


Current Price: ₹ 154.25

STOCK DATA

BSE Code	500295
NSE Symbol	VEDL
Reuters	VDAN.BO
Bloomberg	VEDL IN

VALUE PARAMETERS

52 W H/L(Rs)	288.00/145.90
Mkt. Cap.(Rs Cr)	57337.72
Latest Equity(Subscribed)	371.72
Latest Reserve (cons.)	61925.00
Latest EPS (cons.) -Unit Curr.	18.15
Latest P/E Ratio -cons	8.50
Latest Bookvalue (cons.) -Unit Curr.	167.59
Latest P/BV - cons	0.92
Dividend Yield -%	12.23
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding (AS ON 31 Mar 2019)
Foreign	20.74
Institutions	18.70
Non Promoter Corp. Hold.	3.14
Promoters	50.14
Public & Others	7.29

Consolidated Financial Results

	Qtr Ending Mar. 2019	Qtr Ending Mar. 2018	In Cr. Var. (%)
Income from Operations	23468.00	27630.00	-15
OPM (%)	26.10	27.80	
OP	6135.00	7694.00	-20
Other Income	1628.00	917.00	78
PBDIT	7763.00	8611.00	-10
Interest	1401.00	1205.00	16
PBDT	6362.00	7406.00	-14
Depreciation	2258.00	1683.00	34
PBT before EO	4104.00	5723.00	-28
EO	0.00	-2869.00	
PBT after EO	4104.00	8592.00	-52
Tax	886.00	2917.00	-70
PAT	3218.00	5675.00	-43
MI	603.00	873.00	-31
Net Profit	2615.00	4802.00	-46
EPS (Rs)*	28.10	62.10	

Vedanta quarterly profit dips but beat estimates

Vedanta revenue for Q4 FY2019 was at Rs 23,092 crore, lower by 1% sequentially, primarily due to lower commodity prices, rupee appreciation and lower volume at Aluminium and Zinc India business, partially offset by higher sales volume at ESL, Zinc International and Iron ore Karnataka.

EBITDA for Q4 FY2019 was at Rs 6,330 crore, 6% higher q-o-q, primarily due to improved cost of production at Aluminium, higher sales at Iron Ore Karnataka, ESL and Zinc International, partially offset by lower commodity prices, rupee appreciation, lower volumes at Zinc India and write back of liability pursuant to settlement agreement with a contractor at Balco in Q3FY2019.

Depreciation for Q4 FY2019 was at Rs 2,258 crore, marginally higher q-o-q, primarily due to capitalization of costs and ore production post commencement of Gamsberg operations. Finance cost for Q4 FY2019 was at Rs 1,401 crore, 3% higher q-o-q, primarily due to temporary borrowings at Zinc India and marginally higher cost of borrowings in line with market trends.

There were no exceptional items during the quarter compared to EO income of Rs 2869 crore mainly on account of reversal of previously recorded impairment of Rs 7,016 crore at our Oil and Gas business following the progress on the key growth projects which are expected to result in enhanced recovery of resources; partially offset by impairment of Iron ore Goa assets of Rs 2,329 crore due to suspension of mining operations from March 16, 2018 pursuant to Supreme Court Order dated February 7, 2018 and reclassification of FCTR relating to subsidiary investment companies under liquidation of Rs 1,485 crore.

Tax expense (before Exceptional items and DDT) was at Rs 886 crore during the quarter, resulting in tax rate of 21.6%. Profit after Tax (PAT) before exceptional items and DDT for the quarter was at Rs 2615 crore, down 46% YoY.

Yearly Performance

Revenue for FY2019 was at Rs 90,901 crore, lower by 1% y-o-y, mainly due to shutdown of Tuticorin smelter, lower volume at Zinc and Iron ore businesses and lower metal prices. This was partially offset by rupee depreciation, volume additions from ESL, ramp-up of volume at aluminium business and improved oil prices.

EBITDA for the FY2019 was at Rs 24,012 crore, down 4% y-o-y, mainly due to shutdown of Tuticorin smelter, input commodity inflation and higher cost of production at Zinc businesses, partially offset by rupee depreciation, volume additions from ESL and ramp up of volume at aluminium. EBITDA margin was 30% for the year (FY 2018: 35%)

Depreciation and amortisation for FY2019 was at Rs 8,192 crore, higher by 30%. This was mainly due to change in reserves estimates and reversal of previously recorded impairment at Oil and Gas business in Q4 FY2018, higher charge due to higher ore production at Zinc businesses and capitalisation of costs at Gamsberg, and acquisition of ESL. Finance cost for FY2019 was at Rs 5,689 crore, higher 11% y-o-y, due to increase in gross borrowing due to ESL acquisition, temporary borrowing at Zinc India and higher average borrowing cost in line with market trends, partially offset by higher capitalisation of borrowing cost.

Exceptional gains for FY2019 was at Rs 320 crore mainly due reversal of previously recorded impairment of Rs 261 crore in the KG ONN block of the Oil and Gas business and reversal of a Rs 59 crore charge relating to arbitration of a historical vendor claim pursuant to Supreme Court Order in Aluminium business. The exceptional gain for FY2018 was at Rs 2,897 crore primarily because of reversal of previously recorded impairment of Rs 7,016 crore at Oil and Gas business partially offset by impairment of Iron Ore Goa assets of Rs 2,329 crore due to suspension of mining operations pursuant to Supreme Court Order and reclassification of FCTR relating to subsidiary investment companies under liquidation of Rs 1,485 crore.

Tax expense (before exceptional items & DDT) was at Rs 3,750 crore during the year, resulting in an effective tax rate for FY2019 was 28% as compared to 32% in FY2018 driven by change in profit mix.

For FY2019, Attributable Profit after Tax (PAT) before exceptional items and DDT was at Rs 6,857 crore, 15% lower y-o-y.

Management Comments

Mr. Srinivasan Venkatakrishnan, Chief Executive Officer, Vedanta, said "I am pleased with this year's performance which included new production records being set, a new Zinc mine with huge potential being commissioned, efficiencies to mitigate cost pressures, growth projects being on track and increasing our mineral and oil resources. We continue to consolidate our position as one of the largest diversified natural resource businesses in the world by having excellent talent operate our long-life, high-growth, low-cost assets with a hunger for technology and modernization. Looking ahead, FY2020 will be an exciting year of growth in our key businesses – Zinc-Lead-Silver, Oil & Gas and Aluminium, being pursued with a strict capital allocation framework. We have also set stricter HSE standards and will continue our journey towards zero harm by ensuring greater levels of safety and sustainability."



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Mr. Navin Agarwal, Chairman Vedanta Limited, said, "FY2019 was a year of production ramp-up alongside robust financials and delivering repeated and industry leading returns to our shareholders. Acquisition of ESL and its successful turnaround as well as the commencement of the long awaited Gamsberg project, both represent significant additions to our operating business portfolio. Vedanta sits at the heart of the world's fastest growing economy and we are geared to satiate the country's natural resource demand. As a proud corporate citizen of India, the company contributed the highest ever amount of c.₹ 42,400 crore to the exchequer in FY2019. We look forward to FY2020 as a year of accelerated execution on our growth plans resulting in enhanced shareholder value."

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