

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	VEDL IN
Equity Shares (m)	3910
M.Cap.(INRb)/(USD\$)	1664.5 / 19
52-Week Range (INR)	527 / 362
1, 6, 12 Rel. Per (%)	-5/-9/-5
12M Avg Val (INR M)	4785
Free float (%)	43.6

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	1,530	1,563	1,639
EBITDA	423.4	478.9	514.3
EBITDA margin	27.7	30.6	31.4
APAT	135.9	158.1	185.1
Adj. EPS (INR)	34.8	40.4	47.3
EPS Gr (%)	162.2	16.3	17.1
BV/Sh. (INR)	105.4	124.4	150.3

Ratios

Net D:E	1.3	0.9	0.5
RoE (%)	37.0	35.2	34.5
RoCE (%)	26.9	27.1	27.3
Payout (%)	98.8	53.0	45.3

Valuations

P/E (x)	12.2	10.5	9.0
P/BV	4.0	3.4	2.8
EV/EBITDA (x)	6.5	5.7	5.0
Div. Yield (%)	8.1	5.0	5.0
FCF Yield (%)	13.6	14.4	17.5

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	56.4	56.4	59.3
DII	16.5	16.5	14.9
FII	10.7	11.3	10.4
Others	16.4	15.9	15.4

FII includes depository receipts

CMP: INR426 TP: INR480 (+13%) Neutral

Operational performance in line; lower finance cost and higher other income drive APAT beat

- Vedanta (VEDL) reported consolidated net sales of INR378b (+6% YoY and -7% QoQ), in line with our estimates. The QoQ growth was driven by softer output commodity prices and lower volumes.
- VEDL's consolidated EBITDA came in at INR99b (flat YoY and -14% QoQ), in line with our estimate of INR100b. EBITDA was driven by lower output commodity prices and volumes, partially offset by lower input costs. EBITDA margin for 1QFY26 stood at 26.2%, compared to 28.3% in 4QFY25 and 27.8% in 1QFY25.
- APAT for the quarter stood at INR32b (-12% YoY and -9% QoQ), beating our estimate of INR25b, led by lower finance cost and higher other income.
- Gross debt stood at INR803.6b, while net debt stood at INR582.2b, implying net debt/EBITDA of 1.3x in 1QFY26 vs 1.2x in 4QFY25.

Segment highlights

Aluminum:

- VEDL produced 605kt of Aluminum, registering +1% YoY growth and remaining flat QoQ, whereas Alumina production from the Lanjigarh refinery grew 9% YoY and 36% QoQ to 587kt in 1QFY26.
- Net sales stood at INR146b (+8% YoY and -9% QoQ), in line with our est.
- Reported EBITDA came in at INR44.6b (flat YoY and -4% QoQ), in line with our est. of INR44.1b during the quarter.
- The aluminum cost of production stood at USD1,765/t (+3% YoY and -12% QoQ).

Zinc India (HZL):

- Revenue stood at INR77.7b (-4% YoY and -15% QoQ), in line with our est. of INR75.7b in 1QFY26. The decline was driven by lower volumes and commodity prices, which were offset by higher silver and by-product prices with a stronger dollar.
- EBITDA came in line at INR38.6b (-2% YoY and -20% QoQ) during the quarter. EBITDA margin softened to 49.7% in 1QFY26 vs 53% in 4QFY25 and 48.5% in 1QFY25. The decline was primarily on account of weak volumes and softened commodity prices.
- Zinc COP for the quarter stood at USD1,010/t, declining 9% YoY (+2% QoQ), due to improved metal grades, better domestic coal, and renewable energy consumption.
- APAT stood at INR22.3b (-5% YoY and -25.6%) against our est. of INR21.5b.
- Mined metal for the quarter stood at 265kt (flat YoY and -15% QoQ), led by mine preparation activities being carried out.
- Refined metal production stood at 250kt (-5% YoY and -7% QoQ - Refined zinc/lead production of 202/48kt), in line with plant availability and attributed to maintenance activities.
- Saleable silver production declined 11% YoY and 16% QoQ to 149kt, majorly due to lower silver input from the SK mine and in line with lead production.

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Zinc International:

- Mined metal production surged 54% YoY and 14% QoQ to 57 kt, driven by higher input treated at Gamsberg and higher BMM lead and zinc grades.
- In 1QFY26, revenue stood at INR11.5b, up 53% YoY and 4% QoQ; EBITDA came in at INR4b, up 128% YoY and 4% QoQ, led by CoP declining 21% YoY to USD1,269/t (flat QoQ) in 1QFY26.

Copper:

- Copper cathodes production stood at 44kt, up 120% YoY and 2% QoQ in 1QFY26.
- Revenue came in at INR64b (+34% YoY and +3% QoQ) in 1QFY26.
- EBITDA reported a loss of INR260m in 1QFY26, against the loss of INR570m in 1QFY25 and INR490m in 4QFY25.

Iron Ore:

- Saleable ore production stood at 1.8mt, up 38% YoY and down 14% QoQ; Pig Iron production was at 213kt, up 4% YoY and QoQ.
- Revenue stood at INR13.3b (+1% YoY and -13% QoQ), while EBITDA stood at INR2b (+11% YoY and -34% QoQ).

Highlights from the management commentary

- Despite soft global commodity prices, management remains optimistic over domestic pricing, led by strong domestic demand for aluminum and zinc.
- Power realizations at Meenakshi and Athena are expected to remain strong at INR5-5.7/unit, supported by short-term PPAs.
- Domestic market demand remains a key lever, with 75% of zinc and 65% of aluminum sales consumed within India, limiting the exposure to US tariffs.
- Vedanta expects aluminum CoP to fall below USD1,700/t in 2HFY26, aided by higher captive alumina share and low power costs. Alumina cost is likely to decline USD80-100/t over the next two quarters, driven by increased output from Lanjigarh. ~ 60% of the cost reduction will come from the increased captive mix at Lanjigarh, while the remaining 40% will be due to softer market alumina prices.
- Power cost is projected to remain at around USD500/t, though 2QFY26 may see a temporary rise due to planned maintenance at power plants.

Valuation and view

- VEDL's 1QFY26 performance came largely in line across segments. Capex plans are progressing well and will likely lead to further cost savings.
- Management targets to maintain strong growth in earnings, led by the upcoming capacity, which will produce higher VAP products. VEDL remains firm on its deleveraging plans, and going forward, higher cash flows will support both its expansion plans and deleveraging efforts. **The stock currently trades at 5x FY27E EV/EBITDA. We have maintained our estimates for FY26/27. We reiterate our Neutral rating on the stock with a SoTP-based TP of INR480.**

Business-wise EBITDA (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Vs.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est.%
EBITDA	99.5	98.3	111.0	114.7	99.2	114.6	128.3	135.6	423.4	478.9	100.0	-0.8
Copper	(0.6)	(0.1)	0.0	(0.5)	(0.3)	0.0	0.0	0.2	(1.1)	0.1	0.0	
Aluminum	44.4	41.6	45.4	46.6	44.6	58.1	53.8	54.0	178.0	210.5	44.1	
Iron ore	1.8	1.4	3.8	3.1	2.0	1.9	2.3	2.9	10.1	9.2	2.3	
Power	2.8	1.9	1.3	1.3	4.6	3.0	3.2	2.1	7.4	13.0	3.2	
Zinc-India	39.5	41.2	45.0	48.2	38.6	50.2	53.7	57.6	173.9	200.0	38.5	
Zinc-International	1.9	3.8	3.5	4.0	4.2	3.1	3.8	3.1	13.2	14.3	2.4	
Oil & Gas	10.8	11.7	12.0	12.1	12.7	6.6	6.1	6.4	46.6	32.9	9.0	
Steel	0.8	(0.1)	1.5	1.5	1.3	(0.3)	0.2	3.7	3.7	4.8	1.9	
Others	(2.0)	(3.1)	(1.5)	(1.7)	(8.6)	(8.0)	5.0	5.7	(8.3)	(5.9)	-1.5	
Change (YoY %)	54.9	46.3	30.2	30.8	(0.3)	16.6	15.5	18.3	39.1	13.1		
Change (QoQ %)	13.4	(1.2)	13.0	3.3	(13.5)	15.6	11.9	5.7				
As % of Net Sales	27.8	26.1	28.4	28.3	26.2	30.7	32.5	32.7	27.7	30.6		

Sources: MOFSL, Company

Quarterly performance - Consolidated (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Vs.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est.%
Net Sales	357.6	376.3	391.2	404.6	378.2	373.9	394.2	415.3	1,529.7	1,562.9	370.7	2.0
Change (YoY %)	6.0	10.1	10.1	13.9	5.8	(0.6)	0.8	2.6	10.1	2.2		
Change (QoQ %)	0.7	5.2	3.9	3.4	(6.5)	(1.1)	5.4	5.3				
EBITDA	99.5	98.3	111.0	114.7	99.2	114.6	128.3	135.6	423.4	478.9	100.0	-0.8
Change (YoY %)	54.9	46.3	30.2	30.8	(0.3)	16.6	15.5	18.3	39.1	13.1		
Change (QoQ %)	13.4	(1.2)	13.0	3.3	(13.5)	15.6	11.9	5.7				
As % of Net Sales	27.8	26.1	28.4	28.3	26.2	30.7	32.5	32.7	27.7	30.6		
Finance cost	22.2	26.7	24.4	25.8	20.3	23.5	24.8	25.6	99.1	94.2		
DD&A	27.3	27.0	26.8	29.9	28.2	29.5	29.5	30.8	111.0	118.1		
Other Income	9.3	13.0	6.8	7.6	9.9	6.1	6.2	6.5	36.8	28.7		
PBT (before EO item)	59.3	57.7	66.6	66.6	60.5	67.7	80.2	85.7	250.1	295.3	54.1	11.9
EO exp. (income)	-	(18.7)	-	-	-	-	-	-	(18.7)	-		
PBT (after EO item)	59.3	76.3	66.6	66.6	60.5	67.7	80.2	85.7	268.8	270.0		
Total Tax	8.3	20.3	17.9	17.0	16.0	19.6	22.9	24.3	63.4	82.7		
% Tax	14.0	26.6	26.8	25.5	26.4	29.0	28.5	28.3	23.6	30.6		
PAT before MI and Asso.	51.0	56.0	48.8	49.6	44.6	48.0	57.3	61.4	205.3	212.6		
Profit from Asso.	-	-	-	0.0	-	-	-	-	0.0	-		
Minority interest	14.9	12.5	13.3	14.8	12.7	13.6	13.6	14.6	55.5	54.6		
PAT after MI and Asso.	36.1	43.5	35.5	34.8	31.9	34.4	43.7	46.9	149.9	158.1		
APAT	36.1	29.5	35.5	34.8	31.9	34.4	43.7	46.9	135.9	158.1	25.3	25.9
Change (YoY %)	319.5	504.8	76.2	121.8	(11.7)	16.6	23.2	34.6	175.6	16.3		
Change (QoQ %)	129.8	(18.2)	20.2	(1.8)	(8.6)	8.0	27.0	7.3				

Sources: MOFSL, Company

Operational performance – Zinc India (INR b)
(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Vs.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est.%
Mine prodn. (kt)	263	256	265	311	265	280	282	298	1,095	1,125		
Sales												
Zinc refined (kt)	211	198	201	218	201	212	215	224	827	851		
Lead refined (kt)	51	63	55	56	48	53	53	59	225	213		
Silver (tonnes)	167	184	160	177	145	182	194	184	687	706		
Net Sales	81.3	82.5	86.1	90.9	77.7	89.6	93.0	95.6	340.8	356.0	75.7	2.7
Change (YoY %)	11.6	21.5	17.8	20.4	(4.4)	8.6	8.0	5.2	17.8	4.4		
Change (QoQ %)	7.7	1.5	4.4	5.5	(14.5)	15.3	3.8	2.7				
EBITDA	39.5	41.2	45.0	48.2	38.6	50.2	53.7	57.6	173.9	200.0	38.5	0.2
Change (YoY %)	17.9	31.3	27.8	32.1	(2.2)	21.7	19.4	19.4	27.3	15.0		
Change (QoQ %)	8.1	4.5	9.1	7.1	(19.9)	30.0	7.1	7.1				
As % of Net Sales	48.5	50.0	52.2	53.0	49.7	56.0	57.7	60.2	51.0	56.2		
Finance cost	2.6	3.0	2.9	2.5	2.4	2.7	2.7	2.9	11.0	10.7		
DD&A	8.4	8.8	9.1	10.1	9.1	9.9	10.5	11.2	36.4	40.8		
Other Income	2.7	2.7	2.2	2.3	2.8	3.2	3.2	3.6	9.8	12.8		
PBT (before EO item)	31.1	32.1	35.3	37.8	29.9	40.8	43.8	47.0	136.4	161.4		
EO exp. (income)	-	(0.8)	-	-	-	-	-	-	(0.8)	-		
PBT	31.1	31.3	35.3	37.8	29.9	40.8	43.8	47.0	135.5	161.4		
Total Tax	7.7	8.0	8.5	7.8	7.5	10.1	10.8	11.5	32.0	39.9		
% Tax	24.7	25.7	24.1	20.6	25.2	24.7	24.7	24.4	23.6	24.7		
Reported PAT	23.5	23.3	26.8	30.0	22.3	30.7	33.0	35.5	103.5	121.5		
Adjusted PAT	23.5	24.1	26.8	30.0	22.3	30.7	33.0	35.5	104.4	121.5	21.5	3.8
Change (YoY %)	19.4	34.6	32.1	47.4	(4.7)	31.9	23.2	18.3	33.4	17.4		
Change (QoQ %)	15.1	(0.8)	15.1	12.1	(25.6)	37.4	7.5	7.7				



Conference call takeaways

Capacity update and expansion plan

- Lanjigarh Train-1 is ramping up steadily; the commissioning of Train-2 is planned for 2QFY26, which will boost captive alumina availability.
- At Zinc International, the Hamstrap Phase 2 expansion project is expected to be commissioned by Dec'25 and likely to get fully ramped up by 4QFY26, contributing significantly to Zinc International's overall output. The project includes a 4mtpa ROM plant, which is being debottlenecked for an extra 10% throughput.
- With the completion of this phase-II expansion, the operational mine capacity at Zinc International will rise to 525ktpa.
- VEDL targets 2.8-2.85mtpa of aluminum metal capacity via debottlenecking at BALCO and Jharsuguda, and the execution time is estimated to be 18 months.
- VEDL plans to add 1,300MW of merchant power capacity by FY26 through its Meenakshi and Athena power plants. In Jul'25, 350MW was commissioned at Meenakshi (Unit 3) and 600MW at Athena (Unit 1).
- Another 315 MW at Meenakshi (Unit 4) is expected to be commissioned in Aug'25 and the second 600 MW unit of Athena is scheduled for commissioning in Q4FY26, taking total new capacity to 1,865 MW for the year.
- VEDL aims to restore production to 95-100 kbopd in FY26 via infill drilling and field enhancement. The ASP (Alkaline-Surfactant-Polymer) injection project has started in the Mangala field and volume uplift is expected in the next 3-4 quarters.
- The company has received a strategic mineral license in Saudi Arabia's Jabal Sayid belt, with 25-30 MT resource potential at 1.3% Cu and 3g/t Au. An USD2b

investment is planned for a 400ktpa copper smelter and 300ktpa copper rod plant.

- Land has been acquired and the EPC contractor finalized for the copper rod plant; final approvals for the smelter are in progress.

Guidance

- The aluminum business is on track to achieve ~3.1mt of alumina and 2.8mt of metal production by FY26-FY27E.
- Despite soft global commodity prices, management remains optimistic over domestic pricing, led by strong domestic demand for aluminum and zinc.
- Power realizations at Meenakshi and Athena are expected to stay strong at INR5-5.7/unit, supported by short-term PPAs.
- Domestic market demand remains a key lever, with 75% of zinc and 65% of aluminum sales consumed within India, limiting the exposure to US tariffs.
- VEDL expects aluminum CoP to fall below USD1,700/t in 2HFY26, aided by higher captive alumina share and low power costs. Alumina cost is likely to decline USD80-100/t over the next two quarters, driven by increased output from Lanjigarh. ~ 60% of the cost reduction will come from an increased captive mix at Lanjigarh, while the remaining 40% will be due to softer market alumina prices.
- Power cost is projected to remain at around USD500/t, though 2QFY26 may see a temporary rise due to planned maintenance at power plants.
- Oil & gas opex is expected to stay low at USD15-16/bbl, supported by optimized polymer and chemical use.
- Management guided the mining segment's margins to remain strong, continuing the current USD49/t level.

Other highlights

- Vedanta Resources' debt decreased to USD4.8b as of Jun25, with ongoing deleveraging efforts.
- The 3% brand fee will continue till 2029, with no plans for adjustment.
- The Ministry of Petroleum raised concerns during the NCLT hearing, but management is optimistic about a favorable outcome (Sept-Oct'25 completion timeline).
- VEDL secured two additional mining blocks for critical minerals (including nickel, chromium, cobalt, vanadium, manganese, tungsten, gold, and rare earth elements), increasing its total to 10 blocks since the launch of India's critical minerals mission.

Hindustan Zinc – Key management commentary

Performance guidance

- RE share during 1QFY26 stood at 19% of the total energy mix, compared to 13% in FY25. The coal mix stood at 50% for domestic vs. 45% for imported in 1QFY26.
- The reduction in CoP during 1QFY26 was on account of better mine grade, higher RE share via Serentica, and higher domestic coal usage amid muted imported coal prices.
- On account of improving efficiencies, the company is confident of achieving the lower end of its full-year cost guidance (USD1,025-1,050/t).
- Saleable silver production was lower than expected due to lower metal production and lower silver grades (88ppm vs. ~93-98ppm last year).

- The completion of debottlenecking projects and commissioning of a new roaster in 2QFY26 will boost silver and metal production, supporting HZ to meet the FY26 guidance of 700-710t.

Capacity update/capital allocation

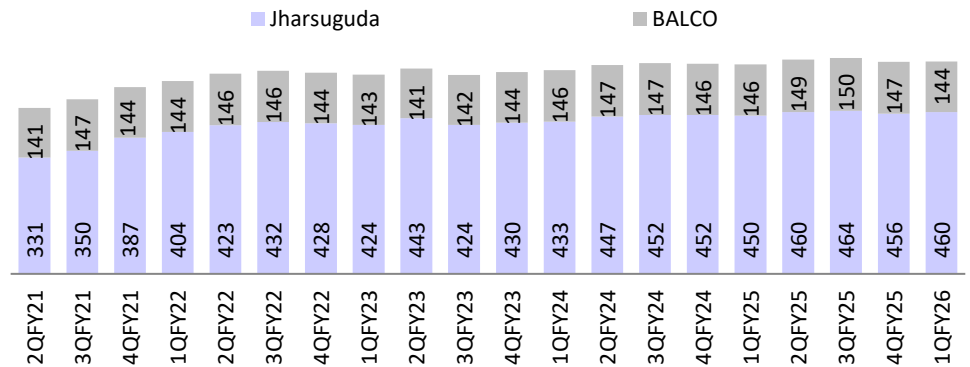
- The 510kt DAP/NPK fertilizer plant at Chanderiya is in progress and will be commissioned by 1QFY27 (earlier 2QFY26). Out of the total FY26 capex of INR12b, HZ has already spent INR10b.
- Ramp-up is expected to take 2-3 months, with full operations likely in 2HFY27. Revenue potential is expected at INR20-25b and EBITDA at INR4-4.5b.
- Management expects 160ktpa roaster at Debari to be commissioned in 2QFY26 (earlier 1QFY26).
- It has completed debottlenecking at Dariba Smelting Complex. The Chanderiya Lead Zinc smelter debottlenecking is expected to be completed by 2QFY26.
- The hot acid leaching technology innovative for lead (27mtpa) and silver (6ktpa) recovery from smelting waste at Dariba will be completed by 4QFY26.
- The Bamnnia Kalan mine is under development (40-45% complete) and expected to be operational by late 2026 or early 2027, with grades projected to be at 8-9% (stands between RD and SK mines).
- In Jun'25, HZ announced integrated refined metal capacity expansion plans of 250ktpa, along with matching mines & mills capacity, with an investment of INR120b (guidance: INR35b - FY26, INR50b - FY27, and the rest in FY28). The expansion is expected to be completed in the next 36 months.
- Orders for a 250ktpa smelting complex have been placed, with mining orders to follow within 10-15 days and concentrator orders by mid-Aug'25.
- Phase-II aims to double the refined metal capacity to 2mtpa (1.6/0.4mtpa - Zinc/Lead, respectively) and silver capacity to 1.5ktpa. Management guided that the planning of phase-II is completed and all orders will be placed by Sep'25.

Other highlights

- The company has guided to distribute surplus cash after capex, maintaining a balance between leveraging and dividend payouts (brand fees payment of INR5b in 1QFY26).
- HZ has secured licenses for potash (Rajasthan), tungsten (AP), and rare earth blocks (UP). The potash block will complement the fertilizer business, while preliminary studies are ongoing for the tungsten/rare earth block.
- Long-term grade deterioration at mines like Rampura Agucha, SK, and RD is being managed through a strategic mining and new mine development (e.g., Bamnnia Kalan).

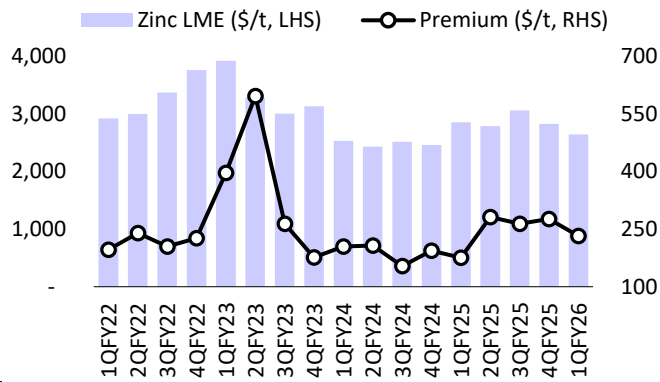
Story in charts

Exhibit 1: Aluminum production remained high YoY



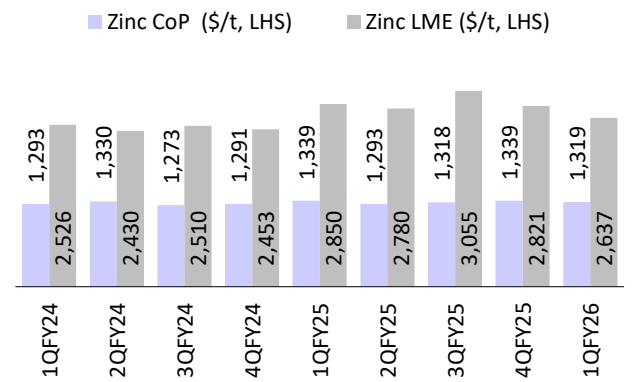
Sources: MOFSL, Company

Exhibit 2: Zinc LME vs. Premium (USD/t)



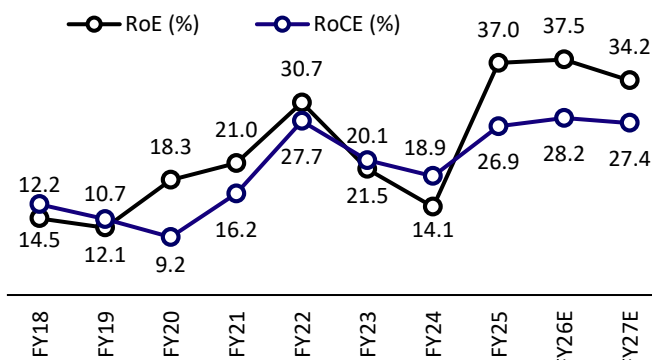
Sources: MOFSL, Company

Exhibit 3: Zinc India (kt) – zinc, lead, and silver volumes



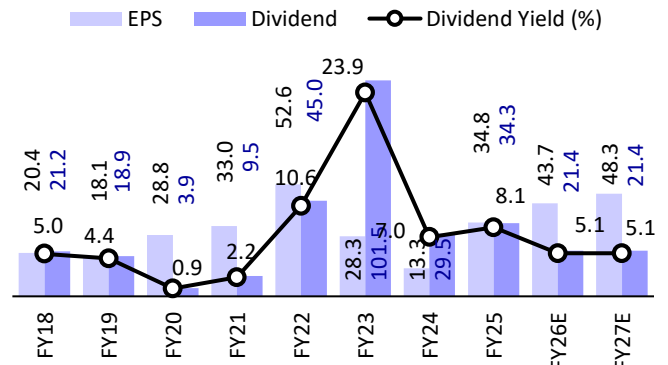
Sources: MOFSL, Company

Exhibit 4: RoE and RoCE trends



Sources: MOFSL, Company

Exhibit 5: Dividend per share



Sources: MOFSL, Company

Exhibit 6: Changes to our assumptions and key financials

Particular	Units	FY26E			FY27E		
		New	Old	% change	New	Old	% change
Revenue	INR b	1,563	1,563	0%	1,639	1,639	0%
EBITDA	"	479	478	0%	514	514	0%
Adj PAT	"	158	158	0%	185	185	0%
EPS	INR/sh	40.4	40.3	0%	47.3	47.3	0%

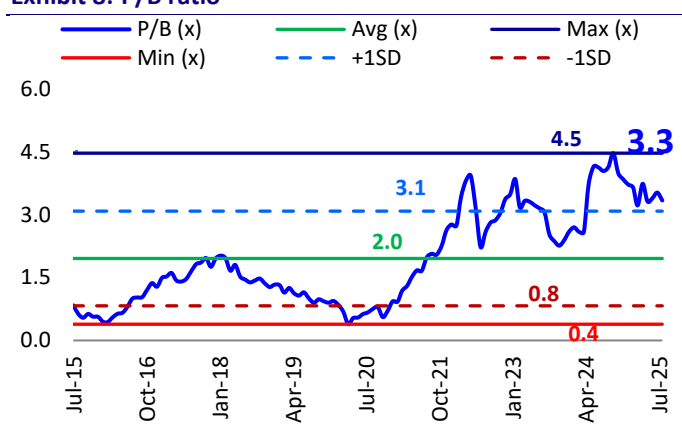
Sources: MOFSL, Company

Exhibit 7: SoTP valuation

(INR b)	EBITDA FY27E	EV EBITDA (x)	EV FY27E
VEDL (ex-HZL)			
Copper	0.1	4.0	0.3
Aluminium	213.6	4.5	1,048
Iron ore	11.2	4.0	38
Steel	5.7	4.0	21
Power	13.4	4.0	54
Zinc-Int	15.6	4.0	61
Oil & Gas	32.4	4.0	100
Sub. Tot.	292.0	4.0	1,322
Less: Net Debt	300		300
Equity Value			1,021
Hind. Zinc			
HZL	215	8.0	1,813
Add: Net Cash	210		183
Equity Value			1,996
INR/share (HZL)			465
VEDL			
INR/sh			INR/sh
HZL@64.9% (15% Hold Co. discount)			842
VEDL (ex HZL)			1,021
Equity value			1,863
Shares outstanding (b)			3.9
Target price (INR/sh)			480

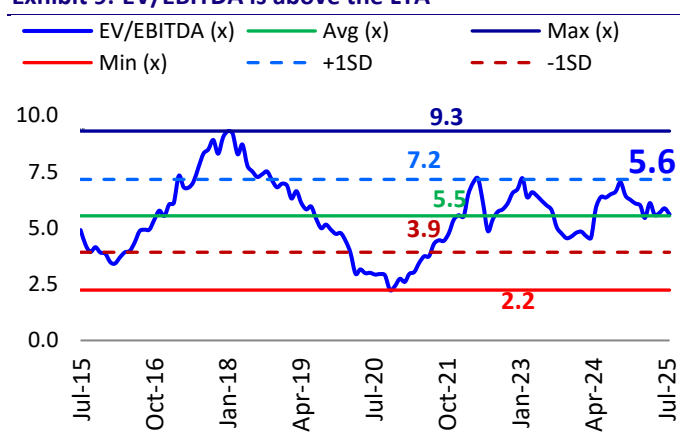
Sources: MOFSL, Company

Exhibit 8: P/B ratio



Source: MOFSL

Exhibit 9: EV/EBITDA is above the LTA



Source: MOFSL

Financials and valuations

Income Statement (Consolidated)

INR b

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY26E
Net Sales	919	920	844	880	1,327	1,473	1,390	1,530	1,563	1,639
Total Expenses	667	689	638	607	879	1,129	1,085	1,106	1,084	1,124
EBITDA	252	231	207	273	448	344	304	423	479	514
DDA	63	82	91	76	89	106	107	111	118	121
EBIT	189	149	116	197	359	239	197	312	361	393
Finance cost	58	57	50	52	48	62	95	99	94	92
Other income	36	40	25	34	26	29	26	37	29	35
PBT	167	132	91	179	337	205	128	250	295	336
Tax	57	39	-35	22	93	58	128	63	83	94
Rate (%)	34.4	29.2	-38.5	12.2	27.4	28.2	100.2	25.4	28.0	28.0
PAT (before EO)	109	94	126	157	245	147	0	187	213	242
EO expense /Income	8	3	-170	-7	-8	-2	76	19	0	0
PAT before MI and Asso.	118	97	-43	150	237	145	75	205	213	242
Minority interests	34	26	19	34	49	39	33	55	55	57
Share in Asso.	0	0	0	0	0	0	0	0	0	0
PAT after MI and Asso.	84	71	-62	116	188	106	42	150	158	185
Attrib. PAT (after MI & asso)	76	67	107	123	196	105	49	136	158	185
Change (YoY %)	40.4	-11.0	59.0	14.5	59.4	-46.2	-53.1	175.6	16.3	17.1

Balance Sheet (Consolidated)

INR b

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	4	4	4	4	4	4	4	4	4	4
Reserves	631	619	543	619	650	391	304	408	483	584
Net Worth	635	623	546	623	654	394	307	412	486	588
Total Loans	725	835	757	686	534	665	722	746	731	716
Deferred Tax Liability	-9	10	-40	-36	-7	-26	75	97	97	97
Capital Employed	1,511	1,621	1,435	1,423	1,355	1,133	1,218	1,381	1,494	1,638
Gross Block	1,810	2,176	2,182	2,411	2,542	2,744	2,888	3,013	3,080	3,135
Less: Accumulated Depreciation	848	1,185	1,276	1,482	1,591	1,766	1,873	1,984	2,102	2,224
Net Fixed Assets	962	991	907	929	951	978	1,015	1,029	978	911
Capital WIP	161	222	168	139	142	174	203	309	375	452
Investments	2	49	1	2	2	5	10	16	16	16
WC. Assets	674	723	691	729	840	721	653	645	742	888
Inventory	120	132	113	99	143	150	130	145	159	167
Account Receivables	53	77	58	66	82	65	60	61	69	73
Cash and Bank Balance	338	365	372	331	327	219	152	207	282	416
Loans and advances	163	149	148	232	288	286	311	232	232	232
WC. Liability & Prov.	287	365	333	375	580	745	664	619	616	629
Trade payables	84	92	80	79	215	247	250	265	263	275
Provisions & Others	203	273	252	296	365	498	413	354	354	354
Net WC. Assets	386	358	359	354	260	-24	-11	26	126	259
Appl. of Funds	1,511	1,621	1,435	1,423	1,355	1,133	1,218	1,381	1,494	1,638

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)										
EPS	20.4	18.1	28.8	33.0	52.6	28.3	13.3	34.8	40.4	47.3
BV/Share	170.7	167.5	146.9	167.4	175.8	106.0	82.6	105.4	124.4	150.3
DPS	21.2	18.9	3.9	9.5	45.0	101.5	29.5	34.3	21.4	21.4
Payout (%)	104.1	104.0	13.5	28.8	85.5	358.9	222.6	98.8	53.0	45.3
Valuation (x)										
P/E	20.8	23.4	14.7	12.9	8.1	15.0	32.0	12.2	10.5	9.0
Cash P/E	11.4	10.6	8.0	7.9	5.5	7.5	10.1	6.7	6.0	5.4
P/BV (incl.-goodwill)	2.5	2.5	2.9	2.5	2.4	4.0	5.1	4.0	3.4	2.8
EV/Sales	2.2	2.3	2.4	2.3	1.4	1.4	1.6	1.4	1.4	1.2
EV/EBITDA	10.1	11.2	11.8	9.1	5.0	7.3	8.9	6.5	5.7	5.0
Dividend Yield (%)	5.0	4.4	0.9	2.2	10.6	23.9	6.9	8.1	5.0	5.0
Return Ratios (%)										
EBITDA Margins	27.4	25.1	24.5	31.0	33.8	23.4	21.9	27.7	30.6	31.4
Net Profit Margins	8.3	7.3	12.7	14.0	14.7	7.1	3.5	8.9	10.1	11.3
RoE	12.2	10.7	18.3	21.0	30.7	20.1	14.1	37.0	35.2	34.5
RoCE (pre-tax)	14.5	12.1	9.2	16.2	27.7	21.5	18.9	26.9	27.1	27.3
RoIC (pre-tax)	17.5	12.3	10.0	18.3	33.9	24.6	19.9	27.9	30.2	32.3
Working Capital Ratios										
Fixed Asset Turnover (x)	1.0	0.9	0.9	1.0	1.4	1.5	1.4	1.5	1.6	1.7
Receivable (Days)	21	30	25	28	22	16	16	16	16	16
Inventory (Days)	48	52	49	41	39	37	37	37	37	37
Trade payable (Days)	33	37	35	33	59	61	61	61	61	61
Leverage Ratio (x)										
Current Ratio	2.3	2.0	2.1	1.9	1.4	1.0	1.0	1.0	1.2	1.4
Interest Cover Ratio	3.9	3.3	2.8	4.4	8.0	4.3	2.4	3.5	4.1	4.6
Net Debt/EBITDA	1.5	2.0	1.9	1.3	0.5	1.3	1.9	1.3	0.9	0.6
Net Debt/Equity	0.6	0.8	0.7	0.6	0.3	1.1	1.9	1.3	0.9	0.5

Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
EBITDA	252	231	207	273	448	344	304	423	479	514
Non-cash exp. (income)	7	11	7	18	6	4	64	10	0	0
(Inc)/Dec in Working. Cap.	-47	21	-9	-30	-48	46	16	-7	-25	2
Tax paid	-32	-26	-11	-21	-57	-64	-27	-31	-83	-94
CF from Op. Activity	174	238	193	240	350	331	357	396	371	422
(Inc)/Dec in FA + CWIP	-74	-89	-77	-69	-105	-138	-168	-169	-132	-132
Free Cash Flow	100	149	116	171	245	193	189	226	238	290
(Pur)/Sale of Investments	14	42	42	9	47	92	15	-41	0	0
Interest & Dividend Income	14	9	8	20	19	17	17	24	29	35
Investment in subsidiaries	-9	-69	-5	0	0	-3	-4	-6	0	0
Others	209	1	-28	-28	16	24	3	0	0	0
CF from Inv. Activity	154	-105	-59	-68	-23	-7	-137	-192	-104	-97
Equity raised/(repaid)	-2	-1	-1	0	0	0	-2	84	0	0
Debt raised/(repaid)	-173	77	-87	-96	-27	149	47	40	-15	-15
Dividend (incl. tax)	-168	-118	-14	-91	-193	-411	-205	-212	-84	-84
Interest paid	-57	-60	-53	-53	-53	-55	-98	-105	-94	-92
Others	7	0	0	65	-16	-24	-3	0	0	0
CF from Fin. Activity	-393	-102	-155	-176	-289	-341	-261	-192	-193	-191
Forex Adj.	1	-1	0	1	0	0	0	0	0	0
(Inc)/Dec in Cash	-64	29	-22	-3	38	-17	-41	12	74	134
Add: Opening cash balance	109	45	73	51	49	87	69	28	40	114
adjustments if any	0	-1	0	0	0	0	0	0	0	0
closing cash balance	45	73	51	49	87	69	28	40	114	248
Bank Balance	293	293	320	283	241	150	124	168	168	168
Closing Balance (incl bank balance)	338	365	372	331	327	219	152	207	282	416

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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