



VEDANTA LIMITED RESEARCH REPORT 2025

Presented By:

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Vedanta at a Glance

Leading India's natural
resource sector, every day

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is one of the world's foremost natural resources conglomerates, with primary operations in zinc-lead-silver, iron ore, steel, copper, aluminium, power, nickel, and oil and gas.



Company Overview

Vedanta Ltd is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil & gas. The group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminium, iron ore and oil & gas. It has presence across India, South Africa, Namibia, Ireland, Liberia & UAE.

Its other businesses includes commercial power generation, steel manufacturing & port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

Business segments

1) Aluminium (38% in 9M FY25 vs 36% in FY23): The company is **India's largest primary aluminium producer with a 46% domestic market share.**

2) Zinc, Lead and Silver (24% in 9M FY25 vs 26% in FY23):
 a) India: The company holds a 65% stake in Hindustan Zinc Ltd (HZL) and its integrated zinc operations hold 75% market share in India's primary zinc market.
 b) International: The company operates one of the world's largest zinc deposits, with 5.6 MTPA mining capacity and 290 KTPA smelting capacity across South Africa and Namibia.

3) Copper (15% in 9M FY25 vs 12% in FY23): The company is among India's largest copper producers, holding a 20% market share, serving housing wire, cable, transformer, and electrical profile industries.

4) Oil & Gas (8% in 9M FY25 vs 10% in FY23): It operates in Oil & Gas sector through Cairn India, the largest private oil & gas exploration and production company in India

5) Power (4% in 9M FY25 vs 5% in FY23): The company ranks as the 2nd-largest private player in the Indian power sector, with a total capacity of 12 GW across IPP and CPP operations.

6) Others (7% in 9M FY25 vs 11% in FY23)

Synopsis of Financials:

Financial performance and capital structure

Consolidated (Vedanta Ltd)

- Q2 revenue: INR 39,218 cr (record Q2; +6% YoY)
- H1 revenue: INR 76,652 cr (record H1; +6% YoY)
- EBITDA margin: 34%, up ~70 bps YoY, attributed to "favorable pricing, marketing premiums, exchange rate gains and continued cost efficiencies."
- PAT (pre-exceptional): INR 5,026 cr (+13% YoY). Reported PAT: INR 3,479 cr due to net exceptional loss INR 1,547 cr (post tax).

Source: Company Annual Report

Stock data (as 12th Jan 2026)

Nifty Price	: 25,790.25
52 week High (in Rs.)	: 629.50
52 week Low (in Rs.)	: 363.00
Market Cap. (in Crore)	: 2,45,572.37
NSE Code	: INE205A01025

Stock data



Shareholding Pattern (March 2025)



Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	88,021	1,32,732	1,47,308	1,43,727	1,52,968
Sales Growth %	4.23%	50.80%	10.98%	-2.43%	6.43%
Expenses +	60,703	87,908	1,12,877	1,08,415	1,10,625
Operating Profit	27,318	44,824	34,431	35,312	42,343
OPM %	31%	34%	23%	25%	28%
Other Income +	2,743	1,832	2,625	5,241	5,544
Net Profit +	15,032	23,710	14,503	7,539	20,535
EPS in Rs	31.21	50.58	28.45	11.4	38.33
Dividend Payout %	30%	89%	357%	259%	113%

Yearly Results

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	372	372	372	372	391
Reserves	61,906	65,011	39,051	30,350	40,821
Borrowings	57,669	53,583	80,329	87,706	91,479
Other Liabilities	63,549	74,981	69,703	69,690	67,249
Total Liabilities	1,83,496	1,93,947	1,89,455	1,88,118	1,99,940
Fixed Assets	90,470	93,466	95,744	98,963	99,905
CWIP	16,314	15,879	19,529	22,889	33,896
Investments	16,660	17,291	13,150	11,869	14,532
Other Assets	60,052	67,311	61,032	54,397	51,607
Total Assets	1,83,496	1,93,947	1,89,455	1,88,118	1,99,940

Quarterly Results



Particulars	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Sales	35,764	37,634	39,115	40,455	37,824	39,868
YOY Sales Growth %	6.02%	-3.37%	10.06%	13.93%	5.76%	5.94%
Expenses	25,819	27,806	28,011	28,989	27,906	28,472
Material Cost %	27.37%	33.52%	32.45%	34.42%	32.49%	32.95%
Employee Cost %	2.52%	2.29%	2.31%	2.07%	2.31%	2.24%
Operating Profit	9,945	9,828	11,104	11,466	9,918	11,396
OPM %	28%	26%	28%	28%	26%	29%
Other Income	934	3,168	680	762	985	-1,471
Other Income Normal	934	1,300	680	762	985	596
Interest	2,222	2,667	2,442	2,583	2,026	2,110
Depreciation	2,731	2,696	2,681	2,988	2,824	2,868
Profit before tax	5,926	7,633	6,661	6,657	6,053	4,947
Tax %	14%	27%	27%	25%	26%	30%
Net Profit	5,095	5,603	4,876	4,961	4,457	3,479

Key Ratios



Synopsis Quarter Results

Concall Notes - Nov - 2025: Key Highlights

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Exceptional items (newsworthy)

- **TSPL “mega matter”**: per Supreme Court judgment, **INR 1,407 cr provision** against receivables (review petition filed, but provision recognized).
- **SEPCO settlement: INR 660 cr** “full and final settlement” to resolve dispute and “paving the way for” demerger.

Segment EBITDA highlights

- **Aluminum: INR 5,532 cr (+33% YoY), 35% margin** (record production + cost optimization).
- **Zinc India: INR 4,434 cr (+8% YoY), 54% margin** (record mined metal + 5-year low costs).
- **Cairn Oil & Gas: INR 1,029 cr, 44% margin**; ops improvements offset declines.

Returns, leverage, liquidity, shareholder payouts

- **ROCE: ~26%** (up 347 bps YoY).
- **Net debt/EBITDA: 1.37x** (vs 1.49x last year). Ratings **AA reaffirmed** (CRISIL/ICRA); target AA+.
- **Liquidity: INR 21,481 cr.**
- **Dividend: interim INR 16/share**; YTD TSR cited ~13%.
- **Interest cost reduced to ~9%**; target <8% “near term.”

Vedanta Resources (parent) – refinancing and maturity profile

- **Refinanced \$550m high-cost debt**; interest reduced **11.6% → ~10%**; maturity profile improved **1.3 yrs → 4.5 yrs.**
- **Debt at Sept-end: \$4.4bn external**, plus **\$0.4bn ICL** (internal credit line) = **\$4.8bn total.**
- Management said VRL is positioned for “**autopilot mode**,” supported by “**dividend payout of 4% to 5% in future and routine brand fee.**”
- **ICL repayment plan**: remaining **\$417m**; **\$200m due Jan**, **\$217m due May**; “**intend to repay it as scheduled...not looking at any further rollover.**”
- **VRL cash needs/maturities disclosed**:
 - **FY27: ~\$0.5bn maturities** (incl. **\$217m ICL**) and **~\$450m interest.**
 - **FY28: \$450m maturities** and **~\$400m interest.**

Highlights

EBITDA

₹11,612 crore

+12% YoY

Highest¹ ever 2Q EBITDA

EBITDA Margin

34%²

+69 bps YoY

PAT before exceptional

₹ 5,026 crore

+13% YoY

Reported PAT ₹ 3,479 Cr.

Production

Volume growth (YoY)

Record Aluminum : 617 kt (+1%)

Record Alumina: 653 kt (+31%)

Record 2Q Mined metal Zinc India :

258 kt (+1%)

Record Pig Iron Production: 238 kt (+26%)

Zinc International: 60 kt (+38%)

Revenue

₹ 39,218 crore

+6% YoY

Highest ever 2Q Revenue

ROCE

~26%

+347 bps YoY

Credit Rating

AA

CRISIL & ICRA

Reaffirmed credit rating for
Vedanta Limited

Net Debt/ EBITDA

1.37x

vs 1.49x in 2QFY25

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr. †	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	JSW Steel	1186.00	47.45	290141.42	0.24	1646.00	166.16	45152.00	13.78	8.11
2.	Hindustan Zinc	628.35	25.39	265582.39	4.61	2632.00	11.58	8525.00	3.43	60.73
3.	Adani Enterp.	2279.35	105.74	262997.43	0.06	3414.43	-62.74	21248.51	-6.01	9.45
4.	Vedanta	615.65	18.86	240743.04	7.07	3479.00	-22.44	39868.00	5.94	25.26

Source: Screener

Final Outlook

LTIM: HOLD | LTP: 628.00

Summary:

Vedanta Limited has delivered strong operational performance despite volatility in global commodity markets. FY25 revenue increased to ₹1,52,968 Cr with an EBITDA margin improving to 28%. Profit recovered sharply to ₹20,535 Cr after a weak FY24, reflecting stronger realizations in aluminium, copper, and zinc.

The company continues to remain a diversified natural resources leader, with strong positions in metals, oil & gas, and power. However, the business is highly sensitive to commodity prices, and large ongoing capex has kept leverage high. The VRL (parent company) debt structure also remains a key investor concern, despite recent progress in deleveraging. Nevertheless, improving margins, stable global prices, and operational efficiencies support a reasonably positive medium-term outlook.

Key Highlights:

Q2 FY26 Performance

- Revenue: ₹39,218 Cr (+6% YoY)
- EBITDA: ₹11,612 Cr (+12% YoY)
- EBITDA Margin: 34% (+70 bps YoY)
- PAT Before Exceptionals: ₹5,026 Cr
- Reported PAT: ₹3,479 Cr (due to ₹1,547 Cr exceptional loss)

Final Verdict: HOLD

Vedanta remains a strategically important, high-cash-flow commodity major, but elevated debt levels, exposure to global price cycles, and heavy capex commitments limit near-term upside.

Investors should HOLD existing positions while monitoring deleveraging progress and margin improvement over FY26.

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