

# Vedanta Limited

**BUY**

Sector: Metals &amp; Mining

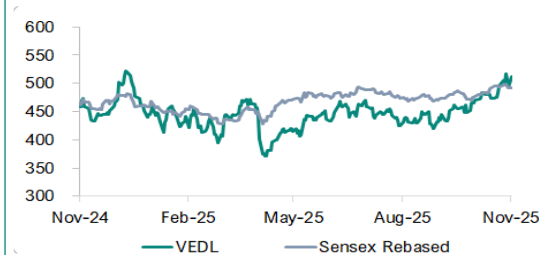
24<sup>th</sup> November, 2025

<b>Key Changes</b>	<b>Target</b> ▲	<b>Rating</b> ●	<b>Earnings</b> ▲	<b>Target</b>	<b>Rs. 568</b>
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	VEDL:IN	85,232	VEDL	500295	12 Months
				<b>CMP</b>	<b>Rs. 496</b>
				<b>Return</b>	<b>+15%</b>

Data as of: 21-Nov-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	193,995		
52 Week High — Low (Rs.)	536 - 362		
Enterprise Value (Rs. cr)	280,199		
Outstanding Shares (cr)	391.0		
Free Float (%)	43.3		
Dividend Yield (%)	6.4		
6m average volume (cr)	1.0		
Beta	1.5		
Face value (Rs.)	1.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	56.4	56.4	56.4
FII's	11.2	10.6	11.1
MFs/Institutions	16.4	16.5	16.2
Public	12.6	12.9	12.7
Others	3.4	3.6	3.6
Total	100.0	100.0	100.0
Promoter Encumbrance	99.99	99.99	99.99
Price Performance	3 Month	6 Month	1 Year
Absolute Return	20.9%	23.6%	9.7%
Absolute Sensex	4.2%	4.3%	5.3%
Relative Return	16.7%	19.3%	4.4%

\*over or under performance to benchmark index



Y.E March (Rs. cr)	FY25A	FY26E	FY27E
Sales	150,725	162,301	177,893
Growth (%)	6.3	7.7	9.6
EBITDA	42,386	49,568	57,337
EBITDA Margin (%)	28.1	30.5	32.2
Adj. PAT	13,852	19,305	22,022
Growth (%)	657.8	39.4	14.1
Adj. EPS	35.4	49.4	56.3
Growth (%)	620.3	39.4	14.1
P/E	13.1	10.4	9.1
P/B	4.4	4.8	4.2
EV/EBITDA	6.2	5.8	5.1
ROE (%)	49.8	55.0	61.5
D/E	1.4	1.3	1.1

## Value Accretion Via Metals And Energy

Vedanta Ltd, a subsidiary of Vedanta Resources Ltd, has operations in multiple sectors, including oil and gas, zinc, lead, silver, copper, iron ore, steel, aluminium and power, across India and the world.

- The company's consolidated revenue rose 5.5% YoY to Rs. 39,218cr in Q2FY26, driven by higher prices on the London Metal Exchange (LME) and favourable premium and forex movements.
- Aluminium revenue (contributing around 40% of the revenue) soared 14.1% YoY to Rs. 15,671cr as production surged 1.3% YoY to 617KT in Q2FY26.
- Power business revenue grew 23.8% YoY to Rs. 2,195cr as power generation rose 7.9% YoY to 3,889 MU. Revenue from the international zinc business grew 22.2% YoY to Rs. 1,237cr as production jumped 38% YoY on a 54% output increase at Gamsberg.
- EBITDA grew 16.0% YoY to Rs. 11,397cr in QFY26; EBITDA margin expanded 270bps YoY to 29.1%, supported by favourable pricing, marketing premiums, exchange rate gains and continued cost efficiencies.
- Reported PAT declined 37.9% YoY to Rs. 3,479cr despite top line growth, primarily due to one-time exceptional items such as a provision against TSPL's receivable and the settlement of outstanding claims of SEPCO.

## Outlook & Valuation

Vedanta Ltd. had a healthy financial performance in Q2FY26 due to robust revenue growth and disciplined execution across its diversified segments. Despite a mixed macro environment, there was healthy traction in the aluminium, zinc and power segments. Its focus on environmental stewardship, community development and sustainable growth is expected to enhance its reputation. With multiple growth projects nearing commissioning and the transformation, Vedanta 2.0, gaining momentum, the company is well poised to become a global leader in critical minerals, energy transition and technology. Hence, **we reiterate our BUY rating on the stock with a revised target price of Rs. 568, based on 5.4x FY27E EV/EBITDA.**

## Quarterly Financials Consolidated

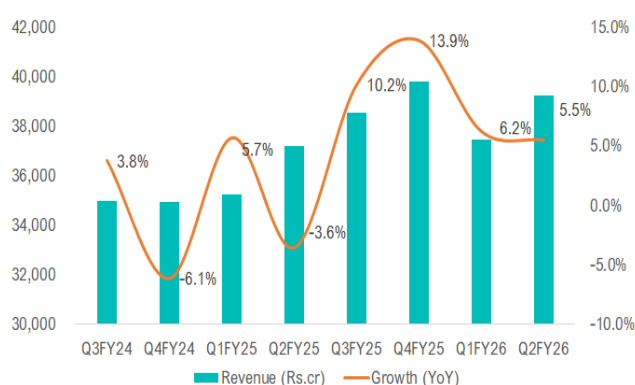
Rs. cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	39,218	37,171	5.5	37,434	4.8	76,652	72,410	5.9
EBITDA	11,397	9,828	16.0	9,918	14.9	21,315	19,773	7.8
Margin (%)	29.1	26.4	270bps	26.5	260bps	27.8	27.3	50bps
EBIT	8,529	7,132	19.6	7,094	20.2	15,623	14,346	8.9
PBT	4,948	7,633	-35.2	6,053	-18.3	11,001	13,559	-18.9
Rep. PAT	3,479	5,603	-37.9	4,457	-21.9	7,936	10,698	-25.8
Adj. PAT	3,345	3216	4.0	3,185	5.0	6530	6822	-4.3
Adj. EPS (Rs.)	4.6	11.3	-59.1	8.2	-43.4	12.8	21.0	-39.05



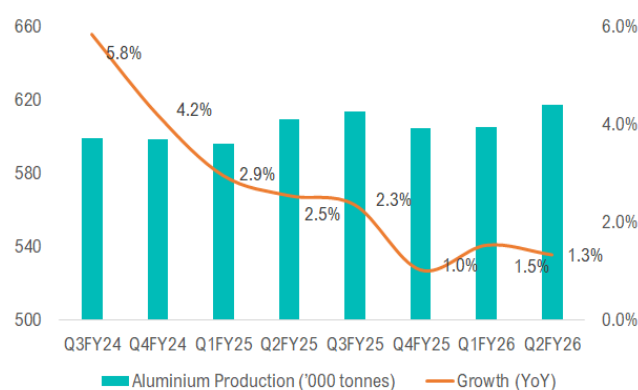
## Key concall & other highlights

- Vedanta has successfully commissioned Train 2 at Lanjigarh, adding annum capacity of 1.5 MT, and also commissioned a 435,000 tonne per annum smelter at BALCO in Q2FY26.
- Gamsberg Phase 2 expansion, aiming for additional capacity of 220,000 tonne per annum, is 80% complete and on track for commissioning by the end of FY26. The Meenakshi and Athena power plants added 1.3 GW in H1, taking the company's merchant power capacity to 4.2 GW.
- Vedanta has deferred its proposed demerger to the end of FY26. The National Company Law Tribunal (NCLT) concluded the final hearing on November 12, 2025, and is currently deliberating before issuing its verdict.
- Vedanta has secured three new strategic mineral blocks in H1FY26 under India's Critical Minerals Mission, taking the number of secured blocks to 11. This adds to its portfolio of minerals such as nickel, chromium, cobalt, vanadium, potash and manganese.
- It has invested around \$0.9 billion as capital expenditure during H1FY26 and remains on course to meet its elevated full-year capital expenditure guidance of \$1.7 billion to \$1.9 billion.

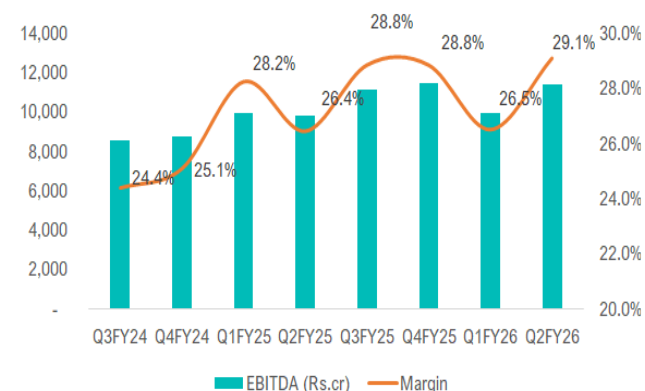
## Revenue



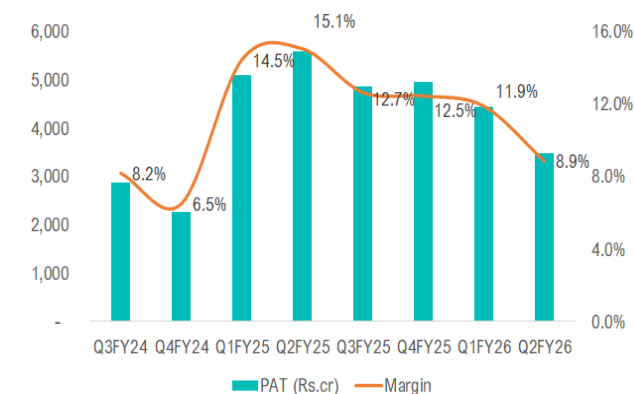
## Aluminium Production



## EBITDA



## PAT



## Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	160,844	172,501	162,301	177,893	0.9	3.1
EBITDA	47,545	54,312	49,568	57,337	4.3	5.6
Margins (%)	29.6	31.5	30.5	32.2	90bps	70bps
Adj. PAT	16,629	19,308	19,305	22,022	16.1	14.1
Adj. EPS	42.5	49.4	49.4	56.3	16.1	14.1



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Sales</b>	<b>145,404</b>	<b>141,793</b>	<b>150,725</b>	<b>162,301</b>	<b>177,893</b>
% change	10.8	-2.5	6.3	7.7	9.6
<b>EBITDA</b>	<b>34,464</b>	<b>35,219</b>	<b>42,386</b>	<b>49,568</b>	<b>57,337</b>
% change	-23.5	2.2	20.3	16.9	15.7
Depreciation	10,597	10,744	11,139	11,708	12,351
<b>EBIT</b>	<b>23,867</b>	<b>24,475</b>	<b>31,247</b>	<b>37,860</b>	<b>44,986</b>
Interest	6,225	9,465	9,914	10,147	10,981
Other Income	2,634	5,353	5,543	2,343	4,631
<b>PBT</b>	<b>20,276</b>	<b>20,363</b>	<b>26,876</b>	<b>30,057</b>	<b>38,636</b>
% change	-38.9	0.4	32.0	11.8	28.5
Tax	5,770	12,826	6,342	6,994	9,659
Tax Rate (%)	28.5	63.0	23.6	23.3	25.0
<b>Reported PAT</b>	<b>14,506</b>	<b>7,537</b>	<b>20,534</b>	<b>23,062</b>	<b>28,977</b>
<b>PAT att. to common shareholders</b>	<b>10,574</b>	<b>4,239</b>	<b>14,988</b>	<b>17,758</b>	<b>22,022</b>
Adj.*	-57	-2,411	-1,136	1,547	-
<b>Adj. PAT</b>	<b>10,517</b>	<b>1,828</b>	<b>13,852</b>	<b>19,305</b>	<b>22,022</b>
% change	-46.9	-82.6	657.8	39.4	14.1
No. of shares (cr)	372.0	371.7	391.0	391.0	391.0
<b>Adj EPS (Rs.)</b>	<b>28.3</b>	<b>4.9</b>	<b>35.4</b>	<b>49.4</b>	<b>56.3</b>
% change	-46.9	-82.6	620.3	39.4	14.1
DPS (Rs.)	101.5	29.5	43.5	43.1	53.5

### Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Net inc. + Depn.</b>	<b>25,103</b>	<b>18,281</b>	<b>31,673</b>	<b>34,770</b>	<b>41,328</b>
Non-cash adj.	3,363	15,821	8,554	12,532	7,879
Other adjustments	-	-	-	-	-
Changes in W.C	4,599	1,552	-665	-890	-504
<b>C.F. Operation</b>	<b>33,065</b>	<b>35,654</b>	<b>39,562</b>	<b>46,412</b>	<b>48,704</b>
Capital exp.	-13,654	-16,557	-16,714	-18,259	-19,035
Change in inv.	8,990	1,090	-4,689	-1,983	-2,286
Other invest.CF	3,971	1,781	2,213	-	-
<b>C.F - Investment</b>	<b>-693</b>	<b>-13,686</b>	<b>-19,190</b>	<b>-20,241</b>	<b>-21,320</b>
Issue of equity	-	-200	8,392	-	-
Issue/repay debt	12,736	4,815	1,368	1,300	1,235
Dividends paid	-41,149	-20,500	-21,191	-17,010	-16,870
Other finance.CF	-5,729	-10,207	-7,792	-10,147	-10,981
<b>C.F - Finance</b>	<b>-34,142</b>	<b>-26,092</b>	<b>-19,223</b>	<b>-25,857</b>	<b>-26,616</b>
Chg. in cash	-1,770	-4,124	1,149	313	767
<b>Closing Cash</b>	<b>9,254</b>	<b>4,327</b>	<b>6,970</b>	<b>7,283</b>	<b>8,050</b>

### Balance Sheet

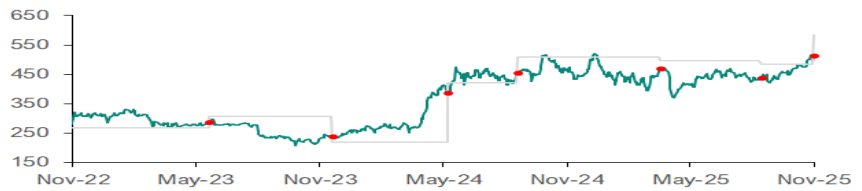
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	9,254	4,327	6,970	7,283	8,050
Accts. Receivable	4,014	3,607	3,636	3,895	4,216
Inventories	15,012	13,001	14,474	17,373	18,349
Other Cur. Assets	32,227	30,989	26,685	31,253	33,334
Investments	514	987	1,623	2,383	3,324
Gross Fixed Assets	269,077	281,781	295,887	314,146	333,180
Net Fixed Assets	93,768	96,715	97,834	100,939	103,816
CWIP	17,001	20,331	30,939	34,033	37,436
Intangible Assets	4,504	4,806	5,028	5,380	5,783
Def. Tax -Net	7,074	2,689	3,353	3,147	3,864
Other Assets	12,009	13,355	12,751	11,844	12,301
<b>Total Assets</b>	<b>195,377</b>	<b>190,807</b>	<b>203,293</b>	<b>217,530</b>	<b>230,474</b>
Current Liabilities	64,039	57,059	51,673	56,850	59,524
Provisions	3,426	3,105	3,223	3,706	3,744
Debt Funds	66,628	72,235	74,614	75,914	77,148
Other Liabilities	11,857	16,339	20,030	21,255	18,146
Equity Capital	372	372	391	391	391
Res. & Surplus	39,051	30,350	40,821	41,569	46,721
Shareholder Funds	39,423	30,722	41,212	41,960	47,112
Minority Interest	10,004	11,347	12,541	17,845	24,800
<b>Total Liabilities</b>	<b>195,377</b>	<b>190,807</b>	<b>203,293</b>	<b>217,530</b>	<b>230,474</b>
BVPS	106	83	105	107	120

### Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	23.7	24.8	28.1	30.5	32.2
EBIT margin (%)	16.4	17.3	20.7	23.3	25.3
Net profit mgn.(%)	7.3	3.0	9.9	10.9	12.4
ROE (%)	36.8	24.5	49.8	55.0	61.5
ROCE (%)	20.6	21.4	24.3	27.9	30.2
<b>W.C &amp; Liquidity</b>					
Receivables (days)	9.9	9.2	8.7	8.6	8.5
Inventory (days)	72.0	68.9	72.8	82.8	81.7
Payables (days)	52.9	53.5	51.2	59.4	59.0
Current ratio (x)	0.7	0.7	0.7	0.7	0.7
Quick ratio (x)	0.3	0.2	0.3	0.3	0.3
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	0.6	0.5	0.5	0.5	0.5
Total asset T.O (x)	0.7	0.7	0.8	0.8	0.8
Int. covge. ratio (x)	3.8	2.6	3.2	3.7	4.1
Adj. debt/equity (x)	1.3	1.7	1.4	1.3	1.1
<b>Valuation</b>					
EV/Sales (x)	1.2	1.2	1.7	1.8	1.7
EV/EBITDA (x)	4.9	5.0	6.2	5.8	5.1
P/E (x)	9.7	52.2	13.1	10.4	9.1
P/V (x)	2.6	3.1	4.4	4.8	4.2



## Recommendation Summary - (Last 3 years)



Dates	Rating	Target
05-Aug-22	HOLD	267
23-May-23	BUY	308
21-Nov-23	REDUCE	220
10-May-24	HOLD	421
21-Aug-24	BUY	510
20-Mar-25	HOLD	496
18-Aug-25	BUY	485
24-Nov-25	BUY	568

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
<b>Buy</b>	Upside is above 10%	Upside is above 15%	Upside is above 20%
<b>Accumulate</b>	-	Upside is between 10%-15%	Upside is between 10%-20%
<b>Hold</b>	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
<b>Reduce/sell</b>	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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