RATING HOLD | CMP INR 1,109 | TP INR 1,126

Hindalco Industries (HNDL IN)

Q4FY26 Result Update

May 23, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Hold		Accumulate	
Target Price	1,126		1,043	
Sales (INR mn)	3,285	3,470	2,990	3,148
% Chng.	*9.9*	*10.2*		
EBITDA (INR mn)	428	480	420	449
% Chng.	*1.9*	*6.9*		
EPS (INR)	106.8	116.1	109.4	112.1
% Chng.	*(2.4)*	*3.6*		

Key Data	HALC.BO | HNDL IN
BSE Code	500440
NSE Code	HINDALCO
52-W High / Low	INR 1,115 / INR 617
Face Value	1
Sensex / Nifty	75,415 / 23,719
Market Cap	INR 2,493 bn / $ 26,048 mn
Shares Outstanding	2247.23 mn
3M Avg. Daily Value	INR 6,454.89 mn

Shareholding Pattern (%)	
Promoters	34.64
FIIs	34.13
Mutual Funds	11.37
Domestic Institutions	10.10
Public & Others	9.76
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	6.7	18.5	42.6	70.8
Relative	11.1	30.2	61.2	83.3

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	2,385	2,749	3,285	3,470
EBITDA (INR mn)	328	352	428	480
Margin (%)	*13.8*	*12.8*	*13.0*	*13.8*
PAT (INR mn)	169	204	237	258
EV (INR mn)	2,868	3,202	3,244	3,171
Total Debt (INR mn)	619	967	971	871
C&C Eq. (INR mn)	98	144	106	79
EPS (INR)	76.0	91.7	106.8	116.1
Gr. (%)	*66.6*	*20.6*	*16.5*	*8.7*
DPS (INR)	5.0	5.0	5.0	6.0
Yield (%)	*0.5*	*0.5*	*0.5*	*0.5*
RoE (%)	*14.7*	*15.6*	*16.0*	*15.0*
RoCE (%)	*15.4*	*13.8*	*14.3*	*15.1*
EV/Sales (x)	1.2	1.2	1.0	0.9
EV/EBITDA (x)	8.7	9.1	7.6	6.6
PE (x)	14.6	12.1	10.4	9.6
P/BV (x)	2.0	1.8	1.5	1.3

India smelting ahead, Novelis healing gradually

Quick Pointers

- 1FY27: AL CoP to rise 5% QoQ; FY27 hedge at 29% of metal at $3,013/t and 14% of currency at INR 90.13/$.
- Oswego restart expected in the next few weeks, while Bay Minette remains on track for full commissioning in 2HCY26.

We downgrade our rating to 'Hold' from 'Accumulate' with a revised TP of INR 1,126 (earlier INR 1,043) valuing Hindalco India biz at higher multiple of 7x EV of Mar'28E EBITDA (earlier 6x) on expectation of stronger EBIDTA on higher LME prices (benefitted by disruption in Middle East smelters). We maintain same 6.5x multiple on Novelis as it is still recovering from multiple issues viz. Oswego fire incident, higher tariffs, higher leverage and potential risk of higher scrap pricing. Hindalco Industries (HNDL) delivered largely in-line Q4 cons operating performance, supported by continued strong India performance and sequential improvement in Novelis. Ally hedging and overall inflationary environment for fuel/ raw materials is expected to limit India FY27 EBITDA. Captive mining is still few quarters away and production start from Chakla is delayed to Q4FY27 now Vs H1FY27 earlier.

Novelis reported better than expected quarter with adjusted EBITDA/t of $544 (PLe $509) aided by higher premiums over LME, although shipments were 4% lower YoY adjusting for Oswego volume loss. Estimated FCF loss has increased to $1.7bn now and deleveraging will only start from FY28 as capex intensity reduces post completion of Bay Minette (BM). Although volume would improve on weak base & commissioning of BM, tight scrap market would weigh on EBITDA/t till the long-term mitigation efforts don't show material impact. As Oswego hot mill restarts in next few weeks, volumes are expected to improve from Q2FY27 while planned cost savings would aid Novelis EBITDA. As the tightness in physical aluminium market is expected to flow in CY27 due to damage to potlines in Middle East, LME prices are expected to remain elevated for next few quarters; which will support domestic smelters. Hindalco India business is expected to remain buoyant on a) higher LME, b) consistent improvement in downstream volumes, c) coal supply from captive Chakla/Bandha mines over next few quarters would drive savings, d) commissioning of Aditya refinery & phase 1 smelter by Dec'27 would aid upstream volumes. We raise our FY27/28E EBITDA by 2/7% incorporating higher LME ($3,292/$3,325), higher Novelis EBITDA/t ($510/540); negating higher RM costs. At CMP, the stock is trading at EV of 7.6x/6.6x FY27/28E EBITDA. Hold.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	*% Var.*	Q4'25A	*YoY gr. (%)*
Net Sales (INR bn)	776	781	*0.7*	649	*20.4*
EBITDA (INR bn)	98	100	*1.8*	88	*13.4*
Margin (%)	*12.7*	*12.8*	*14 bps*	*13.6*	*s-80 bps*
PAT (INR bn)	88	109	*24.4*	53	*107.6*

Source: Company, PL

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Strong performance across aluminium and copper businesses: Standalone AL revenue grew 12% YoY while copper revenue grew 52% YoY. Upstream AL revenue was up 11% YoY on better realization [although much lower (3%) than avg LME (12% YoY) due to hedging] and EBITDA up 13% due to strong operating performance. CoP up only 1% YoY at $1,926/t. Upstream EBITDA/t at $1,758/t. Downstream revenue was up 35% YoY on account of higher shipments (18% YoY to 124kt) and realization. EBITDA up 16% YoY supported by favorable product mix and higher shipments. (Downstream EBITDA/t at $225/t). Copper revenue was up 52% YoY despite 17% decline in CCR sales (offset by strong operational performance and higher realization in by-products like sulphuric acid) and higher realization (avg LME CU up 15%) while EBITDA was aided by higher sulphuric acid realisation which is expected to continue in Q1FY27.. AL upstream sales volumes grew 2% YoY to 339kt, downstream sales volumes grew 18% YoY to 124kt. Blended realization for AL business inched up 8% QoQ to INR 277k/t (up 6% YoY) while copper business realization improved 16% QoQ to INR 1,730k/t (up 60% YoY).

Robust EBITDA growth in India: Standalone EBITDA grew 72% YoY to INR 51.46bn (+21% QoQ) on higher LME, higher upstream profitability and higher copper contribution. Cons. EBITDA grew 13% YoY at INR 100bn (25% QoQ; PLe INR 98.3bn) on strong India performance and Novelis getting tad better. Cons. reported PAT down 51% YoY to INR 25.97bn. Exceptional items include INR 41.71bn. Exceptional expenses (net of insurance) related to both fires stood at INR 45.65bn ($ 500mn) and INR 1.07bn ($12mn) of business interruption insurance recovery. Novelis recognized INR 3.94bn ($43mn) of property insurance recoveries as exceptional income and INR 3.76bn ($41mn) of business interruption recoveries under other income. Cons. net debt increased by INR 54bn QoQ to INR 648bn. Net debt to EBITDA increased to 1.83 vs (1.73 in Q3FY26).

Novelis benefits from higher premiums while Bay Minette advances: Novelis's revenue grew 4.4% YoY to $ 4.78bn (+14% QoQ; PLe of USD4.54bn) on higher LME & premium (up 25% YoY) which partially offset lower volumes. Average realization improved 10% QoQ to $ 5,672/t (+18% YoY Vs PLe of USD5,354/t) on higher premiums over LME. Bay Minette cold mill began commissioning in March; project remains on track for full plant commissioning in 2HCY2026. FY27 capex is expected to be in a range of $ 2.1-2.4bn, including ~$ 350mn for maintenance capex.

North America weakness offset by strength across other regions: Shipments of flat rolled products (FRP) was down 12% YoY to 844kt (+4.3% QoQ, PLe 849kt) impacted by North America's lower shipments & unfavorable product mix due to twin fire incident at Oswego and softness in some specialties markets due to geo-political conditions. The hot mill is expected to restart in the next few weeks, ahead of previous estimate end of June. **North America:** FRP Shipments declined 20% YoY in N.A. to 302kt. EBITDA/t declined 39% YoY in N. A. to $ 245/t; Lower shipments & unfavorable product mix mainly due to Oswego fires. **Europe:** volumes grew 7% YoY to 284kt; EBITDA/t grew 35% YoY to $ 528/t in Europe. Higher automotive shipments to support North America; Less favorable metal benefit and higher YoY net insurance recovery related to 2024 Sierre flood. **Asia:** volumes grew 14% YoY to 230kt; Asia EBITDA/t fell 30% YoY to $ 309/t. Higher beverage packaging and automotive shipments to support North America; Unfavorable product mix **South America:** Volumes were up 8% YoY to 177kt.EBITDA/t was up 18% YoY to $ 927/t. Higher beverage packaging shipments to support North America; Favorable forex and metal benefit due to improved scrap prices. Novelis's adjusted EBITDA/t was up 10% YoY to $ 544/t (+27% QoQ; PLe USD 509/t).

HNDL Q4FY26 Concall Highlights:

- Alumina sales stood at 210kt in Q4FY26 and mgmt expects 170kt sales in Q1FY27.
- **Hedging for FY27**: 29% of metal exposure at $3,013/t and 14% of currency at INR90.13/$.
- **Q4FY26 hedge**: 64% of metal at $2,807/t and 26% of currency at INR88/$.
- Aluminium CoP to rise 5% QoQ in Q1FY27, driven by higher furnace oil prices, Calcine Pet Coke and CT Pitch inflation.
- Resilient demand in packaging, electrical and automotive segments globally and in India.
- Coal mix in Q4FY26 comprised 61% linkage coal, 37% e-auction and rest captive.
- Western smelters ops costs higher by $300-400/t vs HNDL smelter.
- Spot TcRc at negative $100/t amid mine supply disruptions at Grasberg and Cobre Panama.
- MJP premium has risen to $380/t due to supply tightness and higher freight costs, narrowing the gap between domestic and export realizations.
- Global aluminium inventories have declined sharply to 8mt (~40 days of demand), aided by West Asia-related supply disruptions.
- Sulphuric acid prices remain elevated due to ME disruptions and China export restrictions, supporting strong copper profitability in Q1FY27 too.
- Global AL market surplus of 0.5mt in Q4FY26, China production at 11mt and RoW capacity additions led by Indonesia and Spain.

India capex & leverage

- Aditya Alumina Refinery and Aditya Aluminum Smelter projects continue to progress on schedule.
- Phase-1 (180kt) of the aluminium smelter expansion is expected to be commissioned by Dec'27, followed by Phase-2 (180kt) by Dec'28.
- RE capacity ramped up from 190MW in FY25 to 470MW at the end of FY26 with further addition of 53MW in Q1FY27 in wind power.
- Chakla coal mine received Stage-1 Forest clearance; box cut expected within next two months with first coal likely from Q4FY27.
- Bandha coal mine completed box cut in Q4FY26; however, production ramp up will be delayed owing to high strip ratio.
- Meenakshi coal mine: In forest stage 1 approval and mgmt. expects faster ramp-up once operational given stripping ratio less than 1.
- Aditya FRP plant continues to ramp up well while Battery enclosure (Chakan) facility has reached optimal utilization levels.
- Aditya Battery Foil and precipitated hydrate facilities were commissioned during the quarter; customer qualification is underway.

- **Copper downstream projects**: Inner grooved tube project undergoing trial runs while the AC fins unit at Taloja has began commissioning and customer qualification in progress.

- FY26 cons. capex stood at INR 316bn. FY27E India capex is guided at INR120bn while FY28E to rise to INR 150-170bn driven by copper smelter expansion and Aditya Phase-II ramp-up. Novelis FY27 capex is as planned at $2.3-2.4bn and thereafter it will moderate.

- Peak consolidated net debt is expected to remain within INR 800-900bn over the next two years. India business remained net cash positive with gross debt of INR 122bn and cash balance of INR 180bn.

- Alumina sales stood at 210kt in Q4FY26 and management expects 170kt sales in Q1FY27.

Novelis Q4FY26 Concall Highlights:

- Management expects the Oswego hot mill to restart in the next few weeks, ahead of the earlier end-June timeline. Ramp-up is expected to be quick to support automotive OEMs and beverage customers.

- Despite the Oswego disruption, management emphasized that underlying demand remains healthy; issues are operational rather than demand driven.

- Bay Minette project remains on track for full commissioning in 2HCY26, with customer qualification thereafter. Beverage can sheet demand outlook remains constructive over the medium term.

Oswego Fire Impact & Insurance Recovery

- **Financial Impact:** Total estimated free cash flow impact from the Oswego fire increased to ~$ 1.7bn vs earlier guidance of $ 1.3-1.6bn.

- Of this, management expects 70-75% recovery through comprehensive insurance.

- Net cash outflow from the fire is expected to be less than $ 500mn net of insurance recoveries. ‘

- **EBITDA Impact:** Q4FY26 EBITDA bridge: $ 53mn from Oswego fire, $ 27mn from tariffs +$41mn from Sierre flood insurance recovery.

- Total Oswego-related charge recorded below EBITDA, $577mn below EBITDA; $227mn excluding special items.

- **Shipment Impact:** Q4 volume impact from the fire was ~73kt. FY26 total shipment impact est at 150-200kt.

- **Insurance Recoveries:** Total fire-related P&L impact for FY26 is estimated at $ 925mn, which includes repair & restoration costs, incremental logistics and third-party sourcing costs and additional costs to serve customers through alternate supply arrangements (65-70% of total).

- **Working Capital:** Around $200mn working capital remains stuck in the system due to Oswego disruptions and is expected to reverse over the next two quarters.

Outlook

- Long-term target of $ 600/t EBITDA remains intact.

- Pre-fire operations were already nearing the $ 500/t level aided by favorable scrap conditions.

- Easier scrap conditions driven by lower industry operating rates, reduced procurement pressure and softer SHFE environment.

- Beverage can pricing contracts reset annually. Management indicated the overall pricing environment remains positive.

Cost Savings & Efficiency Initiatives

- Structural cost-saving target increased to $ 350-400mn by FY28, vs prior target of $ 300mn+.
- $125mn savings already reflected in FY26 earnings. Exited FY26 with more than $200mn annualized run-rate savings. Additional savings are expected over the next two years.
- Insurance-related costs increased by approximately $20mn post-Oswego fire. Novelis has implemented measures to contain future insurance cost escalation.
- Scrap sourcing initiatives continue through diversification into auto scrap and municipal recycling channels to improve long-term scrap availability and margins.

Bay Minette Project status

- Total capex spent so far is $3.2bn out of total $5bn.
- Cold mill commissioning began in March. Full plant commissioning remains on track for 2HCY26.
- Product Mix & Demand: ~2/3rd beverage packaging. Remaining for automotive sheet.
- Volume target: Bay Minette expected to support shipment ramp toward ~4mt by FY28.

Capex and Cash flow

- FY27 capex guidance- $ 2.1-2.4bn which includes $ 350mn maintenance capex
- Management expects capex intensity to reduce from Q4FY27 onward.
- Company expects to return to positive free cash flow by end-FY27.
- ~$ 1.1bn operating cash generation and taking out ~$ 350mn maintenance capex leaves ~$ 700mn annual cash generation potential.
- Ramp up to 600kt would take 18-24 months and costs linked to startup would be $150mn annually.

Leverage

- FY26-end liquidity stood at $2.8bn, including $950mn equity contribution from parent/shareholder.
- No further parental equity support required and no plans either to raise additional long-term debt
- Only plans to raise $ 500mn short-term bridge funding (~2 years tenure) to manage timing mismatch in cash flows.
- Net leverage at 4.1x. Expected to temporarily move into the higher 4s but end FY27 will be near 4x.

Tariffs

- Tariff impact in Q4FY26 estimated at $27mn.
- Management suggested underlying profitability remains resilient despite tariff headwinds.
- **Energy Costs & Hedging**: Europe- 2/3rd energy hedged currently. Q4 energy exposure was fully hedged; Brazil- 50% hedged; Korea- Conservative hedging strategy maintained.

- Management stated there has been no significant earnings impact yet from higher Middle East-related energy inflation.

Exhibit 1 : India capex: status & timeline

Upstream Projects	Target Commissioning	Current Status
Captive Coal Mines	Chakla – H1FY27 Bandha – FY27 Meenakshi – FY29	FC 1 approval received Box Cut Done FC 1 in progress
Aditya Alumina Refinery	FY28	+90% PO placed for packages +30% construction completed
Aditya Aluminium Smelter Ph 1 (181Kt)	FY28	+90% PO placed for packages
Aditya Aluminium Smelter Ph 2 (193Kt)	FY29	On Track
Copper Smelter	FY29	On Track

Downstream Projects	Current Status
Aditya FRP	Scaling-up production to reach optimal utilization
Battery Enclosure (Chakan)	Fully ramped up to its optimal levels
Copper Inner Grooved Tubes (Vadodara)	Undergoing trial runs
AC Fins (Taloja)	Began commissioning; customer qualification in progress

Downstream Projects	Current Status
Aditya Battery Foil	Commissioned
Precipitate Hydrate	Commissioned; customer qualification in progress
Copper E Waste & Recycling	To be Commissioned in FY27

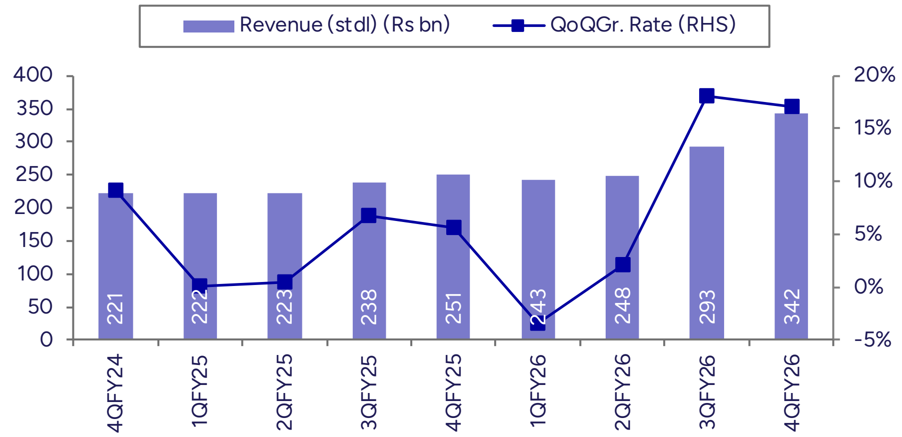
Source: Company, PL

Exhibit 2 : Q4FY26 Result Overview - Consolidated

Y/e March	4QFY26	4QFY25	*YoY gr. (%)*	4QFY26E	*% Var.*	3QFY26	*QoQ gr. (%)*	FY26	FY25	*YoY gr. (%)*
Net Sales	**781.3**	**648.9**	***20.4***	**776.0**	***0.7***	**665.2**	***17.5***	**2749.4**	**2385.0**	***15.3***
Raw material	520.0	401.9	*29.4*	492.0	*5.7*	425.0	*22.4*	1906.6	1615.1	*18.0*
% of Net Sales	*66.6%*	*61.9%*		*63.4%*		*63.9%*		*0.7*	*0.7*	
Staff Cost	44.3	39.3	*12.6*	50.4	*-12.1*	43.5	*1.7*	171.5	154.1	*11.3*
% of Net Sales	*5.7%*	*6.1%*		*6.5%*		*6.5%*		*0.1*	*0.1*	
Other expenses	116.9	119.4	*-2.1*	135.2	*-13.6*	116.8	*0.1*	319.3	287.6	*11.0*
% of Net Sales	*15.0%*	*18.4%*		*17.4%*		*17.6%*		*0.1*	*0.1*	
Total expenditure	681.2	560.5	*21.5*	677.6	*0.5*	585.3	*16.4*	2397.4	2056.7	*16.6*
EBITDA	**100.2**	**88.4**	***13.4***	**98.4**	***1.8***	**79.9**	***25.3***	**352.0**	**328.2**	***7.2***
Margin (%)	*12.8%*	*13.6%*		*12.7%*		*12.0%*		*0.1*	*0.1*	
Depreciation	23.8	21.2	*12.1*	23.2	*2.2*	22.2	*7.0*	91.5	89.0	*2.8*
EBIT	**76.4**	**67.2**	***13.8***	**75.1**	***1.7***	**57.7**	***32.4***	**260.5**	**239.2**	***8.9***
Other income	10.3	7.0	*46.4*	7.8	*30.6*	5.5	*86.7*	28.9	27.1	*6.7*
Interest	10.4	8.7	*19.2*	8.7	*19.8*	8.8	*18.3*	34.8	34.2	*1.8*
PBT	**76.3**	**65.4**	***16.5***	**74.3**	***2.7***	**54.4**	***40.1***	**254.6**	**232.1**	***9.7***
Extraordinary income/(expense)	-41.7	0.1	*NA*	-30.0	*NA*	-26.1	*NA*	-69.6	-8.8	*NA*
PBT (afer EO)	**34.6**	**65.5**	***-47.3***	**44.3**	***-22.0***	**28.3**	***22.0***	**185.0**	**223.3**	***-17.2***
Tax	8.5	12.7	*-32.5*	16.3	*-47.6*	7.8	*9.5*	51.1	63.4	*-19.4*
Reported PAT	**26.0**	**52.8**	***-50.8***	**28.0**	***-7.1***	**20.5**	***26.8***	**134**	**160**	***-16.3***
Minority interest	0.0	0.0	*NA*	0.0	*NA*	0.0	*NA*	0	0	*NA*
Share of profit/(losses) in Associates	0.0	0.0	*NA*	0.0	*NA*	0.0	*NA*	0	0	*NA*
Net Profit attributable to shareholders	**26.0**	**52.8**	***-50.9***	**28.0**	***-7.2***	**20.5**	***26.7***	**134**	**160**	***-16.3***

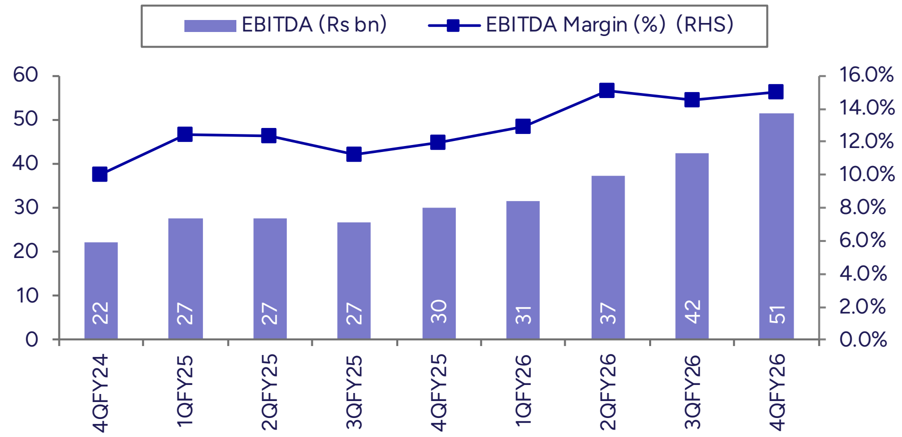
Source: Company, PL

Exhibit 3 : Std. revenue grew 36% YoY, driven by broad-based growth across all business segments



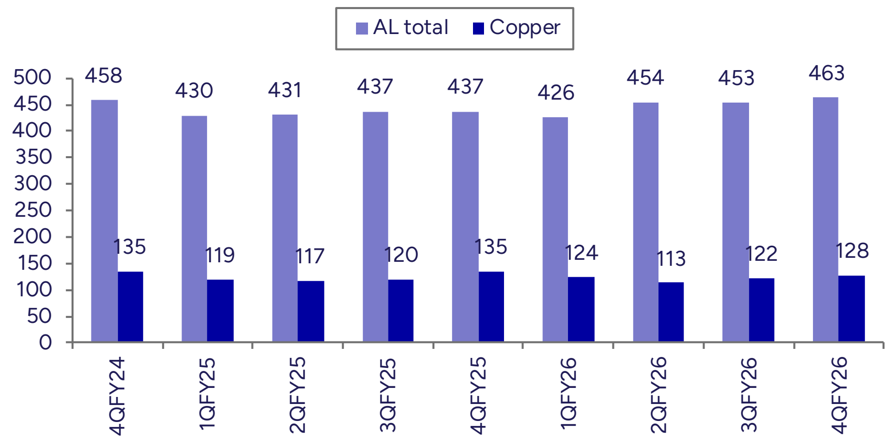
Source: Company, PL

Exhibit 4 : Std. EBITDA margins remain steady on higher upstream & copper by-products prices



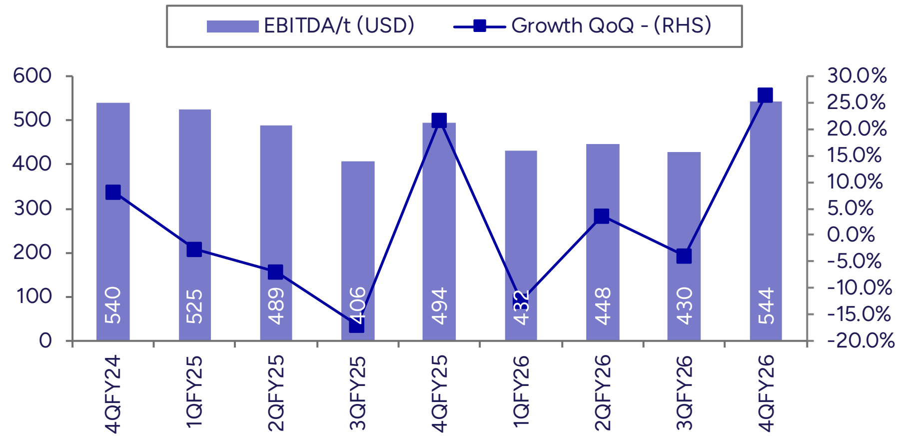
Source: Company, PL

Exhibit 5 : AL volumes increased 6% YoY while CU volumes lower 5% YoY



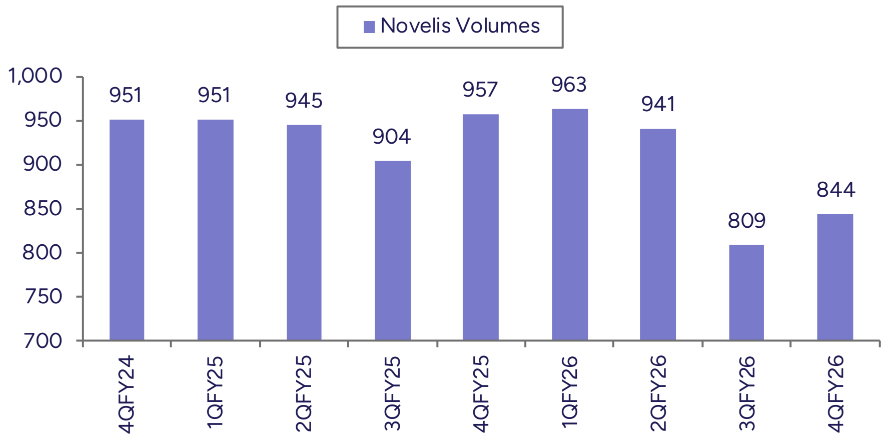
Source: Company, PL

Exhibit 6 : Novelis Adj. EBITDA/t up 26% QoQ to $544/t



Source: Company, PL

Exhibit 7 : Novelis volumes down 12% YoY due to Oswego twin fire



Source: Company, PL

Exhibit 8 : Target Price calculation

(In Rs bn)	Mar'28 PLe	EV/EBITDA (x)	EV
Novelis EBITDA	195	6.5	1,266
HNDL India EBITDA	285	7	1,994
Net debt			729
Equity value			2,530
Per share equity value			**1,126**

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**2,385**	**2,749**	**3,285**	**3,470**
YoY gr. (%)	*10.4*	*15.3*	*19.5*	*5.7*
Cost of Goods Sold	1,471	1,770	2,366	2,489
Gross Profit	914	979	918	981
Margin (%)	*38.3*	*35.6*	*28.0*	*28.3*
Employee Cost	154	171	191	204
Other Expenses	432	456	299	297
EBITDA	**328**	**352**	**428**	**480**
YoY gr. (%)	*35.3*	*7.2*	*21.6*	*12.1*
Margin (%)	*13.8*	*12.8*	*13.0*	*13.8*
Depreciation and Amortization	89	91	87	91
EBIT	**239**	**261**	**341**	**388**
Margin (%)	*10.0*	*9.5*	*10.4*	*11.2*
Net Interest	34	35	36	40
Other Income	27	29	9	10
Profit Before Tax	**223**	**185**	**314**	**358**
Margin (%)	*9.4*	*6.7*	*9.6*	*10.3*
Total Tax	63	51	77	100
Effective Tax Rate (%)	*28.4*	*27.6*	*24.5*	*28.0*
Profit After Tax	**160**	**134**	**237**	**258**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**169**	**204**	**237**	**258**
YoY gr. (%)	*66.6*	*20.6*	*16.5*	*8.7*
Margin (%)	*7.1*	*7.4*	*7.2*	*7.4*
Extra Ord. Income / (Exp)	(9)	(70)	-	-
Reported PAT	**160**	**134**	**237**	**258**
YoY gr. (%)	*57.6*	*(16.3)*	*77.1*	*8.7*
Margin (%)	*6.7*	*4.9*	*7.2*	*7.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	160	134	237	258
Equity Shares O/s (mn)	**2**	**2**	**2**	**2**
EPS (INR)	**76.0**	**91.7**	**106.8**	**116.1**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**1,761**	**1,952**	**2,239**	**2,476**
Tangibles	1,592	1,783	2,061	2,298
Intangibles	169	169	178	178
Acc: Dep / Amortization	**862**	**954**	**1,041**	**1,132**
Tangibles	749	840	928	1,019
Intangibles	113	113	113	113
Net Fixed Assets	**899**	**1,007**	**1,198**	**1,343**
Tangibles	843	943	1,134	1,279
Intangibles	56	64	64	64
Capital Work In Progress	274	495	512	521
Goodwill	267	296	296	296
Non-Current Investments	149	191	191	191
Net Deferred Tax Assets	(88)	(46)	(46)	(46)
Other Non-Current Assets	35	48	48	48
Current Assets				
Investments	105	79	79	79
Inventories	488	755	902	953
Trade Receivables	198	272	325	344
Cash & Bank Balance	108	148	111	84
Other Current Assets	51	75	75	75
Total Assets	**2,660**	**3,478**	**3,849**	**4,045**
Equity				
Equity Share Capital	2	2	2	2
Other Equity	1,235	1,364	1,590	1,836
Total Networth	**1,237**	**1,366**	**1,592**	**1,839**
Non-Current Liabilities				
Long Term Borrowings	562	756	761	661
Provisions	7	8	8	8
Other Non Current Liabilities	72	79	79	79
Current Liabilities				
ST Debt / Current of LT Debt	57	211	211	211
Trade Payables	406	616	736	778
Other Current Liabilities	192	338	359	366
Total Equity & Liabilities	**2,660**	**3,478**	**3,849**	**4,045**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	223	185	314	358
Add. Depreciation	79	88	87	91
Add. Interest	34	35	36	40
Less Financial Other Income	27	29	9	10
Add. Other	(14)	2	(9)	(10)
Op. Profit before WC Changes	322	310	428	480
Net Changes-WC	(23)	(142)	(60)	(21)
Direct Tax	(55)	(65)	(77)	(100)
Net Cash from Op. Activities	**244**	**103**	**292**	**359**
Capital Expenditures	(204)	(298)	(296)	(245)
Interest / Dividend Income	9	12	9	10
Others	(52)	21	-	-
Net Cash from Invt. Activities	**(247)**	**(266)**	**(286)**	**(235)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	62	282	5	(100)
Dividend Paid	(8)	(11)	(11)	(11)
Interest Paid	(40)	(48)	(36)	(40)
Others	(31)	(14)	-	-
Net Cash from Fin. Activities	**(17)**	**209**	**(43)**	**(151)**
Net Change in Cash	**(20)**	**46**	**(37)**	**(27)**
Free Cash Flow	38	(198)	(4)	114

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	**642**	**661**	**665**	**781**
YoY gr. (%)	*12.7*	*13.5*	*13.9*	*20.4*
Raw Material Expenses	409	416	425	520
Gross Profit	233	245	240	261
Margin (%)	*36.2*	*37.0*	*36.1*	*33.4*
EBITDA	**79**	**90**	**80**	**100**
YoY gr. (%)	*5.4*	*13.7*	*5.4*	*13.4*
Margin (%)	*12.3*	*13.6*	*12.0*	*12.8*
Depreciation / Depletion	21	22	22	24
EBIT	**58**	**68**	**58**	**76**
Margin (%)	*9.1*	*10.3*	*8.7*	*9.8*
Net Interest	8	8	9	10
Other Income	6	7	5	10
Profit before Tax	**57**	**69**	**81**	**118**
Margin (%)	*8.8*	*10.4*	*12.1*	*15.1*
Total Tax	17	18	8	9
Effective Tax Rate (%)	*29.5*	*26.1*	*9.7*	*7.2*
Profit After Tax	**40**	**51**	**73**	**109**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**40**	**51**	**73**	**109**
YoY gr. (%)	*7.2*	*3.4*	*90.6*	*107.6*
Margin (%)	*6.2*	*7.7*	*10.9*	*14.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**40**	**51**	**73**	**109**
YoY gr. (%)	*7.2*	*3.4*	*90.6*	*107.6*
Margin (%)	*6.2*	*7.7*	*10.9*	*14.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**40**	**51**	**73**	**109**
Avg. Shares O/s (mn)	2	2	2	2
EPS (INR)	**17.8**	**22.7**	**32.4**	**48.7**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	76.0	91.7	106.8	116.1
CEPS	116.1	132.9	146.1	157.3
BVPS	557.2	615.2	717.1	828.2
FCF	16.9	(89.4)	(1.8)	51.4
DPS	5.0	5.0	5.0	6.0
Return Ratio (%)				
RoCE	15.4	13.8	14.3	15.1
ROIC	11.3	10.1	11.4	11.3
RoE	14.7	15.6	16.0	15.0
Balance Sheet				
Net Debt : Equity (x)	0.3	0.5	0.5	0.4
Net Working Capital (Days)	43	55	55	55
Valuation (x)				
PER	14.5	12.0	10.3	9.5
P/B	1.9	1.8	1.5	1.3
P/CEPS	9.5	8.3	7.5	7.0
EV/EBITDA	8.7	9.0	7.5	6.6
EV/Sales	1.2	1.1	0.9	0.9
Dividend Yield (%)	0.4	0.4	0.4	0.4
FCFF Yield (%)	1.5	(8.1)	-	4.6
PEG Ratio	0.2	0.5	0.6	1.0

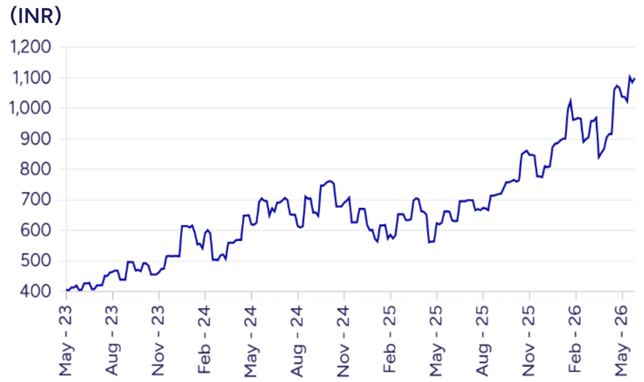
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Novelis volumes (mt)	3.8	3.6	3.7	3.8
Novelis EBITDA/t	501	561	510	540
Aluminium Price (USD/t)	2,523	2,702	3,292	3,325

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	Accumulate	1043	986
2	13-Feb-26	Hold	907	964
3	09-Jan-26	Accumulate	962	904
4	08-Nov-25	Accumulate	846	790
5	08-Oct-25	BUY	883	768
6	13-Aug-25	Accumulate	762	667
7	08-Jul-25	Accumulate	738	692
8	21-May-25	Accumulate	724	663
9	23-Apr-25	BUY	736	620
10	08-Apr-25	BUY	736	562

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ACC	BUY	2188	1411
2	Adani Port & SEZ	BUY	1879	1657
3	Ambuja Cement	BUY	524	445
4	Dalmia Bharat	BUY	2287	1919
5	Hindalco Industries	Accumulate	1043	986
6	Jindal Stainless	Accumulate	821	779
7	Jindal Steel	Accumulate	1289	1223
8	JK Cement	Accumulate	6017	5566
9	JK Lakshmi Cement	BUY	765	620
10	JSW Cement	Accumulate	142	127
11	JSW Infrastructure	Buy	342	284
12	JSW Steel	Accumulate	1381	1297
13	National Aluminium Co.	Hold	413	399
14	NMDC	Accumulate	95	84
15	Nuvoco Vistas Corporation	Buy	474	305
16	Shree Cement	Accumulate	27907	24975
17	Steel Authority of India	Accumulate	209	192
18	Tata Steel	Accumulate	247	217
19	Ultratech Cement	BUY	13835	12010

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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