

In-line earnings; Outlook remains positive

Vedanta (VEDL IN) reported in line with our estimate adjusted EBITDA of Rs99.5bn, up 13% QoQ (CentrumE: Rs98.7bn). The outperformance in aluminum, power, Zinc India, Steel business and Zinc International was offset by underperformance in Oil and gas and Copper segment. Ex-HZ, EBITDA was Rs51.3bn, up 17% QoQ due to higher profitability in aluminium business (up 48% QoQ), zinc international, power and steel business. VEDL is witnessing various positive developments – 1) Capacity expansion 2) Cost reduction 3) Improving liquidity and overall financial muscle with net debt/EBITDA dropping to 1.2x. We believe company is set to reap earnings and margins growth over next 2-3 years and can achieve USD10bn in EBITDA over next 5 years. We maintain our FY25/FY26 DPS estimate of Rs45/sh (~11% dividend yield), as VEDL intends to reduce leverage of the parent company, Vedanta Resources (VRL). Our equity target price is revised higher to Rs478 (earlier Rs438), based on FY26E SoTP. At CMP, we see upside of ~15% with BUY rating.

EBITDA ex-Hindustan Zinc was up 17% QoQ, driven by Aluminium segment

EBITDA ex-Hindustan Zinc was up by 17% QoQ to Rs51.3bn due to increase in EBITDA in aluminium business by 40% QoQ partially offset by loss in copper business. Power revenue increase by 19% QoQ in Q1FY25 due to increase in realisation/t by 30% QoQ partially offset by increase in CoP by 4% QoQ in Q1FY25. Aluminium reported adj. EBITDA of Rs41.9bn, up 40% QoQ due to lower aluminium cost (down 6%, i.e. USD1564/t QoQ) and increase in realisation/t by 14% QoQ. Volume was down by 3.6% QoQ to 582kt. Aluminium cost remain flattish QoQ to USD1716/t beating annual COP guidance of USD1800-1900/t and expected to further deccine to USD1600-1700/t which leads to margin expansion and increase in LME price. Further ramping up of alumina capacity of 5mtpa and increasing bauxite mix helps in EBITDA/t to reach USD1000/t in FY26. Oil & Gas segment EBITDA was down by 29% QoQ in Q1FY25 to Rs10.8bn and revenue decline by 13% QoQ to Rs29.25bn

Capacity expansion, Net debt and FCF

VEDL is expanding its aluminium capacity at Balco by 600ktpa and improving VAP mix to 90% of product portfolio which leads to cost optimization through captive alumina and coal supply leading to margin expansion from USD600/t in Q4FY24 to USD1000/t in FY26E. The Kurloi and Radhikapur coal mine is expected to be commission by Q1FY26. Ghogarpalli mine is expected to commission by Q2FY26 and Sijimali by Q1FY26. The 1000MW Meenakshi power plant capacity is expected to commission by FY25-end (earlier: mid-FY26E). VEDL received all clearances to operate Bicholim iron ore mine in Goa having 3.2mtpa capacity. Net debt stood at Rs 613bn as on June-end and generated FCF pre capex stood at Rs 43.7bn. Net debt/EBITDA improved from 1.9x to 1.5x YoY.

On path of strong growth; Maintian BUY TP of Rs478

For Q2FY25, we expect sharp some moderation in margins across segments due to fall in commodity prices. We expect zinc india and aluminium to grow by 20% and 42% CAGR over FY24-26. Despite huge dividend payout of Rs45/sh each for and capex outlay of ~USD2bn each in FY25 and FY26, we expect strong earnings visibility and recently raised funds will help to generate strong FCF to deleverage net debt position by ~USD1.8bn. We maintain BUY rating with TP of Rs478, based on FY26 SoTP

Financial and valuation summary

YE Mar (Rs mn)	1QFY25A	1QFY24A	YoY (%)	4QFY24A	QoQ (%)	FY24A	FY25E	FY26E
Revenues	3,57,640	3,37,330	6.0	3,55,090	0.7	14,37,270	14,07,779	15,44,058
EBITDA	99,450	64,200	54.9	87,680	13.4	3,51,980	4,27,369	5,37,862
EBITDA margin (%)	27.8	19.0	46.1	24.7	12.6	24.5	30.4	34.8
Adj. Net profit	40,950	8,600	376.2	16,190	152.9	10,491	1,81,093	2,37,245
Adj. EPS (Rs)	11.0	2.3	376.2	4.4	152.9	2.8	46.3	60.7
EPS growth (%)						(89.6)	1,542.3	31.0
PE (x)						146.7	8.9	6.8
EV/EBITDA (x)						6.6	5.2	4.0
PBV (x)						5.0	4.0	3.4
RoE (%)						3.0	50.8	53.8
RoCE (%)						5.6	19.8	25.3

Source: Company, Centrum Broking

Result Update

India I Metals & Mining

07 August, 2024

BUY

Price: Rs414

Target Price: Rs478

Forecast return: 15%

Institutional Research

Market Data

Bloomberg:	VEDL IN
52 week H/L:	507/208
Market cap:	Rs1618.5bn
Shares Outstanding:	3910.4mn
Free float:	34.0%
Avg. daily vol. 3mth:	2,14,83,350

Source: Bloomberg

Changes in the report

Rating:	BUY; No change
Target price:	Rs478; Increase by 9%
EBITDA	FY25 down by 9% and FY26 up by 3%

Source: Centrum Broking

Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	59.3	62.0	63.7	63.7
FIIs	10.2	8.8	7.7	7.8
DIIIs	14.9	13.2	11.3	10.7
Public/other	15.6	16.1	17.3	17.8

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY25	Actual Q1FY25	Variance (%)
Revenue	3,79,979	3,57,640	-5.9
EBITDA	98,760	99,450	0.7
EBITDA margin	26	27.8	
Tax	13,361	8,310	(37.8)
Adj. PAT	29,659	40,950	38

Source: Bloomberg, Centrum Broking

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Thesis Snapshot

Vedanta versus NIFTY 50

	1m	6m	1 year
VEDL IN	(12.7)	46.6	73.9
NIFTY 50	(1.4)	9.4	22.4

Source: Bloomberg, NSE

Key assumptions

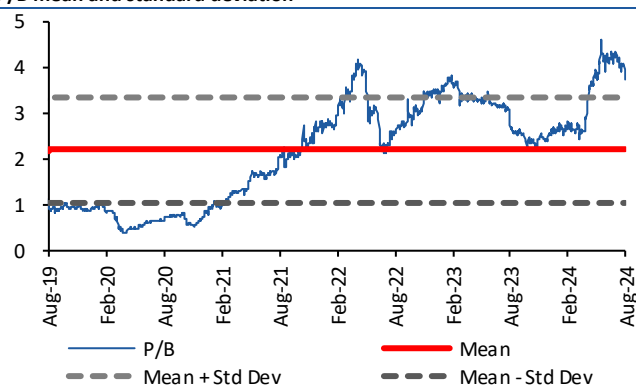
Particulars	FY23	FY24	FY25E	FY26E
Exchange rate (Rs/USD)	80.0	82.8	83.5	83.5
Total Zinc price (USD/t)	3,730	2,700	2,800	3,000
Total aluminium price (USD/t)	2,670	2,430	2,700	2,825
Zinc mined metal volumes-India (kt)	1,018	1,074	1,150	1,150
Aluminium sales (kt)	2,291	2,354	2,377	2,577
Net debt/EBITDA	1.7	2.0	1.5	1.0

Source: Centrum Broking

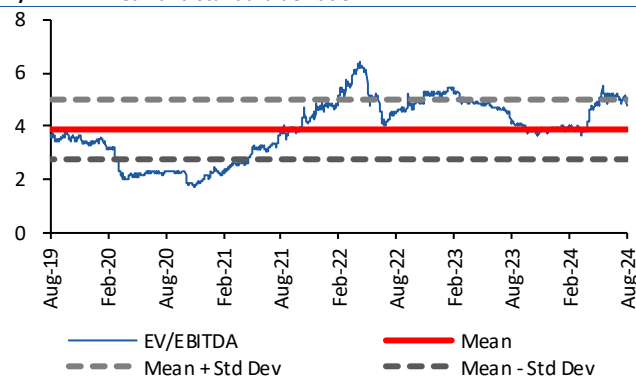
Valuations

Our target price is revised to Rs478 (earlier Rs438) based on FY26E SoTP. Maintain BUY.

P/B mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer Comparison

Company	Mkt Cap (Rs mn)	CAGR (FY24-26E)			P/E (x)			EV/EBITDA (x)			FY26E		
		Sales	EBITDA	EPS	FY24	FY25E	FY26E	FY24	FY25E	FY26E	RoE (%)	ROCE (%)	Div. Yield
Hindalco	1,354,422	7.5	14.7	25.5	13.4	9.0	8.5	7.2	6.2	5.9	12.8	10.4	0.5
Hindustan Zinc	2,573,208	10.7	20.1	30.4	33.0	22.0	19.4	18.7	14.4	12.9	70.7	48.9	4.9
Vedanta	1,617,176	3.6	23.6	-	146.7	8.9	6.8	6.6	5.2	4.0	53.8	25.3	10.4

Source: Company, Centrum Broking

Exhibit 1: Key conference call takeaways and metrics

Centrum Quarterly Monitor	Q4FY24	Q1FY25	Our Comments
Outlook and guidance	<ul style="list-style-type: none"> Company has guided Zinc International production of 160-180kt and 60-70kt in Gamsberg and BMM respectively and COP at \$1400-1500 in FY25. Oil and Gas COP is expected to be in range of \$14-15/barrel in FY25 and guided average volume of 120-140kboepd The guidance for Zinc India FY25 for 1)Mined metal production 1,100-1,125kt 2) Refined metal production 1,075-1,100kt 3) Silver production 750-775t 4) Zinc COP ex royalty at USD1050-1100/t 	<ul style="list-style-type: none"> Company is targeting to deliver 1,50,000 barrels a day in near term in oil and gas business and expect to generate annual EBITDA of USD1bn The aluminium business is expected to deliver EBITDA of about USD4 bn at an LME of about USD2,600/t The guidance for Zinc India FY25 for 1)Mined metal production 1,100-1,125kt 2) Refined metal production 1,075-1,100kt 3) Silver production 750-775t 4) Zinc COP ex royalty at USD1050-1100/t Management is expected to deliver revenue of Rs 30bn and EBITDA of Rs10bn in near term 	<ul style="list-style-type: none"> Q2FY25 Aluminium EBITDA/t to remain strong in range of USD800-900/t
Key interventions	<ul style="list-style-type: none"> Radhikapur and Kurloi coal mine to commission by FY25 and Ghugrapalli to commission by FY26 Management is confident to meet the demerger timeline of Q3FY25 end as all the BSE and NSE procedure accomplished and NOC from some private lenders is received. Further pending NOC from public lenders is expected to receive by Q1FY25 end 	<ul style="list-style-type: none"> Kurloi and Radhikapur coal mine is expected to be commission by Q1FY26. Ghograpalli expected to commission by Q2FY26 and Sijimali by Q1FY26. Company is at the final stage of demerger process and already filed the documents with NCLT which is on track 	<ul style="list-style-type: none"> The cost saving capex completion is delayed
Net Debt and Capex	<ul style="list-style-type: none"> VEDL targets capex of USD1.9bn in FY25 	<ul style="list-style-type: none"> VEDL maintains capex target of USD1.9bn in FY25. Further, through QIP net debt/EBITDA has come down to 1.2x. 	<ul style="list-style-type: none"> Strong deleveraging aided by recent QIP at Vedanta Ltd. Besides, VRL has also able to reduce net debt by USD650mn to USD5.5bn.
On margins and exceptional items	<ul style="list-style-type: none"> EBITDA margin grow from 24% in Q3FY24 to 24.7% in Q4FY24 	<ul style="list-style-type: none"> EBITDA margin grow from 24.7% in Q4FY24 to 27.8% in Q1FY25 	

Source: Company, Centrum Broking

Key financial and concall highlights

Zinc India (HZ): CoP down 7% YoY

- Refined Zinc production stood at 211kt, down 4% QoQ. in Q1FY25
- Zinc India is expected to generate annual EBITDA in excess of USD2.5bn-USD2.7bn.
- The guidance for FY25 for 1)Mined metal production 1,100-1,125kt 2) Refined metal production 1,075-1,100kt 3) Silver production 750-775t 4) Zinc COP ex royalty at USD1050-1100/t
- Company has cash balance of Rs108.85bn and debt of Rs 112bn as on June 2024

Zinc International: EBITDA up 213% QoQ on lower base

- Zinc International EBITDA increased significantly in Q1FY25 to Rs1,850mn due to increase in volume by 15% QoQ and decrease in CoP (down 15% QoQ).
- Production stood at 38kt up 15% QoQ primarily due to higher zinc grade and recoveries.
- Phase 2 expansion project of Gamsberg mine to 8mtpa is expected to ramp up by Q2FY26

Oil and Gas: Lower production led to decline in revenue

- Company is targeting to deliver 1,50,000 barrels a day by FY25 end.
- It is expected to generate annual EBITDA of USD1bn .
- EBITDA decline by 13% QoQ to Rs 29.2bn due to lower production partially offset by lower opex

Iron Ore: On track for target completion

- Karnataka sale volume down 30% QoQ due to temporary suspension of mine production in May 24
- Iron ore segment reported EBITDA of Rs1.8bn, down 67% QoQ driven by lower volume and lower realisation/t
- The iron ore business in Liberia is expected to produce 30mt of iron ore annually
- Company remain on track on targeting production of 12mt in FY25 with additional 1mt from VAP
- Received all approval to commission Bacholim iron ore mine in Goa having 3mtpa capacity.

Steel: EBITDA gain due to lower cost

- Steel segment recorded EBITDA gain of 2360mn after reporting EBITDA loss of Rs 160mn in Q4FY24 majorly due to decrease in coking coal cost and increase in production
- The ESL steel asset is being expanded to 3.5mt, to be commissioned by the end of the year, and is expected to deliver USD500mn in bottom line.
- Steel plant recorded highest ever saleable production of 356kt up 4% QoQ in Q1FY25

Aluminum: CoP at 2 year low

- Aluminium segment reported EBITDA of Rs42bn, up 40% QoQ, majorly due to increase in realisation/t by 14% QoQ in Q1FY25
- The aluminium business is expected to deliver EBITDA of about USD4 bn at an LME of about USD2,600/t over medium term.
- Aluminium cost remain flattish QoQ to USD1716/t in Q1FY25 beating annual COP guidance of USD1800-1900/t and expected to further decline to USD1600/t which leads to margin expansion.
- The company is committed to achieving 100% self-sufficiency in bauxite, alumina, and coal through full backward integration.
- Kurloi and Radhikapur coal mine is expected to be commission by Q1FY26. Ghogarpalli expected to commission by Q2FY26 and Sijimali by Q1FY26.

Others

- Current consolidated Net debt stood at Rs613bn.
- Management is expected to deliver revenue of Rs 30bn and EBITDA of Rs10bn in near term
- VEDL has set consol capex guidance of Rs8bn for next few years
- Company is at the final stage of demerger process and already filed the documents with NCLT which is on track
- Vedanta resources to deleverage USD3bn in next 3 years aided by expected cashflow from brand fee of USD0.4mn/year and dividend of USD1.1bn/year. Vedanta Resources reduced net debt by USD0.65bn to Rs5.5bn.
- Net Debt/EBITDA stood at 1.5x as on June 2024 and at 1.2x as on July 2024

Exhibit 2: Quarterly consolidated PnL Snapshot

Rs mn	1QFY24	4QFY24	1QFY25	QoQ (%)	YoY (%)
Net Sales	337,330	379,300	357,640	0.7	0.1
EBITDA	64,200	47,780	99,450	13.4	0.5
OPM (%)	19.0	12.6	27.8		
Other Income	5,460	6,470	9,340	59.9	0.7
Interest	21,100	12,320	22,220	(8.0)	0.1
Depreciation	25,500	22,910	27,310	(0.4)	0.1
PBT	23,060	19,020	59,260	41.3	1.6
PAT before MI	33,080	26,650	50,950	124.2	0.5
Minority interest (MI)	6,680	3,170	10,000	17.0	0.5
Adjusted PAT	8,600	4,440	40,950	152.9	3.8
Reported PAT	26,400	23,480	40,950	188.8	0.6
EPS (Rs)	2.3	1.2	11.0	152.9	3.8

Source: Company, Centrum Broking

Exhibit 3: Production and Cost Guidance**FY25 Production and Cost Guidance**

<p>Aluminium</p> <ul style="list-style-type: none"> Alumina 2.7-3.0 Mnt Aluminium 2.3-2.4 Mnt CoP¹ \$1,625/t - \$1,725/t 	<p>Oil and Gas</p> <ul style="list-style-type: none"> Average Gross Volume 120-140 kboepd Opex \$13-14/boe
<p>Zinc India</p> <ul style="list-style-type: none"> Mined Metal 1,100 - 1,125 kt Finished Metal 1,075 - 1,100 kt Silver 750 - 775 tonnes CoP² \$1,050/t - \$1,100/t 	<p>Zinc International</p> <ul style="list-style-type: none"> Gamsberg 160 - 180 kt BMM 60 - 70 kt CoP \$1,400/t - \$1,500/t
<p>Iron Ore & VAB</p> <ul style="list-style-type: none"> Karnataka 5.5 - 6.0 Mnt Orissa 5.5 - 6.0 Mnt Goa 3.0 - 3.5 Mnt WCL 2.2 - 2.6 Mnt Pig Iron 950 - 1000 kt 	<p>Power</p> <ul style="list-style-type: none"> TSPL plant availability >85%
	<p>ESL</p> <ul style="list-style-type: none"> Hot Metal 1.5-1.6 Mnt
	<p>FACOR</p> <ul style="list-style-type: none"> Ferrochrome 125 - 150 kt

Source: Company, Centrum Broking

Exhibit 4: Project completion guidance

Project	Timeline
Jharsuguda VAP capacity expansion	Q4FY25
Radhikapur Mine	Q1FY26
Ghogarpalli Mine	Q2FY26
Sijmali Mine	Q1FY26
Jamkhani Mine	Q1FY26
Lanjigarh Refinery: 2 to 5 mtpa	Q4FY25
Roaster (Debari) Mine	Q4FY25
Gamsberg Phase II project	Q4FY25
Iron ore project	Q1FY27
ESL 1.5 to 3MTPA	Q4FY25
Meenakshi Power	Q4FY25

Source: Company, Centrum Broking

Exhibit 5: Revenue breakup

Rs mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	QoQ (%)	YoY (%)
Zinc- India	72,820	67,920	73,100	75,500	81,300	7.7	11.6
Zinc- International	11,030	10,810	7,370	6,340	7,530	18.8	(31.7)
Oil & Gas	28,570	82,290	33,830	33,680	29,250	(13.2)	2.4
Iron ore	20,380	20,830	24,760	24,720	13,200	(46.6)	(35.2)
Steel	19,210	21,700	22,000	20,090	20,270	0.9	5.5
Copper	47,330	46,060	53,760	50,150	47,340	(5.6)	0.0
Aluminium	1,18,827	1,16,891	1,18,925	1,19,917	1,32,101	10.2	11.2
Power	10,350	10,031	8,837	8,710	13,966	60.3	34.9

Source: Centrum Broking, Company Data

Exhibit 6: EBITDA breakup

Rs mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	QoQ (%)	YoY (%)
Zinc- India	33,470	31,390	35,200	36,540	39,510	8.1	18.0
Zinc- International	2,820	2,890	620	590	1,850	213.6	(34.4)
Oil & Gas	11,450	58,600	12,590	15,130	10,810	(28.6)	(5.6)
Iron ore	1,640	3,200	6,340	5,500	1,830	(66.7)	11.6
Steel	150	1,180	1,070	(160)	2,360	(1,575.0)	1,473.3
Copper	(20)	(620)	70	(90)	(570)	533.3	2,750.0
Aluminium	18,609	19,652	28,792	29,979	44,413	48.1	138.7
Power	2,870	2,480	2,120	2,500	2,820	12.8	(1.7)
TOTAL	64,200	1,14,790	85,310	87,680	99,450	13.4	54.9
EBITDA contribution of Zinc India (%)	47.1	26.4	40.6	40.6	38.4		

Source: Centrum Broking, Company Data

Exhibit 7: Qualified Institutional Placement

Qualified Institutional Placement

Successfully raised Rs. 8,500 crore through the largest QIP in Indian Metals and Mining Industry

- QIP witnessed strong demand from all pools of investors – Blue chip mutual funds, foreign institutional investors, large family offices
- QIP was over subscribed to 2.6x

Use of Proceeds:

- ▶ Proceeds will be utilized for deleveraging
- ▶ Interest Savings : ~Rs 1,100 crore
- ▶ High-cost loan repayment
- ▶ Releasing of HZL security of 4.64%

Source: Centrum Broking, Company Data

Exhibit 8: Demerger Plan

Demerger

Filed Demerger scheme of application with NCLT

- Successfully secured NOCs from secured lenders for obtaining clearance from stock exchange(s) and filed demerger scheme with the National Company Law Tribunal (NCLT)
- Key creditors like SBI and LIC have shared the NOCs

Next Steps & Key Milestones:

- ▶ Hearing of Scheme application by NCLT
- ▶ Conducting member & creditor meetings per NCLT order
- ▶ Filing company scheme petition with NCLT for Sanction
- ▶ Listing and trading of resulting companies' shares'

Source: Centrum Broking, Company Data

Exhibit 9: Net Debt breakup

Rs mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	QoQ (%)	YoY (%)
Vedanta Standalone*	428,780	405,350	430,820	398,470	425,140	6.7	(0.8)
Talwandi Sabo	63,640	62,850	61,190	58,440	60,890	4.2	(4.3)
Zinc International	(7,650)	-4480	(1,580)	600	3,300	450.0	(143.1)
Zinc India	(3,790)	(700)	3,680	(17,310)	2,930	(116.9)	(177.3)
Cairn India holdings	12,520	8,080	9,600	6,440	9,120	41.6	(27.2)
Balco	5,640	9,970	16,580	17,450	13,170	(24.5)	133.5
Vedanta Star Ltd	-	-	-	-	-		
ESL	21,040	18,850	19,070	15,240	14,790	-2.95	-29.71
Others	71,740	77,790	78,250	76,300	76,020	-0.37	5.97
Total Net debt	591,920	577,710	624,930	563,380	613,230	8.85	3.60
Net debt ex- HZ	595,710	578,410	621,250	580,690	610,300	5.10	2.45

Source: Centrum Broking, Company Data

Exhibit 10: Change in Estimates

(Rs m)	Current		Earlier		Change (%)	
	FY25E	FY25E	FY25E	FY26E	FY25E	FY26E
Total EBITDA	427,369	537,862	470,936	520,351	-9	3
Zinc	188,342	214,233	188,971	206,195	0	4
HZ	176,169	197,039	175,185	189,103	1	4
International Zinc	12,173	17,194	13,787	17,091	-12	1
Copper	(545)	(545)	(542)	(542)		
Aluminium	168,084	231,214	170,971	192,607	-2	20
Power	12,742	16,399	12,742	16,399	0	0
Iron ore	16,144	17,411	16,309	16,755	-1	4
Steel	6,000	6,000	6,000	6,000	0	0
Oil & gas	46,437	56,532	86,319	86,319	-46	-35
EBITDA ex HZ	251,200	340,823	295,751	331,248	-15	3

Source: Centrum Broking, Company Data

Exhibit 11: FY26E SoTP Valuation

FY26 SOTP valuation	Equity holding (%)	EBITDA (Rs mn)	EV/EBITDA (x)	Vedanta Ltd'simplified EV (Rs mn)
Business segments				
Hindustan Zinc	64.9	197,039	6.5	831,209
International Zinc	100	17,194	5	85,972
Balco	51	54,778	5	139,683
Vedanta Aluminium	100	176,436	5	882,179
Oil & Gas	100	56,532	5	282,660
Iron ore	100	17,411	5	87,056
Steel	95.5	6,000	5	28,650
Power	100	10,537	5.5	57,953
Copper	100	(545)	5	(2,727)
Others	100	2,480	5	12,400
Total				2,405,035
Consol net debt				535,786
Derived Market Cap				1,869,250
No. of shares				3,910
Target Price				478

Source: Centrum Broking, Company Data

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Revenues	13,27,320	14,73,080	14,37,270	14,07,779	15,44,058
Operating Expense	5,64,200	7,51,000	6,79,540	6,17,659	6,33,904
Employee cost	28,110	30,980	33,000	36,300	39,930
Others	2,86,770	3,46,880	3,72,750	3,26,452	3,32,363
EBITDA	4,48,240	3,44,220	3,51,980	4,27,369	5,37,862
Depreciation & Amortisation	88,950	1,05,550	1,07,230	1,05,095	1,02,039
EBIT	3,59,290	2,38,670	2,44,750	3,22,274	4,35,822
Interest expenses	47,970	62,250	94,650	46,667	95,477
Other income	26,000	28,510	25,500	23,645	45,830
PBT	3,37,320	2,04,930	1,75,600	2,99,251	3,86,175
Taxes	92,550	57,700	1,28,260	68,473	87,205
Effective tax rate (%)	27.4	28.2	73.0	22.9	22.6
PAT	2,44,770	1,47,230	47,340	2,30,778	2,98,969
Minority/Associates	(49,080)	(46,437)	(36,849)	(49,685)	(61,725)
Recurring PAT	1,95,690	1,00,793	10,491	1,81,093	2,37,245
Extraordinary items	7,680	2,170	(28,030)	0	0
Reported PAT	2,03,370	1,02,963	(17,539)	1,81,093	2,37,245

Ratios					
YE Mar	FY22A	FY23A	FY24A	FY25E	FY26E
Growth (%)					
Revenue	50.8	11.0	(2.4)	(2.1)	9.7
EBITDA	64.1	(23.2)	2.3	21.4	25.9
Adj. EPS	59.3	(48.5)	(89.6)	1,542.3	31.0
Margins (%)					
Gross	73.4	70.0	69.1	68.7	70.7
EBITDA	33.8	23.4	24.5	30.4	34.8
EBIT	27.1	16.2	17.0	22.9	28.2
Adjusted PAT	15.3	7.0	(1.2)	12.9	15.4
Returns (%)					
ROE	30.7	19.2	3.0	50.8	53.8
ROCE	19.3	13.9	5.6	19.8	25.3
ROIC	23.4	15.5	6.0	21.6	28.0
Turnover (days)					
Gross block turnover ratio (x)	0.5	0.4	0.5	0.5	0.5
Debtors	12	11	10	11	11
Inventory	33	36	36	36	37
Creditors	25	27	27	28	28
Net working capital	85	22	24	45	66
Solvency (x)					
Net debt-equity	0.4	1.2	1.7	1.1	0.8
Interest coverage ratio	9.3	5.5	3.7	9.2	5.6
Net debt/EBITDA	0.7	1.7	2.0	1.5	1.0
Per share (Rs)					
Adjusted EPS	52.6	27.1	2.8	46.3	60.7
BVPS	175.8	106.0	82.6	103.8	121.7
CEPS	76.5	55.5	31.6	73.2	86.8
DPS	45.0	45.0	45.0	42.8	42.8
Dividend payout (%)	82.3	162.6	nm	92.4	70.6
Valuation (x)					
P/E	7.9	15.3	146.7	8.9	6.8
P/BV	2.4	3.9	5.0	4.0	3.4
EV/EBITDA	1.0	4.5	6.6	5.2	4.0
Dividend yield (%)	10.9	10.9	10.9	10.4	10.4

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Equity share capital	3,720	3,720	3,720	3,910	3,910
Reserves & surplus	6,19,210	3,41,310	2,73,040	3,71,543	4,41,388
Shareholders fund	6,53,830	3,94,230	3,07,220	4,05,913	4,75,758
Minority Interest	1,73,210	1,00,040	1,13,470	1,63,155	2,24,880
Total debt	6,41,020	7,98,830	8,66,930	8,34,174	8,45,461
Non Current Liabilities	95,430	95,050	92,920	92,920	92,920
Def tax liab. (net)	44,350	59,220	1,01,520	1,01,520	1,01,520
Total liabilities	16,07,840	14,47,370	14,82,060	15,97,682	17,40,538
Gross block	24,80,340	32,92,360	28,17,810	29,57,810	30,97,810
Less: acc. Depreciation	(15,60,440)	(23,56,290)	(18,50,660)	(19,55,755)	(20,57,795)
Net block	9,19,900	9,36,070	9,67,150	10,02,055	10,40,015
Capital WIP	1,42,300	1,74,340	2,03,310	2,03,310	2,03,310
Net fixed assets	10,93,450	11,52,730	12,18,520	12,53,425	12,91,386
Non Current Assets	1,54,440	1,15,670	1,33,550	1,33,550	1,33,550
Investments	1,510	5,140	9,870	9,870	9,870
Inventories	1,43,130	1,50,120	1,30,010	1,50,420	1,64,982
Sundry debtors	49,460	40,140	36,070	46,283	50,764
Cash & Cash Equivalents	3,27,320	2,18,900	1,52,090	2,13,001	3,09,675
Loans & advances	23,040	37,600	33,640	33,640	33,640
Other current assets	1,42,800	1,58,310	1,67,430	1,67,430	1,67,430
Trade payables	1,05,380	1,10,430	1,00,950	1,11,768	1,22,588
Other current liab.	2,68,610	4,01,950	3,21,650	3,21,650	3,21,650
Provisions	4,170	3,810	3,410	3,410	3,410
Net current assets	3,07,590	88,880	93,230	1,73,947	2,78,842
Total assets	16,07,840	14,47,370	14,82,060	15,97,682	17,40,538

Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Profit Before Tax	3,29,640	2,02,760	2,03,630	2,99,251	3,86,175
Depreciation & Amortisation	89,190	1,05,970	1,07,440	1,05,095	1,02,039
Net Interest	47,120	61,290	93,300	0	0
Net Change – WC	(47,660)	45,990	15,520	(19,805)	(8,222)
Direct taxes	(57,360)	(63,570)	(26,850)	(68,473)	(87,205)
Net cash from operations	3,49,630	3,30,650	3,56,540	3,16,068	3,92,787
Capital expenditure	(1,03,050)	(1,36,540)	(1,65,570)	(1,40,000)	(1,40,000)
Acquisitions, net	0	0	0	0	0
Investments	(2,870)	42,050	20,870	0	0
Others	83,390	87,560	7,840	0	0
Net cash from investing	(22,530)	(6,930)	(1,36,860)	(1,40,000)	(1,40,000)
FCF	2,46,580	1,94,110	1,90,970	1,76,068	2,52,787
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	(40,480)	1,36,870	49,630	(32,756)	11,287
Dividend paid	(1,93,490)	(4,11,490)	(2,05,000)	(1,67,400)	(1,67,400)
Interest paid	(52,740)	(55,300)	(98,250)	0	0
Others	(2,320)	(11,500)	(7,300)	0	0
Net cash from financing	(2,89,030)	(3,41,420)	(2,60,920)	(2,00,156)	(1,56,113)
Net change in Cash	38,070	(17,700)	(41,240)	(24,089)	96,673

Source: Company, Centrum Broking

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Vedanta Ltd



Source: Bloomberg

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