

Hindalco

Performance highlights

Standalone (₹ cr)	3QFY13	3QFY12	% chg (yoy)	2QFY13	% chg (qoq)
Net sales	6,790	6,590	3.0	6,115	11.0
EBITDA	582	715	(18.6)	515	13.0
% margin	8.6	10.8	(228)bp	8.4	15bp
Adj. PAT	289	451	(35.8)	359	(19.3)

Source: Company, Angel Research

Disappointing 3QFY2013 standalone results: Hindalco Industries (Hindalco)'s standalone net sales increased by 3.0% yoy to ₹6,790cr (below our estimate of ₹7,199cr) mainly on account of lower than expected aluminium production during the quarter. Hindalco's standalone EBITDA decreased by 18.6% yoy to ₹582cr and adjusted net profit decreased 35.8% yoy to ₹289cr (below our estimate of ₹404cr).

Novelis (US \$mn)	3QFY13	3QFY12	% chg (yoy)	2QFY13	% chg (qoq)
Net Sales	2,321	2,462	(5.7)	2,441	(4.9)
EBITDA	173	133	30.1	249	(30.5)
% margin	7.5	5.4	205bp	10.2	(275)bp
Adj. PAT	3	(12)	(125.0)	49	(93.9)

Source: Company, Angel Research

Novelis performance- A mixed bag: For 3QFY2013 Novelis posted a 5.7% yoy decline in net sales due to lower conversion premiums and lower aluminium prices. The EBITDA, however, grew by 30.1% yoy to \$173mn. Further, Novelis' net profit stood at US\$3mn as compared to a net loss of US\$12mn in 3QFY2012

Outlook and valuation: Although Hindalco is expanding its capacities three-fold over the coming four-five years, low aluminium prices, sticky costs and delay in commencement of mining from captive blocks are expected to mute its profitability growth. In the near-term, there is lack of clarity over production from the Mahan coal block for its upcoming Mahan smelter. Without captive coal block, the Mahan smelter (expected to commission in FY2014) is expected to face cost pressures, resulting in lower return ratios over the next two years. **We maintain our Neutral recommendation on the stock.**

Key financials (Consolidated)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
Net sales	72,202	80,821	80,205	88,987
% chg	18.9	11.9	(0.8)	10.9
Net profit	2,456	3,397	2,570	2,640
% chg	(37.4)	38.3	(24.3)	2.7
EPS (₹)	12.8	17.7	13.4	13.8
EBITDA margin (%)	11.0	10.1	9.0	9.2
P/E (x)	8.8	6.3	8.4	8.2
P/BV (x)	0.7	0.7	0.6	0.6
RoE (%)	9.7	11.2	7.9	7.6
RoCE (%)	8.6	6.9	5.5	5.8
EV/Sales (x)	0.5	0.6	0.7	0.6
EV/EBITDA (x)	4.7	6.0	7.3	6.3

Source: Company, Angel Research

NEUTRAL

CMP	₹112
Target Price	-

Investment Period	-
-------------------	---

Stock Info	
Sector	Base Metals
Market Cap (₹ cr)	21,529
Net Debt (₹ cr)	37,563
Beta	1.4
52 Week High / Low	165/100
Avg. Daily Volume	800,569
Face Value (₹)	1
BSE Sensex	19,561
Nifty	5,923
Reuters Code	HALC.BO
Bloomberg Code	HNDL@IN

Shareholding Pattern (%)	
Promoters	32.1
MF / Banks / Indian Fls	14.8
FII / NRIs / OCBs	27.3
Indian Public / Others	25.9

Abs. (%)	3m	1yr	3yr
Sensex	4.8	10.2	21.1
Hindalco	(0.4)	(26.5)	(18.7)

Bhavesh Chauhan

Tel: 022- 3935 7800 Ext: 6821
bhaveshu.chauhan@angelbroking.com

Vinay Rachh

Tel: 022- 39357600 Ext: 6841
vinay.rachh@angelbroking.com

Exhibit 1: 3QFY2013 performance (Standalone)

(₹ cr)	3QFY13	3QFY12	yoy %	2QFY13	qoq %	9MFY2013	9MFY2012	yoy %
Net sales	6,790	6,590	3.0	6,115	11.0	18,869	18,790	0.4
Raw material	4,657	4,397	5.9	3,999	16.5	12,551	12,325	1.8
% of net sales	68.6	66.7		65.4		66.5	65.6	
Power and fuel	755	738	2.2	806	(6.4)	2,319	2,127	9.0
% of net sales	11.1	11.2		13.2		12.3	11.3	
Staff cost	308	304	1.4	313	(1.5)	911	846	7.7
% of net sales	4.5	4.6		5.1		4.8	4.5	
Other expenses	570	493	15.6	530	7.4	1,722	1,401	22.9
% of net sales	8.4	7.5		8.7		9.1	7.5	
Total expenditure	6,290	5,932	6.0	5,648	11.4	17,503	16,698	4.8
% of net sales	92.6	90.0		92.4		92.8	88.9	
Operating Income	82	57	44.2	49	67.6	194	160	21.5
EBIDTA	582	715	(18.6)	515	13.0	1,560	2,252	(30.7)
% of net sales	8.6	10.8		8.4		8.3	12.0	
Interest	169	79	113.0	28	506.5	278	214	30.1
Depreciation	188	175	7.8	173	9.0	532	524	1.4
Other income	174	90	93.2	132	31.4	608	444	36.9
Exceptional Items	144	-		-		-		
Profit before tax	543	551	(1.5)	447	21.4	1,502	1,958	(23.3)
% of net sales	8.0	8.4		7.3		8.0	10.4	
Provision for tax	109	100	9.0	88	23.9	285	360	(20.7)
% of PBT	20.1	18.2		19.7		19.0	18.4	
Profit after tax	433	451	(3.8)	359	20.8	1,217	1,598	(23.8)
Adjusted PAT	289	451	(35.8)	359	(19.3)	1,073	1,598	(32.8)

Source: Company, Angel Research

Exhibit 2: Standalone – 3QFY2013 Actual vs Angel estimates

(₹ cr)	Actual	Estimate	Variation (%)
Net sales	6,790	7,199	(5.7)
EBITDA	582	482	20.7
EBITDA margin (%)	8.6	6.7	187bp
Adj. net income	289	404	(28.4)

Source: Company, Angel Research

Hindalco (Standalone) – Key result highlights

Hindalco's net sales grew 3.0% yoy to ₹6,790cr (below our estimate of ₹7,199cr) mainly on account of lower than expected volumes.

In the aluminium segment, both alumina and aluminium production fell by 5.0% yoy each to 326kt and 139kt respectively. The downstream sales stood at 59kt. The aluminium segment's net sales declined by 0.9% yoy to ₹2,215cr due to lower LME aluminium prices and lower production at the Belgaum refinery due to lack of bauxite availability.

In the copper segment, copper cathode production decreased by 4.3% yoy to 84kt whereas CCR production declined by 3.7% yoy to 37kt. However the copper segment's net sales increased by 5.5% yoy to ₹4,661cr.

Exhibit 3: Aluminium – Quarterly production trend

(tonnes)	1QFY12	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13	3QFY13
Alumina	334,587	332,383	343,086	345,000	335,000	328,000	326,000
Aluminium metal	140,387	143,315	146,374	144,000	132,000	128,000	139,000

Source: Company, Angel Research

On the operating front, aluminium segment's EBIT decreased by 33.4% yoy to ₹206cr due to decrease in realizations coupled with increase in fuel and power costs. Copper segment EBIT's however improved by 4.3% yoy to ₹225cr.

Exhibit 4: Segmental performance

(₹ cr)	1QFY12	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13	3QFY13
Aluminium	2,093	2,213	2,236	2,499	2,063	2,105	2,215
Copper	3,940	4,062	4,418	5,154	3,972	4,066	4,661
Gross revenue	6,033	6,275	6,654	7,653	6,035	6,171	6,876
Less: Inter-seg. revenue	(2)	(3)	(7)	(6)	(7)	(7)	(5)
Net sales	6,031	6,272	6,647	7,647	6,028	6,164	6,872
Aluminium	599	429	310	484	270	170	206
Copper	145	148	216	293	76	209	225
EBIT	744	576	526	777	346	378	432
EBIT margin (%)							
Aluminium	28.6	19.4	13.9	19.4	13.1	8.1	9.3
Copper	3.7	3.6	4.9	5.7	1.9	5.1	4.8

Source: Company, Angel Research

Overall, Hindalco's EBITDA declined by 18.6% yoy to ₹582cr and EBITDA margin slipped by 228bp yoy to 8.6% during 3QFY2013. Interest expenses increased substantially by 113.0% yoy to ₹169cr. Other income was higher by 93.2% yoy to ₹174cr. The company reported an exceptional item of ₹144cr as a non-recurring other income. The adjusted net profit declined by 35.8% yoy to ₹289cr (below our estimate of ₹404cr).

Exhibit 5: 3QFY2013 performance (Novelis)

(US \$mn)	3QFY13	3QFY12	% yoy	2QFY13	% qoq	9MFY2013	9MFY2012	% yoy
Net revenue	2,321	2,462	(5.7)	2,441	(4.9)	7,312	8,455	(13.5)
Cost of goods sold	2,036	2,224	(8.5)	2,077	(2.0)	6,315	7,481	(15.6)
(% of Net Sales)	87.7	90.3		85.1		86.4	88.5	
Gross profit	285	238	19.7	364	(21.7)	997	974	2.4
(% of Net Sales)	12.3	9.7		14.9		13.6	11.5	
Selling, General	101	95	6.3	102	(1.0)	305	281	8.5
(% of Net Sales)	4.4	3.9		4.2		4.2	3.3	
Research	11	10	10.0	13	(15.4)	36	34	5.9
(% of Net Sales)	0.5	0.4		0.5		0.5	0.4	
EBITDA	173	133	30.1	249	(30.5)	656	659	(0.5)
EBITDA margin (%)	7.5	5.4		10.2		9.0	7.8	
Restructuring charges	5	1	400.0	16	(68.8)	26	31	(16.1)
Depreciation	76	79	(3.8)	69	10.1	218	249	(12.4)
EBIT	92	53	73.6	164	(43.9)	412	379	8.7
(% of Net Sales)	4.0	2.2		6.7		5.6	4.5	
Other Income/(Expense)	8	(1)	-	1	700.0	34	87	(60.9)
Net Interest expense	76	74	2.7	73	4.1	223	224	(0.4)
Unrealized Gain	-	-		(5)		-	3	
Exceptional items	-	(63)		-		-	63	
Profit before tax	24	(22)	-	87	(72.4)	223	239	(6.7)
(% of Net Sales)	1.0	(0.9)		3.6		3.0	2.8	
Taxes	11	(10)	(210.0)	37	-	69	42	64.3
(% of PBT)	45.8	45.5		42.5		30.9	17.6	
PAT	13	(12)	-	50	(74.0)	154	197	(21.8)
(% of Net Sales)	0.6	(0.5)		2.0		2.1	2.3	
Profit from associates	-	-		-		-	2	-
Minority Interest	10	-	-	1	-	11	25	-
Net Income	3	(12)	-	49	(93.9)	143	170	(15.9)

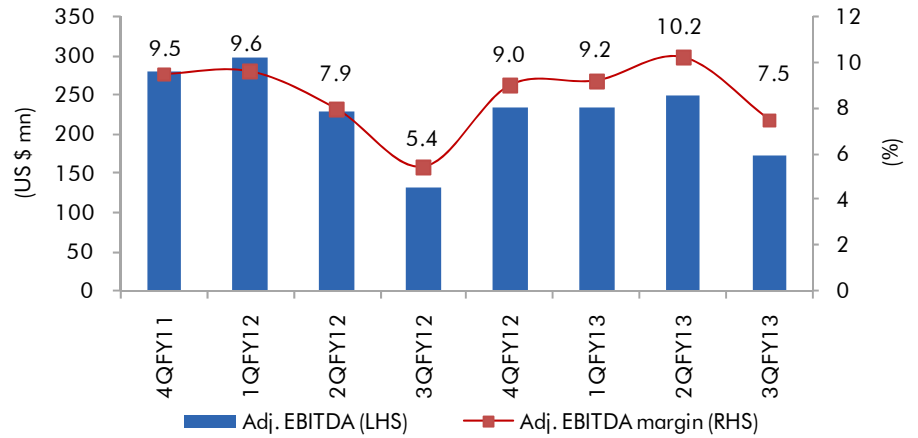
Source: Company, Angel Research

Novelis- Key result highlights:

For 3QFY2013 Novelis posted a decline of 5.7% yoy to US\$2,321mn due to lower conversion premiums and lower aluminium prices. Shipments were flat at 647kt in 3QFY2013. The EBITDA, however, grew by 30.1% yoy to \$173mn. Further, Novelis' net profit stood at US\$3mn as compared to a net loss of US\$12mn in 3QFY2012.

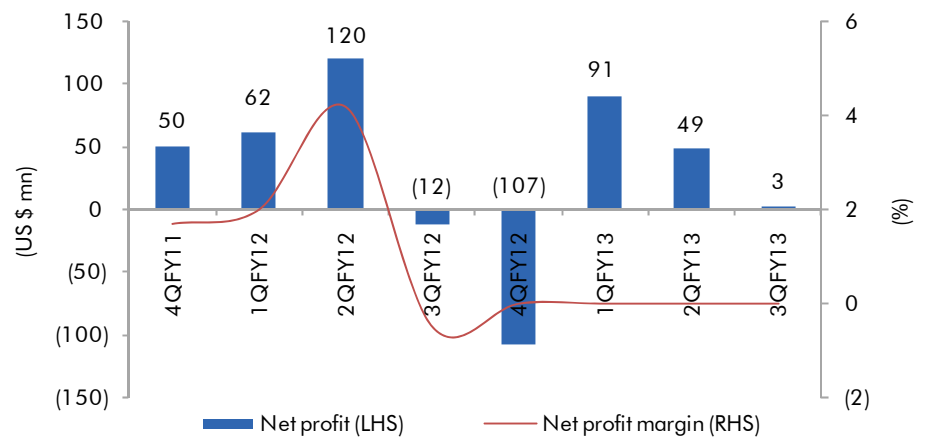
The other income for Novelis stood at US\$8mn and this led to it posting a net profit of US\$3mn as compared to a net loss of US\$12mn in 3QFY2012.

Exhibit 6: Novelis' EBITDA margin stood at 7.5%



Source: Company, Angel Research

Exhibit 7: Novelis' Adjusted Net Profit stood at \$3mn



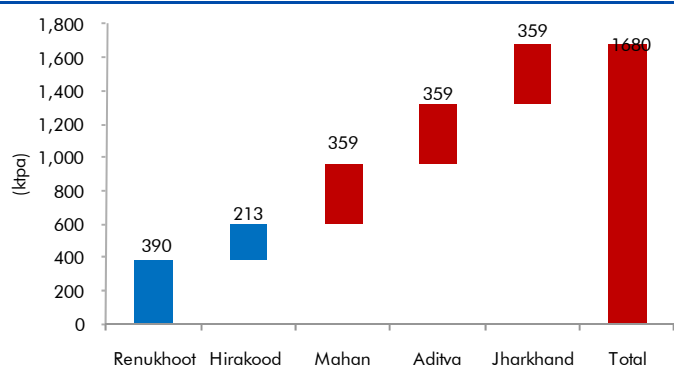
Source: Company, Angel Research

Investment rationale

Aluminium capacity to increase three-fold in the next four years

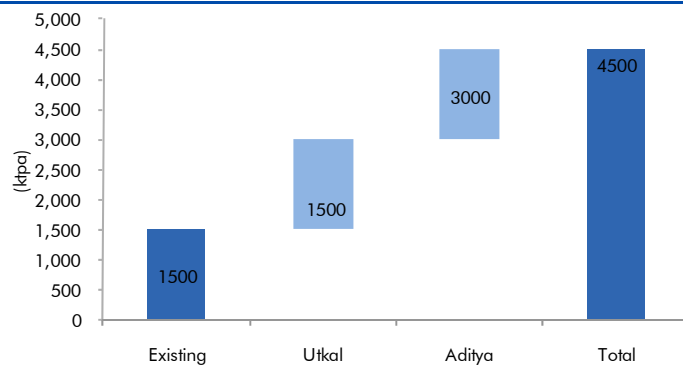
Hindalco aims to increase its aluminium capacity by almost three-fold in the next four years to 1.5mn tonne. Consequently, we expect production and sales volume to record a significant growth over FY2012–15. Most of these new capacities will be backed by captive bauxite and coal mines; however, there is lack of clarity on production from the Mahan coal block on account of procedural delays currently.

Exhibit 8: Smelting capacity to scale up gradually



Source: Company, Angel Research

Exhibit 9: Refining capacity to grow 3.0x

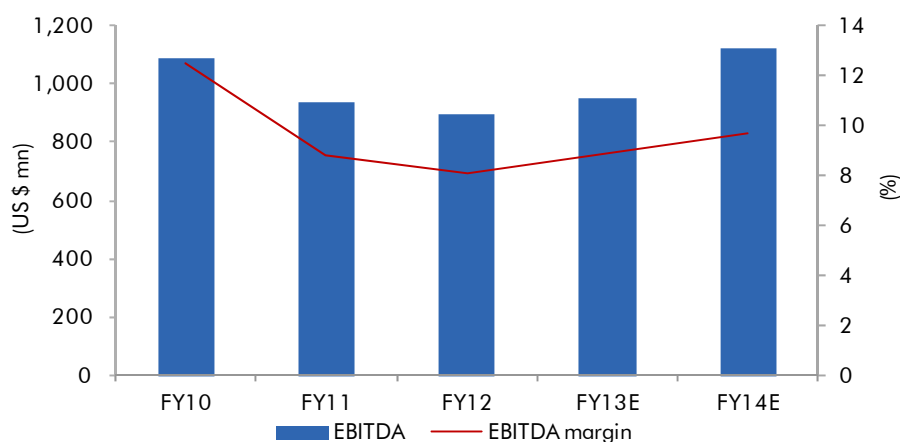


Source: Company, Angel Research

Novelis to expand its capacity

Novelis has plans to increase its capacity by ~20% by FY2014. Capacity at its Pinda operations in Brazil is being increased by ~220kt by CY2012, while the balance will be through debottlenecking (a 3-4% increase in capacity every year). Further, Novelis plans to invest US\$400mn to expand its South Korean aluminum rolling and recycling operations by 1mtpa. We expect steady EBITDA of ~US\$1bn per year from Novelis, given its stable conversion business.

Exhibit 10: Novelis to generate US\$1bn annually



Source: Company, Angel Research

Hindalco – no longer a 100% proxy for aluminium prices

Hindalco's stock had a strong correlation with INR denominated LME aluminium prices over the past 22 years. However, over the past one year, this correlation has dropped significantly mainly on account of project delays. Further, with massive aluminium capacity expansion ahead, we believe the stock's performance will be determined by timely commencement of these projects, timely development of captive mines and the movement in spot aluminium prices. Hence, Hindalco will no longer be a 100% proxy on aluminium prices over the coming two to three years in our view.

Outlook and valuation

Although Hindalco is expanding its capacities three-fold over the coming four-five years, low aluminium prices, sticky costs and delay in commencement of mining from captive blocks are expected to mute its profitability growth. In the near-term, there is lack of clarity over production from Mahan coal block for its upcoming Mahan smelter. Without captive coal block, the Mahan smelter (expected to commission in FY2014) is expected to face cost pressures, resulting in lower return ratios over the next two years. **Hence, we maintain our Neutral view on the stock.**

Exhibit 11: SOTP valuation of Hindalco

	FY14 EBITDA (₹ cr)	Multiple	EV (₹ cr)
Hindalco (Standalone)	2,485	4.0	9,942
CWIP	16,598	0.6	9,959
Novelis	5,703	5.0	28,516
Total EV			49,246
Less: Net debt (FY14E)			29,695
Value of investments @25% discount			3,464
Value per share			116

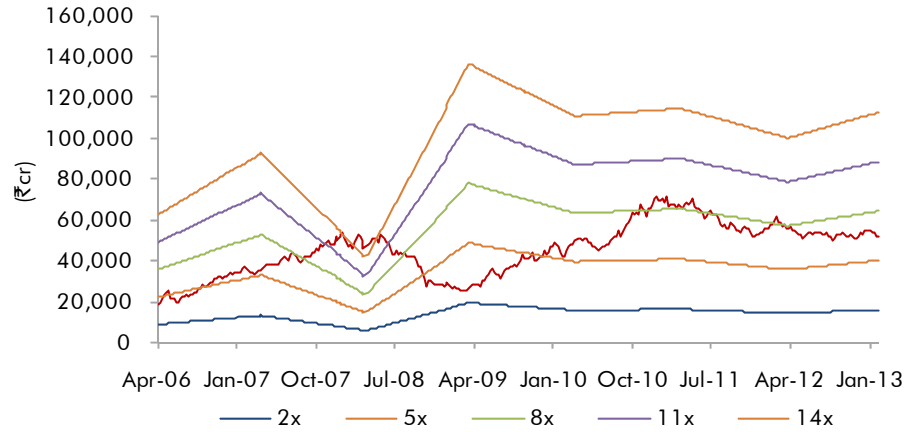
Source: Angel Research, Note: * stands for Book value

Exhibit 12: EPS - Angel forecast vs consensus

Year (₹)	Angel forecast	Bloomberg consensus	Variation (%)
FY13E	13.4	15.1	(10.9)
FY14E	13.8	16.1	(14.2)

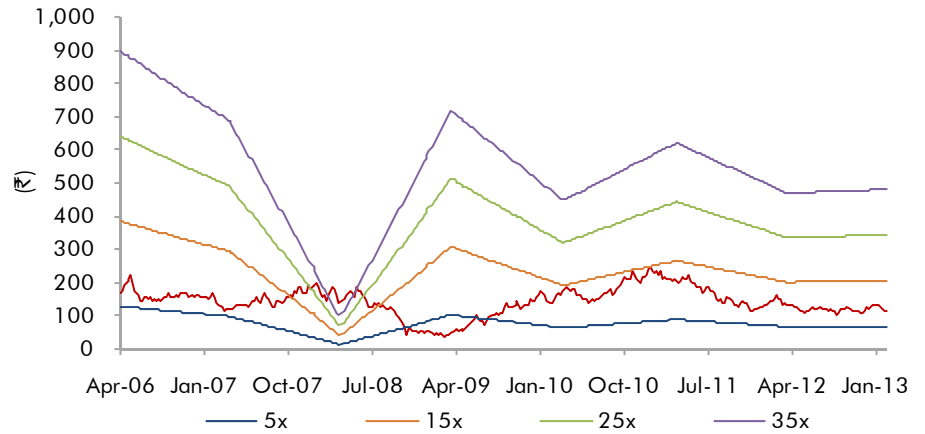
Source: Bloomberg, Angel Research

Exhibit 13: EV/EBITDA band



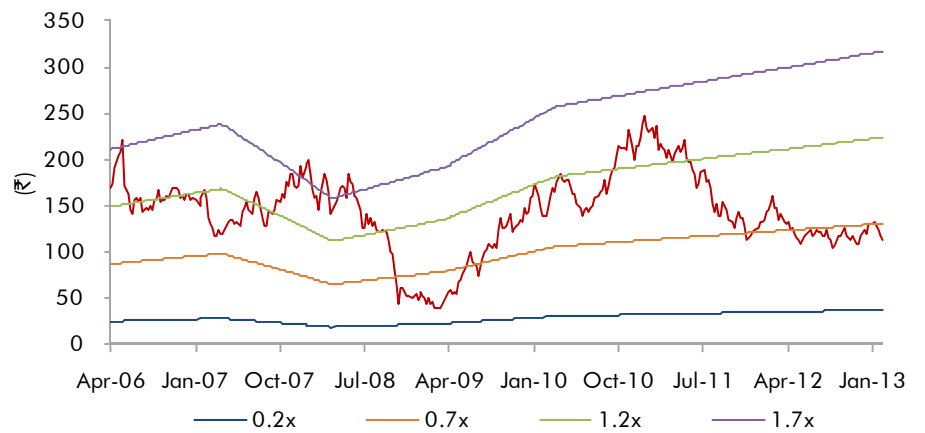
Source: Bloomberg, Angel Research

Exhibit 14: P/E band



Source: Bloomberg, Angel Research

Exhibit 15: P/BV band



Source: Bloomberg, Angel Research

Exhibit 16: Recommendation summary

Companies	CMP	Target price	Reco.	Mcap	Upside	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
	(₹)	(₹)				(₹ cr)	(%)	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
Hindalco	112	-	Neutral	21,529	-	8.4	8.2	0.6	0.6	7.3	6.3	7.9	7.6	5.5	5.8
Nalco	47	-	Neutral	12,061	-	22.1	14.4	1.0	1.0	9.8	6.7	4.6	6.9	2.0	5.0
Sterlite	102	110	Accum.	34,556	8	6.2	5.7	0.7	0.6	3.0	2.5	11.3	11.2	9.5	9.6
Hind. Zinc	125	149	Buy	52,689	19	8.5	7.6	1.6	1.4	5.0	3.5	21.1	19.8	17.7	17.7

Source: Company, Angel Research

Company description

Incorporated in 1958, Hindalco is one of the world's largest aluminium rolling companies and one of the biggest producers of primary aluminium in Asia. It is also into copper smelting and has one of the world's largest custom copper smelter at one location with a capacity of 0.5mn tonne (non-integrated). Its aluminium operations in India have a capacity of 0.5mn tonne with captive bauxite mines (reserves - 443mn tonne). During February 2007, Hindalco acquired Novelis for US\$6bn, making the combined entity the world's largest rolled-aluminium producer. Novelis has a market share of ~17% in the global flat-rolled aluminium product market.

Profit & Loss Statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Net Sales	65,625	60,722	72,202	80,821	80,205	88,987
Other operating income	211	160	0	0	251	256
Total operating income	65,836	60,882	72,202	80,821	80,456	89,243
% chg	9.7	(7.5)	18.6	11.9	(0.5)	10.9
Total Expenditure	62,648	50,976	64,274	72,632	73,042	80,799
EBITDA	2,977	9,746	7,929	8,189	7,163	8,189
% chg	(55.1)	227.3	(18.6)	3.3	(12.5)	14.3
(% of Net Sales)	4.6	16.1	11.0	10.1	9.0	9.2
Depreciation & Amortization	3,038	2,784	2,759	2,870	2,319	2,777
EBIT	(60)	6,962	5,169	5,320	4,844	5,411
% chg	-	-	(25.8)	2.9	(8.9)	11.7
(% of Net Sales)	(0.1)	11.5	7.2	6.6	6.1	6.1
Interest & other Charges	1,232	1,104	1,839	1,758	2,093	2,422
Other Income	688	323	513	783	905	977
(% of PBT)	(113.7)	5.2	13.4	18.0	24.7	24.6
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	(605)	6,181	3,843	4,345	3,656	3,967
% chg	(120.3)	(1,121.7)	(37.8)	13.1	(15.9)	8.5
Extraordinary Inc/(Expense)	-	-	-	-	-	-
PBT (reported)	(605)	6,181	3,843	4,345	3,656	3,967
Tax	(954)	1,829	964	786	928	1,106
(% of PBT)	-	29.6	25.1	18.1	25.4	27.9
PAT (reported)	349	4,352	2,879	3,559	2,728	2,861
Add: Share of earnings of asso.	(35)	(3)	(57)	50	-	-
Less: Minority interest (MI)	172	(424)	(366)	(211)	(158)	(221)
Extraordinary Expense/(Inc.)	-	-	-	-	-	-
PAT after MI (reported)	485	3,925	2,456	3,397	2,570	2,640
ADJ. PAT	422	3,910	2,456	3,397	2,570	2,640
% chg	(82.0)	826.2	(37.2)	38.3	(24.3)	2.7
(% of Net Sales)	0.6	6.4	3.4	4.2	3.2	3.0
Basic EPS (₹)	2.8	22.1	12.8	17.7	13.4	13.8
Fully Diluted EPS (₹)	2.5	20.4	12.8	17.7	13.4	13.8
% chg	(87.0)	723.0	(37.2)	38.3	(24.3)	2.7

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Balance Sheet (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
SOURCES OF FUNDS						
Equity Share Capital	170	191	191	191	191	191
Reserves & Surplus	15,684	21,353	28,832	31,179	33,480	35,852
Shareholders' Funds	15,854	21,545	29,023	31,370	33,671	36,043
Share Warrants	-	-	-	541.3	541.3	541.3
Minority Interest	1,287	1,737	2,217	1,709	1,867	2,088
Total Loans	28,310	23,999	29,366	40,859	44,359	47,859
Deferred Tax Liability	2,757	3,938	3,760	3,605	3,605	3,605
Other Long term liabilities	-	-	603	1,460	1,460	1,460
Long Term provisions	-	-	4,241	5,289	5,289	5,289
Total Liabilities	48,207	51,219	69,210	84,833	90,792	96,884
APPLICATION OF FUNDS						
Gross Block	38,332	41,189	37,031	39,888	48,388	56,888
Less: Acc. Depreciation	10,807	16,622	13,567	15,654	17,973	20,751
Net Block	27,525	24,567	23,464	24,234	30,415	36,138
Capital Work-in-Progress	2,949	5,801	9,252	22,798	22,098	16,598
Goodwill	4,291	4,433	8,941	11,066	11,066	11,066
Investments	10,431	11,246	10,855	10,551	10,551	10,551
Long Term loans and adv.	-	-	4,597	3,754	3,754	3,754
Other Non-current assets	-	-	865	841	841	841
Current Assets	19,271	23,188	26,896	28,158	28,301	35,351
Cash	2,192	2,195	2,540	3,296	3,454	8,154
Loans & Advances	1,827	3,117	1,722	2,158	2,135	2,369
Other	15,252	17,876	22,634	22,703	22,712	24,828
Current liabilities	16,260	18,017	15,660	16,570	16,235	17,415
Net Current Assets	3,011	5,172	11,236	11,588	12,066	17,936
Mis. Exp. not written off	0.4	-	-	-	-	-
Total Assets	48,207	51,219	69,210	84,833	90,792	96,884

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	(605)	6,181	3,843	4,345	3,656	3,967
Depreciation	3,038	2,784	2,759	2,870	2,319	2,777
Change in working capital	2,931	(598)	(708)	(932)	(320)	(1,170)
Others	61	(2,799)	1,645	2,417	-	-
Direct taxes paid	843	635	1,313	1,090	928	1,106
Cash flow from operations	4,581	4,932	6,226	7,609	4,727	4,468
(Inc.)/ Dec. in fixed assets	(2,890)	(4,171)	(7,760)	(14,253)	(7,800)	(3,000)
(Inc.)/ Dec. in investments	4,907	(1,614)	506	508	-	-
(Inc.)/ Dec. in loans & adv.	-	-	-	-	-	-
Others	(910)	(348)	(185)	(524)	-	-
Cash flow from investing	2,928	(5,437)	(7,909)	(12,512)	(7,800)	(3,000)
Issue of equity	5,062	2,754	10	3.5	-	-
Inc./ (Dec.) in loans	(9,195)	(321)	3,738	9,091	3,500	3,500
Dividend paid	353	327	384	411	269	269
Others	2,245	1,677	2,539	2,446	-	-
Cash flow from financing	(6,731)	428	825	6,237	3,231	3,231
Inc./ (Dec.) in cash	778	(76)	(18)	626	158	4,700
Opening cash bal.	1,405	2,263	2,164	2,166	3,296	3,454
Closing cash bal.	2,183	2,187	2,166	2,729	3,454	8,154

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Key ratios

Y/E March	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Valuation ratio (x)						
P/E (on FDEPS)	45.3	5.5	8.8	6.3	8.4	8.2
P/CEPS	5.5	3.2	4.1	3.4	4.4	4.0
P/BV	1.2	1.0	0.7	0.7	0.6	0.6
Dividend yield (%)	1.2	1.2	1.2	1.2	1.2	1.2
EV/Sales	0.5	0.5	0.5	0.6	0.7	0.6
EV/EBITDA	11.7	3.3	4.7	6.0	7.3	6.3
EV/Total assets	1.3	1.3	1.6	2.0	1.7	1.4
Per share data (₹)						
EPS (Basic)	2.8	22.1	12.8	17.7	13.4	13.8
EPS (fully diluted)	2.5	20.4	12.8	17.7	13.4	13.8
Cash EPS	20.3	35.0	27.2	32.7	25.5	28.3
DPS	1.4	1.4	1.4	1.4	1.4	1.4
Book value	93.2	112.6	151.6	163.8	175.8	188.2
DuPont analysis						
EBIT margin	(0.1)	11.5	7.2	6.6	6.1	6.1
Tax retention ratio (%)		70.4	74.9	81.9	74.6	72.1
Asset turnover (x)	1.7	1.7	1.5	1.3	1.1	1.2
RoIC (Post-tax)	-	13.4	8.3	6.9	4.9	5.1
Cost of debt (post tax)	4.1	3.0	5.2	4.1	3.7	3.8
Leverage (x)	1.0	0.5	0.6	0.9	0.9	0.8
Operating RoE	-	18.6	10.0	9.3	6.1	6.1
Returns (%)						
RoCE (Pre-tax)	-	14.0	8.6	6.9	5.5	5.8
Angel RoIC (pre-tax)	-	24.9	15.9	14.2	12.0	11.5
RoE	2.6	20.9	9.7	11.2	7.9	7.6
Turnover ratios (x)						
Asset turnover (gross block)	1.8	1.5	1.8	2.1	1.8	1.7
Inventory (days)	55	60	63	61	61	60
Receivables (days)	37	39	38	36	36	36
Payables (days)	55	83	59	56	56	56
WC cycle (days)	40	36	37	45	47	44
Solvency ratios (x)						
Net debt to equity	1.0	0.5	0.6	0.9	0.9	0.8
Net debt to EBITDA	5.3	1.1	2.0	3.4	4.3	3.6
Interest coverage	-	6.3	2.8	3.0	2.3	2.2

Note: Some of the figures from FY2011 onwards are reclassified; hence some ratios may not be comparable with previous year ratios

Research Team Tel: 022 - 4040 3800

E-mail: research@angeltrade.com

Website: www.angeltrade.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall 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. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

	Hindalco
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors.

Ratings (Returns) :	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to -15%)	Sell (< -15%)	