

Hindalco Industries | BUY

India ops in-line; Oswego fire drag down earnings

Hindalco reported 3Q consol. adj. EBITDA of INR79.7bn, marginally lower than JMfe of INR84bn. EBITDA decline of ~11% QoQ was driven by weak performance in Novelis given Oswego fire incident. India aluminium EBITDA incl Utkal came in at ~INR50.6bn, up 6% QoQ driven by strong LME during the quarter. Copper EBITDA was down 6% QoQ to INR5.9bn from INR6.3bn last quarter. Key takeaways from the call are a) aluminium CoP expected to be up ~1% up in 4Q driven by higher CP coke prices b) hedging for 4QFY26; 64% of commodity at USD2,807/t and 26% currency hedged at INR88.1 per dollar while 21% of commodity is hedged at USD2,925/t for FY27 c) capex guidance for India operations for FY26 stands at INR100bn while FY27 capex guidance at INR100-120bn d) Alumina sales guidance for 4QFY26 at 170-180kt. Net debt increased significantly to INR594bn in 3QFY26 from INR414bn in 2QFY26 driven by a) Increase in Net Debt at Novelis by ~USD400mn and USD750mn infusion by parent entity (debt raise) - ~INR140bn adjusting for forex fluctuations b) Increased working capital requirement for copper business to the tune of ~INR40bn. However, the current strong LME is likely to drive earnings trajectory for the company coupled with 100% security post acquisition of Meenakshi, Bandha and Chakla mines. Maintain BUY.

- **Novelis top-line driven by higher realizations; margins impacted by Oswego fire:** Company reported revenue at USD4.2bn (+3% YoY) primarily driven by higher realisations (+15% YoY) partially offset by lower volumes (-10.5% YoY). The total rolled product shipments decreased YoY to 809ktons in 3Q with lower automotive volumes in the mix. Volumes were lower primarily due to the two Oswego fire accidents that happened in Sep'25 and Nov'25. Adj. EBITDA came in at USD388mn, though higher than JMfe of USD317mn the underlying core EBITDA weaker on Oswego plant fire. Adjusted EBITDA/t came in at USD430/t - down from USD448/t in 2Q. North America and Asia witnessed EBITDA contraction to the tune of 23% YoY and 36% YoY respectively, whereas South America and Europe witnessed EBITDA expansion to the tune of 7% YoY and 59% YoY respectively. Novelis witnessed a net negative tariff impact to the tune of ~USD34mn in 3QFY26 - expected at USD60-65mn on EBITDA in 4QFY26. Guidance for FY26 stands at USD1.9-2.2bn including USD300mn of maintenance capex. Company expects a similar capex amount (slightly lower in FY27).
- **India Al business spreads improve given strong LME:** India aluminium EBITDA incl Utkal came in at ~INR50.6bn, up 6% QoQ driven by strong LME during the quarter. Copper EBITDA was down 6% QoQ to INR5.9bn from INR6.3bn last quarter. Aditya Smelter expansion is on track to take total upstream capacity to 1.71 mn tons by FY29. Of this, the Aluminium smelter of 181kt is expected to be commissioned in FY28. Capex guidance for India operations for FY26 at ~INR100bn while FY27 capex guidance at INR100-120bn. It expects CoP to be up ~1% in 4Q.
- **Net Debt trending up; cool-off post Bay Minette commissioning:** Net debt increased significantly to INR594bn in 3QFY26 from INR414bn in 2QFY26 driven by a) Increase in Net Debt at Novelis by ~USD400mn and USD750mn infusion by parent entity (parent had raised debt to infuse that money) - ~INR140bn adjusting for forex fluctuations b) Increased working capital requirement for copper business to the tune of ~INR40bn. Novelis net debt is currently at USD6.2bn and is expected to go up with capex spend on Bay Minette and until the time insurance payments start coming in. Company expects this to go up to high USD8bn - will come down FY28 onwards with insurance repayments and completion of Bay Minette capex. Overall cost of capital at Novelis is in mid-8% range while cost of debt stands at ~5.3%.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,120
Upside/(Downside)	16.1%
Previous Price Target	1,120
Change	0.0%

Key Data – HNDL IN

Current Market Price	INR964
Market cap (bn)	INR2,141.4/US\$23.6
Free Float	64.2%
Shares in issue (mn)	2,223.9
Diluted share (mn)	2,223.9
3-mon avg daily val (mn)	INR5,410.0/US\$59.7
52-week range	1,030/546
Sensex/Nifty	83,675/25,807
INR/US\$	90.6

Price Performance

%	1M	6M	12M
Absolute	4.8	44.6	61.0
Relative*	4.8	39.2	46.5

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,159,620	2,384,960	2,659,306	3,000,692	3,197,371
Sales Growth (%)	-3.2	10.4	11.5	12.8	6.6
EBITDA	242,570	328,240	356,168	402,864	437,901
EBITDA Margin (%)	11.2	13.8	13.4	13.4	13.7
Adjusted Net Profit	105,190	179,000	198,230	204,410	217,690
Diluted EPS (INR)	47.3	80.5	89.1	91.9	97.9
Diluted EPS Growth (%)	2.4	70.2	10.7	3.1	6.5
ROIC (%)	9.5	12.9	12.7	11.2	10.6
ROE (%)	10.5	15.6	14.8	13.3	12.4
P/E (x)	20.4	12.0	10.8	10.5	9.8
P/B (x)	2.0	1.7	1.5	1.3	1.2
EV/EBITDA (x)	10.4	7.8	7.6	7.0	6.2
Dividend Yield (%)	0.4	0.4	0.2	0.2	0.2

Source: Company data, JM Financial. Note: Valuations as of 12/Feb/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key concall takeaways:

- Hedging details:
- 4QFY26:
 - 64% of Aluminium hedged at USD2,807/t
 - 26% of currency hedged at 88.18
- FY27:
 - 21% of Aluminium hedged at USD2,925/t
 - This is expected to go up to 25% at USD3,100/t
 - Company also plans to hedge ~25% of Aluminium at USD3,000/t by Mar'26
- Net debt increased by ~INR180bn in 3QFY26 driven by:
 - Increase in Net Debt at Novelis by ~USD400mn and USD750mn infusion by parent entity (parent had raised debt to infuse that money) – this USD1.15bn additional capex amounts to ~INR140bn adjusting for forex fluctuation.
 - Increased working capital requirement for copper business to the tune of ~INR40bn – to be reversed going ahead with working capital release.
 - Company continue to maintain its long-term EBITDA guidance of below 2.0x
- CoP was higher by ~2% in 3QFY26 (including one-time RPO impact). Company expects CoP to be 1% higher in 4QFY26 on the back of higher CP Coke prices.
- Oswego fire:
 - Company expects volume loss of ~70kt in 4QFY26 (similar to 3QFY26) after mitigation measures.
 - Company expects EBITDA impact of ~USD60-65mn in 4QFY26.
- Capex guidance for India ops:
 - INR100bn for FY26 including INR20bn for Bandha mine.
 - INR100-120bn in FY27
- Novelis Net Debt:
 - Net debt currently at ~USD6.2bn and is expected to go up with capex spend on Bay Minette and until the time insurance payments start coming in.
 - Company expects this to go up to high USD8bn – will come down FY28 onwards with insurance repayments and completion of Bay Minette capex.
 - Overall cost of capital at Novelis is in mid-8% range while cost of debt stands at ~5.3%
 - The (USD 750mn + USD 200mn) equity infusion from parent entity is done at a cost of (SOFR + 105bps) with a tenure of 5 years.
- Alumina Sales of 170-180kt expected in 4QFY26.

Exhibit 1. Hindalco-Consolidated performance

(INR mn)

Y/E March - INR mn	3QFY26	3QFY26E	% Var	3QFY25	YoY %	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
Net Sales	665,210	626,917	6.1	583,900	13.9	660,580	0.7	1,968,110	1,736,060	13%
Raw material cost	424,990	395,180		354,660		415,870		1,250,350	1,053,490	19%
Gross profit	240,220	231,738	3.7	229,240	4.8	244,710	(1.8)	717,760	682,570	5%
Gross margin (%)	36.1	37.0		39.3		37.0		36.5	39.3	
Power and fuel	32,840	32,755		37,700		34,470		101,960	108,240	
Staff cost	43,490	39,160		38,000		41,210		127,230	114,760	
Other cost	84,140	75,326		77,530		79,270		238,310	227,420	
Total expenditure	585,460	542,421	7.9	507,890	15.3	570,820	2.6	1,717,850	1,503,910	14%
EBITDA	79,750	84,497	(5.6)	76,010	4.9	89,760	(11.2)	250,260	232,150	8%
EBITDA (%)	12.0	13.5		13.0		13.6		12.7	13.4	
Other income	5,490	7,500		5,090		7,130		18,640	20,080	
Depreciation	22,200	22,500		19,390		21,550		64,550	57,630	
EBIT	63,040	69,497	(9.3)	61,710	2.2	75,340	(16.3)	204,350	194,600	5%
Interest	8,810	8,250	6.8	8,170		8,030		24,380	25,450	
PBT	54,230	61,247		53,540		67,310		179,970	169,150	
Tax	7,800	18,374		15,610		17,990		42,510	50,690	
Eff. Tax rate (%)	14.4	30.0		29.2		26.7		23.6	30.0	
PAT	46,430	42,873	8.3	37,930	22.4	49,320	(5.9)	137,460	118,460	16%
XO items	(25,910)	-		(590)		(1,920)		(29,520)	(11,310)	
Minority interests	-	-		-		-		-	30	
Share of associates	(30)	10		10		10		-	30	
Reported PAT	20,490	42,883		37,350		47,410		107,940	107,180	
Adjusted PAT	46,430	42,873	8.3	37,930	22.4	49,320	(5.9)	137,460	118,460	16%
EPS (INR)	20.9	19.3		17.1		22.2		61.9	53.4	

Source: Company, JM Financial

Exhibit 2. Hindalco- Consol. EBITDA

(INR mn)

Y/E March - INR mn	3QFY26	3QFY26E	% Var	3QFY25	YoY (%)	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
Consol. EBITDA	79,750	84,497	(5.6)	76,010	4.9	89,760	(11.2)	250,260	232,150	8%
India aluminium	36,340	36,578	(0.7)	18,900	92.3	31,170	16.6	93,800	58,420	61%
Utkal Alumina	14,310	15,078	(5.1)	24,820	(42.3)	16,680	(14.2)	47,790	59,960	-20%
India copper	5,950	5,930	0.3	7,770	(23.4)	6,340	(6.2)	81,193	47,133	72%
Novelis	31,020	28,116	10.3	30,970	0.2	36,850	(15.8)	103,440	111,390	-7%
Adj. on account of OI	(7,870)	(1,205)		(6,450)		(1,280)		(75,963)	(44,753)	70%

Source: Company, JM Financial

Exhibit 3. India volume breakup

Y/E March	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
Volumes ('000 tons)								
Aluminium	345	338	2.1	341	1.2	1,011	995	2%
VAP (excl. wire rod)	108	99	9.1	113	-4.4	322	298	8%
Copper	122	120	1.7	113	8.0	359	356	1%
CC rod	82	95	-13.7	97	-15.5	283	285	-1%
Alumina prod. (incl. Utkal)	969	979	-1.0	926	4.6	2,853	2,906	-2%

Source: Company, JM Financial

Exhibit 4. Hindalco- Standalone quarterly performance

(INR mn)

Y/E March - INR mn	3QFY26	3QFY26E	% Var	3QFY25	YoY (%)	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
Net Sales	292,640	282,197	3.7	237,760	23.1	247,800	18.1	783,080	681,930	15%
Aluminium	145,290	107,637	35.0	131,880		138,870		411,000	371,810	
Copper	182,330	174,560	4.5	137,320		145,630		476,820	401,380	
Metals volumes (k tons)										
Aluminium	345	335		338	2.1	341	1.2	1,011	995	2%
Copper	122	120		120	1.7	113	8.0	359	356	1%
Metals realization (INR/ton)										
Aluminium	319,739	321,304		297,160	7.6	299,619	6.7	307,400	280,091	10%
Copper	1,078,889	1,078,889		1,144,333	(5.7)	1,288,761	(16.3)	1,328,189	1,127,472	18%
Raw material cost	227,780	166,269		146,430		178,340		583,470	463,210	
Raw material cost/t	487,752	365,427		319,716		392,819		425,891	342,865	
Change in stock	(26,860)	13,796		12,150		(13,900)		-53,420	-6,750	
Change in stock/t	(57,516)	30,321		26,528		(30,617)		(38,993)	(4,996)	
Gross profit	91,720	102,132		79,180	15.8	83,360	10.0	253,030	225,470	12%
Gross margin (%)	31.3	36.2		33.3		33.6		32.3	33.1	
Gross margin /t	196,403	224,466		172,882		183,612		184,693	166,891	
Power and fuel	20,330	27,831		24,510		19,940		60,680	67,420	
P&F/t	43,533	61,166		53,515		43,921		44,292	49,904	
Other cost	29,100	31,794		28,000		25,910		79,530	75,520	
Other cost/t	62,313	69,876		61,135		57,070		58,051	55,899	
Total expenditure	250,350	239,690	4.4	211,090	18.6	210,290	19.0	670,260	599,400	12%
Raw materials	200,920	180,065		158,580	26.7	164,440	22.2	530,050	456,460	16%
Power & Fuel	20,330	27,831		24,510	(17.1)	19,940	2.0	60,680	67,420	-10%
Staff Cost	8,190	7,733		6,810	20.3	7,380	11.0	22,480	19,540	15%
EBITDA	42,290	42,508	(0.5)	26,670	58.6	37,510	12.7	112,820	82,530	37%
EBITDA (%)	14.5	15.1		11.2		15.1		14.4	12.1	
EBITDA/t	90,557	93,423		58,231		82,621	9.6	82,350	61,088	35%
Other income	3,220	3,248		1,400		2,500		8,850	11,200	
Depreciation	5,750	4,895		5,140		5,640		16,810	15,050	
EBIT	39,760	40,860	(2.7)	22,930	73.4	34,370	15.7	104,860	78,680	33%
Interest	2,520	3,495	(27.9)	2,260		1,740		6,110	7,040	
PBT	37,240	37,365		20,670		32,630		98,750	71,640	
Tax	7,260	11,210		6,010		9,860		25,740	22,480	
Eff. Tax rate (%)	19.5	30.0		29.1		30.2		26.1	31.4	
XO items	190	-		(30)		(110)		-1,560	-910	
Reported PAT	30,170	26,156	15.3	14,630	106.2	22,660	33.1	71,450	48,250	
Adjusted PAT	29,980	26,156	14.6	14,660	104.5	22,770	31.7	73,010	49,160	0
EPS (INR)	13.5	11.8		6.6		10.3		32.9	22.1	49%

Source: Company, JM Financial

Exhibit 5. Key assumption table

	FY24	FY25	FY26E	FY27E	FY28E
Aluminium (USD/ton)	2,300	2,600	2,750	2,950	3,000
USD/INR	82.0	84.0	89.0	90.0	90.0
India aluminium					
Volume ('000 tons)	1,327	1,327	1,327	1,337	1,357
EBITDA (INR mn)	75,711	139,377	190,670	220,139	229,806
EBITDAUS\$/t	713	1,313	1,796	2,058	2,116
India Copper					
Volume (mn tons)	0.4	0.5	0.47	0.49	0.50
EBITDA (INR mn)	17,542	31,823	29,178	32,243	34,847
EBITDA/t (INR)	46,058	69,630	62,591	65,871	69,118
Novelis ('000 tons)	3,673	3,757	3,600	3,900	4,200
Novelis - EBITDA (USD mn)	1,798	1,864	1,532	1,672	1,925
Novelis - EBITDA/ton (USD)	490	496	425	429	458

Source: Company, JM Financial

Exhibit 6. Hindalco - SOTP valuation

	FY27 EBITDA (INR bn)	Multiple	Value (INR bn)
India Aluminium	229.89	7.0	1608.64
India Copper	34.85	5.5	191.66
Novelis	173.25	6.5	1126.11
Total EV			2,926.41
Net Debt			576.27
Implied Mcap			2,350.15
No. of shares (bn)			2,220
Value (INR/share)			1059
Investments			59
Target price			1,120

Source: JM Financial

Exhibit 7. Segmental quarterly performance (US\$/ton)

Y/E March	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
USD/INR	89.1	84.9	5.0	87.2	2.1	87.3	83.9	4%
Blended Realisation (US\$/ton)								
Aluminium	3,589	3,502	2.5	3,434	4.5	3,470	3,361	3%
Copper	16,773	13,486	24.4	14,772	13.6	15,214	13,438	13%
Blended Cost (US\$/ton)								
Aluminium	1,941	1,978	-1.9	1,826	6.3	1,866	1,943	-4%
Copper	16,226	12,723	27.5	14,128	14.8	14,606	12,631	16%
Blended EBITDA (US\$/ton)								
Aluminium	1,648	1,524	8.1	1,608	2.4	1,604	1,418	13%
Copper	547	763	-28.3	643	-14.9	608	808	-25%
LME Spot Prices (US\$/ton)								
Aluminium	2,828	2,613	8	2,619	8.0	2632	2494	6%
Copper	11,104	9,375	18	9,858	12.6	10140	9511	7%
EBIT								
Aluminium (\$/ton)	1,042	525	99	906	15.1	915	564	62%
Copper (c/lb)	19	29	(35)	23	(17.0)	21	31	-30%
Implied premium (US\$/ton)								
Aluminium	761	889	(14)	815	(6.7)	838	867	-3%
Copper	5,669	4,111	38	4,914	15.4	5,074	3,927	29%

Source: Company, JM Financial

Exhibit 8. Novelis quarterly performance

Y/E March	3QFY26	3QFY26E	% Var	3QFY25	YoY %	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
Net sales	4,186	4,317	(3.0)	4,080	2.6	4,744	(11.8)	13,647	12,562	9%
Shipments ('000 tons)	809	826	(2.1)	904	(10.5)	941	(14.0)	2,713	2,800	-3%
Realisations (USD/ton)	5,174	5,226	(1.0)	4,513	14.6	5,041	2.6	5,030	4,486	12%
LME (USD/t)	2,826	2,826	-	2,613	8.2	2,619	7.9	7,898	7,601	4%
Premium (USD/t)	2,348	2,400	(2.2)	1,900	23.6	2,422	(3.1)	(2,868)	(3,115)	-8%
Total cost										
COGS (USD mn)	3,513	3,820	(8.0)	3,516	(0.1)	4,028	(12.8)	11,617	10,607	10%
COGS as % of sales	83.9	88.5		86.2		84.9		85.1	84.4	
Adjusted EBITDA	348	317	9.8	367	(5.2)	422	(17.5)	1,186	1,329	-11%
EBITDA margins (%)	8.3	7.3		9.0		8.9		8.7	10.6	
EBITDA/ton (USD/ton)	430	384	12.1	406	6.0	448	(4.1)	437	475	-8%
Other income	126	50		-		129		324	14	
Depreciation	155	142		142	9.2	152	2.0	455	423	8%
Interest	62	68		66	(6.1)	63	(1.6)	187	197	-5%
EO income/(expense)	(412)	-		(10)		(112)		(653)	(184)	
PBT	(155)	157		149		224		215	539	
Tax	4	39		39	NA	61	(93.4)	115	150	-23%
Reported PAT	(160)	118	(235.9)	110		163		99	389	
Adjusted PAT	252	118	114.0	120	110.0	275	(8.4)	752	573	31%
Key monitorables										
Net Debt (USD bn)	6.1	-		5.3		5.7		17.4	14.6	
Capex	664	-		458		527		1,577	1,175	
FCF (from continuing ops.)	(1,142)	-		(570)		(204)		(1,641)	(915)	

Source: Company, JM Financial

Exhibit 9. Novelis segmental performance

Y/E March	3QFY26	3QFY25	YoY %	2QFY26	QoQ %	9MFY26	9MFY25	YoY %
North America								
Total Shipments ('000 tons)	283	360	-21.4	369	-23.3	1041	1144	-9%
EBITDA (USD)	94	122	-23.0	134	-29.9	361	490	-26%
EBITDA/ton (USD/ton)	332	339	-2.0	363	-8.5	347	428	-19%
Europe								
Total Shipments ('000 tons)	262	226	15.9	260	0.8	784	720	9%
EBITDA (USD)	78	49	59.2	81	-3.7	229	202	13%
EBITDA/ton (USD/ton)	298	217	37.3	312	-4.4	292	281	4%
Asia								
Total Shipments ('000 tons)	189	186	1.6	170	11.2	523	543	-4%
EBITDA (USD)	48	75	-36.0	99	-51.5	240	258	-7%
EBITDA/ton (USD/ton)	254	403	-37.0	582	-56.4	459	475	-3%
South America								
Total Shipments ('000 tons)	170	166	2.4	142	19.7	460	471	-2%
EBITDA (USD)	130	121	7.4	108	20.4	357	375	-5%
EBITDA/ton (USD/ton)	765	729	4.9	761	0.5	776	796	-3%

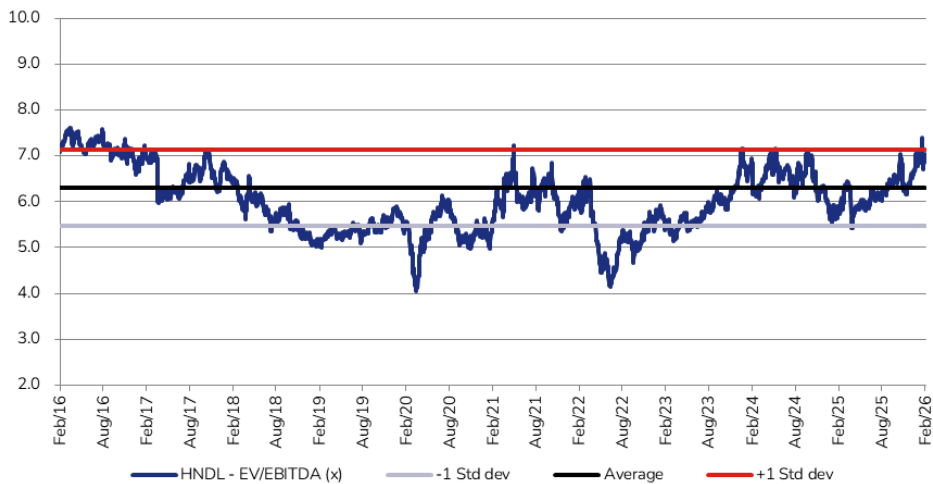
Source: Company, JM Financial

Exhibit 10. HNDL: 1yr forward P/E valuation



Source: Bloomberg, JM Financial

Exhibit 11. HNDL: 1yr forward EV/EBITDA valuation



Source: Bloomberg, JM Financial

Exhibit 12. Change in estimates

	Unit	OLD			NEW			% Change		
		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	INR mn	2,659,306	3,000,692	3,197,371	2,659,306	3,000,692	3,197,371	0.0%	0.0%	0.0%
EBITDA	INR mn	356,168	402,864	437,901	356,168	402,864	437,901	0.0%	0.0%	0.0%
PAT	INR mn	198,230	204,410	217,690	198,230	204,410	217,690	0.0%	0.0%	0.0%
EPS		89.3	92.1	98.1	89.3	92.1	98.1	0.0%	0.0%	0.0%
Target Price	INR			1,120			1120			0.0%
Rating				BUY			BUY			

Source: JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,159,620	2,384,960	2,659,306	3,000,692	3,197,371
Sales Growth	-3.2%	10.4%	11.5%	12.8%	6.6%
Other Operating Income	0	0	0	0	0
Total Revenue	2,159,620	2,384,960	2,659,306	3,000,692	3,197,371
Cost of Goods Sold/Op. Exp	1,338,550	1,449,490	1,577,921	1,802,259	1,917,232
Personnel Cost	147,780	154,060	79,831	82,714	85,886
Other Expenses	430,720	453,170	645,386	712,855	756,353
EBITDA	242,570	328,240	356,168	402,864	437,901
EBITDA Margin	11.2%	13.8%	13.4%	13.4%	13.7%
EBITDA Growth	6.0%	35.3%	8.5%	13.1%	8.7%
Depn. & Amort.	75,210	78,810	90,593	99,990	107,056
EBIT	167,360	249,430	265,575	302,874	330,846
Other Income	14,960	27,080	19,911	15,610	17,606
Finance Cost	38,580	34,190	41,405	43,734	44,115
PBT before Excep. & Forex	143,740	242,320	244,081	274,750	304,337
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	143,740	242,320	244,081	274,750	304,337
Taxes	38,570	63,350	45,881	70,370	86,677
Extraordinary Inc./Loss(-)	-3,640	-18,980	0	0	0
Assoc. Profit/Min. Int.(-)	20	30	30	30	30
Reported Net Profit	101,550	160,020	198,230	204,410	217,690
Adjusted Net Profit	105,190	179,000	198,230	204,410	217,690
Net Margin	4.9%	7.5%	7.5%	6.8%	6.8%
Diluted Share Cap. (mn)	2,223.9	2,223.9	2,223.9	2,223.9	2,223.9
Diluted EPS (INR)	47.3	80.5	89.1	91.9	97.9
Diluted EPS Growth	2.4%	70.2%	10.7%	3.1%	6.5%
Total Dividend + Tax	10,402	10,402	5,201	5,201	5,201
Dividend Per Share (INR)	4.0	4.0	2.0	2.0	2.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	143,760	242,350	244,111	274,780	304,367
Depn. & Amort.	75,210	78,810	90,593	99,990	107,056
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	6,490	-38,650	-8,279	-28,994	-16,704
Others	3,280	-7,740	-30	-30	-30
Taxes Paid	-38,570	-63,350	-45,881	-70,370	-86,677
Operating Cash Flow	190,170	211,420	280,515	275,376	308,011
Capex	-157,280	-245,490	-340,000	-340,000	-250,000
Free Cash Flow	32,890	-34,070	-59,485	-64,624	58,011
Inc (-) / Dec in Investments	-13,280	-87,140	44,580	-10,000	0
Others	19,310	18,440	-80,860	-20,316	29,470
Investing Cash Flow	-151,250	-314,190	-376,280	-370,316	-220,530
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-8,880	-8,880	-4,440	-4,440	-4,440
Inc / Dec (-) in Loans	-39,350	75,730	190,265	41,653	-10,000
Others	0	10	359	10	0
Financing Cash Flow	-48,230	66,860	186,184	37,223	-14,440
Inc / Dec (-) in Cash	-9,310	-35,910	90,418	-57,717	73,041
Opening Cash Balance	153,680	144,370	108,460	198,878	141,161
Closing Cash Balance	144,370	108,460	198,878	141,161	214,202

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,061,460	1,237,090	1,435,320	1,639,731	1,857,420
Share Capital	2,220	2,220	2,220	2,220	2,220
Reserves & Surplus	1,059,240	1,234,870	1,433,100	1,637,511	1,855,200
Preference Share Capital	0	0	0	0	0
Minority Interest	110	120	479	489	489
Total Loans	563,560	639,290	829,555	871,208	861,208
Def. Tax Liab. / Assets (-)	93,440	104,710	104,710	104,710	104,710
Total - Equity & Liab.	1,718,570	1,981,210	2,370,064	2,616,137	2,823,827
Net Fixed Assets	1,266,770	1,439,530	1,774,267	2,039,063	2,157,007
Gross Fixed Assets	1,630,725	1,750,915	2,329,056	2,693,721	2,918,721
Intangible Assets	260,750	266,830	266,830	266,830	266,830
Less: Depn. & Amort.	773,375	852,185	942,778	1,042,768	1,149,824
Capital WIP	148,670	273,970	121,159	121,280	121,280
Investments	154,440	241,580	197,000	207,000	207,000
Current Assets	897,860	978,800	1,153,314	1,218,122	1,361,752
Inventories	408,120	488,010	546,433	616,580	656,994
Sundry Debtors	164,040	198,340	189,430	246,632	262,798
Cash & Bank Balances	144,370	108,460	198,878	141,161	214,202
Loans & Advances	181,330	183,990	218,573	213,748	227,758
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	600,500	678,700	754,517	848,047	901,932
Current Liabilities	574,110	651,890	728,577	822,107	875,992
Provisions & Others	26,390	26,810	25,940	25,940	25,940
Net Current Assets	297,360	300,100	398,797	370,074	459,820
Total - Assets	1,718,570	1,981,210	2,370,064	2,616,137	2,823,827

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	4.9%	7.5%	7.5%	6.8%	6.8%
Asset Turnover (x)	1.3	1.3	1.2	1.2	1.2
Leverage Factor (x)	1.7	1.6	1.6	1.6	1.6
RoE	10.5%	15.6%	14.8%	13.3%	12.4%

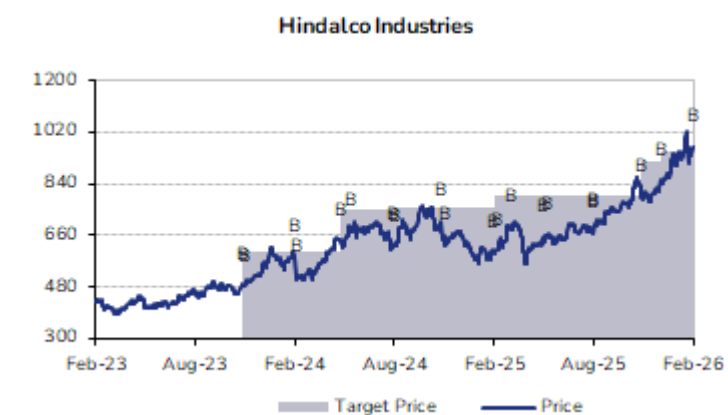
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	477.3	556.3	645.4	737.3	835.2
ROIC	9.5%	12.9%	12.7%	11.2%	10.6%
ROE	10.5%	15.6%	14.8%	13.3%	12.4%
Net Debt/Equity (x)	0.4	0.3	0.4	0.4	0.3
P/E (x)	20.4	12.0	10.8	10.5	9.8
P/B (x)	2.0	1.7	1.5	1.3	1.2
EV/EBITDA (x)	10.4	7.8	7.6	7.0	6.2
EV/Sales (x)	1.2	1.1	1.0	0.9	0.9
Debtor days	28	30	26	30	30
Inventory days	69	75	75	75	75
Creditor days	109	116	115	116	116

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
7-Nov-23	Buy	600	
10-Nov-23	Buy	600	0.0
12-Feb-24	Buy	610	1.7
13-Feb-24	Buy	600	-1.6
6-May-24	Buy	750	25.0
24-May-24	Buy	750	0.0
7-Aug-24	Buy	760	1.3
13-Aug-24	Buy	760	0.0
6-Nov-24	Buy	760	0.0
13-Nov-24	Buy	760	0.0
10-Feb-25	Buy	800	5.2
14-Feb-25	Buy	800	0.0
12-Mar-25	Buy	800	0.0
12-May-25	Buy	800	0.0
20-May-25	Buy	800	-0.1
11-Aug-25	Buy	800	0.1
12-Aug-25	Buy	800	0.0
7-Nov-25	Buy	915	14.3
13-Dec-25	Buy	955	4.4
11-Feb-26	Buy	1,120	17.3

Recommendation History



APPENDIX I

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