29 October 2026
2QFY27 Results Update | Sector: Cement

Ambuja Cements

Estimate change	⟷
TP change	↓
Rating change	⟷

CMP: INR355 **TP: INR430 (+21%)** **Buy**

Lower costs drive EBITDA beat; 2H volume to improve

Capacity ramp-up to drive growth; expansion pipeline strengthens

- Ambuja Cements' (ACEM) 2QFY27 EBITDA was above estimates (~5% beat), driven by lower-than-estimated opex/t. Consolidated revenue/EBITDA stood at INR92.0b/INR12.7b (flat/-28% YoY). It reported EBITDA/t of INR761 (down ~27% YoY; ~9% above estimates). Adj. PAT declined ~53% YoY to INR2.6b (~72% beat driven by lower depreciation and ETR vs. our estimates).
- Management expects volume growth ahead of the industry in 2HFY27, led by capacity utilization ramp-up. Cost optimization through manufacturing efficiencies, renewable power, logistics, and fly ash integration remains a priority amid elevated fuel costs. The company commissioned 4.6mt of grinding capacity in 2Q and 5.6mtpa is scheduled to be commissioned in 2HFY27. It has also outlined the next phase of expansion, with 30.0mtpa/10.3mtpa of grinding/clinker capacity to be commissioned over FY28-29, at a capex of INR145b.
- We largely maintain our EBITDA estimates for FY27/FY28. PAT is expected to increase ~21% in FY27, driven by lower depreciation estimates. We value the stock at 15x FY28E EV/EBITDA to arrive at our TP of INR430. **Reiterate BUY.**

Volume down ~1% YoY; blended realization/t increases ~1% YoY

- Consol. revenue/EBITDA/adj. PAT stood at INR92.0b/INR12.7b/INR2.6b (flat/-28%/-53% YoY, and -4%/+5%/+72% vs. our estimates) in 2QFY27. Consol. volume declined ~1% YoY to 16.7mt (~3% below our estimates). Realization/t increased ~1% YoY (flat QoQ; ~1% below our estimates).
- Opex/t rose ~8% YoY (~2% below estimates), led by 19%/7%/7% YoY increase in other expenses/variable cost/freight cost. Staff cost/t declined ~7% YoY. EBITDA/t declined ~27% YoY to INR761, and OPM contracted 5.4pp YoY to ~14%. Depreciation/interest cost declined ~1%/4% YoY. Other income declined ~77% YoY.
- In 1HFY27, revenue/EBITDA/PAT declined 4%/23%/44% YoY to INR187.0b/ INR28.6b/INR9.7b. OPM contracted 3.8pp YoY to ~15%. EBITDA/t declined 19% YoY to INR841. OCF stood at INR29.0b vs. INR14.1b in 1HFY26. Capex stood at INR29.7b vs. INR35.6b in 1HFY26. Net cash outflow stood at INR710m vs. INR21.6b in 1HFY26.

Highlights from the management commentary

- Cement prices remained stable during the monsoon quarter, with INR10/bag price increase realized during the current month.
- Fuel cost increased to INR1.87/kcal in 2QFY27 from INR1.60/kcal in 2QFY26 and INR1.66/kcal in 1QFY27. The fuel mix improved with a higher share of domestic coal relative to high-cost petcoke. It indicated that spot fuel costs have increased to INR2.85/kcal, highlighting the potential for further fuel cost pressure.
- Capex is pegged at INR70b in FY27. Further, based on the next phase of expansion, annual capex is estimated at INR75b over the next two years.

Bloomberg	ACEM IN
Equity Shares (m)	2485
M.Cap.(INRb)/(USDb)	881.4 / 9.3
52-Week Range (INR)	589 / 341
1, 6, 12 Rel. Per (%)	-4/-17/-26
12M Avg Val (INR M)	1238
Free float (%)	32.7

Consol. Financial Snapshot (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	406.6	401.2	431.9
EBITDA	65.4	62.0	78.9
Adj. PAT	19.6	16.4	21.5
EBITDA Margin (%)	16.1	15.4	18.3
Adj. EPS (INR)	7.9	6.7	8.7
EPS Gr. (%)	-3.6	-16.3	31.0
BV/Sh. (INR)	240	244	251
Ratios			
Net D:E	-0.0	0.0	0.0
RoE (%)	3.5	2.7	3.5
RoCE (%)	9.1	3.1	4.1
Payout (%)	25.2	37.6	28.7
Valuations			
P/E (x)	38.4	45.8	35.0
P/BV (x)	1.3	1.2	1.2
EV/EBITDA(x)	13.7	15.2	12.1
EV/ton (USD)	87	80	75
Div. Yield (%)	0.6	0.7	0.7
FCF Yield (%)	-0.7	-1.4	0.3

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	67.3	67.3	67.6
DII	19.3	19.6	19.6
FII	5.8	5.7	6.0
Others	7.7	7.4	6.8

FII includes depository receipts

Sanjeev Kumar Singh - Research analyst (Sanjeev.Singh@MotilalOswal.com)
Research analyst - Mudit Agarwal (Mudit.Agarwal@MotilalOswal.com) | **Abhishek Sheth** (Abhishek.Sheth@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- ACEM's 2QFY27 EBITDA was better than estimates, driven by lower opex/t. However, the company's volume continued to be weak and lower than the industry growth. While it remains focused on structural cost optimization through renewable power, logistics efficiencies, and fly ash integration, elevated fuel costs and geopolitical uncertainties remain key challenges. The industry is witnessing continuous supply addition as leading players are aggressively expanding capacity till FY30. We believe the timely execution of planned capacity expansion and utilization ramp-up would remain key monitorables going forward.
- We estimate a CAGR of ~3%/10%/5% in consol. revenue/EBITDA/PAT over FY26-28. Volume is estimated to be subdued at ~2% over FY26-28, as the company's volume declined YoY in FY27. We estimate its EBITDA/t at INR857/INR1,022 in FY27/FY28 vs. INR887 in FY26. ACEM currently trades at 15x/12x FY27E/FY28E EV/EBITDA. We value the stock at 15x FY28E EV/EBITDA to arrive at our TP of INR430. **Reiterate BUY.**

Consolidated quarterly performance **(INR b)**

	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	**102.9**	**91.7**	**102.8**	**109.2**	**95.0**	**92.0**	**104.1**	**110.1**	**406.6**	**401.2**	**95.8**	(4)
YoY Change (%)	22.6	24.3	19.7	9.4	-7.7	0.2	1.3	0.8	18.4	-1.3	4.4	
EBITDA	**19.6**	**17.6**	**13.5**	**14.6**	**15.9**	**12.7**	**15.2**	**18.2**	**65.4**	**62.0**	**12.1**	5
YoY Change (%)	53.2	80.9	52.8	-21.6	-19.0	-27.8	12.2	24.3	30.6	-5.2	-31.4	
Margins (%)	19.1	19.2	13.2	13.4	16.7	13.8	14.6	16.5	16.1	15.4	12.6	121
Depreciation	8.0	8.9	9.6	10.5	8.3	8.8	9.6	10.3	37.0	37.0	10.7	(18)
Interest	0.7	0.8	0.6	0.2	0.6	0.7	0.8	0.9	2.2	3.0	0.7	14
Other Income	2.6	2.6	0.9	2.3	1.7	0.6	1.9	2.1	8.3	6.3	1.8	(67)
PBT before EO Item	**13.5**	**10.6**	**4.2**	**6.2**	**8.7**	**3.8**	**6.7**	**9.1**	**34.5**	**28.2**	**2.5**	50
Share of profit of JVs	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.2	0.2	0.0	-
Extraordinary Inc/(Exp)	0.4	-2.2	-0.2	-1.0	-0.2	-0.9	0.0	0.0	-3.0	-1.1	0.0	
PBT after EO Exp/(Inc)	**14.0**	**8.4**	**4.1**	**5.3**	**8.5**	**3.0**	**6.7**	**9.1**	**31.7**	**27.3**	**2.6**	16
Tax	4.0	2.5	1.5	-15.4	2.0	0.6	1.7	2.2	-7.4	6.5	0.6	
Prior period tax adj.	-0.3	-17.1	-1.0	2.1	-0.2	0.0	0.0	0.0	-16.3	-0.2	0.0	
Rate (%)	29.0	29.3	35.9	-292.1	24.1	20.8	24.8	23.9	-74.7	23.2	24.7	
Reported Profit	**10.2**	**23.0**	**3.7**	**18.6**	**6.6**	**2.4**	**5.1**	**6.9**	**55.4**	**21.0**	**1.9**	22
Adj PAT (before MI)	**9.6**	**7.6**	**2.7**	**5.4**	**6.6**	**3.0**	**5.1**	**6.9**	**25.4**	**21.7**	**1.9**	57
Minority Interest	1.8	5.4	1.6	0.3	0.8	0.4	1.2	2.7	9.1	5.2	0.4	2
Adj PAT (after MI)	**7.8**	**5.6**	**1.1**	**5.1**	**5.8**	**2.6**	**3.8**	**4.2**	**19.6**	**16.4**	**1.5**	72
YoY Change (%)	22.0	13.6	(75.7)	16.4	(25.8)	(53.4)	244.7	(17.9)	(3.2)	(16.3)	(72.9)	

Note: Adj. PAT (after MI) of 2QFY26 is also adjusted for ACC's tax reversal impact

Per ton analysis

Y/E March	FY26				FY27E				FY26	FY27E	FY27 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volume	18.8	16.9	19.0	20.1	17.3	16.7	18.5	19.7	74.8	72.3	17.2	(3)
Change (YoY %)	23	19	15	7	(8)	(1)	(2)	(2)	16	(3)	2	
Blended Realization	**5,473**	**5,429**	**5,409**	**5,431**	**5,491**	**5,507**	**5,617**	**5,574**	**5,435**	**5,550**	**5,556**	(1)
Change (YoY %)	-0.2	4.8	4.0	1.7	0.3	1.4	3.9	2.6	2.5	2.1	2.3	
Raw Material	811	774	1,003	997	803	735	900	865	901	829	960	(23)
Staff Cost	222	240	202	197	224	223	203	285	214	235	244	(9)
Power and fuel	1,337	1,349	1,373	1,304	1,381	1,528	1,480	1,354	1,340	1,433	1,420	8
Freight	1,289	1,221	1,244	1,318	1,305	1,305	1,345	1,344	1,270	1,326	1,300	0
Other expenditure	771	803	876	886	860	954	870	805	836	869	930	3
Total cost	**4,430**	**4,387**	**4,697**	**4,702**	**4,573**	**4,746**	**4,798**	**4,653**	**4,561**	**4,692**	**4,855**	(2)
EBITDA	**1,043**	**1,042**	**712**	**728**	**918**	**761**	**819**	**922**	**874**	**857**	**701**	9
Change (YoY %)	25	52	33	(27)	(12)	(27)	15	27	24	(2)	(33)	



Highlights from the management commentary

Demand and pricing

- It continued to focus on quality growth, with trade volumes increasing 8.6% YoY and trade share rising 6pp to ~74%. Premium products contributed ~37% of overall trade sales, up from 35% last year, while the share of blended cement improved to 82% from 77%.
- Following the successful completion of shutdowns at major plants, it expects to deliver volume growth ahead of the industry in 2HFY27, supported by accelerated trade volumes and calibrated institutional sales.
- Cement prices remained stable during the monsoon quarter, with a further INR10/bag price increase realized during the current month.
- Regionally, the North led in EBITDA and volume growth, with trade volumes increasing 13% YoY. The Central cluster recorded the second-highest regional EBITDA, alongside 9% growth in trade volumes, while the West delivered 14% trade volume growth and the most resilient overall EBITDA performance. The South reported 13% YoY trade volume growth and a strong sequential recovery, while the East maintained trade volumes broadly in line with last year.
- The ready-mix concrete (RMC) business recorded quarterly volumes of 1.07 million cubic meters, up 19% YoY, supported by a network of nearly 125 plants. It expects growth momentum in the RMC business to accelerate over the coming quarters.
- It is confident about gaining market share through improved channel partner engagement, stronger trade sales and a more value-focused approach to institutional business. Its strategy remains centered on profitable growth and improving the quality of market share gains.
- It expects growth in its relevant business segment to remain in the higher single digits, with efforts directed toward achieving double-digit growth.
- It believes its strong brand equity enables it to compete effectively across market segments, with independent surveys also indicating scope for further improvement in price realizations. However, the expected improvement in profitability is primarily driven by structural cost optimization rather than pricing, which will remain dependent on market conditions.

Operational highlights

- The company continues to strengthen structural cost drivers through manufacturing excellence, energy efficiency, logistics optimization, and digitalization. Green power accounted for 61% of consumption, while net power cost stood at INR4.8/unit, compared with INR6/unit in 2QFY26 and INR4.3/unit in 1QFY27. A higher share of renewable power in 2HFY27 is expected to further support power cost savings.
- Logistics costs increased moderately YoY due to higher diesel prices, partly offset by a reduction in primary lead distance to 254km from 265km. Higher utilization of the BCSC infrastructure for fly ash movement is expected to drive further raw material cost efficiencies in the coming quarters.
- Fuel cost increased to INR1.87/kcal in 2QFY27 from INR1.60/kcal in 2QFY26 and INR1.66/kcal in 1QFY27. The fuel mix improved with a higher share of domestic coal relative to high-cost petcoke. It indicated that spot fuel costs have increased from INR2.20/kcal at that time to INR2.85/kcal currently, highlighting the potential for further fuel cost pressure.
- Total cost stood at INR4,410/t in Q2FY27; excluding the impact of geopolitical conflicts, the company estimated the normalized cost at INR4,182/t. The company remains on track to achieve its FY27 cost target of INR4,250/t, supported by ongoing cost optimization initiatives.
- Operating conditions remain challenging due to geopolitical conflicts, monsoon-related disruptions, elevated energy costs, global uncertainties, and constraints in domestic coal availability. The company remains focused on market discipline, improving product mix, sustainable profitability, and increasing the share of profitable trade volumes.
- It remains committed to the institutional business, while recalibrating its approach to improve profitability and exit loss-making volumes. Trade remains a strategic priority, supported by strong ACEM and ACC brands and an extensive supply chain network, with trade volumes growing 8% YoY in 2QFY27.
- As part of its cost optimization strategy, it plans to gradually phase down high-cost, less-efficient manufacturing units and leverage clinker availability at its eastern plants to supply more efficient grinding units located closer to consumption centers. This may result in some surplus grinding capacity but will provide flexibility to serve the most attractive markets. It will also reassess older assets, including Jamul, to improve overall manufacturing efficiency and profitability.
- The company acknowledged that capacity utilization at Penna and Sanghi remains relatively low at ~50%, both of which present opportunities to improve volumes using existing assets. It expects utilization levels to improve meaningfully in 3Q and 4QFY27, supporting volume growth alongside the ramp-up of newly commissioned capacities.
- Fly ash remains a key competitive advantage, supported by long-term supply agreements with group thermal power plants that ensure availability at competitive landed costs. The company has tied up ~20mt of fly ash, with scope for additional supplies as group power generation capacity expands. Its bulk cement supply chain infrastructure (BCSC) initiative, which is being expanded over the next two quarters, is expected to further improve fly ash handling and logistics efficiency.

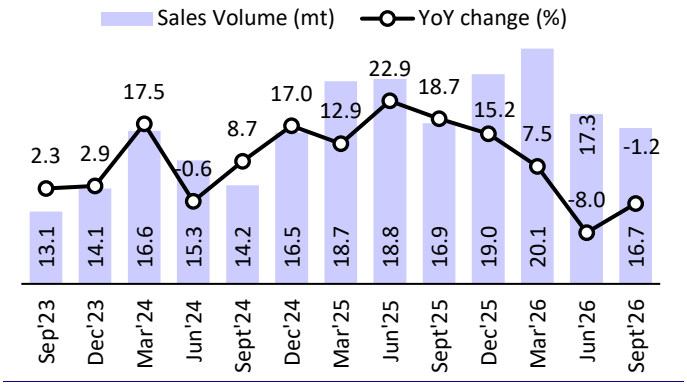
- The company is pursuing a three-pronged fly ash strategy: securing cost-effective supplies for cement manufacturing, selling surplus fly ash in the market, and developing value-added fly ash products. Fly ash sales have already contributed to value generation in recent quarters, with further opportunities expected as the business scales up.

Capacity expansion announcement

- It outlined its next phase of expansion, comprising 14 projects to add ~30mtpa of cement capacity and 10.3mtpa of clinker capacity. Planned grinding capacity additions include 15.2mtpa in the West, 11.6mtpa in the East and 2.9mtpa in the North.
- The company commissioned 4.6mt of cement capacity during Q2FY27. Another 3.2mt of capacity at Bhatinda in Punjab and Jodhpur in Rajasthan is being ramped up, with Jodhpur having stabilized and expected to scale up in 2HFY27. An additional 2.4mt grinding capacity at Varanasi/Ganj in Bihar is scheduled for commissioning in 2HFY27. The company remains focused on improving asset productivity and locating grinding capacity closer to consumption centers to enhance utilization and reduce logistics intensity.
- Following strong shareholder support, the proposed mergers of ACC and Orient Cement with ACEM will proceed to the NCLT for final approval. Subject to regulatory and statutory clearances, the mergers are expected to be completed within FY27.
- It has guided capex of INR145b to add 30mtpa of capacity across grinding units (GUs) and clinker units (RUs), implying annual capex of INR75b during the expansion phase. Capex is pegged at INR70b in FY27.
- It acknowledged execution challenges during the first phase of its expansion program, including issues with a contractor, but stated that these have been resolved. It expects a more robust execution framework for the next phase, targeting completion timelines of ~14 months for grinding units (GUs) and ~18 months for integrated units (IUs).
- The company expects capacity expansions in the Northeast and Uttar Pradesh to benefit from relatively higher incentives, while other projects will also receive applicable incentives. Incentive benefits are expected to accrue from both newly commissioned capacities and projects currently under execution, supporting profitability in the coming quarters.

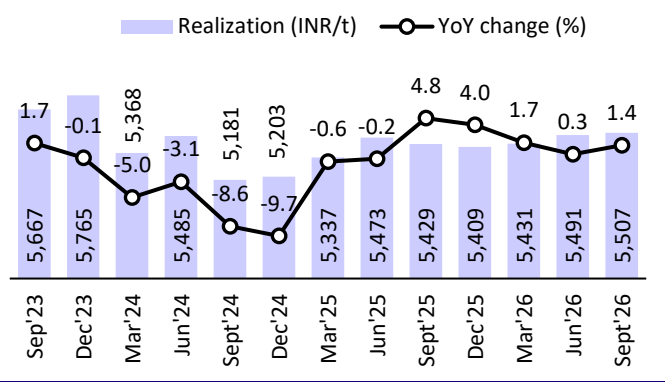
Story in charts

Exhibit 1: Consol. sales volume down ~1% YoY



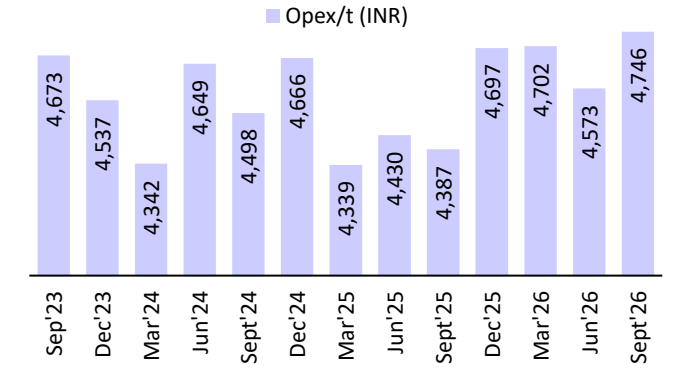
Source: Company, MOFSL

Exhibit 2: Realization increased ~1%YoY



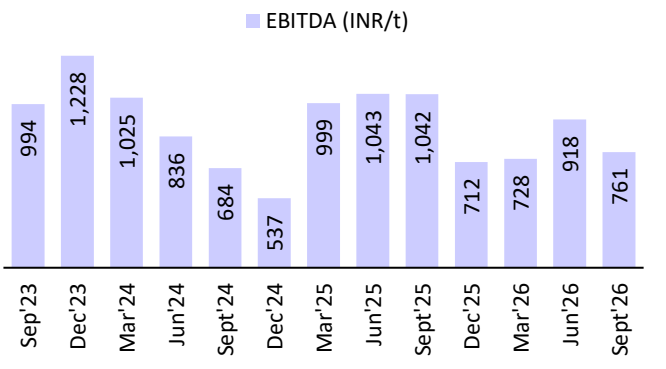
Source: Company, MOFSL

Exhibit 3: Opex/t up 8% YoY/4% QoQ



Source: Company, MOFSL

Exhibit 4: EBITDA/t declined 27% YoY



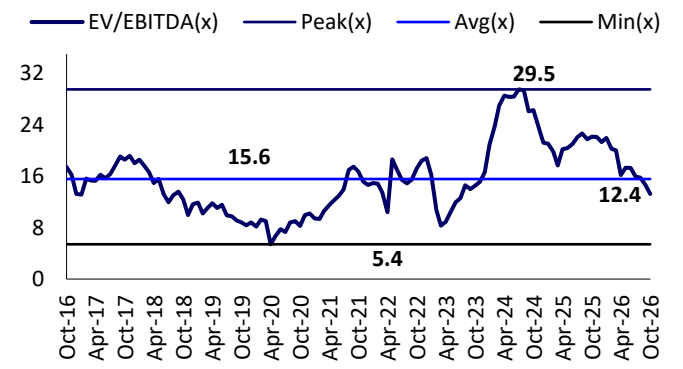
Source: Company, MOFSL

Exhibit 5: Key performance indicators – per ton analysis (consolidated)

INR/t	Sept'26	Sep'25	YoY (%)	Jun'26	QoQ (%)
Blended Realization	**5,507**	**5,429**	**1**	**5,491**	**0**
Raw Material	735	774	(5)	803	(8)
Staff Cost	223	240	(7)	224	(0)
Power and Fuel	1,528	1,349	13	1,381	11
Freight	1,305	1,221	7	1,305	0
Other exp.	954	803	19	860	11
Total Cost	**4,746**	**4,387**	**8**	**4,573**	**4**
EBITDA	**761**	**1,042**	**(27)**	**918**	**(17)**

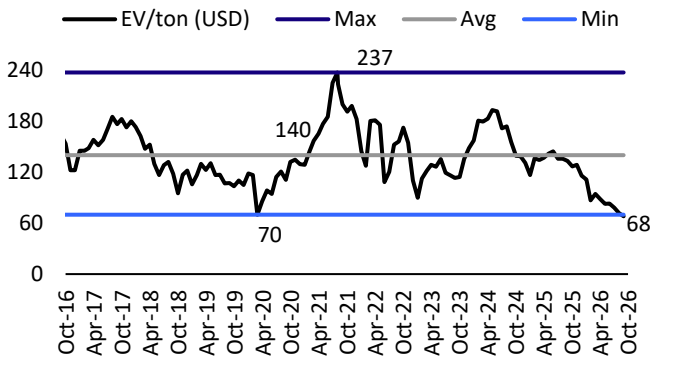
Source: Company, MOFSL

Exhibit 6: One-year forward EV/EBITDA chart



Source: Company, MOFSL

Exhibit 7: One-year forward EV/t chart



Source: Company, MOFSL

Consolidated financials and valuations

Income Statement								(INR m)
Y/E March	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Sales	**2,45,162**	**2,89,655**	**3,89,370**	**3,31,596**	**3,43,357**	**4,06,557**	**4,01,174**	**4,31,922**
Change (%)	-9.5	18.1	7.5	6.5	3.5	18.4	-1.3	7.7
Total Expenditure	1,95,106	2,27,551	3,38,147	2,67,601	2,93,295	3,41,167	3,39,193	3,52,978
As a Percentage of Sales	79.6	78.6	86.8	80.7	85.4	83.9	84.6	81.7
EBITDA	**50,056**	**62,104**	**51,224**	**63,995**	**50,063**	**65,389**	**61,980**	**78,944**
Change (%)	8.2	24.1	-34.0	56.2	-21.8	30.6	-5.2	27.4
Margin (%)	20.4	21.4	13.2	19.3	14.6	16.1	15.4	18.3
Depreciation	11,618	11,525	16,447	16,234	22,970	35,704	36,996	43,969
EBIT	**38,438**	**50,579**	**34,777**	**47,761**	**27,092**	**29,685**	**24,985**	**34,976**
Interest	1,402	1,457	1,949	2,764	2,159	2,236	3,041	2,809
Other Income – Rec.	4,438	3,524	7,377	11,664	12,435	8,343	6,258	6,883
PBT Before EO Exp.	**41,474**	**52,647**	**40,205**	**56,662**	**37,368**	**35,793**	**28,202**	**39,050**
EO Exp./(Inc.)	1,702	1,205	3,190	-2,116	-23,304	3,320	1,090	0
PBT After EO Exp.	**39,772**	**51,442**	**37,015**	**58,777**	**60,672**	**32,473**	**27,112**	**39,050**
Tax Expense	8,848	14,534	7,051	11,626	7,863	-23,697	6,507	9,997
Tax Rate (%)	22.2	28.3	19.0	19.8	13.0	-73.0	24.0	25.6
Add: Share of Profit from Associate	144	202	280	229	132	201	201	201
Less: Minority Interest	7,414	9,307	4,410	11,612	9,910	9,089	5,219	7,720
Reported PAT (after MI)	**23,654**	**27,804**	**25,834**	**35,768**	**43,031**	**47,282**	**15,586**	**21,534**
PAT Adj. for EO Items (after MI)	**25,357**	**28,707**	**28,227**	**30,545**	**20,308**	**19,648**	**16,442**	**21,534**
Change (%)	20.9	13.2	-21.3	35.3	-33.5	-3.2	-16.3	31.0
Margin (%)	10.3	9.9	7.2	9.2	5.9	4.8	4.1	5.0

Balance Sheet								(INR m)
Y/E March	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	3,971	3,971	3,971	4,395	4,926	4,944	4,944	4,944
Money Received Against Issue of Warrants			50,000	27,797				
Total Reserves	2,23,605	2,49,566	2,63,010	3,82,325	5,30,863	5,88,530	5,98,877	6,15,172
Net Worth	**2,27,576**	**2,53,537**	**3,16,982**	**4,14,517**	**5,35,789**	**5,93,473**	**6,03,821**	**6,20,115**
Minority Interest	63,409	71,450	70,584	93,908	1,03,682	1,24,989	1,29,363	1,36,238
Def. Liabilities	6,260	7,562	7,004	13,214	24,285	34,337	34,337	34,337
Total Loans	436	435	477	368	268	528	12,819	18,819
Capital Employed	**2,97,681**	**3,32,985**	**3,95,046**	**5,22,007**	**6,64,024**	**7,53,327**	**7,80,339**	**8,09,509**
Gross Block	1,85,238	2,13,828	2,43,254	3,36,585	4,43,873	6,08,517	7,11,604	7,80,654
Less: Accum. Depn.	59,140	69,989	86,436	1,02,669	1,25,640	1,61,344	1,96,513	2,36,456
Net Fixed Assets	**1,26,099**	**1,43,839**	**1,56,818**	**2,33,916**	**3,18,233**	**4,47,173**	**5,15,091**	**5,44,198**
Capital WIP	24,219	21,964	25,259	26,585	98,583	91,209	46,147	39,122
Capital Advances	6,050	4,234	4,810	14,266	15,548	15,548	18,548	18,548
Goodwill	78,761	78,697	78,697	88,028	1,09,428	1,35,455	1,35,455	1,35,455
Investments in Subsidiaries	1,546	1,705	1,861	623	604	736	736	736
Investments – Trade	7,026	8,861	276	7,863	18,511	396	396	396
Curr. Assets	**1,53,507**	**1,92,773**	**2,49,495**	**2,79,388**	**2,50,113**	**2,05,222**	**2,10,199**	**2,19,898**
Inventory	16,486	27,380	32,728	36,086	42,480	45,523	50,812	54,077
Debtors	5,611	6,458	11,544	11,896	15,903	18,685	20,887	24,702
Cash and Bank Bal.	82,457	1,08,358	1,15,610	1,43,985	61,722	9,586	1,072	690
Others	48,953	50,577	89,613	87,422	1,30,008	1,31,428	1,37,428	1,40,428
Curr. Liability and Prov.	**99,526**	**1,19,088**	**1,22,168**	**1,28,660**	**1,46,996**	**1,42,413**	**1,46,233**	**1,48,845**
Creditors	96,601	1,16,026	1,19,373	1,25,671	1,43,904	1,37,458	1,41,278	1,43,890
Provisions	2,926	3,062	2,795	2,989	3,092	4,955	4,955	4,955
Net Current Assets	**53,980**	**73,685**	**1,27,327**	**1,50,728**	**1,03,117**	**62,810**	**63,966**	**71,053**
Appl. of Funds	**2,97,681**	**3,32,985**	**3,95,046**	**5,22,007**	**6,64,024**	**7,53,327**	**7,80,339**	**8,09,509**

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	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)								
EPS	**12.8**	**14.5**	**14.2**	**13.9**	**8.2**	**7.9**	**6.7**	**8.7**
Cash EPS	18.6	20.3	22.5	21.3	17.6	22.4	21.6	26.5
BV/Share	114.6	127.7	159.6	188.6	217.5	240.1	244.3	250.9
DPS	18.5	6.3	2.5	2.0	2.0	2.0	2.5	2.5
Payout (%)	144.9	43.6	17.6	14.4	24.3	25.2	37.6	28.7
Valuation (x)								
P/E Ratio	23.9	21.1	21.5	21.9	37.0	38.4	45.8	35.0
Cash P/E Ratio	16.4	15.0	13.6	14.3	17.4	13.6	14.1	11.5
P/BV Ratio	2.7	2.4	1.9	1.6	1.4	1.3	1.2	1.2
EV/Sales Ratio	2.9	2.4	1.8	2.2	2.4	2.2	2.4	2.3
EV/EBITDA Ratio	14.2	11.1	13.4	11.3	16.3	13.7	15.2	12.1
EV/t (Cap) - USD	120	111	108	99	96	87	80	75
Dividend Yield (%)	5.2	1.8	0.7	0.6	0.6	0.6	0.7	0.7
Return Ratios (%)								
RoE	10.9	12.0	10.0	8.4	4.3	3.5	2.7	3.5
RoCE	12.8	15.2	9.9	10.5	5.0	9.1	3.1	4.1
RoIC	14.5	18.6	12.4	12.7	5.5	8.9	2.7	3.5
Working Capital Ratios								
Asset Turnover (x)	0.8	0.9	1.0	0.6	0.5	0.5	0.5	0.5
Debtor (Days)	8.4	8.1	10.8	13.1	16.9	16.8	19.0	20.9
Inventory (Days)	25	35	31	40	45	41	46	46
Work Cap (Days)	80.4	92.9	119.4	165.9	109.6	56.4	58.2	60.0
Leverage Ratio (x)								
Current Ratio	1.5	1.6	2.0	2.2	1.7	1.4	1.4	1.5
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	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
OP/(Loss) Before Tax	39,916	51,645	37,295	59,006	61,037	32,988	27,312	39,250
Depreciation	11,618	11,525	16,447	16,234	22,970	35,704	35,169	39,942
Interest and Finance Charges	1,699	1,402	1,905	2,764	2,159	2,236	2,236	3,041
Direct Taxes Paid	-11,702	-6,476	-7,385	-9,156	-3,802	2,822	-6,507	-9,997
(Inc.)/Dec. in WC	8,492	-3,602	-40,913	-12,390	-59,991	-20,135	-9,671	-7,469
CF from Operations	**50,022**	**54,494**	**7,349**	**56,458**	**22,374**	**53,615**	**48,540**	**64,768**
Others	0	0	0	0	0	0	0	0
CF from Operations incl. EO	**50,022**	**54,494**	**7,349**	**56,458**	**22,374**	**53,615**	**48,540**	**64,768**
(Inc.)/Dec. in FA	-17,253	-22,963	-40,659	-39,611	-85,915	-59,557	-61,025	-62,025
Free Cash Flow	**32,769**	**31,530**	**-33,310**	**16,847**	**-63,541**	**-5,942**	**-12,485**	**2,743**
(Pur.)/Sale of Investments	4,080	2,893	2,668	-49,893	10,604	-19,795	0	0
Others	19,865	-1,963	8,585	4,533	-85,246	-10,105	0	0
CF from Investments	**6,692**	**-22,034**	**-29,407**	**-84,971**	**-1,60,557**	**-89,457**	**-61,025**	**-62,025**
Issue of Shares	0	0	0	424	531	0	0	0
Inc./(Dec.) in Debt	0	0	-1,155	-1,533	-20,083	-9,121	12,291	6,000
Interest Paid	-1,699	-1,402	-1,581	-2,341	-1,758	-1,523	-2,236	-3,041
Dividend Paid	-37,959	-3,334	-12,514	-4,964	-4,926	-4,918	-6,180	-6,180
Others	-1,603	-1,823	44,560	65,302	82,157	-732	95	95
CF from Fin. Activity	**-41,261**	**-6,560**	**29,310**	**56,888**	**55,920**	**-16,294**	**3,971**	**-3,125**
Inc./Dec. in Cash	**15,453**	**25,901**	**7,253**	**28,375**	**-82,263**	**-52,136**	**-8,514**	**-382**
Opening Balance	67,003	82,457	1,08,358	1,15,610	1,43,985	61,722	9,586	1,072
Closing Balance	**82,457**	**1,08,357**	**1,15,610**	**1,43,985**	**61,722**	**9,586**	**1,072**	**690**

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

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

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 MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/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 Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.