

Estimate change



TP change



Rating change



CMP: INR766

TP: INR810 (+6%)

Neutral

In-line earnings supported by favorable prices and better volume; strong near-term outlook

Consolidated result highlights

- Vedanta Limited (VEDL) reported a consolidated revenue of INR467b (+19% YoY and +17% QoQ) against our est. of INR435b, driven by higher LME, better volume, and forex gains in 3QFY26.
- Consolidated EBITDA stood at INR152b (+37% YoY and +33% QoQ), against our est. of INR143b, driven by lower costs and favorable LME. EBITDA margin for 3QFY26 stood at 32.5% compared to 28.6% in 2QFY26 and 28.4% in 3QFY25.
- APAT for the quarter stood at INR79.7b (+125% YoY) vs our est. of INR56.7b.
- In 9MFY26, revenue stood at INR1,243b (+11% YoY), whereas EBITDA was INR365b (+18% YoY) and APAT rose 44% YoY to INR145b.
- Net debt stood at INR606b as of Dec'25, translating to net debt/EBITDA of 1.23x in 3QFY26 vs 1.40x in 3QFY25.

Segmental result highlights

Aluminum:

- VEDL produced 620kt of aluminum, registering a growth of 1% YoY and flat QoQ, whereas the alumina production from Lanjigarh refinery grew 57% YoY and 22% QoQ to 794kt in 3QFY26.
- As expected, revenue came in line at INR169b (+10% YoY and +8% QoQ), whereas EBITDA grew 55% YoY and 27% QoQ to INR70b vs our est. of INR71.5b in 3QFY26.
- Aluminum's cost of production (CoP) stood at USD1,674/t, down 11% YoY and 8% QoQ during the quarter.

Zinc India (HZL):

- During 3QFY26, revenue stood at INR110b (+28% YoY and QoQ), which was 10% above our estimates. The growth was driven by favorable commodity prices and volume recovery.
- EBITDA came at INR61b (+35% YoY and +36% QoQ) against our estimate of INR54b during the quarter. EBITDA margin stood at 55.1% in 3QFY26 vs 52% in 2QFY26 and 52.2% in 3QFY25. The increase was primarily led by favorable metal prices and the lower cost of production.
- Zinc CoP (ex-royalty) stood at USD940/t in 3Q (-10% YoY and -5% QoQ), led by lower power cost, increased by-product NSR, and better volume output offsetting the higher mine development cost.
- APAT stood at INR39b (+46% YoY and +48% QoQ) vs our est. of INR34b.
- Mined metal for the quarter stood at 276kt (+4% YoY and +7% QoQ), driven by higher ore production.

Bloomberg	VEDL IN
Equity Shares (m)	3910
M.Cap.(INRb)/(USDb)	2996.7 / 32.6
52-Week Range (INR)	770 / 362
1, 6, 12 Rel. Per (%)	31/72/68
12M Avg Val (INR M)	5368
Free float (%)	43.6

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	1,735	1,861	1,993
EBITDA	529.2	599.3	643.9
EBITDA margin	30.5	32.2	32.3
APAT	226.2	226.3	254.4
Adj. EPS (INR)	57.8	57.9	65.1
EPS Gr (%)	66.4	0.0	12.4
BV/Sh. (INR)	137.4	173.9	217.5

Ratios

Net D:E	0.8	0.4	0.1
RoE (%)	47.6	37.2	33.2
RoCE (%)	30.6	31.4	30.4
Payout (%)	37.0	37.0	32.9

Valuations

P/E (x)	13.3	13.3	11.8
P/BV	5.6	4.4	3.5
EV/EBITDA (x)	8.3	7.1	6.4
Div. Yield (%)	2.8	2.8	2.8
FCF Yield (%)	7.6	9.9	11.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.4	56.4	56.4
DII	15.4	16.3	15.6
FII	12.2	11.2	12.1
Others	16.0	16.1	15.9

FII includes depository receipts

- Refined metal production stood at 270kt (+4% YoY and +9% QoQ) in 3QFY26, driven by the commissioning of Chanderiya & Dariba debottlenecking projects, along with a ramp-up of 160ktpa roaster at Debari.
- Refined zinc production was 221kt (+8% YoY and +10% QoQ), while refined lead production stood at 49kt (-11% YoY and +9% QoQ) due to lower pyro plant availability. Salable silver production declined 1% YoY and increased 10% QoQ to 158kt, in line with lead production.

Zinc International:

- Mined metal production rose 28% YoY and flat QoQ to 59kt, driven by higher milled tons and better lead grades.
- Revenue stood at INR13b (+24% YoY and +5% QoQ), whereas EBITDA came at INR4.2b (+17% YoY and +11% QoQ), led by better volume and favorable prices. CoP grew 38% YoY and 11% QoQ to USD1,632/t in 3QFY26.

Copper:

- Copper cathodes production stood at 45kt, flat YoY and 12% QoQ in 3QFY26.
- Revenue stood at INR86b (+49% YoY and +31% QoQ), led by favorable LME, while reported EBITDA loss was INR160m in 3QFY26, against the loss of INR130m in 2QFY26.

Iron Ore:

- Iron ore sales stood at 1.3mt, down 19% YoY (+86% QoQ), and Pig iron sales rose 9% YoY (-11% QoQ) to 230kt in 3QFY26.
- Revenue stood at INR19.5b (+5% YoY and +35% QoQ), while EBITDA came at INR2.8b, down 24% YoY (+163% QoQ), during the quarter.

Valuation and view

- VEDL's 3QFY26 operational performance came largely as expected, supported by better volumes and favorable LME prices. We increase our FY26 revenue, EBITDA, and PAT estimates by 4%, 3%, and 22%, factoring in the strong earnings in 3QFY26. We also increase our FY27/28 EBITDA estimate by 5%, led by a stronger near-term outlook.
- 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 7x EV/EBITDA and 4.4x P/BV on the FY27 estimate. We reiterate our Neutral rating on the stock with a SoTP-based TP of INR810.**

Quarterly performance – VEDL Consolidated (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 3QE	Vs. Est.%
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	357.6	376.3	391.2	404.6	378.2	398.7	466.5	491.8	1,529.7	1,735.2	434.6	7.3
Change (YoY %)	6.0	10.1	10.1	13.9	5.8	5.9	19.3	21.6	10.1	13.4		
Change (QoQ %)	0.7	5.2	3.9	3.4	(6.5)	5.4	17.0	5.4				
EBITDA	99.5	98.3	111.0	114.7	99.2	114.0	151.7	164.4	423.4	529.2	143.2	6.0
Change (YoY %)	54.9	46.3	30.2	30.8	(0.3)	16.0	36.6	43.4	39.1	25.0		
Change (QoQ %)	13.4	(1.2)	13.0	3.3	(13.5)	14.9	33.1	8.4				
As % of Net Sales	27.8	26.1	28.4	28.3	26.2	28.6	32.5	33.4	27.7	30.5	32.9	
Finance cost	22.2	26.7	24.4	25.8	20.3	21.1	21.8	20.0	99.1	83.1		
DD&A	27.3	27.0	26.8	29.9	28.2	28.7	27.3	29.4	111.0	113.5		
Other Income	9.3	13.0	6.8	7.6	9.9	6.0	7.4	5.5	36.8	28.7		
PBT (before EO item)	59.3	57.7	66.6	66.6	60.5	70.2	110.1	120.5	250.1	361.3	101.6	8.3
EO exp. (income)	-	(18.7)	-	-	-	20.7	2.2	-	(18.7)	(22.9)		
PBT (after EO item)	59.3	76.3	66.6	66.6	60.5	49.5	107.9	120.5	268.8	270.0		
Total Tax	8.3	20.3	17.9	17.0	16.0	14.7	29.8	39.4	63.4	99.8		
% Tax	14.0	26.6	26.8	25.5	26.4	29.7	27.6	32.7	23.6	37.0		
PAT before MI and Asso.	51.0	56.0	48.8	49.6	44.6	34.8	78.1	81.1	205.3	238.6		
Profit from Asso.	-	-	-	0.0	-	(0.0)	-	-	0.0	(0.0)		
Minority interest	14.9	12.5	13.3	14.8	12.7	16.8	-	(0.0)	55.5	29.5		
PAT after MI and Asso.	36.1	43.5	35.5	34.8	31.9	18.0	78.1	81.1	149.9	209.0		
APAT	36.1	29.5	35.5	34.8	31.9	33.5	79.7	81.1	135.9	226.2	56.7	40.7
Change (YoY %)	319.5	504.8	76.2	121.8	(11.7)	13.4	124.8	133.0	175.6	66.4		
Change (QoQ %)	129.8	(18.2)	20.2	(1.8)	(8.6)	5.0	138.3	1.8				

Sources: MOFSL, Company

Quarterly performance - HZL

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 3QE	Vs. Est.%
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Mine prodn. (kt)	263	256	265	311	265	258	276	291	1,095	1,090	276	
Sales												
Zinc refined (kt)	211	198	201	218	201	202	221	226	827	850		
Lead refined (kt)	51	63	55	56	48	45	49	51	225	193		
Silver (tonnes)	167	184	160	177	145	147	158	160	687	610		
Net Sales	81.3	82.5	86.1	90.9	77.7	85.5	109.8	115.2	340.8	388.2	99.7	10.1
Change (YoY %)	11.6	21.5	17.8	20.4	(4.4)	3.6	27.5	26.8	17.8	13.9		
Change (QoQ %)	7.7	1.5	4.4	5.5	(14.5)	10.0	28.4	4.9				
EBITDA	39.5	41.2	45.0	48.2	38.6	44.5	60.5	66.3	173.9	209.9	54.3	11.4
Change (YoY %)	17.9	31.3	27.8	32.1	(2.2)	7.8	34.6	37.6	27.3	20.7		
Change (QoQ %)	8.1	4.5	9.1	7.1	(19.9)	15.2	36.2	9.5				
As % of Net Sales	48.5	50.0	52.2	53.0	49.7	52.0	55.1	57.6	51.0	54.1		
Finance cost	2.6	3.0	2.9	2.5	2.4	2.6	2.0	2.4	11.0	9.4		
DD&A	8.4	8.8	9.1	10.1	9.1	8.8	9.5	10.0	36.4	37.4		
Other Income	2.7	2.7	2.2	2.3	2.8	2.4	2.9	2.8	9.8	10.9		
PBT (before EO item)	31.1	32.1	35.3	37.8	29.9	35.4	52.1	56.7	136.4	174.0		
EO exp. (income)	-	(0.8)	-	-	-	-	0.3	-	(0.8)	0.3		
PBT	31.1	31.3	35.3	37.8	29.9	35.4	52.3	56.7	135.5	174.3	44.7	17.0
Total Tax	7.7	8.0	8.5	7.8	7.5	8.9	13.1	14.6	32.0	44.2		
% Tax	24.7	25.7	24.1	20.6	25.2	25.2	25.1	25.8	23.6	25.4		
Reported PAT	23.5	23.3	26.8	30.0	22.3	26.5	39.2	42.1	103.5	130.1		
Adjusted PAT	23.5	24.1	26.8	30.0	22.3	26.5	38.9	42.1	104.4	129.8	33.7	15.6
Change (YoY %)	19.4	39.4	32.1	47.4	(4.7)	9.9	46.2	40.2	33.4	25.6		
Change (QoQ %)	15.1	(0.8)	15.1	12.1	(25.6)	18.6	47.8	7.5				

Sources: MOFSL, Company

Business-wise EBITDA performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Vs. Est. %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
EBITDA	99.5	98.3	111.0	114.7	99.2	114.0	151.7	164.4	423.4	529.2	143.2	6.0
Copper	(0.6)	(0.1)	0.0	(0.5)	(0.3)	(0.1)	(0.2)	(0.1)	(1.1)	(0.7)	(0.1)	
Aluminum	44.4	41.6	45.4	46.6	44.6	55.3	70.2	76.5	178.0	246.7	71.5	
Iron ore	1.8	1.4	3.8	3.1	2.0	1.1	2.8	3.0	10.1	9.0	2.3	
Power	2.8	1.9	1.3	1.3	4.6	2.3	1.3	3.4	7.4	11.5	2.7	
Zinc-India	39.5	41.2	45.0	48.2	38.6	44.5	60.5	66.3	173.9	209.9	54.3	
Zinc-International	1.9	3.8	3.5	4.0	4.2	3.7	4.2	4.9	13.2	17.0	4.2	
Oil & Gas	10.8	11.7	12.0	12.1	12.7	10.3	9.9	12.2	46.6	45.1	10.2	
Steel	0.8	(0.1)	1.5	1.5	1.3	(0.7)	(0.4)	0.5	3.7	0.7	0.5	
Others	(2.0)	(3.1)	(1.5)	(1.7)	(8.6)	(2.4)	3.3	(2.4)	(8.3)	(10.0)	(2.5)	
Change (YoY %)	54.9	46.3	30.2	30.8	(0.3)	16.0	36.6	43.4	39.1	25.0		
Change (QoQ %)	13.4	(1.2)	13.0	3.3	(13.5)	14.9	33.1	8.4				
EBITDA Margin %	27.8	26.1	28.4	28.3	26.2	28.6	32.5	33.4	27.7	30.5	32.9	

Sources: MOFSL, Company



Conference call takeaways

Capacity update and expansion plan

- Aluminum expansion remains on track with Lanjigarh Train-2 (1.5mtpa) commissioned, bringing alumina capacity to 5mtpa. However, the 435ktpa BALCO smelter and 125ktpa billet line are currently ramping up.
- BALCO smelter ramp-up is underway with 20 pots operational, targeted to reach ~100kt production by Mar'26, and full commissioning over the next 3-6 months, bringing the total aluminum capacity to ~2.8mtpa, with debottlenecking aimed at ~3mtpa over 18 months.
- Zinc International's Gamsberg Phase-2 (~220ktpa) is ~90% complete and scheduled for commissioning next quarter.
- The power segment expanded capacity by 1.3GW in 1HFY26, bringing the operational capacity to 4.2GW, with commissioning of the second 600MW unit at Athena expected to lift capacity further by 1HFY27.
- Coal expansions are progressing, with the Kuraloi coal mine commissioning targeted in 4QFY26 and Gogharpalli coal mine expected to commence operations in 1QFY27, supporting fuel security and cost optimization.
- VEDL reiterated its FY26 growth capex guidance of ~USD1.7b, having already spent ~USD1.3b in 9MFY26, implying a front-loaded capex profile for the year.
- Management reaffirmed that the current capex plan remains fully funded through internal accruals, without compromising deleveraging targets or the demerger timeline.
- Capex continues to be prioritized toward aluminum upstream and downstream expansions, zinc capacity additions, merchant power growth, and oil & gas field development, aligned with near-term earnings visibility and long-term scale benefits.

Guidance

- VEDL remains on track to achieve its alumina volume guidance of ~3mt for FY26.
- Management guided that 4QFY26 performance will further increase QoQ, driven by higher operational run rates across aluminum, zinc, power, steel, and oil & gas. This will position VEDL to deliver a lifetime-high EBITDA of USD6b for FY26 (surpassing the earlier guidance as on 1H).

- Aluminum CoP to remains positive, with alumina costs expected to decline by ~USD25/t in 4Q, while a net USD50-60/t QoQ reduction in hot metal costs will be partially offset by planned power plant maintenance.
- For power business, the company reiterated Athena to operate at structurally higher PLFs, supported by contracted capacity and improving demand. However, Meenakshi will continue to scale up under short to medium-term PPAs.
- Zinc International volumes and recovery trends remain aligned with full-year guidance, with Gamsberg Phase-2 expansion.
- The aluminum business reported its lowest hot metal cost at USD1,674/t, lower than the FY26 guidance range of USD1,700-1,750/t, driven by a USD110/t QoQ reduction in power costs post captive power plant maintenance.
- VEDL has hedged ~10% of FY26 aluminium volumes at ~USD2,625/t, ~9% of zinc volumes hedged at ~USD3,000/t, and ~10% of silver volumes hedged at ~USD45/oz, limiting near-term downside risk.

Other highlights

- The company received NCLT approval for its demerger scheme in Dec'25, with the certified order received in Jan'26, and the effective date targeted as Apr'26, followed by listings of the demerged entities in the same quarter.
- It implemented Ind AS 105 demerger accounting in 3QFY26, with aluminum, oil & gas, and iron & steel businesses now disclosed separately.
- Management reiterated that the demerger remains on track without any impact on capex, deleveraging, or growth plans, and confirmed that recent asset acquisitions will not delay timelines.
- The average cost of borrowing declined to below 9% in 3Q, with management guiding for further reduction through refinancing and maturity optimization.
- Post-demerger, total net debt of ~USD6.7b will be allocated largely to the aluminum and power businesses, while oil & gas and iron & steel are expected to remain largely debt-free.
- Inter-company loan repayments remain on track, with ~USD417m outstanding, incl. ~USD150m due in Jan'26 and ~USD200m due in May'26, both expected to be repaid on schedule.

Hindustan Zinc – Key management commentary

Performance guidance

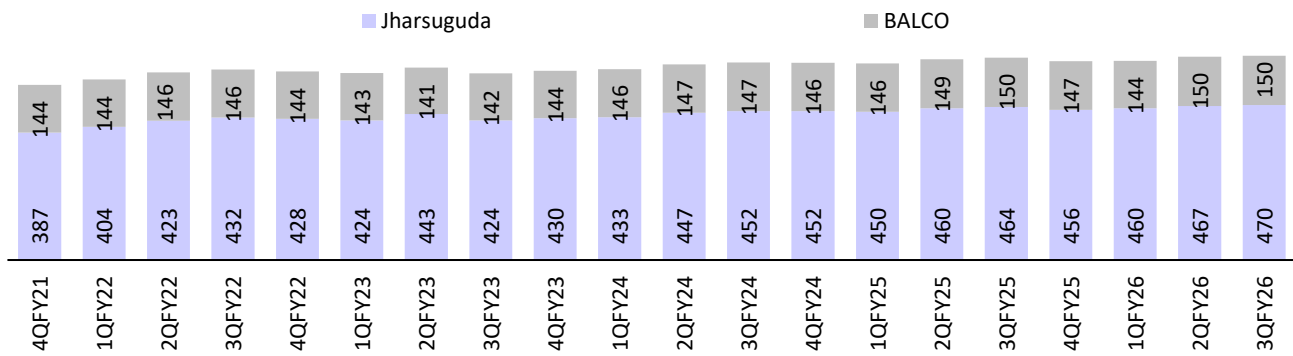
- The company reiterated its refined metal guidance to 1,075-1,100ktpa and expects to achieve its silver output guidance of 680t (±10t) for FY26.
- In 4QFY26, management anticipates silver volumes to improve QoQ, driven by the resumption of capacity post shutdowns, favorable weather conditions, and operational improvements.
- HZ expects further cost improvement to USD950-975/t by 4QFY26, supported by higher renewable-energy usage and better ore grades.
- Renewable energy contributed 20% of total power in 3QFY26, and the company expects to reach 25% by FY26 end.
- With the upcoming wind power capacity, the company expects the RE share to increase to 35-40% in FY26 and ~70% in FY27. The commissioning of battery storage is expected to lead to an incremental annual saving of INR2.5-3b.

- Silver surged to an all-time high of over USD93/toz in Jan'26, driven by continued supply constraints and improved demand for industrial use and investment purpose.
- For 3QFY26, the company hedged 47kt of zinc and 55t of silver, which were squared off within the quarter. For 4QFY26, 53kt of zinc is hedged at USD2,900/t and 68t of silver at USD39/toz, executed in Jun-Jul'25. For FY27, the company has hedged 66kt of zinc and 56t of silver at USD58/toz.
- Grades comparison – 7.3% during 3QFY26 and 7.4% during 3QFY25. Grade for overall 9MFY26 was 7.4%.
- For next year, management anticipates to continue operating in a lead-plus-zinc mode, especially if zinc prices remain stable at around USD3,200-3,300/t. Management indicated that it could have switched to a lead-heavy mode if zinc prices were lower and silver prices higher, making it more economical to produce silver and less zinc, while lead quantity would remain constant.

Capacity update/capital allocation

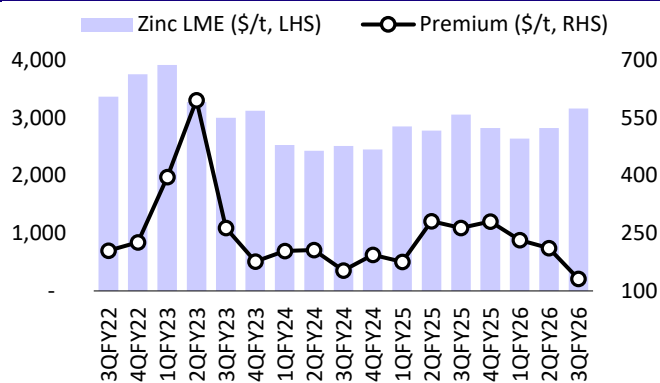
- Total growth capex for the full year is projected to be ~USD300m, with USD180m already spent as of Dec'25. Management guided a maintenance capex of USD350-400m for FY27 and USD90-100m in 4QFY26.
- The combined investment plan of INR160b includes INR120b for the 250ktpa integrated capacity expansion, with target completion by 2QFY29 and INR38b for the 10mtpa zinc tailings project by 4QFY28.
- For 250ktpa capacity expansion, the company commence the groundwork and site mobilization and completed 50% of detailed engineering. This expansion plan also includes mined capacity from 1,180ktpa to 1,510ktpa, for which the company has appointed a mining partner.
- For the Zinc Tailings Reprocessing Plant, the company has commenced the groundwork and appointed a tech, engineer, and construction partner.
- HZ completed debottlenecking at Dariba Smelting Complex in 2Q. Debottlenecking at the Chanderiya Lead Zinc smelter was commissioned in 3QFY26.
- The 510kt DAP/NPK fertilizer plant at Chanderiya is in progress and will be commissioned by 1QFY27.
- The hot acid leaching plant for lead (27mtpa) and silver (6ktpa) recovery from smelting waste at Dariba will be completed by 4QFY26. These projects will enable higher refined metal and silver production in the coming years.

Exhibit 1: Reported an all-time high aluminum production in 3QFY26



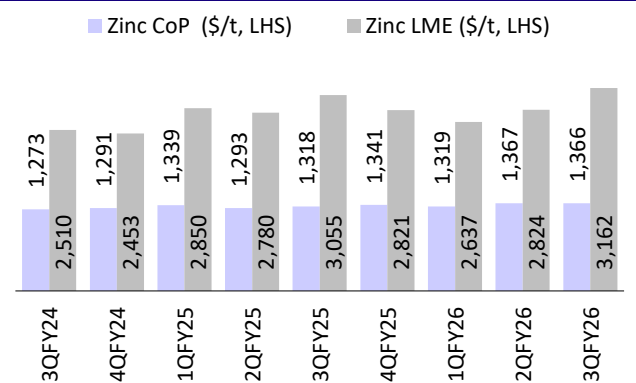
Sources: MOFSL, Company

Exhibit 2: Premium moderated QoQ to USD131/t



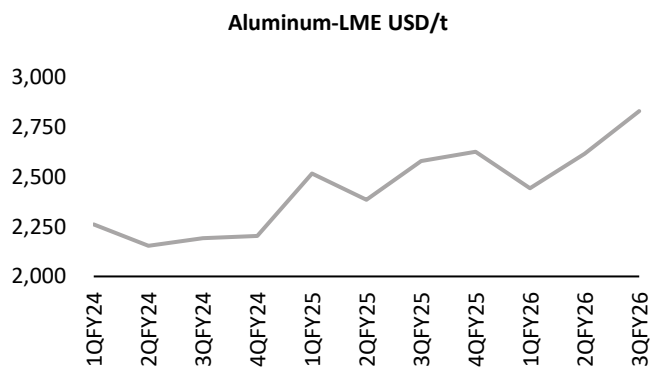
Sources: MOFSL, Company

Exhibit 3: Reported Zinc's CoP flat QoQ



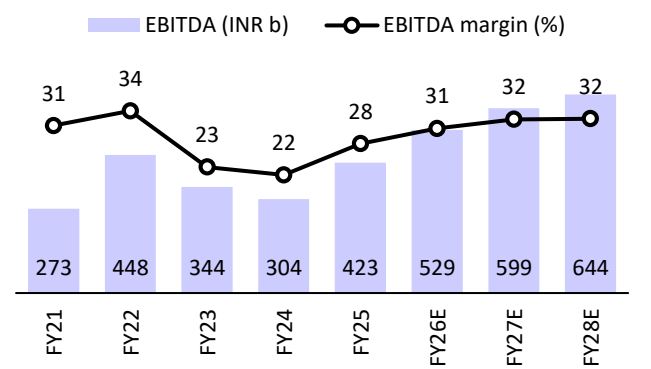
Sources: MOFSL, Company

Exhibit 4: Aluminum LME spiked in 3Q



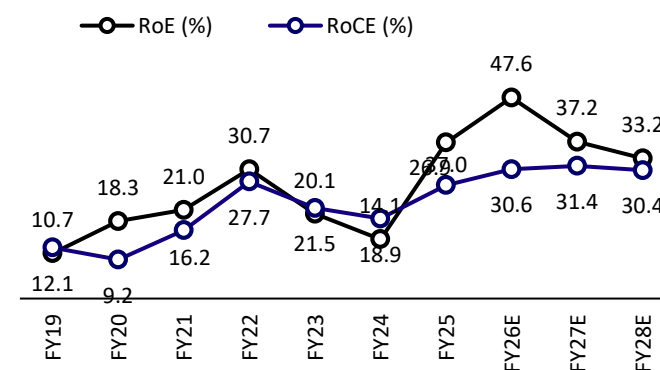
Sources: MOFSL, Bloomberg

Exhibit 5: Consol. EBITDA expected to rise over FY25-28



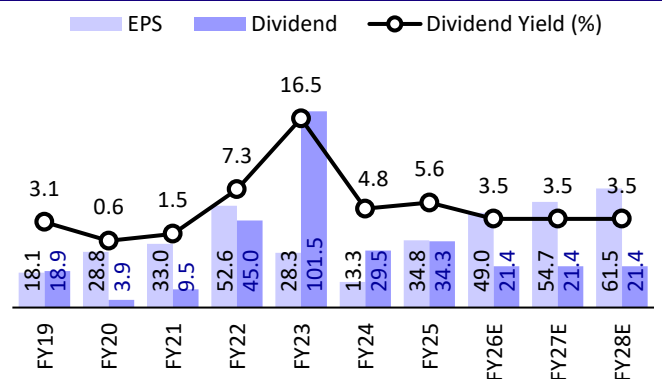
Sources: MOFSL, Company

Exhibit 6: RoE and RoCE trends



Sources: MOFSL, Company

Exhibit 7: Dividend per share



Sources: MOFSL, Company

Exhibit 8: Changes to our assumptions and key financials

Particular	Units	FY26E			FY27E			FY28E		
		New	Old	% change	New	Old	% change	New	Old	% change
Revenue	Rs bn	1,735	1,666	4%	1,861	1,834	1%	1,993	1,968	1%
EBITDA	"	529	512	3%	599	570	5%	644	616	5%
Adj PAT	"	226	185	22%	226	212	7%	254	245	4%
EPS	Rs/sh	57.8	47.2	22%	57.9	54.3	7%	65.1	62.6	4%

Sources: MOFSL, Company

Exhibit 9: SoTP valuation

(INR b)	EBITDA Sep'27E	EV EBITDA (x)	EV FY27E
VEDL (ex-HZL)			
Copper	(0.7)	4.0	(3)
Aluminium	282.6	6.5	1,837
Iron ore	7.3	4.0	29
Steel	3.8	4.0	15
Power	14.5	4.0	58
Zinc-Int	16.3	4.0	65
Oil & Gas	43.0	4.0	172
Sub. Tot.	366.7		2,173
Less: Net Debt	187		293
Equity Value			1,880
Hind. Zinc			
HZL	268	10.5	2,813
Add: Net Cash	205		205
Equity Value			3,018
INR/share (HZL)			720
VEDL			
			INR/sh
HZL@64.9% (15% Hold Co. discount)			1,273
VEDL (ex HZL)			1,880
Equity value			3,153
Shares outstanding (b)			3.9
Target price (INR/sh)			810

Sources: MOFSL, Company

Exhibit 10: P/B ratio

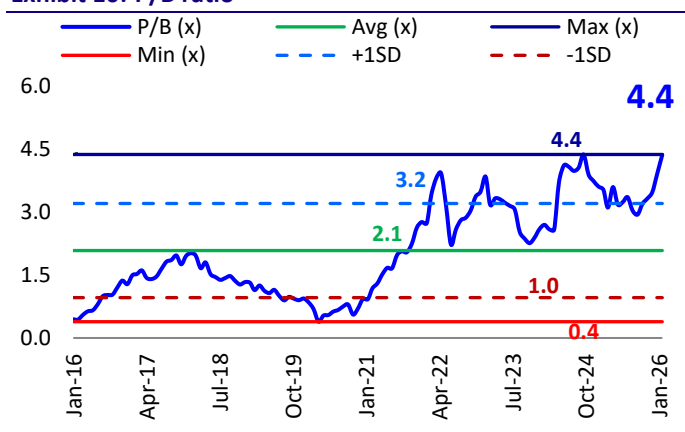
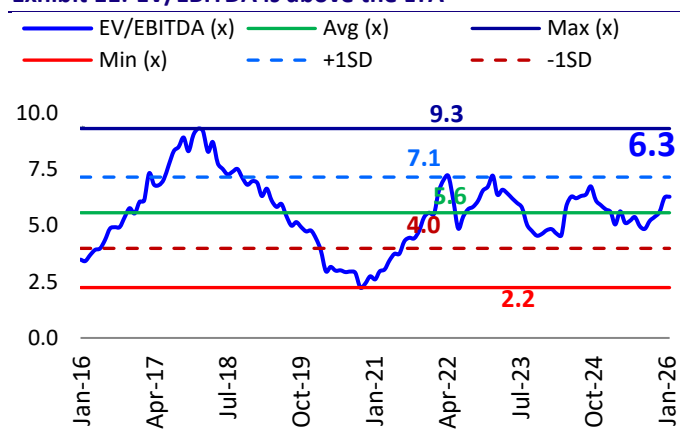


Exhibit 11: EV/EBITDA is above the LTA



Financials and valuations

Income Statement (Consolidated)

INR b

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	920	844	880	1,327	1,473	1,390	1,530	1,735	1,861	1,993
Total Expenses	689	638	607	879	1,129	1,085	1,106	1,206	1,262	1,349
EBITDA	231	207	273	448	344	304	423	529	599	644
DDA	82	91	76	89	106	107	111	114	125	132
EBIT	149	116	197	359	239	197	312	416	474	512
Finance cost	57	50	52	48	62	95	99	83	92	90
Other income	40	25	34	26	29	26	37	29	35	48
PBT	132	91	179	337	205	128	250	361	418	470
Tax	39	-35	22	93	58	128	63	100	117	131
Rate (%)	29.2	-38.5	12.2	27.4	28.2	100.2	25.4	27.6	28.0	28.0
PAT (before EO)	94	126	157	245	147	0	187	261	301	338
EO expense /Income	3	-170	-7	-8	-2	76	19	23	0	0
PAT before MI and Asso.	97	-43	150	237	145	75	205	239	301	338
Minority interests	26	19	34	49	39	33	55	30	74	84
Share in Asso.	0	0	0	0	0	0	0	0	0	0
PAT after MI and Asso.	71	-62	116	188	106	42	150	209	226	254
Attrib. PAT (after MI & asso)	67	107	123	196	105	49	136	226	226	254
Change (YoY %)	-11.0	59.0	14.5	59.4	-46.2	-53.1	175.6	66.4	0.0	12.4

Balance Sheet (Consolidated)

INR b

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	4	4	4	4	4	4	4	4	4	4
Reserves	619	543	619	650	391	304	408	534	676	847
Net Worth	623	546	623	654	394	307	412	537	680	851
Total Loans	835	757	686	534	665	722	746	731	716	701
Deferred Tax Liability	10	-40	-36	-7	-26	75	97	97	97	97
Capital Employed	1,621	1,435	1,423	1,355	1,133	1,218	1,381	1,520	1,722	1,962
Gross Block	2,176	2,182	2,411	2,542	2,744	2,888	3,013	3,105	3,216	3,304
Less: Accumulated Depreciation	1,185	1,276	1,482	1,591	1,766	1,873	1,984	2,098	2,222	2,355
Net Fixed Assets	991	907	929	951	978	1,015	1,029	1,007	994	949
Capital WIP	222	168	139	142	174	203	309	375	452	541
Investments	49	1	2	2	5	10	16	16	16	16
WC. Assets	723	691	729	840	721	653	645	768	927	1,144
Inventory	132	113	99	143	150	130	145	177	190	203
Account Receivables	77	58	66	82	65	60	61	77	83	89
Cash and Bank Balance	365	372	331	327	219	152	207	282	423	620
Loans and advances	149	148	232	288	286	311	232	232	232	232
WC. Liability & Prov.	365	333	375	580	745	664	619	645	667	689
Trade payables	92	80	79	215	247	250	265	291	313	335
Provisions & Others	273	252	296	365	498	413	354	354	354	354
Net WC. Assets	358	359	354	260	-24	-11	26	123	261	455
Appl. of Funds	1,621	1,435	1,423	1,355	1,133	1,218	1,381	1,520	1,722	1,962

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)										
EPS	18.1	28.8	33.0	52.6	28.3	13.3	34.8	57.8	57.9	65.1
BV/Share	167.5	146.9	167.4	175.8	106.0	82.6	105.4	137.4	173.9	217.5
DPS	18.9	3.9	9.5	45.0	101.5	29.5	34.3	21.4	21.4	21.4
Payout (%)	104.0	13.5	28.8	85.5	358.9	222.6	98.8	37.0	37.0	32.9
Valuation (x)										
P/E	42.3	26.6	23.3	14.6	27.1	57.9	22.1	13.3	13.3	11.8
Cash P/E	19.1	14.4	14.3	10.0	13.5	18.2	12.2	8.8	8.5	7.8
P/BV (incl.-goodwill)	4.6	5.2	4.6	4.4	7.2	9.3	7.3	5.6	4.4	3.5
EV/Sales	3.7	3.9	3.7	2.4	2.2	2.5	2.3	2.0	1.8	1.6
EV/EBITDA	17.9	19.2	14.9	8.5	11.9	14.1	10.4	8.3	7.1	6.4
Dividend Yield (%)	2.5	0.5	1.2	5.9	13.2	3.8	4.5	2.8	2.8	2.8
Return Ratios (%)										
EBITDA Margins	25.1	24.5	31.0	33.8	23.4	21.9	27.7	30.5	32.2	32.3
Net Profit Margins	7.3	12.7	14.0	14.7	7.1	3.5	8.9	13.0	12.2	12.8
RoE	10.7	18.3	21.0	30.7	20.1	14.1	37.0	47.6	37.2	33.2
RoCE (pre-tax)	12.1	9.2	16.2	27.7	21.5	18.9	26.9	30.6	31.4	30.4
RoIC (pre-tax)	12.3	10.0	18.3	33.9	24.6	19.9	27.9	34.5	37.4	38.8
Working Capital Ratios										
Fixed Asset Turnover (x)	0.9	0.9	1.0	1.4	1.5	1.4	1.5	1.7	1.9	2.1
Receivable (Days)	30	25	28	22	16	16	16	16	16	16
Inventory (Days)	52	49	41	39	37	37	37	37	37	37
Trade payable (Days)	37	35	33	59	61	61	61	61	61	61
Leverage Ratio (x)										
Current Ratio	2.0	2.1	1.9	1.4	1.0	1.0	1.0	1.2	1.4	1.7
Interest Cover Ratio	3.3	2.8	4.4	8.0	4.3	2.4	3.5	5.3	5.5	6.2
Net Debt/EBITDA	2.0	1.9	1.3	0.5	1.3	1.9	1.3	0.8	0.5	0.1
Net Debt/Equity	0.8	0.7	0.6	0.3	1.1	1.9	1.3	0.8	0.4	0.1

Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA	231	207	273	448	344	304	423	529	599	644
Non-cash exp. (income)	11	7	18	6	4	64	10	0	0	0
(Inc)/Dec in Working. Cap.	21	-9	-30	-48	46	16	-7	-22	3	3
Tax paid	-26	-11	-21	-57	-64	-27	-31	-100	-117	-131
CF from Op. Activity	238	193	240	350	331	357	396	385	485	515
(Inc)/Dec in FA + CWIP	-89	-77	-69	-105	-138	-168	-169	-157	-189	-177
Free Cash Flow	149	116	171	245	193	189	226	228	297	338
(Pur)/Sale of Investments	42	42	9	47	92	15	-41	0	0	0
Interest & Dividend Income	9	8	20	19	17	17	24	29	35	48
Investment in subsidiaries	-69	-5	0	0	-3	-4	-6	0	0	0
Others	1	-28	-28	16	24	3	0	0	0	0
CF from Inv. Activity	-105	-59	-68	-23	-7	-137	-192	-129	-153	-129
Equity raised/(repaid)	-1	-1	0	0	0	-2	84	0	0	0
Debt raised/(repaid)	77	-87	-96	-27	149	47	40	-15	-15	-15
Dividend (incl. tax)	-118	-14	-91	-193	-411	-205	-212	-84	-84	-84
Interest paid	-60	-53	-53	-53	-55	-98	-105	-83	-92	-90
Others	0	0	65	-16	-24	-3	0	0	0	0
CF from Fin. Activity	-102	-155	-176	-289	-341	-261	-192	-182	-191	-189
Forex Adj.	-1	0	1	0	0	0	0	0	0	0
(Inc)/Dec in Cash	29	-22	-3	38	-17	-41	12	74	141	197
Add: Opening cash balance	45	73	51	49	87	69	28	40	114	255
adjustments if any	-1	0	0	0	0	0	0	0	0	0
closing cash balance	73	51	49	87	69	28	40	114	255	453
Bank Balance	293	320	283	241	150	124	168	168	168	168
Closing Balance (incl bank balance)	365	372	331	327	219	152	207	282	423	620

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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