

EDUCATIONAL EQUITY RESEARCH REPORT : ELECTION SPECIAL

NATIONAL ALUMINIUM COMPANY LTD.

(NSE : NATIONALUM, BSE : 532234)

DATE 9/4/24

WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON NATIONAL ALUMINIUM COMPANY LTD. National Aluminium Company Limited (NALCO) is a Schedule 'A' Navratna CPSE established on 7th January, 1981 having its registered office at Bhubaneswar. It is one of the largest integrated Bauxite-Alumina-Aluminium- Power Complex in the Country. At present, Government of India holds 51.28% of paid up equity capital.

ABOUT THE BUSINESS :

National Aluminium Company Limited (abbreviated as NALCO; incorporated in 1981) is an Indian public sector company having integrated and diversified operations in mining, metal and power. Presently, the Government of India holds a 51.28% equity stake in NALCO, while the Ministry of Mines has administrative control over the company.

It is one of the largest integrated bauxite–alumina–aluminium–power complex in the country, encompassing bauxite mining, alumina refining, aluminium smelting and casting, power generation, rail and port operations. The company is the lowest-cost producer of metallurgical grade alumina in the world and lowest-cost producer of bauxite in the world as per a Wood McKenzie report. With sustained quality products, the company's export earnings accounted for about 42% of the sales turnover in the year 2018–19 and the company is rated as third-highest net export earning CPSE as per a Public Enterprise Survey report.

PROS :

- Company has been maintaining a healthy dividend payout of 47.8%
- Company is almost debt free .



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 32,600 Cr.
STOCK P/E	20.8
ROE	12.0 %
CURRENT PRICE	₹ 178
BOOK VALUE	₹ 74.1
ROCE	15.1 %
HIGH	₹ 180
LOW	79.2
DIVIDEND YIELD	2.54 %
FACE VALUE	₹ 5.00

SHARE HOLDING PATTERN:

PROMOTERS	51.28%
FIIS	11.56%
DIIS	18.80%
PUBLIC	18.38%
NO.OF SHAREHOLDERS	6,92,122

RESEARCH ANALYST :

P.SUNANDINI
@ AS RESEARCH TECHNIC

KEY POINTS :

- INDIA IS CURRENTLY THE WORLD'S SECOND LARGEST ALUMINIUM PRODUCER AND THIRD LARGEST CONSUMER , WITH DEMAND EXPECTED TO DOUBLE IN THE NEXT DECADE.
- NALCO HAS ACHIEVED ALUMINA HYDRATE PRODUCTION OF 21.23 LAKH MT AGAINST NORMATIVE PRODUCTION OF 21.0 LAKH MT,WHICH IS 101.1% CAPACITY UTILISATION.
- ALUMINIUM SMELTER ACHIEVED FULL CAPACITY PRODUCTION OF 4.6 LAKH MT,WITH ALL 960 POTS IN OPERATION FOR THE 2ND CONSECUTIVE YEAR.
- THE COMPANY HAS ACHIEVED ALL TIME HIGH TOTAL SALES OF METAL, A GROWTH OF 1.58% COMPARED TO PREVIOUS YEAR AND DOMESTIC SALES OF METAL AFTER EXPERIENCING SLUGGISH DOMESTIC DEMAND FOR ALUMINIUM METAL .
- THE COMPANY BEING A GOVERNMENT OF INDIA CPSE, PAYS DIVIDEND IN COMPLIANCE WITH DIPAM's GUIDELINES.
- BASED ON FINANCIAL PERFORMANCE AND ACHIEVEMENT OF OTHER PARAMETERS, THE COMPANY IS RATED 'EXCELLENT' AS PER THE MEMORANDUM OF UNDERSTANDING (MoU),SIGNED BY THE COMPANY WITH THE GOVERNMENT OF INDIA.
- ALL THE UNITS OF THE COMPANY ARE CERTIFIED TO THE LATEST VERSION OF SA 8000i.e SA 8000:2014.

PEER COMPARISON :

Sector: Non Ferrous Metals Industry: Aluminium and Aluminium Products

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	Hindalco Inds.	579.4	13.87	130203.68	0.53	52808	11.34
2	Natl. Aluminium	173.2	20.36	31810.43	2.59	3346.9	15.13
3	Arfin India	52.35	96.27	831.96	0	115.44	13
4	Maan Aluminium	153.7	20.74	831.26	0.51	212.97	42.84
5	MMP Industries	263.9	23.53	670.34	0.38	140.87	10.5
6	Euro Panel	182.5	33.6	447.13	0	189.29	15.25
7	PG Foils	180.85	22.35	213.31	0	68.09	7.57

- TO INCREASE PRODUCTIVITY AND REDUCE COSTS, THE COMPANY IS TAKING UP INITIATIVES LEVERAGING THE POWER OF NEXT GENERATION TECHNOLOGIES viz. AI,ROBOTICS,AR/VR.
- RECOGNIZING THIS, THE COMPANY HAS AN ELABORATE IT INFRASTRUCTURE IN PLACE TO ADDRESS THE NEEDS AND ALSO ENSURE UNINTERRUPTED SERVICE.
- 42 PATENTS HAVE BEEN FILED SINCE INCEPTION, OUT OF WHICH 28 HAVE BEEN GRANTED , 8 HAVE BEEN AND 5 PATENTS WERE GRANTED IN FINANCIAL 2022-23.
- NALCO HAS BEEN CONTRIBUTING TO NATION BUILDING SINCE INCEPTION BY SERVING THE REQUIREMENT OF VARIOUS INFRASTRUCTURE.
- IT ALSO ACHIEVED MANY AWARDS AND ACCOLADES FOR SUSTAINABLE DEVELOPMENT.
- THE SHARE PRICE CAN GO UPTO 190 AFTER BREAKING 185 ON THE UPPER SIDE
- THE SHARE PRICE CAN GO UPTO 147 AFTER BREAKING 150 ON THE LOWER SIDE

PIVOT TABLE :

	SUPPORT				RESISTANCE			
DATE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
08-04-2024	169.883	172.267	175.13	177.52	180.383	182.77	185.6333333	161.5
05-04-2024	162.717	166.933	171.97	176.18	181.217	185.43	190.4666667	152.55
04-04-2024	167.233	170.767	173.13	176.67	179.033	182.57	184.9333333	151.6
03-04-2024	158.667	162.483	168.62	172.43	178.567	182.38	188.5166667	151.9
02-04-2024	152.7	155.6	160.9	163.8	169.1	172	177.3	148.75
01-04-2024	147.4	150.5	156	159.1	164.6	167.7	173.2	145.75

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKET INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.