

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR233

TP: INR220 (-5%)

Neutral

Healthy operational performance; focusing on debt reduction

- In 2QFY24, VEDL received a one-time revenue and EBITDA gain of INR47.6b related to the award of the final partial arbitration that VEDL has won in relation to a contract for Rajasthan Block. For a like-to-like comparison, we have adjusted 2QFY24 financials by excluding this one-time gain.
- Revenue stood at INR341b (up 6% YoY) and was 5% above our estimate of INR325b. Consolidated EBITDA stood at INR67b, in line with our estimate of INR65b. EBITDA was supported by improved operational efficiency and favorable input prices, which were partially offset by lower commodity prices and strategic hedging gains.
- Among segments, aluminum, steel and iron-ore businesses saw strong improvements in EBITDA, whereas Zinc India, Zinc International and copper verticals saw pressure on EBITDA.
- APAT stood at INR5b vs. our estimate of INR12b. Net debt stood at INR577b and net debt/EBITDA stood at 1.64x in 2QFY24 vs. 1.98x in 1QFY24.

Highlights from the management commentary

- VEDL has ~INR90b of debt that will be up for refinancing by 4QFY24 and has USD1b of debt that will be up for refinancing at HoldCo.
- HoldCo. has ~USD3.1b of debt maturing in FY25, including USD2b bonds.
- The recent arbitration case in favor of VEDL will reduce payout to the government by USD20m per quarter in the oil and gas vertical. VEDL would also receive INR10b per quarter over the next five quarter, which will increase the cash flow of the vertical.
- VEDL has earmarked ~USD150-200m as growth capex for its oil and gas vertical for drilling new wells, which should help the company manage the natural decline in fields. VEDL expects to spend ~USD1.7b as growth capex in FY24.

Valuation and view

- EBITDA performance, excluding the arbitration claim, has been largely in line with estimate. VEDL will continue to focus on debt reduction. The de-merger process is underway and is expected to be completed as per the timeline.
- We marginally reduce our FY25 EBITDA estimate by 4%, considering headwinds in the global commodity market, such as lower demand from China, a slowdown in China's real estate sector, uncertainties in the Middle East and low LME prices. **We reiterate our Neutral rating on VEDL with an SoTP-based TP of INR220.** At CMP of INR233, the stock is trading at FY25E EV/EBITDA of 6.3x and FY25E P/B multiple of 3.2x.

	VEDL IN
Bloomberg	VEDL IN
Equity Shares (m)	3717
M.Cap.(INRb)/(USD\$b)	865.2 / 10.4
52-Week Range (INR)	341 / 208
1, 6, 12 Rel. Per (%)	2/-23/-30
12M Avg Val (INR M)	3197
Free float (%)	36.3

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	1,473	1,391	1,487
EBITDA	344	265	317
EBITDA margin	23.4	19.0	21.3
Attr. APAT	105	45	85
Adj. EPS (INR)	28.3	12.2	23.0
EPS Gr (%)	-46.2	-56.8	87.9
BV/Sh. (INR)	106	73	74

Ratios

Net D:E	1.1	2.2	2.2
RoE (%)	20.1	13.7	31.4
RoCE (%)	21.5	17.2	22.0
Payout (%)	358.9	322.0	97.4

Valuations

P/E (x)	8.2	19.1	10.1
P/BV	2.2	3.2	3.2
EV/EBITDA (x)	4.7	7.3	6.3
Div. Yield (%)	43.6	16.9	9.6
FCF Yield (%)	22.2	5.4	15.9

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	63.7	68.1	69.7
DII	10.7	10.1	10.4
FII	7.9	7.6	8.3
Others	17.7	14.3	11.6

FII Includes depository receipts

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Vs. Est.	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				2Q	%
Net Sales	386	367	341	379	337	342	351	361	1,473	1,391	325	5	
Change (YoY %)	35.9	20.6	0.0	-4.8	-12.7	-6.7	2.8	-4.9	11.0	-5.6			
Change (QoQ %)	-3.0	-5.1	-7.0	11.2	-11.1	1.3	2.6	2.9					
Total Expenditure	284	290	270	285	273	275	287	291	1,129	1,126			
EBITDA	102	77	71	95	64	67	64	70	344	265	65	4	
Change (YoY %)	1.8	-25.7	-34.6	-30.6	-37.0	-12.7	-10.1	-26.1	-23.2	-23.1			
Change (QoQ %)	-25.2	-24.5	-8.2	33.8	-32.1	4.6	-5.4	10.0					
As % of Net Sales	26.4	21.0	20.7	24.9	19.0	19.7	18.1	19.4	23.4	19.0			
Finance cost	12	16	16	18	21	25	20	20	62	86			
DD&A	25	26	27	28	26	26	26	26	106	104			
Other Income	7	7	7	7	5	6	7	7	29	26			
PBT (before EO item)	73	41	35	56	23	22	25	30	205	100			
EO exp. (income)	0	-2	-9	13	-18	-43	0	0	2	-61			
PBT (after EO item)	73	44	44	43	41	65	25	30	203	161			
Total Tax	16.7	16.7	13.0	11.3	7.8	90.9	6	8	57.7	113			
% Tax	23.0	38.4	29.6	26.4	19.0	140.7	25.2	25.2	28.5	70.1			
Reported PAT	56	27	31	31	33	-9	19	23	145	65			
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0.0	0			
Minority interest	11.7	10.3	6.3	13.5	6.7	8.7	5	4	42.0	25			
APAT	44	14	16	31	9	5	13	19	105	45	12	(58)	
Change (YoY %)	-1.3	-69.4	-63.4	-49.5	-80.5	-65.7	-13.8	-40.4	-46.2	-56.8			
Change (QoQ %)	-28.3	-67.8	9.6	99.6	-72.4	-43.3	175.7	38.0					

Sources: MOFSL, Company

Note – 2Q FY24 financials have been adjusted by excluding one-time INR47.6 b revenue and EBITDA benefit recognized due to the award of final partial arbitration won in relation to contract for Rajasthan Block.

Exhibit 1: Business-wise EBITDA (INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Vs. Est.	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				2Q	%
EBITDA	102.0	77.0	70.7	94.6	64.2	67.2	63.5	69.9	344.2	264.8	65	4	
Copper	(0.1)	0.2	(0.6)	0.5	(0.0)	(0.6)	0.0	0.0	(0.0)	(0.6)			
Aluminum	22.5	7.6	9.6	18.6	18.2	19.7	12.4	13.5	58.4	63.8			
Ironore	3.6	2.1	0.5	3.6	1.6	3.2	1.5	1.5	9.9	7.8			
Power	0.8	1.4	2.7	3.6	2.9	2.5	2.5	2.5	8.5	10.4			
Zinc-India	51.4	44.1	37.1	42.6	33.5	31.4	36.8	41.9	175.1	143.6			
Zinc-Int	5.9	5.9	3.1	4.4	2.8	2.9	1.5	1.7	19.3	9.0			
Oil&Gas	20.8	20.2	20.0	16.8	11.5	11.0	8.6	8.4	77.8	39.4			
Steel	0.9	(0.1)	(0.7)	3.0	0.2	1.2	1.2	1.2	3.2	3.7			
Others	(3.9)	(4.4)	(1.2)	1.5	(6.4)	(4.0)	(1.0)	(1.0)	(7.9)	(12.4)			
Change (YoY %)	1.8	-25.7	-34.6	-30.6	-37.0	-12.7	-10.1	-26.1	-23.2	-23.1			
Change (QoQ %)	-25.2	-24.5	-8.2	33.8	-32.1	4.6	-5.4	10.0					

Sources: MOFSL, Company

Note – 2Q FY24 includes INR47.6 b Revenue and EBITDA benefit recognized due to the award of final partial arbitration won in relation to contract for Rajasthan Block. Oil and Gas segmented EBITDA has been arrived at by excluding this one-time gain.



Conference call takeaways

Aluminum CoP and capex:

- Aluminum CoP has declined by ~USD615/t over the last six quarters and stood at USD1,814/t in 2QFY24.
- VEDL reported the highest-ever aluminum production in 2Q. It aims to be in the first quartile of the cost curve among global aluminum manufacturers.
- Lanjigarh expansion from 2mt to 5mt is on track and 1.5mt Train-I is expected to commence in 4QFY24. Following that, Train-II, an additional 1.5mt capacity, is projected to be operational in FY25.
- VEDL is expanding its VAP portfolio by 480kt at Jharsuguda and 450kt at BALCO, which will enhance total VAP to over 85%.
- Jamkhani mine is already operational and currently operating at 2x the initial mining run rate. Radhikapur mine is currently under forest clearance process.
- Jamkhani mines is expected to produce ~4-4.5mt of coal in FY25E.

Iron and steel

- Karnataka iron ore mines have received EC for 7.2mt, which will be enhanced to 10mt.
- Pig iron margin improved to 36% QoQ.
- Steel vertical posted better volumes after the completion of debottlenecking capex undertaken in FY23. Favorable input prices and cost reductions in sales led to improved margins.
- Steel vertical currently has a capacity of 1.7mt, which is on track to increase to 3mt.
- The management did not give any guidance on potential sale of the vertical.

Proposed demerger into 'pure play' commodity companies

- VEDL in Oct'23 announced its plan to demerge its existing business verticals into six independent 'pure play' companies. This move is aimed at unlocking stakeholder value, simplifying corporate structure with focus on transparency, attracting strategic investment and improving competencies.
- VEDL has submitted the scheme to SE and the proposal is on track.

Debt at VEDL and HoldCo. level

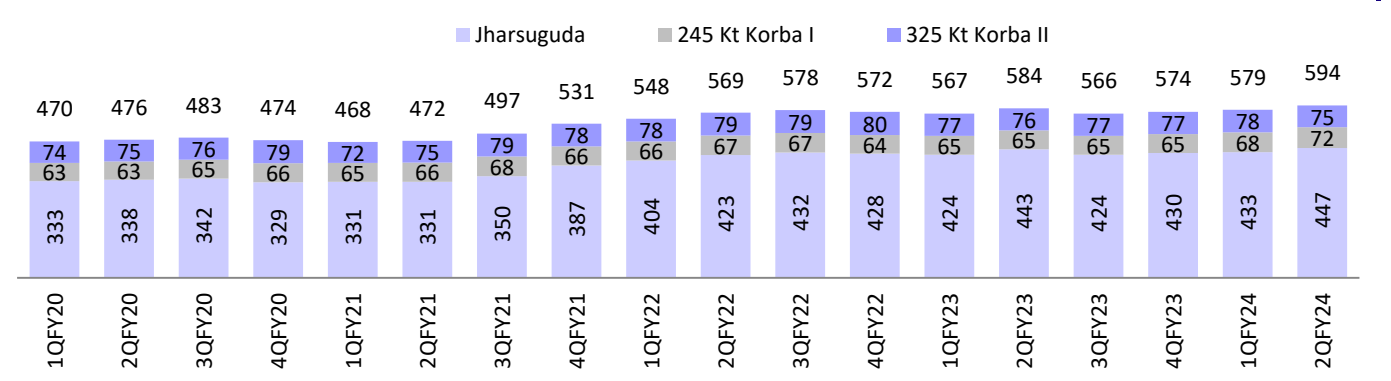
- Net debt declined by INR14b QoQ to INR578b.
- VEDL has liquidity position of around INR167b and the debt reduction was mainly attributed to better CFO, which was partially offset by higher capex and dividend payouts.
- About 81% of total borrowings are in INR-denominated debt, with an average RoI of ~9%.
- VEDL has ~INR90b of debt that will be up for refinancing by 4QFY24 and has USD1b of debt that will be up for refinancing at HoldCo.
- HoldCo. also has ~USD3.1b of debt maturing in FY25, including USD2b bonds (USD0.5b in 1QFY25, USD1b in 2QFY25, USD0.5b in 3QFY25 and rest in 4QFY25).
- VEDL is currently in negotiations with numerous banks and financial institutions to refinance the debt.
- The USD415m ICD at HoldCo. has now been pushed to 31st Dec'24.

Others:

- The Government of India had raised demand up to 14th May'20 for an additional share of profit oil, based on its computation of disallowance of cost incurred over retrospective reallocation of certain common costs between Development Areas of Rajasthan Block and certain other matters aggregating to INR95b and applicable interest thereon representing share of VEDL and its subsidiary. The Group had disputed the aforesaid demand. The Group has received the final partial arbitration award dated 22 Aug 23 from Arbitration Tribunal, dismissing the Government's contention of additional profit petroleum in relation to the allocation of common development costs across DAs and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters.
- The recent arbitration case in favor of VEDL will reduce payout to the government to USD20m per quarter in the oil and gas vertical, which will improve margins.
- In addition, VEDL would also receive INR10b per quarter over the next five quarters, which will boost cash flow of the oil and gas vertical.
- HZL is undertaking aggressive OBR removal, which will help VEDL to mine additional volumes in coming quarters. VEDL expects to mine ~70-75kt per quarter (up from current run rate of ~60-65kt per quarter).
- As VEDL shifted to a new tax regime, which will reduce the tax burden going forward, the exceptional tax outgo of ~INR61b in 2QFY24 is a one-time charge.

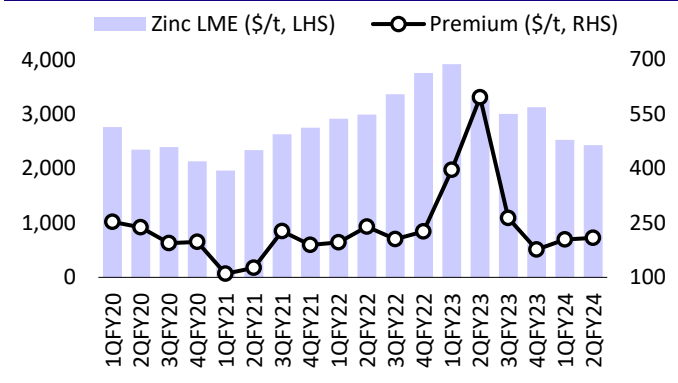
Story in charts

Exhibit 2: Highest-ever aluminum production (kt) at 594kt in 2Q



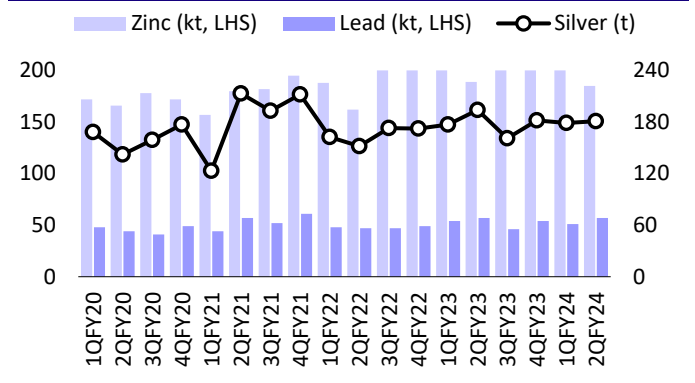
Sources: MOFSL, Company

Exhibit 3: Zinc LME vs. Premium (USD/t) – premium stood at USD209/t



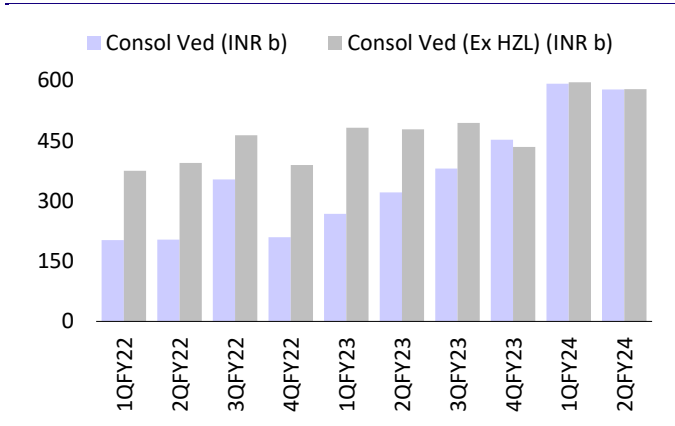
Sources: MOFSL, Company

Exhibit 4: Zinc India volumes (kt) – zinc, lead, and silver volumes



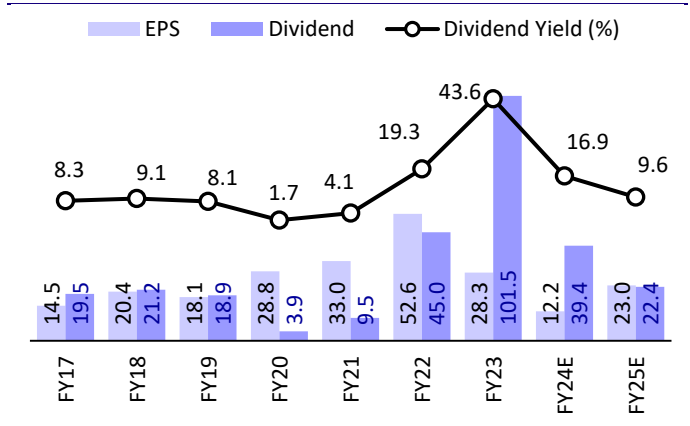
Sources: MOFSL, Company

Exhibit 5: Net debt at Vedanta Consol and ex-HZL (INR b)



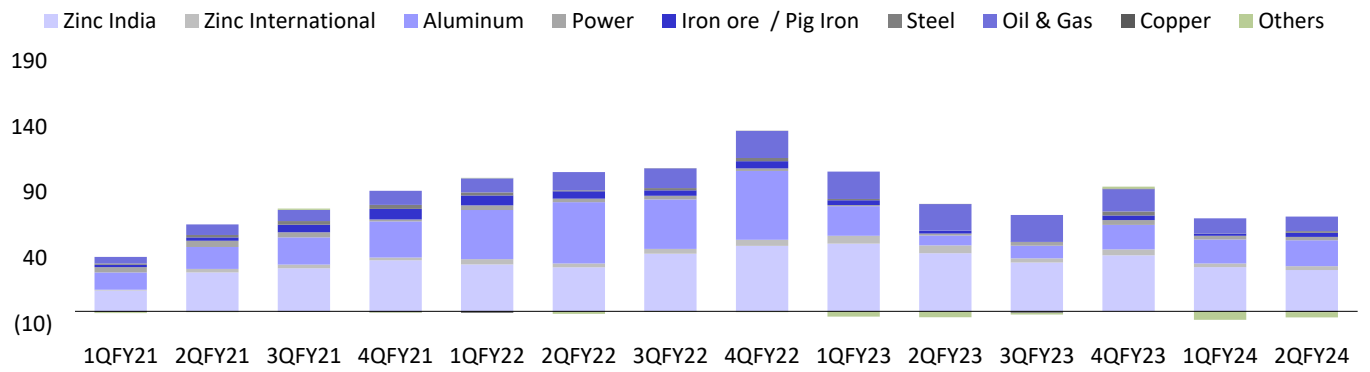
Sources: MOFSL, Company

Exhibit 6: Dividend per share



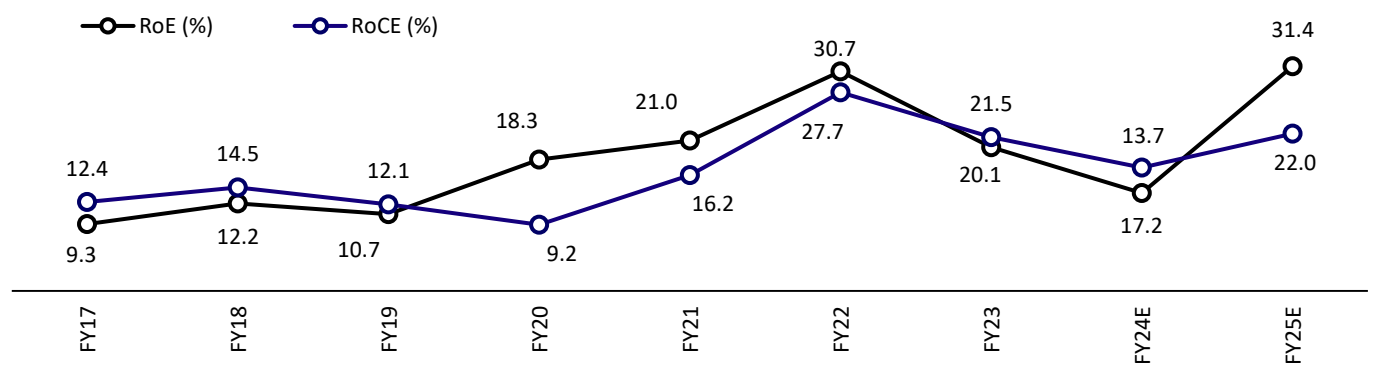
Sources: MOFSL, Company

Exhibit 7: EBITDA breakdown by division (INR b) – Except Copper, all other verticals were positive in 2QFY24



Sources: MOFSL, Company

Exhibit 8: ROE and RoCE likely to improve in FY25E after touching a low in FY24



Sources: MOFSL, Company

Exhibit 9: Entity-wise debt and cash movements (INR b)

Entity wise Debt	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Gross Debt										
Vedanta Limited	278	305	338	367	452	453	452	420	443	425
Cairn India Holdings Ltd	28	28	28	16	16	10	9	27	26	26
Zinc India	67	46	100	28	28	21	51	118	93	113
Zinc International	2	1	3	0	-	-	-	-	-	-
BALCO	28	20	36	11	10	10	11	11	11	15
TSPL	73	73	74	70	70	69	69	64	64	64
ESL	-	-	-	27	26	25	24	23	23	21
Vedanta Star	-	-	-	-	-	-	-	-	-	-
Others	41	38	44	11	10	-2	-1	-1	75	81
Consolidated Vedanta	516	510	624	531	611	586	616	662	735	745
Cash and LI										
Vedanta Limited	22	17	30	71	49	40	34	74	14	20
Cairn India Holdings Ltd	20	21	11	14	29	20	14	16	13	18
Zinc India	239	237	211	208	243	178	165	101	97	114
Zinc International	5	5	4	6	8	13	11	7	8	4
BALCO	17	16	7	7	4	4	4	5	5	5
TSPL	2	4	1	1	0	1	1	1	1	1
ESL	-	-	-	-	3	4	2	3	2	2
Vedanta Star	-	-	-	9	-	-	-	-	-	-
Others	8	7	7	6	8	5	5	4	3	3
Consolidated Vedanta	313	307	271	321	343	265	235	209	143	167
Net Debt										
Vedanta Limited	255	288	308	296	403	413	419	347	429	405
Cairn India Holdings Ltd	8	7	17	2	-13	-10	-6	11	13	8
Zinc India	-172	-191	-110	-180	-214	-157	-114	18	-4	-1
Zinc International	-3	-3	-1	-6	-8	-13	-11	-7	-8	-4
BALCO	11	3	29	4	7	6	7	7	6	10
TSPL	71	69	73	69	69	67	69	63	64	63
ESL	-	-	-	27	23	21	22	20	21	19
Vedanta Star	-	-	-	-9	-	-	-	-	-	-
Others	32	31	38	5	2	-7	-6	-5	72	78
Consol Ved (INR b)	203	204	354	210	268	321	381	453	592	578
Consol Ved (Ex HZL) (INR b)	375	395	464	389	482	478	495	435	596	578

Sources: MOFSL, Company

Exhibit 10: Operational Performance – Zinc India (INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E 2QE	Vs. Est.	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				2QE	%
Mine prodn. (kt)	252	255	257	301	257	252	278	282	1,062	1,069			
Sales													
Zinc refined (kt)	206	189	210	216	208	185	213	217	821	823			
Lead refined (kt)	54	57	46	54	50	57	55	56	211	218			
Silver (tonnes)	177	194	161	182	179	181	174	177	714	712			
Net Sales	94	83	79	85	73	68	81	88	341	309	67	1	
Change (YoY %)	43.7	36.2	-1.6	-3.3	-22.4	-18.5	2.7	3.2	15.8	-9.3			
Change (QoQ %)	6.7	-11.2	-5.6	8.2	-14.4	-6.7	18.9	8.7					
EBITDA	51	44	37	43	33	31	37	42	175	144	32	(3)	
Change (YoY %)	44.4	32.1	-15.2	-14.2	-34.8	-28.8	-0.7	-1.4	7.9	-18.0			
Change (QoQ %)	3.5	-14.2	-15.9	14.8	-21.3	-6.2	17.3	14.0					
As % of Net Sales	54.7	52.9	47.1	50.0	46.0	46.2	45.6	47.8	51.3	46.4			
Finance cost	0	1	1	2	2	2	2	2	3	9			
DD&A	7	8	8	9	8	8	8	9	33	34			
Other Income	3	4	3	4	3	2	2	2	14	10			
PBT (before EO item)	47	39	32	35	26	23	29	33	153	110			
EO exp. (income)	0	0	0	0	0	0	0	0	0	0			
PBT	47	39	32	35	26	23	29	33	153	110			
Total Tax	16	12	10	9	6	6	7	8	48	28			
% Tax	33.8	31.7	32.3	26.3	24.8	25.0	25.2	25.2	31.2	25.0			
Reported PAT	31	27	22	26	20	17	21	24	105	83	18	(2)	
Adjusted PAT	31	27	22	26	20	17	21	24	105	83	18	(2)	
Change (YoY %)	55.9	32.9	-20.2	-11.8	-36.5	-35.5	-0.8	-5.3	9.2	-21.2			
Change (QoQ %)	5.6	-13.3	-19.6	19.8	-24.0	-12.0	23.7	14.4					

Sources: MOFSL, Company

Exhibit 11: Changes to our assumptions and key financials

	Units	FY24E			FY25E		
		New	Old	% change	New	Old	% change
EBITDA/t							
- Hindustan Zinc	\$/t	1,655	1,657	0%	2,012	2,018	0%
- Aluminum	"	327	322	2%	442	422	5%
- Steel	"	30	29	2%	26	26	2%
- Zinc International	"	405	390	4%	649	636	2%
Change in consolidated Financials							
Revenue	INR b	1,391	1,376	1%	1,487	1,490	0%
EBITDA	"	265	282	-6%	317	328	-4%
Adj PAT	"	45	62	-27%	85	89	-4%

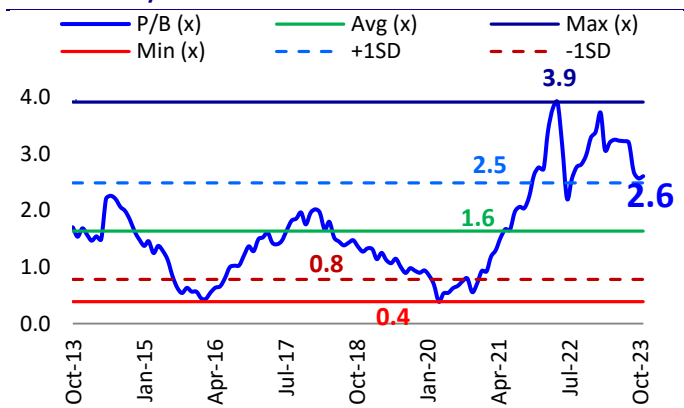
Sources: MOFSL, Company

Exhibit 12: SoTP valuation

(INR b)	EBITDA FY25E	EV EBITDA (x)	EV FY25E	Per Share
VEDL (ex HZL)				
Copper	0	4.0	1	0
Aluminum	86	5.5	478	128
Iron ore	6	5.0	31	8
Steel	4	5.0	21	6
Power	14	5.0	70	19
Zinc-Int	15	5.0	76	21
Oil & Gas	20	5.0	99	27
Sub. Tot.	145	5.3	775	208
Less: Net Debt			596	160
Equity Value			180	48
Hind. Zinc				
HZL	181	6.0	1,088	293
Add: Net Cash			122	33
Equity Value			1,211	325
INR/share (HZL)			290	
VEDL			INR b	INR/sh
HZL@64.9% (20% Hold Co. discount)			629	169
VEDL (ex HZL)			180	48
Equity value			808	
Shares outstanding (bn)			3.7	
Target price (INR/sh)			220	-6%

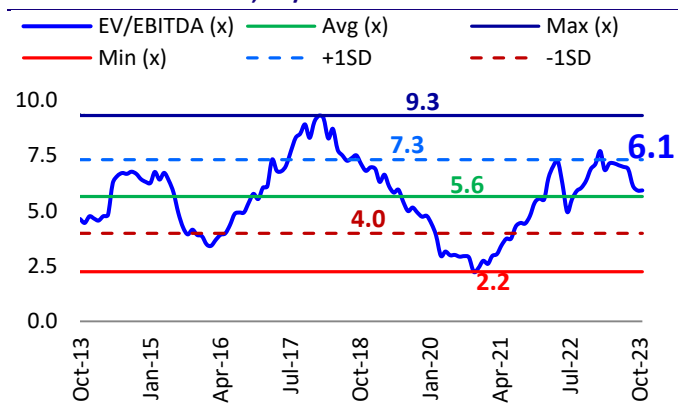
Sources: MOFSL, Company

Exhibit 13: P/B ratio at +1SD



Source: MOFSL

Exhibit 14: ...however, EV/EBITDA is near LTA



Source: MOFSL

Exhibit 15: Global comparable valuation

Company	M-Cap USD m	P/E (x)		EV/EBITDA (x)		P/B (x)		RoE (%)	
		CY22/ FY23	CY23/ FY24	CY22/ FY23	CY23/ FY24	CY22/ FY23	CY23/ FY24	CY22/ FY23	CY23/ FY24
Vedanta*	10,236	8.2	19.1	4.7	7.3	2.2	3.2	20.1	13.7
BHP	1,49,000	10.8	11.3	5.8	5.8	3.4	3.0	31.1	28.2
Rio	1,11,117	9.3	9.4	4.9	4.8	2.0	1.8	21.7	19.9
Glencore	66,015	9.3	10.2	4.7	4.2	1.5	1.4	15.4	14.1
Anglo	32,221	9.5	8.4	4.6	4.1	1.2	1.1	12.0	13.2
South 32	9,739	10.4	12.1	3.9	4.6	1.0	1.0	9.7	8.4

Sources: MOFSL, Bloomberg. (*) denotes MOFSL estimates

Financials and valuations

Income Statement (Consolidated)								INR b	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales	722	919	920	844	880	1,327	1,473	1,391	1,487
Total Expenses	509	667	689	638	607	879	1,129	1,126	1,171
EBITDA	213	252	231	207	273	448	344	265	317
EBITDA attribute	176	203	189	173	219	368	277	205	239
DDA	63	63	82	91	76	89	106	104	108
EBIT	150	189	149	116	197	359	239	160	209
Finance cost	59	58	57	50	52	48	62	86	66
Other income	46	36	40	25	34	26	29	26	21
PBT	138	167	132	91	179	337	205	100	165
Tax	38	57	39	-35	22	93	58	113	41
Rate (%)	27.4	34.4	29.2	-38.5	12.2	27.4	28.2	112.3	25.2
PAT (before EO)	100	109	94	126	157	245	147	-12	123
EO expense /Income	-1	8	3	-170	-7	-8	-2	-61	0
Reported PAT	99	118	97	-43	150	237	145	65	123
Attrib. PAT (after MI & asso)	54	76	67	107	123	196	105	45	85
Change (YoY %)	-74.9	40.4	-11.0	59.0	14.5	59.4	-46.2	-56.8	87.9

Balance Sheet (Consolidated)								INR b	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	4	4	4	4	4	4	4	4	4
Reserves	601	631	619	543	619	650	391	267	270
Net Worth	605	635	623	546	623	654	394	271	273
Total Loans	906	725	835	757	686	534	665	660	657
Deferred Tax Liability	-54	-9	10	-40	-36	-7	-26	-26	-26
Capital Employed	1,597	1,511	1,621	1,435	1,423	1,355	1,133	1,030	1,067
Gross Block	1,641	1,810	2,176	2,182	2,281	2,392	2,525	2,648	2,734
Less: Accum. Deprn.	775	848	1,185	1,276	1,352	1,441	1,547	1,651	1,759
Net Fixed Assets	866	962	991	907	929	951	978	997	976
Capital WIP	177	161	222	168	139	142	174	216	269
Investments	1	2	49	1	2	2	5	5	5
WC. Assets	872	674	723	691	729	840	721	544	566
Inventory	96	120	132	113	99	143	150	142	152
Account Receivables	34	53	77	58	66	82	65	62	66
Cash and Bank Balance	610	338	365	372	331	327	219	54	62
Loans and advances	131	163	149	148	232	288	286	286	286
WC. Liability & Prov.	319	287	365	333	375	580	745	731	748
Trade payables	71	84	92	80	79	215	247	234	250
Provisions & Others	248	203	273	252	296	365	498	498	498
Net WC. Assets	553	386	358	359	354	260	-24	-188	-182
Appl. of Funds	1,597	1,511	1,621	1,435	1,423	1,355	1,133	1,030	1,067

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)									
EPS	14.5	20.4	18.1	28.8	33.0	52.6	28.3	12.2	23.0
Cash EPS	31.4	37.3	40.2	53.3	53.5	76.5	56.7	40.3	51.9
BV/Share	162.7	170.7	167.5	146.9	167.4	175.8	106.0	72.9	73.5
DPS	19.5	21.2	18.9	3.9	9.5	45.0	101.5	39.4	22.4
Payout (%)	134.0	104.1	104.0	13.5	28.8	85.5	358.9	322.0	97.4
Valuation (x)									
P/E	16.0	11.4	12.9	8.1	7.1	4.4	8.2	19.1	10.1
Cash P/E	7.4	6.3	5.8	4.4	4.4	3.0	4.1	5.8	4.5
P/BV (incl.-goodwill)	1.4	1.4	1.4	1.6	1.4	1.3	2.2	3.2	3.2
EV/Sales	1.7	1.5	1.5	1.6	1.5	0.9	0.9	1.1	1.0
EV/EBITDA	7.1	6.6	7.4	7.7	5.8	3.1	4.7	7.3	6.3
Dividend Yield (%)	8.3	9.1	8.1	1.7	4.1	19.3	43.6	16.9	9.6
Return Ratios (%)									
EBITDA Margins	29.5	27.4	25.1	24.5	31.0	33.8	23.4	19.0	21.3
Net Profit Margins	7.5	8.3	7.3	12.7	14.0	14.7	7.1	3.3	5.7
RoE	9.3	12.2	10.7	18.3	21.0	30.7	20.1	13.7	31.4
RoCE (pre-tax)	12.4	14.5	12.1	9.2	16.2	27.7	21.5	17.2	22.0
RoIC (pre-tax)	15.2	17.5	12.3	10.0	18.3	33.9	24.6	17.0	21.1
Working Capital Ratios									
Fixed Asset Turnover (x)	0.9	1.0	0.9	0.9	1.0	1.4	1.5	1.4	1.5
Receivable (Days)	17	21	30	25	28	22	16	16	16
Inventory (Days)	49	48	52	49	41	39	37	37	37
Trade payable (Days)	36	33	37	35	33	59	61	61	61
Leverage Ratio (x)									
Current Ratio	2.7	2.3	2.0	2.1	1.9	1.4	1.0	0.7	0.8
Interest Cover Ratio	3.4	3.9	3.3	2.8	4.4	8.0	4.3	2.2	3.5
Net Debt/EBITDA	1.4	1.5	2.0	1.9	1.3	0.5	1.3	2.3	1.9
Net Debt/Equity	0.5	0.6	0.8	0.7	0.6	0.3	1.1	2.2	2.2

Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
INR b									
EBITDA	213	252	231	207	273	448	344	265	317
Non cash exp. (income)	2	7	11	7	18	6	4	0	0
(Inc)/Dec in Wkg. Cap.	18	-47	21	-9	-30	-48	46	-2	2
Tax paid	-20	-32	-26	-11	-21	-57	-64	-113	-41
CF from Op. Activity	212	180	238	193	240	350	331	211	277
(Inc)/Dec in FA + CWIP	-55	-74	-89	-77	-69	-105	-138	-164	-139
Free Cash Flow	157	107	149	116	171	245	193	47	138
(Pur)/Sale of Investments	27	14	42	42	9	47	92	0	0
Interest & Dividend Income	11	14	9	8	20	19	17	26	21
Investment in subsidiaries	-30	-9	-69	-5	0	0	-3	0	0
Others	0	0	0	0	0	-42	-91	0	0
CF from Inv. Activity	-47	-55	-107	-31	-40	-81	-122	-138	-118
Equity raised/(repaid)	-1	-2	-1	-1	0	0	0	0	0
Debt raised/(repaid)	66	-173	77	-87	-96	-27	149	-5	-3
Dividend (incl. tax)	-129	-168	-118	-14	-91	-193	-411	-146	-83
Interest paid	-62	-57	-60	-53	-53	-53	-55	-86	-66
Others	0	1	-1	0	1	0	0	0	0
CF from Fin. Activity	-126	-398	-103	-156	-240	-273	-317	-238	-152
(Inc)/Dec in Cash	40	-273	28	6	-40	-4	-108	-165	8
Add: Opening Balance	570	610	338	365	372	331	327	219	54
Closing Balance	610	338	365	372	331	327	219	54	62

E: MOSL Estimates

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NOTES

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BUY	>=15%
SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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