

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	HNDL IN
Equity Shares (m)	2247
M.Cap.(INRb)/(USDdb)	2141.4 / 23.6
52-Week Range (INR)	1030 / 546
1, 6, 12 Rel. Per (%)	5/39/49
12M Avg Val (INR M)	4297
Free float (%)	65.4

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	2,687	2,714	2,841
EBITDA	338	338	356
Adj. PAT	169	167	177
EBITDA Margin (%)	13	12	13
Cons. Adj. EPS (INR)	76	75	80
EPS Gr. (%)	2	-1	5
BV/Sh. (INR)	496	564	635

Ratios

Net D:E	0.4	0.3	0.2
RoE (%)	16.3	14.2	13.3
RoCE (%)	13.7	13.1	12.8
Payout (%)	10.5	10.6	10.1

Valuations

P/E (x)	12.7	12.8	12.1
P/BV (x)	1.9	1.7	1.5
EV/EBITDA(x)	7.6	7.4	6.8
Div. Yield (%)	0.8	0.8	0.8
FCF Yield (%)	0.5	4.7	4.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	34.6	34.6	34.6
DII	23.5	24.5	24.9
FII	32.9	32.6	32.2
Others	9.0	8.3	8.3

FII includes depository receipts

CMP: INR964 TP: INR1110 (+15%) Buy

In-line performance; Novelis to remain overhang on earnings

Consolidated performance

- Consolidated net sales came in line at INR665b (+14% YoY and flat QoQ), driven by favorable pricing and a better product mix.
- Consolidated EBITDA stood at INR80b (in line with our estimate), rising 5% YoY, but declining 11% QoQ, primarily due to muted Novelis earnings amid lower shipments following the Oswego fire.
- Adj. PAT came in line at INR39b (+3% YoY), declining 20% QoQ, primarily led by weak earnings from the Novelis business.
- The company recorded an exceptional item related to repair, clean-up, and restoration expenses at the Oswego plant following the fire incident. The costs associated with the event (net of insurance proceeds) amounted to INR26b (USD291m) during the quarter.
- Consolidated net debt increased to INR595b as of Dec'25 from INR353b in Mar'25 and INR418b in Dec'24.

Aluminum business

- Upstream revenue stood at INR106b (+6% YoY) and EBITDA stood at INR48b (+14% YoY; USD1,572/t), driven by higher volume and favorable pricing in 3Q.
- Downstream revenue stood at INR39b (+22% YoY) on account of higher shipments and favorable pricing. Downstream EBITDA stood at INR2.3b (+55% YoY), led by a better product mix. This translated into EBITDA/t of USD241 (+35% YoY) in 3QFY26, compared to USD265 in 2QFY26.
- Upstream aluminum sales stood at 345kt (+2% YoY) and downstream aluminum sales stood at 108kt (+9% YoY) in 3QFY26.

Copper business

- Copper business revenue stood at INR182b (+33% YoY) on account of higher average copper prices.
- EBITDA for the copper business came at INR6b in 3QFY26, down 23% YoY, led by a sharp decline in TC/RCs.
- Copper metal sales stood at 122kt (+1% YoY) in 3QFY26, and CCR sales were at 82kt, down 14% YoY, primarily due to a weaker domestic market amid higher LME and elevated channel inventories.

Novelis - 3QFY26 result update

- Revenue was largely in line at USD4.2b, rising 3% YoY due to healthy NSR, but declined 12% QoQ over muted shipments.
- NSR stood at USD5,174/t (+15% YoY and +3% QoQ), supported by favorable aluminum prices. Total rolled product shipments stood at 809kt, down 11% YoY and 14% QoQ, primarily due to a shipment disruption of 72kt at Oswego following the fire incident (guided ~75kt earlier). Shipments (excl. fire impact) declined 3% YoY, largely due to underlying muted demand.

Alok Deora - Research analyst (Alok.Deora@MotilalOswal.com)

Sonu Upadhyay - Research analyst (Sonu.Upadhyay@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.

- Adj. EBITDA declined 5% YoY and 18% QoQ to USD348m (our est. USD320m) due to an adverse shipment impact of USD54m following the Oswego fire and tariff impact of USD34m. The beat on adj. EBITDA was mainly driven by lower-than-anticipated impact from the Oswego fire and tariff of USD100m.
- Adjusted EBITDA/t stood at USD430 (our est. USD380), up 6% YoY/down 4% QoQ. Adjusted EBITDA/t (excl. tariffs and Oswego fire-led shipment impact) stood at USD495.
- The company reported a net loss of USD160m, which included an exceptional item of USD286m. The exceptional item consisted of USD327m related to the Oswego fire losses/net recoveries and USD86m related to others, partially offset by a metal price lag of USD127. Adj. PAT stood largely in line with our estimate at USD69m, down 45% YoY and 53% QoQ.

Highlights from the management commentary

- India Aluminum (Upstream) CoP is expected to rise ~1% QoQ, primarily due to higher CP Coke (anode) prices amid China supply-demand tightness.
- Novelis' cost to serve is expected to remain elevated, in line with 3Q levels, due to increased external slab sourcing and supply chain reorientation, though Midwest premium arbitrage could provide some offset.
- Consolidated net debt/EBITDA stood at 1.73x. Management targets to keep it below the threshold of 2x. Net debt increased ~INR240b during 9MFY26, largely driven by Novelis' negative FCF (capex + working capital + fire impact) and working capital build-up of ~INR40b due to higher copper concentrate inventory.
- AV Minerals raised USD800m at SOFR + 105bp (five-year tenure) to fund higher Bay Minette costs. The weighted average cost of Novelis debt stands at ~5.3%, while the cost of capital is in the mid-8% range.
- 4QFY26 aluminum hedging: 64% commodity hedged at USD2,807/t and 26% currency hedged at INR88.18/USD. For FY27, the aluminum hedging stood at 21% at USD2,925/t and targets to achieve ~25% at USD3,000/t.

Valuation and view

- HNDL posted in-line consolidated performance in 3QFY26. Earnings growth was primarily driven by favorable pricing. Going forward, the strong earnings outlook for the Indian business will remain intact. However, the overall Hindalco business outlook has weakened following the Oswego fire incident and the Bay Minette project cost escalation to USD5b from USD4.1b.
- Novelis' volumes are expected to decline 150-200kt, with an FCF impact of USD1.3-1.6b (incl. an EBITDA impact of USD150-200m till 2QFY27), which erodes near-term earnings visibility and stretches the working capital. Management expects to recover ~70-80% via insurance in the next 18-24 months in a phased manner.
- We maintain our consolidated earnings, supported by a strong domestic business outlook, offsetting the muted Novelis profitability for FY26-27E.
- **At CMP, the stock trades at 7.4x EV/EBITDA and 1.7x P/B on FY27E. We reiterate our BUY rating on HNDL with an SoTP-based TP of INR1,110.**

Consolidated quarterly performance

(InR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	570.1	582.0	583.9	648.9	642.3	660.6	665.2	719.2	2,385.0	2,687.3	664.2	0.1
Change (YoY %)	7.6	7.4	10.6	15.9	12.7	13.5	13.9	10.8	10.4	12.7		
Change (QoQ %)	1.8	2.1	0.3	11.1	(1.0)	2.8	0.7	8.1	-	-		
Total Expenditure	495.1	503.2	508.1	560.5	563.3	570.9	585.3	629.9	2,066.9	2,349.4		
EBITDA	75.0	78.8	75.8	88.4	79.1	89.7	79.9	89.3	318.1	337.9	79.5	0.6
Change (YoY %)	31.3	40.5	29.3	32.3	5.4	13.7	5.4	1.0	33.2	6.3		
Change (QoQ %)	12.3	5.1	(3.8)	16.5	(10.5)	13.4	(10.8)	11.7	-	-		
As % of Net Sales	13.2	13.5	13.0	13.6	12.3	13.6	12.0	12.4	13.3	12.6		
Interest	8.6	8.7	8.2	8.7	7.5	8.0	8.8	9.3	34.2	33.7		
Depreciation	18.9	19.3	19.4	21.2	20.8	21.6	22.2	22.9	78.8	87.4		
Other Income	4.2	10.8	5.1	7.0	6.0	7.1	5.5	5.9	27.1	24.5		
PBT (before EO item)	51.8	61.6	53.4	65.4	56.7	67.2	54.4	62.9	232.1	241.3		
Extra-ordinary Income	(3.3)	(5.1)	(0.4)	0.1	-	(1.8)	(26.1)	-	(8.8)	(27.9)		
PBT (after EO item)	48.5	56.4	53.0	65.5	56.7	65.4	28.3	62.9	223.3	213.4		
Total Tax	17.7	17.3	15.6	12.7	16.7	18.0	7.8	21.5	63.4	64.0		
% Tax	36.6	30.7	29.5	19.3	29.5	27.5	27.5	34.1	28.4	30.0		
PAT before MI and Associate	30.7	39.1	37.3	52.8	40.0	47.4	20.5	41.4	160.0	149.4		
Adjusted PAT	33.1	42.7	37.6	52.8	40.0	48.7	38.8	41.4	166.2	168.9	38.1	1.6
Change (YoY %)	34.0	97.3	61.5	66.3	21.1	14.0	3.0	(21.5)	63.9	1.7		
Change (QoQ %)	4.1	29.2	(11.8)	40.2	(24.1)	21.6	(20.4)	6.9				

Source: MOFSL, Company

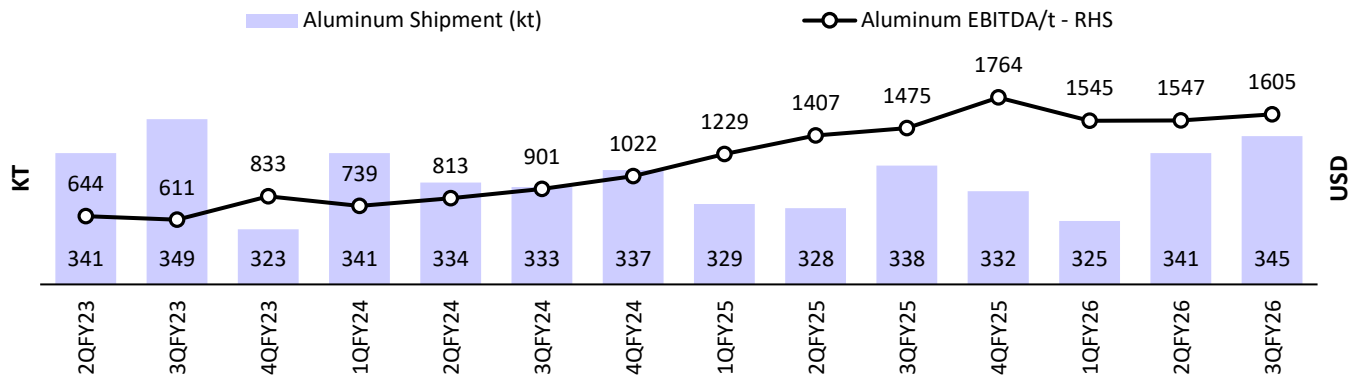
Quarterly performance for Novelis

(USD m)

Y/E March	FY25				FY26				FY25	FY26E	FY26 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Sales (000 tons)	951	945	904	957	963	941	809	862	3,757	3,575	841	(3.8)
Change (YoY %)	8.2	1.3	(0.7)	0.6	1.3	(0.4)	(10.5)	(9.9)	2.3	(4.8)		
Change (QoQ %)	-	(0.6)	(4.3)	5.9	0.6	(2.3)	(14.0)	6.6	-	-		
Net Sales	4,187	4,295	4,080	4,587	4,717	4,744	4,186	4,712	17,149	18,359	4,396	(4.8)
Change (YoY %)	2.3	4.6	3.7	12.5	12.7	10.5	2.6	2.7	5.8	7.1		
Change (QoQ %)	2.7	2.6	(5.0)	12.4	2.8	0.6	(11.8)	12.6	-	-		
EBITDA (adjusted)	500	462	367	473	416	422	348	389	1,802	1,575	320	8.9
Change (YoY %)	18.8	(4.5)	(19.2)	(8.0)	(16.8)	(8.7)	(5.2)	(17.8)	(3.8)	(12.6)		
Change (QoQ %)	(2.7)	(7.6)	(20.6)	28.9	(12.1)	1.4	(17.5)	11.7	-	-		
EBITDA per ton (USD)	526	489	406	494	432	448	430	451	480	440	380	13.2
Interest	64	67	61	60	62	63	62	62	252	249		
Depreciation	140	141	142	152	148	152	155	155	575	610		
PBT (before EO item)	296	254	164	261	206	207	131	172	975	716		
Extra-ordinary Income	(86)	(74)	(15)	42	(60)	17	(286)	-	(133)	(329)		
PBT (after EO item)	210	180	149	303	146	224	(155)	172	842	387		
Total Tax	60	51	39	9	50	61	4	77	159	192		
% Tax	28.6	28.3	26.2	3.0	34.2	27.2	(2.6)	44.5	18.9	49.5		
Reported PAT (after MI)	151	128	110	294	96	163	(160)	96	683	195		
Change (YoY %)	(3.2)	(18.5)	(9.1)	77.1	(36.4)	27.3	(245.5)	(67.5)	13.8	(71.5)		
Adjusted PAT	237	202	125	252	156	146	69	96	816	466	72	(4.1)
Change (YoY %)	42.8	(9.4)	(35.6)	3.7	(34.2)	(27.7)	(45.0)	(62.1)	(1.2)	(42.8)		
Change (QoQ %)	(2.5)	(14.8)	(38.1)	101.6	(38.1)	(6.4)	(52.9)	38.9				

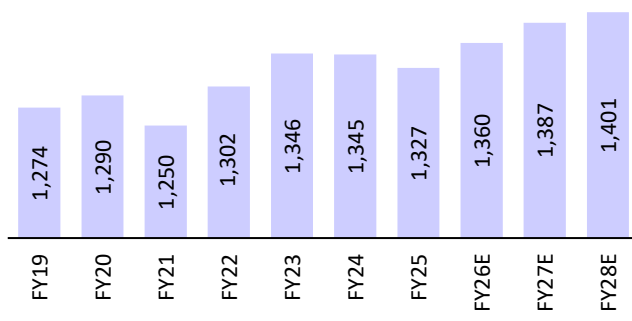
Source: MOFSL, Company

Exhibit 1: Aluminum EBITDA/t increased to USD1,600/t in 3QFY26, supported by favorable prices and muted cost



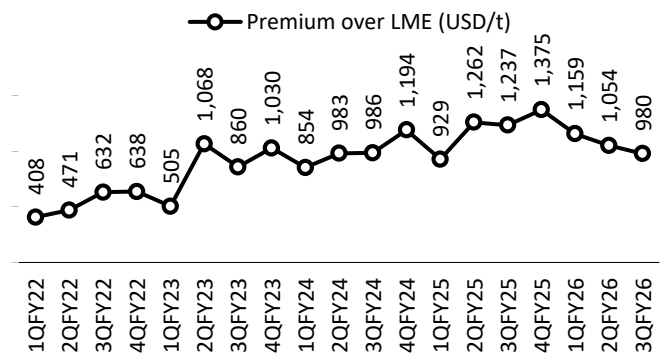
Source: MOFSL, Company

Exhibit 2: Al upstream production (kt) to hit 1.4mt by FY28



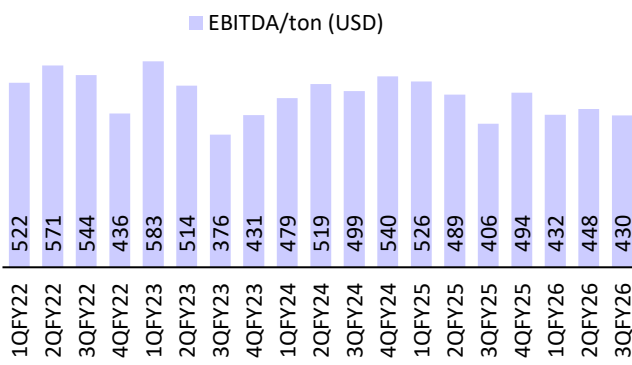
Source: MOFSL, Company

Exhibit 3: Al premium declined QoQ over higher LME



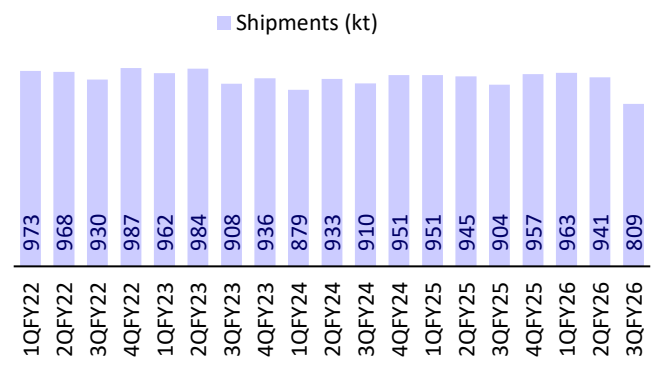
Source: MOFSL, Company

Exhibit 4: Novelis' EBITDA/t (USD) stood muted



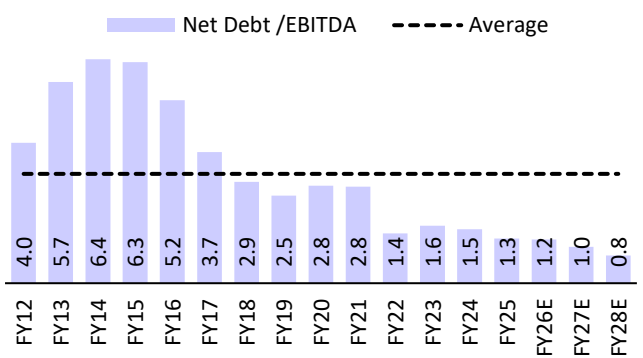
Source: MOFSL, Company

Exhibit 5: Novelis' shipments (kt) declined QoQ



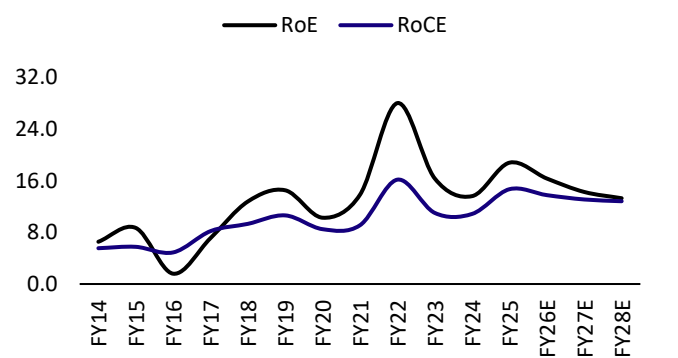
Source: MOFSL, Company

Exhibit 6: Leverage to remain below the current level



Source: MOFSL, Company

Exhibit 7: RoE and RoCE (%)



Source: MOFSL, Company



Highlights from the management commentary

Guidance/outlook:

- India Aluminum (Upstream) CoP is expected to rise ~1% QoQ, primarily due to higher CP Coke (anode) prices amid China supply-demand tightness.
- Novelis' cost to serve is expected to remain elevated but on similar lines to 3Q due to increased external slab sourcing and supply chain reorientation. Midwest premium arbitrage may provide some offset.
- Consolidated Net Debt/EBITDA stood at 1.73x; management targets to keep it below the threshold of 2x. Net debt increased ~INR240b during 9MFY26, largely driven by Novelis' negative FCF (capex + working capital + fire impact) and working capital build-up of ~INR40b due to higher copper concentrate inventory.
- AV Minerals raised USD800m at SOFR + 105bp (5-year tenure) to fund higher Bay Minette costs. The weighted average cost of Novelis debt stands at ~5.3%, while the cost of capital is at mid-8% range.
- The Indian business currently has a net cash of INR6b.
- 4QFY26 aluminum hedging: 64% commodity hedged at USD2,807/t and 26% currency hedged at INR88.18/USD. For FY27, the aluminum hedging stood at 21% at USD2,925/t and targets to achieve ~25% at USD3,000/t.
- China finalized CY26 long-term TCRC contracts at 0 cents/lb, indicating structural concentrate tightness. Spot TCRCs remain negative at -USD0.10-0.11/lb.
- The Chakla Mine box cut was delayed by a quarter and is now expected in Apr'26.

Capex and capacity update:

- India's capex guidance for FY26: INR100b (INR80b organic + INR20b for Banda mine), and 9MFY26 spend stood at INR60b (on track to meet full-year guidance). For FY27, management guided a capex of INR100-120b.
- The Aditya Alumina Refinery and Aluminum Smelter expansion projects are progressing on schedule with the commissioning target of FY28.
- Total project cost for Bay Minette is estimated at USD5b (revised from USD4.1) and so far, ~54% (USD2.7b) of capex has already been spent, with the rest to be spilled over to CY27 post commissioning in 2HCY26.
- The phase-1 181kt aluminum smelter expansion at Aditya will proceed alongside the alumina refinery with operational target of FY28 and Phase-II of +193kt by FY29. Also, the 300kt copper smelter expansion is expected to be commissioned by FY29.
- Chakla, Banda, and Meenakshi coal mines are progressing toward commissioning. The two captive coal mines (Chakla 1HFY27 and Bandha FY27) are expected to be operational by FY27, while Meenakshi will be operational in FY29.
- In copper, the 50kt e-waste and scrap recycling project remains on track for commissioning in FY27, strengthening its circular-economy credentials.
- The current renewable capacity stands at 418 MW, and management is on track to add 103 MW next quarter + 130 MW storage-based, reaching 522 MW by FY26 end.

Key takeaways from the Novelis conference call

Operating performance guidance and outlook

- FY26-exit savings guidance has been raised to USD150m from USD75m, and the company maintains a multi-year structural cost reduction target of USD300m.
- North America volumes remained temporarily constrained due to Oswego fire incidents; a gradual restart is expected in late 2QCY26, with phased ramp-up.
- Beverage packaging demand remains stable and structurally resilient. Auto demand was stable in North America, softer in Europe and Aerospace demand was showing early signs of improvement.
- Scrap pricing remains a key driver of EBITDA/t, influencing metal spreads and margin performance.
- Higher aluminum prices have increased working capital requirements due to elevated scrap inventory values.

Oswego Fire

- Novelis faced two separate fire incidents at the Oswego facility in Sep'25 and Nov'25. The Sep'25 fire incident largely affected the roof, while the Nov'25 incident affected floor-level machinery and cabling. This is materially extending the restoration costs and restart timeline.
- The Oswego hot mill is expected to restart late in 2QCY26 (vs. Dec'25 earlier), followed by a gradual ramp-up and customer requalification process.
- Total estimated free cash flow impact is USD1.3-1.6b, reflecting restoration capex, working capital strain, and operational disruption. The company recorded USD327m of Oswego fire-related exceptional costs in 3Q, which included repairs, cleanup, idle costs, and customer fulfillment expenses.
- Full-year EBITDA impact is estimated at USD150-200m, primarily from lost contribution and unabsorbed fixed costs.
- Insurance coverage is expected to recover 70-80% of total fire-related losses, significantly mitigating long-term economic impact. The company has already received USD50m in insurance proceeds, with further recoveries expected over 15-18 months.

Capital allocation update

- For FY26, the total capex guidance remains unchanged at USD1.9-2.2b (incl. USD300m maintenance-related capex), committed toward the expansion roadmap, despite Oswego disruption.
- Capital allocation priorities: (i) maintain liquidity, (ii) complete Bay Minette, (iii) execute structural cost savings, and (iv) normalize leverage.
- Total capex for Bay Minette has been further revised to USD5b (vs. USD4.1b earlier). The company has already invested USD2.7b and remaining ~USD2b will be spent in FY27.
- The 600kt Bay Minette facility remains on schedule for commissioning in 2HCY26 with expected full capacity ramp-up over 18-24 months.
- Management indicated that there will be no meaningful EBITDA contribution in FY27 and will follow with the gradual volume ramp-up.
- The company received an equity infusion of USD750m from its parent (HNDL), with potential additional ~USD200m under discussion.
- Net leverage stands at 3.7x, which is expected to temporarily peak in the high-4x range before normalizing. Management said no unplanned long-term debt issuance is expected beyond the previously planned ~USD500m.

Exhibit 8: Changes to our estimates

Consolidated		FY26E			FY27E			FY28E		
		New	Old	% change	New	Old	% change	New	Old	% change
Revenue	INR b	2,687	2,690	-0.1	2,714	2,721	-0.3	2,841	2,843	-0.1
EBITDA	"	338	337	0.2	338	339	-0.2	356	356	-0.1
Adj. PAT	"	169	170	-0.7	167	165	1.2	177	174	1.2

MOFSL estimates

Exhibit 9: TP calculation and valuation

Y/E March	UoM	Sep'27E
Hindalco - India		
Aluminium		
Volumes	Kt	1,394
EBITDA	INR/t	1,21,784
EBITDA	USD/t	1,364
EBITDA	INR m	1,69,784
Copper		
Volumes	Kt	492
EBITDA	INR/t	73,772
EBITDA	USD/t	826
EBITDA	INR m	36,259
Others	INR m	(27,730)
EBITDA Hindalco - India	INR m	1,78,313
EV/EBITDA (x)	X	8.0
Target EV	INR m	14,26,503
Novelis		
Volumes	Kt	3,837
EBITDA	USD/t	492
USD/INR	X	89
EBITDA	INR m	1,68,647
EV/EBITDA (x)	X	7.0
Target EV	INR m	11,80,532
Target EV - Group	INR m	26,07,035
Net Debt	INR m	2,82,952
Equity Value	INR m	23,24,083
Equity Value	INR/sh	1,047
Investments (quoted)	INR/sh	1,39,605
Discount factor	%	10%
Target Price	INR/sh	1110

Source: MOFSL

Exhibit 10: EV/EBITDA near its LTA

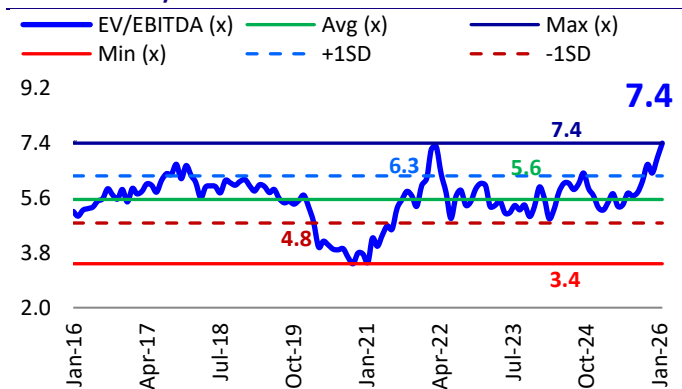
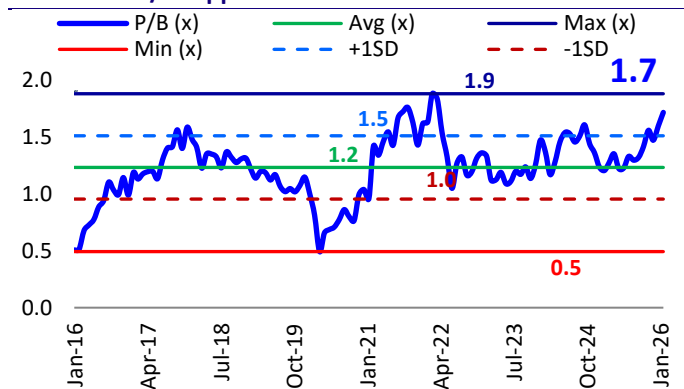


Exhibit 11: P/B slipped close to LTA



Financials and valuations

Consolidated Income Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net sales	1,305.4	1,181.4	1,318.0	1,950.6	2,232.0	2,159.6	2,385.0	2,687.3	2,713.6	2,840.5
Change (%)	13.3	(9.5)	11.6	48.0	14.4	(3.2)	10.4	12.7	1.0	4.7
Total Expenses	1,150.3	1,039.4	1,144.5	1,667.1	2,005.4	1,920.9	2,066.9	2,349.4	2,375.6	2,484.6
EBITDA	155.1	142.1	173.5	283.5	226.7	238.7	318.1	337.9	338.0	355.9
% of Net Sales	11.9	12.0	13.2	14.5	10.2	11.1	13.3	12.6	12.5	12.5
Depn. & Amortization	47.8	50.9	65.0	67.3	70.9	75.2	78.8	87.4	87.3	93.5
EBIT	107.3	91.2	108.5	216.2	155.8	163.5	239.2	250.5	250.7	262.4
Net Interest	37.8	42.0	37.4	37.7	36.5	38.6	34.2	33.7	40.3	40.1
Other income	11.3	11.9	12.2	11.4	12.6	15.0	27.1	24.5	27.0	27.0
PBT before EO	80.8	61.0	83.4	189.9	131.9	139.9	232.1	241.3	237.4	249.4
EO income (exp)	-	(1.8)	(4.4)	5.8	0.4	0.2	(8.8)	(27.9)	-	-
PBT after EO	80.8	59.2	79.0	195.7	132.3	140.1	223.3	213.4	237.4	249.4
Current tax	19.1	15.4	18.8	38.0	28.6	30.1	63.5	64.0	69.9	72.9
Deferred tax (net)	6.8	6.2	8.4	15.7	2.9	8.5	(0.2)	-	-	-
Tax	25.9	21.6	27.2	53.7	31.4	38.6	63.4	64.0	69.9	72.9
Rate (%)	32.0	36.4	34.5	27.5	23.8	27.5	28.4	30.0	29.5	29.2
PAT (before MI and Sh. of Asso.)	54.9	37.6	51.8	142.0	100.9	101.5	160.0	149.4	167.5	176.5
Minority interests and disc. Operations	(0.0)	-	17.0	4.7	-	-	-	-	-	-
Share of asso.	0.0	0.0	0.1	0.1	0.1	0.0	0.0	-	0.0	0.0
Reported PAT (after MI and Sh. of Asso.)	55.0	37.7	34.8	137.3	101.0	101.6	160.0	149.4	167.5	176.5
Adjusted PAT	55.0	39.5	56.2	136.2	100.6	101.3	166.2	168.9	167.5	176.5
Change (%)	30.6	(28.1)	42.3	142.3	(26.2)	0.8	63.9	1.7	(0.9)	5.4

Balance Sheet

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Reserves	572.6	580.6	663.1	779.7	945.8	1,059.2	1,234.9	1,366.5	1,516.2	1,674.9
Net Worth	574.8	582.8	665.3	781.9	948.1	1,061.5	1,237.1	1,368.7	1,518.4	1,677.2
Minority Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Loans	524.2	674.2	659.9	632.4	583.4	545.0	619.3	601.8	584.3	566.8
Deferred Tax Liability	36.5	37.6	36.1	44.2	73.2	81.6	87.8	87.8	87.8	87.8
Capital Employed	1,135.6	1,294.7	1,361.4	1,458.6	1,604.7	1,688.2	1,944.3	2,058.4	2,190.6	2,331.9
Gross Block	1,130.7	1,199.7	1,343.2	1,459.5	1,567.1	1,650.8	1,771.0	1,997.9	2,160.4	2,324.3
Less: Accum. Depn.	457.8	508.7	573.7	630.4	718.2	793.5	872.3	959.7	1,047.0	1,140.5
Net Fixed Assets	672.8	691.0	769.5	829.1	848.8	857.4	898.7	1,038.2	1,113.4	1,183.8
Goodwill	185.7	201.0	233.2	239.7	257.5	260.8	266.8	266.8	266.8	266.8
Capital WIP	41.0	77.2	102.0	49.5	77.0	148.7	274.0	274.0	274.0	274.0
Investments	51.6	31.3	77.2	86.7	82.6	121.7	136.3	136.3	136.3	136.3
Working capital Assets	567.0	685.4	706.3	1,013.7	969.0	918.7	1,067.2	1,103.7	1,165.4	1,259.3
Inventory	221.9	223.8	306.7	444.8	429.6	408.1	488.0	507.8	512.8	536.8
Account Receivables	114.6	93.5	129.6	210.8	162.1	164.0	198.3	204.1	206.1	215.8
Cash and Bank Balance	136.2	278.1	182.3	228.4	212.3	177.1	213.8	180.8	233.5	283.9
Others (incl. LT)	94.2	89.9	87.7	129.7	165.1	169.5	167.1	210.9	213.0	222.9
Working capital liability	382.5	391.1	526.7	759.9	630.2	619.1	698.7	760.5	765.3	788.4
Account Payables	207.2	182.8	282.8	442.0	418.4	392.9	427.0	488.8	493.6	516.7
Others (incl. LT)	175.3	208.3	243.9	317.9	211.8	226.2	271.7	271.7	271.7	271.7
Net Working Capital	184.4	294.3	179.6	253.8	338.9	299.7	368.5	343.2	400.2	471.0
Appl. of Funds	1,135.6	1,294.7	1,361.4	1,458.6	1,604.7	1,688.2	1,944.3	2,058.4	2,190.6	2,331.9

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)										
EPS	24.7	17.8	25.3	61.3	45.3	45.7	74.8	76.1	75.4	79.5
Cash EPS	46.2	39.8	52.5	94.3	77.4	79.6	107.6	106.7	114.8	121.6
BV/Share (adj.)	175.0	171.7	194.3	244.3	311.1	360.7	437.1	496.3	563.8	635.3
DPS	1.2	1.0	3.0	4.0	3.0	3.0	5.0	8.0	8.0	8.0
Payout (%)	4.9	5.6	11.9	6.5	6.6	6.6	6.7	10.5	10.6	10.1
Valuation (x)										
P/E	39.0	54.3	38.1	15.7	21.3	21.1	12.9	12.7	12.8	12.1
Cash P/E	20.9	24.2	18.4	10.2	12.5	12.1	9.0	9.0	8.4	7.9
P/BV	5.5	5.6	5.0	3.9	3.1	2.7	2.2	1.9	1.7	1.5
EV/Sales	1.9	2.1	2.0	1.3	1.1	1.2	1.1	1.0	0.9	0.9
EV/EBITDA	16.3	17.9	15.1	9.0	11.1	10.5	8.0	7.6	7.4	6.8
Dividend Yield (%)	0.1	0.1	0.3	0.4	0.3	0.3	0.5	0.8	0.8	0.8
Return Ratios (%)										
EBITDA Margins (%)	11.9	12.0	13.2	14.5	10.2	11.1	13.3	12.6	12.5	12.5
Net Profit Margins (%)	4.2	3.3	4.3	7.0	4.5	4.7	7.0	6.3	6.2	6.2
RoE	14.5	10.2	13.8	28.0	16.3	13.6	18.8	16.3	14.2	13.3
RoCE (pre-tax)	10.6	8.5	9.1	16.1	11.0	10.8	14.7	13.7	13.1	12.8
RoIC (pre-tax)	11.9	10.3	11.5	21.6	14.6	14.6	18.7	18.0	16.6	16.5
Working Capital Ratios										
Fixed Asset Turnover (x)	1.2	1.0	1.0	1.3	1.4	1.3	1.3	1.3	1.3	1.2
Asset Turnover (x)	1.1	0.9	1.0	1.3	1.4	1.3	1.2	1.3	1.2	1.2
Debtor (Days)	32	29	36	39	27	28	28	28	28	28
Inventory (Days)	62	69	85	83	70	69	69	69	69	69
Payable (Days)	58	56	78	83	68	66	66	66	66	66
Leverage Ratio (x)										
Current Ratio	1.5	1.8	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.6
Interest Cover Ratio	2.8	2.2	2.9	5.7	4.3	4.2	7.0	7.4	6.2	6.6
Debt/Equity	1.0	1.0	1.1	0.7	0.5	0.5	0.4	0.4	0.3	0.2

Cash Flow Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
EBITDA	155.1	142.1	173.5	283.5	226.7	238.7	318.1	337.9	338.0	355.9
Others	0.4	(1.8)	(2.7)	14.7	(2.7)	9.2	3.9	(27.9)	-	-
tax paid	(18.9)	(1.0)	(12.6)	(37.7)	(27.3)	(26.8)	(54.7)	(64.0)	(69.9)	(72.9)
Change in WC	(16.9)	(11.8)	14.0	(92.0)	(4.6)	19.4	(23.2)	(7.6)	(4.3)	(20.5)
CF from Op. Activity	119.8	127.5	172.3	168.4	192.1	240.6	244.1	238.4	263.8	262.5
(Inc)/Dec in FA + CWIP	(60.1)	(67.9)	(55.7)	(54.3)	(98.4)	(157.3)	(206.5)	(226.9)	(162.6)	(163.9)
Free Cash Flow to firm	59.7	59.5	116.7	114.1	93.7	83.3	37.6	11.5	101.3	98.6
(Pur)/Sale of Inv. & yield	6.6	7.1	9.0	(58.9)	19.9	(3.7)	32.0	24.5	27.0	27.0
Others & M&A	(3.1)	(23.5)	(209.7)	42.4	(2.6)	18.3	(72.9)	-	-	-
CF from Inv. Activity	(56.5)	(84.3)	(256.4)	(70.7)	(81.2)	(142.8)	(247.4)	(202.4)	(135.6)	(136.9)
Equity raised/(repaid)	(1.2)	-	0.1	(0.7)	(1.3)	(1.2)	(1.0)	-	-	-
Debt raised/(repaid)	(14.4)	109.5	(9.7)	(27.8)	(54.9)	(61.4)	48.4	(17.5)	(17.5)	(17.5)
Interest	(35.8)	(40.2)	(36.8)	(32.5)	(38.5)	(38.9)	(57.7)	(33.7)	(40.3)	(40.1)
Dividend (incl. tax)	(3.2)	(2.7)	(2.4)	(6.7)	(8.9)	(6.7)	(7.8)	(17.8)	(17.8)	(17.8)
CF from Fin. Activity	(54.6)	66.6	(48.8)	(67.7)	(103.5)	(108.2)	(18.2)	(68.9)	(75.6)	(75.3)
(Inc)/Dec in Cash	8.7	109.7	(132.9)	30.0	7.4	(10.4)	(21.5)	(32.9)	52.7	50.3
Add: Opening Balance	80.4	91.0	212.7	83.4	116.4	128.4	118.2	98.1	65.1	117.8
Changes in forex on CF	1.9	12.0	3.6	3.0	4.6	0.2	1.4	-	-	-
Closing cash Balance	91.0	212.7	83.4	116.4	128.4	118.2	98.1	65.1	117.8	168.2
Bank balance (inc. O/D adj.)	45.2	65.5	98.9	112.1	83.9	58.9	115.7	115.7	115.7	115.7
Closing Balance (incl. bank balance)	136.2	278.1	182.3	228.4	212.3	177.1	213.8	180.8	233.5	283.9

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

NOTES

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://online.reports.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

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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.