RATING BUY | CMP INR 318 | TP INR 385

PL Capital
PRABHUDAS LILLADHER

National Aluminium Co. (NACL IN)

Q2FY27 Result Update

November 03, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		Accumulate	
Target Price	385		392	
Sales (INR bn)	230	230	232	232
% Chng.	*(0.7)*	*(0.8)*		
EBITDA (INR bn)	112	104	114	104
% Chng.	*(2.2)*	*(0.6)*		
EPS (INR)	45.1	42.1	46.2	42.5
% Chng.	*(2.4)*	*(0.9)*		

Key Data	NALU.BO | NACL IN
BSE Code	532234
NSE Code	NATIONALUM
52-W High / Low	INR 445 / INR 227
Face Value	5
Sensex / Nifty	76,918 / 23,811
Market Cap	INR 583 bn / $ 6,156 mn
Shares Outstanding	1836.63 mn
3M Avg. Daily Value	INR 2,342.31 mn

Shareholding Pattern (%)

Promoters	51.28
FIIs	21.97
Mutual Funds	6.64
Domestic Institutions	5.07
Public & Others	15.04
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.2)	(13.9)	(20.5)	33.1
Relative	(11.4)	(12.0)	(20.5)	45.3

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	178	218	230	230
EBITDA (INR bn)	79	108	112	104
Margin (%)	*44.5*	*49.4*	*48.6*	*45.0*
PAT (INR bn)	58	78	83	77
EV (INR bn)	499	456	431	413
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	84	128	152	170
EPS (INR)	31.7	42.6	45.1	42.1
Gr. (%)	*9.1*	*34.5*	*6.0*	*(6.8)*
DPS (INR)	11.0	11.6	12.7	14.0
Yield (%)	*3.5*	*3.6*	*4.0*	*4.4*
RoE (%)	*29.1*	*31.7*	*27.1*	*21.4*
RoCE (%)	*39.4*	*42.9*	*36.8*	*29.0*
EV/Sales (x)	2.8	2.1	1.9	1.8
EV/EBITDA (x)	6.3	4.2	3.9	4.0
PE (x)	10.0	7.5	7.0	7.5
P/BV (x)	2.7	2.1	1.7	1.5

War-led cost strain; LT growth hinges on execution

Quick Pointers

- Margins impacted QoQ due to Caustic, CPC price inflation and HFO/LDO usage during monsoon quarter.
- FY27E alumina prod: 2.45mt, 0.15-0.2mt from new refinery.

NALCO delivered a tad weaker operating performance in Q2FY27 on weak LME, sharp jump in input costs mainly caustic soda, CPC and usage of HFO/LDO in rainy quarter. Higher metal volumes and better alumina realisations aided profitability. Metal volumes grew 8% YoY to 121kt, while alumina volumes declined 14% YoY to 340kt amid temporary export dispatch disruptions. EBITDA grew 25% YoY to INR24.1bn, while a sharp increase in raw material and power and fuel costs of 43% and 45% YoY, respectively, limiting sequential margin improvement. Mgmt. expects costs to remain around H1 levels, with some relief from lower fuel consumption and operational efficiencies in H2. As MENA smelters utilisation pick up, excess alumina is expected to get absorbed resulting in improved realizations (US$370-380/t in H2).

In medium term, NACL's earnings will remain largely driven by alumina/ aluminum pricing, with the next leg of volume growth dependent on its execution. The ongoing 1mtpa alumina refinery expansion is nearing completion, with mechanical completion now expected by Dec'26 and production likely to commence from early Jan'27. The proposed 0.5mtpa smelter expansion at Angul, along with the 1,080MW captive power plant, is targeted for commissioning around FY31E and will drive the next phase of capacity growth. Development of the Pottangi bauxite mine from early CY27 would further strengthen RM security and improve cost competitiveness. Timely completion and stabilization of the refinery, commencement of Pottangi, ramp up of coal mines, and progress on smelter along with CPP remain key monitorables. We cut FY27/28E EBITDA by 2%/1%, keeping LME assumptions unchanged at US$3,050/3,081, while factoring in INR appreciation. Every US$100 increase in ally prices would lead to ~5% upgrade in our NACL EBITDA. At CMP, the stock is trading at 3.9/4x EV of FY28/29E EBITDA. The stock has corrected over 15% over the past three months amid prolonged geopolitical uncertainty and concerns over restarting of MENA smelters. With global cost curves remaining at higher levels, we expect ally prices to sustain at current levels. We upgrade the stock to 'Buy' from 'Accumulate' earlier with revised TP of INR385 (from INR392, at same 5x EV/EBITDA).

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR bn)	53	54	*2.3*	43	*26.3*
EBITDA (INR bn)	26	24	*-5.7*	19	*25.2*
Margin (%)	*48.3*	*44.5*	*-378 bps*	*44.9*	*-39 bps*
PAT (INR bn)	19	18	*-3.0*	14	*28.0*

Source: Company, PL

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Revenue growth led by stronger metal segment, partly offset by softer alumina sales: Revenue grew 26% YoY to INR 54.2bn (+2% QoQ; PLe INR 53bn) on higher metal segment revenue while chemical segment sequential improvement was weaker than expected. Alumina sales volume declined both YoY and QoQ by 14% and 2% respectively to 340kt of which 305kt was exports (down 16% YoY), average NSR improved 15% QoQ to US$379/t. Metal volumes increased 8% and 7% YoY and QoQ to 121kt with 2kt of export volumes, average realization was down 8% QoQ to US$3,600/t (premiums to average LME improves 1.5pp QoQ to ~11.5%). Q2FY27 average LME Ally prices were down 9% QoQ while Alumina prices were up 2% QoQ.

Higher RM & power costs weighed on EBITDA margins: NACL's EBITDA grew 25% YoY to INR 24.1bn (-11% QoQ); lower than PLe INR 25.56bn on higher RM costs and increase in power & fuel expenses. RM costs inched up 47% YoY mostly on crude related inflation while power & fuel costs too increased 45% YoY. Other mfg expenses (+11% YoY) and employee costs (-7% YoY) were largely in-line. Assuming 3% QoQ inch up in alumina and metal sales volumes, Metal CoP works out at ~US$1,821/t for the quarter (+16% YoY & +9% QoQ). Reported PAT grew 28% YoY to INR 18.35bn (-8% QoQ, PLe INR 18.92bn) on higher other income.

Segmental information: Chemicals segment (alumina) revenue improved 8% QoQ to INR 16.92bn (-8% YoY, PLe INR 21.63bn) while aluminum segment revenue de-grew 1% YoY to INR 41.64bn on weak LME (+45% YoY; PLe INR 39.76bn). Segmental EBIT margin for alumina stood at 16.7% (down 60bps QoQ) while segmental EBIT margin for metal was down 6.1pp QoQ to 49.4% on lower LME (-9% QoQ to US$3,228/t).

Q2FY27 Conference Call Highlights:

Operations & Production

- Q2 alumina hydrate production stood at 556kt, while aluminum metal production stood at 120kt. Coal production increased 16.4% YoY to 1095kt.
- Aluminum metal production in H2 is expected to be higher than H1, supported by improved operating conditions and reduced monsoon-related disruptions.
- FY27 alumina production guidance lower slightly to 2.45mt, against the current production run rate of 2.3mt, with ~0.15-0.2mt expected from the new refinery.
- Alumina exports were impacted by Middle East-related shipping disruptions. NACL dispatched only one vessel in Oct'26 vs the usual four shipments per month (~ 120kt each). Six vessels are planned for Nov'26, with dispatches expected to normalize to four vessels per month thereafter.

Refinery Expansion

- 1mtpa refinery expansion is in the advanced stage of mechanical completion, with 35 of 50 packages completed and trials underway. Another 3-4 critical-path packages are at = 90-92% completion.
- Mechanical completion of all packages is targeted by end-Dec'26, followed by integrated trials and commencement of production in the last week of Dec or early Jan'27.
- The new refinery will require 4-5 months to reach full rated capacity. Management expects production of 0.75-0.8mt in FY28, against the rated 1mt capacity in the first year.
- The new refinery is expected to add ~0.2mt of incremental alumina production in H2FY27E, translating into ~INR1.5bn additional margin.
- The new refinery uses modern technology, including low- and high-pressure digestion, and is expected to improve operating efficiency and reduce specific caustic soda consumption.

Smelter Expansion & Captive Power

- Brownfield smelter expansion at Angul is running 1-3 months behind schedule. Tech license agreement with EGA has been signed, with DPR prep underway and expected to be completed by Jan/Feb'27, followed by board approval.
- Total capex for the smelter expansion is estimated at INR170-180bn. Package ordering is expected to be completed by Dec'27, while land acquisition is in the advanced stage and expected by Feb/Mar'27.
- Groundwork is expected to commence in Jan/Feb'28, with 3-3.5 years of execution. Mechanical completion is targeted by Dec'30, followed by commissioning in Q1FY31.
- Captive power plant for the new smelter will be developed through a 50:50 JV with NLC. The DPR is ready and will be placed before the board over the next 2-3 months, followed by package ordering.
- The 1,080MW power plant (4x270MW) will be developed as part of the overall smelter and power plant investment of ~INR250bn. The JV will source coal from NLC's nearby captive mines at production cost without any premium, ensuring fuel security and lowering power costs.
- Major capex outlay for the smelter and power plant is expected from FY29 onwards. Initial expenditure of INR2-3bn is likely towards groundwork and tech-related activities, followed by capex of INR50-60bn and INR70-80bn over the subsequent years.
- FY27 capex guidance maintained at INR18bn, of which INR8bn was incurred in H1.

Alumina & Aluminium Outlook

- Alumina spot realizations improved from US$324/t in Q1 to US$370-375/t in Q2, with certain spot transactions exceeding US$400/t, supported by refinery disruptions in China, Rusal and Australia. H1 alumina realization stood at INR33,200/t. Management expects H2 realization to improve to around INR35,000/t, an increase of around INR2,000/t.
- Alumina realizations are expected at US$370-380/t in H2FY27. Prices could move towards US$400/t if Middle East smelter restarts accelerate and shipping disruptions ease. Higher insurance and freight costs due to Strait of Hormuz disruptions are currently weighing on spot buyer bids.
- Global alumina market was expected to have a surplus of ~1.6mt in FY27. However, restarts of smelters in the ME and Indonesia are expected to absorb some of the surplus and support demand.
- Over the longer term, mgmt. expects alumina prices to remain ~12.5-13% of LME AL prices. At this ratio, alumina realizations would be ~US$370/t at current LME assumptions.
- Mgmt. expects pressure on alumina prices in FY28 due to incremental global supply, including new refinery capacity in Indonesia and VEDAL upcoming refinery, partly offset by additional smelter demand from the ME and Indonesia. Mgmt does not expect export NSR to exceed US$350/t over the longer term.
- NALCO is exploring 2-3-year LT supply agreements with smelters in the ME and other markets to secure better NSR, given expected excess alumina availability of ~2mt until its own smelter expansion is commissioned.
- AL metal pricing remains linked to LME, with ~95% of sales to domestic customers under annual MoUs for agreed quantities. Prices are revised every three days based on LME movements, along with premiums and import duties.

Cost & Margin Outlook

- Alumina CoP stood at ~INR24,000/t. Higher caustic soda prices are expected to add around INR500-600/t to costs in H2, partly offset by lower specific consumption and improved recovery during the dry season.
- Caustic soda prices increased from INR42,000/t in FY26 to INR46,900/t in H1FY27, with Q3 prices expected at ~INR49,000/t.
- Calcined petroleum coke (CPC) prices increased from INR44,600/t in FY26 to INR63,700/t in H1FY27, with Q3 prices expected at ~INR70,600/t.
- HFO/LDO prices have also increased significantly, costs rising from ~INR60,000/t in FY26 to INR 84,000 in H1 and further inching up to INR 1,15,000/t. Higher HFO consumption during the monsoon was due to coal shortages and higher moisture content; consumption is expected to decline in H2 as coal availability improves.
- H1 cost inflation has largely been absorbed. Mgmt. expects no significant further increase in CoP in H2, with corrective measures and improved technical parameters expected to reduce costs by INR500-1,000/t. Specific caustic soda consumption is targeted to decline by ~7kg over the next 6 months.
- H2 alumina margins are expected to remain broadly stable at Q2 levels. Management expects an additional INR3-3.5bn benefit to profitability in H2, incl. ~INR1.5bn from the new refinery, ~INR1bn from improved techno-economic parameters and INR0.5bn from non-recurrence of an additional royalty impact incurred in H1.
- Over the next 3-4 years, input costs are expected to increase by ~2-3% annually. Management expects to largely offset this through improved operating efficiency from the new refinery and higher aluminum and alumina NSR, thereby maintaining broadly similar margin levels until the new smelter is commissioned.

Power & Fuel Costs

- Power and fuel costs increased by ~INR3.17bn in H1 YoY, primarily due to higher fuel oil costs of INR2.56bn and increased grid power purchases of INR0.73bn.
- Coal rake availability to the integrated power plant was restricted as rakes were diverted to other thermal power plants amid industry-wide coal shortages. Coal stocks fell from the normal 15-day level to 1-2 days, while heavy rains and higher coal moisture led to increased HFO consumption. Coal stocks have since improved to 4-5 days, with mgmt. taking corrective measures and appointing consultants to improve coal availability
- Grid power purchases increased to INR1.23bn in H1FY27 from INR0.5bn in H1FY26, partly due to boiler shutdowns at the CPP and coal supply issues.

Mining & Raw Material Security

- Utkal coal mine production is targeted at 4.8mt in FY27E vs 4mt in FY26. H1 production stood at around 2.1mt, in line with the annual target run rate. EC for the higher production level is expected over the next 2-3 months.
- NALCO has an FSA for 6mt of coal but continues to use limited e-auction coal for blending due to quality issues in some FSA supplies. E-auction coal purchases declined to 196kt in H1FY27 from 516kt in FY26, with higher linkage and primary linkage coal being used instead.
- Pottangi bauxite mine development is underway through appointed MDO. Road development from the NH to the mine and other clearances remain key constraints, with resistance from local communities.

Discussions with the state govt and local stakeholders ongoing, and mgmt. expects to resolve the issues over the next 2-3 months.

- Pottangi mine has estimated reserves of 111mt. The MDO is expected to supply bauxite at ~INR426/t. Initial transportation by road will add ~INR490-500/t, compared with the current Panchpatmali bauxite cost of INR1,300-1,400/t.
- The 18km conveyor belt is expected to take 2-2.5 years to complete. 80-100 acres of the total 132 acres of private land are yet to be acquired, while forest department land has been handed over. Public hearings have been deferred, and land acquisition is expected to take another 6-8 months. Post conveyor commissioning, the incremental transportation cost is expected to decline to around INR100-150/t.
- Pottangi bauxite is expected to have better quality and lower reactive silica, reducing caustic soda consumption and improving refinery economics. The new refinery's improved tech and lower specific consumption are also expected to offset the initial higher transportation cost.
- The conveyor project is estimated to cost around INR1,000cr. Management expects the additional depreciation cost to be around INR100/t, while lower mining costs at Pottangi are expected to partly offset the transportation and depreciation costs. Once fully operational, Pottangi mining costs are expected to be broadly at par with existing mines.
- Panchpatmali North and Central block lease tenure is due for renewal in 2029, while the South block tenure extends to 2031. Mgmt. has initiated the process of appointing consultants for due diligence and expects renewal under applicable provisions for PSU captive mines, with possible royalty revisions.
- Existing Central and South block reserves of ~150mt, together with 111mt at Pottangi, provide around 250mt of combined reserves and an estimated 15 years of mine life.
- Bauxite royalty is linked to LME prices; lower LME prices are therefore expected to reduce royalty costs.

Other cost & Operational initiatives

- Red mud is not expected to materially impact alumina CoP. Existing Red Mud Pond 1 is expected to be sufficient for another 1-2 years, while Pond 2 is ready. A red mud filtration project entailing capex of INR4-5bn is planned.
- Pay commission revision is expected to result in around 15% wage increase, although the final revision is yet to be determined. The impact is expected to be applicable for only 3 months in FY27.
- Employee costs are expected to remain lower than FY26 despite the wage revision, supported by the retirement of higher-paid employees and fresh recruitment at lower salary levels.
- Alumina transferred internally is accounted for at cost price and not at market price.

Exhibit 1: Capex plan over FY32E

Project Segment	Capacity	Expected In	Capex (INR bn)	Status
Pottangi Bauxite Mines	3.5mtpa	Q4FY27	22	Approach road work pending. MDO appointed; Production: 2-3 months
Alumina Refinery	1.0mtpa	Q4FY27	57	35 of 50 packages completed; mechanical completion by Dec'26, prod by early Jan'27, followed by 4-5 months of ramp-up.
Aluminum Smelter	0.46mtpa	Q4FY31	170-180	DPR targeted for Jan/Feb'27, package ordering by Dec'27 and mechanical completion by Dec'30.
Captive Power Plant	1200MW	Q1FY32	60	DPR is ready and awaiting board approval, with pre-project activities underway
Total			**319**	

Source: Company, PL

Exhibit 2: Quarterly Estimates

(INR bn)	Q1FY27A	YoY gr. (%)	Q2FY27A	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Revenue from Operations	53.02	39.3%	54.19	26.3%	51.22	8.3%	59.18	18.1%
EBITDA	27.08	81.5%	24.11	25.2%	22.78	4.5%	33.54	42.7%
Margin (%)	*51.1%*	-	*44.5%*	-	*44.5%*	-	*56.7%*	-
Adjusted PAT	20.02	88.2%	18.35	28.0%	16.91	5.6%	22.95	33.6%

Source: Company, PL

Exhibit 3: Q2FY27 Result Overview (INR bn)

Y/e March	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Net Sales	**54.2**	**42.9**	**26.3**	**53.0**	**2.3**	**53.0**	**2.2**	**107.2**	**81.0**	**32.4**
(Increase)/Decrease in stock	0.6	0.2	137.6	0.0		-1.5	NA	-0.9	-0.9	NA
Raw Material Consumed	8.1	5.6	43.1	7.3		7.3	11.0	15.4	11.2	37.6
Total RM Costs	8.7	5.9	47.0	7.3	19.0	5.8	49.2	14.5	10.2	41.4
% of Net Sales	*16.0*	*13.7*		*13.7*		*10.9*		*13.5*	*12.6*	
Employee Rem & Benefits	4.1	4.4	-7.4	3.9	3.3	4.0	3.1	8.0	8.9	-9.3
% of Net Sales	*7.5*	*10.3*		*7.5*		*7.5*		*7.5*	*10.9*	
Power & Fuel	10.7	7.3	45.4	9.6	11.2	9.6	11.0	20.3	14.6	38.7
% of Net Sales	*19.7*	*17.1*		*18.1*		*18.1*		*18.9*	*18.0*	
Other Manufacturing Expenses	6.7	6.0	10.8	6.6	1.7	6.6	1.6	13.3	13.1	1.3
% of Net Sales	*12.4*	*14.1*		*12.4*		*12.4*		*12.4*	*16.2*	
Total expenditure	30.1	23.7	27.1	27.4	9.8	25.9	16.0	56.0	46.8	19.7
EBITDA	**24.1**	**19.3**	**25.2**	**25.6**	**-5.7**	**27.1**	**-11.0**	**51.2**	**34.2**	**49.7**
Margin (%)	*44.5*	*44.9*		*48.3*		*51.1*		*47.7*	*42.2*	
Depreciation	1.8	1.7	2.3	1.8	-1.6	1.8	-2.5	3.6	3.5	2.3
EBIT	**22.3**	**17.5**	**27.4**	**23.8**	**-6.0**	**25.3**	**-11.6**	**47.6**	**30.7**	**55.2**
Other Income	2.5	1.5	63.8	1.8	41.7	1.7	43.2	4.2	2.7	53.2
Interest	0.1	0.1	14.4	0.1	10.0	0.1	0.1	0.2	0.2	16.5
PBT	**24.7**	**19.0**	**30.4**	**25.4**	**-2.8**	**26.9**	**-8.1**	**51.6**	**33.2**	**55.2**
Extraordinary income/(expense)	0.0	0.0	NA	0.0	NA	0.0	NA	0.0	0.0	NA
PBT (afer EO)	**24.7**	**19.0**	**30.4**	**25.4**	**-2.8**	**26.9**	**-8.1**	**51.6**	**33.2**	**55.2**
Tax	6.4	4.6	37.7	6.5	-1.9	6.9	-7.3	13.2	8.3	59.9
Reported PAT	**18.4**	**14.3**	**28.0**	**18.9**	**-3.0**	**20.0**	**-8.4**	**38.4**	**25.0**	**53.7**

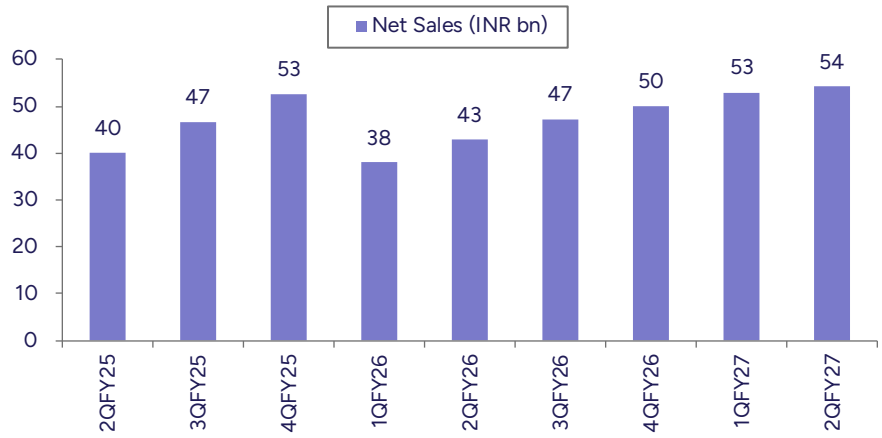
Source: Company, PL

Exhibit 4: Operating Performance

Y/e March	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Volume										
Alumina ('000 tons)	340	396	-14.2	358	-5.1	347	-2.1	687	700	-1.8
Aluminium ('000 tons)	121	112	7.7	117	3.8	113	7.2	234	226	3.6
NACL's Avg Realization										
Alumina (US$/ton)	379	404	-6.2	385	-1.6	330	15.0	709	823	-13.9
Aluminium (US$/ton)	3600	2938	22.5	3567	0.9	3918	-8.1	7518	5729	31.2

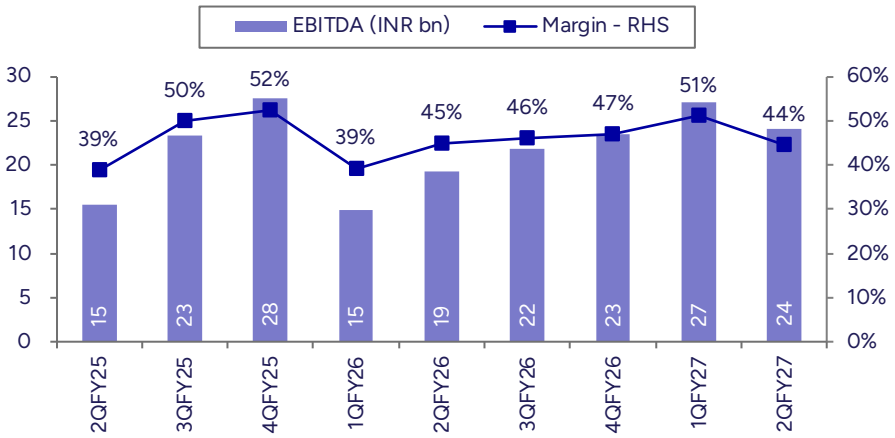
Source: Company, PL

Exhibit 5: Revenue grew 26% YoY on higher metal segment revenue



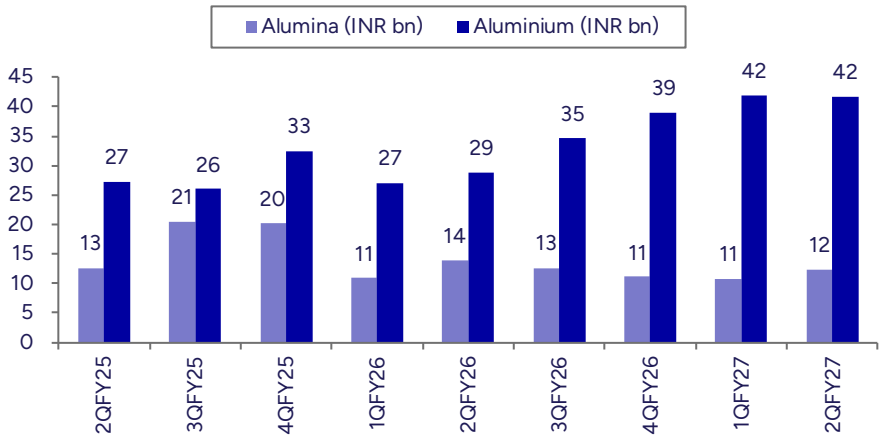
Source: Company, PL

Exhibit 6: EBITDA grew 25% YoY restricted by higher RM and power & fuel expenses



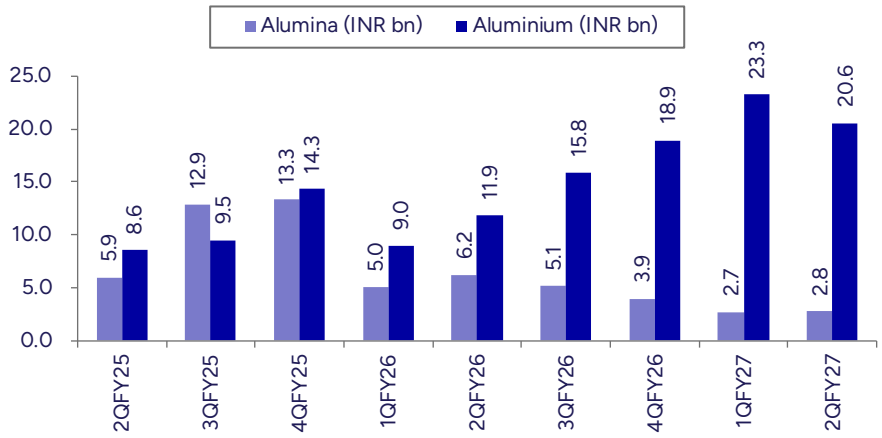
Source: Company, PL

Exhibit 7: Segmental revenue - Metal stable QoQ and higher YoY; alumina down YoY but up 8% QoQ



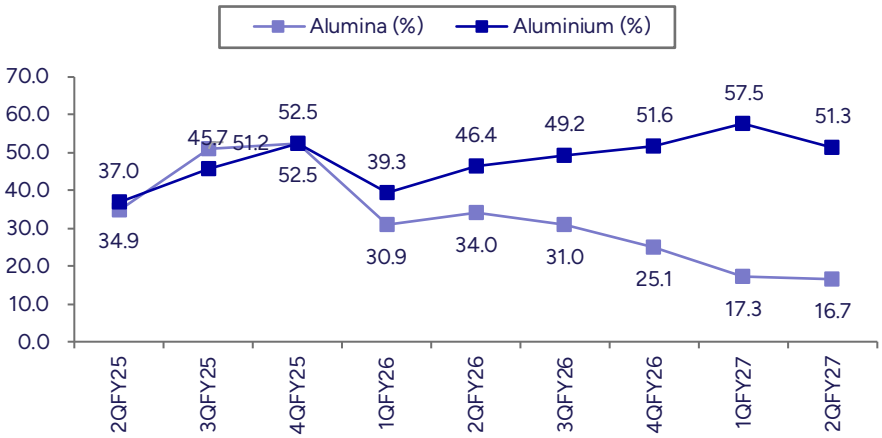
Source: Company, PL

Exhibit 8: Segmental EBIT- Alumina down YoY on costs; AL up YoY on LME but down QoQ on lower LME.



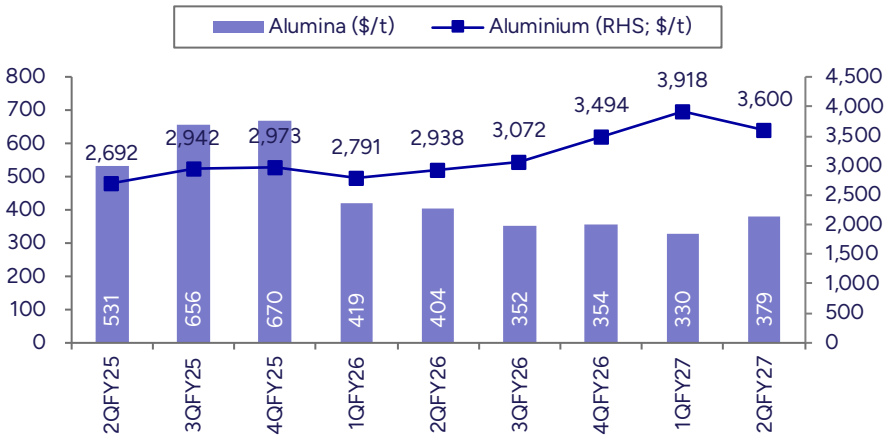
Source: Company, PL

Exhibit 9: Quarterly trend in segmental margin (ex-inter segment)



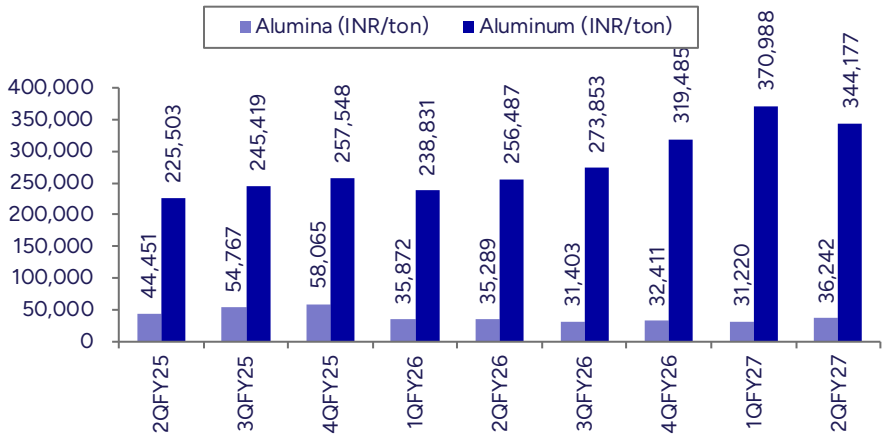
Source: Company, PL

Exhibit 10: Better alumina NSR partly offsets fall in metal NSR



Source: Company, PL

Exhibit 11: Realization breakup for alumina and metal



Source: Company, PL

Exhibit 12: Target price calculation

	Sep'28 basis
EBITDA (INR mn)	107,691
EV/EBITDA (x)	5
Target EV (INR mn)	538,454
Net Debt (INR mn)	-168,995
Residual Market Cap (INR mn)	707,449
Target Price (INR)	**385**

Source: PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**178**	**218**	**230**	**230**
YoY gr. (%)	*6.3*	*22.0*	*5.7*	*0.1*
Cost of Goods Sold	26	33	34	34
Gross Profit	153	185	196	196
Margin (%)	*85.6*	*84.8*	*85.2*	*85.3*
Employee Cost	17	17	17	18
Other Expenses	56	60	67	75
EBITDA	**79**	**108**	**112**	**104**
YoY gr. (%)	*5.0*	*35.3*	*4.0*	*(7.4)*
Margin (%)	*44.5*	*49.4*	*48.6*	*45.0*
Depreciation and Amortization	7	8	10	11
EBIT	**72**	**99**	**102**	**93**
Margin (%)	*40.4*	*45.6*	*44.4*	*40.3*
Net Interest	1	1	1	1
Other Income	7	7	10	12
Profit Before Tax	**78**	**105**	**111**	**104**
Margin (%)	*43.5*	*48.3*	*48.4*	*45.1*
Total Tax	20	27	28	26
Effective Tax Rate (%)	*25.1*	*25.5*	*25.5*	*25.5*
Profit After Tax	**58**	**78**	**83**	**77**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**58**	**78**	**83**	**77**
YoY gr. (%)	*9.1*	*34.5*	*6.0*	*(6.8)*
Margin (%)	*32.6*	*35.9*	*36.1*	*33.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**58**	**78**	**83**	**77**
YoY gr. (%)	*9.1*	*34.5*	*6.0*	*(6.8)*
Margin (%)	*32.6*	*35.9*	*36.1*	*33.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	58	78	83	77
Equity Shares O/s (bn)	**2**	**2**	**2**	**2**
EPS (INR)	**31.7**	**42.6**	**45.1**	**42.1**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**142**	**162**	**182**	**202**
Tangibles	142	162	182	202
Intangibles	-	-	-	-
Acc: Dep / Amortization	**65**	**74**	**83**	**94**
Tangibles	65	74	83	94
Intangibles	-	-	-	-
Net Fixed Assets	**77**	**88**	**99**	**108**
Tangibles	77	88	99	108
Intangibles	-	-	-	-
Capital Work In Progress	63	61	86	111
Goodwill	-	-	-	-
Non-Current Investments	8	8	8	8
Net Deferred Tax Assets	(7)	(7)	(7)	(7)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	18	30	32	32
Trade Receivables	2	3	3	3
Cash & Bank Balance	84	128	152	170
Other Current Assets	16	16	16	16
Total Assets	**268**	**333**	**396**	**447**
Equity				
Equity Share Capital	9	9	9	9
Other Equity	209	266	326	378
Total Networth	**219**	**276**	**335**	**387**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	36	45	47	47
Other Current Liabilities	6	6	6	6
Total Equity & Liabilities	**268**	**333**	**396**	**447**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	78	105	111	104
Add. Depreciation	7	8	10	11
Add. Interest	-	-	-	-
Less Financial Other Income	7	7	10	12
Add. Other	(5)	-	-	-
Op. Profit before WC Changes	80	113	121	114
Net Changes-WC	4	(4)	1	-
Direct Tax	(19)	(27)	(28)	(26)
Net Cash from Op. Activities	**64**	**83**	**93**	**88**
Capital Expenditures	(20)	(18)	(45)	(45)
Interest / Dividend Income	-	-	-	-
Others	(22)	-	-	-
Net Cash from Invt. Activities	**(42)**	**(18)**	**(45)**	**(45)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(20)	(21)	(23)	(26)
Interest Paid	-	-	-	-
Others	(1)	-	-	-
Net Cash from Fin. Activities	**(21)**	**(21)**	**(23)**	**(26)**
Net Change in Cash	**2**	**43**	**25**	**17**
Free Cash Flow	44	65	48	43

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**47**	**50**	**53**	**54**
YoY gr. (%)	-	-	-	-
Raw Material Expenses	8	7	6	9
Gross Profit	39	43	47	46
Margin (%)	*83.2*	*85.2*	*89.1*	*84.0*
EBITDA	**22**	**23**	**27**	**24**
YoY gr. (%)	-	-	-	-
Margin (%)	*46.1*	*46.9*	*51.1*	*44.5*
Depreciation / Depletion	2	2	2	2
EBIT	**20**	**21**	**25**	**22**
Margin (%)	*42.2*	*42.7*	*47.6*	*41.2*
Net Interest	1	-	-	-
Other Income	2	2	2	2
Profit before Tax	**21**	**23**	**27**	**25**
Margin (%)	*45.1*	*46.1*	*50.7*	*45.6*
Total Tax	5	6	7	6
Effective Tax Rate (%)	*24.9*	*25.7*	*25.5*	*25.7*
Profit After Tax	**16**	**17**	**20**	**18**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**16**	**17**	**20**	**18**
YoY gr. (%)	*1.1*	*(17.4)*	*88.2*	*28.0*
Margin (%)	*33.8*	*34.3*	*37.8*	*33.9*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**16**	**17**	**20**	**18**
YoY gr. (%)	-	-	-	-
Margin (%)	*33.8*	*34.3*	*37.8*	*33.9*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**16**	**17**	**20**	**18**
Avg. Shares O/s (bn)	2	2	2	2
EPS (INR)	**8.7**	**9.4**	**10.9**	**10.0**

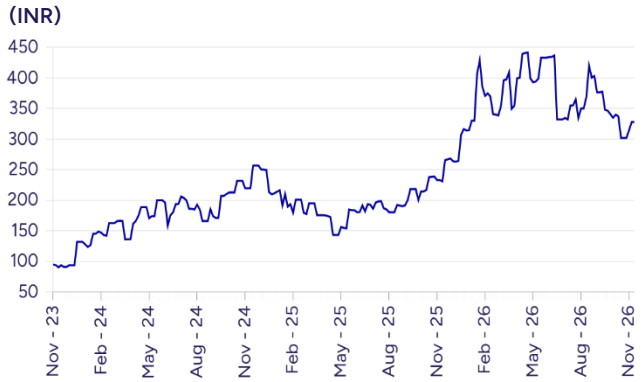
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	31.7	42.6	45.1	42.1
CEPS	35.7	47.1	50.4	47.9
BVPS	119.0	150.1	182.5	210.6
FCF	24.0	35.2	26.3	23.4
DPS	11.0	11.6	12.7	14.0
Return Ratio (%)				
RoCE	39.4	42.9	36.8	29.0
ROIC	46.7	61.7	49.8	36.1
RoE	29.1	31.7	27.1	21.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	(33)	(20)	(20)	(20)
Valuation (x)				
PER	10.0	7.5	7.0	7.5
P/B	2.7	2.1	1.7	1.5
P/CEPS	8.9	6.7	6.3	6.6
EV/EBITDA	6.3	4.2	3.9	4.0
EV/Sales	2.8	2.1	1.9	1.8
Dividend Yield (%)	3.5	3.6	4.0	4.4
FCFF Yield (%)	7.6	11.1	8.3	7.4
PEG Ratio	1.1	0.2	1.2	(1.1)

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	Accumulate	392	321
2	03-Aug-26	Accumulate	401	369
3	08-Jul-26	Accumulate	376	350
4	02-May-26	Hold	413	399
5	09-Apr-26	Hold	407	412
6	01-Feb-26	Hold	356	385
7	09-Jan-26	Hold	337	334
8	08-Nov-25	BUY	281	235
9	08-Oct-25	BUY	280	217
10	08-Aug-25	BUY	228	187

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Port & SEZ	BUY	2248	1761
2	Ambuja Cement	BUY	474	355
3	Dalmia Bharat	BUY	1970	1625
4	Hindalco Industries	BUY	1113	911
5	Jindal Stainless	BUY	829	687
6	Jindal Steel	BUY	1245	1016
7	JK Cement	BUY	6064	4889
8	JK Lakshmi Cement	BUY	699	472
9	JSW Cement	BUY	133	115
10	JSW Infrastructure	BUY	380	317
11	JSW Steel	BUY	1377	1186
12	National Aluminium Co.	Accumulate	392	321
13	NMDC	HOLD	83	73
14	Nuvoco Vistas Corporation	BUY	560	331
15	Shree Cement	BUY	28379	22375
16	Steel Authority of India	Accumulate	180	162
17	Tata Steel	Accumulate	209	176
18	Ultratech Cement	BUY	14623	10650
19	Usha Martin	BUY	596	518

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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