exhibit 1: One-year forward EV/EBITDA chart



Source: MOFSL, Company

Exhibit 2: One-year forward EV/ton chart



Source: MOFSL, Company

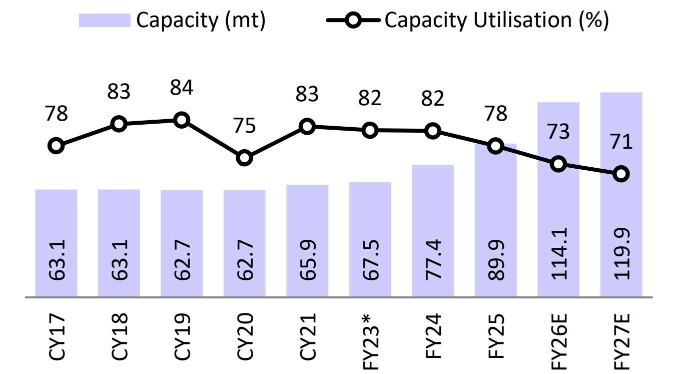
Story in charts

Exhibit 3: ACEM's (consolidated) organic expansion plan (including ongoing expansion in new acquisitions)

Location	Capacity		Expected completion timeline	
	Clinker	Cement	Old	New
Farakka (GU)		4.6	3QFY25	1QFY26 (2.4mtpa commissioned)
Sankrail (GU)		2.4	3QFY25	Recently commissioned (end-Jun'25)
Bhatapara Line 3	4.0	0.0	2QFY26	2QFY26
Sindri (GU)		1.6	2QFY25	2QFY26
Salai Banwa (GU)		2.4	1QFY26	2QFY26
Krishnapatnam Penna (GU)		2.0	NA*	2QFY26
Bathinda (GU)		1.2	3QFY25	3QFY26
Marwar (GU)		2.4	4QFY25	3QFY26
Dahej Line-2 (GU)		1.2	NA*	3QFY26
Jodhpur (Penna IU)	3.0	2.0	NA*	3QFY26
Warisaliganj (GU)		2.4	NA*	4QFY26
Maratha Line 2 (CU)	4.0		4QFY26	4QFY26
Mundra (GU)		4.6	2QFY26 (Line I) 3QFY26 (Line II)	FY27-28

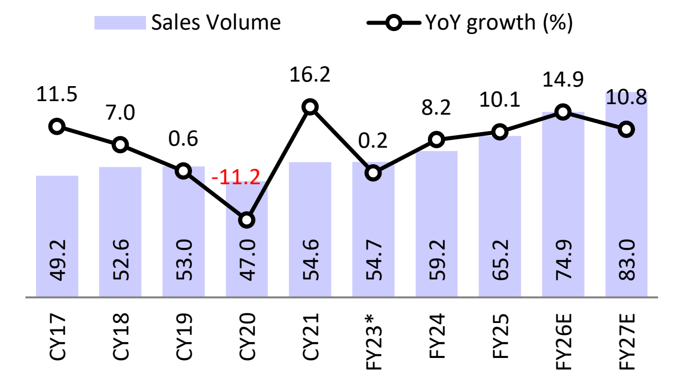
Source: Company, MOFSL; NA indicated *new announcements and ^New timeline yet to be shared

Exhibit 4: ACEM's (consol.) capacity and utilization trend



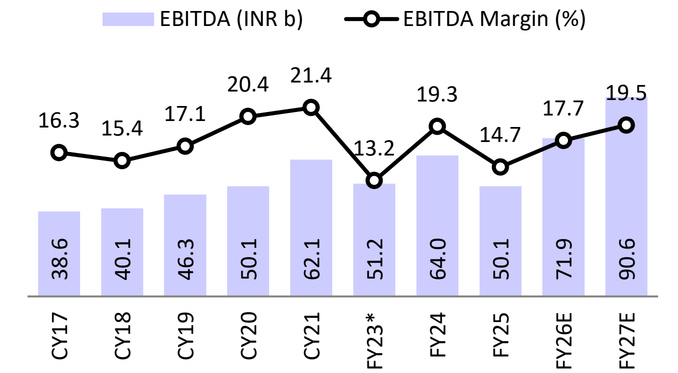
Source: MOFSL, Company; Note: FY23* volume annualized for like to like comparison;

Exhibit 5: ACEM (consol.) volume and growth



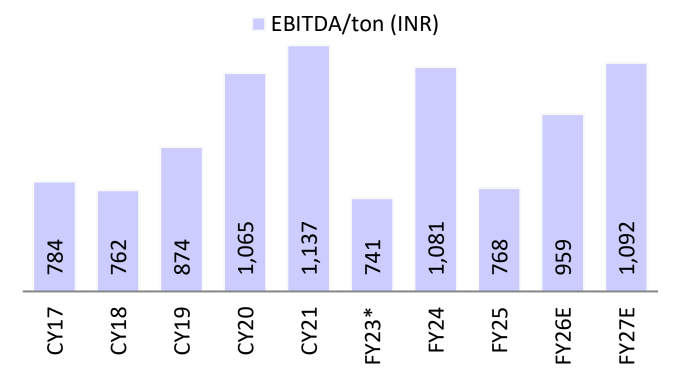
Source: MOFSL, Company; Note: FY23* volume annualized for like to like comparison

Exhibit 6: Consol. EBITDA and EBITDA margin



Source: MOFSL, Company; Note: FY23 was a 15M period

Exhibit 7: EBITDA/t declined due to lower realization



Source: MOFSL, Company; Note: FY23 was a 15M period

Detailed highlights of management interactions

- ACEM is undergoing a deep transformation under the new management. It is leveraging Adani's ecosystem strengths in energy, logistics, and technology to streamline operations. The company has a five-year plan to drive synergy, premiumization, digitization, and sustainability.
- **Cement demand growth to outpace capacity additions; infra and industrial sectors to lead** – Cement demand is expected to post a CAGR of ~7% over FY25-30 (621mtpa in FY30 vs 443mtpa in FY25) vs. a capacity CAGR of ~6% (925mtpa in FY30 vs. 686mtpa in FY25). This is expected to help improve industry capacity utilization. During this period, demand from the industrial sector (15-17% share by FY30E vs. 14-16% as of now) and the infrastructure sector (27-29% share by FY30E vs. 26-28% as of now) is expected to grow faster than the housing sector (54-58% share by FY30E vs. 56-60% now). Higher demand growth compared to capacity additions should support improved pricing power and profitability for the industry. In FY26, demand growth is estimated at ~7% vs ~4% in FY25; however, industry capacity additions are estimated to be significantly higher at ~50-70mtpa.
- In the past 33 months (since the acquisition of Holcim's stake in ACEM and ACC into Adani Portfolio), the company has added 32.9mtpa cement capacity inorganically, bringing its operational cement capacity to over 100mtpa vs. ~68mtpa at the time of the acquisition. These strategic acquisitions have significantly strengthened the company's capacity and market presence, giving it a competitive edge while streamlining the supply chain, lowering costs, and expanding its operational footprint. The company is committed to integrating its cement business into one entity. It has already announced the merger of Sanghi Industries, Penna Cement, and Adani Cementation with ACEM. These mergers are likely to be completed by end-CY25. To retain control over capital market activities, the merger of ACC with ACEM has not yet been initiated and will proceed at an appropriate time, with the aim of having a single company per business.
- **Rajesh Kumar Jha, Chief of Projects,** highlighted that the capacity expansion work is underway at 11 sites, with the commissioning expected in FY26. The company is committed to reaching its capacity target of 140mtpa by FY28E. It has already secured land and mineral resources (including 9.0b MT of low-premium limestone reserves), supporting continued growth. He highlighted the company's innovation and excellence in manufacturing through a recent project where it successfully lifted a massive 225 MT clinker dome (50m diameter, 40m ring beam height, and 56.3m total height) in a single operation. This job was completed in just 35 days, compared to the usual 5-6 months. The company has also optimized labor requirements at grinding unit construction sites by reducing 300-500 workers. It remains focused on maintaining lower capital costs of USD75-80/t for greenfield projects.
- **Vaibhav Dixit, Head of Manufacturing,** highlighted key initiatives across mining, manufacturing, energy, and logistics. The company follows a RESQ-driven approach—Reliability, Environment, Safety, and Quality. To ensure reliability, it uses IoT vibration analytics to monitor equipment in real-time, predict failures,

and reduce downtime. Its app-based WBI reporting enables real-time tracking of maintenance activities, improving team coordination and efficiency. To optimize energy efficiency, the company uses tools such as streamlined coal testing methods through a laboratory information management system—automating data collection and improving testing efficiency and reliability— along with a heat accounting app to track coal heat value, enhance fuel efficiency, and identify improvement areas. In an integrated cement plant, 1,500 to 1,600 machines and equipment run simultaneously, making real-time monitoring and reliable data essential for driving efficiency.

- **Sanjay Behl, Head Sales, Marketing, and Logistics, and Navin Malhotra, Chief Sales and Marketing Officer,** highlighted the company's focus on premiumization and increasing the share of premium cement in trade sales. The Group's trade sales account for ~74% of total volumes, with premium cement contributing ~26% to trade volumes. The company has two premium brands: Ambuja Kawach and ACC Gold. Premium cement is ~INR400/t more profitable than regular grey cement. The company aims to continue increasing its premium products' share (which can reach ~50% at maximum), driven by the rising consumption/demand trend. It highlighted that some markets like Lucknow/Bihar are 100% premium for the company. Increasing premium sales also helps strengthen pricing power. The company has three plants exclusively dedicated to supplying premium products and plans to expand this further. It believes it is not just selling cement but providing solutions. The company has a team of civil engineers (currently 1,200; soon to be increased to 1,800) working on the ground to educate customers and offer home solution guidance. The company has a presence in 636 districts.
- **Praveen Kumar Garg, Chief Logistics Officer,** highlighted that the company has implemented several initiatives to reduce freight costs, including shifting a significant portion of freight to seaborne transport (targeting 5-8% sea transport by FY28). The company has a fleet size of 14 dedicated sea vessels operating across 11 strategically located terminals. It plans to add more sea vessels to transport cement and clinker (likely to order seven vessels, which are expected to join the fleet in the next 12-24 months). It believes that marine logistics is ~30%/60% cheaper than rail/road freight. Strong M&A activity has expanded the company's bulk cement terminals (BCTs) to 11, boosting its coastal presence. The company is continuously increasing direct dispatches (in its road transport), rising from ~50% to ~75% currently, with a target to reach 85% going forward.
- **Sanjay Kumar Gupta, Chief Procurement Officer,** highlighted that the company has secured long-term agreements for key raw materials (~40% of fly ash under such arrangements), which improves raw material security and reduces costs. It has increased the use of fly ash sourced from group companies across its manufacturing plants to optimize costs. The company has significantly expanded its limestone reserves to ~9.0b tons, ensuring a stable supply of this key raw material. It is deploying 60 specialized Bogey Covered Fly Ash/Cement (BCFC) rakes for the long-term sourcing of fly ash, and has added 11 GPWIS rakes to stabilize clinker supply. It implemented Ariba e-auctions for aggregates and sand across key regions by actively engaging and training vendors, leading to multiple successful auctions.

- **Madhavi Isanaka, Chief Digital Officer,** highlighted the ongoing digitization efforts across key functions, including manufacturing, logistics, and sales. The company is building 'Plants of the Future' through digitization and innovation. It uses digital tools in manufacturing processes, including RPA for plant shutdown management; automated bag loading/unloading; drones for maintenance, raw material mix optimization; and fully automated weighbridge operations, in-plant processes, and quality testing. It has also implemented digital tools for real-time order processing to ensure optimal source matching based on cost-effectiveness and service quality. In addition, the company has implemented a centralized logistics control tower and AI-enabled fleet management system with 98% GPS coverage, enabling real-time shipment tracking, route optimization, and coordination. Currently, 23,000 channel partners use the digital CRM platform, 620,000 contractors are on the digital platform, and over 60,000 trucks are connected.
- **Neeru Bansal, Chief Sustainability Officer,** highlighted the company's sustainability efforts. Over the past few years, the company has deepened its commitment to sustainability through targeted investments aimed at reducing environmental impact and promoting green practices. A key focus has been on improving energy efficiency and increasing renewable energy usage to lower future power costs and advance green energy adoption across operations. The company has also intensified its waste management initiatives by embracing circular economy principles, which help reduce dependence on conventional materials and improve margins. These sustainability measures are central to the company's strategy to achieve Net Zero emissions by 2050. The company has its Net Zero targets validated by the Science Based Targets initiative (SBTi). It is working on future-ready technologies like green hydrogen, carbon capture and utilization/storage, and zero-carbon RotoDynamic Heater (RDH) technology (in partnership with global agencies). This will significantly reduce fossil fuel dependency and lower emissions in cement production.
- **John Varghese, Chief People Officer,** highlighted that the company is growing younger with the current median age of ~37 years. With continued recruitment of younger talent, the company aims to further reduce this to ~35 years.

Key highlights of the plant visit – Marwar Mundwa

- ACEM's Marwar Mundwa plant is located 29km from Nagaur, Rajasthan. The plant, one of the most technologically integrated and automated facilities, was commissioned in Sep'21. It has a current clinker capacity of ~11,000 tpd (3.6mtpa) and a grinding capacity of 2.2mtpa. Currently, it has excess clinker capacity, which is used to serve grinding units in Bhatinda, Dadri, and Roorkee (north markets). The plant is equipped with WHRS (14MW, currently generating 11-12MW and meeting ~33% of its power requirement). Moreover, the plant has a captive railway siding to source key input raw materials (fuel, fly ash, etc).
- Currently, it is increasing grinding capacity at this plant by 2.4mtpa (expected to be commissioned in 3QFY26). The company plans to add three clinker lines in the next five years (two clinker lines in the next two years, followed by one more line in the next two years).
- The Limestone mine is sprawled over a 2,400 acre land having limestone reserves of 472.5mt, of which 1,300 acres are currently operational, holding 261.8mt of reserves. The company has environmental clearance for 5.0mtpa. It plans to develop Marwar Mundwa as its 'Plant of the Future' by setting up three additional clinker lines in the next two to five years. At current capacity, the mine life is estimated at ~100 years; including the proposed expansions, it is ~25 years.
- At this mine, the company has deployed EV trucks as part of its initiatives to reduce emissions and lower costs. Key features of the truck include a 70-ton carrying capacity, a charging time of just 1 hour (25% to 95%), and a range of 80 to 100 km per charge on flat terrain. This provides cost savings of 90% downhill, 80% on flat terrain, and 70% uphill. Each EV truck can save 5,83,440 kg of CO_2 annually, with an estimated ROI of 1.5 to 2 years. Further, the company uses mining software to improve planning and designing, conserve minerals, boost productivity, and significantly reduce reject handling.
- Clinker production involves heating raw material to 1,500°C. The kiln measures 5.6m in diameter and 84m in length, with a heat rate of ~717 kcal/kg. The plant achieves a clinker factor of 55%, supported by high blending efficiency and the use of alternative materials such as red mud.
- In terms of thermal energy consumption, the plant uses ~75% fossil fuel (imported coal/petcoke) and 25% alternative fuel (of which 80% is municipal waste). For electrical energy, ~35% comes from solar, ~31% from WHRS, and the remaining 34% from the grid. Peak power demand reaches 32MW, with consumption averaging 50-55 units/ton for clinker and 20-22 units/ton for grinding. Over the past few years, the company has reduced CO_2 emissions at this plant to 603/kcal from 687/Kcal. The plant also has AFR co-processing systems with a 30tph capacity.
- GPS-based truck allocation, automated DO and gate pass generation, and video-based bag counting enhance logistics efficiency while reducing turnaround time, errors, and manpower requirements. Transporters have seen a decline in working capital needs, improving alignment with ACEM's systems. Drones inside silos support shutdown planning (typically 20-22 days annually) and improve safety.

Exhibit 8: Marwar Mundwa limestone mine

Source: MOFSL, Company

Exhibit 9: EV truck deployed at mines

Source: MOFSL, Company

Exhibit 10: Closed conveyor belt

Source: MOFSL, Company

Exhibit 11: Limestone stacker in a covered limestone yard

Source: MOFSL, Company

Exhibit 12: Bird's eye view of the integrated cement plant

Source: MOFSL, Company

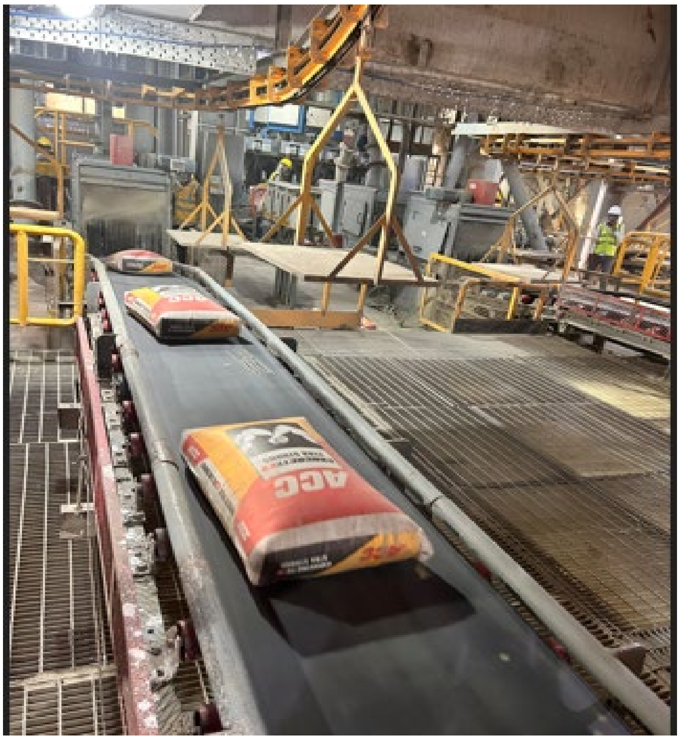
Exhibit 13: Cement silos

Source: MOFSL, Company

Exhibit 14: Ambuja brand cement bag

Source: MOFSL, Company

Exhibit 15: ACC brand cement bag



Source: MOFSL, Company

Consolidated financials and valuations

Income Statement								(INR m)
Y/E December/March	**CY19**	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26E**	**FY27E**
Net Sales	**2,71,036**	**2,45,162**	**2,89,655**	**3,89,370**	**3,31,596**	**3,40,804**	**4,05,787**	**4,65,775**
Change (%)	4.1	-9.5	18.1	7.5	6.5	2.8	19.1	14.8
Total Expenditure	2,24,774	1,95,106	2,27,551	3,38,147	2,67,601	2,90,741	3,33,914	3,75,146
As a Percentage of Sales	82.9	79.6	78.6	86.8	80.7	85.3	82.3	80.5
EBITDA	**46,261**	**50,056**	**62,104**	**51,224**	**63,995**	**50,063**	**71,873**	**90,629**
Change (%)	15.3	8.2	24.1	-34.0	56.2	-21.8	43.6	26.1
Margin (%)	17.1	20.4	21.4	13.2	19.3	14.7	17.7	19.5
Depreciation	11,525	11,618	11,525	16,447	16,234	24,697	32,599	36,182
EBIT	**34,736**	**38,438**	**50,579**	**34,777**	**47,761**	**25,366**	**39,275**	**54,447**
Interest	1,699	1,402	1,457	1,949	2,764	2,159	4,302	4,463
Other Income – Rec.	5,533	4,438	3,524	7,377	11,664	12,435	12,684	13,064
PBT Before EO Exp.	**38,570**	**41,474**	**52,647**	**40,205**	**56,662**	**35,641**	**47,656**	**63,048**
EO Exp./(Inc.)	-275	1,702	1,205	3,190	-2,116	-23,537	0	0
PBT After EO Exp.	**38,845**	**39,772**	**51,442**	**37,015**	**58,777**	**59,178**	**47,656**	**63,048**
Tax Expense	10,922	8,848	14,534	7,051	11,626	7,726	12,200	16,140
Tax Rate (%)	28.1	22.2	28.3	19.0	19.8	13.1	25.6	25.6
Add: Share of Profit from Associate	200	144	202	280	229	132	132	132
Less: Minority Interest	6,882	7,414	9,307	4,410	11,612	9,910	9,054	10,804
Reported PAT	**21,241**	**23,654**	**27,804**	**25,834**	**35,768**	**41,674**	**26,534**	**36,236**
PAT Adj. for EO Items	**20,966**	**25,357**	**28,707**	**28,227**	**30,545**	**19,641**	**26,534**	**36,236**
Change (%)	47.6	20.9	13.2	-21.3	35.3	-35.7	35.1	36.6
Margin (%)	7.7	10.3	9.9	7.2	9.2	5.8	6.5	7.8

Balance Sheet								(INR m)
Y/E December	**CY19**	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26E**	**FY27E**
Equity Share Capital	3,971	3,971	3,971	3,971	4,395	4,926	4,926	4,926
Money Received Against Issue of Warrants				50,000	27,797			
Total Reserves	2,36,809	2,23,605	2,49,566	2,63,010	3,82,325	5,29,506	5,52,054	5,81,842
Net Worth	**2,40,780**	**2,27,576**	**2,53,537**	**3,16,982**	**4,14,517**	**5,34,433**	**5,56,980**	**5,86,768**
Minority Interest	57,368	63,409	71,450	70,584	93,908	1,03,682	1,12,032	1,21,897
Def. Liabilities	9,367	6,260	7,562	7,004	13,214	24,032	24,032	24,032
Total Loans	353	436	435	477	368	268	435	435
Capital Employed	**3,07,868**	**2,97,681**	**3,32,985**	**3,95,046**	**5,22,007**	**6,62,414**	**6,93,479**	**7,33,132**
Gross Block	1,74,809	1,85,238	2,13,828	2,43,254	3,36,585	4,44,583	6,00,509	6,71,559
Less: Accum. Depn.	46,610	59,140	69,989	86,436	1,02,669	1,27,367	1,51,821	1,81,966
Net Fixed Assets	**1,28,199**	**1,26,099**	**1,43,839**	**1,56,818**	**2,33,916**	**3,17,217**	**4,48,688**	**4,89,593**
Capital WIP	15,544	24,219	21,964	25,259	26,585	98,857	68,020	50,495
Capital Advances	4,422	6,050	4,234	4,810	14,266	15,548	15,548	15,548
Goodwill	78,815	78,761	78,697	78,697	88,028	1,08,561	1,08,561	1,08,561
Investments in Subsidiaries	1,459	1,546	1,705	1,861	623	604	604	604
Investments – Trade	26,579	7,026	8,861	276	7,863	18,511	7,511	17,511
Curr. Assets	**1,46,805**	**1,53,507**	**1,92,773**	**2,49,495**	**2,79,388**	**2,50,113**	**2,06,537**	**2,27,386**
Inventory	20,965	16,486	27,380	32,728	36,086	42,480	48,622	53,682
Debtors	10,686	5,611	6,458	11,544	11,896	15,903	19,080	21,671
Cash and Bank Bal.	67,003	82,457	1,08,358	1,15,610	1,43,985	61,722	8,078	21,274
Others	48,152	48,953	50,577	89,613	87,422	1,30,008	1,30,758	1,30,758
Curr. Liability and Prov.	**93,956**	**99,526**	**1,19,088**	**1,22,168**	**1,28,660**	**1,46,996**	**1,61,989**	**1,76,566**
Creditors	89,969	96,601	1,16,026	1,19,373	1,25,671	1,43,904	1,58,897	1,73,474
Provisions	3,987	2,926	3,062	2,795	2,989	3,092	3,092	3,092
Net Current Assets	**52,850**	**53,980**	**73,685**	**1,27,327**	**1,50,728**	**1,03,117**	**44,548**	**50,820**
Appl. of Funds	**3,07,868**	**2,97,681**	**3,32,985**	**3,95,046**	**5,22,007**	**6,62,414**	**6,93,479**	**7,33,132**

Source: Company, MOFSL; * Note: 15-month period due to a change in the accounting year from December to March

Consolidated financials and valuations

Ratios

Y/E December/March	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	**10.6**	**12.8**	**14.5**	**14.2**	**13.9**	**8.0**	**10.8**	**14.7**
Cash EPS	16.4	18.6	20.3	22.5	21.3	18.0	24.0	29.4
BV/Share	121.3	114.6	127.7	159.6	188.6	217.0	226.1	238.2
DPS	1.5	18.5	6.3	2.5	2.0	2.0	2.0	3.0
Payout (%)	14.0	155.3	45.0	19.2	12.3	11.8	18.6	20.4
Valuation (x)								
P/E Ratio	48.1	39.8	35.1	35.7	36.5	63.7	47.1	34.5
Cash P/E Ratio	31.0	27.3	25.1	22.6	23.9	28.2	21.1	17.3
P/BV Ratio	4.2	4.4	4.0	3.2	2.7	2.3	2.2	2.1
EV/Sales Ratio	4.5	4.9	4.1	3.0	3.8	4.2	3.7	3.2
EV/EBITDA Ratio	26.3	24.2	19.1	23.1	19.8	28.3	21.1	16.6
EV/t (Cap) - USD	224	223	208	203	189	182	153	145
Dividend Yield (%)	0.3	3.2	1.1	0.4	0.3	0.3	0.3	0.5
Return Ratios (%)								
RoE	9.1	10.9	12.0	10.0	8.4	4.1	4.9	6.3
RoCE	10.8	12.8	15.2	9.9	10.5	4.7	5.4	7.1
RoIC	11.0	14.5	18.6	12.4	12.7	5.2	5.2	6.3
Working Capital Ratios								
Asset Turnover (x)	0.9	0.8	0.9	1.0	0.6	0.5	0.6	0.6
Debtor (Days)	14.4	8.4	8.1	10.8	13.1	17.0	17.2	17.0
Inventory (Days)	28	25	35	31	40	45	44	42
Work Cap (Days)	71.2	80.4	92.9	119.4	165.9	110.4	40.1	39.8
Leverage Ratio (x)								
Current Ratio	1.6	1.5	1.6	2.0	2.2	1.7	1.3	1.3
Debt/Equity Ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement (INR m)

Y/E December	CY19	CY20	CY21	FY23*	FY24	FY25	FY26E	FY27E
OP/(Loss) Before Tax	38,753	39,916	51,645	37,295	59,006	59,224	47,788	63,181
Depreciation	11,525	11,618	11,525	16,447	16,234	24,783	24,455	30,145
Interest and Finance Charges	1,705	1,699	1,402	1,905	2,764	2,159	2,159	4,302
Direct Taxes Paid	-5,299	-11,702	-6,476	-7,385	-9,156	-3,802	-12,200	-16,140
(Inc.)/Dec. in WC	2,407	8,492	-3,602	-40,913	-12,390	-59,991	4,925	6,925
CF from Operations	**49,092**	**50,022**	**54,494**	**7,349**	**56,458**	**22,374**	**67,127**	**88,412**
Others	0	0	0	0	0	0	0	0
CF from Operations incl. EO	**49,092**	**50,022**	**54,494**	**7,349**	**56,458**	**22,374**	**67,127**	**88,412**
(Inc.)/Dec. in FA	-16,070	-17,253	-22,963	-40,659	-39,611	-85,915	-69,088	-53,525
Free Cash Flow	**33,022**	**32,769**	**31,530**	**-33,310**	**16,847**	**-63,541**	**-1,961**	**34,887**
(Pur.)/Sale of Investments	4,142	4,080	2,893	2,668	-49,893	10,604	-45,000	-10,000
Others	-8,658	19,865	-1,963	8,585	4,533	-85,246	0	0
CF from Investments	**-20,587**	**6,692**	**-22,034**	**-29,407**	**-84,971**	**-1,60,557**	**-1,14,088**	**-63,525**
Issue of Shares	0	0	0	0	424	531	0	0
Inc./(Dec.) in Debt	0	0	0	-1,155	-1,533	-20,083	167	0
Interest Paid	-1,705	-1,699	-1,402	-1,581	-2,341	-1,758	-2,159	-4,302
Dividend Paid	-5,174	-37,959	-3,334	-12,514	-4,964	-4,926	-4,926	-7,389
Others	-1,120	-1,603	-1,823	44,560	65,302	82,157	236	1
CF from Fin. Activity	**-7,999**	**-41,261**	**-6,560**	**29,310**	**56,888**	**55,920**	**-6,683**	**-11,690**
Inc./Dec. in Cash	**20,507**	**15,453**	**25,901**	**7,253**	**28,375**	**-82,263**	**-53,644**	**13,197**
Opening Balance	46,497	67,003	82,457	1,08,358	1,15,610	1,43,985	61,722	8,078
Closing Balance	**67,003**	**82,457**	**1,08,357**	**1,15,610**	**1,43,985**	**61,722**	**8,078**	**21,274**

Source: Company, MOFSL; * Note: 15-month period due to a change in the accounting year from December to March

NOTES

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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