India

ADD *(no change)*

Consensus ratings*:	Buy 12	Hold 6	Sell 3

Current price:	Rs849
Target price: ▲	Rs935
Previous target:	Rs930
Up/downside:	10.1%
InCred Research / Consensus:	6.6%
Reuters:	JKLC.BO
Bloomberg:	JKLC IN
Market cap:	US$1,170m
	Rs99,855m
Average daily turnover:	US$1.5m
	Rs132.1m
Current shares o/s:	117.7m
Free float:	48.7%

*Source: Bloomberg

Key changes in this note

- Maintain our EBITDA estimates for FY26F-27F.
- Maintain ADD rating with a new target price of Rs935.

Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.1	26.4	6.4
Relative (%)	4.8	13.7	(2.5)

Major shareholders	% held
Promoter & Promoter Group	46.3
Franklin Build India Fund	3.7
Axis MF	3.7

JK Lakshmi Cement

Profitability led by volume and realization

- 4QFY25 consolidated EBITDA at ~Rs3.5bn (Incred estimate: ~Rs3bn) was up 4% yoy and 74% qoq mainly due to better volume and higher realization.
- Expects to raise premium product sales further going ahead & aims ~30mtpa capacity by FY30F, even with a likely delay in northeast expansion.
- We broadly maintain our FY26F/27F EBITDA estimates. Maintain ADD rating on the stock with a slightly lower target price of Rs935.

Volume growth led by UCWL; surge in premium sales ups realization

JK Lakshmi Cement or JKLC's 4QFY25 consol. sales volume (incl. clinker) were up 10% yoy at 3.6mt (~3% above Incred estimate). UCWL led the way in growth, with 1.03mt volume during the quarter, the highest quarterly volume difference between standalone & consolidated. JKLC highlighted the improvement in demand across 2HFY25. JKLC is targeting 10% volume growth vs. the industry's 6-7% in FY26F. In 4Q, non-cement revenue was Rs1.51bn and RMC revenue was Rs750m, with an EBITDA margin of ~3% (~1% qoq). Blended realization improved steeply by ~7% qoq with the rise in cement prices and higher premium product sales (25% vs. 11% qoq). JKLC expects to maintain this realization in 1QFY26F too, while increasing its premium products' share driven by new & premium brands (Green Plus, PRO+). Current prices are flat vs 4Q exit prices in its markets.

Profitability recovers gradually; Rs100-120/t savings in FY26F-27F

On a consol. basis, costs/t at Rs4,298 were down ~3% yoy and up ~1% qoq. P&F costs/t were down ~15% yoy (on Kcal basis, fuel costs stood at Rs1.53 vs. Rs1.57 qoq). Freight costs/t rose by ~7% qoq, with the lead distance up by 12km qoq, as it started supplying to distant markets like Uttar Pradesh (East) from existing plants. JKLC is targeting it to bring back to 380km. EBITDA/t improved by Rs310 qoq to Rs976 vs. our estimate of Rs850. JKLC aims at cost reduction of Rs100-Rs120/t over the next 12-18 months (FY26F-27F) with major benefits to flow in from TSR (~12% in FY26F vs. 9% in FY25), green mix, lead time reduction and improved price positioning from premium products and new brands.

Raises capex guidance; ~30mtpa by FY30F intact despite NE delay

JKLC raised capex guidance for FY26F to Rs13bn (Rs10bn earlier) and Rs18bn for FY27F (Rs15bn earlier). Land acquired for Prayagraj and Madhubani grinding unit expansions. Durg expansion to be completed by 3QFY27F. Its northeast (NE) expansion is facing a delay of seven-to-eight months, driven by local political issues in land acquisition. However, its target of ~30mtpa by FY30F is intact with other inorganic opportunities available (Nagaur and Kutch mines). Consolidated net debt/EBITDA stood at 1.51x vs. 1.23x yoy.

Maintain ADD rating with a slightly lower target price of Rs935

JKLC trades at an EV/EBITDA of 10.8x & EV/t of US$70 in FY26F. Maintain ADD rating on JKLC with a Mar 2026F target price of Rs935 (Rs930 earlier), set at 9.5x EV/EBITDA. Downside risks: Pressure on cement prices, project delay and a rise in costs.

Research Analyst(s)

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

Saurabh SINGH
T (91) 2241611558
E saurabh.singh@incredresearch.com

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

Financial Summary	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	64,515	67,885	61,926	68,218	75,696
Operating EBITDA (Rsm)	8,387	10,522	8,646	11,345	13,916
Net Profit (Rsm)	3,587	4,718	2,993	4,625	6,058
Core EPS (Rs)	30.5	39.6	25.5	39.3	51.5
Core EPS Growth	(25.9%)	30.0%	(35.7%)	54.3%	31.0%
FD Core P/E (x)	27.85	21.17	33.38	21.59	16.49
DPS (Rs)	3.5	6.5	6.5	3.9	5.1
Dividend Yield	0.41%	0.77%	0.77%	0.46%	0.61%
EV/EBITDA (x)	13.14	10.97	13.77	10.94	9.36
P/FCFE (x)	35.91	39.28	50.19	31.79	57.17
Net Gearing	35.1%	41.3%	47.4%	55.0%	61.8%
P/BV (x)	3.56	3.13	2.88	2.57	2.25
ROE	13.5%	15.6%	9.0%	12.6%	14.6%
% Change In Core EPS Estimates				(0.43%)	(0.38%)
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Profitability led by volume and realization

Results review and earnings-call takeaways

Demand & pricing outlook

- **Volume:** JKLC consolidated volume stood at 3.6mt, +10% yoy and +19% qoq; which was 3% above our estimate.
- Blended average realization came in at Rs5,274/t, +7% qoq and -3.4% yoy, (~4% above Incred estimate).
- **Volume growth:** Volume growth for FY26F pegged at 10%. The industry recovered from 2HFY25. Demand has been better and is expected to grow by 6.5-7% in FY26F, and JKLC is expected to do better than the industry.
- **Pricing:** Currently, prices are flat in JKLC's markets vs. 4Q exit prices. The prices were better in most geographies, which improved realization. However, there was no significant change in the geographical mix. No change in discounts, as per management, and realization increased in line with prices.
- For 1QFY26F, realization to improve in line with the industry.
- The non-trade segment is expected to fare better.
- JKLC's brand rejuvenation exercise has been completed with encouraging market feedback. The newly launched 'Green Plus' product has received a good response.
- PRO+ remains a key premium brand, and the focus is on increasing its proportion in the overall product portfolio.
- Premium product sales stood at 25% vs. 11% qoq. To increase it further with the newly launched portfolio.

Costs & Margin

- **Total operating costs/t** declined by ~3% yoy and were up by ~1% qoq at Rs4,298 where a) energy costs/t decreased by ~15% yoy to Rs1,086; logistics costs/t were up by 7% qoq at Rs1,222. Fixed costs were down by ~4% qoq at Rs1,019/t.
- Lead distance stood at 393km vs. 381km qoq. Started servicing the East UP market from its plants. Targets to reduce the lead distance to 380km.
- Working to improve efficiency. Energy costs stood at Rs1.53/kcal vs. Rs1.57/kcal qoq. Costs to remain at a similar level in 1QFY26F.
- Pet-coke prices have been volatile, as per management.
- To reduce costs by Rs100-120/t by FY27F. To reach 53% (vs. 50% in 4Q) green energy share by FY26F. Major drivers include increasing renewable energy's share, improving TSR (aiming at 12% average in FY26F vs. ~9% in FY25), reducing the lead distance, and improved price positioning from premium products and new brands.
- Udaipur plant AFR has started operations and should benefit in the coming quarter.
- **Consol. EBITDA** for the quarter came in at ~Rs3.5bn vs. our expectation of ~Rs3bn, up ~74% qoq and 4% yoy. EBITDA/t stood at Rs976 during the quarter vs. Rs666 in 3QFY25 and Rs1,032 in 4QFY24.
- **Reported PAT** stood at ~Rs1.8bn vs. our expectation of a profit of ~Rs1.6bn.

Capacity expansion & utilization update

- JKLC is in the process of expanding its Surat GU from 1.35mtpa to 2.7mtpa. The project is likely to cost Rs2.25bn and will be funded through debt (Rs. 1.5bn) & the remaining through internal accruals.
- JKLC is expanding clinker capacity at its integrated cement plant at Durg in Chhattisgarh by putting up a clinker line of 2.3mtpa &, four cement GUs, totaling 4.6mtpa, at Durg in Chhattisgarh and also three GUs with an aggregate capacity of 3.4mtpa at Prayagraj in Uttar Pradesh, Madhubani in

Bihar & Patratu in Jharkhand. The project is likely to cost Rs25bn and will be funded through term loans from banks amounting to Rs17.5bn and the remaining through internal accruals

- The company is also putting up a railway siding at its Durg cement plant at a cost of Rs3.25bn, which will funded through a debt of Rs2.25bn and the remaining from internal accruals.
- Actual amount incurred on capex stood at Rs6bn vs. the forecast of Rs8bn for FY25F.
- **Capex for FY26F seen** at Rs13bn vs. earlier guidance of Rs10bn, and Rs18bn for FY27F (earlier guidance at Rs15bn).
- Acquired land in Prayagraj. For Durg plant, awaiting environment clearance. Will be placing orders for equipment soon, but a major hurdle is land acquisition that needs to be done for GU expansion.
- Durg clinker expansion to be completed by 3QFY27F. Phase-2 is likely to be completed in FY28F.
- To achieve 30mtpa capacity by FY30F.
- Railway siding expansion has been mostly done.
- The final approval for conveyor belt is pending with the ministry and is expected soon. Additional capex of Rs700-800m to be incurred on the same (included in total capex) and it will be commissioned by FY26F.
- The northeast project has been delayed (seven-to-eight months) primarily due to local and political issues encountered during the land acquisition and initial development. The company is taking a strong stand against unreasonable local demands. A major portion of the consideration payment is linked to milestones and the payment has not been made fully due to some issues, as per management.

Other updates

- Non-current financial assets include Rs3.5bn in fixed deposits with banks.
- UCWL's amalgamation with the company to be completed before Dec 2025F.
- The CC ratio stood at 1.44x.
- Blended cement stood at 65%. Green power usage at 50%. The trade segment's sales stood at 60%.
- **Debt:** Consolidated net debt stood at Rs11.5bn.
- In 4Q, non-cement revenue was Rs1.51bn and the readymix concrete revenue at Rs750m. Margin in the non-cement business was 3%.

Figure 1: Consolidated quarterly performance

Particulars (Rs m)	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Net Sales	**18,976**	**17,671**	**14,968**	**17,809**	**7.4%**	**26.8%**	**6.6%**
Raw Materials Consumed	3,492	3,642	2,748	3,720	-4.1%	27.1%	-6.1%
Freight and Forwarding Expenses	4,397	3,718	3,475	3,472	18.3%	26.5%	26.7%
Power and Fuel Costs	3,909	3,970	3,507	4,153	-1.5%	11.5%	-5.9%
Employee Costs	1,137	1,110	1,144	953	2.5%	-0.6%	19.4%
Other Expenses	2,530	2,264	2,078	2,147	11.7%	21.7%	17.8%
Total Expenditure	**15,464**	**14,704**	**12,951**	**14,443**	**5.2%**	**19.4%**	**7.1%**
EBITDA	**3,512**	**2,967**	**2,018**	**3,365**	**18.4%**	**74.1%**	**4.4%**
Depreciation	767	785	762	679	-2.4%	0.6%	13.0%
EBIT	**2,745**	**2,182**	**1,256**	**2,687**	**25.8%**	**118.7%**	**2.2%**
Interest	444	482	453	446	-8.0%	-2.1%	-0.6%
Other Income	159	172	90	263	-7.3%	76.2%	-39.4%
PBT	**2,461**	**1,871**	**893**	**2,503**	**31.5%**	**175.6%**	**-1.7%**
Tax	603	312	266	879	93.5%	127.2%	-31.4%
PAT before MI & Associates	**1,858**	**1,560**	**628**	**1,624**	**19.1%**	**196.1%**	**14.4%**
Minority Interest	96	0	11	51			
Profit from Associates	74	0	-23	-3			
Recurring PAT	**1,835**	**1,560**	**594**	**1,570**	**17.7%**	**209.0%**	**16.9%**
Extraordinary Items	0	0	0	0			
Reported PAT	**1,835**	**1,560**	**594**	**1,570**	**17.7%**	**209.0%**	**16.9%**
EPS (Rs)	15.6	13.3	5.0	13.3	17.7%	209.0%	16.9%
Gross Margin	37.8%	35.9%	35.0%	36.3%	195bp	283bp	153bp
EBITDA Margin	18.5%	16.8%	13.5%	18.9%	172bp	503bp	-39bp
EBIT Margin	14.5%	12.3%	8.4%	15.1%	212bp	608bp	-62bp
PBT Margin	13.0%	10.6%	6.0%	14.1%	238bp	700bp	-109bp
PAT Margin	9.7%	8.8%	4.0%	8.8%	85bp	570bp	86bp
Tax Rate	24.5%	16.7%	29.7%	35.1%	785bp	-523bp	-1,062bp
Cost Items as % of Sales							
RM Costs	18.4%	20.6%	18.4%	20.9%	-221bp	4bp	-249bp
Freight Costs	23.2%	21.0%	23.2%	19.5%	213bp	-4bp	368bp
P&F Costs	20.6%	22.5%	23.4%	23.3%	-187bp	-283bp	-272bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

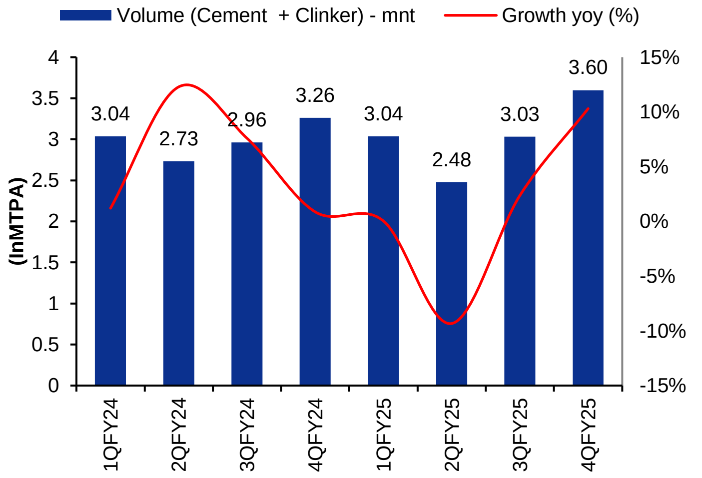
Figure 2: Consolidated 4QFY25 results as per tonne analysis

Per tonne analysis	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Sales Volume (Cement + Clinker)	3.60	3.49	3.03	3.26	3.1%	18.7%	10.3%
Realization	5,274	5,063	4,940	5,459	4.2%	6.8%	-3.4%
EBITDA/t	976	850	666	1,032	14.8%	46.6%	-5.4%
RM Cost/t	971	1,044	907	1,140	-7.0%	7.0%	-14.9%
P&F Costs/t	1,086	1,137	1,157	1,273	-4.5%	-6.1%	-14.7%
Freight Costs/t	1,222	1,065	1,147	1,064	14.7%	6.6%	14.8%
Employee Costs/t	316	318	377	292	-0.6%	-16.3%	8.2%
Other Expenses/t	703	649	686	658	8.4%	2.5%	6.8%
Total Costs/t	4,298	4,213	4,274	4,428	2.0%	0.6%	-2.9%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

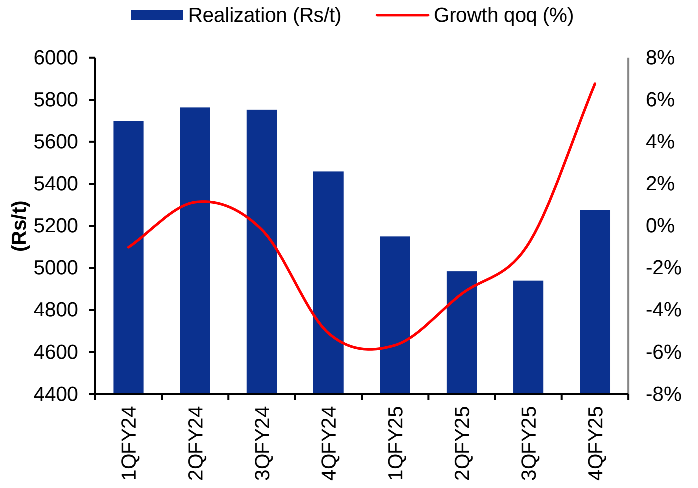
Key quarterly charts

Figure 3: Consolidated cement sales volume (including clinker) was up 10% yoy in 4QFY25



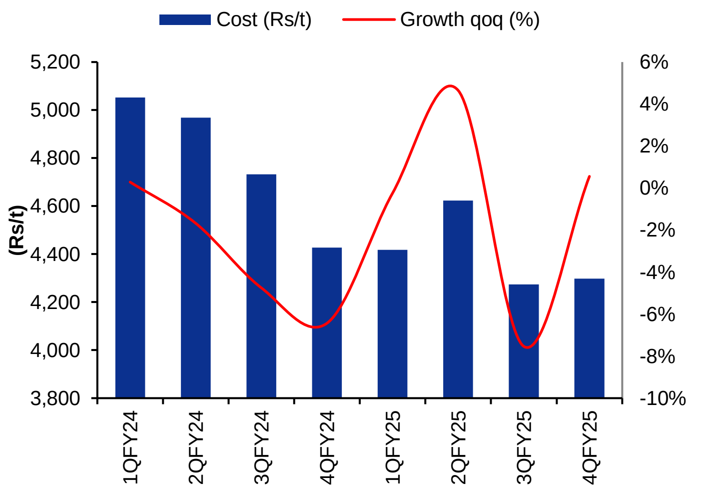
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Cement realization improved by 7% qoq and down 3% yoy in 4QFY25



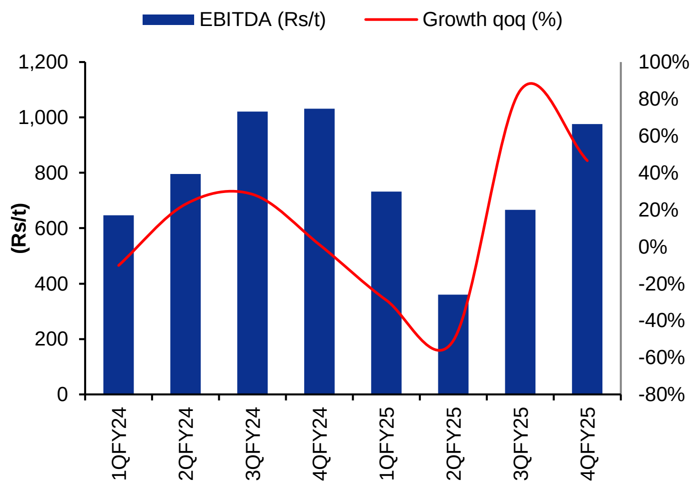
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Operating costs/t were up 1% qoq and down ~3% yoy in 4QFY25



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Consolidated unitary EBITDA was Rs976/t in 4QFY25, up Rs310 qoq and down Rs56 yoy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key changes

Figure 7: Our revised earnings estimates (consolidated)

Rs. m	New		Old		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Volume	13.1	14.3	13	14	0%	-1%
Sales	68,218	75,696	67730	75844	1%	0%
EBITDA	11,345	13,916	11348	13964	0%	0%
Recurring PAT	4,625	6,058	4481	5890	3%	3%
EPS (Rs.)	39.3	51.5	38	50	3%	3%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: Changes in our earnings estimates vs. Bloomberg consensus estimates

Rs. m	Incred		Consensus		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	68,218	75,696	69,766	78,397	-2%	-3%
EBITDA	11,345	13,916	11,401	13,571	0%	3%
PAT	4,625	6,058	6,257	8,048	-26%	-25%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 9: Key assumptions (consolidated)

	FY23A	FY24A	FY25F	FY26F	FY27F
Volume (in mtpa)	11	12	12	13	14
Yoy	2%	5%	1%	8%	9%
Realisation (per tonne)	5,650	5,662	5,106	5,208	5,301
Yoy	17%	0%	-10%	2%	2%
Costs (per tonne)	4,916	4,785	4,393	4,342	4,327
Yoy	23%	-3%	-8%	-1%	0%
EBITDA (per tonne)	735	878	713	866	975
Yoy	-13%	19%	-19%	21%	13%
EBITDA (Rs m)	8,387	10,522	8,646	11,345	13,916
Yoy	-12%	25%	-18%	31%	23%

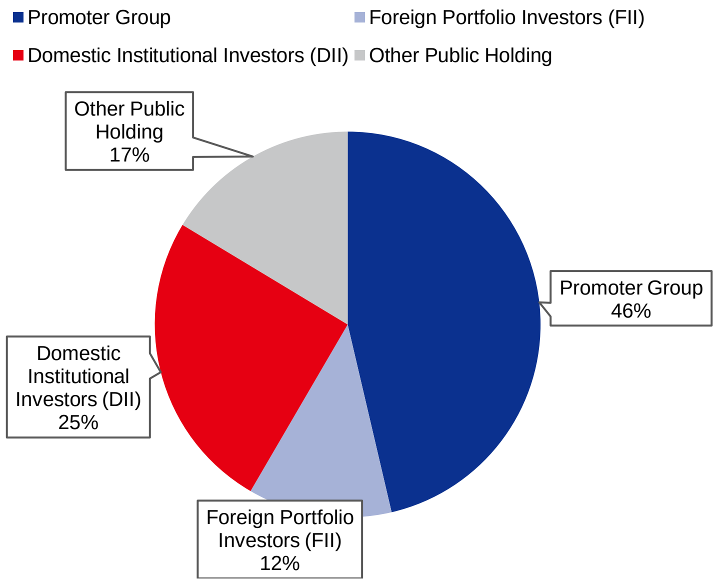
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Maintain ADD rating with a Mar 2026F target price of Rs935, set at 9.5x EV/EBITDA

Valuation	TP
Target EV/EBITDA (x)	9.5
Target EV (Rs m)	1,32,477
Net debt / (cash) (Rs m)	22,406
No. of shares (m)	118
Fair value per share (Rs)	**935**

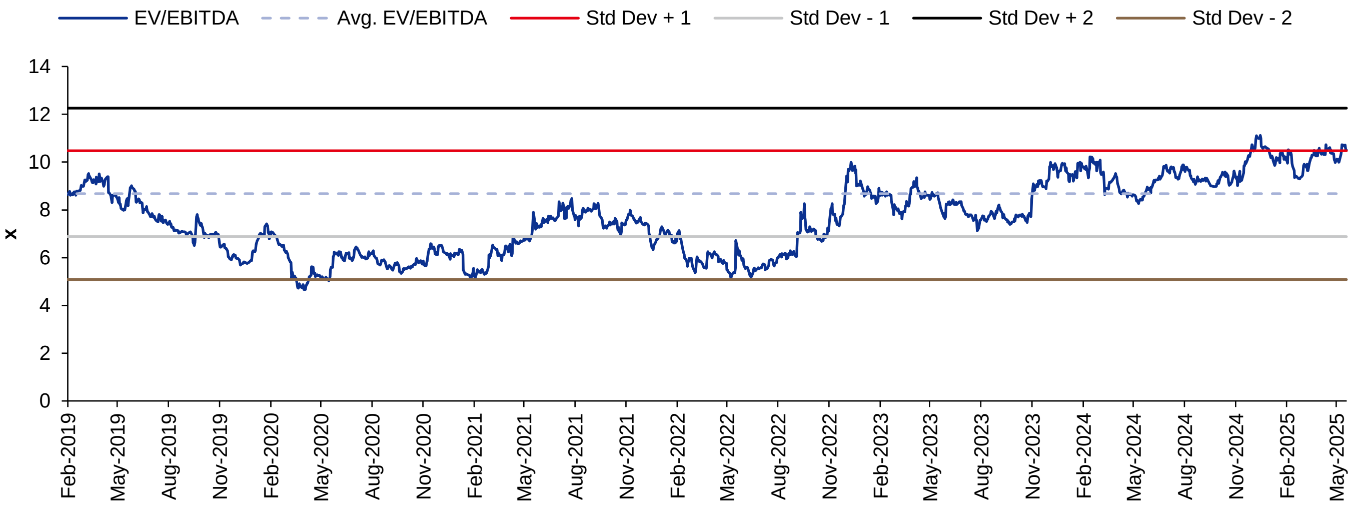
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: JKLC's shareholding pattern (as of Mar 2025-end)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

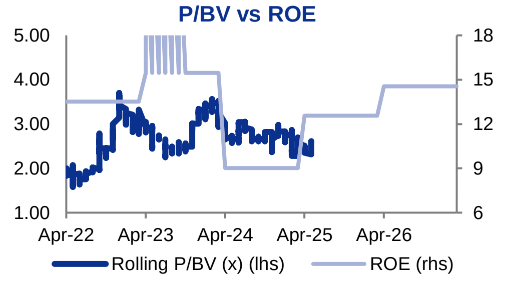
Figure 12: JKLC's one-year forward EV/EBITDA trades close to the +1 SD level

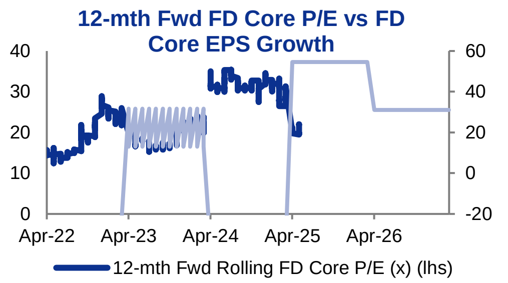


SOURCE: INCRED RESEARCH, BLOOMBERG

InCred Equities

BY THE NUMBERS





Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	**64,515**	**67,885**	**61,926**	**68,218**	**75,696**
Gross Profit	**64,515**	**67,885**	**61,926**	**68,218**	**75,696**
Operating EBITDA	**8,387**	**10,522**	**8,646**	**11,345**	**13,916**
Depreciation And Amortisation	(2,283)	(2,460)	(2,994)	(3,443)	(3,788)
Operating EBIT	**6,104**	**8,062**	**5,652**	**7,901**	**10,128**
Financial Income/(Expense)	(1,334)	(1,504)	(1,812)	(2,102)	(2,417)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	575	681	464	488	512
Profit Before Tax (pre-EI)	**5,345**	**7,239**	**4,304**	**6,287**	**8,223**
Exceptional Items		86	(6)		
Pre-tax Profit	**5,345**	**7,325**	**4,298**	**6,287**	**8,223**
Taxation	(1,654)	(2,446)	(1,278)	(1,635)	(2,138)
Exceptional Income - post-tax					
Profit After Tax	**3,692**	**4,879**	**3,020**	**4,653**	**6,085**
Minority Interests	(105)	(161)	(27)	(27)	(27)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**3,587**	**4,718**	**2,993**	**4,625**	**6,058**
Recurring Net Profit	3,586	4,661	2,997	4,625	6,058
Fully Diluted Recurring Net Profit	**3,586**	**4,661**	**2,997**	**4,625**	**6,058**

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
EBITDA	8,387	10,522	8,646	11,345	13,916
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,331	(1,261)	(439)	(424)	629
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	575	681	464	488	512
Other Operating Cashflow	(963)	3,001	2,246	2,246	2,246
Net Interest (Paid)/Received	(1,334)	(1,504)	(1,812)	(2,102)	(2,417)
Tax Paid	(1,654)	(2,446)	(1,278)	(1,635)	(2,138)
Cashflow From Operations	**6,342**	**8,992**	**7,827**	**9,918**	**12,747**
Capex	(7,320)	(10,060)	(6,524)	(13,500)	(16,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	4,325	1,261	(4,988)	725	
Cash Flow From Investing	**(2,995)**	**(8,800)**	**(11,512)**	**(12,776)**	**(16,500)**
Debt Raised/(repaid)	(566)	2,351	5,675	6,000	5,500
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(412)	(765)	(765)	(463)	(606)
Preferred Dividends					
Other Financing Cashflow	(1,680)	(1,942)	(1,732)	(1,773)	(1,773)
Cash Flow From Financing	**(2,658)**	**(356)**	**3,178**	**3,765**	**3,121**
Total Cash Generated	689	(164)	(507)	907	(632)
Free Cashflow To Equity	**2,781**	**2,543**	**1,990**	**3,142**	**1,747**
Free Cashflow To Firm	**4,681**	**1,696**	**(1,873)**	**(756)**	**(1,336)**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS…cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Cash And Equivalents	8,504	6,397	7,959	8,865	8,234
Total Debtors	654	443	1,068	1,121	1,141
Inventories	8,416	9,912	8,648	9,719	10,369
Total Other Current Assets	1,677	1,660	1,545	1,705	1,847
Total Current Assets	**19,252**	**18,412**	**19,220**	**21,411**	**21,591**
Fixed Assets	34,547	50,757	55,542	65,099	77,311
Total Investments	151	345	343	343	343
Intangible Assets	9,625	4,557	3,501	2,777	2,777
Total Other Non-Current Assets	1,833	2,430	6,185	6,685	7,185
Total Non-current Assets	**46,157**	**58,088**	**65,571**	**74,903**	**87,616**
Short-term Debt	3,174	4,610	4,761	6,261	7,761
Current Portion of Long-Term Debt					
Total Creditors	5,860	5,560	4,548	5,186	5,635
Other Current Liabilities	7,371	10,201	10,898	11,120	12,111
Total Current Liabilities	**16,406**	**20,370**	**20,207**	**22,567**	**25,507**
Total Long-term Debt	15,289	15,639	20,511	25,011	29,011
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	5,305	6,921	7,521	8,021	8,521
Total Non-current Liabilities	**20,594**	**22,560**	**28,032**	**33,032**	**37,532**
Total Provisions					
Total Liabilities	**37,000**	**42,930**	**48,238**	**55,598**	**63,039**
Shareholders Equity	28,039	31,867	34,712	38,875	44,327
Minority Interests	370	1,704	1,841	1,841	1,841
Total Equity	**28,409**	**33,570**	**36,553**	**40,716**	**46,168**

Key Ratios

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	19.0%	5.2%	(8.8%)	10.2%	11.0%
Operating EBITDA Growth	(11.8%)	25.4%	(17.8%)	31.2%	22.7%
Operating EBITDA Margin	13.0%	15.5%	14.0%	16.6%	18.4%
Net Cash Per Share (Rs)	(84.62)	(117.69)	(147.09)	(190.37)	(242.46)
BVPS (Rs)	238.22	270.74	294.92	330.29	376.61
Gross Interest Cover	4.58	5.36	3.12	3.76	4.19
Effective Tax Rate	30.9%	33.4%	29.7%	26.0%	26.0%
Net Dividend Payout Ratio	11.5%	16.5%	25.5%	10.0%	10.0%
Accounts Receivables Days	2.85	2.95	4.45	5.86	5.45
Inventory Days	40.24	49.27	54.70	49.14	48.43
Accounts Payables Days	30.95	36.33	34.62	31.24	31.97
ROIC (%)	14.0%	14.9%	9.3%	11.2%	12.2%
ROCE (%)	13.5%	16.0%	9.8%	11.8%	13.1%
Return On Average Assets	8.1%	8.9%	6.0%	7.5%	8.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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

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

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

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

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