Vedanta doubles Q2 net profit to ₹3,650 crore on better realisation

Our Bureau
Mumbai

Vedanta, a diversified metal and mining company, reported that its September quarter net profit (attributable to owners) more than doubled to ₹3,650 crore against ₹1,798 crore logged in the same period last year, as realisation across businesses improved.

Revenue increased 57 per cent to ₹25,812 crore. EBITDA more than doubled to ₹9,938 crore.

FAVOURABLE PRICES

The company's Zinc cost of production dipped 29 per cent to $703 a tonne after its transition to underground mining. Ajay Goel, Group CFO, said the profit was boosted by favourable metal prices and improvement in operational efficiency besides currency depreciation. The company remains focused on operations efficiency, which means higher volumes, lower costs and better value-added portfolio. Almost 15-20 per cent growth in terms of profit came from operations while the rest was due to favourable macro environment.

Scorecard

(in ₹ crore)

	Q2 FY26	Q2 FY27
Revenue	16,445	25,812
Net profit	1,798	3,650
EPS (diluted) (in ₹)	4.56	9.30



"We expect the remaining quarters to be more profitable than the first half due to strong demand worldwide and the demand-supply gap is structural," said Goel. While global environment remains uncertain, pricing will remain high due to the supply constraints, he added.

Arun Mishra, CEO, said in a commodity business, the margins are anywhere between 40–50 per cent on a long-term basis for the kind of commodities it deals with.

COST PRESSURE

The cost pressure has peaked when the West Asia war started and it has been under control ever since as companies have figured out to control costs in spite of the crisis, said Mishra. "We expect EBITDA to improve after the monsoon season. Coal India will increase supply which will lower costs in coming quarters," he said.

Goel said debt levels have gone down by ₹9,584 crore in H1. The gross debt on the book was almost ₹15,000 crore and the cash surplus was about ₹12,000 crore, which leaves a net debt of ₹3,000 crore, he said.