

VEDANTA

Electrosteel Steels buy: First step in ferrous ambition

India Equity Research | Metals and Mining

We view Vedanta's (VEDL) acquisition of Electrosteel Steels (ELSS) as value accretive in the near term as: i) EV/t of USD546 is significantly lower compared to recent transactions; ii) EBITDA/t accretion potential via captive iron ore use & capacity ramp up; and iii) opportunity to expand beyond 2.51mtpa. Assuming EBITDA/t of INR6,500-7,000 post capacity ramp up and iron ore self sufficiency, we envisage returns for VEDL's shareholders to be between 20% and 25%. Maintain 'BUY' with TP of INR425.

At the right price, at the right time with upside potential

We view VEDL's acquisition of ELSS as its first step in the ferrous space, which has come at the right price and time. At a relatively inexpensive USD546/t, the acquisition cost is significantly lower than USD750/t capex already incurred in ELSS' plant and comes at a juncture when its existing product range is gaining demand traction. We perceive upside potential of USD30-35/t in current EBITDA/t of USD65-70 through: i) capacity ramp up to 1.51mt; ii) potential captive iron ore sourcing from VEDL's ~10mtpa mine in Jharkhand; and 3) capacity increase to 2.51mtpa through an estimated USD170-200mn investment.

Lenders to take 60% haircut; existing ELSS shareholders get diluted

VEDL's resolution plan entails INR53.2bn payment to creditors against outstanding claims of ~INR132bn (implying haircut of 60%) by infusing INR18.1bn equity (90% share in equity post transaction) and INR35.1bn debt in ELSS. The balance 10% equity will be shared by creditors (in proportion to their outstanding) and existing shareholders. We estimate lenders and existing shareholders ending up with 9.2% and 0.8%, respectively, of the equity post transaction with benefits of potential capital appreciation thereon.

Outlook and valuations: Marginally EPS accretive; maintain 'BUY'

We view VEDL's acquisition of ELSS as marginally EPS accretive (refer our note, [Vedanta - Electrosteel Steels buy: It's a steal!; company update; Buy](#)). Assuming EBITDA/t of INR6,500-7,000/t post capacity ramp up to 1.5mtpa and securing captive iron ore base, we believe returns for VEDL's shareholders can be 20-25%. We see additional benefits of economies of scale if VEDL decides to expand the plant further as it has sufficient iron ore capacity in Jharkhand to support a 5mtpa plant. We maintain 'BUY/SO' with TP of INR425 on FY20E EBITDA.

Financials

(INR mn)

| Year to March | FY17 | FY18E | FY19E | FY20E |
|----------------------------|---------|---------|-----------|-----------|
| Net revenue | 761,713 | 909,158 | 1,012,372 | 1,059,159 |
| EBITDA | 213,319 | 256,302 | 307,729 | 327,109 |
| Adjusted Profit | 55,949 | 81,497 | 114,074 | 124,470 |
| Diluted equity shares (mn) | 2,965 | 3,717 | 3,717 | 3,717 |
| Adjusted diluted EPS (INR) | 18.9 | 21.9 | 30.7 | 33.5 |
| EPS Growth (%) | 92.3 | 16.2 | 40.0 | 9.1 |
| EV/EBITDA (x) | 5.7 | 5.4 | 4.3 | 3.9 |
| ROAE (%) | 12.8 | 15.5 | 19.0 | 19.0 |

EDELWEISS 4D RATINGS

| Absolute Rating | BUY |
|--------------------------------|------------|
| Rating Relative to Sector | Outperform |
| Risk Rating Relative to Sector | Medium |
| Sector Relative to Market | Overweight |

MARKET DATA (R: VDAN.BO, B: VEDL IN)

| | |
|------------------------------|------------------|
| CMP | : INR 289 |
| Target Price | : INR 425 |
| 52-week range (INR) | : 356 / 218 |
| Share in issue (mn) | : 3,717.2 |
| M cap (INR bn/USD mn) | : 1,074 / 16,345 |
| Avg. Daily Vol.BSE/NSE('000) | : 11,492.1 |

SHARE HOLDING PATTERN (%)

| | Current | Q3FY18 | Q2FY18 |
|--------------------------------------------------|---------|--------|--------|
| Promoters * | 50.1 | 50.1 | 50.1 |
| MF's, FI's & BK's | 13.3 | 13.3 | 13.3 |
| FII's | 17.8 | 17.8 | 17.8 |
| Others | 18.8 | 18.8 | 18.8 |
| * Promoters pledged shares (% of share in issue) | : | NIL | |

PRICE PERFORMANCE (%)

| | Stock | Nifty | #N/A |
|-----------|--------|-------|-------|
| 1 month | (6.5) | 3.5 | 1.7 |
| 3 months | (13.8) | (2.2) | (5.2) |
| 12 months | 22.5 | 15.4 | (5.0) |

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Company Description

VEDL is a subsidiary of Vedanta Resources, the London-listed metals and mining group. VEDL is a globally leading diversified resources company with presence in oil & gas, zinc-lead-silver (through 64.9% stake in HZL and 100% stake in erstwhile zinc-lead business of Anglo American), copper, iron ore, aluminium and commercial power (largely in standalone business but in subsidiaries as well). The company was formed through the merger of Sterlite Industries into Sesa Goa along with acquisition of additional 38.8% stake in Cairn which was consummated in August 2013 and announced in February 2012. Cairn has stakes in the following producing blocks: 70% in Rajasthan RJ-ON-90/1, 22.5% in Ravva and 40% in Cambay block CB-OS/2. In its largest field in Rajasthan, the gross proved & probable Hydrocarbons Initially In Place (HIIP) stands at 6 bnboe. The MBA fields have gross ultimate oil recovery of over 1 bnbbbls from primary, secondary and Enhanced Oil Recovery (EOR) methods. VEDL is the largest non-ferrous metals player in India with presence across all key base metals, viz. aluminium (2.3mtpa), copper (0.4mtpa) and zinc lead (1.0mtpa). The company entered the nonferrous metals sector as a pure play copper producer and through several strategic acquisitions acquired aluminium as well as zinc-lead assets. VEDL has ventured into commercial power generation business in India. It has a 2,400MW power plant (in Orissa) and has added another 1,980MW capacity (in Punjab). The company has iron ore mining assets in Goa and Karnataka (with reserves/resources of 433mt).

Investment Theme

VEDL's portfolio of resources business provides advantages of scale, diversification and strong balance sheet. The company benefits from ownership of low cost, cash rich oil & gas (Cairn) and zinc-lead-silver (HZL) businesses. It has globally competitive unit production costs in zinc, led by its quality captive mines. This aspect will help the company better withstand margin pressures during price downturns. In FY19, we expect ramp up of Zinc-India's production and Jharsuguda-2 smelter. Key potential triggers for the stock are success of enhanced oil recovery measures at Cairn, acquisition of Gol's residual stakes in BALCO and HZL and grant of bauxite and/or dolomite mining licenses. (not considered in our estimates and valuation)

Key Risks

- Fall in zinc prices or premiums.
- Decline in LME aluminium price or premiums
- Cairn: Exploration failure, reinvestment of cash generated into low return assets
- HZL: Lack of volume growth or increase in cash cost
- Lower than expected average tariffs.

Financial Statements

Key Assumptions

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|---------|-----------|-----------|-----------|
| Macro | | | | |
| GDP(Y-o-Y %) | 6.6 | 6.5 | 7.1 | 7.6 |
| Inflation (Avg) | 4.5 | 3.8 | 4.5 | 5.0 |
| Repo rate (exit rate) | 6.3 | 6.0 | 6.0 | 6.5 |
| USD/INR (Avg) | 67.1 | 64.5 | 65.0 | 66.0 |
| Sector | | | | |
| Aluminium LME (USD/t) | 1,688.0 | 2,030.8 | 2,077.2 | 2,027.2 |
| Zinc LME (USD/t) | 2,366.0 | 2,950.0 | 2,964.2 | 2,881.9 |
| Lead LME (USD/t) | 2,005.0 | 2,300.0 | 2,327.4 | 2,259.4 |
| Copper Tc/Rc (c/lb) | 24.0 | 22.0 | 20.0 | 20.0 |
| Company | | | | |
| HZL-Zn production (tpa) | 671,990 | 789,285 | 847,690 | 905,300 |
| HZL-PB production (tpa) | 144,294 | 160,950 | 175,750 | 186,850 |
| HZL-Ag production (tpa) | 488,750 | 513,188 | 525,000 | 600,000 |
| SA-Cu production (tpa) | 392,850 | 400,000 | 400,000 | 400,000 |
| BALCO-Al production(tpa) | 388,000 | 569,000 | 577,000 | 577,000 |
| BALCO-Power sales (MU) | 133 | - | - | - |
| VAL-Al production (tpa) | 695,000 | 1,091,000 | 1,304,000 | 1,304,000 |
| Intl Zn production (tpa) | 107 | 114 | 181 | 336 |
| Intl PB production (tpa) | 33 | 61 | 48 | 48 |
| SEL-Power sales (MU) | 5,803 | - | - | - |
| HZL-Zn premium (USD/t) | 227 | 227 | 227 | 227 |
| HZL-PB premium (USD/t) | 189 | 160 | 160 | 160 |
| BALCO tariff (INR/unit) | 2.8 | 3.2 | 3.5 | 3.5 |
| SEL tariff (INR/unit) | 2.4 | 2.0 | 2.0 | 2.0 |
| Capex (INR mn) | 54,360 | 75,169 | 66,000 | 66,000 |
| Net borrowings (INR mn) | 218,131 | 121,458 | 29,495 | (72,750) |
| HZL-mfg cost (INR/t) | 70,363 | 67,310 | 68,916 | 70,407 |
| BALCO-Power cost (INR/u) | 3.5 | 3.5 | 3.5 | - |
| VAL-Alumina cost (INR/t) | 18,900 | 20,670 | 19,868 | 17,451 |
| VAL-Smelting cost(INR/t) | 60,400 | 81,018 | 78,844 | 82,625 |
| Intl Zinc-cost (USD/t) | 1,417 | 1,486 | 1,375 | 1,200 |
| SEL-Fuel cost (INR/unit) | 2.1 | 3.1 | 3.1 | 3.1 |
| Employee exp growth (%) | (4.8) | 5.0 | 5.0 | 5.0 |
| Increase in SG&A exp (%) | 8.3 | (6.2) | 4.3 | 3.8 |
| Cash conversion cycle | (127) | (100) | (114) | (118) |
| Avg. Interest rate (%) | 8.5 | 8.7 | 8.7 | 8.7 |
| Depreciation rate (%) | 4.3 | 5.0 | 5.0 | 5.0 |
| Dividend payout (%) | 111.4 | 109.5 | 78.2 | 71.7 |
| Debtor days | 14 | 14 | 13 | 14 |
| Inventory days | 147 | 121 | 132 | 137 |
| Payable days | 289 | 235 | 260 | 268 |
| Tax rate (%) | 27.7 | 29.0 | 29.0 | 29.0 |

Income statement

(INR mn)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|----------|-----------|-----------|-----------|
| Profit Before Tax | 136,516 | 165,123 | 215,470 | 234,539 |
| Less: Provision for Tax | 37,783 | 47,886 | 62,486 | 68,016 |
| Basic EPS (INR) | 18.9 | 21.9 | 30.7 | 33.5 |
| Diluted shares o/s (mn) | 2,965 | 3,717 | 3,717 | 3,717 |
| Dividend per share (DPS) | 17.7 | 20.0 | 20.0 | 20.0 |
| Dividend Payout Ratio(%) | 111.4 | 109.5 | 78.2 | 71.7 |
| Net revenue | 761,713 | 909,158 | 1,012,372 | 1,059,159 |
| Materials costs | 231,085 | 341,041 | 379,304 | 394,057 |
| Employee costs | 23,393 | 24,563 | 25,791 | 27,081 |
| Total operating expenses | 548,393 | 652,856 | 704,644 | 732,050 |
| EBITDA | 213,319 | 256,302 | 307,729 | 327,109 |
| Depreciation | 62,915 | 78,397 | 84,155 | 87,338 |
| EBIT | 150,404 | 177,905 | 223,573 | 239,771 |
| Add: Other income | 45,805.9 | 38,400.64 | 37,951.4 | 37,951.4 |
| Less: Interest Expense | 58,550 | 51,183 | 46,055 | 43,183 |
| Extraordinary item | (1,144) | - | - | - |
| Minority interest | 43,584 | 35,740 | 38,910 | 42,053 |
| Associate profit share | (27) | - | - | - |
| Reported Profit | 55,122 | 81,497 | 114,074 | 124,470 |
| Adjusted Profit | 55,949 | 81,497 | 114,074 | 124,470 |
| Shares o/s (mn) | 2,965 | 3,717 | 3,717 | 3,717 |
| Adjusted Diluted EPS | 18.9 | 21.9 | 30.7 | 33.5 |
| Tax rate (%) | 27.7 | 29.0 | 29.0 | 29.0 |

Common size metrics

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------|------|------|-------|-------|
| Operating expenses | 72.0 | 71.8 | 69.6 | 69.1 |
| Depreciation | 8.3 | 8.6 | 8.3 | 8.2 |
| Interest Expense | 7.7 | 5.6 | 4.5 | 4.1 |
| EBITDA margins | 28.0 | 28.2 | 30.4 | 30.9 |
| Net Profit margins | 13.1 | 12.9 | 15.1 | 15.7 |

Growth ratios (%)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-----------------|------|------|-------|-------|
| Revenues | 12.0 | 19.4 | 11.4 | 4.6 |
| Adjusted Profit | 92.3 | 45.7 | 40.0 | 9.1 |
| EBITDA | 40.8 | 20.1 | 20.1 | 6.3 |
| EPS | 92.3 | 16.2 | 40.0 | 9.1 |

Metals and Mining

| Balance sheet | | | | (INR mn) |
|--------------------------|------------------|------------------|------------------|------------------|
| As on 31st March | FY17 | FY18 | FY19E | FY20E |
| Share capital | 3,718 | 3,718 | 3,718 | 3,718 |
| Reserves & Surplus | 601,284 | 593,568 | 618,429 | 653,686 |
| Shareholders' funds | 605,001 | 597,286 | 622,147 | 657,404 |
| Minority Interest | 139,279 | 175,019 | 213,929 | 255,982 |
| Total Borrowings | 715,690 | 545,690 | 512,690 | 479,690 |
| Long Term Liabilities | 75,340 | 106,099 | 106,099 | 106,099 |
| Def. Tax Liability (net) | 20,837 | 20,837 | 20,837 | 20,837 |
| Sources of funds | 1,556,147 | 1,444,931 | 1,475,702 | 1,520,012 |
| Gross Block | 1,528,301 | 1,628,301 | 1,728,301 | 1,794,301 |
| Net Block | 758,344 | 779,947 | 795,792 | 774,454 |
| Capital work in progress | 176,709 | 151,878 | 117,878 | 117,878 |
| Intangible Assets | 108,062 | 108,062 | 108,062 | 108,062 |
| Total Fixed Assets | 1,043,116 | 1,039,887 | 1,021,732 | 1,000,394 |
| Non current investments | 167,527 | 168,527 | 168,527 | 168,527 |
| Uses of funds | 1,556,147 | 1,444,931 | 1,475,702 | 1,520,012 |
| BVPS (INR) | 204.0 | 160.7 | 167.4 | 176.9 |
| Short term borrowings | 413,139 | 363,139 | 363,139 | 363,139 |
| Long term borrowings | 302,551 | 182,551 | 149,551 | 116,551 |
| Cash and Equivalents | 610,119 | 536,792 | 595,755 | 665,000 |
| Inventories | 96,279 | 130,164 | 144,768 | 150,399 |
| Sundry Debtors | 34,093 | 35,432 | 39,455 | 41,278 |
| Loans & Advances | 792 | 792 | 792 | 792 |
| Other Current Assets | 38,370 | 38,370 | 38,370 | 38,370 |
| Current Assets (ex cash) | 169,534 | 204,759 | 223,385 | 230,839 |
| Trade payable | 184,591 | 255,476 | 284,139 | 295,191 |
| Other Current Liab | 249,558 | 249,558 | 249,558 | 249,558 |
| Total Current Liab | 434,149 | 505,034 | 533,697 | 544,748 |
| Net Curr Assets-ex cash | (264,615) | (300,275) | (310,312) | (313,909) |

| Free cash flow | | | | (INR mn) |
|-----------------------|----------------|----------------|----------------|----------------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Reported Profit | 55,122 | 81,497 | 114,074 | 124,470 |
| Add: Depreciation | 62,915 | 78,397 | 84,155 | 87,338 |
| Interest (Net of Tax) | 42,346 | 36,340 | 32,699 | 30,660 |
| Others | 1,429 | 12,182 | 14,314 | 16,624 |
| Less: Changes in WC | (17,959) | (35,661) | (10,037) | (3,597) |
| Operating cash flow | 179,770 | 244,077 | 255,279 | 262,690 |
| Less: Capex | 54,360 | 75,169 | 66,000 | 66,000 |
| Free Cash Flow | 125,410 | 168,908 | 189,279 | 196,690 |

| Cash flow metrics | | | | |
|---------------------|-----------|-----------|-----------|-----------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Operating cash flow | 179,770 | 244,077 | 255,279 | 262,690 |
| Investing cash flow | 27,106 | 83,232 | (28,049) | (28,049) |
| Financing cash flow | (123,490) | (310,395) | (168,268) | (165,396) |
| Net cash Flow | 83,386 | 16,914 | 58,963 | 69,245 |
| Capex | (54,360) | (75,169) | (66,000) | (66,000) |
| Dividend paid | (96,726) | (89,213) | (89,213) | (89,213) |

| Profitability and efficiency ratios | | | | |
|-------------------------------------|-------|-------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| ROAE (%) | 12.8 | 15.5 | 19.0 | 19.0 |
| ROACE (%) | 13.3 | 15.6 | 19.6 | 20.3 |
| Debtors Days | 14 | 14 | 13 | 14 |
| Payable Days | 289 | 235 | 260 | 268 |
| Cash Conversion Cycle | (127) | (100) | (114) | (118) |
| Current Ratio | 1.8 | 1.5 | 1.5 | 1.6 |
| Gross Debt/EBITDA | 3.4 | 2.1 | 1.7 | 1.5 |
| Gross Debt/Equity | 1.0 | 0.7 | 0.6 | 0.5 |
| Adjusted Debt/Equity | 1.0 | 0.7 | 0.6 | 0.5 |
| Net Debt/Equity | 0.1 | - | (0.1) | (0.2) |
| Interest Coverage Ratio | 2.6 | 3.5 | 4.9 | 5.6 |

| Operating ratios | | | | |
|----------------------|------|------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Total Asset Turnover | 0.5 | 0.6 | 0.7 | 0.7 |
| Fixed Asset Turnover | 0.9 | 1.0 | 1.1 | 1.2 |
| Equity Turnover | 1.0 | 1.2 | 1.3 | 1.2 |

| Valuation parameters | | | | |
|-------------------------|------|------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Adj. Diluted EPS (INR) | 18.9 | 21.9 | 30.7 | 33.5 |
| Y-o-Y growth (%) | 92.3 | 16.2 | 40.0 | 9.1 |
| Adjusted Cash EPS (INR) | 45.6 | 43.0 | 53.3 | 57.0 |
| EV / Sales (x) | 1.6 | 1.5 | 1.3 | 1.2 |
| EV / EBITDA (x) | 5.7 | 5.4 | 4.3 | 3.9 |

Peer comparison valuation

| Name | Market cap (USD mn) | Diluted P/E (X) | | EV / EBITDA (X) | | ROAE (%) | |
|---------------------------|------------------------|-----------------|-------|-----------------|-------|----------|-------|
| | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E |
| Vedanta | 16,345 | - | - | 0.4 | 0.2 | 19.0 | 19.0 |
| Hindalco Industries | 8,183 | 9.4 | 8.9 | 6.4 | 5.8 | 10.3 | 9.8 |
| National Aluminium Co Ltd | 2,298 | 11.5 | - | - | - | 11.5 | - |
| Median | - | 9.4 | - | 0.4 | 0.2 | 11.5 | 9.8 |
| AVERAGE | - | 7.0 | 3.0 | 2.3 | 2.0 | 13.6 | 9.6 |

Source: Edelweiss research

Additional Data

Directors Data

| | | | |
|--------------|----------------------|------------------|-----------------------------------------------|
| Anil Agarwal | Chairman Emeritus | Navin Agarwal | Executive Chairman |
| Aman Mehta | Independent Director | Lalita D. Gupte | Independent Director |
| Ravi Kant | Independent Director | Priya Agarwal | Non-Executive Director |
| Tarun Jain | Wholetime Director | Arun Kumar GR | Whole-Time Director & Chief Financial Officer |
| UK Sinha | Independent Director | K Venkataramanan | Independent Director |

Auditors - Deloitte Haskins & Sells

**as per last annual report*

Holding – Top10

| | Perc. Holding | | Perc. Holding |
|----------------------|---------------|----------------------|---------------|
| Twinstar holdings It | 34.44 | Finsider internation | 10.8 |
| Life insurance corp | 7.25 | Cairn uk holdings li | 4.95 |
| Hdfc asset managemen | 1.71 | Vanguard group | 1.55 |
| Blackrock | 1.41 | Dimensional fund adv | 1.2 |
| Westglobe ltd | 1.19 | Ptc cables pvt ltd | 1.15 |

**in last one year*

Bulk Deals

| Data | Acquired / Seller | B/S | Qty Traded | Price |
|-------------------|-------------------|-----|------------|-------|
| No Data Available | | | | |

**in last one year*

Insider Trades

| Reporting Data | Acquired / Seller | B/S | Qty Traded |
|----------------|-------------------|------|------------|
| 04 Sep 2017 | Mr.Pratik Agarwal | Sell | 36000.00 |
| 14 Jun 2017 | Ankit Agarwal | Sell | 42000.00 |

**in last one year*

| Company | Absolute reco | Relative reco | Relative risk | Company | Absolute reco | Relative reco | Relative Risk |
|--------------------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Coal India | HOLD | SP | M | Hindalco Industries | BUY | SO | M |
| Hindustan Zinc | BUY | SO | L | Jindal Steel & Power | BUY | SO | M |
| JSW Steel | BUY | SO | M | NMDC | BUY | SO | M |
| Steel Authority of India | REDUCE | SU | M | Tata Steel | BUY | SO | M |
| Vedanta | BUY | SO | M | | | | |

ABSOLUTE RATING

| Ratings | Expected absolute returns over 12 months |
|---------|------------------------------------------|
| Buy | More than 15% |
| Hold | Between 15% and - 5% |
| Reduce | Less than -5% |

RELATIVE RETURNS RATING

| Ratings | Criteria |
|----------------------------|-------------------------------------|
| Sector Outperformer (SO) | Stock return > 1.25 x Sector return |
| Sector Performer (SP) | Stock return > 0.75 x Sector return |
| | Stock return < 1.25 x Sector return |
| Sector Underperformer (SU) | Stock return < 0.75 x Sector return |

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

| Ratings | Criteria |
|------------|---------------------------------------|
| Low (L) | Bottom 1/3rd percentile in the sector |
| Medium (M) | Middle 1/3rd percentile in the sector |
| High (H) | Top 1/3rd percentile in the sector |

Risk ratings are based on Edelweiss risk model

SECTOR RATING

| Ratings | Criteria |
|------------------|-------------------------------------|
| Overweight (OW) | Sector return > 1.25 x Nifty return |
| Equalweight (EW) | Sector return > 0.75 x Nifty return |
| | Sector return < 1.25 x Nifty return |
| Underweight (UW) | Sector return < 0.75 x Nifty return |

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Coverage group(s) of stocks by primary analyst(s): Metals and Mining

Coal India, Hindalco Industries, Hindustan Zinc, Jindal Steel & Power, JSW Steel, NMDC, Steel Authority of India, Tata Steel, Vedanta

Recent Research

| Date | Company | Title | Price (INR) | Recos |
|-----------|----------------------------|-----------------------------------------------------------------------------|-------------|-------|
| 17-Apr-18 | Metals & Mining | Aluminium: Stellar price surge to benefit Hindalco; <i>Sector Update</i> | | |
| 11-Apr-18 | Vedanta | Robust operating performance continues...; <i>Company Update</i> | 284 | Buy |
| 09-Apr-18 | Metals & Mining | Aluminium: Surprise uptick!; <i>Sector Update</i> | | |

1 Distribution of Ratings / Market Cap

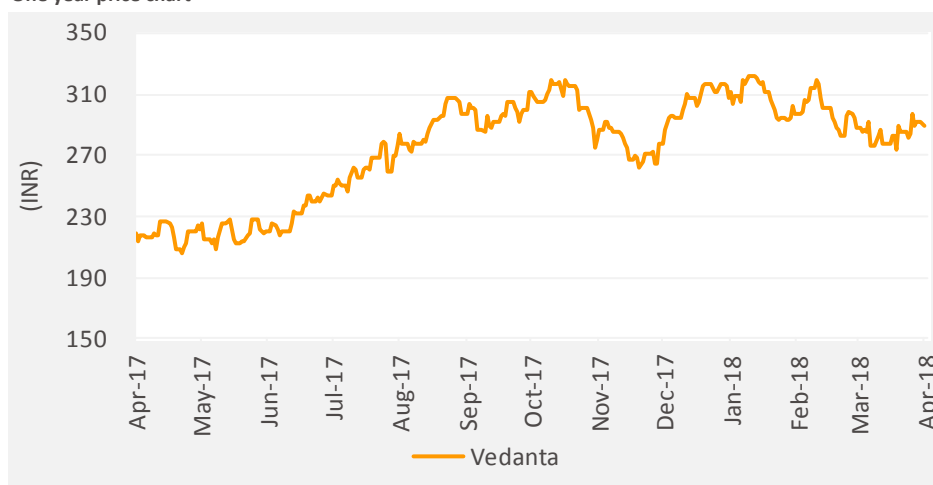
Edelweiss Research Coverage Universe

| | Buy | Hold | Reduce | Total |
|------------------------|--------|------------------------|--------|-------|
| Rating Distribution* | 161 | 67 | 11 | 229 |
| * 1stocks under review | | | | |
| | > 50bn | Between 10bn and 50 bn | < 10bn | |
| Market Cap (INR) | 156 | 62 | 11 | |

Rating Interpretation

| Rating | Expected to |
|---------------|-------------------------------------------------|
| Buy | appreciate more than 15% over a 12-month period |
| Hold | appreciate up to 15% over a 12-month period |
| Reduce | depreciate more than 5% over a 12-month period |

One year price chart



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