

India

**ADD** (no change)

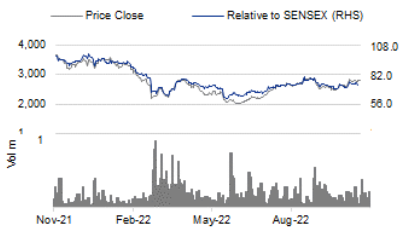
Consensus ratings\*: Buy 15 Hold 7 Sell 4

Current price:	Rs2,817
Target price: ▲	Rs3,238
Previous target:	Rs2,883
Up/downside:	14.9%
InCred Research / Consensus:	14.3%
Reuters:	JKCE.BO
Bloomberg:	JKCE IN
Market cap:	US\$2,996m Rs217,578m
Average daily turnover:	US\$5.2m Rs378.9m
Current shares o/s:	77.3m
Free float:	41.5%

\*Source: Bloomberg

**Key changes in this note**

- Net sales increased by 2-4% for FY23F-24F.
- EBITDA cut by 0%-3% for FY23F-24F.
- Introduce FY25F and rollover to Sep 2024F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	12.3	6.4	(23.4)
Relative (%)	5.2	2.4	(24.8)

Major shareholders	% held
Promoter & Promoter Group	45.8
Fidelity Investment Trust Fidelity	6.1
Mirae Asset Emerging Fund	5.2

**Analyst(s)**

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

**Satisch KUMAR**  
T (91) 22 4161 1562  
E satisch.kumar@incredcapital.com

# J K Cement Ltd

## 2Q - Beat again; announces new expansion

- 2QFY23 consolidated EBITDA stood at ~Rs3bn, down 14% yoy and 24% qoq and 17% above our estimate due to higher-than-expected volume/ realization.
- We cut FY23F-24F EBITDA by 0%-3% to factor in cost increase. New expansion of 5.5mt cement and 0.66mt clinker at a capex of Rs11.6bn (US\$26/t) by FY25F.
- We retain our ADD rating on the stock with a higher target price of Rs3,238.

### Strong volume/realization; new expansion provides growth visibility

JK Cement or JKCE's 2QFY23 grey cement volume rose by ~ 9.5% yoy/1.5% qoq to 3.22mt on a better utilization rate of 84% (~7% up yoy). White cement and putty volume improved by 8.5% yoy and 8.8% qoq to 0.42mt. Grey segment realization declined by 6.8% qoq (up 5.1% yoy) owing to weak pricing in key market (North India). White cement realization grew by ~9.5% yoy (up 2.5% qoq), resulting in blended realization beat. Management highlighted that cement prices have risen by Rs15-20/bag in South India and by Rs10/bag in the Western region and there was no increase in North India (there was an increase a few days ago to the tune of Rs10/bag) so far in 3Q. **Panna expansion** – grinding unit of 2mt capacity was commissioned on 2 Nov 2022 while clinker unit and split grinding unit (at Hamirpur) to commence operations soon. JKCE **announced the next leg of expansion** – it has a roadmap to further increase its cement capacity by 5.5mtpa over the next two years at a low capital cost of Rs11.61bn (US\$26/t), largely led by debottlenecking. We factor in FY23F/FY24F volume growth at 9.6%/18.4%, respectively.

### Blended cost/t remains in line; EBITDA/t at Rs838, down 26% qoq

Blended cost/t rose by ~14% yoy/1% qoq to Rs5,277 during 2Q. Power and fuel cost/t was up 46% yoy, with fuel consumption cost at Rs2.4/Kcal, up 20% qoq (pet-coke accounted for ~50% of the fuel mix) and JKCE expects fuel cost to decline in 4QFY23F. If there is no substantial increase in pet-coke price. Blended EBITDA/t fell 22% yoy and 26% qoq to Rs838 in 2Q. We factor in -12%/17% EBITDA/t growth in FY23F/FY24F, respectively.

### Leverage to peak post FY23F after factoring in announced capex

Capex guidance stands revised upwards to Rs19bn (Rs17bn earlier) for FY23F and to Rs14bn (Rs11bn earlier) for FY24F. Consolidated net debt stood at Rs29.39bn as at end-Sep 2022. We expect JKCE's net debt to peak by 2023F and deleveraging to start playing out post 1HFY24F. Market share gains and sweating of new assets to improve cash flow and cut the net D/E ratio even after expansion capex.

### Maintain ADD rating on volume outperformance potential

JKCE trades at FY24F/FY25F EV/EBITDA of 13x/11.3x, respectively. We like JKCE's presence and new expansion in favourable pricing regions. Retain ADD rating with an EV/EBITDA-based target price of Rs3,238 (Rs2,883 earlier), set at 13x Sep 2024F. **Downside risks:** Weak demand, pricing pressure, delay in commissioning of capacity, further rise in input cost, and any rise in competition in the white cement segment.

Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	66,061	79,908	92,421	108,647	118,394
Operating EBITDA (Rsm)	15,387	14,824	14,344	19,904	22,246
Net Profit (Rsm)	7,097	6,871	5,682	8,998	10,517
Core EPS (Rs)	91.9	88.9	73.5	116.5	136.1
Core EPS Growth	44.1%	(3.2%)	(17.3%)	58.4%	16.9%
FD Core P/E (x)	30.66	31.67	38.30	24.19	20.69
DPS (Rs)	15.0	15.0	12.5	19.8	23.1
Dividend Yield	0.53%	0.53%	0.54%	0.85%	0.99%
EV/EBITDA (x)	15.48	16.90	17.78	12.57	10.84
P/FCFE (x)	55.35	477.82	(30.29)	54.81	11.47
Net Gearing	56.0%	77.5%	79.7%	60.3%	37.8%
P/BV (x)	5.82	5.03	4.56	3.96	3.44
ROE	21.0%	17.0%	12.5%	17.5%	17.8%
% Change In Core EPS Estimates			(0.44%)	(0.35%)	(0.33%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## 2Q - Beat again; announces new expansion

### 2QFY23 results review

#### Key takeaways from 2QFY23 results, presentation and earnings call ➤

##### Demand and pricing outlook:

- Grey cement realization declined by 6.8% qoq as the pricing in North India has been under pressure compared to other regions. For JKCE, the exposure is higher in North India.
- **Pricing:** Industry witnessed price hike of Rs15-20/bag in South India and by Rs10/bag in the Western region post Sep 2022. In North India, the extent of absorption of the Rs10/bag price hike taken in the past couple of days needs to be seen and whether it sustains.
- JKCE expects cement volume growth in 1HFY23 to continue in 2HFY23F as well. Management maintained grey cement volume growth guidance of 10% yoy for FY23F where grey cement volume increased 12% yoy in 1HFY23, which implies an 8% volume growth in 2HFY23F.
- White cement realization improved by 9.5% yoy and 2.5% qoq, JKCE is not seeing a major decline in white cement realization from the current level in the coming quarters.

##### Cost:

- For 2QFY23, average fuel cost was at Rs2.4/Kcal (Rs12,000/t), up by 20% qoq. Management expects material benefit from fuel cost reduction to be witnessed in 4QFY23F.
- The fuel mix stood at 50% pet-coke, in terms of volume. Lead distance will come down after Panna unit starts operations, with some existing markets being fed by Panna plant first and then by Ujjain plant.
- Company believes that initially some increase in cost will be there for Panna plant during its stabilization phase in the Jan-Mar quarter and there will be increase in 1QFY24F also. Waste heat recovery system or WHRS is also likely to commence by end-Mar 2023F. Management believes that after the initial two quarters, cost will start coming down.
- The increase in marketing spending was for seeding its upcoming plant. Marketing expenses are around Rs100m per quarter.

##### Mix:

- Trade sales stood at 69% in 2QFY23, 3% up yoy.
- PPC-OPC mix stood at 65:35 during the quarter, up 3% yoy.
- Premium product sales stood at 9% (+300bp yoy) of trade sales in 2QFY23.
- Average lead distance was at 477km during the quarter.
- Rail-road mix stood at 19:81 during the quarter.

##### Panna expansion:

- JKCE has successfully commissioned its cement grinding and packing system on 2 Nov 2022 at Panna, adding another 4mtpa capacity and WHRS power of 22MW. The clinkerization process at this unit is likely to start soon. The grinding unit expansion at Hamirpur in Uttar Pradesh, which is in an advanced stage of completion and is also likely to start operations soon. Capex till YTD Sep 2022 is Rs25.44bn (Rs12.18bn funded by borrowing and Rs13.26bn from internal accruals).
- JKCE has opened new markets and started supplying cement from its north India plants. It expects to ramp up capacity in next six-to-nine months. It sees around 50-60kt volume from next month and ramp up thereafter. Initially some volume will be in the non-trade segment.

- For Panna plant, management expects capacity utilization of 60% and 75% in the first and second years, respectively, for clinker.
- Merger of Panna subsidiary is pending before the NCLT, and the merger may take place before Mar 2024F.

#### **Capex and new expansion:**

- Current capacity stands at 14.67mtpa for JK Cement (JKCE) and 2mtpa for Jaykaycem (Central) or Jaykaycem.
- **New capacity expansion:** JKCE will make various modifications to its existing cement plants in Mangrol, Muddapur, Jharli and Aligarh, adding 0.5mtpa each (2mtpa in total and expected to be completed by Mar 2023F), increasing capacity from 14.67mtpa to 16.67mtpa. It also plans to set up a 1.5mtpa split grinding unit in Ujjain (by FY24F-end). Further, in its wholly-owned subsidiary Jay Kay Cem (Central) Ltd, another 2mtpa split grinding unit is to be set up in Prayagraj (FY25F completion) and increase clinker capacity by 0.66mtpa (from 8,000 to 10,000tpd) at Panna unit to meet its requirements. The entire 5.5mtpa expansion will be implemented in a phased manner in the next two years at a total capital cost of Rs11.61bn (US\$ 26/t), also to be funded via a mix of internal accruals and debt.
- Capex guidance revised upwards to Rs19bn (vs. Rs17bn earlier) for FY23F and Rs14bn (vs. Rs11bn earlier) for FY24F. Maintenance capex is likely to be around Rs3bn.

#### **UAE operations:**

- UAE subsidiary's performance improved marginally with implied EBITDA at Rs 84m (vs. Rs36m in 1QFY23 and Rs7m in 2QFY22). Implied adj. PAT loss also declined to Rs136m (vs. Rs203m loss in 1Q and Rs193m loss in 2QFY22).
- As per management, various initiatives were taken by setting up facilities in Africa, etc. Because of the Covid-19 pandemic, efforts didn't fructify and due to container fleet cost inflation also they did not materialize. Now some results are likely.

#### **Paints foray:**

- To leverage its network of 60k+ dealers of white putty, JKCE, at the beginning of the year, announced its entry into the paint segment (product launch targeted in FY25F). The company has planned a Rs6bn investment in the paints business in phase-1 (over the next four-to-five years), with an annual outflow capped near 10% of annual EBITDA. JKCE will launch the product in North/Central India, starting with the northern Indian state of Uttar Pradesh (UP).
- In CY22F, JKCE will have a definite timeline for its paints business. No capex has been incurred till date for this business and management expects some capex in 4QFY23F only.

#### **Other updates:**

- Consolidated gross debt rose to Rs39.5bn as at end-Sep 2022 (vs. Rs37bn as at end-Jun 2022) while net debt rose to Rs29.4bn (vs. Rs26.2bn as at end- Jun 2022) due to expansion capex.
- Management expects to achieve peak debt of ~Rs35bn by Jun 2023F.

Figure 1: Consolidated quarterly performance

Particulars (Rs m)	2QFY23	2QFY23F	1QFY23	2QFY22	% Change		
					2QFY23F	1QFY23	2QFY22
<b>Net Sales</b>	<b>22,280</b>	<b>20,849</b>	<b>22,697</b>	<b>18,950</b>	<b>7%</b>	<b>-2%</b>	<b>18%</b>
Raw Materials Consumed	3,678	3,315	3,572	3,169	11%	3%	16%
Freight and Forwarding Expenses	4,627	4,307	4,619	3,976	7%	0%	16%
Power and Fuel Cost	5,762	5,592	5,165	3,599	3%	12%	60%
Employee Cost	1,528	1,449	1,568	1,437	5%	-3%	6%
Other Expenses	3,633	3,588	3,736	3,212	1%	-3%	13%
<b>Total Expenditure</b>	<b>19,228</b>	<b>18,250</b>	<b>18,660</b>	<b>15,393</b>	<b>5%</b>	<b>3%</b>	<b>25%</b>
<b>EBITDA</b>	<b>3,052</b>	<b>2,599</b>	<b>4,037</b>	<b>3,558</b>	<b>17%</b>	<b>-24%</b>	<b>-14%</b>
Depreciation	1,061	999	1,055	839	6%	1%	26%
<b>EBIT</b>	<b>1,991</b>	<b>1,600</b>	<b>2,982</b>	<b>2,719</b>	<b>24%</b>	<b>-33%</b>	<b>-27%</b>
Interest	670	681	654	641	-2%	3%	5%
Other Income	217	269	176	479	-19%	23%	-55%
<b>PBT</b>	<b>1,538</b>	<b>1,188</b>	<b>2,505</b>	<b>2,557</b>	<b>29%</b>	<b>-39%</b>	<b>-40%</b>
Tax	425	356	896	802	19%	-53%	-47%
<b>PAT before MI &amp; Associates</b>	<b>1,113</b>	<b>832</b>	<b>1,609</b>	<b>1,755</b>	<b>34%</b>	<b>-31%</b>	<b>-37%</b>
Minority Interest	13	20	19	18	-32%	-29%	-27%
Profit from Assoc.	-2	0	-1	0			
<b>Recurring PAT</b>	<b>1,124</b>	<b>852</b>	<b>1,627</b>	<b>1,513</b>	<b>32%</b>	<b>-31%</b>	<b>-26%</b>
Extraordinary items	0	0	0	0			
<b>Reported PAT</b>	<b>1,124</b>	<b>852</b>	<b>1,627</b>	<b>1,513</b>	<b>32%</b>	<b>-31%</b>	<b>-26%</b>
EPS (Rs)	14.4	11.0	20.8	22.7	31%	-31%	-37%
Gross Margin	37%	37%	41%	43%	24 bp	-429 bp	-644 bp
EBITDA Margin	13.7%	12.5%	17.8%	18.8%	123 bp	-409 bp	-508 bp
EBIT Margin	9%	8%	13%	14%	126 bp	-420 bp	-541 bp
PBT Margin	7%	6%	11%	13%	120 bp	-413 bp	-659 bp
PAT Margin	5%	4%	7%	8%	96 bp	-212 bp	-294 bp
Tax Rate	28%	30%	36%	31%	-236 bp	-814 bp	-373 bp
Cost Items as % of Sales							
RM Cost	17%	16%	16%	17%	61 bp	77 bp	-21 bp
Freight Cost	21%	21%	20%	21%	11 bp	41 bp	-22 bp
P&F Cost	26%	27%	23%	19%	-96 bp	311 bp	687 bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

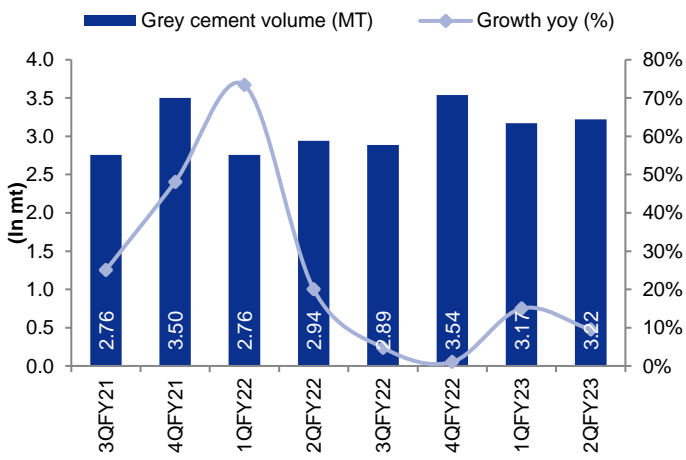
Figure 2: 2QFY23 results on per tonne analysis

Per tonne analysis	2QFY23	2QFY23F	1QFY23	2QFY22	% Change		
					2QFY23F	1QFY23	2QFY22
Sales Volume (grey+white)	3.64	3.46	3.56	3.33	5%	2%	9.4%
Blended Realization/t	6,115	6,023	6,374	5,689	1.5%	-4.1%	7.5%
EBITDA/t	838	751	1,134	1,068	12%	-26%	-22%
RM Cost/t	1,010	958	1,003	951	5%	1%	6%
P&F Cost/t	1,581	1,616	1,450	1,080	-2%	9%	46%
Freight Cost/t	1,270	1,244	1,297	1,194	2%	-2%	6%
Employee Cost/t	419	419	440	431	0%	-5%	-3%
Other Expenses/t	997	1,037	1,049	964	-4%	-5%	3%
Total Cost/t	5,277	5,272	5,240	4,621	0%	1%	14%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

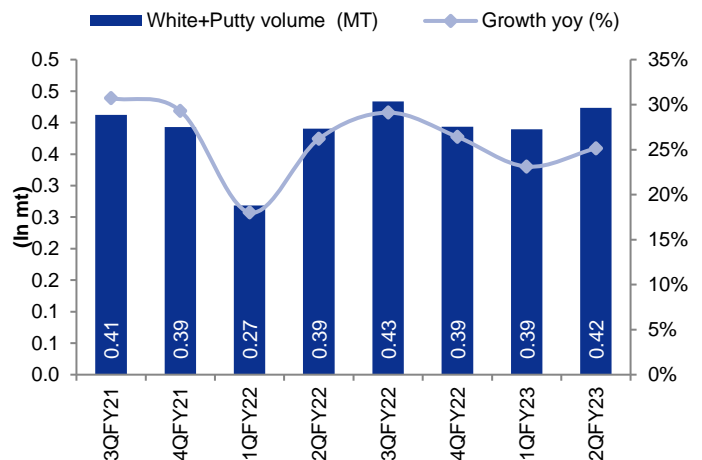
Key charts ➤

Figure 3: Grey cement sales volume up by ~9.5% yoy and 1.5% qoq on expanded capacity



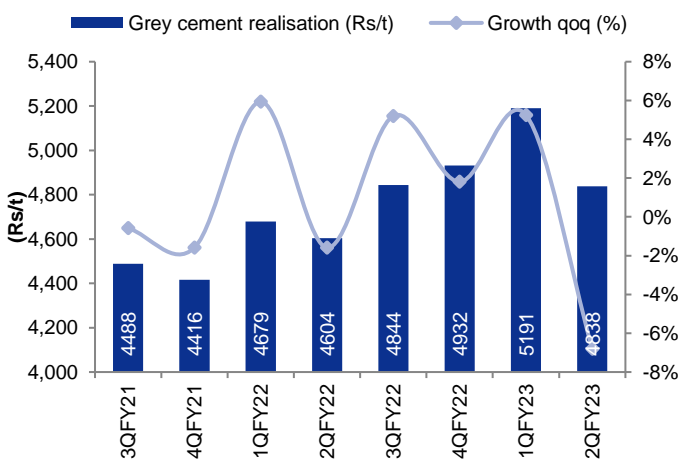
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: White cement (including putty) volume improves 8.5% yoy and 8.8% qoq



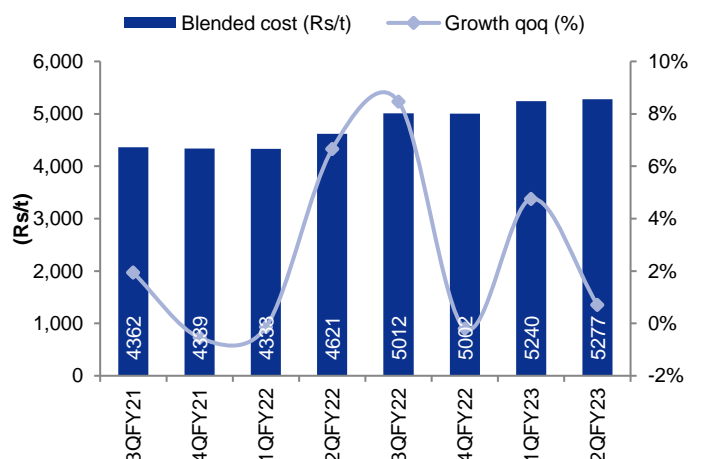
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Grey cement realization up 5.1% yoy while down 6.8% qoq



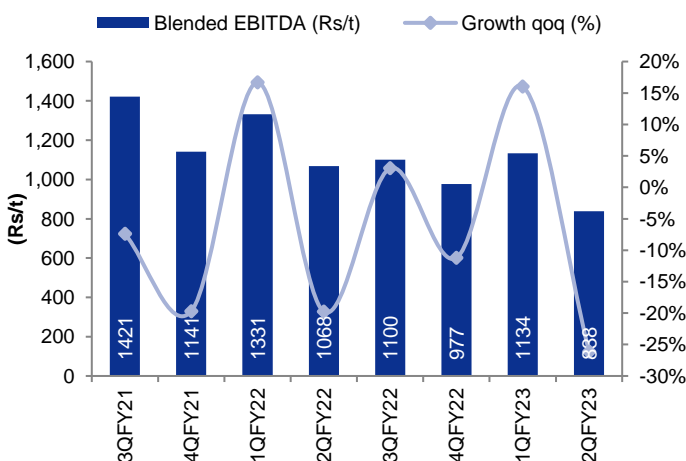
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Blended cost/t increases 1% qoq and 14% yoy



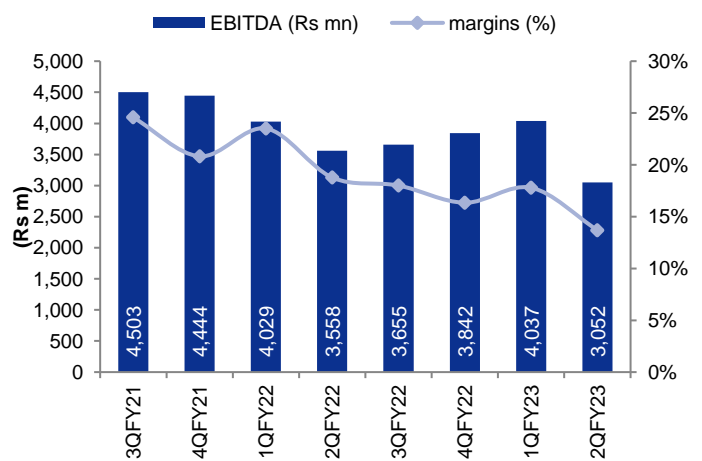
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Blended EBITDA/t down 22% yoy and 26% qoq



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Consolidated EBITDA stood at Rs3bn, down 24% qoq



SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 9: Earnings estimates revision**

Rs m	New		Old		Change (%)	
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Sales	92,421	1,08,647	90,121	1,04,779	2%	4%
EBITDA	14,344	19,904	14,727	19,899	-3%	0%
PAT	5,682	8,998	6,324	9,506	-11%	-6%
EPS (Rs)	73.5	116.5	82	125	-12%	-8%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 10: Changes in our estimates vs. Bloomberg consensus estimates**

Rs. m	Incred		Consensus		Change (%)	
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Sales	92,421	1,08,647	92,301	1,05,502	0%	3%
EBITDA	14,344	19,904	14,983	17,663	-4%	13%
PAT	5,682	8,998	6,035	8,573	-6%	5%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

**Figure 11: Key assumptions**

	FY21A	FY22A	FY23F	FY24F	FY25F
<b>Volume (mtpa) (Grey + White)</b>	12	14	15	18	19
Yoy	19%	17%	10%	18%	9%
<b>Blended Realisation (per tonne)</b>	5,675	5,869	6,193	6,148	6,169
Yoy	-4%	3%	6%	-1%	0%
<b>Blended Cost (per tonne)</b>	4,353	4,780	5,232	5,021	5,010
Yoy	-7%	10%	9%	-4%	0%
<b>Blended EBITDA (per tonne)</b>	1,322	1,089	961	1,126	1,159
Yoy	6%	-18%	-12%	17%	3%
<b>EBITDA (Rs m)</b>	15,387	14,824	14,344	19,904	22,246
Yoy	27%	-4%	-3%	39%	12%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 12: Our target price of Rs3,238 is based on 13x Sep 2024F EV/EBITDA**

Valuation	TP
Target EV/EBITDA (x)	13.0
Target EV (Rs m)	2,89,198
Net debt / (cash) (Rs m)	23,017
No. of shares (m)	77
<b>Fair value per share (Rs)</b>	<b>3,238</b>

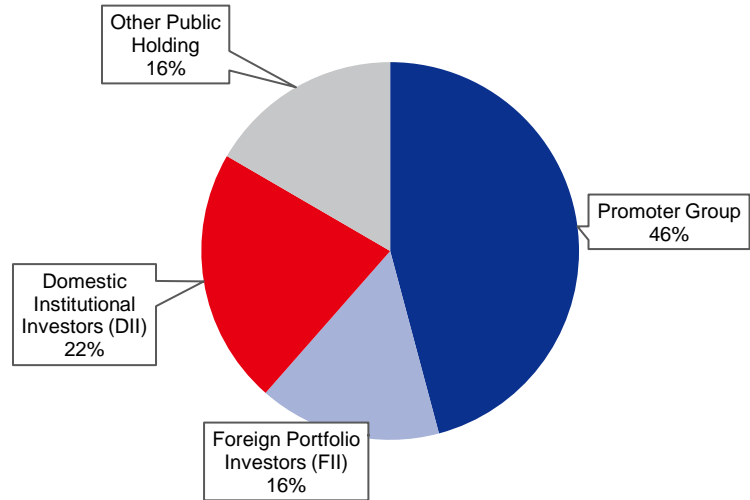
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 13: Cement sector peer comparison**

Company	Bloomberg Ticker	Rating	Closing Price (LC)	Target Price (LC)	% Upside	Market cap (US\$ m)	EV/EBITDA (x)		P/BV (x)		RoE (%)		P/E (x)		EV/t (US\$)	
							FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
UltraTech Cement	UTCEN IN	ADD	6,854	7,710	12%	24,443	17.6	13.5	3.4	3.0	10.4	13.2	33.8	24.1	181.2	177.4
ACC	ACC IN	ADD	2,435	2,636	8%	5,650	11.3	8.6	2.5	2.3	12.4	14.1	21.5	16.9	117.0	111.5
Ambuja Cements	ACEM IN	ADD	580	610	5%	14,234	23.0	19.1	4.1	3.8	12.0	13.0	35.3	30.3	183.7	186.0
Shree Cement	SRCEM IN	HOLD	23,024	21,657	-6%	10,262	24.5	18.3	4.1	3.7	7.7	11.2	54.9	35.1	204.7	191.2
The Ramco Cements	TRCL IN	HOLD	663	746	12%	1,936	21.5	13.9	2.5	2.3	4.0	8.9	63.2	26.7	128.6	120.3
JK Cement	JKCE IN	ADD	2,940	3,238	10%	2,806	18.4	13.0	4.8	4.1	12.5	17.5	40.0	25.2	200.8	158.5
Birla Corp	BCORP IN	ADD	956	1,152	20%	909	14.9	8.7	1.3	1.2	1.1	6.7	113.3	18.4	73.8	72.0
Heidelberg	HEIM IN	HOLD	209	205	-2%	584	12.8	8.8	2.8	2.7	10.4	16.9	26.9	16.1	84.5	83.5
Dalmia Bharat	DALBHARA IN	ADD	1,691	1,901	12%	3,916	13.5	10.9	1.9	1.8	4.4	6.3	44.2	29.0	97.9	85.3
JK Lakshmi	JKLC IN	ADD	646	602	-7%	938	9.1	7.9	2.3	2.0	14.4	16.3	17.0	13.1	70.3	73.6
Orient Cement	ORCMNT IN	ADD	129	141	9%	327	8.0	6.4	1.6	1.4	7.8	13.9	20.4	10.5	44.3	39.6
Prism Johnson	PRSMJ IN	ADD	122	142	16%	761	12.9	8.7	4.5	3.9	9.2	18.9	50.9	22.2	139.6	137.5
Mean							15.6	11.5	3.0	2.7	8.9	13.1	43.5	22.3	127.2	119.7
Median							14.2	9.9	2.7	2.5	9.8	13.6	37.6	23.2	122.8	115.9
Minimum							8.0	6.4	1.3	1.2	1.1	6.3	17.0	10.5	44.3	39.6
Maximum							24.5	19.1	4.8	4.1	14.4	18.9	113.3	35.1	204.7	191.2

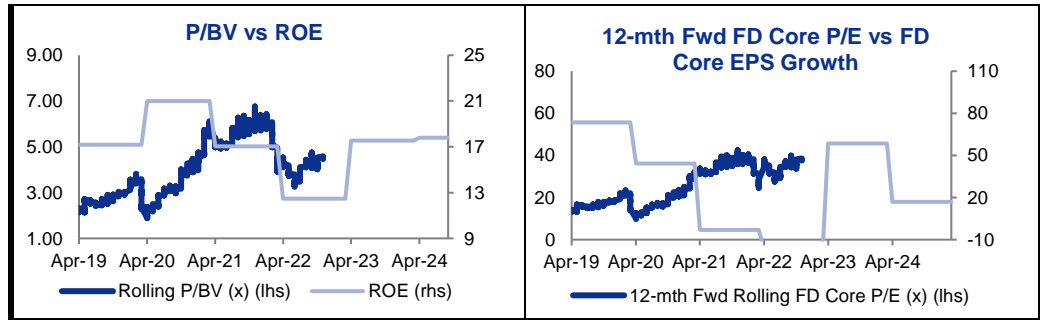
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. PRICES AS ON 14 NOV 2022

Figure 14: JKCE's shareholding pattern (as at end-Sep 2022)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>Total Net Revenue</b>	<b>66,061</b>	<b>79,908</b>	<b>92,421</b>	<b>108,647</b>	<b>118,394</b>
<b>Gross Profit</b>	<b>66,061</b>	<b>79,908</b>	<b>92,421</b>	<b>108,647</b>	<b>118,394</b>
<b>Operating EBITDA</b>	<b>15,387</b>	<b>14,824</b>	<b>14,344</b>	<b>19,904</b>	<b>22,246</b>
Depreciation And Amortisation	(3,062)	(3,425)	(4,384)	(4,910)	(5,204)
<b>Operating EBIT</b>	<b>12,325</b>	<b>11,399</b>	<b>9,960</b>	<b>14,995</b>	<b>17,042</b>
Financial Income/(Expense)	(2,528)	(2,697)	(2,845)	(3,300)	(3,201)
Pretax Income/(Loss) from Assoc.		(2)			
Non-Operating Income/(Expense)	1,130	1,429	1,100	1,232	1,288
<b>Profit Before Tax (pre-EI)</b>	<b>10,927</b>	<b>10,129</b>	<b>8,215</b>	<b>12,926</b>	<b>15,128</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>10,927</b>	<b>10,129</b>	<b>8,215</b>	<b>12,926</b>	<b>15,128</b>
Taxation	(3,896)	(3,337)	(2,612)	(4,007)	(4,690)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>7,031</b>	<b>6,792</b>	<b>5,603</b>	<b>8,919</b>	<b>10,438</b>
Minority Interests	66	79	79	79	79
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>7,097</b>	<b>6,871</b>	<b>5,682</b>	<b>8,998</b>	<b>10,517</b>
Recurring Net Profit	7,097	6,871	5,682	8,998	10,517
<b>Fully Diluted Recurring Net Profit</b>	<b>7,097</b>	<b>6,871</b>	<b>5,682</b>	<b>8,998</b>	<b>10,517</b>

Cash Flow

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>EBITDA</b>	<b>15,387</b>	<b>14,824</b>	<b>14,344</b>	<b>19,904</b>	<b>22,246</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(434)	8,813	1,149	1,061	901
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1,130	1,429	1,100	1,232	1,288
Other Operating Cashflow	422	(15,720)	(5,720)	3,280	12,280
Net Interest (Paid)/Received	(2,528)	(2,697)	(2,845)	(3,300)	(3,201)
Tax Paid	1,959	2,137	(2,612)	(4,007)	(4,690)
<b>Cashflow From Operations</b>	<b>15,935</b>	<b>8,787</b>	<b>5,416</b>	<b>18,170</b>	<b>28,824</b>
Capex	(7,590)	(15,275)	(19,000)	(14,000)	(7,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(5,847)	5,312	3,400	3,800	(850)
<b>Cash Flow From Investing</b>	<b>(13,437)</b>	<b>(9,964)</b>	<b>(15,600)</b>	<b>(10,200)</b>	<b>(7,850)</b>
Debt Raised/(repaid)	1,434	1,632	3,000	(4,000)	(2,000)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,159)	(1,159)	(1,169)	(1,851)	(2,163)
Preferred Dividends					
Other Financing Cashflow	(1,649)	144	6,799	(1,201)	(9,701)
<b>Cash Flow From Financing</b>	<b>(1,375)</b>	<b>617</b>	<b>8,630</b>	<b>(7,052)</b>	<b>(13,865)</b>
Total Cash Generated	1,124	(560)	(1,554)	918	7,110
<b>Free Cashflow To Equity</b>	<b>3,932</b>	<b>455</b>	<b>(7,184)</b>	<b>3,970</b>	<b>18,974</b>
<b>Free Cashflow To Firm</b>	<b>5,026</b>	<b>1,520</b>	<b>(7,339)</b>	<b>11,271</b>	<b>24,176</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS



BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs m)</b>	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23F</b>	<b>Mar-24F</b>	<b>Mar-25F</b>
Total Cash And Equivalents	13,229	5,299	3,744	4,662	11,772
Total Debtors	3,615	4,268	4,811	5,358	5,839
Inventories	7,566	12,087	11,141	11,907	12,975
Total Other Current Assets	7,421	13,593	14,695	15,645	15,746
<b>Total Current Assets</b>	<b>31,831</b>	<b>35,247</b>	<b>34,391</b>	<b>37,572</b>	<b>46,331</b>
Fixed Assets	55,550	65,437	80,054	89,144	90,940
Total Investments	440	110	210	410	760
Intangible Assets	5,093	10,321	6,821	2,821	3,321
Total Other Non-Current Assets	5,806	2,916	2,916	2,916	2,916
<b>Total Non-current Assets</b>	<b>66,889</b>	<b>78,783</b>	<b>90,000</b>	<b>95,290</b>	<b>97,936</b>
Short-term Debt	4,086	8,683	9,683	9,683	9,683
Current Portion of Long-Term Debt					
Total Creditors	5,998	7,151	7,485	8,417	9,643
Other Current Liabilities	9,490	10,870	12,384	14,776	16,102
<b>Total Current Liabilities</b>	<b>19,574</b>	<b>26,704</b>	<b>29,552</b>	<b>32,876</b>	<b>35,428</b>
Total Long-term Debt	29,931	29,866	31,866	27,866	25,866
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	12,105	14,553	15,553	17,553	20,053
<b>Total Non-current Liabilities</b>	<b>42,036</b>	<b>44,419</b>	<b>47,419</b>	<b>45,419</b>	<b>45,919</b>
Total Provisions					
<b>Total Liabilities</b>	<b>61,610</b>	<b>71,123</b>	<b>76,972</b>	<b>78,296</b>	<b>81,347</b>
Shareholders Equity	37,367	43,249	47,762	54,909	63,263
Minority Interests	(257)	(343)	(343)	(343)	(343)
<b>Total Equity</b>	<b>37,110</b>	<b>42,906</b>	<b>47,419</b>	<b>54,567</b>	<b>62,920</b>

<b>Key Ratios</b>					
	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23F</b>	<b>Mar-24F</b>	<b>Mar-25F</b>
Revenue Growth	13.9%	21.0%	15.7%	17.6%	9.0%
Operating EBITDA Growth	26.8%	(3.7%)	(3.2%)	38.8%	11.8%
Operating EBITDA Margin	23.3%	18.6%	15.5%	18.3%	18.8%
Net Cash Per Share (Rs)	(269.03)	(430.32)	(489.26)	(425.61)	(307.72)
BVPS (Rs)	483.61	559.72	618.13	710.63	818.74
Gross Interest Cover	4.88	4.23	3.50	4.54	5.32
Effective Tax Rate	35.7%	32.9%	31.8%	31.0%	31.0%
Net Dividend Payout Ratio	16.3%	16.9%	20.6%	20.6%	20.6%
Accounts Receivables Days	17.38	18.00	17.93	17.08	17.26
Inventory Days	39.97	44.88	45.87	38.71	38.35
Accounts Payables Days	39.31	36.87	34.21	32.70	34.28
ROIC (%)	17.7%	12.6%	9.9%	14.3%	16.1%
ROCE (%)	18.4%	14.9%	11.7%	16.6%	17.9%
Return On Average Assets	10.4%	8.9%	7.1%	9.5%	9.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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