

# Interglobe Aviation

BSE SENSEX 75,273 S&P CNX 23,306



Bloomberg	INDIGO IN
Equity Shares (m)	387
M.Cap.(INRb)/(USDb)	1660.4 / 17.7
52-Week Range (INR)	6233 / 3895
1, 6, 12 Rel. Per (%)	-5/-18/-13
12M Avg Val (INR M)	8358
Free float (%)	58.4

## Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	868.9	1038.4	1099.7
EBITDA	150.8	214	263
NP	12.3	68.1	86.2
EPS (INR)	62.8	176.3	223
Growth (%)	-66.6	180.6	26.5
BV/Sh (INR)	272.5	440.3	652.4

## Ratios

Net D:E	4	2.3	1.8
RoE (%)	24.5	49.7	41
RoCE (%)	13.6	22.1	24.2
Payout (%)	5.3	5.3	5.3

## Valuations

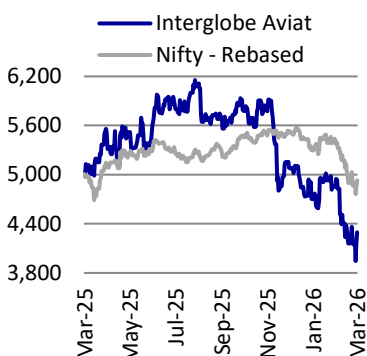
P/E (x)	68.3	24.4	19.3
P/BV (x)	15.8	9.8	6.6
Adj.EV/EBITDAR(x)	13	9.2	7.9
Div. Yield (%)	0	0.2	0.3
FCF Yield (%)	-1.5	2.3	-3.4

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	41.6	41.6	49.3
DII	28.1	24.7	21.2
FII	25.0	28.4	24.8
Others	5.3	5.3	4.7

FII includes depository receipts

## Stock performance (one-year)



**CMP: INR4,295 TP: INR5,500 (+28%) Buy**

## Disruption extended through 4Q; fundamentals remain strong

An escalation in geopolitical conflicts has triggered material airspace disruption across critical international corridors, creating a multi-layered impact on IndiGo's network, revenue, and cost structures, with meaningful implications for the near-term earnings trajectory and margin resilience.

- An escalation in the US-Iran conflict and the Pakistan airspace closure have rendered key Middle Eastern corridors inaccessible, disrupting IndiGo's Gulf network and parts of Europe, as all westbound routes traverse this region, constraining operations across critical international markets.
- This impact is amplified by the Middle East's dual role as a large origin-destination market and a transit hub for Europe-bound traffic, with the UAE alone contributing ~30% of India's international flows, directly affecting both core revenue and network connectivity. Airspace restrictions have forced cancellations and rerouting, limiting IndiGo's ability to monetize demand despite underlying strength in passenger traffic.
- Consequently, revenue impact is two-fold: immediate loss from flight cancellations across Gulf routes contributing ~18-20% of total revenue, and a lagged effect from weaker forward bookings as demand remains suppressed due to uncertainty and limited alternatives.
- Simultaneously, the spike in Brent crude prices to ~USD113/bbl (from USD60-65/bbl) in Mar'26 has pushed ATF costs higher to ~INR115/liter in 4QFY26, implying an incremental cost impact of ~INR16b (i.e., ~22%/43% of FY25/FY26E PAT would be eroded), with fuel forming ~30-35% of costs, thereby exacerbating margin pressure. As per our calculation, every USD1/bbl increase in crude prices reduces profitability by ~INR3.6b. In extreme scenarios, airlines typically implement fuel surcharges to offset rising fuel costs. IndiGo has introduced surcharges of INR425-INR2,300 across routes, partially mitigating the impact, with an estimated offset of ~INR1b for every USD1/bbl increase in crude prices.
- In addition, the rerouting of European flights via Africa adds 3-4 hours per sector, increasing fuel burn, crew costs, and operational complexity, while straining FDTL limits, reducing flexibility and further elevating per-flight costs.
- Finally, INR depreciation compounds cost pressures given IndiGo's USD-linked cost base, with each INR1 depreciation to USD adding ~INR9b to costs, while reduced international operations weaken natural hedging, creating a sustained earnings headwind beyond the disruption period.
- Factoring these headwinds of higher fuel costs, INR depreciation and lower international operations leading to adverse operating leverage, we have reduced our FY26 and FY27E EBITDAR estimates by 7% each, and PAT estimate for FY26/FY27/FY28 by 31%/15%/10%.
- We reiterate BUY with a reduced TP of INR5,500, valuing it at 9x FY28E EBITDA (implied P/E on FY28E is 25x).

### Airspace restriction in key international route due to conflict

- Just as IndiGo was exiting the FDTL disruption and managing a more stable 4QFY26 schedule, a far more externally-driven shock emerged.
- The escalation of the US-Iran conflict from late Feb'26, compounded by the continued Pakistan airspace closure for Indian carriers, has effectively neutralized IndiGo's entire Middle East and large portions of its European network for the time being. This resulted in the progressive closure and restriction of the Middle East airspace across a **corridor that handles ~25% of global international air traffic by passenger volume**.
- For Indian carriers, this corridor is uniquely consequential. All of IndiGo's westbound international flights to UAE, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, and onward to Europe and North Africa pass through or near the affected airspace.
- The Middle East is not simply a transit zone for Indian carriers; it is simultaneously a large origin-destination market and a critical intermediate routing layer for European services. The **UAE alone accounts for ~30% each of India's total outbound and inbound international passenger traffic** since most routes are largely two-way origin-destination (O-D) flows (workers, diaspora visits, tourism, business).
- The dual function means that the airspace closure affects IndiGo in two distinct ways: it directly eliminates Gulf origin-destination revenue, and it forces longer-route rerouting for European services that cannot use the standard Iran-overfly routing.
- **This is not a demand-side shock; load factors on affected routes were healthy before the closure. It is a pure supply-side constraint, driven by airspace access.**
- **The revenue impact** of the Middle East disruption is felt in two dimensions.
  - The first is direct: The cancellation of flights on Gulf routes eliminated revenue from those sectors outright. The cancellations concentrated on the highest-frequency sectors: Dubai, Abu Dhabi, Sharjah, Riyadh, Jeddah, Dammam, Muscat, Doha, Bahrain, and Kuwait, collectively IndiGo's most commercially important international route group. **IndiGo's international revenue accounts for 23% of total revenue, with Gulf routes generating an estimated INR145-160b of annual revenue in FY25 (i.e., ~18-20% of total revenue)**. A complete suspension of these routes for the disruption period, combined with the booking uncertainty effect that suppresses advance sales even on routes that continue to operate, creates a revenue shortfall concentrated in 4QFY26.
  - The second dimension is more insidious: Airspace disruptions are causing **forward-booking softness**, as travelers delay bookings when routes are uncertain and alternatives are limited. This particularly affects India-Gulf migrant and diaspora traffic, which cannot easily shift to other airlines since major carriers like Emirates, flydubai, and Air Arabia are all operating restricted schedules due to the same regional airspace issues. With over 23,000 flight cancellations, demand is suppressed rather than diverted. Once operations normalize, revenue typically rebounds quickly, but advance bookings usually take 4-6 weeks to return to normal levels.

### ATF: The cost amplifier that compounds both disruptions

- The Middle East escalation has introduced a concurrent fuel cost shock that is independent of but simultaneous with the rerouting cost increase.
- Brent crude, which had been trading in the USD60-65/bbl range through 2HFY26, spiked toward USD113/bbl in early Mar'26 as market participants incorporated supply disruption risk from Iranian production infrastructure, Gulf terminal vulnerability, and Strait of Hormuz transit risk.
- Aviation turbine fuel (ATF) prices in India, set fortnightly by Indian Oil Corporation (IOCL) based on import parity calculations that incorporate international jet fuel benchmarks (primarily the Singapore jet kerosene marker), track crude with approximately a two-to-three-week lag, meaning the full impact of the March crude spike will be embedded in 4QFY26 ATF actuals with a minimal delay.
- The impact on IndiGo is magnified by its cost structure. ATF represents ~30-35% of IndiGo's total operating costs in a normalized environment. At the FY25 scale of operations, the company consumed roughly ~3b liters of ATF annually, a base that grows by ~10-11% per year as ASKs expand.
- Our prior FY26E ATF assumption of ~INR91/liter reflected a modest decline from FY25 levels of INR94.7/litre on the basis of earlier crude price softness. The Mar'26 spike forces a revision to ~INR115/litre for 4QFY26E. The difference between INR94/litre (our 4QFY26 ATF assumption) and INR115/litre across ~0.8b liters of quarterly consumption **implies roughly ~INR16b of additional annual fuel costs in 4QFY26 alone (i.e., ~22%/43% of FY25/FY26E PAT would be eroded)**. (Refer Exhibit 4)
- Further, **every USD1/barrel increase in crude prices will directly impact the company's profitability by ~INR3.6b (i.e. 3-4% of FY28E PAT)**. This can be partly offset by implementing a fuel surcharge, which INDIGO recently announced, ranging INR425 (domestic) to as high as INR2,300 (international) across domestic and international destinations. **This will partly offset the fuel price impact by INR1b per dollar change in crude price.** (Refer Exhibit 3)
- **If higher crude prices continue for an extended period, then the cost implications will be much higher in FY27.**
- Further, the Ministry of Civil Aviation had imposed domestic airfare caps during the FDTL-led disruption of Dec'25 to protect consumer interests. **These caps have been lifted recently**, which is a modest positive for airlines as it restores pricing flexibility at a time when rising crude prices are squeezing margins.
- That said, the ministry has made clear that any excessive or unjustified fare increases will remain under close regulatory scrutiny, effectively capping the practical upside from this pricing headroom.
- **The quantum of pass-through to ticket prices will become clearer from 1st Apr'26**, when ATF prices are due for their next fortnightly revision by IOCL — the first reset that will fully reflect the Mar'26 crude spike in domestic jet fuel price.

### Rerouting and INR depreciation add to the cost impact

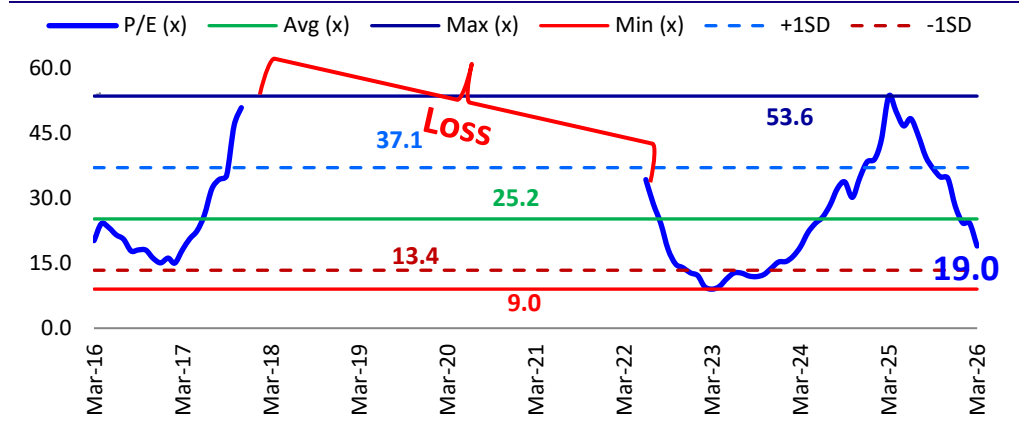
- The operational complexity has also been compounded by Africa-rerouting requirements. Flight 6E033 from Delhi to Manchester returned to base after seven hours in the air when last-minute Eritrean airspace restrictions were invoked.

- European Union Aviation Safety Agency (EASA) directives and ME corridor closure together require IndiGo to reroute westbound services through sub-Saharan Africa, adding 3-4 hours of block time per flight. **Each additional flight hour on a B787 or A320 in long-haul configuration translates to ~6-8% additional fuel burn, plus crew hour extensions that consume FDTL headroom that was still being rebuilt.** IndiGo's own spokesperson confirmed that flights may take longer routes or experience diversions as the ME situation evolves.
- **Moreover, the INR/USD exchange rate creates an additional, structurally persistent cost layer** that is often underappreciated in near-term disruption analysis. IndiGo's lease obligations, which represent the single largest item in its cost structure, are entirely denominated in USD; aircraft and engine maintenance reserve payments, spare parts sourcing, certain ground handling costs at international stations, and navigation fees payable to international air navigation service providers (ANSPs) are similarly USD-linked.
- **This is also a double whammy as international travel acts as a natural hedge to the company's forex exposure. Slowdown/hiatus in the international travel will result in a significant loss of forex, thereby increasing the cost.**
- In terms of MTM exposure to USD/INR, **INR1 depreciation against USD adds ~INR9b to annualized operating costs.** With INR having moved from ~INR84-85/USD in FY25 to an estimated INR88.6/USD average for FY26E and likely INR91/USD in FY27E and further to INR94/USD for FY28E given current account dynamics and global USD demand, **the cumulative exchange rate headwind over FY26-FY28E is ~INR90b**, and unlike fuel, this headwind does not reverse when airspace reopens.

#### Valuation and view

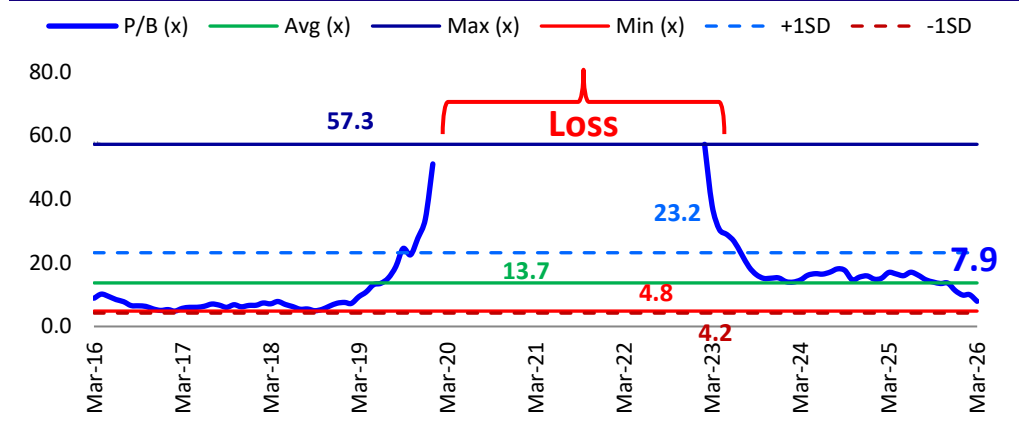
- The ongoing airspace disruption represents a meaningful near-term earnings overhang for IndiGo, driven by a combination of network dislocation, revenue loss, and elevated cost pressures. The supply-side nature of the shock limits mitigation, with cancellations and booking softness likely to weigh on 4QFY26 performance.
- While demand fundamentals remain intact and recovery should be swift once normalcy resumes, the concurrent fuel cost spike, rerouting inefficiencies, and forex headwinds could extend margin pressure beyond the disruption window, thereby impacting earnings visibility to early FY27 despite partial offsets through pricing actions.
- Over the longer term, we remain confident in the company's growth strategy. INDIGO's domestic network remains the backbone of its operations, supporting India's travel and tourism evolution, while expanding international connectivity provides a natural hedge and enhances margins.
- We expect its revenue/EBITDAR/Adj. PAT to clock a CAGR of 11%/13%/6% over FY25-28. **We reiterate BUY with a reduced TP of INR5,500**, valuing at 9x FY28E EBITDA (implied P/E on FY28E is 25x).

**Exhibit 1: One-year forward P/E**



Source: Company, MOFSL

**Exhibit 2: One-year forward P/B**



Source: Company, MOFSL

## Key Annexures

### Exhibit 1: Yield rises due to fuel cost increase in 4Q

Particulars	Units	
Earlier Brent Crude Estimate	USD/bbl	64.0
Latest Brent Crude Estimate	USD/bbl	78.2
Increase in Brent crude price	USD/bbl	14.2
<b>Every 1\$ increase in fuel will lead to INR1b increase in Revenue</b>		
Increase in Revenue (A)	INRm	14,200
RPK estimate for 4Q (B)	millions	38,378
Increase in Yield (A/B)	INR/RPK	0.37
Earlier 4Q Yield assumption	INR/RPK	5.15
<b>Yield for 4QFY26</b>	<b>INR/RPK</b>	<b>5.52</b>

Source: MOFSL

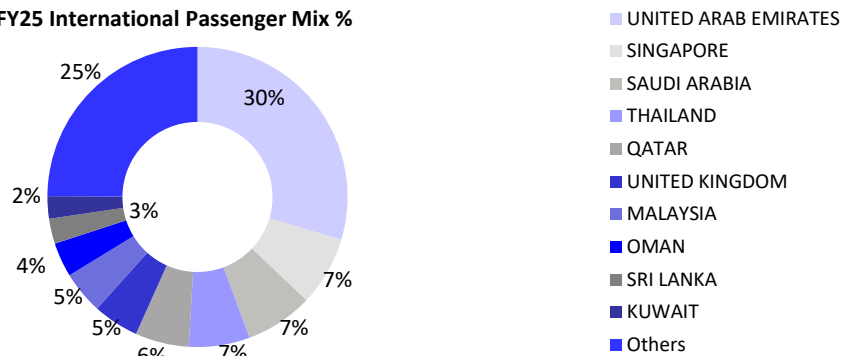
### Exhibit 2: Crude spike impact assessment for 4Q

Particulars	Units	
FY25		
Block hours - DGCA data	(number)	17,00,344
Fuel consumed	(litres/block hour)	1,651
<b>Total Fuel consumed</b>	<b>billion litres</b>	<b>2.8</b>
4QFY26		
Block hours (number) estimate	(number)	4,82,081
Fuel consumed	(litres/block hour)	1,585
<b>Total Fuel consumed (A)</b>	<b>billion litres</b>	<b>0.8</b>
Earlier ATF price Estimate	INR/ltr	94.0
Latest ATF price Estimate	INR/ltr	115.0
Increase in ATF price (B)	INR/ltr	21.0
<b>Increase in Cost of fuel in 4Q (A*B)</b>	<b>INRb</b>	<b>16</b>
Change as % of FY25 PAT	%	22%
Change as % of FY26E PAT (earlier estimate)	%	43%

Source: MOFSL

### Exhibit 3: India's International passenger traffic currently skewed toward Gulf countries

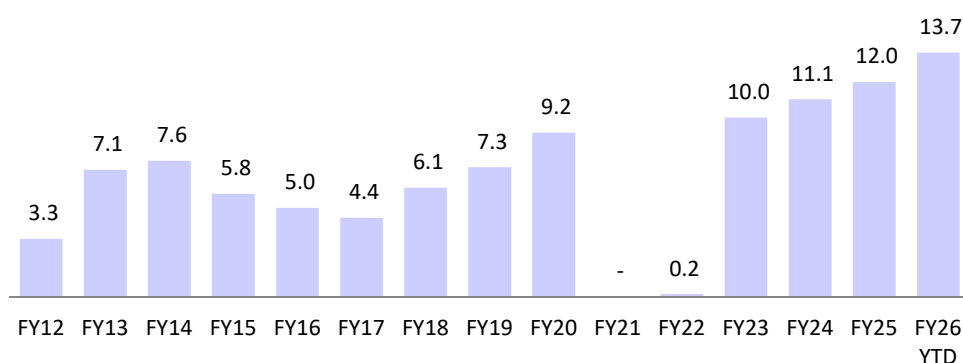
FY25 International Passenger Mix %



Note: UAE includes Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah, Umm al-Quwain

Source: DGCA, MOFSL

### Exhibit 4: INDIGO international pax mix %



Source: MOFSL

**Exhibit 5: Crude and yield sensitivity on FY27E EPS**

FY2027 EPS sensitivity (INR)	Crude price (USD/bbl)				
	60.0	65.0	75.0	85.0	90.0
5.10	224.3	178.4	86.4	(5.5)	(51.5)
5.20	264.1	218.1	126.2	34.3	(11.7)
5.33	314.2	268.2	176.3	84.4	38.4
5.35	323.7	277.8	185.8	93.9	47.9
5.43	355.5	309.6	217.6	125.7	79.7

Source: MOFSL

**Exhibit 6: Crude and yield sensitivity on FY27E PAT**

FY2027 PAT sensitivity (INR b)	Crude price (USD/bbl)				
	60.0	65.0	75.0	85.0	90.0
5.10	86.7	68.9	33.4	(2.1)	(19.9)
5.20	102.0	84.3	48.8	13.2	(4.5)
5.33	121.4	103.6	68.1	32.6	14.8
5.35	125.1	107.3	71.8	36.3	18.5
5.43	137.4	119.6	84.1	48.6	30.8

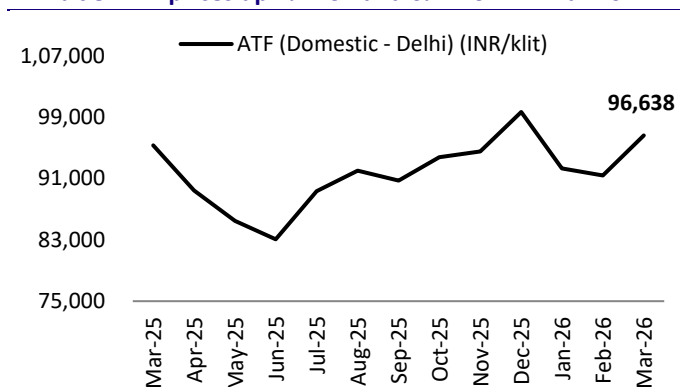
Source: MOFSL

**Exhibit 7: PAT impact on USD1 change in crude (INRb)**

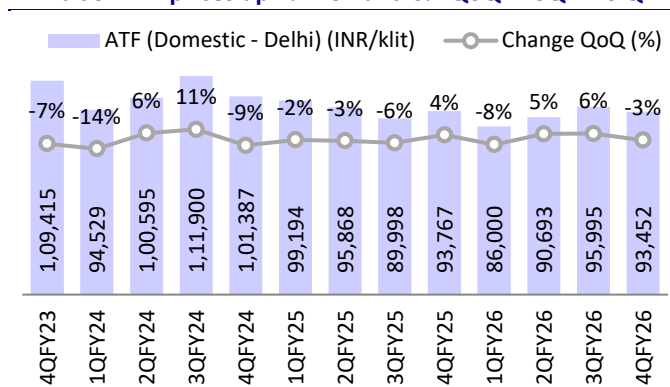
Change in PAT for every \$ change in Crude	Crude price (USD/bbl)				
	60.0	65.0	75.0	85.0	90.0
5.10	3.6	3.6	(3.6)	(3.6)	(3.6)
5.20	3.6	3.6	(3.6)	(3.6)	(3.6)
5.33	3.6	3.6	(3.6)	(3.6)	(3.6)
5.35	3.6	3.6	(3.6)	(3.6)	(3.6)
5.43	3.6	3.6	(3.6)	(3.6)	(3.6)

Source: MOFSL

**Exhibit 8: ATF prices up 1% YoY and 6% MoM in Mar'26 MTD**



**Exhibit 9: ATF prices up 7% YoY and 6% QoQ in 3QFY26 QTD**



Note: IOCL have updated this price on start of the month, hence full impact of Brent spike is not visible

Source: IOCL, MOFSL

**Exhibit 10: Changes in key assumptions and estimates**

Particulars	Revised			Previous			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	869	1,038	1,100	862	1,033	1,143	1%	0%	-4%
EBITDAR	170	245	296	182	262	307	-7%	-7%	-4%
EBITDA	151	214	263	163	231	274	-7%	-7%	-4%
PAT	24	68	86	37	80	96	-34%	-15%	-10%
ASK	1,73,559	1,91,818	2,05,715	1,73,868	1,92,175	2,06,097	0%	0%	0%
PLF %	84.4%	87.2%	87.4%	85.0%	87.2%	90.0%	-64bps	-1bps	-260bps
RPK	1,46,478	1,67,346	1,79,795	1,47,851	1,67,673	1,85,487	-1%	0%	-3%
Brent (USD/bbl)	69.35	75.00	65.00	66.80	65.00	65.88	4%	15%	-1%
ATF (INR/ltr)	96.4	108.8	94.3	90.9	94.3	95.5	6%	15%	-1%
Yield (INR/RPK)	5.15	5.33	5.27	5.05	5.22	5.23	2%	2%	1%
RASK	5.01	5.41	5.35	4.98	5.34	5.51	0%	1%	-3%
CASK	4.83	4.94	4.79	4.65	4.79	4.90	4%	3%	-2%

Source: MOFSL

**Exhibit 11: INDIGO – Key assumptions**

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Capacity</b>									
ASK (million)	96,300	45,471	70,400	1,14,400	1,39,300	1,57,400	1,73,559	1,91,818	2,05,715
ASK YoY (%)	19%	-53%	55%	63%	22%	13%	10%	11%	7%
Load Factor (%)	86%	69%	73%	82%	86%	86%	84%	87%	87%
RPK (million)	82,600	31,595	51,700	93,900	1,19,700	1,35,400	1,46,478	1,67,346	1,79,795
RPK YoY (%)	18%	-62%	64%	82%	27%	13%	8%	14%	7%
<b>Revenue Calculation</b>									
Ticket Revenue (INRb)	314.7	118.7	219.2	481.8	608.0	697.4	753.8	891.3	948.0
Yield (INR/RPK)	3.81	3.76	4.24	5.13	5.08	5.15	5.15	5.33	5.27
Ancillary revenues (incl. others) (INRb)	42.9	27.7	40.1	62.7	81.1	110.6	115.1	147.1	151.7
<b>Total Revenue (INRb)</b>	<b>357.6</b>	<b>146.4</b>	<b>259.3</b>	<b>544.5</b>	<b>689.0</b>	<b>808.0</b>	<b>868.9</b>	<b>1,038.4</b>	<b>1,099.7</b>
<b>Fuel Cost</b>									
Exchange rate (INR/USD)	71	74	75	80	83	85	89	91	94
ATF Prices (INR/lit)	63	43	74	116	102	95	96	109	94
YoY (%)	-6%	-32%	71%	57%	-12%	-7%	2%	13%	-13%
<b>Aircraft fuel expenses (INRb)</b>	<b>126.3</b>	<b>38.9</b>	<b>98.1</b>	<b>239.3</b>	<b>242.5</b>	<b>265.8</b>	<b>278.8</b>	<b>356.0</b>	<b>337.2</b>
<b>Spreads</b>									
RASK	3.71	3.22	3.68	4.76	4.95	5.13	5.01	5.41	5.35
CASK	3.74	4.50	4.56	4.79	4.37	4.65	4.83	4.94	4.79
RASK-CASK	-0.03	-1.28	-0.88	-0.03	0.58	0.48	0.17	0.47	0.56
CASK-ex fuel	2.43	3.65	3.17	2.70	2.63	2.96	3.23	3.08	3.15
RASK-CASK (ex-fuel)	1.28	-0.43	0.52	2.06	2.32	2.17	1.78	2.33	2.20

Source: Company, MOFSL

## Financials and valuations

Standalone - Income Statement								(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>146.4</b>	<b>259.3</b>	<b>544.5</b>	<b>689.0</b>	<b>808.0</b>	<b>868.9</b>	<b>1,038.4</b>	<b>1,099.7</b>
YoY Chg (%)	-59.1	77.1	110.0	26.6	17.3	7.5	19.5	5.9
<b>EBITDAR</b>	<b>2.6</b>	<b>8.4</b>	<b>68.1</b>	<b>173.7</b>	<b>210.2</b>	<b>169.9</b>	<b>244.6</b>	<b>295.8</b>
Margin (%)	1.7	3.2	12.5	25.2	26.0	19.5	23.6	26.9
Aircraft & Engine Lease Rentals	2.8	3.1	3.3	10.8	30.1	19.0	30.6	32.8
<b>EBITDA</b>	<b>-0.3</b>	<b>5.3</b>	<b>64.8</b>	<b>162.9</b>	<b>180.1</b>	<b>150.8</b>	<b>214.0</b>	<b>263.0</b>
Margin (%)	-0.2	2.0	11.9	23.6	22.3	17.4	20.6	23.9
Depreciation	47.0	50.7	51.0	64.1	86.4	106.1	123.4	151.9
<b>EBIT</b>	<b>-47.2</b>	<b>-45.4</b>	<b>13.8</b>	<b>98.9</b>	<b>93.7</b>	<b>44.8</b>	<b>90.6</b>	<b>111.1</b>
Int. and Finance Charges	21.4	23.6	31.3	41.7	50.9	59.1	54.6	53.2
Other Income	10.4	7.2	14.3	23.3	33.1	44.2	55.0	57.2
<b>PBT</b>	<b>-58.3</b>	<b>-61.7</b>	<b>-3.2</b>	<b>80.4</b>	<b>75.9</b>	<b>29.8</b>	<b>91.0</b>	<b>115.1</b>
<b>PBT after EO Exp.</b>	<b>-58.3</b>	<b>-61.7</b>	<b>-3.2</b>	<b>80.4</b>	<b>75.9</b>	<b>15.1</b>	<b>91.0</b>	<b>115.1</b>
Tax	0.0	0.0	0.0	-1.2	3.3	2.8	22.9	29.0
Tax Rate (%)	0.0	0.0	0.0	-1.5	4.4	18.6	25.2	25.2
<b>Reported PAT</b>	<b>-58.3</b>	<b>-61.7</b>	<b>-3.2</b>	<b>81.7</b>	<b>72.5</b>	<b>12.3</b>	<b>68.1</b>	<b>86.2</b>
<b>Adjusted PAT</b>	<b>-58.3</b>	<b>-61.7</b>	<b>-3.2</b>	<b>81.7</b>	<b>72.5</b>	<b>24.3</b>	<b>68.1</b>	<b>86.2</b>
Change (%)	Loss	Loss	Loss	LP	-11.2	-66.5	180.6	26.5
Margin (%)	-39.8	-23.8	-0.6	11.9	9.0	2.8	6.6	7.8

Standalone - Balance Sheet								(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Total Reserves	-3.1	-64.2	-66.9	15.5	89.2	100.9	165.4	246.9
<b>Net Worth</b>	<b>0.7</b>	<b>-60.4</b>	<b>-63.0</b>	<b>19.3</b>	<b>93.1</b>	<b>104.7</b>	<b>169.2</b>	<b>250.8</b>
Total Loans	227.9	289.6	344.8	397.6	567.5	544.8	495.8	471.0
<b>Capital Employed</b>	<b>228.6</b>	<b>229.2</b>	<b>281.7</b>	<b>416.9</b>	<b>660.6</b>	<b>651.2</b>	<b>666.7</b>	<b>723.5</b>
Gross Block	295.3	370.7	485.4	633.3	874.9	1,016.9	1,226.3	1,535.1
Less: Accum. Deprn.	107.2	157.9	208.9	272.9	359.3	465.4	588.7	740.6
<b>Net Fixed Assets</b>	<b>188.2</b>	<b>212.8</b>	<b>276.5</b>	<b>360.4</b>	<b>515.6</b>	<b>551.5</b>	<b>637.5</b>	<b>794.5</b>
Capital WIP	0.7	1.2	0.2	0.0	0.0	0.0	0.0	0.0
<b>Total Investments</b>	<b>72.9</b>	<b>80.3</b>	<b>115.1</b>	<b>164.5</b>	<b>264.0</b>	<b>264.0</b>	<b>264.0</b>	<b>264.0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>168.0</b>	<b>164.3</b>	<b>198.6</b>	<b>295.8</b>	<b>379.5</b>	<b>332.0</b>	<b>356.7</b>	<b>289.2</b>
Inventory	3.2	4.1	5.9	6.2	8.2	9.6	10.9	11.0
Account Receivables	2.2	3.3	5.2	6.4	7.4	8.0	9.5	10.1
Cash and Bank Balance	112.3	101.2	118.1	167.1	188.6	125.9	111.0	29.6
Loans and Advances	50.4	55.7	69.4	116.0	175.3	188.5	225.2	238.5
<b>Curr. Liability &amp; Prov.</b>	<b>201.2</b>	<b>229.4</b>	<b>308.7</b>	<b>403.8</b>	<b>498.6</b>	<b>496.3</b>	<b>591.6</b>	<b>624.3</b>
Account Payables	15.6	31.5	32.1	31.9	41.9	49.0	55.6	56.4
Other Current Liabilities	164.2	184.6	260.7	344.2	415.7	447.0	534.1	565.6
Provisions	21.4	13.2	15.9	27.7	41.0	0.3	1.8	2.3
<b>Net Current Assets</b>	<b>-33.1</b>	<b>-65.1</b>	<b>-110.1</b>	<b>-108.0</b>	<b>-119.1</b>	<b>-164.4</b>	<b>-234.9</b>	<b>-335.1</b>
<b>Appl. of Funds</b>	<b>228.6</b>	<b>229.2</b>	<b>281.7</b>	<b>416.9</b>	<b>660.6</b>	<b>651.2</b>	<b>666.7</b>	<b>723.5</b>

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS (INR)</b>	<b>-151.2</b>	<b>-160.1</b>	<b>-8.2</b>	<b>211.8</b>	<b>188.1</b>	<b>62.8</b>	<b>176.3</b>	<b>223.0</b>
Cash EPS	-29.4	-28.7	124.5	379.1	413.4	339.1	498.2	619.2
BV/Share	1.8	-157.0	-164.0	50.3	242.1	272.5	440.3	652.4
DPS	0.0	0.0	0.0	0.0	10.0	1.7	9.4	11.9
Payout incl. tax (%)	0.0	0.0	0.0	0.0	5.3	5.3	5.3	5.3
<b>Valuation (x)</b>								
P/E	-28.4	-26.8	-522.8	20.3	22.8	68.3	24.4	19.3
Cash P/E	-146.0	-149.7	34.5	11.3	10.4	12.7	8.6	6.9
P/BV	2,328.3	-27.4	-26.2	85.5	17.7	15.8	9.8	6.6
EV/Sales	12.1	7.1	3.5	2.7	2.5	2.4	2.0	1.9
EV/EBITDAR (x)	696.1	219.5	27.7	10.9	9.7	13.0	9.2	7.9
EV/EBITDA	-6,974.3	348.5	29.1	11.6	11.3	13.8	9.6	8.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.3
FCF Yield (%)	-4.3	-3.0	7.7	12.0	13.3	-1.5	2.3	-3.4
FCF per share	-184.3	-128.6	332.4	514.0	570.3	-62.9	96.7	-145.2
<b>Return Ratios (%)</b>								
RoE	-196.5	206.9	5.1	-373.7	129.1	24.5	49.7	41.0
RoCE	-16.5	-16.7	11.0	35.5	22.5	13.6	22.1	24.2
RoIC	-168.6	-101.7	29.2	150.4	61.1	15.5	24.5	23.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.5	0.7	1.1	1.1	0.9	0.9	0.8	0.7
Asset Turnover (x)	0.6	1.1	1.9	1.7	1.2	1.3	1.6	1.5
Inventory (Days)	8	6	5	4	5	4	4	4
Debtor (Days)	5	5	3	3	3	10	10	11
Creditor (Days)	39	46	25	23	26	21	20	19
Working Cap. Turnover (Days)	-363	-234	-153	-146	-139	-122	-122	-121

### Standalone - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-58.3	-61.7	-3.2	80.4	75.9	29.8	91.0	115.1
Depreciation	47.0	50.7	51.0	64.1	86.4	106.1	123.4	151.9
Interest & Finance Charges	11.1	16.3	31.1	41.7	50.9	15.0	-0.4	-4.0
Direct Taxes Paid	0.0	0.0	-3.9	-5.1	-4.1	-1.1	-22.9	-29.0
(Inc)/Dec in WC	-3.8	21.4	31.2	43.4	44.6	-17.4	55.6	18.7
<b>CF from Operations</b>	<b>-4.0</b>	<b>26.7</b>	<b>106.2</b>	<b>224.5</b>	<b>253.6</b>	<b>132.3</b>	<b>246.7</b>	<b>252.7</b>
<b>CF from Operating incl EO</b>	<b>-4.0</b>	<b>26.7</b>	<b>127.0</b>	<b>211.8</b>	<b>240.6</b>	<b>117.6</b>	<b>246.7</b>	<b>252.7</b>
(Inc)/Dec in FA	-67.2	-76.4	1.4	-13.2	-20.3	-142.0	-209.4	-308.8
<b>Free Cash Flow</b>	<b>-71.2</b>	<b>-49.7</b>	<b>128.4</b>	<b>198.6</b>	<b>220.4</b>	<b>-24.3</b>	<b>37.4</b>	<b>-56.1</b>
(Pur)/Sale of Investments	22.1	-7.4	-43.5	-109.1	-119.0	0.0	0.0	0.0
Others	10.4	7.2	1.6	4.8	11.5	44.2	55.0	57.2
<b>CF from Investments</b>	<b>-34.8</b>	<b>-76.5</b>	<b>-40.6</b>	<b>-117.6</b>	<b>-127.8</b>	<b>-97.8</b>	<b>-154.3</b>	<b>-251.7</b>
Inc/(Dec) in Debt	68.6	61.7	-16.7	-2.8	-0.9	-22.7	-49.0	-24.8
Interest Paid	-21.4	-23.6	-26.7	-35.0	-0.3	-59.1	-54.6	-53.2
Dividend Paid	0.0	0.0	0.0	0.0	-3.9	-0.7	-3.6	-4.6
<b>CF from Fin. Activity</b>	<b>42.7</b>	<b>38.8</b>	<b>-84.3</b>	<b>-99.8</b>	<b>-109.7</b>	<b>-82.5</b>	<b>-107.3</b>	<b>-82.5</b>
<b>Inc/Dec of Cash</b>	<b>4.0</b>	<b>-11.1</b>	<b>2.2</b>	<b>-5.5</b>	<b>3.1</b>	<b>-62.6</b>	<b>-14.9</b>	<b>-81.5</b>
Opening Balance	108.3	112.3	101.2	118.1	167.1	188.6	125.9	111.0
<b>Closing Balance</b>	<b>112.3</b>	<b>101.2</b>	<b>118.1</b>	<b>167.1</b>	<b>188.6</b>	<b>125.9</b>	<b>111.0</b>	<b>29.6</b>

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

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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

**Disclosures**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. 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](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

**Specific Disclosures**

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

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

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

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

**Analyst Certification**

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

**Terms & Conditions:**

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

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor 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 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

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 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. 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.