CMP: ₹ 430 | Target: ₹ 600 (40%) | Target Period: 12 months | BUY

July 23, 2026

Largest producer enters bright earnings phase...

About the Company: Vedanta Aluminium Metal (VAML), part of the Vedanta group, is operating India's largest primary aluminium metal capacity of ~2.9 MTPA, commanding 40+% market share in domestic primary aluminium domain (FY26).

- Operates two aluminium smelter capacity - 1.85 MTPA at Jharsuguda, Odisha and 1 MTPA at BALCO, Chhattisgarh. Also, it operates an integrated alumina refinery capacity of 5 MTPA at Lanjigarh, Odisha.

Investment Rationale:

- **Healthy aluminium demand provides long-term growth visibility:** Aluminium, being a lightweight, corrosion-resistant and infinitely recyclable metal, is witnessing a rise in adoption across infrastructure, automotive (electric vehicle), and renewable energy space. As per industry sources, domestic aluminium demand is expected to rise from 5.6 MTPA in 2025 to 8.0 MTPA by 2030. VAML is well positioned to capitalise on this structural demand upcycle through the commissioning of ~435 KTPA BALCO smelter, taking its smelting capacity to ~2.9 MTPA in FY26, while debottlenecking at Jharsuguda plant is expected to further increase capacity to ~3.0 MTPA by FY28E. These expansions are likely to reinforce VAML's leadership in domestic aluminium industry. Furthermore, it aims to increase the share of value-added products from ~71% to ~90% enhancing premium. We expect VAML to deliver revenue CAGR of ~16% over FY26-28E (volume CAGR: 8%).
- **Increasing backward integration to strengthen cost competitiveness:** VAML continues to strengthen its backward integration through increasing captive sourcing. The recent commissioning of Lanjigarh alumina refinery has increased refining capacity to ~5 MTPA in FY26, thereby reducing reliance on external procurement. In addition, the recent securing of bauxite (9 MTPA) and coal mines (+35 MTPA) from FY27 onwards is expected to secure long-term raw material availability, thereby reducing input cost volatility. These initiatives will structurally improve it cost competitiveness, enabling a reduction in production costs and supporting EBITDA/tonne expansion to ~US$1,620 by FY28E. Consequently, we expect EBITDA to grow at ~31% CAGR of over FY26-28E (assuming LME of US$ 3,100/tonne).
- **Healthy cashflows and controlled leverage enhance the investment case:** VAML is expected to generate robust operating cash flows (CFO of ~₹30,000 crore annually from FY27 onwards), supported by higher volumes, lower production costs and elevated aluminium prices. This will facilitate steady deleveraging, with Net Debt/EBITDA improving from 1.3x in FY26 to 0.2x by FY28E, despite maintaining healthy dividend payouts. We believe improving financial strength enhances VAML's long-term investment appeal and offers an attractive risk reward proposition.

Rating and Target Price

- We have a **positive** view on Vedanta Aluminium Metal given its market leadership in domestic aluminium space, expansion led volume growth offerings, improvement in raw material security, and capital efficient business model with return ratios >50%. Consequently, we assign a **BUY** rating on the stock with SOTP- based target price of **₹600**.

vedanta aluminium

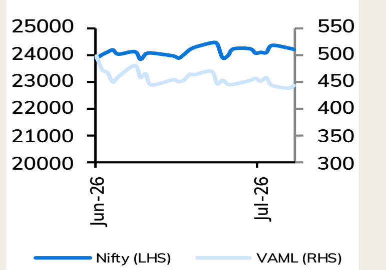
Particulars

Particulars	₹ crore
Market capitalisation	1,68,160
Total Debt (FY26P)	37,692
Cash & Investment (FY26P)	4,339
EV (₹ crore)	2,01,513
52 week H/L (₹)	538 / 422
Equity capital (₹ crore)	391
Face value (₹)	1

Shareholding pattern

	June-26
Promoter	56.4
FII	12.6
DII	13.9
Other	17.2

Price Chart



Recent Event & Key risks

- Sales, PAT to grow at a CAGR of 16% and 43% over FY26-28E.
- **Key risk:** i) steep decline in LME aluminium prices will impact earnings ii) delay in ramping up of new mines could derail our earnings estimates

Research Analyst

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Conviction Pick

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials ₹ crore	FY25	FY26	Growth YoY %	FY27E	FY28E	2 year CAGR (FY26-28E)
Total Op. Income	59,279	66,891	12.8%	87,204	90,541	16.3%
EBITDA	17,426	25,142	44.3%	42,055	43,188	31.1%
EBITDA Margins (%)	29.4	37.6		48.2	47.7	
Net Profit	7,004	11,844	69.1%	22,754	24,116	42.7%
EPS (₹/share)	17.9	30.3		58.2	61.7	
P/E (x)	24.0	14.2		7.4	7.0	
EV/EBITDA (x)	11.5	8.0		4.5	4.1	
RoNW (%)	93.6	93.1		94.6	67.6	
RoCE (%)	25.3	33.3		53.8	51.3	

Source: Company, ICICI Direct Research

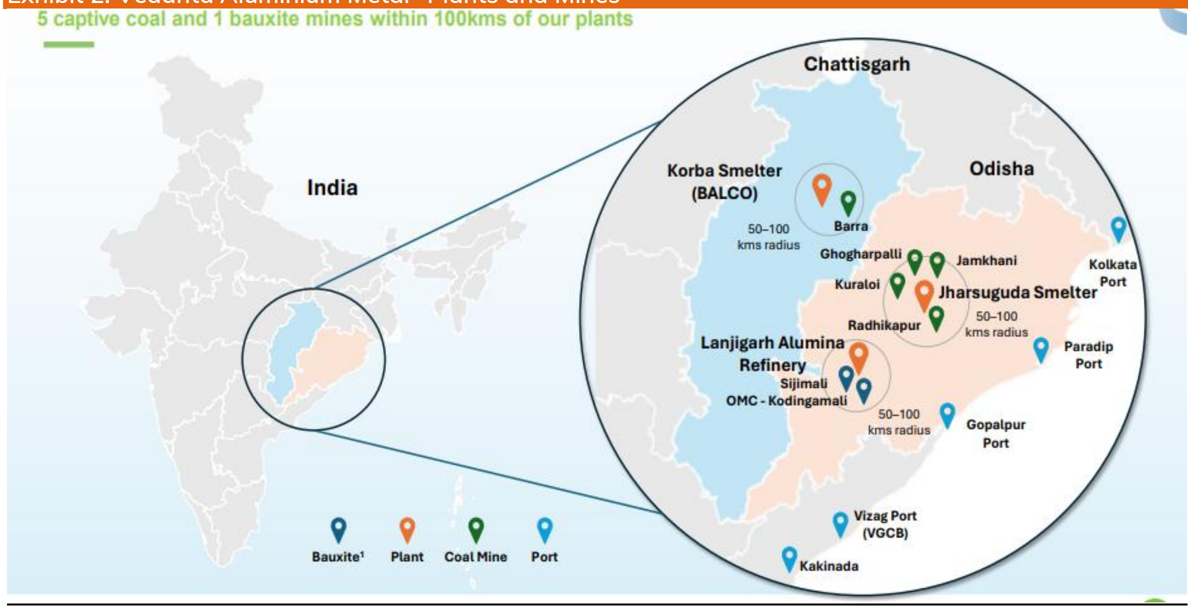
Company Background

Vedanta Aluminium Metal Ltd. (VAML) is India's largest aluminium producer, formed following the demerger of Vedanta Ltd.'s aluminium business. The company operates a fully integrated aluminium value chain encompassing bauxite mining, alumina refining, aluminium smelting and captive power generation across Odisha and Chhattisgarh. As of FY26, VAML has a total aluminium smelting capacity of ~2.9 MTPA, comprising ~1.85 MTPA at its Jharsuguda (Odisha) facility and 1.0 MTPA through its 51% stake in BALCO. These operations are supported by 3,015 MW of captive thermal power capacity at Jharsuguda and ~1.4 GW of captive thermal power at BALCO (Chhattisgarh), along with a 300 MW independent power plant. The company also operates the 5 MTPA Lanjigarh alumina refinery in Odisha, which supplies alumina to both the Jharsuguda and BALCO smelters. The refinery is supported by 155 MW of captive co-generation capacity. In addition, VAML owns the Jamkhani coal mine with a production capacity of 2.6 MTPA, further strengthening its backward integration and raw material security. VAML continues to enhance its product mix, with value-added products contributing ~71% of the overall aluminium capacity. Its diversified portfolio includes aluminium ingots, primary foundry alloys, wire rods, billets and rolled products, catering to high-growth end-user industries such as construction, transportation, electrical & transmission, packaging and extrusion.

Exhibit 1: Vedanta Aluminium Metal- Integrated Business Model

Source: Company, ICICI Direct Research

Exhibit 2: Vedanta Aluminium Metal- Plants and Mines



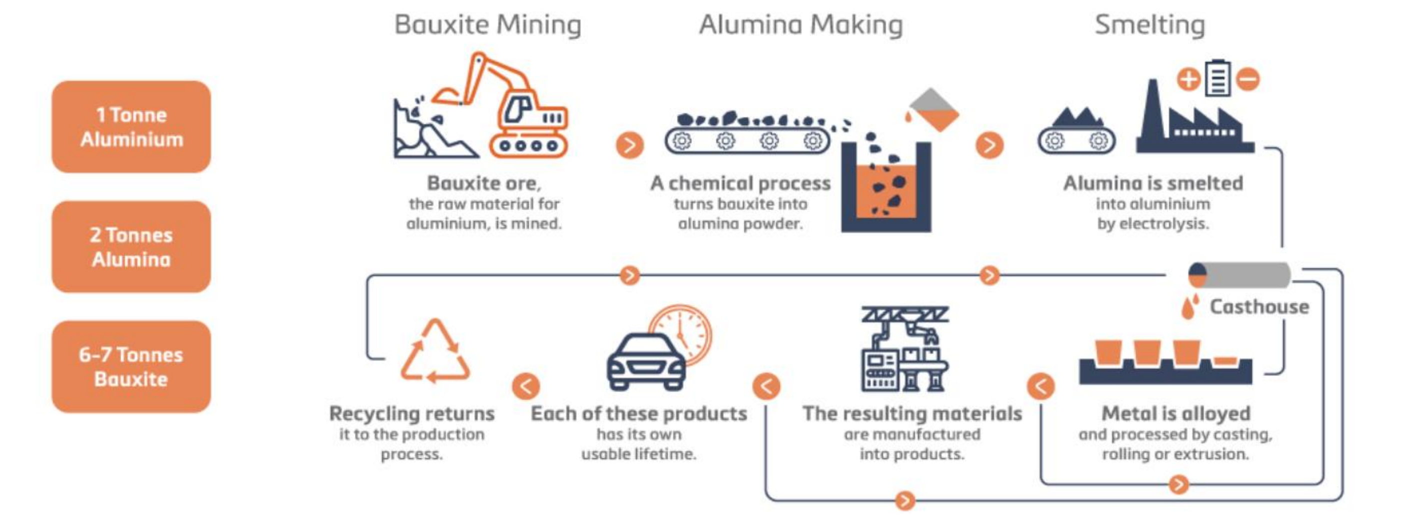
Source: Company, ICICI Direct Research

Investment Rationale

Green energy transition will be key driver to global aluminium demand

Aluminium is a lightweight, corrosion-resistant and infinitely recyclable metal. It's the 3rd most available element in the Earth's crust and the 2nd most used metal after steel. Aluminium is found in an ore known as Bauxite, containing 40% to 60% of hydrated aluminium oxide mixed with various impurities such as sand, iron, and other metals. It takes 3-4 tons of bauxite to produce 1 ton of alumina and 2 tons of alumina to produce 1 ton of aluminium. Another method of aluminium production, involves aluminium recycling consuming only 5% of the energy requirement to produce the same amount of primary aluminium. Thus, aluminium is one of the environmentally friendly metals.

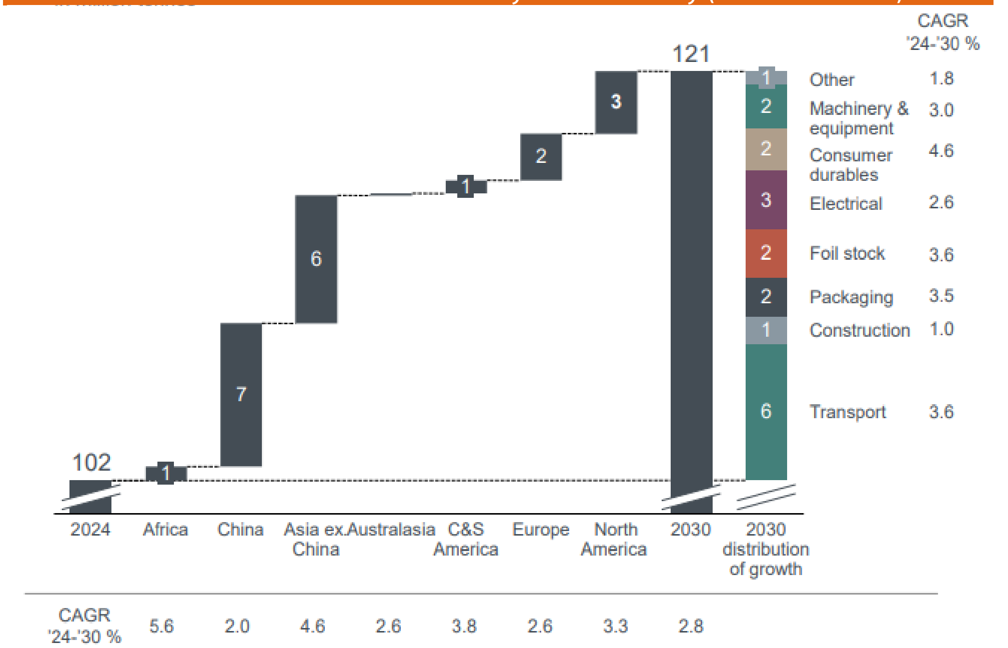
Exhibit 3: Industry- Aluminium Production Process



Source: Ministry of Mines, ICICI Direct Research

As per industry estimates, the global green energy transition is expected to generate an incremental aluminium demand of ~20 million tonnes by 2030. The transportation sector is likely to account for nearly 30% of this additional demand, driven by the accelerating adoption of electric mobility, which is expected to double by 2030. Aluminium's lightweight nature and high strength make it the preferred material for improving battery range, vehicle performance, and energy efficiency. In addition, the renewable energy segment is expected to emerge as another key demand driver, with aluminium accounting for majority of the solar photovoltaic components. Industry estimates indicate that solar PV will contribute >50% of the incremental annual growth in electricity generation (thru RE route), further supporting long-term metal demand.

Exhibit 4: Global Aluminium Demand- Primary and Secondary (in million tonnes)



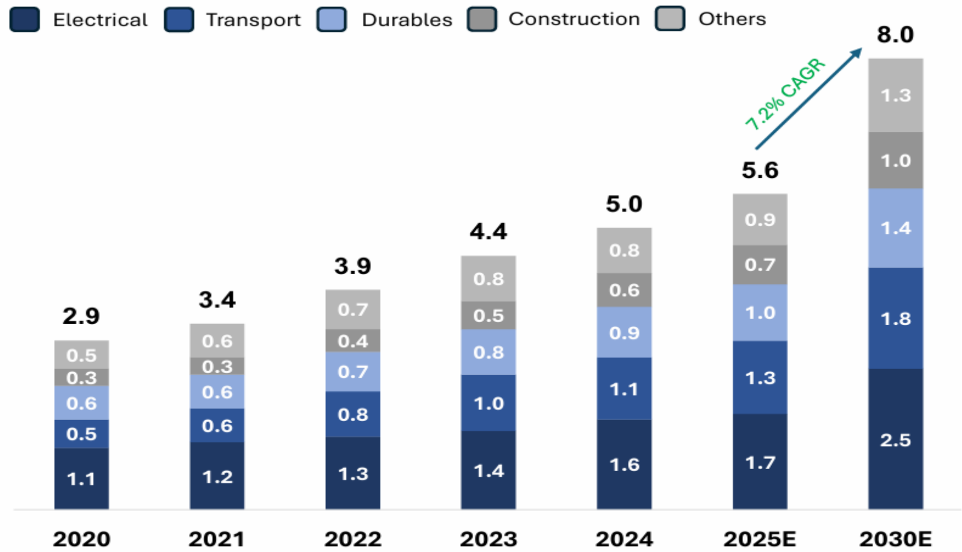
Source: Norks Hydro, ICICI Direct Research

Moreover, supply constraints arising from China's primary aluminium production cap and power-related contracts challenges are expected to support global aluminium prices.

Robust aluminium demand provides long-term growth runway for VAML

Domestic aluminium market is witnessing robust demand growth, supported by a structural shift towards low-carbon and recycled aluminium products. The demand is expected to increase from 5.6 MTPA to 8.0 MTPA by 2030, driven by strong consumption across key end-use sectors. The automotive segment is likely to remain a major growth driver, supported by the accelerating transition towards electric mobility and the government's target of achieving 30% EV penetration by 2030. Demand from the power sector is also expected to strengthen, backed by the government's ambitious target of 500 GW of renewable energy capacity by 2030 and continued investments in transmission infrastructure. Additionally, the consumer durables segment is expected to support demand growth, led by rising penetration of air conditioners, refrigerators, and washing machines. Overall, favourable policy support, infrastructure investments, and evolving consumption trends are expected to underpin sustained growth in domestic aluminium demand over the medium to long term.

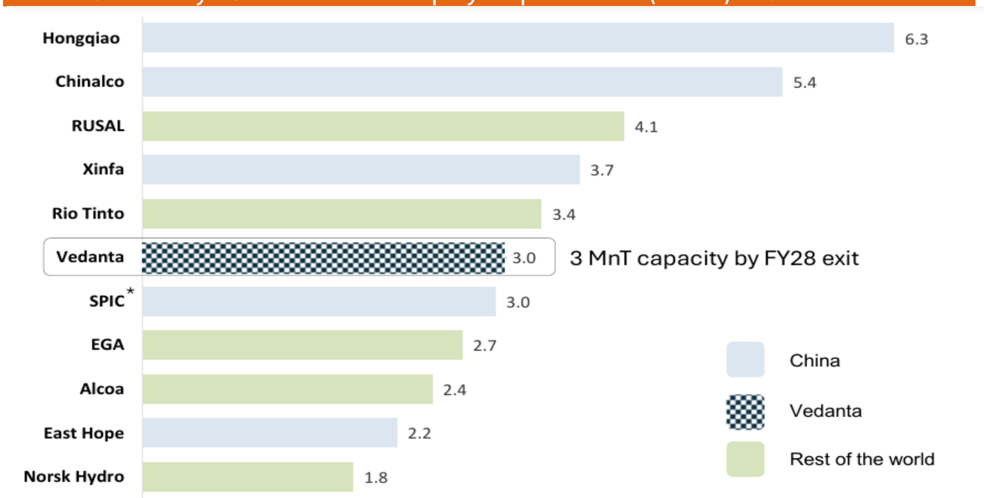
Exhibit 5: Industry- India Aluminium Consumption (in million tonnes)



Source: Vedanta Aluminium Metal, ICICI Direct Research

The structural shift towards clean energy, supported by governments' increasing focus on electric vehicles and renewable energy, is expected to create significant long-term growth opportunities for aluminium producers. VAL is well positioned to benefit from this trend, being India's largest primary aluminium producer with a smelter capacity of ~2.9 MTPA as of FY26, accounting >40% of the domestic primary aluminium market. On the global stage, the company ranks as the third-largest aluminium producer outside China, behind Russia's RUSAL, which has a smelter capacity of 4.1 MTPA, and the British-Australian mining major Rio Tinto, with 3.4 MTPA of capacity. Going forward, Vedanta Aluminium plans to expand its smelter capacity to 3.0 MTPA, which is expected to further strengthen its global standing and consolidate its position among the world's leading aluminium producers (excluding China).

Exhibit 6: Industry- Global Aluminium players production (MTPA)- 2025

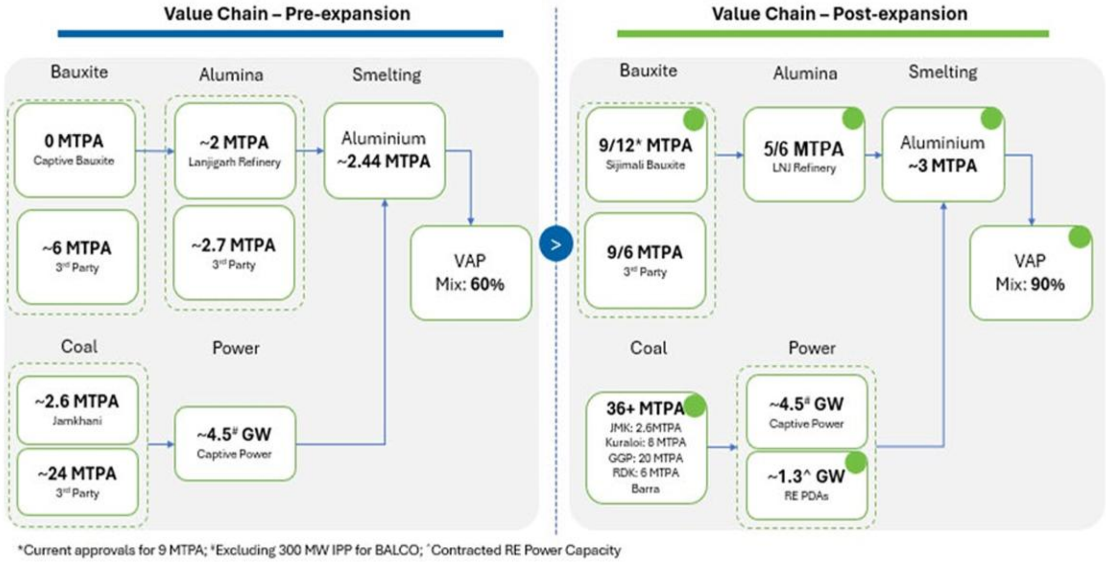


Source: Vedanta Aluminium Metal, ICICI Direct Research

Capacity expansion and higher backward integration to support growth

VAML's is entering its next phase of growth, supported by recent capacity additions and an increasing focus on value-added products. The commissioning of a ~435 KTPA smelter at BALCO has increased the company's total smelting capacity to ~2.9 MTPA in FY26. Further, debottlenecking initiatives at the Jharsuguda plant are expected to expand capacity to ~3.0 MTPA by FY28E. On the downstream front, VAML aims to increase the share of value-added products from ~71% to ~90%, which is expected to enhance product premiums and improve realizations. Accordingly, we expect the Aluminium business to deliver volume and revenue CAGRs of ~8% and ~16%, respectively, over FY26-28E. Beyond the current expansion cycle, the company has outlined plans to establish an additional ~3 MTPA greenfield smelter, providing a strong long-term growth runway.

Exhibit 7: Vedanta Aluminium: Capacities and Sourcing Mix

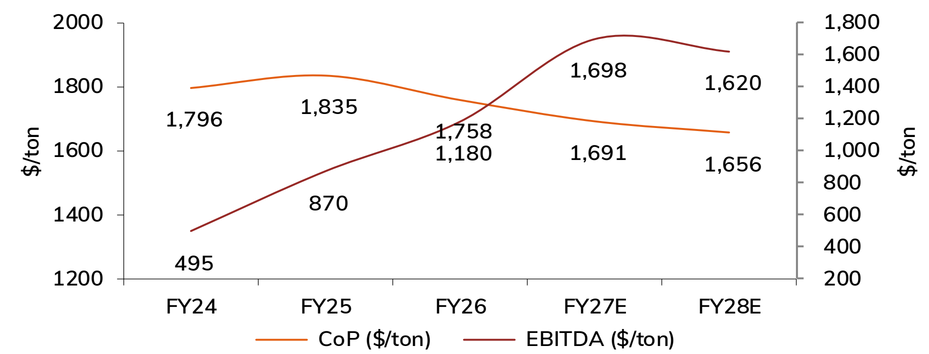


Source: Vedanta Aluminium Metal, ICICI Direct Research

Over the years, VAML relied on external sourcing for a significant portion of its raw material requirements. Prior to the recent expansion, its captive alumina refinery met only ~43% of aluminium requirements, exposing it to fluctuations in alumina prices. With the commissioning of the Train-II alumina refinery, total refining capacity has increased to ~5 MTPA in FY26, significantly reducing dependence on external procurement. VAML is also evaluating an expansion to ~6 MTPA, which would enable full self-sufficiency in alumina. On the bauxite front, the commissioning of the ~9 MTPA Sijimali mine in FY27, followed by the planned expansion to ~12 MTPA by FY28E, is expected to eliminate dependence on imported bauxite while ensuring long-term raw material security. In addition, captive coal availability will improve through the commissioning of the Kuraloi (8 MTPA) and Ghogharpalli (20 MTPA) mines by FY27E, followed by Radhikapur (6 MTPA) by FY28E. Together, these strategically located mines are expected to meet the company's entire coal requirement. Consequently, enhanced backward integration should reduce input cost volatility, lower the cost of production from ~US$1,758/ton in FY26 to ~US$1,656/ton, and support EBITDA/ton expansion to ~US$1,620 by FY28E.

Vedanta Aluminium is on track to become a top-decile global low-cost producer from its current top-quartile. Lower alumina costs, power cost optimization, and higher backward integration are expected to reduce hot metal costs. This structural cost advantage is likely to strengthen profitability.

Exhibit 8: Vedanta- Aluminium COP and EBITDA ($/ton)

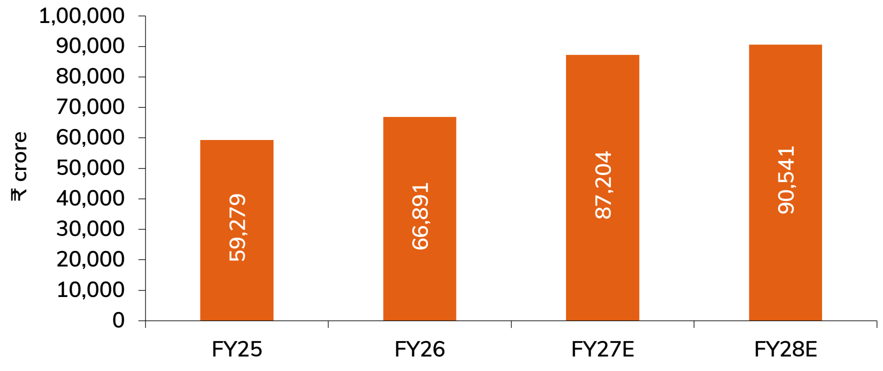


Source: Company, ICICI Direct Research

Key Financial Summary

VAML reported a healthy revenue growth of ~13% YoY in FY26, supported by stronger aluminium prices. Looking ahead, the commissioning of the additional ~435 KTPA smelter capacity at BALCO is expected to drive volume growth, with aluminium sales volumes projected to grow at a CAGR of ~8% over FY26-28E. At the same time, the elevated aluminium prices driven by structural deficit and the company's strategic focus on value-added products expected to increase from ~71% in FY26 to ~90% by FY28E, should support higher product realizations. As a result, we expect VAML's revenue to grow at a CAGR of ~16% over FY26-8E, reaching ~₹90,541 crore by FY28E.

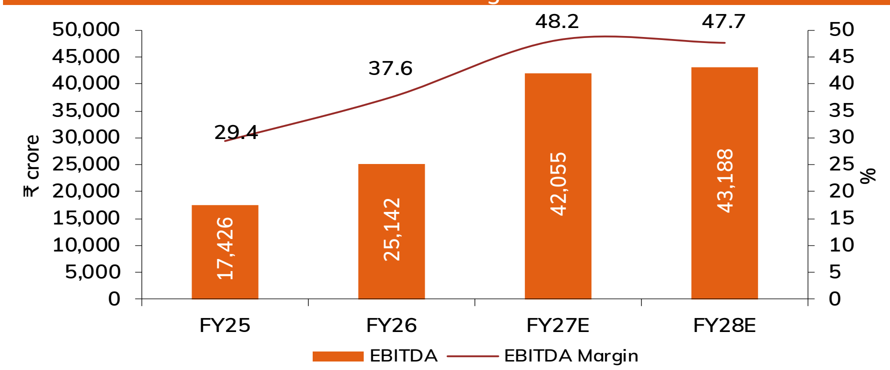
Exhibit 9: Trend in Topline



Source: Company, ICICI Direct Research

VAML's EBITDA margin improved from 29.4% in FY25 to 37.6% in FY26, driven by higher aluminium prices and lower production costs following the commissioning of 1.5 MTPA alumina refinery. Going forward, the benefits of the newly commissioned BALCO smelter, a higher share of value-added products, and increasing captive availability of bauxite, alumina, and coal are expected to further strengthen profitability. Consequently, we expect EBITDA margins to improve to ~48% by FY28E, with EBITDA projected to grow at ~31% CAGR of over FY26-28E.

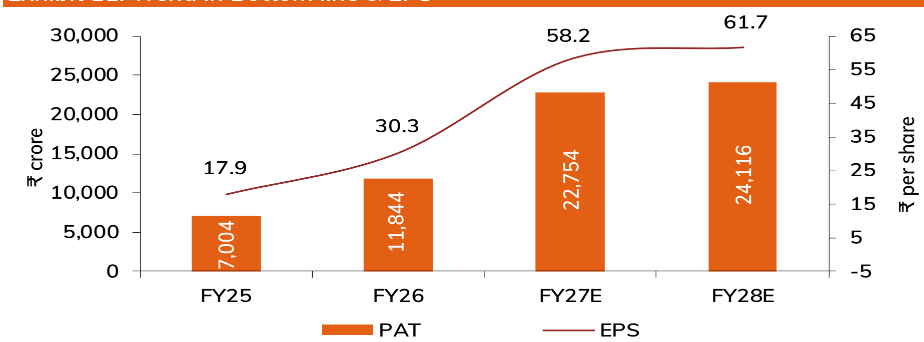
Exhibit 10: Trend in EBITDA & EBITDA margins



Source: Company, ICICI Direct Research

Going forward, strong EBITDA growth is expected to translate into robust earnings growth. Accordingly, we project VAML's PAT to grow at a CAGR of ~43% over FY26-28E, with EPS increasing to ~₹62 by FY28E.

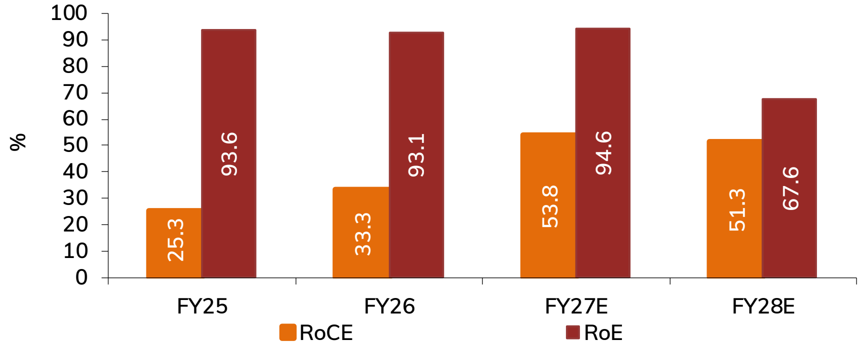
Exhibit 11: Trend in Bottom line & EPS



Source: Company, ICICI Direct Research

The higher profitability from the recently commissioned BALCO expansion amid elevated aluminium prices will likely maintain healthy return ratios for VAML, with RoCE and RoE projected at ~51% and ~68%, respectively, by FY28E.

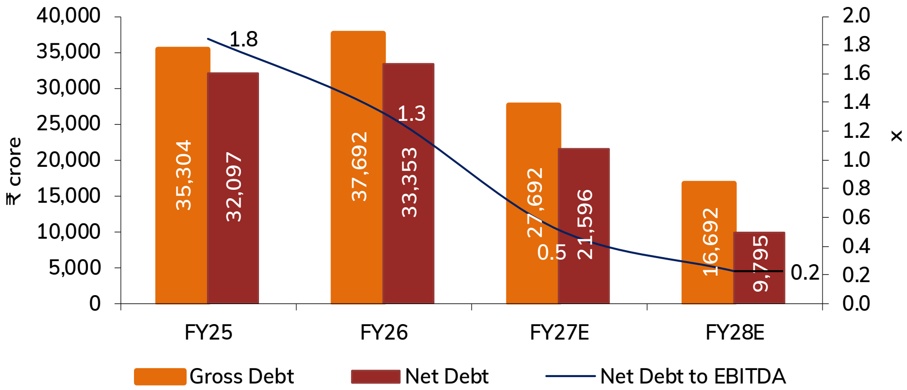
Exhibit 12: Trend in Return Ratios



Source: Company, ICICI Direct Research

Despite healthy dividend payouts, VAML has consistently focused on deleveraging, with the consolidated net debt-to-EBITDA ratio expected to improve from 1.8x in FY25 to 1.3x in FY26. Going forward, supported by incremental cash flows from new capacities and captive mines, net debt is expected to decline below ₹10,000 crore by FY28E, with the net debt-to-EBITDA ratio further improving to ~0.2x. This is after assuming healthy dividend payout of >₹10,000 crore each in FY27E & FY28E (offering a healthy dividend yield of ~7%). Additionally, the debt-to-equity ratio is expected to remain comfortable at ~0.5x, providing further balance sheet strength and reinforcing our positive investment thesis.

Exhibit 13: Trend in Gross and Net Debt



Source: Company, ICICI Direct Research

Exhibit 14: Key Assumptions

Particulars	Units	FY23	FY24	FY25	FY26	FY27E	FY28E
Sales Volume	KT	2,286	2,357	2,415	2,445	2,630	2,838
Blended Realisation	$/ton	2,852	2,437	2,698	2,933	3,374	3,260
EBITDA	$/ton	317	495	870	1,180	1,698	1,620

Source: Company, ICICI Direct Research

Valuation Matrix

We value Vedanta Aluminium Metal using the Sum-of-the-Parts (SoTP) approach by applying a 7x FY28E EV/EBITDA multiple . The multiple reflects benefits from recent capacity additions, ongoing cost efficiencies through alumina refinery and captive mine integration, and healthy cash flow generation supported by a prudent balance sheet. Additionally, favourable long-term demand driven by EVs and renewable energy underpins the business's growth outlook.

Exhibit 15: Valuation Matrix – SoTP based target price calculation

Particulars	Units	FY28E
VAML (Standlaone)		
EBITDA	₹ in crore	29,039
EV/EBITDA Multiple	x	7.0
Target EV (A)	**₹ in crore**	**2,03,270**
BALCO		
EBITDA	₹ in crore	13,759
EV/EBITDA Multiple	x	7.0
EV of BALCO	₹ in crore	96,312
Apportioned EV considering VAML 51% Stakes in BALCO (20% Hold Co Discount) (B)	**₹ in crore**	**39,295**
Total Consolidated Target EV (A+B)	**₹ in crore**	**2,42,565**
Less: Net Debt	₹ in crore	9,795
Implied Market Cap	**₹ in crore**	**2,32,770**
No. of Equity Shares	in crore	391
Target price	**₹/share**	**600**
CMP	₹/share	430
Upside (%)	**in %**	**40%**

Source: ICICI Direct Research

Within our metal's coverage universe, Vedanta Aluminium Metal remains our top pick, trading at an attractive ~4x FY28E EV/EBITDA. We believe the current valuation does not fully capture its earnings growth potential, improving cost competitiveness and healthy balance sheet. These structural growth drivers, coupled with robust domestic aluminium demand, position the company for sustained earnings growth ahead.

Exhibit 16: Peer Comparison

Sector / Company	CMP	TP	Upside	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)	%		(₹ Cr)	FY26P	FY27E	FY28E	FY26P	FY27E	FY28E	FY26P	FY27E	FY28E	FY26P	FY27E	FY28E	FY26P	FY27E	FY28E
Steel																				
Tata Steel (TATSTE)	186	270	45%	Buy	2,32,024	8.7	16.6	19.7	21.5	11.2	9.4	8.9	6.2	5.4	10.2	15.2	16.4	11.2	17.7	18.1
Jindal Steel (JINSP)	1,048	1,410	35%	Buy	1,06,896	33.3	71.6	90.6	31.5	14.6	11.6	12.7	8.3	6.8	8.1	13.0	14.9	5.3	12.5	13.8
SAIL (SAIL)	162	240	48%	Buy	84,676	8.2	22.3	24.4	19.8	7.3	6.6	7.3	4.7	4.5	6.7	13.0	12.7	4.8	13.5	13.2
Jindla Stainless (JINSTA)	736	880	20%	Hold	60,621	38.8	39.1	49.9	19.0	18.8	14.7	11.7	11.4	9.2	15.5	14.3	16.5	16.4	14.2	15.6
Non-Ferrous																				
Vedanta Aluminium Metal (VEDALU)	**430**	**600**	**40%**	**Buy**	**1,68,160**	**30.3**	**58.2**	**61.7**	**14.2**	**7.4**	**7.0**	**8.0**	**4.5**	**4.1**	**33.3**	**53.8**	**51.3**	**42.8**	**63.5**	**60.5**
Hindalco (HINDL)	950	1,120	18%	Hold	2,09,790	60.3	101.6	105.1	15.7	9.3	9.0	8.1	6.8	6.2	10.4	11.6	11.6	13.5	14.3	13.0
Mining																				
COAL India (COALIN)	429	550	28%	Buy	2,64,381	50.5	56.8	64.6	8.5	7.6	6.6	5.4	4.4	3.5	21.3	21.7	22.8	26.6	26.1	26.0
NMDC (NATMIN)	83	105	27%	Hold	72,972	8.5	10.1	11.3	9.8	8.2	7.4	7.3	6.1	5.5	21.9	23.3	23.6	21.9	22.6	21.8
Others																				
HEG Ltd (HEG)	599	660	10%	Buy	11,559	9.4	15.5	21.1	64.0	38.6	28.3	19.9	20.4	16.4	7.4	6.3	7.9	0.9	6.6	8.4
Venus Pipe and Tubes (VENPIP)	1,693	2,350	39%	Buy	3,507	49.4	64.1	84.0	34.3	26.4	20.2	19.7	15.5	12.3	17.2	19.2	21.0	15.3	16.6	18.0
Goodluck India (GOOLUC)	1,558	1,600	3%	Buy	5,343	74.5	79.1	120.8	20.9	19.7	12.9	15.7	14.6	10.2	12.3	11.4	15.2	12.1	10.6	15.4

Source: Company, ICICI Direct Research

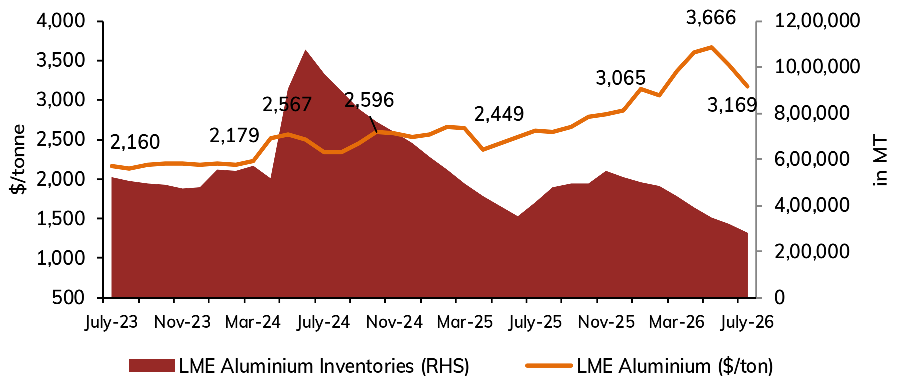
Thus, we maintain a BUY rating on Vedanta Aluminium Metal with a SoTP-based target price of ₹600/share (including a 20% holding company discount for BALCO). Our positive view is supported by its domestic market leadership, capacity-led volume growth, improved raw material security, expanding value-added product mix, and capital-efficient operations delivering >50% return ratios.

Risk and Concerns

Higher volatility in LME aluminium prices could weigh on earnings

VAML's domestic operations are directly exposed to LME aluminium prices, given its leadership in primary aluminium production. Global uncertainties, including country-specific import tariffs and trade disruptions, could weigh on aluminium demand and exert pressure on metal prices. Further, rising input costs, particularly for coal, coke and pitch, may impact profitability. While it has strengthened backward integration and secured captive raw material sources, any sharp correction in LME aluminium prices or sustained increase in input costs remains a key earnings risk. Additionally, the supply disruption in West Asia, which accounts ~9% of global aluminium production, pushed LME aluminium prices a multi-year high of ~US$3,800/tonne. However, the expectations of a normalization in aluminium supplies post interim peace agreement led to an Aluminium price reaching pre-conflict levels of ~US$3,100/tonne. Moreover, any relaxation in China's 45 MTPA primary aluminium production cap or the commissioning of new smelter capacities could increase global aluminium supply, thereby exerting downward pressure on aluminium prices.

Exhibit 17: Global LME Aluminium price and inventories



Source: Bloomberg, ICICI Direct Research

Debt obligation at parent level a concern despite substantial decline

Vedanta Resources has significantly deleveraged its balance sheet, reducing net debt by US$4.5 billion over the past four years, with Net Debt-to-EBITDA improving from 3.3x in FY20 to 1.6x in FY26. The group expects to service its debt through brand fee income, dividends and refinancing while targeting Net Debt-to-EBITDA of around 1x over the medium term. However, any delay in meeting debt obligations or adverse capital allocation decisions at the parent level could impact VAML's growth capex, balance sheet strength and dividend payouts.

Slower ramp up of new capacities and delay in commissioning of mines

VAML has recently commissioned its 435 KTPA BALCO smelter expansion, and any delay in ramping up operations could impact volume growth and earnings. In addition, the company is progressing on key raw material assets, including Sijimali Bauxite Mine (9 MTPA) and Kuraloi (8 MTPA), Ghogharpalli (20 MTPA) and Radhikapur (6 MTPA) coal mines, which are expected to be commissioned from FY27 onwards. Delays in regulatory approvals, mine development or lower-than-expected raw material integration could adversely impact margins.

Financial Summary

Exhibit 18: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	58,525	65,847	86,084	89,379
Other Operating Income	754	1,044	1,119	1162
Total Operating Income	59,279	66,891	87,204	90,541
Growth (%)		12.8	30.4	3.8
Raw Material Expenses	21,132	20,756	21,107	22,635
Employee Expenses	1,170	1,265	1,395	1,539
Other Operating Expense	19,551	19,728	22,646	23,178
Total Operating Expenditure	41,853	41,749	45,148	47,353
EBITDA	17,426	25,142	42,055	43,188
Growth (%)		44.3	67.3	2.7
Depreciation	2,696	2,807	3,013	3,218
Interest	4,573	3,905	3,596	2,441
Other Income	1,154	1,000	1,043	1,169
PBT	11,311	19,430	36,490	38,698
Exceptional Item	0	393	0	0
Total Tax	2,852	4,829	9,305	9,868
PAT post Minority Interest	7,004	11,844	22,754	24,116
Growth (%)		69.1	92.1	6.0
EPS (₹)	17.9	30.3	58.2	61.7

Source: Company, ICICI Direct Research

Exhibit 19: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax (Adj)	NA	11,844	22,754	24,116
Add: Depreciation	NA	2,807	3,013	3,218
(Inc)/dec in Current Assets	NA	-2,780	-3,310	-580
Inc/(dec) in CL and Provisions	NA	-278	4,521	1,207
Others	NA	3,905	3,596	2,441
CF from operating activities	14,549	15,498	30,574	30,401
(Inc)/dec in Investments	NA	-1,057	-1,750	-450
(Inc)/dec in Fixed Assets	NA	-6,410	-7,000	-8,000
Others	NA	30	3,761	4,606
CF from investing activities	-8,138	-7,437	-4,989	-3,844
Issue/(Buy back) of Equity	NA	0	0	0
Inc/(dec) in loan funds	NA	2,388	-10,000	-11,000
Dividend & interest outgo	NA	-3,905	-15,328	-14,955
Inc/(dec) in Share Cap	NA	0	0	0
Others	NA	-6,286	0	0
CF from financing activities	-6,363	-7,803	-25,328	-25,955
Net Cash flow	48	258	257	602
Opening Cash	1,436	1,484	1,742	1,999
Closing Cash	1,484	1,742	1,999	2,600

Source: Company, ICICI Direct Research

Exhibit 20: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	391	391	391	391
Reserve and Surplus	7,092	12,650	23,672	35,274
Total Shareholders funds	7,483	13,041	24,063	35,665
Total Debt	35,304	37,692	27,692	16,692
Deferred Tax Liability	5,374	5,114	5,114	5,114
Minority Interest / Others	10,521	11,552	16,083	20,897
Total Liabilities	58,682	67,399	72,952	78,368
Assets				
Net Block	46,405	54,108	63,577	68,359
Capital WIP	14,582	10,482	5,000	5,000
Total Fixed Assets	60,987	64,590	68,577	73,359
Investments	2,389	3,446	5,196	5,646
Inventory	6,003	6,845	8,255	8,571
Debtors	1,170	2,428	3,538	3,673
Loans and Advances	1	1	1	1
Other Current Assets	1,893	2,573	3,364	3,493
Cash	1,484	1,742	1,999	2,600
Total Current Assets	10,551	13,589	17,156	18,338
Current Liabilities	10,581	7,517	9,434	9,795
Provisions	469	505	634	658
Current Liabilities & Prov	18,184	17,906	22,427	23,634
Net Current Assets	-7,633	-4,317	-5,271	-5,297
Others Assets	2,939	3,680	4,450	4,659
Application of Funds	58,682	67,399	72,952	78,368

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS	17.9	30.3	58.2	61.7
Cash EPS	24.8	37.5	65.9	69.9
BV	19.1	33.3	61.5	91.2
DPS	NA	NA	30.0	32.0
Cash Per Share	3.8	4.5	5.1	6.6
Operating Ratios (%)				
EBITDA Margin	29.4	37.6	48.2	47.7
PAT Margin	11.8	17.7	26.1	26.6
Inventory days	37.4	37.9	35.0	35.0
Debtor days	7.3	13.5	15.0	15.0
Creditor days	66.0	41.7	40.0	40.0
Return Ratios (%)				
RoE	93.6	93.1	94.6	67.6
RoCE	25.3	33.3	53.8	51.3
RoIC	36.4	42.8	63.5	60.5
Valuation Ratios (x)				
P/E	24.0	14.2	7.4	7.0
EV / EBITDA	11.5	8.0	4.5	4.1
EV / Net Sales	3.4	3.1	2.2	2.0
Market Cap / Sales	2.9	2.6	2.0	1.9
Price to Book Value	22.5	12.9	7.0	4.7
Solvency Ratios				
Debt/EBITDA	2.0	1.5	0.7	0.4
Debt / Equity	4.7	2.9	1.2	0.5
Current Ratio	0.6	1.0	1.1	1.1
Quick Ratio	0.2	0.4	0.5	0.5

Source: Company, ICICI Direct Research

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