

Estimate changes

TP change

Rating change



**CMP: INR399**

**TP: INR400**

**Neutral**

**Revenue in line; cost inflation leads to profitability miss; favorable aluminum prices drive earnings revision**

Bloomberg	NACL IN
Equity Shares (m)	1837
M.Cap.(INRb)/(USD\$b)	733.4 / 7.7
52-Week Range (INR)	445 / 149
1, 6, 12 Rel. Per (%)	-4/75/157
12M Avg Val (INR M)	3685

**Financials & Valuations (INR b)**

Y/E MARCH	FY26	FY27E	FY28E
Sales	178	181	190
EBITDA	79	76	78
Adj. PAT	58	52	53
EBITDA Margin (%)	44.5	42.0	41.1
Cons. Adj. EPS (INR)	31.6	28.6	28.8
EPS Gr. (%)	10	-9.5	0.8
BV/Sh. (INR)	118	143	168

**Ratios**

Net D:E	-0.4	-0.5	-0.5
RoE (%)	29.4	22.0	18.5
RoCE (%)	38.3	29.5	25.0
Payout (%)	33.3	14.0	13.9

**Valuations**

P/E (x)	12.6	13.9	13.8
P/BV (x)	3.4	2.8	2.4
EV/EBITDA(x)	8.1	7.9	7.5
Div. Yield (%)	2.6	1.0	1.0
FCF Yield (%)	9.1	6.7	3.2

**Shareholding Pattern (%)**

As On	Mar-26	Dec-25	Mar-25
Promoter	51.3	51.3	51.3
DII	10.8	12.4	15.7
FII	22.3	19.7	15.8
Others	15.7	16.7	17.2

FII includes depository receipts

- NALCO's (NACL) revenue stood in line at INR50.1b (-5% YoY and +6% QoQ), mainly driven by favorable aluminum prices.
- Consol EBITDA stood at INR23.5b (-15% YoY and +8% QoQ), against our est. of INR26.4b, during the quarter.
- EBITDA margin stood at 46.9% in 4QFY26 vs 46.1% in 3QFY26 and 52.3% in 4QFY25.
- Adj. PAT for the quarter stood at INR17.2b (-17% YoY and +8% QoQ) against our est. of INR19.5b, led by operating performance miss.
- In FY26, revenue stood at INR178b (+6% YoY), EBITDA at INR79.5b (+5% YoY), and APAT at INR58b (+10% YoY).
- The Board approved the third interim dividend of INR2 per share (~40% on FV) during the quarter.

**Aluminum business**

- Revenue from the aluminum business stood at INR39b, up 20% YoY and 13% QoQ on account of favorable LME prices.
- Metal production stood at 117kt, down 1% YoY and 3% QoQ, while sales volume was at 122kt, declining 3% YoY and QoQ during the quarter.
- ASP for aluminum stood at USD3,485/t, increasing 24% YoY and 16% QoQ, driven by favorable LME prices.
- EBIT stood at INR19b, up 32% YoY and 20% QoQ in 4QFY26.

**Chemical (Alumina) business**

- Revenue from the chemical business declined 38% YoY and 5% QoQ to INR15.7b, mainly due to a correction in global alumina prices.
- Alumina hydrate production stood flat QoQ at 574kt, down 2% YoY, while sales volume decline 1% YoY and 15% QoQ to 343kt.
- ASP for alumina hydrate remained flat QoQ at USD354/t (-47% YoY) due to a sharp correction in alumina prices from ~USD580/t to ~USD300/t over 12M.
- EBIT came in at INR4b, down 70% YoY and 23% QoQ in 4QFY26.

**Key highlights from the management commentary**

- Management targets ~200-250kt of volume in FY27E from the new refinery, with full ramp-up to be seen in FY28E.
- NACL's domestic alumina sales rose from ~40kt in FY25 to 140kt in FY26, and in FY27, domestic sales are targeted at 250-300kt, reducing export dependence.
- Management expects 1QFY27 profits to remain strong, potentially sustaining quarterly PBT above INR20b, supported by elevated aluminum prices despite weaker alumina. While alumina profitability is expected to face headwinds, aluminum margins are expected to remain the primary earnings driver.

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**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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Management expects continued pressure on alumina prices in FY27, with average realizations projected at ~USD300-USD310/t against USD376/t in FY26.
- Current aluminum prices range at USD3,500-3,600/t due to war-related disruptions and curtailed Middle Eastern smelter output. NACL expects average FY27 aluminum realizations to normalize to ~USD3,000-3,100/t if capacity in the Middle East comes online; however, prices will still be significantly above the FY26 average of ~USD2,674-2,700/t. Therefore, since aluminum contributes ~73% to NACL's revenue, higher aluminum prices are expected to offset lower alumina profitability and support overall margins.

### Valuation and view

- NACL posted a decent performance in 4Q, led by favorable aluminum prices and healthy volume, which helped offset the muted alumina price impact during the quarter. With limited production room at the smelter, LME prices have become a vital factor for near-term operating performance.
- The company has planned an expansion (total outlay of INR200-250b), which is expected to significantly enhance capacity in the long run. However, with the completion timeline of FY30, execution risks and cost escalations remain key concerns.
- Despite strong fundamentals, zero debt, favorable LME prices, and a robust demand outlook for aluminum in India, the near-term upside is capped by limited production headroom, geopolitical tension, on-time execution challenges, and regulatory risks.
- We raise our EBITDA/PAT estimates for FY27 by 9%/12% and 6%/8% for FY28, incorporating the favorable LME price benefits.
- **At CMP, NACL trades at 7.5x on EV/EBITDA. We reiterate our Neutral rating on the stock with a revised TP of INR400, valuing the stock at 7.5x EV/EBITDA on FY28 estimates.**

### Consolidated Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Vs Est %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	28,561	40,015	46,622	52,678	38,069	42,923	47,310	50,128	1,67,876	1,78,431	51,617	-2.9
Change (YoY %)	(10.1)	31.5	39.3	47.2	33.3	7.3	1.5	(4.8)	27.7	6.3		
Change (QoQ %)	(20.2)	40.1	16.5	13.0	(27.7)	12.8	10.2	6.0				
Total Expenditure	19,219	24,525	23,347	25,140	23,148	23,665	25,517	26,633	92,230	98,963		
<b>EBITDA</b>	9,342	15,490	23,275	27,539	14,921	19,259	21,793	23,495	75,646	79,468	26,417	-11.1
Change (YoY %)	57.2	290.7	201.1	148.7	59.7	24.3	(6.4)	(14.7)	163.4	5.1		
Change (QoQ %)	(15.6)	65.8	50.3	18.3	(45.8)	29.1	13.2	7.8				
Interest	34	44	191	321	80	84	596	238	590	998		
Depreciation	1,743	1,798	2,857	878	1,783	1,738	1,821	2,112	7,276	7,454		
Other Income	605	718	991	1,256	1,235	1,515	1,941	1,968	3,570	6,658		
<b>PBT (after EO)</b>	8,170	14,366	21,219	27,596	14,293	18,952	21,316	23,113	71,351	77,675	26,176	
Total Tax	2,158	3,744	5,390	6,813	3,654	4,621	5,306	5,936	18,104	19,517		
% Tax	26.4	26.1	25.4	24.7	25.6	24.4	24.9	25.7	25.4	25.1		
<b>PAT before MI and Asso.</b>	6,012	10,622	15,829	20,784	10,639	14,332	16,010	17,177	53,247	58,158	19,572	
Sh. of Associate	(128)	(162)	(166)	(111)	(144)	(32)	(59)	47	(567)	(188)		
<b>Reported PAT after MI/Asso.</b>	5,884	10,460	15,663	20,672	10,495	14,299	15,952	17,224	52,679	57,970		
<b>Adjusted PAT</b>	5,884	10,460	15,663	20,672	10,495	14,299	15,952	17,224	52,679	57,970	19,447	-11.4
Change (YoY %)	76.3	458.3	232.8	205.5	78.4	36.7	1.8	(16.7)	164.9	10.0		
Change (QoQ %)	(13.0)	77.8	49.7	32.0	(49.2)	36.3	11.6	8.0				

E: MOFSL Estimates



## Key highlights from the management commentary

### Capex and capacity update/timeline

- The planned 0.5mt aluminium smelter will be associated with captive power infrastructure. Detailed project reports (DPR) are expected by Sep-Oct'26, with ordering likely by FY28 and commissioning targeted by FY31.
- The total project cost is estimated at INR230-240b for NACL (post JV adjustments), with annual capex expected to rise from INR20b in FY27 to INR40-50b in FY28, peaking at INR80-100b in FY29-FY30 as the order for the smelter and the CPP is placed.
- NACL confirmed its power plant expansion is expected through a 50:50 JV with NLC India Limited (formerly Neyveli Lignite), reducing NACL's standalone capex burden. It also provides coal security through nearby lignite resources.
- NACL's fifth stream alumina refinery of 1mtpa is on track, with completion target by Jun'26 and 1-2 months delay as part of the commissioning process.

### Volume and demand guidance

- Management targets ~200-250kt of volume in FY27E from the new refinery, with full ramp-up to be seen in FY28E.
- Historically, 40-50% of NALCO's alumina exports were directed to the Middle East; however, smelter curtailments in the region have reduced demand and pressured spot prices. However, management indicated no meaningful impact on shipment volumes, as orders are being redirected to alternative markets such as Indonesia and other geographies.
- NACL's domestic alumina sales rose from ~40kt in FY25 to 140kt in FY26, and in FY27, domestic sales are targeted at 250-300kt, reducing export dependence.

### Pricing and cost guidance

- Management expects continued pressure on alumina prices in FY27, with average realizations projected at ~USD300-USD310/t against USD376/t in FY26.
- In 4QFY26, the alumina realization stood at USD348/t, while in 1QFY27, it trended lower at ~USD320/t. The decline is attributed to Indonesian refinery overcapacity and reduced Middle East smelter demand due to geopolitical disruptions. NACL believes alumina prices are near the bottom but expects oversupply to persist, at least in FY27.
- Current aluminum prices range at USD3,500-3,600/t due to war-related disruptions and curtailed Middle Eastern smelter output. NACL expects average FY27 aluminium realization to normalize to ~USD3,000-3,100/t if capacity in the Middle East comes online; however, the price will still be significantly above the FY26 average of ~USD2,674-2,700/t. Therefore, since aluminum contributes ~73% to NACL's revenue, higher aluminum prices are expected to offset lower alumina profitability and support overall margins.
- For FY26, alumina CoP was maintained at INR20,000-22,000/t, while aluminum cost stood at INR1.55-1.60lakh/t. Although caustic soda, CPC, pitch, fluoride, and HFO prices are rising in FY27, management expects total aluminum cost to remain capped near INR1.6 lakh/t due to higher captive coal supply, lower employee costs, and better power economics (Power cost accounts for ~INR55,000-60,000/t of aluminum at INR3.15/unit).

- Employee costs declined from 18% to 16% of total expenditure in FY26, aided by the retirement of higher-paid employees (~250 employees will retire annually for the next several years) and replacement with lower-cost recruits.
- A 10-15% pay revision impact is expected from Jan'27 onward, though per-unit employee cost should remain efficient due to higher production volumes.
- Management expects 1QFY27 profits to remain strong, potentially sustaining quarterly PBT above INR20b, supported by elevated aluminum prices despite weaker alumina. While alumina profitability is expected to face headwinds, aluminum margins are expected to remain the primary earnings driver.

#### **Coal outlook**

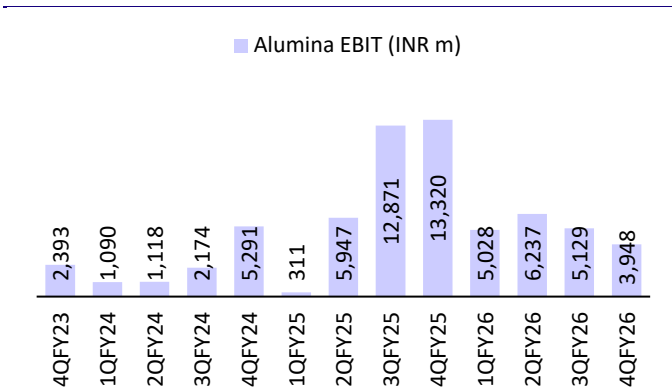
- NACL's total coal requirement is ~7.2mt annually, while in FY26, captive production was 4mt. It targets to clock 4.8mt in FY27, with pending environmental clearance expansion likely to come in next quarter. Out of the remaining 3.2mt, only 5-10% was e-auction coal share.
- (Utkal D&E) Captive coal costs around ~INR1,500/t, against INR1,800/t for linkage coal and INR2,100/t for e-auction coal, offering significant cost savings.

#### **Other highlights**

- NACL has shelved the large Utkarsha JV with Mishra Dhatu Nigam due to poor IRR and lower-than-expected transportation sector demand. Instead, it is focusing on smaller value-added projects, including a new 60kt wire rod mill, alloy-grade wire rods, and expanded rolled product.
- The company is exploring gallium extraction and rare earth recovery from red mud, with pilot projects currently underway. Commercialization remains 2-3 years away, but these projects represent strategic long-term diversification.

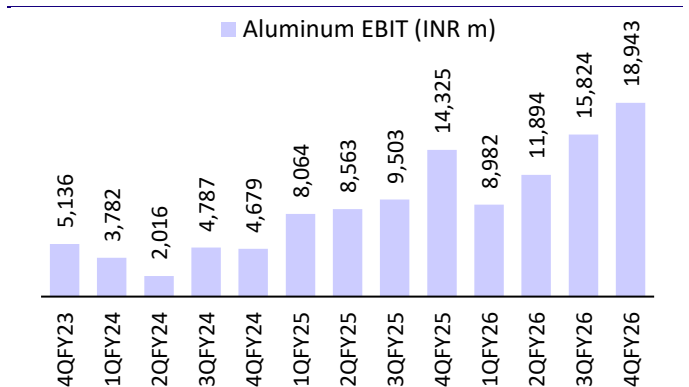
## Story in charts

**Exhibit 1: Alumina EBIT (INR m) declined in 4Q**



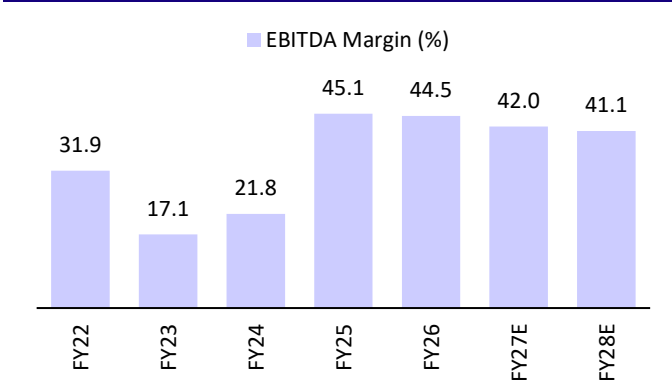
Source: MOFSL, Company

**Exhibit 2: Aluminum EBIT (INR m) increased in 4Q**



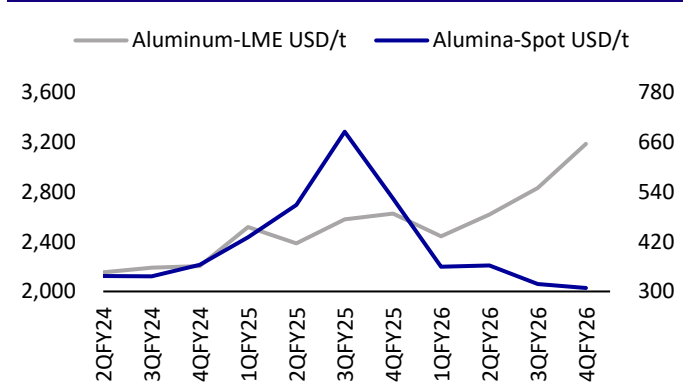
Source: MOFSL, Company

**Exhibit 3: Consol. EBITDA margin % to remain above 40%**



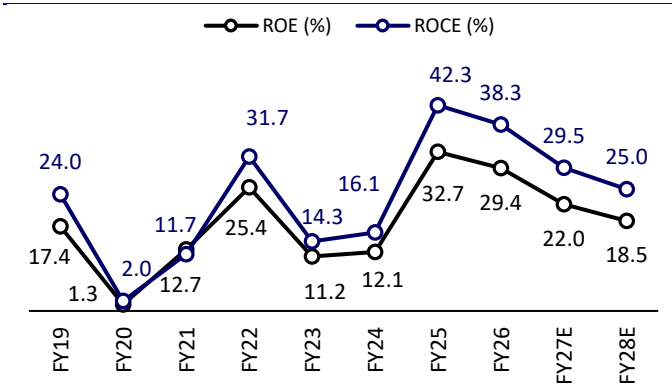
Source: MOFSL, Company

**Exhibit 4: LME price movement (USD/t)**



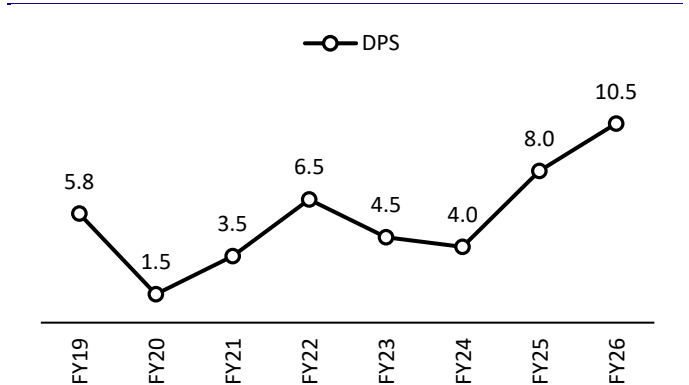
Source: MOFSL, Company

**Exhibit 5: RoE and RoCE trends**



Source: MOFSL, Company

**Exhibit 6: Dividend per share (INR/t) trend**



Source: MOFSL, Company

**Exhibit 7: Valuation and TP**

TP calculations	UoM	FY28E
<b>NACL EBITDA</b>	<b>INR m</b>	<b>78,192</b>
EV/EBITDA (x)	x	7.5
Target EV	INR m	5,86,438
add: cash surplus	INR m	1,46,916
Equity Value	INR m	7,33,354
No of Shares o/s	m	1,837
<b>Target Price</b>	<b>INR/share</b>	<b>400</b>

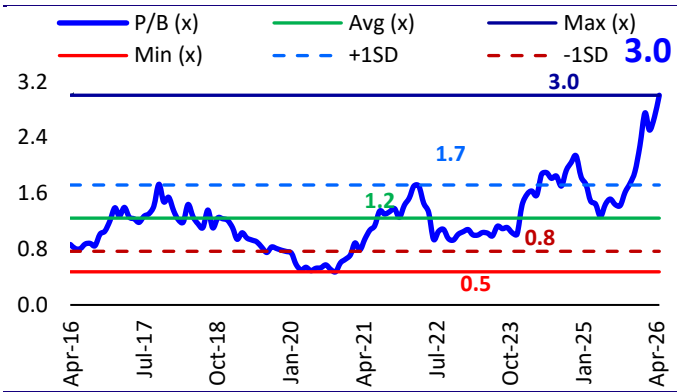
Source: MOFSL

**Exhibit 8: Summary of the key changes to our estimates**

	UoM	FY27E			FY28E		
		New	Old	% change	New	Old	% change
Revenue	INR b	181	175	3.3%	190	186	2.3%
EBITDA	"	76	70	9.1%	78	74	5.9%
PAT	"	52	47	11.8%	53	49	7.5%

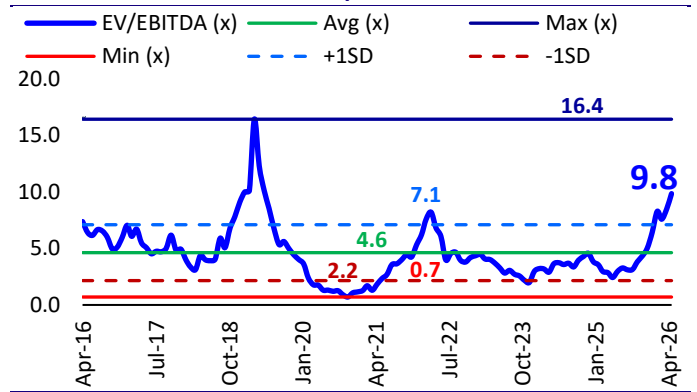
Source: MOFSL, Company

**Exhibit 9: EV/EBITDA near +1SD**



Source: MOFSL, Company Data

**Exhibit 10: P/B reverses from peak**



Source: MOFSL, Company Data

## Financials and valuations

Income Statement										INR m
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>Net Sales</b>	<b>1,14,993</b>	<b>84,718</b>	<b>89,558</b>	<b>1,41,808</b>	<b>1,42,337</b>	<b>1,31,477</b>	<b>1,67,876</b>	<b>1,78,431</b>	<b>1,80,572</b>	<b>1,90,461</b>
Change (%)	20.9	(26.3)	5.7	58.3	0.4	(7.6)	27.7	6.3	1.2	5.5
Total Expenses	85,432	79,826	71,730	96,637	1,18,044	1,02,762	92,230	98,963	1,04,650	1,12,270
<b>EBITDA</b>	<b>29,561</b>	<b>4,892</b>	<b>17,828</b>	<b>45,172</b>	<b>24,293</b>	<b>28,715</b>	<b>75,646</b>	<b>79,468</b>	<b>75,922</b>	<b>78,192</b>
% of Net Sales	25.7	5.8	19.9	31.9	17.1	21.8	45.1	44.5	42.0	41.1
Depn. & Amortization	4,761	5,298	6,058	8,366	7,158	7,497	7,276	7,454	9,096	10,716
<b>EBIT</b>	<b>24,800</b>	<b>(406)</b>	<b>11,770</b>	<b>36,806</b>	<b>17,135</b>	<b>21,218</b>	<b>68,371</b>	<b>72,014</b>	<b>66,827</b>	<b>67,476</b>
Net Interest	24	57	71	231	129	172	590	998	-	-
Other income	3,259	2,726	1,466	2,974	2,544	2,521	3,570	6,658	5,800	5,800
<b>PBT before EO</b>	<b>28,035</b>	<b>2,262</b>	<b>13,165</b>	<b>39,549</b>	<b>19,550</b>	<b>23,568</b>	<b>71,351</b>	<b>77,675</b>	<b>72,627</b>	<b>73,276</b>
EO income	(649)	-	-	-	-	4,268	-	-	-	-
<b>PBT after EO</b>	<b>27,386</b>	<b>2,262</b>	<b>13,165</b>	<b>39,549</b>	<b>19,550</b>	<b>27,836</b>	<b>71,351</b>	<b>77,675</b>	<b>72,627</b>	<b>73,276</b>
Current tax	10,075	880	170	10,029	4,105	7,236	18,104	19,517	19,246	19,418
Deferred tax	-	-	-	-	-	-	-	-	-	-
Tax	10,075	880	170	10,029	4,105	7,236	18,104	19,517	19,246	19,418
Rate (%)	36.8	38.9	1.3	25.4	21.0	26.0	25.4	25.1	26.5	26.5
<b>PAT before MI/sh. of Asso.</b>	<b>17,311</b>	<b>1,382</b>	<b>12,995</b>	<b>29,520</b>	<b>15,445</b>	<b>20,600</b>	<b>53,247</b>	<b>58,158</b>	<b>53,381</b>	<b>53,858</b>
MI	-	-	-	-	-	-	-	-	-	-
Sh. of Associates	13	(2)	(1)	1	(1,098)	(715)	(567)	(188)	(903)	(952)
<b>RPAT post MI/sh. of Asso.</b>	<b>17,324</b>	<b>1,380</b>	<b>12,994</b>	<b>29,521</b>	<b>14,347</b>	<b>19,885</b>	<b>52,679</b>	<b>57,970</b>	<b>52,478</b>	<b>52,906</b>
<b>Adjusted PAT</b>	<b>17,973</b>	<b>1,380</b>	<b>12,994</b>	<b>29,521</b>	<b>14,347</b>	<b>16,684</b>	<b>52,679</b>	<b>57,970</b>	<b>52,478</b>	<b>52,906</b>
Change (%)	82.4	(92.3)	841.4	127.2	(51.4)	16.3	215.8	10.0	(9.5)	0.8

Balance Sheet										INR m
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Share Capital	9,328	9,328	9,183	9,183	9,183	9,183	9,183	9,183	9,183	9,183
Reserves	95,517	90,553	97,624	1,16,341	1,22,081	1,34,698	1,68,871	2,06,854	2,52,888	2,99,399
<b>Net Worth</b>	<b>1,04,845</b>	<b>99,881</b>	<b>1,06,807</b>	<b>1,25,524</b>	<b>1,31,264</b>	<b>1,43,881</b>	<b>1,78,054</b>	<b>2,16,037</b>	<b>2,62,071</b>	<b>3,08,583</b>
Total Loans	668	123	461	207	478	392	1,242	0	0	0
Deferred Tax Liability	11,307	10,606	8,937	8,682	9,578	8,414	7,911	7,256	7,256	7,256
<b>Capital Employed</b>	<b>1,16,820</b>	<b>1,10,610</b>	<b>1,16,205</b>	<b>1,34,412</b>	<b>1,41,319</b>	<b>1,52,687</b>	<b>1,87,208</b>	<b>2,23,293</b>	<b>2,69,327</b>	<b>3,15,838</b>
Gross Block	91,154	98,160	1,05,504	1,10,486	1,16,918	1,25,213	1,36,144	1,42,594	1,60,594	1,96,594
Less: Accum. Deprn.	18,297	23,312	28,900	37,054	43,889	51,386	58,662	66,115	75,211	85,926
<b>Net Fixed Assets</b>	<b>72,857</b>	<b>74,848</b>	<b>76,605</b>	<b>73,432</b>	<b>73,028</b>	<b>73,827</b>	<b>77,482</b>	<b>76,479</b>	<b>85,383</b>	<b>1,10,667</b>
Capital WIP	8,827	14,267	15,755	22,348	32,689	45,731	49,362	62,985	64,985	68,985
Investments	1,758	2,773	3,133	3,110	2,132	1,687	2,593	2,405	2,405	2,405
<b>Curr. Assets</b>	<b>68,028</b>	<b>53,609</b>	<b>51,614</b>	<b>73,865</b>	<b>68,417</b>	<b>71,105</b>	<b>99,384</b>	<b>1,23,575</b>	<b>1,71,372</b>	<b>1,89,738</b>
Inventories	12,100	16,969	14,763	16,462	18,402	18,297	19,088	18,349	25,130	26,506
Account Receivables	2,406	1,401	1,474	753	913	1,535	1,864	2,147	1,484	1,565
Cash and Bank Balance	35,772	20,355	19,982	37,701	22,631	27,481	59,417	87,007	1,28,493	1,44,511
Others	17,750	14,884	15,396	18,950	26,471	23,793	19,016	16,072	16,265	17,156
<b>Curr. Liability &amp; Prov.</b>	<b>34,650</b>	<b>34,886</b>	<b>30,900</b>	<b>38,343</b>	<b>34,947</b>	<b>39,664</b>	<b>41,614</b>	<b>42,151</b>	<b>54,818</b>	<b>55,958</b>
Account Payables	13,069	7,956	9,772	14,807	12,743	15,146	7,492	8,134	20,801	21,940
Provisions & Others	21,581	26,930	21,128	23,536	22,204	24,518	34,121	34,017	34,017	34,017
<b>Net Curr. Assets</b>	<b>33,378</b>	<b>18,723</b>	<b>20,714</b>	<b>35,522</b>	<b>33,470</b>	<b>31,442</b>	<b>57,771</b>	<b>81,424</b>	<b>1,16,553</b>	<b>1,33,780</b>
<b>Appl. of Funds</b>	<b>1,16,820</b>	<b>1,10,610</b>	<b>1,16,206</b>	<b>1,34,412</b>	<b>1,41,319</b>	<b>1,52,687</b>	<b>1,87,208</b>	<b>2,23,293</b>	<b>2,69,327</b>	<b>3,15,838</b>

## Financials and valuations

### Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>Basic (INR)</b>										
<b>EPS</b>	<b>9.6</b>	<b>0.7</b>	<b>7.1</b>	<b>16.1</b>	<b>7.8</b>	<b>9.1</b>	<b>28.7</b>	<b>31.6</b>	<b>28.6</b>	<b>28.8</b>
Cash EPS	11.8	3.6	10.4	20.6	11.7	14.9	32.6	35.6	33.5	34.6
BV/Share	56.2	53.5	58.2	68.3	71.5	78.3	96.9	117.6	142.7	168.0
DPS	5.8	1.5	3.5	6.5	4.5	4.0	8.0	10.5	4.0	4.0
Payout (%)	59.7	202.7	49.5	40.4	57.6	44.0	27.9	33.3	14.0	13.9
<b>Valuation (x)</b>										
P/E	41.4	539.3	56.4	24.8	51.1	43.9	13.9	12.6	14.0	13.9
Cash P/E	33.7	111.5	38.5	19.3	34.1	26.8	12.2	11.2	11.9	11.5
P/BV	7.1	7.5	6.9	5.8	5.6	5.1	4.1	3.4	2.8	2.4
EV/Sales	6.2	8.5	7.9	4.9	5.0	5.4	4.0	3.6	3.3	3.1
EV/EBITDA	23.9	147.5	39.8	15.3	29.2	24.5	8.9	8.1	7.9	7.5
Dividend Yield (%)	1.4	0.4	0.9	1.6	1.1	1.0	2.0	2.6	1.0	1.0
<b>Return Ratios (%)</b>										
EBITDA Margins (%)	25.7	5.8	19.9	31.9	17.1	21.8	45.1	44.5	42.0	41.1
Net Profit Margins (%)	15.6	1.6	14.5	20.8	10.1	12.7	31.4	32.5	29.1	27.8
RoE	17.4	1.3	12.7	25.4	11.2	12.1	32.7	29.4	22.0	18.5
RoCE (pre-tax)	24.0	2.0	11.7	31.7	14.3	16.1	42.3	38.3	29.5	25.0
RoIC (pre-tax)	34.6	-0.6	15.6	49.5	22.1	26.3	89.0	98.2	92.6	77.8
<b>Working Capital Ratios</b>										
Fixed Asset Turnover (x)	1.3	0.9	0.8	1.3	1.2	1.1	1.2	1.3	1.1	1.0
Asset Turnover (x)	1.0	0.8	0.8	1.1	1.0	0.9	0.9	0.8	0.7	0.6
Debtor (Days)	8	6	6	2	2	4	3	3	3	3
Inventory (Days)	38	73	60	42	47	51	51	51	51	51
Payable (Days)	41	34	40	38	33	42	42	42	42	42
<b>Leverage Ratio (x)</b>										
Current Ratio	2.0	1.5	1.7	1.9	2.0	1.8	2.4	2.9	3.1	3.4

### Cashflow Statement

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>INR m</b>										
Pre-tax profit	27,399	2,262	12,995	29,514	14,347	19,885	52,679	57,970	72,627	73,276
Depreciation	4,761	5,298	6,058	8,366	7,158	7,236	18,104	19,517	9,096	10,716
(Inc)/Dec in Wkg. Cap.	3,274	(9,071)	3,819	3,942	(4,169)	1,781	(3,489)	899	6,357	(1,209)
Tax paid	(10,209)	(1,005)	(975)	(7,555)	(7,467)	(6,348)	(17,191)	(19,215)	(19,246)	(19,418)
Others (incl. Fin. Cost)	(1,137)	(971)	93	5,316	(786)	4,639	7,957	5,209	-	-
<b>CF from Op. Activity</b>	<b>24,089</b>	<b>(3,486)</b>	<b>21,990</b>	<b>39,584</b>	<b>9,083</b>	<b>27,193</b>	<b>58,061</b>	<b>64,380</b>	<b>68,833</b>	<b>63,364</b>
(Inc)/Dec in FA + CWIP	(7,680)	(8,578)	(12,188)	(12,829)	(12,962)	(15,482)	(3,460)	2,200	(20,000)	(40,000)
<b>Free Cash Flow to firm</b>	<b>16,409</b>	<b>(12,064)</b>	<b>9,802</b>	<b>26,755</b>	<b>(3,880)</b>	<b>11,712</b>	<b>54,601</b>	<b>66,580</b>	<b>48,833</b>	<b>23,364</b>
(Pur)/Sale of Investments	1,272	15,953	(2,511)	(15,700)	11,189	(5,579)	(26,930)	(28,510)	-	-
Interest & div	1,089	1,353	662	2,336	(1,569)	1,056	(9,315)	(15,689)	-	-
<b>CF from Inv. Activity</b>	<b>(5,319)</b>	<b>8,727</b>	<b>(14,037)</b>	<b>(26,192)</b>	<b>(3,343)</b>	<b>(20,005)</b>	<b>(39,705)</b>	<b>(41,999)</b>	<b>(20,000)</b>	<b>(40,000)</b>
Equity raised/(repaid)	(5,074)	-	(1,701)	-	-	-	851	(1,242)	-	-
Int. Paid	-	(9)	(33)	(124)	(15)	(3)	(23)	(569)	-	-
Debt raised/(repaid)	218	(579)	338	(254)	(37)	(37)	(38)	(46)	-	-
Dividend (incl. tax)	(12,451)	(6,185)	(4,606)	(11,020)	(9,183)	(7,347)	(18,366)	(20,203)	(7,347)	(7,347)
<b>CF from Fin. Activity</b>	<b>(17,308)</b>	<b>(6,773)</b>	<b>(6,002)</b>	<b>(11,398)</b>	<b>(9,235)</b>	<b>(7,387)</b>	<b>(17,577)</b>	<b>(22,060)</b>	<b>(7,347)</b>	<b>(7,347)</b>
<b>(Inc)/Dec in Cash</b>	<b>1,463</b>	<b>(1,531)</b>	<b>1,951</b>	<b>1,993</b>	<b>(3,495)</b>	<b>(198)</b>	<b>779</b>	<b>321</b>	<b>41,486</b>	<b>16,018</b>
Add: opening Balance	254	1,716	185	2,135	4,128	633	435	1,214	1,535	43,021
Closing cash balance	1,716	185	2,135	4,128	633	435	1,214	1,535	43,021	59,039
Bank Balance	34,056	20,171	17,846	33,573	21,998	27,046	58,203	85,472	85,472	85,472
<b>Closing Balance (incl. bank balance)</b>	<b>35,772</b>	<b>20,355</b>	<b>19,982</b>	<b>37,701</b>	<b>22,631</b>	<b>27,481</b>	<b>59,417</b>	<b>87,007</b>	<b>1,28,493</b>	<b>1,44,511</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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