

Hindalco Industries | BUY

Operationally in-line; Novelis margins bottoming out

Hindalco reported 1Q consol. adj. EBITDA of INR81bn, marginally below JMfe of INR83bn driven by subdued performance in Novelis offset by outperformance in India business. India aluminium business (incl. Utkal) delivered an EBITDA of INR43bn, down 15% QoQ primarily driven by weak LME. Key takeaways from the call are a) aluminium CoP expected to be up 3% in 2Q given monsoon impact and higher CP coke prices b) downstream expansion through Aditya FRP remains on track – expects ~70kt commercial sales from Aditya FRP in FY26 c) Aluminium downstream FY26 EBITDA/t guidance maintained at USD250-300/t – company expects quarterly shipments to reach ~150kt with Silvassa coming up d) hedging for 2QFY26; 20% of commodity at USD2,666/t and 18% currency hedged at INR87 per dollar e) capex guidance for India operations at INR70bn-INR75bn for FY26 and ~INR150bn for FY27. Net debt decreased to INR343bn in 1QFY26 from INR353bn in 4QFY25. The long term outlook for Hindalco continues to remain buoyant given a) resilient performance by India aluminium operations b) record high run rates in the copper business c) enhanced coal security post acquisition of Meenakshi, Meenakshi west, Bandha, Chakla coal mines and d) growth capex to augment capacity in downstream business. Hindalco, given ~70%+ steady/strong EBITDA being non-LME linked, remains our preferred play in the metal space. Re-iterate Buy.

- **Novelis margins impacted by tariffs:** Novelis reported revenue at USD4.7bn (+13%YoY) primarily driven by higher realisations (+11% YoY). The total rolled product shipments increased marginally YoY to 963ktons in 1Q primarily driven by strong demand in beverage packaging sector offset by weak demand in automotive sector. Adj. EBITDA came in at USD416mn, marginally below JMfe driven by elevated scrap prices, unfavourable product mix and negative impact of tariffs. Adjusted EBITDA/t came in at USD432/t - down from recent highs of USD494/t in 4Q - mitigation actions to begin offsetting tariff impacts in 2HFY26.
- **India Al business spreads decline given weak LME:** Aluminium EBITDA (incl Utkal) stood at INR43bn (down 15% QoQ) primarily driven by weak LME during the quarter. Copper EBITDA was up 10% QoQ to INR6.7bn from INR6.1bn last quarter driven by higher realisations from sulphuric acid partially offset by lower TC/RC. Net debt decreased to INR343bn in 1QFY26 from INR353bn in 4QFY25. Capex guidance for India operations stands at INR70-INR75bn for FY26 and ~INR150bn for FY27; INR12.7bn incurred in 1QFY26. Aluminium CoP came lower by 3% in 1Q and is expected to be up 3% in 2Q.
- **Growth capex on track; coal integration to drive margins:** Hindalco remains committed to growth through downstream expansion of Aditya FRP project taking their downstream capacity to 600kt - expects ~70kt commercial sales from Aditya FRP in FY26. Chakla remains on track – box cut expected to start in CY26. Company estimates coal cost savings to the tune of ~30% post the stabilization of all 3 mines.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,159,620	2,384,960	2,321,777	2,469,479	2,535,223
Sales Growth (%)	-3.2	10.4	-2.6	6.4	2.7
EBITDA	242,570	328,240	324,412	344,842	359,272
EBITDA Margin (%)	11.2	13.8	14.0	14.0	14.2
Adjusted Net Profit	105,190	179,000	147,091	160,390	169,985
Diluted EPS (INR)	47.3	80.5	66.1	72.1	76.4
Diluted EPS Growth (%)	2.4	70.2	-17.8	9.0	6.0
ROIC (%)	9.5	12.9	10.4	10.2	9.9
ROE (%)	10.5	15.6	11.2	11.0	10.4
P/E (x)	14.1	8.3	10.1	9.2	8.7
P/B (x)	1.4	1.2	1.1	1.0	0.9
EV/EBITDA (x)	7.7	5.8	5.9	5.5	5.3
Dividend Yield (%)	0.6	0.6	0.3	0.3	0.3

Source: Company data, JM Financial. Note: Valuations as of 12/Aug/2025



Ashutosh Somani

ashutosh.somani@jmfl.com | Tel: (91 22) 66303083

Anirudh Nagpal

anirudh.Nagpal@jmfl.com | Tel: (91 22) 66303263

Rajvi Panchmatia

rajvi.panchmatia@jmfl.com | Tel: (91 22) 66303018

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	800
Upside/(Downside)	20.0%
Previous Price Target	800
Change	0.0%

Key Data – HNDL IN

Current Market Price	INR667
Market cap (bn)	INR1,499.0/US\$17.1
Free Float	65%
Shares in issue (mn)	2,223.9
Diluted share (mn)	2,223.9
3-mon avg daily val (mn)	INR3,250.6/US\$37.1
52-week range	773/546
Sensex/Nifty	80,236/24,487
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-0.6	11.4	6.0
Relative*	2.2	5.7	4.3

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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

Key concall takeaways:

- Hedging for 1QFY26:
 - 20% of Aluminium hedged at USD2,666/t
 - 18% of currency hedged at INR87
- Capex guidance for India operations for FY26 at INR70-75bn while FY27 capex guidance at INR150bn – incurred ~INR12.7bn capex in 1QFY26. India Net cash stands at ~INR11bn as at end of 1QFY26.
- Aluminium downstream: Aluminium downstream EBITDA/t was higher during the quarter at USD264/t as the company is moving up the value chain – instead of selling just extrusions, company is selling battery enclosures too. With Silvassa on track, volumes are expected to go up to 150kt/qtr going ahead. Aluminium downstream EBITDA/t guidance at USD250-300/t for FY26.
- Aluminium CoP was lower by 3% QoQ in 1Q driven by higher amount of linkage coal. Company expects CoP to go up by 3% in 2Q given monsoon impact.
- Copper EBITDA guidance maintained at ~INR6bn per quarter. Company plans to focus more on value-added products going ahead in order to tackle margin impact given subdued TC/RCS.
- Coal:
 - Box cut is expected this year for Chakla and Bandha mines – volumes to start coming in around Feb'26 / Mar'26.
 - Coal from Bandha mines is expected to come in by end of FY27 given higher strip ratio while Meenakshi is expected to supply coal by end of FY28.
 - Overall, company expects 20mn tons of coal from the 3 mines combined with Chakla expected to produce 0.5-1mn tons of coal.
 - Company estimates coal cost savings to the tune of ~30% post the stabilization of all 3 mines.
- All the projects remain on track with Aditya FRP expected to produce 70kt in FY26 – orders started in Jul'25.
- Company expects RoCE from Copper Recycling project to be in mid-teens with margins expected to be 2-3x of copper smelting.
- Renewable power plant (100MW) is running late: expected to start in Oct-Nov'25 against earlier guidance of Jun'25.

Exhibit 1. Hindalco – Consolidated performance (INR mn)

Y/E March - INR mn	1QFY26	1QFY26E	% Var	1QFY25	YoY %	4QFY25	QoQ %
Net Sales	6,42,320	5,73,408	12.0	5,70,130	12.7	6,48,900	(1.0)
Raw material cost	4,09,490	3,51,110		3,40,950		3,96,000	
Gross profit	2,32,830	2,22,298	4.7	2,29,180	1.6	2,52,900	(7.9)
Gross margin (%)	36.2	38.8		40.2		39.0	
Power and fuel	34,650	31,671		34,690		35,720	
Staff cost	42,530	34,845		38,770		39,300	
Other cost	74,900	72,518		79,870		81,790	
Total expenditure	5,61,570	4,90,145	14.6	4,94,280	13.6	5,52,810	1.6
EBITDA	80,750	83,264	(3.0)	75,850	6.5	96,090	(16.0)
EBITDA (%)	12.6	14.5		13.3		14.8	
Other income	6,020	7,500		4,240		7,000	
Depreciation	20,800	21,500		18,920		21,180	
EBIT	65,970	69,264	(4.8)	61,170	7.8	81,910	(19.5)
Interest	7,540	8,800	(14.3)	8,590		8,740	
PBT	58,430	60,464		52,580		73,170	
Tax	16,720	18,139		17,740		12,660	
Eff. Tax rate (%)	28.6	30.0		33.7		17.3	
XO items	(1,690)	-		(4,120)		(7,670)	
Reported PAT	40,040	42,335		30,740		52,830	
Adjusted PAT	41,710	42,325	(1.5)	34,840	19.7	60,490	(31.0)
EPS (INR)	18.8	19.1		15.7		27.2	
Key monitorables (INR bn)							
Net debt	343	-		355		353	

Source: Company, JM Financial

Exhibit 2. Hindalco consol. EBITDA (INR mn)

Y/E March - INR mn	1QFY26	1QFY26E	% Var	1QFY25	YoY (%)	4QFY25	QoQ %
Consol. EBITDA	80,750	83,264	(3.0)	75,850	6.5	96,090	(16.0)
India aluminium	26,290	18,303	43.6	20,260	29.8	23,960	9.7
Utkal Alumina	16,800	23,284	(27.8)	15,770	6.5	26,610	(36.9)
India copper	6,730	5,994	12.3	8,050	(16.4)	6,140	9.6
Novelis	35,570	37,113	(4.2)	41,700	(14.7)	41,030	(13.3)
Adj. on account of OI	(4,640)	(1,430)		(9,930)		(1,650)	

Source: Company, JM Financial

Exhibit 3. India volume breakup

Y/E March	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ %
Volumes ('000 tons)					
Aluminium	325	329	-1.2	332	-2.1
VAP (excl. wire rod)	101	96	5.2	105	-3.8
Copper	124	119	4.2	135	-8.1
CC rod	104	100	4.0	109	-4.6
Alumina prod. (incl. Utkal)	958	963	-0.5	951	0.7

Source: Company, JM Financial

Exhibit 4. Hindalco – Standalone quarterly performance (INR mn)

Y/E March - INR mn	1QFY26	1QFY26E	% Var	1QFY25	YoY (%)	4QFY25	QoQ %
Net Sales	2,42,640	2,27,974	6.4	2,21,550	9.5	2,51,160	(3.4)
Aluminium	1,26,840	96,319	31.7	1,17,070		1,39,060	
Copper	1,48,860	1,31,655	13.1	1,32,920		1,45,650	
Metals volumes (k tons)							
Aluminium	325	325		329	(1.2)	332	(2.1)
Copper	124	125		119	4.2	135	(8.1)
Metals realization (INR/ton)							
Aluminium	2,88,554	2,96,367		2,69,392	7.1	3,17,801	(9.2)
Copper	10,78,889	10,78,889		11,16,975	(3.4)	10,78,889	-
Raw material cost	1,77,350	1,61,169		1,52,910		1,66,560	
Raw material cost/t	3,94,989	3,58,152		3,41,317		3,56,660	
Change in stock	(12,660)	(7,188)		(6,820)		5,450	
Change in stock/t	(28,196)	(15,974)		(15,223)		11,670	
Gross profit	77,950	73,994		75,460	3.3	79,150	(1.5)
Gross margin (%)	32.1	32.5		34.1		31.5	
Gross margin /t	1,73,608	1,64,430		1,68,438		1,69,486	
Power and fuel	20,410	22,292		21,150		20,560	
P&F/t	45,457	49,538		47,210		44,026	
Other cost	24,520	27,404		26,000		28,490	
Other cost/t	54,610	60,898		58,036		61,006	
Total expenditure	2,09,620	2,03,677	2.9	1,93,240	8.5	2,21,060	(5.2)
Raw materials	1,64,690	1,53,980		1,46,090	12.7	1,72,010	(4.3)
Power & Fuel	20,410	22,292		21,150	(3.5)	20,560	(0.7)
Staff Cost	6,910	6,588		6,250	10.6	6,670	3.6
EBITDA	33,020	24,297	35.9	28,310	16.6	30,100	9.7
EBITDA (%)	13.6	10.7		12.8		12.0	
EBITDA/t	73,541	53,993		63,192		64,454	14.1
Other income	3,130	3,323		1,550		2,090	
Depreciation	5,420	5,300		4,990		5,240	
EBIT	30,730	22,320	37.7	24,870	23.6	26,950	14.0
Interest	1,850	2,400	(22.9)	2,440		2,350	
PBT	28,880	19,920		22,430		24,600	
Tax	8,620	5,976		6,900		8,880	
Eff. Tax rate (%)	29.8	30.0		30.8		36.1	
XO items	(1,640)	-		(820)		(110)	
Reported PAT	18,620	13,944	33.5	14,710	26.6	15,610	19.3
Adjusted PAT	20,260	13,944	45.3	15,530	30.5	15,720	28.9
EPS (INR)	9.1	6.3		7.0		7.1	

Source: Company, JM Financial

Exhibit 5. Key assumptions table

	FY24	FY25	FY26E	FY27E	FY28E
Aluminium (USD/ton)	2,300	2,600	2,500	2,500	2,500
USD/INR	82.0	84.5	85.0	86.0	87.0
India aluminium					
Volume ('000 tons)	1,327	1,327	1,327	1,337	1,357
EBITDA (INR mn)	75,711	1,39,377	1,47,544	1,48,434	1,55,837
EBITDAUS\$/t	713	1,313	1,390	1,387	1,435
India Copper					
Volume (mn tons)	0.4	0.5	0.5	0.5	0.5
EBITDA (INR mn)	17,542	31,823	30,456	34,728	37,906
EBITDA/t (INR)	46,058	69,630	65,331	67,722	72,471
Novelis ('000 tons)	3,673	3,757	3,850	4,050	4,100
Novelis - EBITDA (USD mn)	1,798	1,864	1,722	1,880	1,903
Novelis - EBITDA/ton (USD)	490	496	447	464	464

Source: Company, JM Financial

Exhibit 6. Hindalco – SOTP valuation

	FY27EBITDA (INR bn)	Multiple (x)	Value (INR bn)
Indian Aluminium	148	6	890
India Copper	35	5.5	191
Novelis	161	6.0	970
Total EV			2,051
Net Debt			394
Implied Mcap			1,652
No. of shares (bn)			2.2
Value (INR/share)			744
Investments (INR/share)			54
Target price			800

Source: JM Financial

Exhibit 7. Novelis quarterly performance (INR mn)

Y/E March	1QFY26	1QFY26E	% Var	1QFY25	YoY %	4QFY25	QoQ %
Net sales	4,717	4,416	6.8	4,187	12.7	4,587	2.8
Shipments ('000 tons)	963	970	(0.7)	951	1.3	957	0.6
Realisations (USD/ton)	4,898	4,553	7.6	4,403	11.3	4,793	2.2
LME (USD/t)	2,453	2,453	-	2,567	(4.4)	2,630	(6.7)
Premium (USD/t)	2,445	2,100	16.4	1,836	33.2	2,163	13.0
Total cost							
COGS (USD mn)	4,076	3,767	8.2	3,481	17.1	3,862	5.5
COGS as % of sales	86.4	85.3		83.1		84.2	
Adjusted EBITDA	416	433	(4.0)	500	(16.8)	473	(12.1)
EBITDA margins (%)	8.8	9.8		11.9		10.3	
EBITDA/ton (USD/ton)	432	447	(3.3)	526	(17.8)	494	(12.6)
Other income	69	20		(7)		55	
Depreciation	148	140		140	5.7	152	(2.6)
Interest	62	67		64	(3.1)	60	3.3
EO income/(expense)	(129)	-		(79)		(13)	
PBT	146	246		210		303	
Tax	50	74		60	NA	9	455.6
Reported PAT	96	176	(45.5)	151		294	
Adjusted PAT	225	176	27.6	230	(2.2)	307	(26.7)
Key monitorables							
Net Debt (USD bn)	5.5	-		4.6		5.1	
Capex	386	-		348		514	
FCF (from continuing ops.)	(295)	-		(280)		178	

Source: Company, JM Financial

Exhibit 8. Novelis quarterly segmental performance

Y/E March	1QFY26	1QFY25	YoY %	4QFY25	QoQ %
North America					
Total Shipments ('000 tons)	389	388	0.3	375	3.7
EBITDA (USD)	133	183	-27.3	150	-11.3
EBITDA/ton (USD/ton)	342	472	-27.5	400	-14.5
Europe					
Total Shipments ('000 tons)	262	261	0.4	265	-1.1
EBITDA (USD)	70	90	-22.2	104	-32.7
EBITDA/ton (USD/ton)	267	345	-22.5	392	-31.9
Asia					
Total Shipments ('000 tons)	164	159	3.1	201	-18.4
EBITDA (USD)	93	92	1.1	89	4.5
EBITDA/ton (USD/ton)	567	579	-2.0	443	28.1
South America					
Total Shipments ('000 tons)	148	143	3.5	164	-9.8
EBITDA (USD)	119	132	-9.8	129	-7.8
EBITDA/ton (USD/ton)	804	923	-12.9	787	2.2

Source: Company, JM Financial

Exhibit 9. HNDL: 1yr forward P/E valuation



Source: Bloomberg, JM Financial

Exhibit 10. HNDL: 1yr forward EV/EBITDA valuation



Source: Bloomberg, JM Financial

Exhibit 11. Change in estimates

	Unit	OLD			NEW			% Change		
		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	INR mn	23,21,777	24,69,479	25,35,223	23,21,777	24,69,479	25,35,223	0.0%	0.0%	0.0%
EBITDA	INR mn	3,24,412	3,44,842	3,59,272	3,24,412	3,44,842	3,59,272	0.0%	0.0%	0.0%
PAT	INR mn	1,45,337	1,59,654	1,67,809	1,47,091	1,60,390	1,69,985	1.2%	0.5%	1.3%
EPS		65.4	71.8	75.5	66.3	72.2	76.6	1.3%	0.6%	1.4%
Target Price	INR	800			800			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	2,321,777	2,469,479	2,535,223
Sales Growth	-3.2%	10.4%	-2.6%	6.4%	2.7%
Other Operating Income	0	0	0	0	0
Total Revenue	2,159,620	2,384,960	2,321,777	2,469,479	2,535,223
Cost of Goods Sold/Op. Exp	1,338,550	1,449,490	1,341,955	1,442,755	1,483,004
Personnel Cost	147,780	154,060	79,831	82,714	85,886
Other Expenses	430,720	453,170	575,578	599,168	607,061
EBITDA	242,570	328,240	324,412	344,842	359,272
EBITDA Margin	11.2%	13.8%	14.0%	14.0%	14.2%
EBITDA Growth	6.0%	35.3%	-1.2%	6.3%	4.2%
Depn. & Amort.	75,210	78,810	93,744	98,990	98,321
EBIT	167,360	249,430	230,668	245,852	260,952
Other Income	14,960	27,080	11,450	14,881	15,103
Finance Cost	38,580	34,190	37,932	38,091	39,824
PBT before Excep. & Forex	143,740	242,320	204,187	222,642	236,231
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	143,740	242,320	204,187	222,642	236,231
Taxes	38,570	63,350	57,096	62,253	66,246
Extraordinary Inc./Loss(-)	-3,640	-18,980	0	0	0
Assoc. Profit/Min. Int.(-)	20	30	0	0	0
Reported Net Profit	101,550	160,020	147,091	160,390	169,985
Adjusted Net Profit	105,190	179,000	147,091	160,390	169,985
Net Margin	4.9%	7.5%	6.3%	6.5%	6.7%
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	66.1	72.1	76.4
Diluted EPS Growth	2.4%	70.2%	-17.8%	9.0%	6.0%
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	204,187	222,642	236,231
Depn. & Amort.	75,210	78,810	93,744	98,990	98,321
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	6,490	-38,650	7,666	61,069	51,604
Others	3,280	-7,740	0	0	0
Taxes Paid	-38,570	-63,350	-57,096	-62,253	-66,246
Operating Cash Flow	190,170	211,420	248,501	320,448	319,909
Capex	-157,280	-245,490	-242,437	-301,037	-324,637
Free Cash Flow	32,890	-34,070	6,064	19,411	-4,728
Inc (-) / Dec in Investments	-13,280	-87,140	44,580	0	0
Others	19,310	18,440	4,440	4,440	4,440
Investing Cash Flow	-151,250	-314,190	-193,417	-296,597	-320,197
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	48,658	34,458	35,258
Others	0	10	404	11	11
Financing Cash Flow	-48,230	66,860	44,622	30,029	30,829
Inc / Dec (-) in Cash	-9,310	-35,910	99,706	53,880	30,541
Opening Cash Balance	153,680	144,370	108,460	208,166	262,046
Closing Cash Balance	144,370	108,460	208,166	262,046	292,587

Source: Company, JM Financial (Note: Others includes Aleris acquisition and FX translation gains/losses apart from other items)

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,061,460	1,237,090	1,384,181	1,544,571	1,714,555
Share Capital	2,220	2,220	2,220	2,220	2,220
Reserves & Surplus	1,059,240	1,234,870	1,381,961	1,542,351	1,712,335
Preference Share Capital	0	0	0	0	0
Minority Interest	110	120	524	535	546
Total Loans	563,560	639,290	687,948	722,406	757,664
Def. Tax Liab. / Assets (-)	93,440	104,710	104,710	104,710	104,710
Total - Equity & Liab.	1,718,570	1,981,210	2,177,363	2,372,221	2,577,475
Net Fixed Assets	1,266,770	1,439,530	1,588,223	1,790,270	2,016,586
Gross Fixed Assets	1,630,725	1,750,915	2,146,647	2,447,563	2,772,079
Intangible Assets	260,750	266,830	266,830	266,830	266,830
Less: Depn. & Amort.	773,375	852,185	945,929	1,044,919	1,143,240
Capital WIP	148,670	273,970	120,675	120,796	120,917
Investments	154,440	241,580	197,000	197,000	197,000
Current Assets	897,860	978,800	1,054,183	1,121,289	1,139,977
Inventories	408,120	488,010	477,077	507,427	486,207
Sundry Debtors	164,040	198,340	165,387	162,377	166,700
Cash & Bank Balances	144,370	108,460	208,166	262,046	292,587
Loans & Advances	181,330	183,990	203,553	189,440	194,483
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	600,500	678,700	662,043	736,338	776,088
Current Liabilities	574,110	651,890	636,103	710,398	750,148
Provisions & Others	26,390	26,810	25,940	25,940	25,940
Net Current Assets	297,360	300,100	392,140	384,951	363,889
Total - Assets	1,718,570	1,981,210	2,177,363	2,372,221	2,577,475

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	4.9%	7.5%	6.3%	6.5%	6.7%
Asset Turnover (x)	1.3	1.3	1.1	1.1	1.0
Leverage Factor (x)	1.7	1.6	1.6	1.6	1.5
RoE	10.5%	15.6%	11.2%	11.0%	10.4%

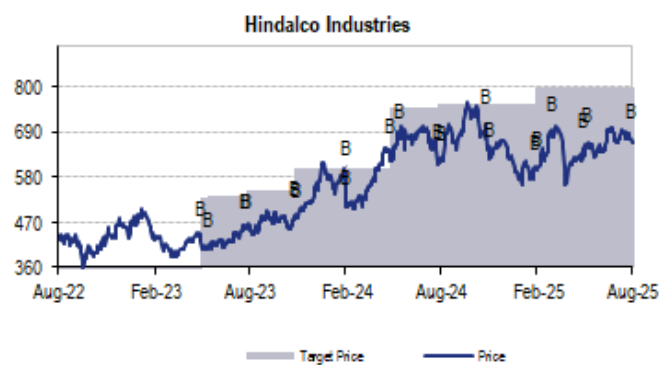
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	477.3	556.3	622.4	694.5	771.0
ROIC	9.5%	12.9%	10.4%	10.2%	9.9%
ROE	10.5%	15.6%	11.2%	11.0%	10.4%
Net Debt/Equity (x)	0.4	0.3	0.3	0.3	0.2
P/E (x)	14.1	8.3	10.1	9.2	8.7
P/B (x)	1.4	1.2	1.1	1.0	0.9
EV/EBITDA (x)	7.7	5.8	5.9	5.5	5.3
EV/Sales (x)	0.9	0.8	0.8	0.8	0.7
Debtor days	28	30	26	24	24
Inventory days	69	75	75	75	70
Creditor days	109	116	116	122	126

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
10-May-23	Buy	530	
24-May-23	Buy	535	0.9
3-Aug-23	Buy	540	0.9
8-Aug-23	Buy	550	1.9
7-Nov-23	Buy	600	9.1
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

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 Email: instcompliance@jmfl.com

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

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.