



# “Vedanta Limited Q3 FY25 Earnings Conference Call”

**January 31, 2025**



**MANAGEMENT: MR. ARUN MISRA – EXECUTIVE DIRECTOR, VEDANTA LIMITED**  
**MR. AJAY GOEL – GROUP CHIEF FINANCIAL OFFICER, VEDANTA LIMITED**  
**MR. AJAY AGARWAL – PRESIDENT, FINANCE AND TAXATION, VEDANTA LIMITED**  
**MR. HITESH VAID – CHIEF FINANCIAL OFFICER, OIL & GAS BUSINESS – VEDANTA LIMITED**  
**MR. CHRIS GRIFFITH – CHIEF EXECUTIVE OFFICER, VEDANTA BASE METALS, VEDANTA LIMITED**  
**MR. SUNIL GUPTA – CEO, ALUMINUM BUSINESS**  
**MR. ANUP AGARWAL – CFO, ALUMINUM BUSINESS**  
**MR. CHARANJIT SINGH– GROUP HEAD INVESTOR RELATIONS– VEDANTA LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Vedanta Limited's Third Quarter Financial Year '24-'25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touch-tone phone. Please note that this conference is being recorded. Participants connected on Webcast link may change the quality settings to 1080p to watch the proceedings on best quality.

I now hand the conference over to Mr. Charanjit Singh – Group Head, Investor Relations, Vedanta. Thank you, and over to you, sir.

**Charanjit Singh:** Thank you, Michelle. Good evening everyone, and welcome to Vedanta Limited Q3 FY '25 Earnings Call.

On behalf of the team Vedanta, I thank you all for joining us today to discuss the Company's Quarter 3- and 9-Months' performance. I hope you had the chance to look at our press release, the earnings presentations and the detailed financials, which are available on the stock exchanges websites and also on the Company website.

On this call, from the Vedanta Leadership Team, we have with us, Mr. Arun Misra – our Executive Director; Mr. Ajay Goel – Group CFO; Mr. Ajay Agarwal – President (Finance and Taxation); Mr. Sunil Gupta – CEO, Aluminum business; Mr. Anup Agarwal – CFO, Aluminum Business; Mr. Hitesh Vaid – CFO, Oil and Gas Business; and Mr. Chris Griffith – CEO, Vedanta Base Metals.

We will start with an update on Company's "Operational Performance" by Mr. Arun Misra, followed by "Financial Highlights" by Mr. Ajay Goel before we open the lines for Q&A.

This call is covered by the cautionary statement on Slide 40 of the results presentation.

With this, I now hand over the call to Mr. Arun Misra for his opening remarks. Over to you, Arunji.

**Arun Misra:** Thank you, Charanjit. Good evening, everyone. Thank you for joining us today to discuss Vedanta's Third Quarter FY '25 performance update.

I am pleased to state that we have delivered another outstanding quarter as we continue our journey to deliver 10 billion USD EBITDA in the future.

I am also happy to share that Vedanta Group Companies have once again demonstrated their leadership in sustainability in the S&P Global Corporate Sustainability Assessment 2024, earlier known as DJSI ESG Index.

Hindustan zinc has maintained its top position Vedanta Limited has been ranked fourth among 248 global diversified metal and mining companies. Vedanta Aluminum business also secured second position in global aluminum peers in the index.

Moving to the quarterly performance, we delivered revenue of Rs. 38,526 crores, which is an increase of 10% year-on-year, and a record third-quarter EBITDA of Rs. 11,284 crores, a jump of 30% year-on-year. Vedanta's aluminum and zinc operations continued their industry-leading cost positioning despite inflationary pressures in the global market, ranking in the top quartile and decile of the global cost curve, respectively.

Business operations, starting with aluminum business, the aluminum business has achieved its highest ever quarterly and 9-month production with 613 KT, up 2% year-on-year and 1.819 million tons up 3% year-on-year respectively.

In Quarter 3 FY '25, the business delivered an all-time high quarterly value-added product at 317 KT, up 16% year-on-year and quarterly domestic sales at 302 KT, which is up 29% year-on-year. This resulted in securing our best ever quarterly net effective premium of \$262 per ton on metal sales at aluminum. The EBITDA margin per ton of aluminum has jumped 50% year-on-year and 5% quarter-on-quarter to USD 867 per ton. We are well-placed to achieve our volume guidance.

Providing some more aspects of our aluminum production costs, on the cost side, the business achieved hot metal production costs, excluding alumina, at \$896 per ton, which is the lowest in the past 14 quarters.

While the overall hot metal cost of production increased quarter-on-quarter due to sudden jump in alumina prices in the global market, however, we expect cost improvement in the coming months, given the significant softening in the global alumina prices, currently trading at below \$550 per ton versus the peak of \$805 per ton in December. Additionally, the production ramp-up at our Lanjigarh Refinery in the coming months will enable us to bring down the overall cost.

Moving to Zinc India, we achieved 265 KT of mined metal production and 259 KT of refined metal production. With the Quarter 3 production, we delivered the highest ever 9-month mined metal and refined metal production this year.

The production cost of the quarter stood at \$1,041 per ton, improved by 5% year-on-year. We are on track to achieve the lowest full-year production cost in the last four years, while also achieving our guidance for mined metal, refined metal and cost of production in FY '25.

In our Zinc International business, overall volumes increased 12% year-on-year and 6% quarter-on-quarter to 46,000 tons. Our Gamsberg Mine delivered a strong 21% year-on-year and 10% quarter-on-quarter increase in MIC production of 35 KT. In January 25, Zinc International achieved a monthly run rate of 18 KT, reflecting a continuous improvement.

On the cost side, we delivered the lowest quarterly cost of production for Zinc International in the last seven years, at \$1,181 per ton, driven by higher and efficient production and lower TCRC, much ahead of our guidance of \$1,300 per ton.

Talking about Oil and Gas business, natural decline in our fields has been partially offset by infill wells brought online in Mangala, Aishwarya, and Raageshwari Deep Gas Fields. We drilled nine infill wells across the Mangala and Aishwarya fields in Quarter 3 FY '25, thereby taking the total count of infill wells to 18 in the initial nine months of FY '25.

Our EBITDA performance improved 2.5% sequentially, supported by improvement in price realization despite some slackness in volume.

To unlock the potential of our East Coast deepwater block, we have recently awarded contracts for controlled source electromagnetic review. This advanced technology shall help us de-risk the prospect and prioritize the drilling sequence. We expect to complete this activity by May 2025.

Our Iron Ore business has been a strong increase in quarterly production, rising 10% year-on-year and 17% sequentially, primarily driven by the Bicholim Mine in Goa. Despite the geotechnical and operational issues encountered at the Bicholim Mine, we have now achieved the production run rate of 2.4 million tons per annum for saleable ore.

Looking forward with the pig iron business receiving environmental clearance for 1.2 million tons per annum capacity, we are geared up for improved realization and profitability in the business.

Now, let me provide an update on our key growth projects. First on aluminum business. I am delighted to announce that we have successfully doubled our rolled Rolled Product capacity at BALCO to 100 KTPA. With this commissioning, Vedanta has become the second largest producer of rolled products by capacity in India. There has also been an addition of 30,000 tons per annum, aluminum silica Ingots and 50,000 per annum Slab capacity.

Moving on to the Lanjigarh Refinery, the ramp-up of Train 1 is now progressing steadily. Despite some teething issues and challenges on the supporting infrastructure side, we are making gradual progress. Train 2 is scheduled for commissioning in quarter 4 of current fiscal year.

In addition, the BALCO smelter expansion is now in an advanced stage with commissioning targeted in Quarter 1 of FY '26.

In Zinc India, the 160,000 tons per annum roaster at Debari and 510,000 tons per annum fertilizer plant are progressing as planned with final commissioning targeted for quarter 4 of the current fiscal and quarter 4 of the next fiscal respectively.

Our alloy plant is ramping up as per the plan and have achieved the run rate of generating annual EBITDA of 150 to 160 crores. In our journey for 2 million tons smelter expansion, we are targeting to commission the next phase of 250,000 tons per annum of smelter by FY '27/'28.

At Zinc International, which is one of the largest Zinc deposits globally, our Phase-2 expansion project is in full swing with commissioning targeted in FY '26.

In our merchant power business, Meenakshi and Athena Power Plants are scheduled to be operating at full capacity in FY '26. With this, our merchant power operating capacity will increase to 5 Gigawatt within the next 12 to 15 months.

**In summary:**

We have delivered our strongest ever Quarter 3 performance. Building on this momentum, we are confident of delivering the highest ever yearly EBITDA in FY '25.

Looking ahead, FY '26 will be transformational year for Vedanta. We are confident of successful completion of our key growth and integration projects in the coming month that will place our key businesses in the top decile of the global cost curve, while also driving the volume growth. We remain dedicated to creating long-term value for our stakeholders through operational excellence, strategic growth, and unwavering commitment to sustainability.

I will now hand over to Ajay for an update on financial performance.

**Ajay Goel:**

Thank you, Arun, and good evening, everyone. I am delighted to share yet another quarter of outstanding financial performance and strategic progress. Q3 has been marked by exceptional growth across our key businesses, reflecting the strength of our operational execution and disciplined financial management.

Additionally, our continued commitment to strengthening the balance sheet has resulted in significant upgrades to our ratings and the debt position, reinforcing both our financial resilience and the market's confidence in Vedanta.

In Q3 FY '25, we delivered the highest ever 3rd Quarter EBITDA in our history, reaching 11,284 crores, a strong 30% growth Y-o-Y. This achievement reflects our consistent trajectory of EBITDA expansion supported by volume growth and structural and sustainable cost initiatives.

Our EBITDA margin expanded by 517 basis points Y-o-Y to 34%, and the profit after tax (PAT) surged 70% Y-o-Y to 4,876 crores. Additionally, our ROCE improved by 170 basis points, Y-o-Y, reaching 24%, a testament to our capital efficiency and disciplined allocation.

On 9 months basis, we achieved record performance, with EBITDA rising 40% Y-o-Y to 31,924 crores and PAT soaring 151% to 14,438 crores, excluding last year's one-time clean arbitration gain and other exceptional items.

Turning to our debt position and the impact of corporate actions at both Vedanta Limited and Vedanta Resources Limited, as on Q3 FY '25, our net debt stands at 57,358 crores, with a net debt-to-EBITDA ratio of 1.4x, the best in the last seven quarters. This marks four consecutive quarters of improvement, demonstrating our commitment to reducing leverage and progressing towards our target of bringing this ratio below 1x.

Free-cash flows, pre-CAPEX generation stood at 6,766 crores in Q3, up 57% Y-o-Y, further strengthening our liquidity position. As a result, our cash and cash equivalents stood at Rs. 21,138 crores as on December 2024.

#### **Moving now to VRL and the bonds.**

A key highlight is the significant progress we have made in deleveraging our parent company, Vedanta Resources, VRL. Over the last 2.5 years, we have reduced the debt of VRL by 4.3 billion, bringing it down to 4.8 billion, the lowest level in a decade. In the first nine months of the current fiscal year alone, the VRL's debt has been declined by 1 billion.

Further, in the last four months, we have restructured VRL's entire 3.1 billion bond portfolio, securing longer maturities of up to eight years, more favorable covenant terms, and a significant reduction in our debt cost by 250 basis points. This momentum will continue as we drive further deleveraging, optimizing capital structure, and secure more favorable financing terms for both VDL and VRL.

#### **An update on our ratings.**

Our strong business performance and improved liquidity have translated into significant rating upgrades. Both CRISIL and ICRA has augmented Vedanta's rating to Double A, while VRL has seen an impressive 6 notch improvement over the last 12 months reaching a B plus rating. These upgrades reaffirm the strength of our financial position both on the P&L and balance sheet and underscores the confidence the market places in our strategic direction.

On the demerger front, we are in the important stage of execution, the shareholders and the creditors meeting scheduled on Feb 18th. This transformative step is poised to unlock significant value for our investors.

#### **In summary:**

Q3 has been a pivotal quarter marked by strong financial performance, enhanced rates quality, balance sheet strength and progress on the demerger. Looking ahead, we remain steadfast on our focus on robust cash generation further deleveraging and cost leadership. With a solid balance sheet, improved ratings and a clear strategic direction, Vedanta is very well positioned to capture opportunities in an evolving global landscape.

Thank you. I now will hand over to moderator for any Q&As.

- Moderator:** Thank you very much, sir. We will now begin with the question and answer session. Anyone who wishes to ask questions may press star and one on their touchstone phone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Amit Lahoti from Emkay Global Financial Services. Please go ahead.
- Amit Lahoti:** Thanks for the opportunity and congratulations on these numbers. My first question is on Bauxite and Coal mines commissioning timelines that were given last quarter. So, the question is, do they still hold? Or is there any change?
- Arun Misra:** So, Bauxite and commissioning, so they still hold. We are looking at FY '26, some in Quarter 3, some in quarter 4, yes.
- Amit Lahoti:** So, in the last quarter it was Q1 for the Sijimali Bauxite Mine. So, is it changing?
- Arun Misra:** Yes, Q1 of next fiscal.
- Amit Lahoti:** Yes, Q1 of FY '26. Correct.
- Amit Lahoti:** So, my second question is that we have reported hot metal cost ex-alumina is \$900, which the company has highlighted that it is lowest in the last three years. So, what has contributed to this benefit in Q3, one, and then are there enough levers with us to reduce it to even lower levels in the coming quarters?
- Ajay Goel:** We have Aluminum team on the call, Mr. Anup Agarwal and Sunil Gupta. Anup, would you please address this question?
- Anup Agarwal:** Yes, thanks, Ajay. So, Amit, to your question, if you recall last time also I had covered that in power due to increased materialization, better GCV and the better plant PLF, the cost will progressively come down in the next two quarters and we had also indicated a number of \$40-\$50. And you can see that of it, \$25 has come down in Quarter 3. Another \$20-\$25 we believe will come down in quarter 4.
- And to your question whether we have a further lever, I can say that the lever maybe to an extent of \$100. Maybe \$30-\$40 will come out of the operating efficiencies and the balance will come as and when we ramp up our captive coal blocks.
- Amit Lahoti:** Okay, thank you. Very clear.
- Anup Agarwal:** I hope that answers your question.
- Amit Lahoti:** Thank you.

**Moderator:** Thank you. The next question is from the line of Amit Dixit from ICICI Securities. Please go ahead.

**Amit Dixit:** Yes, hi. Good evening, everyone. And thanks for the opportunity. First of all, congratulations for a very good set of numbers in a very challenging quarter. I have two questions. The first one is on oil and gas. So, while I understand that the ASP injection is in progress, we have been taking a lot of initiative from that front. But still, we see a secular one-way decline in oil production. Just wanted to understand when this decline will be arrested, and we can see actually a bump up in production.

**Ajay Goel:** We have got Oil and Gas CFO, Hitesh was in the line. Hitesh?

**Hitesh Vaid:** Hi, good evening. You know, from an oil and gas field point of view, our current production is primarily from the discoveries which we made long time back. And, you know, as it happens in this industry that these fields start maturing and declining. And obviously, you know, our job is to manage this decline through good reservoir management practices, which we have been trying to do.

One of the drivers for us to, you know, arrest this decline materially and move up the curve is of course the benefit which ASP injection will help us. That project is happening and in the first half of FY '26, we will start the injection into the larger part of the field, and we will start realizing the benefit.

But in terms of near-term volume acceleration, what we are trying to do is work on infill opportunities in our existing field and try to manage that decline. So, that is the objective, twofold. One is to accelerate that ASP injection process so that we can correct the decline and move the curve upward.

And second is how do we bring in more infill wells to manage our current decline. And of course, as we had said earlier as well, that beyond this, what we are also trying to do is, you know, build a larger portfolio so that we have additional opportunities through which the volume can come in.

So, for example, our OALP block, which is the Jaya Field, is currently producing around 3,000 to 4,000 barrels that is what and which gives us extra cash per barrel. We are going to drill a couple of more wells in the same block in 2- 2.5 months' time and that will give us a near term volume opportunity and beyond that, of course, Northeast where we are doing exploration. At least the well which we are doing now has given us positive results and we hope to make that work.

And the other part, which is the bigger part in our piece, is the deepwater block where we have just started the survey also. The contract has been awarded and by May we should be ready with our drilling plan to start next year. So, that is the broad plan of how we are trying to manage the



current production as well as what we are doing to have an uptick in volume going forward in the next financial year.

**Amit Dixit:** Thanks, Hitesh. Very elaborate answer. So, what it means is that in H2 FY '26 maybe we can see the production bumping up if all these initiatives and steps go in the right direction. Will it be a reasonable assumption?

**Hitesh Vaid:** The way I will interpret is that for H2, we will see the benefit, the larger chunk benefit from the ASP injection which we have already invested money and are doing a small injection as well as of now. But from now to the next six months, we are doing a lot of infill wells for which the approval was there and those wells are also starting to come online. So, we will start seeing incremental volumes from them which will arrest our decline and have a stable volume going forward.

**Amit Dixit:** Okay, got it. The second question is on Zinc International. Now, massive improvement in cost, something that we have not seen in Zinc India as well. But of course, the scope to improve and to scale much more in international. So, I just wanted to understand how much of this decline is sustainable because it is much beyond your own guidance. So, what are the key drivers behind it? And how much of it is sustainable going forward?

**Ajay Goel:** Requesting Chris to address this, and also in case, Chris, you want to give the bigger picture for overall base metal and KCM.

**Chris Griffith:** Okay, Ajay, thanks. Thanks for the question. I think we had a really spectacular 3rd Quarter in terms of costs. I think that's probably a little bit better than we are expecting to do. And my expectation is that we should see the cost range between \$1,200 and \$1,300. So, that's massively down from the \$1,600, \$1,700 a ton that we were seeing earlier on in the year. So, this is perhaps a little bit better than we would expect going forward, but what we have been seeing is a sustainable increase in the volume from ZI.

So, we are going through a particular weak patch last year and this year. As we needed to increase the amount of stripping, we had some geotechnical challenges. We needed to push back the one wall of the one pit. We had very, very constrained areas in the remaining pit, in the second pit that we were going through, old underground workings. So, all those challenges, I think we have largely worked themselves through.

We have increased the stripping, just to give you an example, from the beginning of this financial year, we were stripping at about 4.5 million tons per month. We have just hit two months in a row at 8 million tons a month. So, that's the rate that we require for both of the Phase-1 and Phase-2.

So, I think we are finally starting to get ourselves into a much more sustainable position. This next year that we see, so we will definitely see another uptick again in the 4th Quarter. And then in the year of '26, we are going to see another much more sustainable performance from ZI.

So, what you should see is overall lower cost than we have been seen, but perhaps not quite as good as the 1,100. And as I said, I think the range should be in about 1,200 to 1,300. And then as Arun said in the introductory session, what we will see is that the end of this financial year, so at the very end of '25, we will see the completion of Phase-2, and then in the first quarter of next year, so the end of the Financial Year '26, we will have ramped up the production. So, the 2027, then we see production from both Phase-1 and Phase-2. So, overall, we are expecting to see continued improvement and much better results from ZI going forward.

And then Ajay, just to check while I am speaking, would you like me just to talk a little bit about KCM here?

**Ajay Goel:**

Yes, please.

**Chris Griffith:**

Okay, folks, while I am chatting, I will just give you a little bit of an update. You will recall that we started production in September after having got the asset back. That was just sort of getting going. So, we only had a very, very small production in September. But then from Q3, we ramped up to sort of about 8 kilo tons of copper a month. And in the next quarter, we are going to be ramping up further.

From this month, we should do about 10, ramping up to about 15. So, already, after just six months of production, we are going to be at a run rate of 160 to 175 kilo tons of copper. So, that's almost at the run rate that we were before the business went into liquidation. So, in this coming year, we should see a much better performance. So, we are going to deliver about 60 kilo tons of copper in the six months. And then what you should see next year, I reckon, in the region of 150 to 200.

So, we will give you proper guidance, of course, at the end of the year. The KCM is ramping up very nicely. Of course, in the beginning, it's going through all the teething problems of five years of liquidation. We have got quite a bit of sort of normal maintenance and fixed up capital that you would expect after that kind of time frame of being in liquidation. All of that is planned. The fundraising process is well underway. So, I think we are very well positioned for this coming year to be in a fantastic position to deliver, as I mentioned, very solid performance from KCM on this amazing copper asset.

Just to remind you, I mean, KDMP is 3.5% copper. We have got 50 years' worth of life at 300 kilotons of copper. So, the primary integrated, our own production is ramping up nicely, custom with very low treatment charges. So, we are sort of a bit of, we will manage that as we go along, because of course we don't just want to chase a copper production number and lose money as a result. So, custom, we will see how that goes with our integrated production starting to deliver very nice numbers and next year should be a fantastic year for us. Thanks, I will pause there. Ajay?

**Ajay Goel:**

Thank you.

- Amit Dixit:** So, did I hear you right? When...
- Moderator:** Thank you. The next question is from the line of Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.
- Ashish Kejriwal:** Hi, thanks for the opportunity and congratulations to the entire management team basically to manage your aluminum operations well as well as debt situation of Vedanta Resources, a parent company. Kudos to you guys. Sir, my two questions, one obviously on alumina, last quarter we said that we were operating at a 3 million ton run rate. So, what went wrong? Because we end up with 2 million ton run rate entire quarter, so what went wrong and where we are currently? And is it possible to guide how much we can produce in Q4 or FY '26? That's my first question.
- Ajay Goel:** We will request Sunil Gupta and Anup to address this, please.
- Sunil Gupta:** Ajay, thank you, Ajay and let me address this. So, Ashish, to your question, you are right. Last time we said and let me reiterate, from a technical capacity point of view, we tell the run rate of 3 MTP of multiple instances during Quarter 3. Okay. However, having said that, the same could not be sustained throughout due to unplanned shutdowns and infra handling and Arunji covered that. Now going forward, we believe that most of the issues are behind us or will get addressed in, say, a month or two.
- Now, if you were to ask me Quarter 1, where we will be, I think with confidence we can say that at least 60-65% of our requirement will be met through captive sources. Quarter 4 maybe, will be higher compared to Quarter 3. If I were to give a number, can be anywhere between 10 to 15%.
- Now, having said that, I would also like to cover the bigger picture. As you know that Train 1, as I said, we will be closer to 3 million tons per annum or the rated capacity as we exit this year. Quarter 2, we will start commissioning in quarter 4 of this year. And taking from the learning that we have had during the commissioning of Train 1, we believe next year, at least 70% of our requirement, we should be able to address through our captive alumina production, Ashish.
- Ashish Kejriwal:** Sure. Thank you so much, sir. That's very helpful. The second question is on International Zinc. What we heard is that in Jan, we were operating at 18,000 tons per month. And obviously, as you mentioned, that it's going to ramp up further because we have seen many times lots of issues going over there, and because of which our production fluctuates. So, are we seeing that now these sort of issues are behind us and at least we can do 18-20,000 tons per month going forward? And when the 2nd Phase of expansion is going to be commissioned, are we seeing any volumes coming in for the 2nd Phase in FY '26?
- Arun Misra:** Requesting Chris to address, please.
- Chris Griffith:** Okay. So, I will just mention some of the points that I made earlier, is that we have made significant progress in addressing the challenges that were hampering us, and those were, just to

recap, a historical under-stripping, a number of geotechnical issues which forced us to actually stop one of the two pits and push back the whole wall, that process will still be taking the whole of this coming year, the whole of '26 to complete.

Because we stopped one of the two pits, we only had the one pit. We are delivering volume out of one of the two pits. So, we are getting ourselves into a much more sustainable position. We also were mining through historical underground workings. So, the one pit of the two that we had was work going through underground holes that made it very difficult to have open-pit mining.

Now, I mentioned that we have made substantial progress with mine through those underground workings. We still only have one pit available. And during the course of '26, we get ourselves into a position where we start getting two pits producing. So, now I think '26 will still be a fairly challenging year for us, but we should see a substantial increase in the production from ZI. So, we should do somewhere between 160 and 180 kilotons of production this year.

And next year, this is not our guidance. We will give official guidance at the end of the year, but we will see somewhere between sort of 240, 250 kilo tons of production from Gamsberg and Black Mountain next year. So, a very substantial pickup in production, over 20, 25% next year. But what we won't see is any of the production because we only finished the Phase-2 plant at the end of the Financial Year '26. So, you will see both Phase-1 and Phase-2 delivering in 2027.

So, next year, to summaries all of that, much better production. We have worked ourselves through most of the problems. We had the run rate of stripping, I mentioned, 8.5 million tons per month is double what we were started at the beginning of the year, 4.5. So again, we are stripping at the rate now that we need for both plants. So, we have got a little bit of catch up to do, and we will see that catching up during the course of 2026.

So, I would say that 2026, most of the problems are worked through, but we are still going to be, I think, fairly tight. And under those circumstances, if anything goes wrong, then it does impact you. But we are going to be in a much better position next year, and then from 2027 onwards, you are going to see ZI in a fantastic position and then it will be generating cash flow that I think you will be proud of. Thanks.

**Ashish Kejriwal:** That's great, Chris. Thank you so much and all the best.

**Chris Griffith:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

**Ritesh Shah:** Hi, thanks for the opportunity and congratulations for a great refi. First question was on capital allocation. I think Chris made a comment on TCRC and he also indicated looking at integrated production. So, just wanted to have some thoughts on whether it's with respect to the MoU in

Saudi Arabia, \$2 billion. Will it be at Vedanta India level or at VRL level? How should we look into that?

**Ajay Goel:** Ritesh, could you please paraphrase your question? So, is the question that will KCM be part of, structurally part of Vedanta Limited?

**Ritesh Shah:** No, Vedanta Copper basically we have signed a MoU with Saudi Arabia to invest \$2 billion. It's for an integrated smelter refinery. So, wanted to understand what the status of this particular project is and whether it will fall at Vedanta India or at VRL level.

**Arun Misra:** Project with the Saudi Arabia, only let the concepts be fully even frozen, then we decide the structure and the investment strategy around it.

**Ritesh Shah:** Right. But do we have clarity that we may add...

**Ajay Goel:** Yes, from a structuring viewpoint, it is a part of Vedanta India console. So, it is a part of VDL and not VRL. Now, in terms of project status, yes, it is progressing quite well on schedule. And from allocation of capital viewpoint, the number that you heard is 2 billion. That is over the time frame multiple years. But in the near future, over the next couple of quarters, it is very, very small.

If you also look at the multiple priorities that the government of Saudi Arabia has proposed, they want to also look at areas beyond oil and gas. And metals and mining has been identified as one of the important areas for development. So, any project in Saudi Arabia around metals and mining also will see multiple government partnerships.

Now that can be around a significant subsidy on CAPEX. It also means multiple benefits in terms of cost. Example remains the power cost. At the same time, the lower cost of funding. So, net-net, it will lead to partnership between the government and Vedanta. Project progressing well. Right now, in the nascent stages. And the cost of funding and CAPEX will be quite minimal over the next couple of quarters.

**Ritesh Shah:** Sure. That helps. Sir, I have a couple of questions. Please bear with me. Sir, my second question was on the debt refi. I would presume the total number is around you indicated \$4.8 billion, but that would be excluding ICL and to what my memory serves, I think ICL was due in December 24. So, just wanted to know what the status is on ICL, and second related question is, I would presume the loans would be around the \$2 billion? What is the weighted average cost over there? Those are specifically related to debt and loans that we have at VRL.

**Ajay Goel:** So, starting with the first one, you are right, that the amount of 4.8 billion at Vedanta Resources. It is only the external debt and you also got to transpose on that 0.4 billion, 400 million is the inter-corporate loan. Total in that case debt at VRL becomes 5.2 billion all in internal, external.

Now the ICL, you are right, was due in December. Now the Board has decided and recommended to extend this ICL by almost 15 months. So, out of 400, the loan now becomes due in over 2 tranches. So, 200 million is due in January 26th. So, it is one year from now. Another 200 million is due in May 26. So, it has been extended by on an average 15 months.

Now, if I look at the current debt stack at Vedanta Resources, \$4.8 billion, one can think of three cohorts, roughly 3, 3.1 billion is multiple bonds. And that is what we have restructured over the last three, four months. Another billion is multiple bank loans, which are mostly from the Indian state PFC bankers. And the remainder billion is basically the PCF from Stan Chart. So, 3 billion bonds, a billion bank loans and a billion PCF.

**Ritesh Shah:** Right, sir, sorry to interrupt.

**Ajay Goel:** Average cost, you mentioned...

**Ritesh Shah:** Yes sir, average cost. Sorry. Sorry to interrupt.

**Ajay Goel:** Sure, please. The average cost from 13.3% at the year beginning is now down to almost 11%. And as we also repay and refinance this PCF in April and August, in that case, the cost of debt at Vedanta Resources will come down to a single digit, almost 9.8%, sometimes in July, August of the current calendar year.

**Ritesh Shah:** This is very useful. Sir, is it possible to explain the underlying reason for the deferment of ICL given payouts have been nice? So, from a priority standpoint of cash flows, how should one understand that or the other way to put it is what are the terms on the ICL right now?

**Ajay Goel:** See, if you look at the overall group's cash management and maybe look back over the last 9 months, where VRL has been de-leveraged by 1 billion. Even at Vedanta Limited, which is led by operating free cash flows and multiple corporate actions be it QIP, offer for sale for Zinc 1.5%, we have significant cash and cash equivalent as I mentioned Rs. 21,000 crore.

The feedback from the investors both from the debt and equity has been to look at this ICL deferred by almost one more year. So, it does help the group in terms of optimal cash management and of course following the due process, which means we take Board approval and even multiple legal opinions and view by the EY. So, it is the cash management overall.

**Ritesh Shah:** Sure. So, a few bookkeeping questions. We have not touched upon Athena and Meenakshi. I think Arunji in his initial remarks indicated that we expect that commissioning in FY '26, please correct me if I am wrong, wanted to understand the commissioning schedule over here. Are we looking at short-term, long-term PPAs, what the status is? And do we have any linkages or are we looking at imported coal? Just trying to understand the economics and the cash flow from the power assets which are quite significant.

- Arun Misra:** So, both Meenakshi and Athena, yes, you are correct. Sometimes it is supposed to come to full capacity in FY '26. Of course, coal always will look at as much as domestic coal linkage wise possible running through auctions. Also, we will look at synergy with our coal mines allocated to other units, how do we synergize that? That could be another option. And yes, we will have a final capacity of 5 Gigawatt maybe in the next 12 to 15 months once they are commissioned.
- Ritesh Shah:** Sir, I was looking at more detail. I will join back the queue with the same follow-up question. I will join back the queue. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Raashi Chopra from Citigroup. Please go ahead.
- Raashi Chopra:** Thank you. Just continuing with the question on the debt, so now the interest cost should be somewhere around 550 million, right? And from a repayment perspective, this year is about 800 million for the StanC loan and what would be amount paid for next year? This is for PLC.
- Ajay Goel:** Okay. So, maybe, Raashi, I will give you overall picture for Vedanta resources. And you are right, with the recent deleveraging and the bond refinancing, the interest cost at VRL for the full fiscal is almost 500 million, 0.5 billion. The total repayment due next fiscal is about 900 million. So, 0.9 billion is the principal. 0.5 billion is the interest. So, 1.4.
- Now, how will this be serviced? There are two sources of cash and income at Vedanta Resources. Brand fee is a 400 to 450 million, and that leaves 950 to a billion as the principal.
- Now, as you may have seen over the last 3 odd years, the payment of dividend at the VRL receipt is about 2.5 odd billion. Going forward, even by paying almost one-third the dividend of historical average, the VRL debt can be easily managed. So, it is a 0.9 principal and 0.5 interest cost, 1.4 for the full fiscal.
- Raashi Chopra:** Thank you. And for FY '27, what is that number in terms of principal repayment?
- Ajay Goel:** Principal is almost 650 million and the interest cost will be even lesser. I would say almost 400 to 450. So, give and take 1 to 1.1 billion, both principal and the interest in FY '27.
- Raashi Chopra:** Got it. And at the India level, what is due for repayment now in this year, FY '25, 600 million?
- Ajay Goel:** For the current fiscal?
- Raashi Chopra:** Yes.
- Ajay Goel:** If you look at Vedanta Limited standalone, it is, you are right, almost half a billion and Vedanta consol about 1.2 billion. And for India, as you know, it's different, Raashi, because our entire debt is secured. And so refinancing or repayment is a bit different at Vedanta India consol.

- Raashi Chopra:** Got it. On the CAPEX side, what has been spent? I mean, are you on track for your 1.9 billion target? What has been the spend in the 9 months?
- Ajay Goel:** 9 months is about 1.15 billion, and we will be in the ballpark of 1.5 to 1.6 billion in the current fiscal on CAPEX.
- Raashi Chopra:** And just one last question from me on the, I think this time you haven't given the slide with your targeted volume and cost. So, for aluminum, the original target was I think for FY '25, 2.3, 2.4. So, where are we at now for the 4th Quarter?
- Anup Agarwal:** So, Anup this side. So, on volume, we should be slightly above 2.4 million ton as we exit this year on the hot metal.
- Raashi Chopra:** And on the cost side for aluminum?
- Anup Agarwal:** The cost, let me tell you, see, in Quarter 1 let me tell you and we spoke, the cost drivers from here would be one, the captive alumina as we ramp up our alumina, and on the bottom of the alumina, we have already spoken about the prices coming down from the levels of \$800 to \$500. Now if you ask me where the cost will be in Quarter 1, we can very well say that the aluminum cost should be 15% to 20% lower than what we saw in Quarter 3. Quarter 4, because of some high cost inventory and the metal in transit, aluminum cost will remain at the elevated levels. So, broadly if you ask me for the year as a whole, we should be somewhere around \$1,800 on the hot metal cost. For FY '25, the 1,800 will be for FY '25.
- Raashi Chopra:** Understood. Thank you.
- Moderator:** Thank you. The next question is from the line of Indrajit Agarwal from CLSA. Please go ahead.
- Indrajit Agarwal:** Hi, sir, thank you for the opportunity. A few questions. First, on the two large projects, that is Ghogarpalli Mine and Sijimali Mine, what are the milestones that are still to be received or achieved, and what should we look out for timely commissioning? Because Bauxite Mine Sijimali is actually as soon as next quarter, so how should we look at it?
- Ajay Goel:** Sunil, would you address this?
- Sunil Gupta:** Yes, I will address it. So, coming to the Sijimali Mines, you know, we have already in the 96% of our land acquisition is over. We are in the advanced stage of the forest clearance, and we may get maybe another one, one-and-a-half months' time, we will get the forest clearance. So, we are at a very advanced stage of Sijimali operational. Maybe in the quarter 2, we are going to start the Sijimali Mine. This is the status of Sijimali Mine.
- For the Ghogarpalli Mines, we have already taken the action on the ground. Land acquisition, alienation of land is already completed. We have application for EC, ToR has been filed. Application for ML has been filed. So, we are on track as far as the Ghogarpalli and mining plan



is already submitted to MoEF. And I am very hopeful that Quarter 1 off, as per the original guideline, original target of Ghogarpalli, quarter 4 of FY '26, they are going to take out the first coal for the Ghogarpalli.

**Indrajit Agarwal:** Sure. Thank you. This quarter we also had a slight increase in alumina cost of production, captive alumina cost of production. What were the drivers for that? And how should we look at it going forward?

**Ajay Goel:** Anup?

**Anup Agarwal:** Yes, I will do it. So, Ashish, you are right. See, we have had a marginal increase in our cost of alumina production, and that is to do slightly with the imported bauxite that we have consumed more compared to the earlier quarter. And going forward, so let me again reiterate. See, what is going to happen is, maybe if you look at the full year picture now, Ashish, we would need broadly 10-11 million tons of bauxite next year, broadly I am saying.

Out of it, 60% should be through domestic sources, OMC and some other sources. 25 to 30% we believe should come from Sijimali once it starts and then ramps up. So, you can see that maybe 10 to 15% is what will be the imported cost, and we believe as we progress along now, this imported bauxite cost should come down and accordingly, the alumina cost should be closer to the levels of 320-325 for the year.

**Indrajit Agarwal:** Sure. And one last question, if I may, on the KCM operations. At 160, 180 KT kind of run rate, assuming today's copper price and TCRC etc., what kind of annualized EBITDA can we generate over there?

**Ajay Goel:** Again, I will go back to Chris for this question. Thank you.

**Chris Griffith:** That's a very good question. And I would like actually not to respond to that now. Can I ask, Ajay, through you that we respond? I will get that number to you. It's actually some work that we are underway at the moment running our business plan. And we have also got to make assumptions about what the custom treatment charges and the custom earnings will be. So, can I ask Ajay through you that I don't answer that now, we would rather get back to the gentleman that asked that question shortly. Thanks.

**Ajay Goel:** Sure. So, it's, Indrajit, I would appreciate the whole KCM is under ramp-up and right now the management is focused similarly on operations and ramp-up. This mine has become operational after 3-4 years and hence maybe the cost right now won't be a good indication. So, allow us couple of more month's time and once we publish our full year numbers or before that, we will come back to you in terms of both EBITDA and the cash estimates for KCM for next year.

**Indrajit Agarwal:** Sure. Thank you. That's very helpful. That's all from my side. I appreciate it.

**Ajay Goel:** Thank you.

**Moderator:** Thank you. The next question is from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

**Pallav Agarwal:** Yes, good evening, sir. Sir, just a clarification. KCM is still part of Vedanta Resources, right? Or is there any plan of shifting that to the base metal business during the restructuring?

**Ajay Goel:** Yes, you are right. It is a part of Vedanta Resources. And right now, there are no plans to be discussed actively. So, it remains part of Vedanta Resources in the near future.

**Pallav Agarwal:** Sure. So, just a couple of, you know, clarifications. So, if I look at the Zinc International business, we have had higher production and lower cost, right? And even zinc prices, zinc has been sequentially higher. So, why have we seen a small, you know, decline in EBITDA on a sequential basis?

**Ajay Goel:** Chris, would you want to address that?

**Chris Griffith:** Pallav, we actually are increasing. As the costs are reducing and the volumes are increasing, we are increasing EBITDA. And that will continue again for this 4th Quarter. As we once again increase production, you will see an increased EBITDA for Q4. And of course, likewise, that will continue into '26.

**Pallav Agarwal:** So, Chris, I was actually referring to the sequential...

**Ajay Goel:** There is a small...

**Pallav Agarwal:** Yes, please go ahead.

**Ajay Goel:** You are right. Maybe there is a small impact.

**Pallav Agarwal:** Yes, sir.

**Ajay Goel:** So, yes, there is a higher volumes, the lower cost as well. And if it gets sequentially, maybe the EBITDA in the 2nd Quarter 378 and the 3rd Quarter is 64. Small difference and that is mostly one can attribute towards pricing.

**Pallav Agarwal:** Sorry, sir, could you repeat that, which pricing?

**Ajay Goel:** Overall the pricing is the reason, but overall, the volumes are better and so is the cost. The small impact on the EBITDA is a function of mostly pricing. So, if you see the Zinc pricing in the 2nd Quarter was a bit different than the 2nd Quarter.

**Pallav Agarwal:** Sure, okay, because the average was higher in the 3rd Quarter, but yes, maybe the timing difference could lead to that. So, you know, similarly on the oil and gas business, the crude prices were down sequentially and our OpEx also as per the presentation went up sequentially. Even

the production, there was a decline. But we have had sequentially higher EBITDA. So, any particular reason for that?

**Ajay Goel:** Hitesh?

**Hitesh Vaid:** Yes, hi. See, in the oil and gas business, beyond the oil price, volume and cost, one of the factors is our recovery from the revenue of the spend which we do on CAPEX. And as I said, we have started investing money in new infill wells, which will help us to gain volume in the near term, as well as the ASP project where the work is happening on the ground. Since I am spending a bit more in infill wells and development, my profit sharing goes down and that's why my EBITDA goes up even though there is a marginal change in the volume as well as a bit uptick in costs.

**Pallav Agarwal:** So, basically, you know, CAPEX affects the profit sharing with the government and so that is leading to this increase. Is the understanding correct?

**Hitesh Vaid:** Yes, correct. Correct. Because now I am putting more money to bring volume in the near term. So that helps me to generate additional revenue and EBITDA, which I am investing in the business.

**Pallav Agarwal:** Finally, just on the power business, we have seen a pretty sharp decline in EBITDA on a sequential basis. So, is this because of higher cost over there or does something change in the TSPL profitability?

**Charanjit Singh:** It's primarily because of the shutdown in one of the IPPs, and which was also scheduled shutdown. You will see a further improvement in the Q4.

**Pallav Agarwal:** Okay, yes, thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, this will be the last question for today, which is from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

**Sumangal Nevatia:** Yes, thank you for the chance. A couple of quick questions. First on Bauxite, we have said that roughly we are expecting 25% from Sijimali and 25% from imports. Just want to understand what could be the cost difference at the bauxite level or alumina level between these two?

**Ajay Goel:** Anup?

**Anup Agarwal:** Sumangal, can you just repeat this, the second half you said what is the cost?

**Sumangal Nevatia:** Yes, so I wanted to understand, sir, what would be the cost difference between the two source of bauxite, one is from Sijimali Mine and the second is from imports at the plant level, say.

- Anup Agarwal:** See, I will try and give you some broad numbers. Okay. Now, Sijimali should be closer to the bauxite cost that we get from our OMC mines. That is what we are looking at. And of course, the imported bauxite costs have been slightly 25-30% higher than the domestic bauxite sources.
- Sumangal Nevatia:** Sir, at the alumina level, what is the differential? Yes, sorry.
- Anup Agarwal:** Sorry, go ahead.
- Sumangal Nevatia:** No, so at the alumina level, just to get some numbers for some calculation, what could be the difference in the cost of production of alumina from Sijimali Mine bauxite, or from imported bauxite?
- Anup Agarwal:** See, broadly you can assume that the alumina cost will be in the range of, say, 260 to 270 if we are using it from the Sijimali, and the same can go up to, say, 330-335 if we use the imported source.
- Sumangal Nevatia:** Understood. That's very helpful. My second question is on royalty. So, just want to understand what is the current royalty we are paying? What are the chances of it increasing in the near future? And when is our agreement expiring with respect to the royalty with the parent?
- Ajay Goel:** So, the royalty and the strategic fee rate right now remains same, which is 3% for Vedanta Limited. In case of zinc, it is 2%. It is being paid to Vedanta Limited first and out of that 0.3% is what Vedanta retains and the balance 1.7% is the pass-through.
- So, in summary, the rate of royalty has not changed. We don't foresee it changing. When the Board last revised the rate, it was locked for the next 6 years. The current agreement is for the long term. It's expiring only in 2028.
- Sumangal Nevatia:** Understood. And just one last question on the coal mines. So, out of the four coal mines, for at least say Kuraloi, Radhikapur, Ghogarpalli, has any of them received forest clearance, final forest clearance?
- Sunil Gupta:** Yes, so, we are in the advanced stage for getting the forest clearance for the Kuraloi Mines. So, maybe there may be another month, one month time we are expecting forest clearance for the Kuraloi mines. And the Ghogarpalli, as I told that we have only applied for a mining lease. So, for a forest clearance it will take time. For the Kuraloi for sure we are going to get forest clearance within 1 months' time.
- Sumangal Nevatia:** And what about Radhikapur, sir?
- Sunil Gupta:** Radhikapur, we are progressing well with Radhikapur. We have already got the EC. So, there is no issue in that. So, the Radhikapur there is no problem. We have everything in our hands.

**Charanjit Singh:** Sorry. Sumangal, can we take this question? Because I think we have run out of time. So, we can continue with it. You can take it offline with me.

**Sumangal Nevatia:** Sure. Great results, and all the best to the team. Thanks for the answer.

**Ajay Goel:** Thank you.

**Moderator:** Thank you. As that was the last question for today, I would now like to hand the conference over to Mr. Charanjit Singh for closing comments. Over to you, sir.

**Charanjit Singh:** Thank you everyone for joining us today. I hope we have managed to answer most of your questions. In case you still have any questions unanswered, you can reach out to us. With this, we conclude our today's call, and we look forward to reconnecting with you for a full year's results towards the end of April, early May. Thank you, and good day, everyone.

**Moderator:** Thank you, members of the management. On behalf of Vedanta Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.