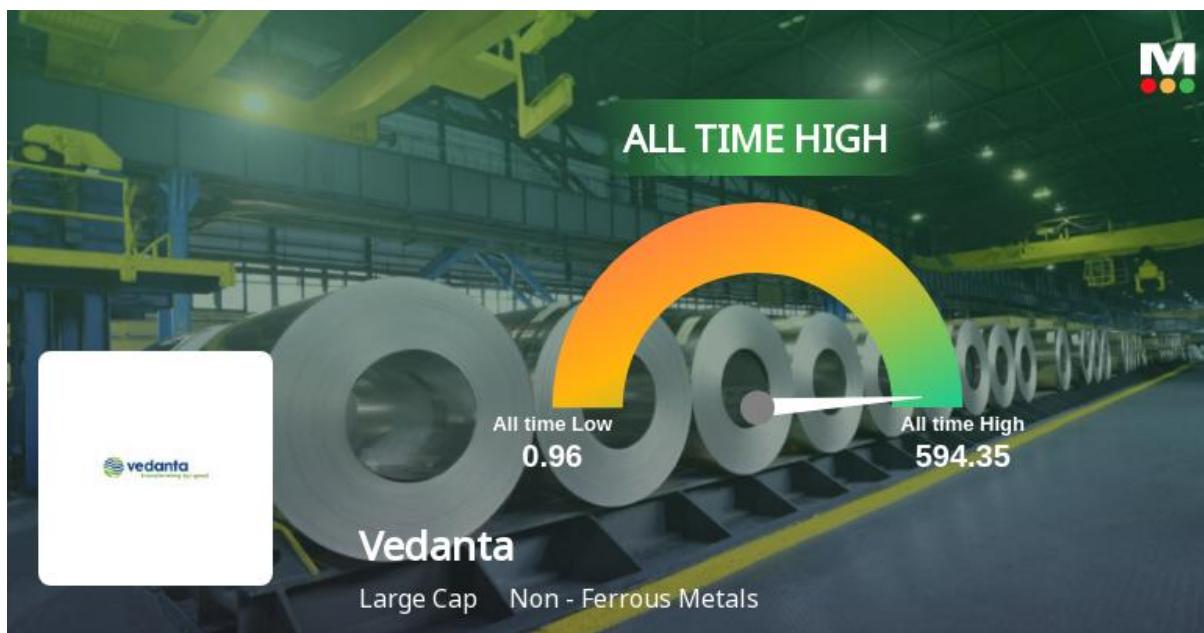


Vedanta Ltd Hits All-Time High Amid Strong Financial Performance

Vedanta Ltd has reached a new all-time high, marking a significant milestone in its market journey. The stock's recent performance reflects a robust financial foundation and sustained growth across key metrics, underscoring its prominent position within the Non-Ferrous Metals sector.



Stock Performance and Market Position

Vedanta Ltd's stock price has been on a consistent upward trajectory, culminating in a fresh peak close to its 52-week high of ₹594.35, currently just 0.21% shy of this level. The stock has recorded gains over the last 12 consecutive trading days, delivering a cumulative return of 15.89% during this period. This momentum is supported by the stock trading above all major moving averages, including the 5-day, 20-day, 50-day, 100-day, and 200-day averages, signalling sustained investor confidence in its valuation.

In comparison to the broader market, Vedanta Ltd has outpaced the Sensex across multiple time frames. Over the past year, the stock has generated a return of 28.75%, significantly higher than the Sensex's 9.11%. Year-to-date performance further highlights this trend, with Vedanta Ltd posting a 33.94% return against the Sensex's 9.57%. Longer-term figures reinforce the company's market strength, with three-year returns at 108.55% versus the Sensex's 43.07%, and a remarkable ten-year return of 547.55% compared to the Sensex's 231.36%.

Sector and Industry Context

Vedanta Ltd operates within the Non-Ferrous Metals industry, a sector that has itself experienced a gain of 2.07% recently. The company holds a commanding market capitalisation of ₹2,29,344 crores, making it the second largest entity in its sector, trailing only Hindustan Zinc. Vedanta Ltd accounts for 40.57% of the sector's total market capitalisation, reflecting its dominant presence. Its annual sales of ₹1,57,262 crores represent 73.45% of the industry's total, further emphasising its scale and influence.

Financial Strength and Profitability

Vedanta Ltd's financial metrics illustrate a company with strong management efficiency and profitability. The return on capital employed (ROCE) stands at an impressive 31.42%, indicating effective utilisation of capital resources. The company's ability to service debt is reflected in a low Debt to EBITDA ratio of 1.20 times, suggesting a manageable debt burden relative to earnings.

Net sales have exhibited a compound annual growth rate of 15.00%, while operating profit has grown at 19.45% annually, signalling healthy expansion in core business operations. The company has reported positive results for six consecutive quarters, underscoring consistent operational performance.

Operating cash flow for the year reached a peak of ₹39,562 crores, while profit after tax (PAT) for the first nine months stood at ₹9,919.63 crores, reflecting a growth rate of 22.92%. The operating profit to interest coverage ratio for the quarter is at a high of 5.40 times, further demonstrating financial resilience.

Valuation and Dividend Yield

Vedanta Ltd's valuation metrics suggest an attractive proposition relative to its peers. The enterprise value to capital employed ratio is 2.8, indicating a reasonable valuation level given the company's profitability. The stock is trading at a discount compared to the average historical valuations of its sector peers.

Over the past year, the company's profits have risen by 33.6%, while the stock has delivered a 28.75% return, resulting in a price-to-earnings-to-growth (PEG) ratio of 0.5. This ratio points to a valuation that is supportive of the company's earnings growth trajectory.

At the current price, Vedanta Ltd offers a dividend yield of 5.37%, which is considered high within the Non-Ferrous Metals sector, providing an additional income component for shareholders.

Market Ranking and Industry Standing

Vedanta Ltd is ranked among the top 1% of companies across a universe of over 4,000 stocks, reflecting its stature in the market. It holds the third position among large-cap companies and ranks eighteenth across the entire market spectrum. This ranking is indicative of its strong market capitalisation, financial performance, and sector influence.

The company's market-beating performance is evident not only in the long term but also in recent periods. It has outperformed the BSE500 index over the last three years, one year,

and three months, highlighting its consistent ability to deliver returns above broader market benchmarks.

Risks and Considerations

While Vedanta Ltd demonstrates strong financial and market performance, it is important to note that 99.99% of promoter shares are pledged. This high level of pledged shares may exert additional pressure on the stock price during periods of market decline, representing a factor for consideration in the stock's risk profile.

Summary

Vedanta Ltd's ascent to an all-time high is supported by a combination of strong financial metrics, consistent growth, and a commanding position within the Non-Ferrous Metals sector. The company's robust returns over multiple time horizons, attractive valuation ratios, and high dividend yield contribute to its notable market standing. While the high proportion of pledged promoter shares introduces a degree of risk, the overall financial health and market performance of Vedanta Ltd remain significant highlights in its ongoing market journey.