



“Vedanta Limited  
Fourth Quarter and FY25/26 Earnings Conference Call”  
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**Moderator:** Ladies and gentlemen, good day and welcome to Vedanta Limited Fourth Quarter and Full Year 2026 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 star then zero on your touchtone phone. Please note that this conference is being recorded. Participants connected on webcast link may change the quality setting 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, Yash. Good evening everyone and welcome to Vedanta Limited Q4 and full year FY '26 earnings call. On behalf of Team Vedanta, I thank you all for joining us today. I hope you had an opportunity to look at the results releases that we have made. Also, we have uploaded a presentation on our website, under the Investor Presentations tab outlining the medium-term outlook for the de-merged Vedanta, covering all business segments, which is primarily Zinc India, Zinc International, Copper, Ferrochrome, and Nickel. Kindly take a look at it if you haven't had the time to already see it.

On the call today, we have with us Ms. Deshnee Naidoo, our Group CEO; Mr. Arun Misra, our Executive Director; Mr. Ajay Goel, our Group CFO; Mr. Anup Agarwal, CFO Aluminium; and Mr. Jasmin Sahurity, COO Oil and Gas. We will begin the call with a business update from Ms. Naidoo, followed by an update on financial highlights by Mr. Ajay Goel, and after that, we will open the lines for Q&A.

With that, I now hand over the call to Ms. Naidoo. Over to you, Deshnee.

**Deshnee Naidoo:** Thank you, Charanjit. Good evening, good day everyone, and thank you for joining us today. This will be our final results call, ahead of de-merger. Starting next quarter, each of the de-merged entities will conduct its own earnings call, as separate companies.

But before I reflect on the year's performance, I want to take a moment to speak about the tragic incident that unfolded at our Athena power plant in Chhattisgarh on the 14th of April. I want to begin by expressing my deepest condolences to the families of those who lost their lives in the tragic incident.

Across Vedanta, there has been an outpouring of grief and solidarity. I want to acknowledge the efforts by the teams on the ground. Our thoughts remain firmly with the families who are grieving and with those who continue to receive medical care.

The plant is run by our O&M contractor, NGSL. The incident occurred in Unit 1 of the plant involving the boiler, which resulted in the release of pressurized hot water and steam, exposing various people working in that area. These workers were primarily from our contractor and sub-contractor organizations, who were present in the area carrying out operations and maintenance-related work.

We continue with our efforts to provide the best possible medical care and rehabilitation support to impacted families, including monetary compensation, accommodation, and employment opportunities. We are also operating a 24/7 call center to address any queries from affected families.

Extending care and support to all our employees at the site and beyond, remains our top priority. We are working with all authorities to establish the facts in a transparent and comprehensive manner and will take all necessary steps to prevent any re-occurrence of such incidents.

I also want to take the opportunity to talk to you about the group performance on safety year-on-year. Our lost time injury frequency rate for the year improved to 0.4, with our lost time injuries down 16%. Our total recordable injury frequency rate decreased 3% to 1.3. And as part of the group safety improvement plan, we continue to embed and implement our CRM, our critical risk management, drive incident, corrective and preventive action close-out, and increase our leadership in the field.

Now I want to turn to our FY '26 performance. The year represented a clear inflection point for Vedanta as strategy and execution converged to deliver the best ever financial performance in the company's history.

We delivered record high annual revenue of INR1.74 lac crores, EBITDA of INR56,000 crore, PAT of over INR 25,000 crore, and our free cash flow pre-capex of INR 26,013 crore. Our return on capital employed stood for the year at 32%, all of this on the back of volume growth across various businesses and reduced costs driven through structural initiatives.

Our efforts on operational excellence transformed FY26 into a year of new milestones where our aluminium business delivered its record alumina production of 2.9 million tons, up 48% year-on-year, and highest ever aluminium production of 2.46 million tons, while also achieving its lowest annual hot metal cost in the last five years of \$1,752 per ton. Our exit run rate of alumina production at Lanjigarh refinery was close to 4 million tons per annum.

Zinc India recorded its highest ever annual mined metal production of 1.1 million tons, with silver production of 627 metric tons, while simultaneously achieving the lowest cost of \$959 per ton in the last five years.

At Zinc International, mined metal production increased 27% year-on-year to 2,25,000 tons, led by the Gamsberg volumes rising 39% year-on-year, driven by higher throughput, stable ore delivery, and improved feed grade.

Power sales grew 30% year-on-year to 16.4 billion units, with the start of operations at Athena and Meenakshi, alongside a 11% increase in our average NSR.

The steel unit in Bokaro delivered 1.3 million tons of production, achieving its highest ever annual billet, TMT, wire rod output of 1,062,000 tons, 5,25,000 tons, and 4,45,000 tons respectively. Through improvements in fuel mix and better raw material utilization, the business achieved an overall cost reduction of 10%. Our pig iron unit in Goa achieved its highest ever pig iron production of 8,95,000 tons, representing a 10% increase year-on-year.

Our iron ore production grew 5% year-on-year to 6.2 million tons, while Iron Ore Goa achieved a 62% year-on-year growth, supported by production ramp-up initiatives and delivering an 18% reduction in operating cost. Our ferrochrome business delivered a strong turnaround with record ferrochrome production of 1,01,000 tons, up 21% year-on-year. The restart of the Kalrangiatta mine enabled availability of high-grade captive ore during the year, thereby materially reducing our cost by 19% compared to FY '25.

At the copper business, operational delivery remained strong with Silvassa and Fujairah plants together delivering copper rod production of 2,82,000 tons, a 10% year-on-year jump. Silvassa recorded record annual cathode production of 1,70,000 tons, up 15%, resulting from de-bottlenecking, operational efficiency, and diversification of raw material resources.

I'm now going to turn to capital. FY '26 recorded not only new milestones on operational metrics, but also on capex execution. During the year, we deployed INR15,000 crores of growth capital in line with guidance, establishing a new benchmark in Vedanta's journey on project execution as the year marked successful commissioning of various multi-year projects, setting us up on a trajectory of multi-year growth.

Some of the key growth projects completed are the expansion of alumina refinery at Lanjigarh of 5 million tons per annum, commissioning of the new 4,35,000 tons smelter at Balco with production ramp-up starting from the current quarter, commissioning of the 2,50,000 tons and 2,10,000 tons per annum of new billet lines at Jharsuguda and Balco respectively, start at the 1,60,000 tons Debari Roaster at Hindustan Zinc, successful de-bottlenecking at Hindustan Zinc, Chanderiya and Dariba, resulting in an incremental capacity of 21,000 tons per annum. Additionally, the 1.3 gigawatt at Athena and Meenakshi. Other facilities commissioned during the year include the wagon tippler facility at Lanjigarh and the crusher at Gamsberg Phase 2.

As we move into FY27, the pipeline of projects commissioning remains strong. The Kuraloi coal mine and Sijimali bauxite mines are awaiting for their EC, which will pave the path for starting operations two mines. Gamsberg Phase 2 is around 94% complete, whilst our fertilizer project in Zinc India has already booked around 75% total capital. At ESL, plant capacity doubling to 3.5 million tons would take around six months once we receive the EC.

All equipment required for the expansion is already installed and at the project site. Our DI plant in Goa is over 60% complete as of March '26 end. This capex is primarily financed through internal accruals, our free cash flow generation pre-capex of around INR26,000 crores, reflecting this strong operational performance. Vedanta emerged as the second highest wealth creator amongst the Nifty 100 companies in FY26.

Just a quick update on critical mineral licenses. As at FY26 close, we had won bids for composite licenses on 10 blocks, which include those for gold as well as manganese, whilst the remaining eight blocks are for critical minerals. In three of these blocks, the exploration is at an advanced stage and we are expecting to be in the decision-making position in a year from now.

On ESG, during the year, we continue to make meaningful progress on driving renewable energy consumption across all operations, reaching 3.97 billion units in FY26, up 52% year-on-year,

thereby resulting in a GHG intensity reduction from 6.02 to 5.43 tons of CO2 equivalent per ton of product. With inclusive growth central to Vedanta's purpose, we spent over INR420 crores in FY26 on various CSR initiatives, impacting over 7.8 million people through our various programs in education, healthcare, livelihoods, women empowerment, and community infrastructure.

In closing, as we mark our final reporting year ahead of de-merger, Vedanta delivered a truly landmark performance, best in the company's history. The structural improvements made during the year together with the disciplined capital execution resulted in the record level of cash flow generation, which is well reflected in credit upgrades from various rating agencies at the group level.

Backed by a Tier 1 asset portfolio, record operational and financial performance in FY26, we enter FY27 as a more agile, streamlined, and future-ready organization. With over five decades of experience in manufacturing and metals, Vedanta is leveraging its deep technical expertise to expand into a high-potential minerals of future and transition self for the future.

Vedanta 2.0 is a strategic transformation designed to align the company's core strengths with India's evolving priorities in energy transition, advanced manufacturing, and clean technology. As part of this transformation, we are positioning ourselves to meet India's rising need for critical minerals powering the growth of AI, data infrastructure, and advanced technologies.

The de-merger is now at its final stage. The effective and record date is set for May 1st. In the next week, we will be filing with the exchanges for listing approval. The shares of the resulting companies are expected to list and commence trading by mid-June.

This marks a new chapter defined by simpler structures, sharper accountability, and focused platforms to drive growth and value creation. This foundational reset is aimed at sustainable growth over the coming decades. With that, I now hand over to Ajay to walk us through the financial performance for the year. Ajay.

**Ajay Goel:**

Thank you. Good evening, everyone. We ended the fiscal year FY26 on a high note, with Q4 marking a pivotal moment for Vedanta. We delivered record financials, our strongest ever, both for the quarter and for the full year. This also sets the stage for our next growth chapter through Vedanta's de-merger. On macro side, despite Middle East volatility, better pricing, currency depreciation, and supply dynamics played to our advantage.

We moved quickly to protect supply chains, control cost, and reinforce our balance sheet, all that while staying focused on growth. Starting with de-merger, as earlier communicated last week, our Board approved Vedanta's de-merger effective from 1st May 2026. This will entail creation of five independent sector-specific pure-play companies, allowing each company to chart out their own growth trajectory and attract respective thematic investors.

We have set 1st May as a record date for de-merger. Shareholders holding one share of Vedanta as on 29th April, today, will receive four additional shares of the resulting companies. We are targeting listing and commencement of trading of these shares by Q1 FY27. The de-merger has

been architected with precision on capital structure, aligning debt with earning strength and growth stage of each resulting company.

Vedanta Oil and Gas and Iron and Steel will be close to zero net debt businesses. Other three businesses' net debt to EBITDA ratios will be in line with their debt serving capabilities. At Vedanta group level pre-de-merger, our leverage stands at 0.95x, reflecting resilient EBITDA and disciplined financial structuring.

For the Q4 and FY26 results, following NCLT approvals, we have followed the de-merger accounting as per Indian accounting regulations Ind AS 105. For clarity and like-to-like comparison, our results discussions are for the combined operations, which is pre-de-merger and includes all five businesses.

Moving very briefly to performance, we recorded all-time highs in all three metrics, they being revenue, EBITDA and PAT, both for Q4 as well as for the full fiscal. Our quarterly revenue grew 29% year-on-year to INR 51,524 crores, supported by positive prices, exchange rate, and sustained growth across our core businesses. Our quarterly EBITDA grew 59% year-on-year to INR18,447 crore, with EBITDA margin expanding sharply up by 915 bps year-on-year to 44%.

Again our best ever. And finally, the PAT grew by 89% Y-o-Y to INR9,352-odd crores. For the full year, we delivered as earlier guided our best annual results ever. Revenue growing 15% year-on-year to INR1.74 lakh crores, EBITDA up 29% to INR55,976 crore, and finally PAT at INR25,096 crores, marking a jump of 22% Y-o-Y.

Let us take a brief look on Vedanta as a portfolio. Key businesses continue to deliver strong annual performance. Aluminium EBITDA for the year INR25,502 crores, up 43% Y-o-Y with a 38% margin, driven again by positive prices, record production, and lower COP, achieving a five-year low of \$1,752 per ton, down 5% Y-o-Y. Zinc India EBITDA INR22,056 crores, up 27% Y-o-Y with best-in-class margin of 56%, driven by record mined metal, positive pricing, and COP dropping to \$959 per ton. Again lowest since five years, down 9% Y-o-Y.

The strength of our diversified business portfolio, coupled with momentum in our growth businesses across power, oil and gas, and iron and steel, continued to drive Vedanta on a strong upward trajectory. These businesses are the growth engines and will decisively shape Vedanta's next phase of value creation.

I'll move on briefly to allocation of capital and investors' returns. We remained focused on disciplined, value-accretive growth. In FY26, we invested INR14,918 crores on growth capex in strategic projects across aluminium, zinc, oil and gas and power. As these projects come on stream, they will drive higher volumes, margins and earning visibility across cycles. In Q4 FY26, we de-leveraged Vedanta India's balance sheet by INR7,370 crores.

For the full year, at VRL group level in dollar terms, we have de-leveraged about USD1.5 billion, including reduction of short-term facilities such as buyers and suppliers credit and export advances. We also rewarded our shareholders with a handsome dividend of INR34 per share.

Vedanta has been amongst top three wealth creators in Nifty 100 companies, delivering a TSR of almost 50%, which is 2.1x over Nifty Metal Index. Notably, the FIIs' ownership of Vedanta has rose from around 11% to 14% last year, a clear vote of confidence from investors even in this current tumultuous market conditions.

Balance sheet, our balance sheet continues to strengthen in a sustained and visible manner. As we have earlier guided, our leverage ratio has been brought down to under 1x, 0.95 from 1.22 last year same time. We have brought down VDL's borrowing cost below 9% at about 8.9 as we close the fiscal and 16% reduction in financing cost, which is more than INR1,563 odd crores with further reduction in the borrowing cost in sight in near future.

On credit rating, both CRISIL and ICRA has reaffirmed Vedanta's rating as a AA with watch developing. In addition, Fitch rating has augmented VRL's rating to BB-, underscoring confidence in our improved balance sheet, cash flow visibility and strategic direction. In conclusion, FY26 marked a clear defining year for Vedanta with a strong performance and notable advancements across strategic focus areas. The upcoming de-merger marks Vedanta's transition into a future new phase of growth and value unlocking into a powerhouse of critical minerals, energy transition and technology. Thank you and over to operator for Q&As.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Indrajit Agarwal from CLSA. Please go ahead.

**Indrajit Agarwal:** Hi, thanks for the opportunity. I have two questions for Ajay. First, as we split the group in five entities after the de-merger, how would the dividend policy look like for each of the entities?

**Moderator:** Indrajit can you please self-mute, there is lot of disturbance on your line. Thank you.

**Indrajit Agarwal:** Yes. So after the demerger how would the dividend policies look like for each of the entities?

**Ajay Goel:** So that is a one change that will entail post-de-merger. In that case, five companies' board, ran independently, will be free to design their own policies. In case of Vedanta Limited today, the board has approved its revised policy on dividend. Basically, there'll be two changes. Currently, Vedanta's policy on dividend is more prescriptive; it will become more descriptive.

From rule-based, it becomes principle-based. For example, right now there is a requirement to pay at least 30% profit as dividend. Going forward, board will have the flexibility; they can pay 30% or the amount as they deem fit in future. Same way, the zinc dividend we have to pass on within 6 months. Going forward, Vedanta board as in the new Vedanta, Vedanta continuing will have the flexibility of this money upstreaming in near future. So in summary, five companies will have different policies, but overall, they will be aligned with the current policy thematically overall.

**Indrajit Agarwal:** So the mandate of upstreaming a dividend of Hindustan Zinc goes away with the new policy, is that correct?

**Ajay Goel:** Correct. And in that case the Vedanta Limited board will have the flexibility of passing it on or not passing it on within the timeframe they deem fit, looking at multiple factors for the company.

**Indrajit Agarwal:** Sure. My second question related to it is now that we still have about USD4.7 billion of debt at VRL, what are the modes of addressing that debt? Earlier it used to be brand fees plus dividend. Is selling stake in one or more entities an option that we are considering or it still remains at dividend and brand fees?

**Ajay Goel:** Right. So maybe I'll start with the first, Indrajit, the current year requirement FY27. So at Vedanta Resources, the need for the loan in FY27 is almost USD0.3 billion. Additionally, as we know, an ICL is due as well, which is VRL to VDL. So total combined half a billion is the requirement for the principal amount.

The interest will be something similar; it is in fact a shy of half a billion. So we need a billion at Vedanta Resources. In terms of source of money, the brand fee is more or less same, so it is 400 and the balance 600 receipt means paying out almost USD1 to USD1.1 billion from Vedanta India's side, assuming the half money goes to minorities.

So with 4% to 5% dividend and the routine brand fee, VRL can be managed. That also means almost 0.5 billion or 0.6 billion will be de-leveraging organically. Now as we de-merge all the five companies, additionally we'll have the optionality of a differentiated capital structure and in that case, many anchor investors domestically and globally are very keen to come in the cap table, and that will be additional avenue for de-leveraging.

**Indrajit Agarwal:** Sure. Thank you. That's all from my side.

**Moderator:** Thank you. We will take our next question is from the line of Amit Lahoti from Aditya Birla Capital. Please go ahead.

**Amit Lahoti:** Thanks for the opportunity. My questions are on Zinc International and Copper segments. So the first one on Zinc International, where are we on this capacity expansion at Hamsburg and by when do we expect to achieve full ramp-up? And then second on copper, it has not been a profitable unit for us so far and given the treatment charges continue to be negative, how are we thinking about this segment from here on?

**Deshnee Naidoo:** Thank you, Amit. I'll take the VZI question and I'll give Ajay the question on copper. So on VZI, the current project, the Gamsberg project is 94% complete and this is now the doubling of our run-of-mine from 4 million to 8 million tons and we're looking at a capacity from the current around 2,20,000 to 2,40,000 tons, another 2,20,000.

So all in all, about 4,50,000 tons. The team is anticipating to commission in the next quarter and to have the plant ramped up for the rest of the year, which is very typical if I look at other industry curves, McNulty curves. A ramp-up for a plant of this size should be anywhere between 12 to 18 months; 15 months would be a best-in-class ramp-up.

So that's how we should look at it. Within the year, you'll see substantial ramp-up from Phase 2 because it's 94% complete, but the better part of this year will be to ramp up Phase 2 after the commissioning in this current quarter. I hope that explains it. So Ajay, maybe you want to take the Copper question in terms of profitability.

- Charanjit Singh:** Before Ajay starts, Amit, you would have seen that we have released a presentation which is on the Vedanta's website and if you download that, you can see the trajectory for Gamsberg Phase 3, including our proposal to build a smelter also. So we have given the full details in terms of the ramp-up beyond 500 also, which is the medium-term outlook spanning next 2 to 3 years is completely detailed out. So handing over to Ajay for the copper.
- Ajay Goel:** Copper, I mean, this copper within the Vedanta portfolio as we know is a trading business practically. And over the last couple of years, the margin has been wafer-thin. There is a one change if I may start with the brand fee. Right now, the entire brand fee is for the current Vedanta at about 3%.
- Now as we de-merge, we have also done a revised benchmarking in an unbundled fashion, so each of the new companies' benchmarking is different. In summary, the 3% rate continues and the only change that will be done post-de-merger is in the copper brand fee. So the brand fee for copper from the current 3% will go down to 0.75% and that alone from India's viewpoint means higher EBITDA by 2.25%. There are various activities looking at the pricing environment; we do foresee the margin in the Copper business going from roughly 1%. right now, going to at least 5% in FY '27.
- Amit Lahoti:** Sure, that helps. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.
- Sumangal Nevatia:** Yes, good evening, thanks. So first question is on VRL in FY '26. So despite the brand fee and the dividend, if you see net debt has just reduced by \$200-odd million. So could you broadly share what were the cash outflow heads there for FY '26?
- Ajay Goel:** In FY '26, of course you're right, dividend and the brand fee is almost \$1.1 billion. There is a funding for KCM last fiscal, Sumangal. It's almost \$330 million, and hence that is one reason. And secondly, the entire the inter-corporate loan to \$220 odd million has been paid from VRL to VDL. And in that case, 5.3 has become 5.2 in the last fiscal. So it's mostly the funding for the KCM.
- Sumangal Nevatia:** Okay. And we had plans for listing of KCM, where are we in terms of that, any guidance?
- Charanjit Singh:** Deshnee, you want to take?
- Deshnee Naidoo:** So we are in the process of having filed our S-1 with the SEC. We are currently in the third round of comments, but I'm sure you would all appreciate that we are in a quiet period in that regard, and as soon as we are able to come into the public, we'll actually give you an update on the overall process. But we are progressing in terms of the S-1 filing.
- Sumangal Nevatia:** Got it. My second question is on the brand fee. So if you could just call out what was the brand fee paid by Copper entity in FY '26? So I mean, what's the delta we're looking at? And now once we've re-looked, till what year is the brand fee at 3% fixed for other entities?

**Ajay Goel:** Maybe Sumangal after the call, we'll have the numbers shared with you, but on a broad basis, about \$3.1 billion- \$3.2 billion is the Copper revenue, and on that last year, the number has been 3% brand fee. Now that number will go down to 0.75%. So the impact of the brand fee on Copper is about \$65 million in FY '26, FY '27 lower amount.

Now the overall brand fee looking at the volume increase and the better pricing will be something similar. So from Vedanta India's viewpoint, all the five companies combined brand fee FY '27 remains similar to last year. So the Copper impact is mitigated by volume and the pricing.

**Sumangal Nevatia:** Okay, that's useful, Ajay. Till which year is the rate fixed as per the agreement?

**Ajay Goel:** The rates are typically if you look at last 9-odd years, in 2017 the brand fee got commissioned. So we look at revised benchmarking every three years. So it is for next three years.

**Sumangal Nevatia:** Okay, so till FY '29 it is fixed.

**Ajay Goel:** That's correct.

**Sumangal Nevatia:** Understood, understood. I have one question with respect to Zinc International. Now we are guiding for EBITDA increasing from \$100 million to eventually \$450 million in FY '28 in the presentation. I mean, in the last many years, we've missed and delayed the guidance for Gamsberg Phase 2. So just want to understand last one or two years what has been the key reasons behind the delay and how confident are we of commissioning it and then starting to ramp up in the second half of the current year?

**Deshnee Naidoo:** Yes, thank you so much for the question, Sumangal. I answered partly I think when Amit asked the question earlier. So today the project is 94% complete. So we're very confident about the ramp-up plan and commissioning in this quarter and ramp-up for the rest of the year. In terms of the reasons for the delay, twofold.

Firstly, to produce 8 million tons of run-of-mine, given the stripping ratio of 3 to 4 at this moment, we've had a lot to do on catching up of the waste stripping at the Gamsberg open pit, and that took the better part of the last two years to actually catch up. So this was almost three years of delayed in stripping, waste stripping.

That is now adequately caught up, in fact very happy to say that even for the current commissioning and ramp-up, we are sitting with a healthy stockpile in front of the plant. We've also had some delays on the ground, believe it or not, and something I think we as an industry keep talking around is skills needed for certain types of work, especially in projects.

In South Africa, capital has dried up. In fact, we are one of the few companies that are actually building capital projects today despite it being such a large mining geography, and we have had certain skill sets that have been short and the team has worked hard even through our business partner onshore for finding.

So that's created some of the delays on specialized work like piping, instrumentation, etc. But again, I think a lot of time has gone in the last six months almost resetting the project to make sure that we can deliver it on time on the new timelines and making sure that, I keep guiding the team that whilst we might not have built this project as we should, it's still very capital, competitive in terms of capital intensity, and now we have to get this plant to a dream start, which I indicated earlier should be a 12 to 15 month type of ramp-up for a plant of this of this size.

So hope that gives you a good sense of what has happened, why the misses, and why we are confident now given the status of both mining as well as the project that that we will deliver this year's ramp-up. And you saw last year's numbers, right, from the previous year, the Gamsberg ramp-up in itself because of the waste stripping that I just mentioned was almost 40% up year-on-year.

**Sumangal Nevatia:** Yes, yes, that's very elaborate and thanks. I just have one more question, can I ask?

**Moderator:** Go ahead, Sumangal.

**Sumangal Nevatia:** Okay, okay. So one is, I mean, the resultant entity has still a \$1 billion of debt. So how are we going to service the debt? Will it be largely through the dividends from Hindustan Zinc and maybe the leftover is passed out as up streamed as dividends?

And second, the aluminium entity is on the numbers throwing very strong cash flows. So generally what's the preference there, I mean, how in terms of de-leveraging and payouts? So if you could just share some thoughts on capital allocation at the aluminium entity.

**Ajay Goel:** So maybe I'll start first with the five companies. And in fact, if you look at Sumangal in the IR pack, there is a page which covers all the five companies in unbundled form, what will be net debt to EBITDA, all of them. So if you look at overall Vedanta right now, \$5.5 billion net debt and debt to EBITDA almost 0.95.

Now pre-de-merger, we have made sure that each of the entities in terms of their debt and the cash flow, they are in harmony. So even before de-merger on 1st of May, Vedanta Oil and Gas will have nil debt, so it will be debt-free company. Vedanta Iron and Steel will be close to net debt; it will have no debt more than \$0.2 billion. That leaves aluminium, debt of almost \$3.5 billion, and in aluminium debt to EBITDA ratio almost 1.3.

And as you rightly pointed out, given their cash flows, that will not be a challenge. That leaves Vedanta Power, there most of the debt in fact is structural and the long-term with the PFC and the RECs, and there the debt maturities are in fact truly long-term, 7 to 10 years. Vedanta Limited's debt will be almost a billion, and there debt to EBITDA will be 0.4x.

So a combination of profitability at Vedanta Limited through FACOR, through Zinc International, and the Copper debt can be serviced. Additionally, Zinc India dividend remains additional optionality. So in summary, we don't foresee a challenge looking at the current pricing environment, our work on volume, cost, and NEP of serving debt of all the five companies.

**Sumangal Nevatia:** Got it, thanks.

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

**Ritesh Shah:** Yes, hi sir, congratulations for good set of numbers and the de-merger steering through, wonderful job. I have like five bucket of questions. First is starting with Saudi Arabia. I see there's a \$2 billion of capex indicated over there. I also see there's a EBITDA profile broadly from \$90 million FY '27 to around \$200 million FY '29.

Just wanted to understand how this would be funded, that's one, if you can provide a split year-wise that would be great. And the funding of this capex and basically how should we read into the economics of I see there's a rod mill, I see there's a smelter, commissioning timelines are not very far, and there's an exciting prospect of the mine as well.

I think mine-related capex has not been mentioned over here. So if you could just help us understand the economics of how to fund this \$2 billion, the timeline, and the underlying economics, that's the first bucket of questions?

**Deshnee Naidoo:** Maybe I'll give an overview of what we are doing in the kingdom and then Ajay we can talk high level about the funding as it relates to Vedanta go-forward. So, as you rightly mentioned, Ritesh, we have the rod mill plant. I mean, this this is a \$30 million plant, capacity of about 2,00,000 tons, and this is something that we were contemplating for a while. Good on Puneet and the team to actually putting this on, I think they started last year, broke ground in October last year, and that plant will be ready in September this year.

From an economics point of view, right, it's all about supply-demand as we just discussed on the Copper business side, but this plant will have an EBITDA margin of 5%. Then you touched on the mining, the mining blocks that we recently acquired and that's in Jabal Sayid. Those are still very nascent stages, we're still doing the exploration there.

Just given some of the early indications of the grades, etc., that we see both on copper as well as in gold, relatively attractive grades for both 1.5% I think on copper side, which should be maybe north of maybe 2% which makes it more exciting, and gold of about 3 grams per ton. So can just update on the on the grades, the exploration is being supported by Hind Metal.

So maybe Arun can also help us with the update. The copper smelter project is still the project that we indicated almost 18 months ago now in terms of the MoU we have with the Kingdom. We continue to work with them. The package of incentives that we wanted to make the project work is still under discussions in the Kingdom, so we haven't actually taken a project decision as of now. Okay?

And given what I just said on some of the incentivization, of course the \$31 million is largely funded from cash that the copper business including Fujairah Gold is generating will actually be funded at that level. The bigger project will actually be funded by some of the incentives that we likely to get from the government as we continue these discussions. Ajay, anything to add?

**Ajay Goel:** Yes, briefly Ritesh. I mean, if you look at the Kingdom has released document a couple of years ago, and they want to diversify beyond traditional hydrocarbon oil and gas. In that case, metals and mining is a big priority. It also entails that the Kingdom, KSA, will also provide land, power, and multiple subsidies, including in terms of funding and lower cost of funding.

What we have agreed with the local government, it is still being frozen, the entire funding will be happening in the ratio of 75:25 debt to equity. So, 25% will be Vedanta contribution as equity, 75% will be the funding locally at about 2% to 2.5% cost of funding. This 25% funding of the amount you mentioned will be over several years and that will be managed through Vedanta Limited free cash flows.

**Ritesh Shah:** This helps. My second question was on Zinc International again, a very big capex number of \$4 billion. The EBITDA is moving from \$300 million indicated FY '27 to around \$500 million. How should we read into the funding of the capex? Again, it's not an asset which is at least I understand or appreciate it well, how should we look at the underlying economics of the mine, concentrator, and the smelter over here? That's the second bucket of questions. The third and fourth will be quick.

**Deshnee Naidoo:** Yes, so the good news about Zinc International after this year, it'll be a self-generating cash unit, right? Although it does have some debt now on the on the current project that is executed. The next phase of growth, which is not approved, right, which is basically the we've given you guidelines of how to look at the growth, comes from the Gamsberg underground.

Gamsberg underground, I think we have given you some updates on the R&R right now. It's almost and I think Arun can elaborate, if he knows the asset well, almost as large from an R&R point of view as Hindustan Zinc, so almost 16 million tons of metal there.

The underground material always had a higher grade than actually the open pit, today is about 7%, and the reason for that and the reason why we took the decision to go open pit initially all those five, six years ago is because it was lower capital intensity to go open pit then start small, increase the mine, and then consider the underground opportunities.

So, the capital that you saw will be slightly more because of the underground, but the opportunity we have is to phase this out well is to actually use the current cash that will be generated by the business to support the next phase of growth. As we have the 2 million ton target, as you're calling it, Arun calls it the 2x project, we do have a 1 million ton goal to take the current will be around 4,50,000 tons, 5,00,000.

If you consider some of the other projects that we are considering as part of the debt that you're looking at in Namibia, gets us to another 5,00,000 ton expansion in the Gamsberg, which we're calling Phase 3, because Phase 1 and 2 is currently in execution, Phase 3 will be the new project.

So, I think that's how you should look at it. This becomes a very different business, right? You no longer should be looking to fund all of the capital; it'll self-generate a lot of this cash going forward. And in these kinds of zinc prices, over \$3,000 per ton, it could be quite exciting about what that geography can unlock for us.

And as Charanjit mentioned earlier, when you start getting into these kinds of capacities, right, you cannot be shipping concentrate of this kind of volume because you almost double the volume you would need to ship. So, we are looking at putting in a smelter. It's a project I looked at way back then when I was in South Africa for the business.

But what makes it more attractive today is South Africa has some 5 gigawatts of power that's surplus today versus five years ago, and the government is very keen to support businesses like us that continue to spend money or spend capital in the country to incentivize us to make a smelter complex work together with an SEZ. That's what the team is looking at as part of that conceptual study that you saw in the deck.

**Ritesh Shah:** That helps Deshnee. Ajay sir, possible to break this \$4 billion by years or the way you explained the capital structure, what would be the self-generated cash flow which would actually fund it? It will just help us appreciate the cash flow profile because the capex number is quite huge over here?

**Charanjit Singh:** Yes, Ritesh, happy to give the details post the call, year-on-year capex what we are doing and also the funding and the sources of funds for the capex.

**Ritesh Shah:** Sure. Quickly, third question, power assets we had an unfortunate incident. Are there any timelines on the resumption of that particular unit, are we looking at three months, six months, any particular timeline? And fourth is critical minerals, you've given a beautiful slide, there are multiple assets over here. How should we understand the option value over here? Thank you so much.

**Deshnee Naidoo:** Yes, I think I'll start with the question on power and then hand over to Arun for the critical minerals. So yes, we are incredibly saddened by our incident at Athena and I gave you a very elaborate update on everything that we're doing on the ground. I really want to recognize again the efforts by the teams there.

In terms of restart, I think we cannot commit to any timeline at this stage. What we can tell you is that we've only just recently, a couple of days ago, been actually given access back into the site to commence our full assessment work to look at, the activities, the rectification, restoration activities on the site.

Once our team is on the ground for another few weeks and we have an expert team that supports their recommendations, we will then come back to the market in terms of the likely timelines for re-commencement both on the on Unit 1, which is the unit in question, as well as on the Unit 2 project that was ongoing as well.

**Arun Misra:** Thanks, Deshnee. Let me add on the critical mineral. Out of the seven critical mineral blocks with Vedanta, if you look at the timeline of exploration, three blocks we hope to finish exploration by 2028. And normally we do mine planning one year ahead of finishing of exploration, somewhere in 2027. That means if we add 36 months of putting up projects of mining and smelting, we should look at somewhere around 2030 adding three more metals to the bottom line of Vedanta.

- Ritesh Shah:** Thank you so much, all the very best.
- Moderator:** Thank you. Next question is from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.
- Pallav Agarwal:** Yes, good evening and congratulations on the de-merger. So, first question was, on the de-leveraging during the quarter. So is part of the Hindustan Zinc stake sale proceeds also included in this de-leveraging?
- Ajay Goel:** Yes, yes, that's right, Pallav. So INR7,370 crores is de-leveraging in the fourth quarter. It includes every aspect, both source and application. So be it paying a dividend in the previous quarter or divesting a 1.5% zinc. Yes, answer is yes.
- Pallav Agarwal:** Okay, so basically, I think the cash flow from operations of INR14,000 crore, so is that part that includes this the stake sale as well?
- Ajay Goel:** No, that is additional. So, INR14,000 crores right is operating cash flows. The working capital is next building block where the number of days is the right metric. So from 77 days Q3, it has gone down to almost 70 days. Then we invested almost INR 5,700 crores in terms of capexes, growth and sustaining.
- We also paid last quarter a dividend, that's an outflow, and Zinc stake sale INR 3,277 crores is additional. It's about 1.1%. So the INR 14,000 crores do not include Zinc stake sale, it is additional. There is a page, Pallav, in the IR deck on the entire cash bridge for the fourth quarter which covers all these blocks.
- Pallav Agarwal:** Sure, okay, I'll take a look at that. Also, I think you all have given a very detailed break-up of the net debt, pre and post-merger. So just wanted to check in the entity-wise net cash, some of the entities like Bloom Fountain. So where exactly, which entity would the debt of that go to?
- Charanjit Singh:** So Pallav, it's already taken into consideration when we have given the net debt position of respective entity. So it's already factored in.
- Pallav Agarwal:** Yes, so I get that. So, Bloom Fountain is a holding company of which particular company of the de-merged entity will this debt go to?
- Ajay Goel:** Bloom Fountain is a part of Iron and Steel. So Pallav, if you look at the IR deck, there is a slide which is quite elaborate. It covers the current Vedanta where the net debt, net of cash, is about 5.5 billion and leverage 0.95. If you unbundle the current Vedanta monolithic into five companies, it talks about each of the five companies and there Iron and Steel and Oil and Gas are zero or almost net zero debt companies.
- Vedanta Power leverage will be 4.7x. Vedanta Limited will have a \$1 billion debt, and significant portion of debt goes to Vedanta Aluminum. So out of 5.5, 3.5 goes to Vedanta Aluminum, and looking at the EBITDA of that business, their leverage will be still 1.3. So in summary, even before de-merger, all the five companies' balance sheet are that way architected where their assets and the cash flow will be sufficient to service debt post-de-merger.

- Pallav Agarwal:** Sure, okay. Yes, okay. Thank you. Just lastly on the guidance, FY27 guidance. So Athena PLF I think is there's nothing over there. So is it because of the accident that's happened?
- Charanjit Singh:** Yes, Pallav, as Deshnee explained that we are taking a stock of the situation. And once we do that in the coming weeks, we'll come back to the market to disclose the start or the restart, and thereafter we'll be in position to give the details from a PLF perspective.
- Pallav Agarwal:** Okay, but the existing PPAs that we've signed, is there any penalty for not supplying or something?
- Charanjit Singh:** We have insurance in place to cover us for any gaps or losses which are there.
- Pallav Agarwal:** Sure. Okay. Yes. Thank you so much.
- Deshnee Naidoo:** But again, I think just give us time to assess the full situation and come back to the market with a comprehensive update as opposed to a piecemeal update that we can provide you with today.
- Pallav Agarwal:** Sure.
- Moderator:** Thank you. Next question is from the line of Kunal Kothari from Nuvama Wealth Management. Please go ahead. Kunal, your line is unmuted, please go ahead with your question.
- Ashish:** Yes, hi, Ashish here. First of all, thank you for the opportunity and many congratulations for the great set of numbers and finally de-merger happening, commendable. In this, I'm trying to ask one simple question, that going ahead because now we have de-merged into different entities. Obviously, every entity has a different scope. But in future, if we want to go for any acquisition, then that acquisition will be related to that particular segment only, or we can do something which can club another business?
- Like for example, Vedanta Aluminum, so any further acquisition will be only related to aluminum business only, or it can be sometimes, other zinc minerals or something else also? Because we have seen earlier also that other business clubbed into different one. So just to make it sure that any further acquisition only in a different particular commodities.
- Deshnee Naidoo:** Yes, I think from an overall M&A as we guided the market before, our Chairman is still very involved in all M&A across the company. Going forward, whilst it will be very clear about the focus of the individual businesses are. Anything outside of the portfolio would still happen at the holdco level. Holdco will be set up to make sure there is some visibility of capital allocation across all 5 businesses, but also with its own M&A team to start looking at some of these opportunities.
- If it makes more sense, synergies wise to go into one of the 5 companies it would. If not? As we've seen our chairman from his previous track record, we will, we absolutely have other companies in the business too, whole set of new companies.
- So that is still very much, that will still be very much the case. But the CEOs and the leadership team of their respective companies will be mandated to continue to grow organically in the first instance, as you know, every business has their own 2x, 3x type growth story. And any M&A,

depending on the size, shape, that's very in line with the company's strategy will happen at the company level, anything else above we happen at a holdco-level together with the chairman.

**Ashish:** Thanks, thanks, that is very clear thanks. Second is on aluminium operations only.

**Deshnee Naidoo:** Ashish. Because we initially had the call from Kunal and then you came on. So just tell us where you are from please?

**Ashish:** Yes, I am from Nuvama only. So on aluminium operations, now we have seen consistent delay in mines like bauxite, coal mines, and you know, every time we get a new deadline on that. So just wondering where we are on that process in terms of approval? And secondly, in terms of aluminium smelter also when you are going to fully commission it? And lastly, when can we start seeing lower alumina cost of production, which will ultimately lead to lower aluminium production? Thank you.

**Deshnee Naidoo:** Yes thank you. I'm going to hand over to Anup.

**Anup Agarwal:** So Ashish, first, let me answer the Alumina piece, what you said. So Ashish if you recall no even in the last earnings call, I have said that probably we will see a \$50 reduction as we go into the quarter 1. Okay? But the other thing that I had mentioned was at constant LME, so if you ask me probably by quarter 2, we should see alumina cost hovering around \$750.

It has 2 parts to it. One, we should also appreciate the Middle East impact that we've had on some of the raw materials like furnace oil and caustic. Had it not been there, probably we would have seen a cost of around 710, 715. As of now, based on whatever cost we are seeing, we expect the cost to be around broadly 740, 750 in the quarter 2 of financial year '27.

Probably at \$25, \$20 to \$25 reduction from what is the quarter 4 cost. That is where we are as of now. And if we were to remove the Middle East cost implications, probably 700, 710 with probably 80%, 85% of the captive alumina. So Ashish that is where we are, so as we go into quarter 2, quarter 3, we expect the cost to be closer to 710, 720, 725.

So Ashish hopefully I've answered that question, shall I move to the.

**Ashish:** So Aluminium cost of production, then?

**Anup Agarwal:** See aluminium cost of production no, again, if you have seen the guidance, we're guiding 1650 to 1700, okay? Now if I were to just bifurcate it, into say H1, what the H1 cost will be. Maybe compared to quarter 4, you can expect flattish to 1% lower because of the, some of the impact of the raw material that we have seen, I mentioned some of the raw material on the aluminium side some the carbon cost. So for that, the yearly guidance remains 1650 to 1700, but H1 should be probably flat to 1% lower compared to quarter 4.

**Ashish:** Okay, Okay. Great.

**Anup Agarwal:** Now coming to BALCO expansion, see 70 of the total 304 pots that we are putting in, we commissioned by March. The delay was basically through partner substitution and resource augmentation, we've covered in the last couple of calls. Now if I were to give you a way forward

as we go along, Q1, Q2, Q3, Q4, on a run rate basis, broadly we will be doing around 105 KT a quarter. So Q1 should be 25%, Q2 ramped up to 50%, Q3 75%, and as we go into the Q4, it will be 100%. Ashish.

**Deshnee Naidoo:** I think Anup, if I'm not mistaken, Ashish asked about the refinery, I think linked to alumina question. So Lanjigarh refinery for the year.

**Anup Agarwal:** So, Ashish, if you were asking about the refinery. See, as we exited this FY26, no, we exited at a run rate of close to 4 million tons. Now if you look at our guidance, we're talking about 4- 4.1.

Now Q4 broadly, January, February, we should be closer to the rated capacity that we put in. Now why the delay? Because the calciners and the boiler that we put in, they are slightly running at a lower capacity of say 75% to 80%, and as we ramp up, so we will probably achieve the rated capacity in Q1, there we will achieve the rated capacity.

**Ashish:** Okay, and lastly just bauxite and coal mines?

**Anup Agarwal:** See on the coal mines, see I'll first start with Kuraloi. So Kuraloi we have got the mining lease maybe a week back. Now from here, probably in a month or so, we should start seeing the mining operations. So that is on the Kuraloi. Coming to Ghogharpalli, EC has been recommended at the start of this month, the month of April.

We are also targeting FC in this quarter, and we remain committed to commission this block in the timelines that we've indicated last two quarters. Last quarter, this quarter, we've been consistent in terms of the timeline. Sijimali also, as guided last time, okay, we are we have got the LOI extension done, FC-1 is granted, EC we're expecting next month, and hopefully in H1 we will see the mines opening.

**Ashish:** So, sir, in Sijimali, obviously we were expecting earlier in February also, now we are expecting in May. So, what is the actual delay which we are facing? means, why government is not giving it, because we have seen lots of news in the newspaper, something in the local level also is disturbing. So, is this the reason because of which we are getting this delay in Sijimali mine?

**Anup Agarwal:** So, I'll tell you, Ashish, let me address it in two parts. First coming to the regulatory approvals, see there is some there was a LOI which got expired in the month of March. It was an administrative process, okay, it took some time before that LOI has been extended. We've just got the letter yesterday.

So, some time has gone into it. Now coming to the noise that we're talking about, so see, I'll tell you, we continue to engage closely with the state government, local administration, and surrounding communities, okay, to ensure that we have a smooth and responsible operation.

This engagement is driven through focused community development initiatives across healthcare, education, infrastructure, culture preservation, and livelihood generation. And Ashish, keep in mind, this is a auctioned mine. Okay.

So maybe approvals might have taken a little longer time, but we are in touch with the administration, with the community, and we expect to open this mine within the timeline that we have committed.

**Charanjit Singh:**

And just an important point to note, Ashish, when this auction happened, there was few more mines which were issued to other players also, and we are the first one proceeding ahead with who have reached the EC stage and which is almost at final stages.

So, the process has its own time, particularly given the it's a long process of public hearing, FC-1, FC-2, and if the land if there is a forest land involved, which is of the size of few hundred hectares as is the case with Sijimali, it is likely to take some time.

So it is the process which is happening. We don't see any challenge in terms of the noise is there, of course, but I think it's all which is very common with all the infrastructure projects in the country. So, nothing very different in terms of the noise.

**Ashish:**

Understood, no issues, because you know these things are obviously there when we already know about these things, but you know the timeline keeps on changing, almost a delay of a year. But as you rightly pointed out, regulatory approvals are one thing one can't handle. Anyway, best of luck and best wishes for the future for all the companies. Thank you.

**Moderator:**

Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to Mr. Chiranjit Singh for closing comments. Over to you, sir.

**Charanjit Singh:**

Thanks everyone for joining us. For any unanswered questions, you can get in touch with us, and we look forward to connecting again for the Q1 results, which will be more for the de-merged entity and looking forward to meeting you in the coming weeks. Good day and goodbye.

**Moderator:**

Thank you, members of the management team. On behalf of Vedanta Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.