Hindalco Industries

Metals & Mining

Ushering in a new era of growth

We attended Hindalco Industries' (HNDL) Investor Day. Key points: 1) Long-term capacity growth aspirations in India; 2) focus on value-added products dovetailing with domestic requirements; 3) speciality alumina likely to be the next growth vertical; 4) targeting long-term steady state EBITDA for Novelis at USD 600/te; and 5) enough balance sheet headroom to follow prudent capital allocation. Taking cognisance of long-term growth opportunities in India business, we raise valuation multiple for India business to 6x (earlier 5.5x). That said, we also raise capex for FY26/27E, in line with management's guidance. All in all, our revised TP works out to INR 765 (earlier INR 730) on blended EV/EBITDA of 6.3x (earlier 6x) FY27E EBITDA. Maintain **BUY**.

Targeting growth

In next couple of years, we see HNDL targeting capacity expansion, profitability improvement and cost reduction at both Novelis and India operations. Key points: 1) Resources securitisation to result in EBITDA/te improvement of USD 200; 2) downstream focus in domestic operations likely to result in 4x EBITDA by FY30 compared to FY24; 3) speciality alumina to be the next growth vector with new-age products; and 4) operating leverage, cost optimisation and higher recycling could push EBITDA/te at >USD 600 for Novelis in long term. Going ahead, we believe various initiatives would start getting reflected in financials beyond FY27, primarily when captive coal blocks in India get operationalised and Bay Minette project at Novelis completes.

Prudent capital allocation framework

In near term, we expect capex to increase as the company focuses on both upstream and downstream expansion in India and completion of Bay Minette project. Over the next three years, we expect capex of INR 320-400bn for India operations and USD 3bn for Novelis. However, key capital allocation priorities include: 1) Target leverage of 2x on consolidated basis- India: 1.5x and Novelis: 2.5x; 2) USD 10bn of growth capex currently under execution; and 3) 8-10% of free cashflow post maintenance capex and working capital needs. With India operations in net cash position and Novelis to start debt reduction post FY28, we see enough headroom for the company to pursue growth opportunities.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	21,59,620	26,82,044	28,57,736	29,35,950
EBITDA	2,38,720	3,08,158	3,31,785	3,30,234
EBITDA Margin (%)	11.1	11.5	11.6	11.2
Net Profit	1,01,550	1,45,125	1,59,763	1,47,280
EPS (INR)	45.6	65.2	71.7	66.1
EPS % Chg YoY	0.8	43.2	10.1	(7.8)
P/E (x)	14.6	10.2	9.3	10.0
EV/EBITDA (x)	7.6	5.8	5.3	5.5
RoCE (%)	7.5	9.8	9.9	8.7
RoE (%)	10.9	13.7	13.4	11.0

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Market Data

Market Cap (INR)	1,492bn
Market Cap (USD)	17,438mn
Bloomberg Code	HNDL IN
Reuters Code	HALC.BO
52-week Range (INR)	773 /558
Free Float (%)	65.0
ADTV-3M (mn) (USD)	45.1

Price Performance (%)	3m	6m	12m
Absolute	11.9	(12.8)	16.7
Relative to Sensex	15.1	(3.1)	14.0

ESG Score	2023	2024	Change
ESG score	**62.6**	**64.7**	**-2.1**
Environment	44.7	53.2	-8.5
Social	61.2	65.8	-4.6
Governance	76	75.8	0.2

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

15-02-2025: Q3FY25 results review

11-02-2025: Q3FY25 Novelis results

Outlook: On growth path

Over the next five years, we see Hindalco getting future-ready with focus on capacity expansion at both downstream and upstream operations in India and Novelis, cost optimisation programme and higher contribution from new-age products. While capex is expected to increase, we believe earnings would be robust enough to maintain consolidated net debt/EBITDA at <2x. Taking cognisance of growth opportunities in India in the long term and better profitability beyond FY27E, we raise EV/EBITDA multiple for India business to 6x (earlier 5.5x). That said, we also raise capex for FY26/27E, in line with management's guidance. All in all, our revised TP works out to INR 765 (earlier INR 730) on blended EV/EBITDA of 6.3x (earlier 6x) FY27E EBITDA. Maintain **BUY**.

Key risks

- Sharp drop in LME Al or metal premium.
- Lower-than-expected spreads at Novelis.
- Slower-than-expected ramp up of Indian downstream capacity.

India operations: Two-pronged target

HNDL's strategic imperatives in India include: 1) Double down upstream aluminium and copper capacities; 2) targets 4x EBITDA from downstream operations by FY30 compared to FY24 levels.

Management expects aluminium consumption at 8% CAGR overall while downstream demand at 9% CAGR over the next 10 years. Hence, management is focusing on strengthening both downstream and upstream operations in next three years.

Exhibit 1: India aluminium industry consumption

(Kte)	FY25E	FY30E	FY35E	CAGR(%)
Domestic Demand	5,501	8,205	11,373	8%
Primary	3,025	4,445	5,957	
Secondary	2,476	3,760	5,416	
Downstream Demand	1,718	2,572	3,908	9%
Extrusion	763	1,253	2,049	
Rolled	955	1,319	1,859	

Source: Company data, I-Sec research

All the industries currently served by the company are expected to show 7-8% CAGR over the next 10 years. Hence, management is targeting capacity across all value streams- upstream and downstream aluminium and speciality alumina.

Exhibit 2: India aluminium industry consumption – by industry

	FY25E	FY35E	CAGR(%)	Applications
Building & Construction	460	944	8%	Façade, Formwork, Roofing, Hardware, etc.
Packaging	420	806	7%	Foils (Flexible, Pharmaceutical, Household Foils, Semi-Rigid Containers), Closures / Caps and Beverage Cans
Transport / Auto	1,831	3,747	7%	Engine castings, Auto Fin / Clad, Cylinder Blocks, Alloy Wheels, Steering Wheels, CMS, etc.
Others	2,789	5,826	8%	Wire, Frames and Mounting Structures for Solar Modules, Cables / Conductors, Lugs, Heat Sinks, Transformers, Consumer Durable, etc.

Source: Company data, I-Sec research

In case of copper, management is targeting to spread across the value chain and increase its exposure in downstream business. Currently, TC/RC margins are at historically lower level of USc 5-7/lb, hence, value chain up to copper cathode level may not be profitable. Going ahead, management expects TC/RC margins to rebound to historical average of USc 16-18/lb as higher copper concentrate supply comes on board; however, by then certain copper refining capacities might be curtailed as they would become unviable in light of low TC/RC margins.

Refined copper consumption in India is expected to grow by 8% CAGR through to FY35 with various sectors likely to show 8-9% growth.

Exhibit 3: Refined copper consumption

(Kte)	FY25E	FY35E	CAGR(%)
Consumption	1,129	2,540	8%

Source: Company data, I-Sec research

Exhibit 4: Refined copper consumption – by industry

	FY25E	FY35E	CAGR(%)	Applications
Transport	180	384	8%	Electric Motors, Batteries, Inverters, Wiring and Charging Infrastructure
New Age Lifestyle	167	356	8%	Copper Tubes in ACs, Refrigerators, Wiring Systems, Micro Processors and Copper Alloys, etc.
Urbanisation and Smart Cities	396	927	9%	Wires and Cables, Pipes, Tubing, and Smart Systems
Reliable Clean Energy Infra	111	271	9%	Renewable Energy Systems, T&D Systems, and Hydro / Thermal Power Systems
IoT Enabled Industry	141	307	8%	Electrical Motors and Sensors, Electronics and Cables
Others	134	295	8%	Kitchenware / Cookware, Copper Films / Sheets, Copper Alloy Articles

Source: I-Sec research, Company data

Speciality alumina is a new emerging area where the company is focusing on more than doubling its capacity by converting Muri refinery to speciality alumina refinery.

The demand for speciality alumina in domestic market is expected to increase by 8%- 2x global market with batteries, electronics and defence as the primary growth areas. In batteries, domestic CAGR over the next 10 years is expected to be 30% compared to global 20%. Similarly in electronics, domestic demand could grow by 21% CAGR over the next 10 years compared to just 10% CAGR for global.

Exhibit 5: Specialty alumina global consumption

(Kte)	FY25E	FY35E	CAGR(%)
Consumption	8,996	13,062	4%

Source: Company data, I-Sec research

Exhibit 6: Specialty alumina global consumption – by industry

	FY25E	FY35E	CAGR(%)	Applications
Flame Retardants	672	1,203	6%	Wire & Cables, Electrical & Electronics, Transport and Building & constructions
Advanced Ceramics and Catalyst	546	1,179	8%	Automotive (Brake pad, Sparkplug, etc.), Defence, Chemical, Petrochemical, and Medical
Refractories	2,100	3,109	4%	Steel Industry, Cement, Glass
Batteries	45	279	20%	Renewable Energy Systems, T&D Systems, and Hydro / Thermal Power Systems
Electronics	315	817	10%	Electrical Motors and Sensors, Electronics and Cables
Standard Ceramics	1,470	2,394	5%	Kitchenware / Cookware, Copper Films / Sheets, Copper Alloy Articles

Source: I-Sec research, Company data

Exhibit 7: Specialty alumina domestic consumption

(Kte)	FY25E	FY35E	CAGR(%)
Consumption	730	1,586	8%

Source: Company data, I-Sec research

Exhibit 8: Specialty alumina domestic consumption – by industry

	FY25E	FY35E	CAGR(%)	Applications
Flame Retardants	47	191	15%	Wire & Cables, Electrical & Electronics, Transport and Building & constructions
Advanced Ceramics and Catalyst	36	112	12%	Automotive (Brake pad, Sparkplug, etc.), Defence, Chemical, Petrochemical, and Medical
Refractories	292	757	10%	Steel Industry, Cement, Glass
Batteries	1	14	30%	Renewable Energy Systems, T&D Systems, and Hydro / Thermal Power Systems
Electronics	1	7	21%	Electrical Motors and Sensors, Electronics and Cables
Standard Ceramics	75	147	7%	Kitchenware / Cookware, Copper Films / Sheets, Copper Alloy Articles

Source: I-Sec research, Company data

Hence, ongoing capex projects are on both upstream and downstream sides in aluminium and copper.

Exhibit 9: Expansion projects

Strong Platform		Investments Underway	Investments Under Evaluation
	**Fully integrated operations** First quartile position in global cost curve Captive bauxite mines **More than 100% recycling of bauxite residue (excluding Utkal)**	Aditya **180 KTPA** smelter expansion with RE power Resource Security: Captive energy source Aditya Alumina Refinery Phase 1: **850 KTPA** with bauxite tie-up from OMC	Brownfield Smelter expansion at Aditya and Mahan: **540 KTPA** **Low carbon energy sources** Aluminium recycling in India Brownfield Alumina Refinery Expansion of additional **850 KTPA**
	**Leading downstream player** Unique advantage of upstream integration State of the art Extrusion and FRP plants	**170 KTPA** FRP expansion at Aditya Investment in finishing assets (Battery Foil, Coating Lines)	Battery Enclosures expansion Branded portfolio under 'Eternia' in Doors, Windows, Facades, Modular Kitchen

Source: I-Sec research, Company data

The total investment in projects under execution is likely to be USD 5bn over the next three years, of which about INR 70bn has already been incurred. Management expects capex in FY26 to be INR 70bn and peak in FY27 at INR 150-160bn as various expansion projects, particularly aluminium get underway.

Exhibit 10: India- key projects under execution

Projects	Plant/Region	Capacity (Kte)	Estimated Investments (USD mn)	Status / Estimated Commissioning
Aluminium Upstream			2,030.0	
Aditya Alumina Greenfield Project	Rayagada	850.0	840.0	FY28
2 Aluminium Smelter Expansion	Aditya	180.0	1,120.0	FY28
Green Energy Projects (RTC) and 400 KV Lines: (Equity Investment Under Group Captive)	Aditya / Mahan	200 MW	70.0	FY26/27
Coal Mines			445.0	
Chakla	Odisha	4.5 MTPA	225.0	FY26
Meenakshi	Jharkhand	10-12 MTPA	220.0	FY29
Aluminium Downstream			710.0	
FRP Casting and Cold Rolling	Aditya / Hirakud	170.0	450.0	Q1FY26
Coasted AC Fins (Under PLI Schemes)	Taloja	26.0	50.0	Q1FY26
Extrusions: Die Manufacturing	Silvassa	5000 nos	25.0	Commissioned
Aluminium Bicycle Parts	Chakan, Pune	26.0	50.0	FY26
Battery Foil Mill	Aditya	24.0	100.0	FY26
Battery Enclosures	Pune	6.5	25.0	Commissioned
Copper Upstream				
Copper Smelter	Gujarat	300.0	1,130.0	FY29
Copper and E-waste Recycling	Gujarat	50.0	290.0	FY26
Continuous Copper Cast Rods	Gujarat	300.0	60.0	FY26
Copper Infra Projects	Dahej	NA	155.0	FY29
Copper Downstream				
IGT	Vadodara	22.5	65.0	Commissioned
Copper battery foil	Gujarat	11.5	240.0	FY28
Specialty Alumina				
Precipitate Hydrate	Belagavi	20.0	35.0	Q1FY26
White Fused Alumina	Aditya	60.0	30.0	FY27

Source: I-Sec research, Company data

The additional EBITDA/te from domestic operations is expected to get the significant lift up from captive coal, due to commencement from FY27.

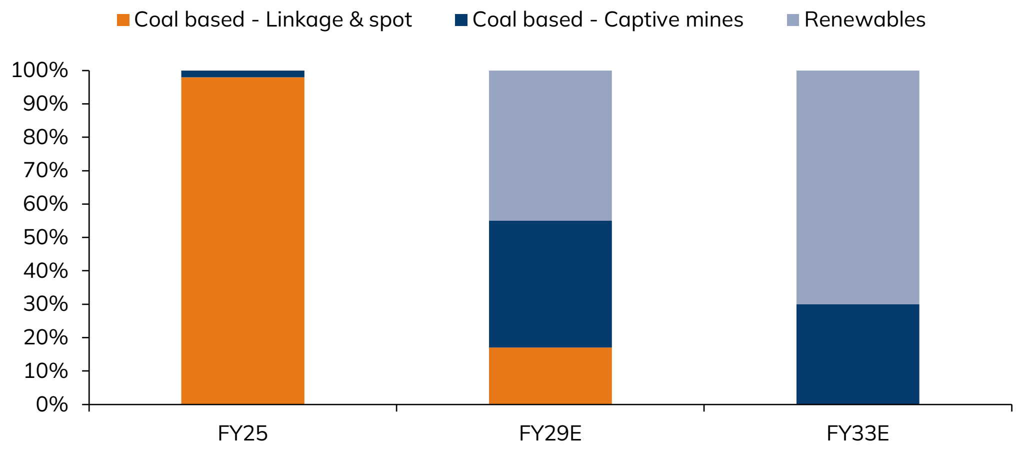
Exhibit 11: Cost advantages from capacity expansion across streams

Capacity	Current capacity	Under execution	Post ramp up	Additional EBITDA (USD/te)	Driver
Primary Aluminium capacity (ktpa)	1,340	180	1,520	200	Resource security
Copper shipments (ktpa)	506	350	856	100	Premium products
Aluminium downstream capacity (ktpa)	430	170	600	120	Premium products
Speciality Alumina (ktpa)	414	585	1,000	50	Premium products

Source: I-Sec research, Company data

At India-aluminium operations, captive coal may account for 35-40% of the total requirement by FY29E. By FY33E, almost 70% of the total coal requirement (on enhanced capacity) would be met by captive sources. This would be enabled by the ramp up of Chakla and Meenakshi mines.

Exhibit 12: Coal security at India-aluminium operations

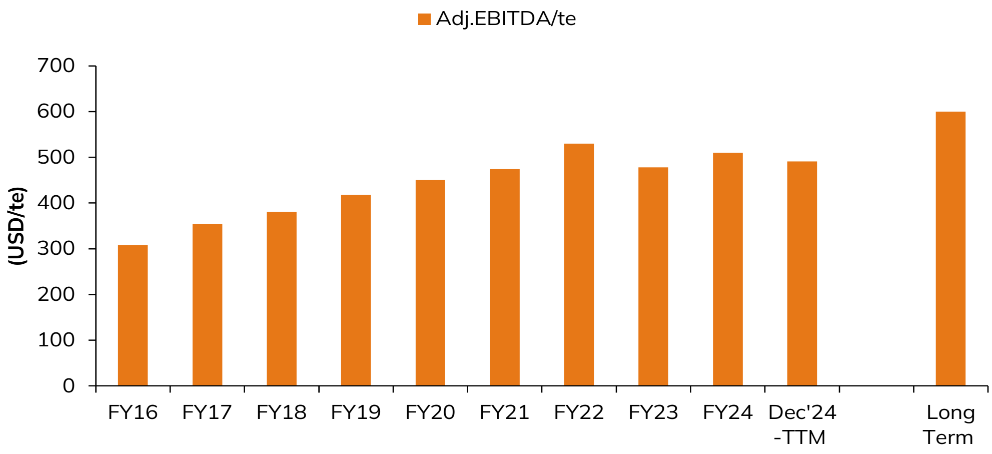


Source: I-Sec research, Company data

Novelis: Eyeing USD 600/te plus EBITDA in long term

Novelis has undergone transformation from USD 305/te of EBITDA in FY16 to USD 500/te by FY24. This was on the account of product mix- shift towards auto grade steel and volume uptick. While volume uptick stood at mere 2% CAGR during this period, the major driver for EBITDA/te improvement was better product mix.

Exhibit 13: Novelis' EBITDA/te over the years



Source: I-Sec research, Company data

Now, the management is targeting EBITDA/te of >USD 600 from Novelis in the long term led by: 1) Operating leverage from scale, pricing and product mix; 2) operating efficiencies; and 3) increasing recycling inputs.

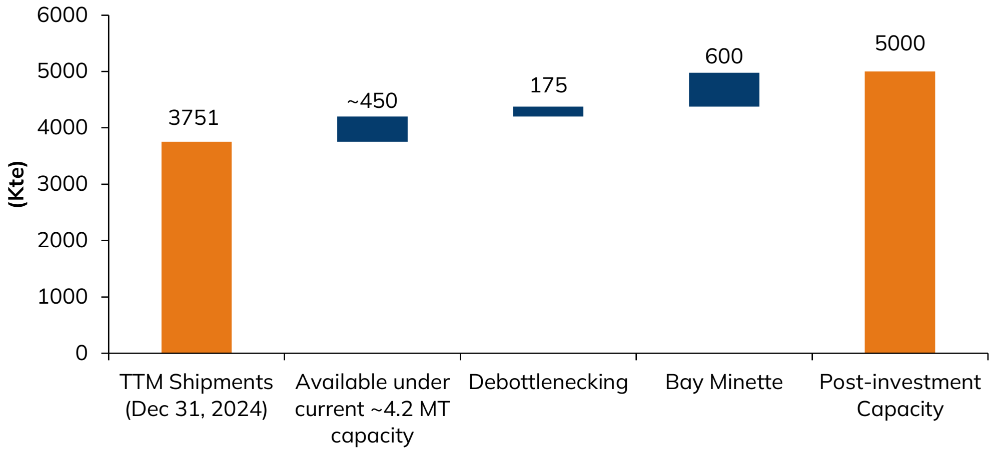
Operating leverage from scale, pricing and product mix

Current global capacity utilisation at 90% requires investments to support the likely market growth. Demand and shipments growth is likely to lead to scale benefits as business model is inherently fixed cost heavy- almost 66% of cost is fixed.

Currently, debottlenecking projects are underway at existing plants to unlock capacity and drive operating leverage with high returns. Novelis expanded capacity by 100ktpa in Brazil in the past at USD 1,650/te of cost, resulting in payback period of less than 2 years. Currently, the key projects underway are:

- Logan, US: 80ktpa capacity for automotive and beverage can markets likely to be commissioned in Q1FY26 at a cost of USD 2,000/te.
- Oswego, UK: 65ktpa capacity for automotive and speciality markets, set to be commissioned by FY26 at an estimated cost of USD 2,000/te.
- Pinda, Brazil: 30ktpa of beverage can capacity, likely to be commissioned in FY26 at a cost of USD 1,500/te.

Exhibit 14: Capacity roll up



Source: I-Sec research, Company data

Bay Minette project could yield EBITDA/te of >USD 1,000/te

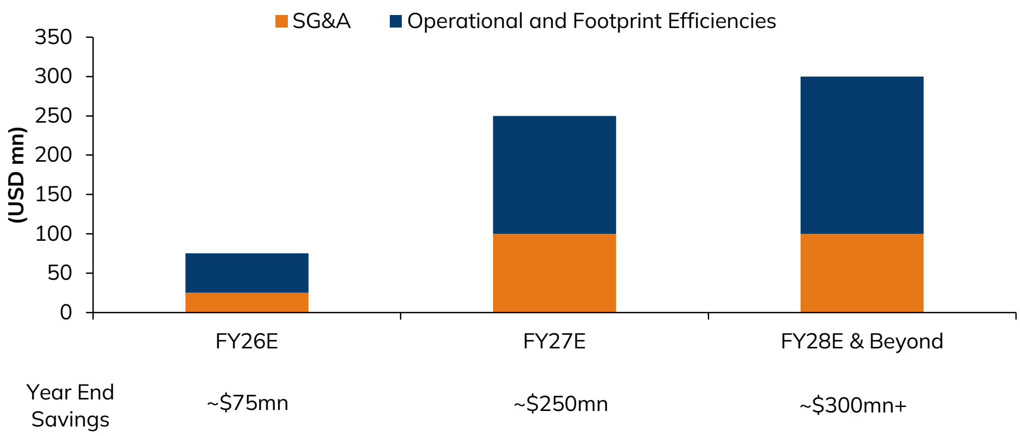
Based on the already contracted capacity of 420kte, management expects Bay Minette project to yield EBITDA/te of >USD 1,000/te. Currently, 85% of engineering is complete; hence, there is no scope of cost escalation. Of the total estimated capex of USD 4.1bn, almost USD 1.5bn has been spent until FY25 and the remaining will be spent over the next three years. The plant may be ready for commissioning by H2CY26E.

There is scope to double the capacity at Bay Minette at an investment of USD 1,500/te, which would make the project in entirety, significantly value accretive.

Targeted initiatives to lower cost

Management is targeting to lower the fixed cost by USD 300mn annually, of which USD 100mn would be towards SG&A and USD 200mn for operational efficiencies. Management is focusing on shutting down obsolete capacities. For instance, two plants, one at Richmond, US, producing 30kt of CR sheets and the other one at Fairmont, West Virginia, producing heat exchanger sheets do not fit in the overall product strategy and hence are being shut down. That said, management is targeting on full utilisation of automotive finishing line in China as it fits with the overall product strategy.

Exhibit 15: Cost-reduction initiatives

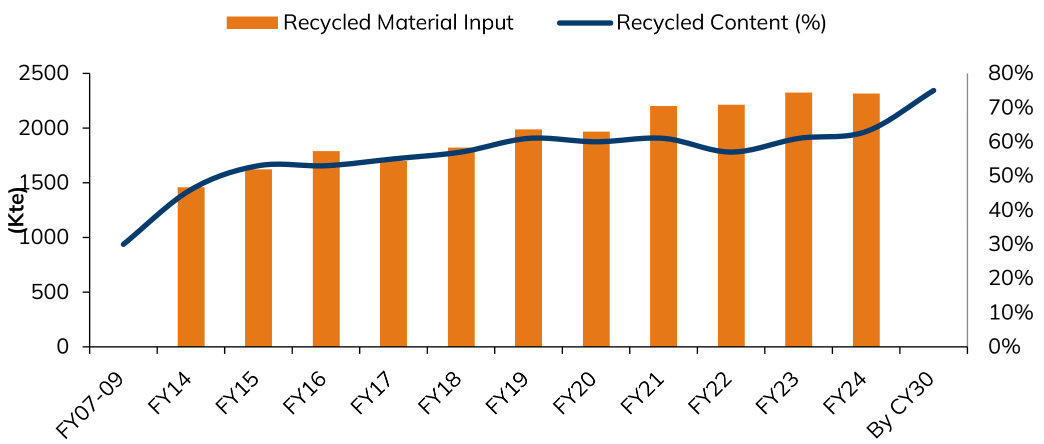


Source: I-Sec research, Company data

Increasing recycling content

Novelis' recycled content more than doubled in the last 15 years and is an important enabler for reducing cost. Besides, scrap sourcing being local in nature is also not vulnerable to the impact of tariffs. Management is targeting to increase the recycling content to 75% by CY30 from current level of 63%.

Exhibit 16: Recycling trend at Novelis



Source: I-Sec research, Company data

Project status at Novelis

Bulk of investment projects at Novelis, announced earlier as a part of USD 5bn capex plan, are either complete or may be completed during FY26E. Bay Minette forms the bulk of the investment and is likely to complete by H2CY26E.

Exhibit 17: USD 5bn could be invested over the next three years

Location	Primary Markets Supported	Rolling Cpacity (Kte)	Estimated Investments (USD mn)	Status / Estimated Commissioning
Oswego, US	Specialties, Auto	65	130	Phase 1 complete in FY24; Phase 2 est. FY26
Guthrie, US	Auto		365	Commissioned FY25
Bay Minette, US	Can, Auto	600	4,100	FY27
Logan, US	Can, Auto	80	150	FY26
UAL, South Korea	All		50	Commissioned FY25
Yeongju, South Korea	Can	50	20	Commissioned FY24
Pinda, Brazil	Can	30	50	Phase 1 complete in FY24; Phase 2 est. FY26
Latchford, UK	Can		90	FY27
			~USD 5bn	

Source: I-Sec research, Company data

Looking beyond the current investments

HNDL's transformation journey over the past 10 years has been two pronged:

- Between FY14-21, the company built scale by commissioning 360ktpa each Aditya and Mahan greenfield smelters and 1.5mtpa Utkal Alumina refinery and strengthened its balance sheet from FY14-21. At Novelis, Autolines were commissioned resulting in significant growth in profitability.
- Between FY21-FY25, the company expanded horizons led by acquisitions, primarily Aleris. On organic front, the company forayed increasingly into downstream capacity in India.

Exhibit 18: Transformation journey

Building Scale (FY14-21)	Expanding Horizons (FY21-25)
Commissioned Large Projects (Aditya, Mahan & Utkal)	Organic and Inorganic investments in downstream **Inorganic**: Aleris, Kuppam and Ryker **Organic**: Silvassa Extrusion, Battery Enclosure, Chakan and Aditya FRP)
Debt Reduction and Balance Sheet strengthening	Resilience during the Covid period
Holistic Framework towards ESG	Cost efficient debottlenecking
Scaling up Recycling and Automotive Sheet	

Source: I-Sec research, Company data

As a result, EBITDA and EPS showed significant increase between FY14 and FY25 (ttm). RoE in FY25 (ttm) at 11.9% was 2x FY14. Leverage came down sharply from 6.6x in FY14 to 1.3x in FY25.

Exhibit 19: Performance drivers

(INR mn)	FY14	FY25 TTM
EBITDA	93,030	3,24,010
EPS (INR)	10.9	62.5
RoE (%)	5.7	11.9
Net Debt/EBITDA (x)	6.6	1.3

Source: I-Sec research, Company data

In our view, beyond the currently envisaged investments, the company is already evaluating projects in India, including further brownfield expansion of aluminium capacity at Aditya and Mahan. On downstream front, doubling of capacity by another 170ktpa is also under evaluation. Similarly, various value-added products in copper and speciality alumina divisions are being planned.

At Novelis, while the scope of inorganic expansion is limited, management might consider doubling the capacity at Bay Minette once the 600ktpa capacity is ramped up fully.

Exhibit 20: India growth summary

Current Capacity / Shipments (Kte)	Key Projects Under Execution	Key Projects Under Evaluation	Total Capacity (KTPA)
1,340	Aditya Smelter Expansion: 180 KT	Aditya Smelter Expansion: 180 KT Mahan Expansion: 360 KT	>2000
3,740	Aditya Refinery: 850 KT	Aditya Refinery: 850 KT	>5500
430	Aditya FRP Phase 2A: 170 KT	FRP Expansion: 170 KT Extrusion and Others: 30 KT	>800
506	Copper Smelter: 300 KT Inner Grove Tubes: 25 KT Recycling: 50 KT	Copper Smelter: 300 KT Inner Grove Tubes: 25 KT Recycling: 150 KT	>1200
414	Precipitate Hydrate: 20 KT White Fused Alumina: 60 KT Various value-added products	Various Value-added products (White Fused, Precipitate Hydrate, Tabular and Others)	>1000

Source: I-Sec research, Company data

Prudent capital allocation strategy

The annual cash generation at India and Novelis is ~USD 1bn each. While India operations have net cash position, net debt/EBITDA at Novelis is 2.9x. We believe the capex increase in near term in India can be adequately supported by the cashflow generated at India operations. Peak capex is expected at INR 140-150bn in FY27E.

At Novelis, the capex is likely to taper off post FY27E and the company could be on deleveraging path from FY28E.

Exhibit 21: Sufficient balance sheet strength to pursue growth

	India	Novelis	Consolidated
Annual cash generation	~$1Bn	~$1Bn	~$2Bn
Net Debt/EBITDA	(0.12)x	2.9x	1.33x

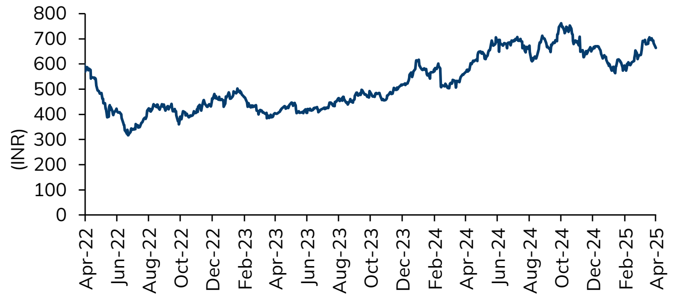
Source: I-Sec research, Company data

Exhibit 22: Shareholding pattern

%	Jun'24	Sep'24	Dec'24
Promoters	34.6	34.6	34.6
Institutional investors	55.5	56.7	57.1
MFs and others	13.2	12.9	13.3
FIs/Banks	1.1	2.2	2.4
Insurance	9.6	8.7	8.5
FIIs	31.6	32.9	32.9
Others	9.9	8.7	8.3

Source: Bloomberg, I-Sec research

Exhibit 23: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 24: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**21,59,620**	**26,82,044**	**28,57,736**	**29,35,950**
Operating Expenses	19,20,900	23,73,885	25,25,952	26,05,715
EBITDA	**2,38,720**	**3,08,158**	**3,31,785**	**3,30,234**
EBITDA Margin (%)	11.1	11.5	11.6	11.2
Depreciation & Amortization	75,210	81,879	88,394	97,674
EBIT	1,63,510	2,26,279	2,43,390	2,32,560
Interest expenditure	38,580	34,822	34,920	34,550
Other Non-operating Income	14,960	8,789	11,972	5,209
Recurring PBT	**1,39,890**	**2,00,245**	**2,20,442**	**2,03,219**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	38,570	55,120	60,680	55,939
PAT	1,01,320	1,45,125	1,59,763	1,47,280
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**1,01,550**	**1,45,125**	**1,59,763**	**1,47,280**
Net Income (Adjusted)	**1,01,550**	**1,45,125**	**1,59,763**	**1,47,280**

Source Company data, I-Sec research

Exhibit 25: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	8,23,430	8,44,799	8,88,508	8,43,276
of which cash & cash eqv.	1,44,370	71,318	1,09,003	28,943
Total Current Liabilities & Provisions	4,81,940	5,58,043	5,77,963	5,92,145
Net Current Assets	**3,41,490**	**2,86,756**	**3,10,545**	**2,51,131**
Investments	1,21,720	1,21,720	1,21,720	1,21,720
Net Fixed Assets	7,71,510	8,21,418	8,61,760	9,47,454
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,46,430	2,57,473	3,66,737	5,01,368
Total Intangible Assets	3,23,360	3,23,360	3,23,360	3,23,360
Other assets	1,32,550	1,32,550	1,32,550	1,32,550
Deferred Tax Assets	-	-	-	-
Total Assets	**18,37,130**	**19,43,347**	**21,16,741**	**22,77,653**
Liabilities				
Borrowings	**5,99,830**	**5,99,830**	**5,99,830**	**5,99,830**
Deferred Tax Liability	**93,440**	**93,440**	**93,440**	**93,440**
provisions	62,350	62,350	62,350	62,350
other Liabilities	19,940	19,940	19,940	19,940
Equity Share Capital	2,220	2,220	2,220	2,220
Reserves & Surplus	10,59,240	11,65,457	13,38,851	14,99,763
Total Net Worth	**10,61,460**	**11,67,677**	**13,41,071**	**15,01,983**
Minority Interest	110	110	110	110
Total Liabilities	**18,37,130**	**19,43,347**	**21,16,741**	**22,77,653**

Source Company data, I-Sec research

Exhibit 26: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**2,40,560**	**2,43,509**	**2,96,973**	**2,58,859**
Working Capital Changes	(7,310)	(73,438)	(46,784)	(76,585)
Capital Commitments	(1,56,780)	(2,42,830)	(2,38,000)	(3,18,000)
Free Cashflow	**83,780**	**679**	**58,973**	**(59,141)**
Other investing cashflow	**14,020**	**(4,843)**	**(4,843)**	**(4,843)**
Cashflow from Investing Activities	(1,42,760)	(2,47,673)	(2,42,843)	(3,22,843)
Issue of Share Capital	-	-	-	-
Interest Cost	(39,120)	(34,822)	(34,920)	(34,550)
Inc (Dec) in Borrowings	(36,900)	-	-	-
Dividend paid	(6,670)	(7,795)	(7,795)	(7,795)
Others	(25,480)	-	-	-
Cash flow from Financing Activities	(1,08,170)	(42,618)	(42,715)	(42,346)
Chg. in Cash & Bank balance	**(10,370)**	**(46,782)**	**11,414**	**(1,06,330)**
Closing cash & balance	1,18,010	71,318	1,09,003	28,943

Source Company data, I-Sec research

Exhibit 27: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	45.5	65.2	71.7	66.1
Adjusted EPS (Diluted)	45.6	65.2	71.7	66.1
Cash EPS	79.4	101.9	111.4	110.0
Dividend per share (DPS)	3.5	3.5	3.5	3.5
Book Value per share (BV)	476.6	524.3	602.1	674.4
Dividend Payout (%)	7.7	5.4	4.9	5.3
Growth (%)				
Net Sales	(3.2)	24.2	6.6	2.7
EBITDA	5.3	29.1	7.7	(0.5)
EPS (INR)	0.8	43.2	10.1	(7.8)
Valuation Ratios (x)				
P/E	14.6	10.2	9.3	10.0
P/CEPS	8.4	6.5	6.0	6.0
P/BV	1.4	1.3	1.1	1.0
EV / EBITDA	7.6	5.8	5.3	5.5
P / Sales	0.7	0.6	0.5	0.5
Dividend Yield (%)	0.5	0.5	0.5	0.5
Operating Ratios				
Gross Profit Margins (%)	38.0	34.2	33.1	32.9
EBITDA Margins (%)	11.1	11.5	11.6	11.2
Effective Tax Rate (%)	27.6	27.5	27.5	27.5
Net Profit Margins (%)	4.7	5.4	5.6	5.0
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.3	0.3	0.3	0.3
Net Debt / EBITDA (x)	1.4	1.3	1.1	1.4
Profitability Ratios				
RoCE (%)	7.5	9.8	9.9	8.7
RoE (%)	10.9	13.7	13.4	11.0
RoIC (%)	9.0	11.3	11.3	9.7
Fixed Asset Turnover (x)	-	-	-	-
Inventory Turnover Days	70	72	67	64
Receivables Days	28	31	29	28
Payables Days	59	65	63	59

Source Company data, I-Sec research

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