

# Hindalco's India biz fires up Q2

Profitability jumped despite copper sales declining and a disruptive fire accident at subsidiary Novelis

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**D**riven by strong upstream and downstream domestic aluminium sales, Aditya Birla Group's metals flagship Hindalco Industries on Friday reported a better-than-expected revenue and profitability. Its net profit rose 18.4% quarter-on-quarter (q-o-q) to ₹4,741 crore for July-September, while revenue was up 2.8% to ₹66,058 crore.

The jump in profitability, driven by a higher inventory drawdown—from ₹3,080 crore to ₹1,644 crore—released about ₹1,436 crore in working capital, aiding cash flows and margins. It underscored the company's ability to harness rising aluminium prices and operational efficiencies, even as copper sales declined and its crown jewel subsidiary, Novelis, grappled with a disruptive fire at its US plant and flattish profitability.

Managing director Satish Pai attributed the uptick to "disciplined



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cost management and robust contributions from the India business". This came when the global aluminium market was buoyed by prices on the benchmark London Metal Exchange surging from \$2,350-2,400 per tonne in April-June to \$2,450-2,550 in the September quarter.

Consolidated revenue rose 13.5% year-on-year (y-o-y), propelled by higher aluminium realizations and 15% volume growth across upstream and downstream segments. Net profit was up 21.3% y-o-y.

With this performance, Hindalco led its segment, dwarfing pure-play state-owned Nalco's net profit of

₹1,430 crore and diversified group Vedanta's ₹1,798 crore of profit.

"Inventory movement improved by ₹1,436 crore, indicating a further drawdown in stock and a positive impact on working capital, cash flows and profit," said Suman Kumar, assistant vice-president metals and mining at Philip Capital.

The India upstream vertical—Hindalco's domestic powerhouse—saw revenue swell to ₹10,078 crore, up 10% y-o-y, and Ebitda to ₹4,524 crore. Volumes ticked up 341 kilotonne (kt) in Q2, fuelled by post-monsoon demand for infrastructure and the automotive sector.

Downstream aluminium, Hindalco's value-added arm, revenue was at ₹3,809 crore, 20% up y-o-y, and Ebitda was up at ₹261 crore on higher shipments of extrusions and flat-rolled products for renewables and electric vehicles (EVs).

Copper lagged, with its revenue declining to ₹4,563 crore and Ebitda down to ₹634 crore, squeezed by volatile copper treatment charges and energy costs.

"There was no reduction in copper sales. Rather, driven by EVs, the copper market demand is quite strong," Pai said.

## BUSINESS BOOMS

**HINDALCO MD**  
Satish Pai attributed the uptick to disciplined cost management

**ITS** net profit rose 18.4% quarter-on-quarter to ₹4,741 crore for July-September

Contributing over 60% to the group revenue, Novelis remained Hindalco's stabilizer, posting 2.6% sequential revenue growth at ₹41,418 crore and 3.6% Ebitda rise to ₹3,685 crore, flat y-o-y, but resilient, given the headwinds.

Shipments held steady at 950 kt, with record beverage can volumes,

buoyed by 63% recycled content leadership. Automotive sheets rose 5% to 180 kt, tapping EV lightweighting trends.

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