"Vedanta Resources PLC FY 2017 Preliminary Results Conference Call"

May 24, 2017

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Moderator: Good Day, Ladies and Gentlemen and Welcome to the FY 2017 Preliminary Results Conference Call of Vedanta Resources Plc. 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 touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashwin Bajaj. Thank you and over to you sir.

Ashwin Bajaj: Welcome, everyone today to discuss our results for the financial year 2017. Let me introduce the management team present with us – We have our Chairman – Anil Agarwal; CEO – Tom Albanese; CFO – Arun Kumar and we also have several of our business leaders on the line; we have Samir Cairae – CEO of India Diversified Metals business; we have Sudhir Mathur from Cairn India; Sunil Duggal from Hindustan Zinc; Deshnee Naidoo from International Zinc; Steven Din from KCM; Kishore Kumar from Iron Ore; Abhijit Pati from Aluminium; Ajay Dixit who is in charge of the Alumina vertical as well as TSPL Power. So, with that I would like to hand over to our Chairman.

Anil Agarwal: Good Morning, Ladies and Gentlemen. Welcome to the Annual Results of Vedanta Resources. It is a pleasure to see you all here today. Through Vedanta Resources, we have grown Vedanta Limited into what it is today, a natural resource power house in which we proudly own 50%. We are now the sixth largest and fastest growing diversified mining company in the world. As a UK listed company, we offer a ground for opportunity to invest in India, the biggest resource story.

This is a premium market with a population of 1.3 billion and double-digit demand for all the metal and oil we produce. Whilst other companies are looking to sell to China or other countries, we have the unique advantage that everything we produce in India we will sell in India. I hope you will join me in this exciting opportunity to be part of that future.

From our IPO in 2003 where we raise a little over $800 million, we have already returned over $2 billion to all shareholders and generated a total shareholder return of over 130%. This year the board has recommended a final dividend of $0.35 per share.

Today, you will hear from our team about our strong result during the last financial year. I am very proud of what we have achieved.

Our Group structure is now simpler following the completion of the merger of Cairn India and Vedanta Limited earlier this year. We are committed to disciplined capital allocation while remaining focused on deleveraging. Safety and Sustainability continue to be a priority for me as they are across the group. Tom will talk in more detail about our philosophy of zero harm, zero waste and zero discharge.

Looking forward, I am confident that growth will come from our existing world class low cost assets. And I am excited about the opportunity in India and Africa, our two key markets. Vedanta is one of the largest tax payer in India, contributing around $6 billion a year to exchequer,

including dividends to the government. We also have a longstanding presence in Africa where we have invested approximately $4 billion since 2004.

As you know, Tom has made the personal decision to rejoin his family in USA and will leave Vedanta in August. I thank him warmly for the significant contribution he has made in his three years with us in the company. I am leading the search for a successor with the right leadership, qualities and experience to continue the group strategy. I remain committed to making the right decision which will create long-term value for all of our shareholders and I look forward 2018 with more confidence than ever.

I will now hand over to Tom. Thank you.

Tom Albanese: Thank you, Chairman. Good Morning, Ladies and Gentlemen. I am pleased to welcome you to Vedanta Resources Fiscal Year 2017 Earnings Presentation. This is the "First Earnings Presentation" for the new Vedanta post the completion of the Cairn merger, which as you know has been in the making for the past two years. This merger will significantly transform the group and its capital structure.

I will start with the "Commodity Markets.":

We have seen some further improvement in commodity markets over the past year and although there was a little of pull back over the past few months. Interestingly though, aluminum LME is shifting to a positive bias for the first time in nearly 10-years. Overall, these moves in many of the metals have been affecting some latent supply capacity across some of the metals, particularly, the base metals. But this supply capacity is fairly restricted with possible exception to Chinese iron as most of the companies have not yet been committing to large CAPEX. So I think on balance, we would expect fiscal year 2018 to probably be more of a supply-driven story in our sector barring macro shocks. Until we begin to see large investments in copper, in aluminum, in zinc, in oil and iron ore, we will probably continue to see relatively tight markets and reasonably supportive prices.

We have noticed certainly that the Chinese have made a number of efforts to restrict excess capacity in aluminum will certainly help our aluminum business. You will know that we have been seen as a top zinc play. So again between zinc as a top play, aluminum is something that is coming into its own, I think that doubly positions Vedanta as we go forward, particularly as we are ramping up our aluminum business, some capital that we had previously spent. So we were focusing on the ramp up of the aluminum assets and these improvements of LME have certainly affected positively our overall income statement and I think our future balance sheet. That ramp up in aluminum will contribute significantly to the group's total EBITDA in the coming years.

So with that, let me now summarize and take you through our "Fiscal Year 2017 Performance.":

As always, I will start with "Safety and Sustainability." We have been making great strides in improving our safety performance and the attitudes and leadership around safety. But I am

unfortunately saddened to state that we did have seven fatalities during the last fiscal year, and that included four fatalities toward the end of the year with our contract employees due to single crane collapse at our SK mill project at Hindustan Zinc. Anyone getting hurt is a set back to our collective efforts to attain and deliver zero harm. So, we learned from what has happened and continue to make ourselves a safer and a better company.

Before I deep dive into results, I would like to really remind everyone about the compelling investment case in Vedanta. Vedanta is a world-class natural resources powerhouse. On a consolidated EBITDA basis, we are the sixth largest diversified resources company in the world. Of those, we are the only global resource player with significant operations, expertise and majority sales in the Indian market. With the completion of Vedanta Limited and Cairn India merger, efficient capital allocation and continued focus on shareholder return will be the key priorities for the group. Aided by strong free cash flow of $1.5 billion for the year, we completed the year with the net debt-EBITDA of 2.7x, positive credit rating movements and momentum and further reduced the debt by another $1.4 billion after the March 31, 2017 reporting period. Our subsidiary, Vedanta Limited has one of the strongest balance sheets in the Indian and amongst the global peers with net debt-EBITDA ratio of 0.4x.

Reiterating our shareholder returns focus, we have announced final dividend for Plc of US$0.35 per share. Both our subsidiaries -- Vedanta Limited and Hindustan Zinc -- also announced special dividends during the course of the year.

Vedanta has a large diversified asset base geared toward base metals and oil, providing sector-leading production growth. Our low-cost production profile with the majority of our assets in the lowest quartile of their respective cost curves, aids the company in generating positive free cash flow even at lower commodity prices which we saw in the previous fiscal year. As a result of consistent through the cycle investments, Vedanta offers an industry leading growth trajectory and is on track to meet this target. We delivered shareholder returns consistently over the past 10-years with $2 billion returned to investors in the form of dividends and share buybacks at Plc.

Looking at our “Results”:

On operations, we continue across the production ramp-up across the portfolio. We have had record production of zinc from India, aluminum, power and copper from our Copper India business. Our conversion from open pit to underground operations at Hindustan Zinc has been particularly going well. However, we did see our aluminum ramp up impacted by some production outages, but we continue to bring new pots online.

At KCM, while copper primary production was impacted by equipment availability and other issues, custom smelting volumes did increase significantly over the years.

Our Gamsberg Zinc project is on track for calendar year 2018 production.

Moving to the “Financials.”:

We had robust EBITDA and improved EBITDA margins of 36% and we continue to see cost savings. That strong culture cost control, which Arun will speak about is required to assist in further savings which I see running room to achieve. I am happy to state we have delivered cost and marketing savings of over circa $814 million over the past eight quarters.

As of March end, gross debt was at $17 billion excluding temporary borrowings with Zinc India to bridge the dividend payment; however, we have had a reduction of $1.4 billion post the 31st of March as you have heard. The stakeholders have also benefited, and our contributions to the government exchequer in fiscal year 2017 was about $6 billion, including the special dividends from Hindustan Zinc. With the Cairn India and Vedanta Limited merger now complete, the newly merged entity has a robust dividend policy in place. We have increased our dividend 83% year-on-year, and this is on the back of our confidence of strengthening operational cash flows.

Our capital allocation plan is underpinned by world-class assets and operational excellence to deliver strong, stable and long life cash flows. Most of this investment in growth projects in our assets are nearing completion or had already been spent and is generating increased cash generation. Shareholder return is a clear focus for management and the board.

As you know, we have been happy with the subsidiary, Vedanta Limited, announced a dividend policy a week ago, which envisions the pass-through of Hindustan Zinc regular dividend plus minimum 30% payout of profit after tax, excluding the Hindustan Zinc’s profit. Hindustan Zinc itself announced dividend policy of a minimum 30% payout.

At Vedanta Plc, regular dividends from Vedanta Limited would be used for interest and dividend payments, any large special dividends would be used for deleveraging. We continue to optimize our CAPEX and OPEX spend across the businesses to generate strong free cash flows.

In terms off balance sheet management, the management focus continues to remain on delevering, strengthening our credit metrics, using our strong free cash flows to drive further reduction in gross debt.

On the credit ratings, while Arun will speak to more detail on this, we will target to improve our ratings to regain what we lost during the downturn and achieve investment grade ratings over time. We will only invest in high return businesses in the existing businesses and each investment proposal that we see will pass through a rigorous test of achieving the hurdle rate criteria.

To summarize:

We will focus on delivering long-term value for all shareholders through prudent capital allocation to maintain a strong credit profile while also evaluating the most compelling growth opportunities across the group.

You have heard me talk about the strong fundamentals for zinc for the past year-and-a-half and we continue to believe the zinc fundamentals remain intact. We have seen some pullback in LME over the past two-to-three months, but even just the moves over the past week or so and the tightening of supply shows that in my view we have a positive trajectory for zinc even in the near-term.

The concentrate market continues to be tight, although it is slightly better for smelters as it was in the first quarter of calendar year '17. Spot TC/RCs for zinc have reached a decade low given that smelters are increasingly finding it difficult to source concentrate post the closure of some mines over the past few years. That demand then is drawing inventory from LME and Chinese warehouses, those inventories are now at a 6-7-year low. If you look at the chart on the right hand side of this page, you will see consumption in India and its relative positioning. We believe there is significant metal demand potential in the country.

Speaking to India:

Growing population and trends of increasing urbanization expected to translate into higher metal demand in India. Look at the chart at the right hand side of the page, which shows the trend in metal demand with increasing GDP per capita across a number of economies and while extrapolating India's position, we believe there is a significant metal demand trajectory for the country in the coming years and decades. So if you combine that with the enormous economic growth potential of India together with the vast untapped and under explored resources, it provides Vedanta with a massive future opportunity. Vedanta is ideally placed to take advantage of this opportunity and consolidate further on that ground floor position. The Indian government is driving a development agenda and a host of progressive reforms. I believe the India story is compelling and that development agenda of the Indian government is complementing this with steady reforms that we have seen announced even over the past couple of quarters.

So to conclude the section, I would like to remind you of the delivery of the company is strategic priorities and our focus areas for fiscal 2018. We had record production and we continue to focus on the safe ramp up of our assets and the turnaround of KCM. We are generating increasing free cash flow and with relentless focus on costs and managing working capital while focusing on deleveraging the balance sheet.

During the year, we had a successful bond issuance of US$1 billion in January 2017 to proactively refinance and extend part of the 2018 to '19 maturities. Post the 31st of March 2017, we also opted for early redemption of the 2018 bonds in line with our stated strategy to delever and optimize the balance sheet at the Plc level. Our gross debt was reduced by 1.4 billion post the 31st of March. Our subsidiaries -- Vedanta Limited and Hindustan Zinc -- announced special dividends of 1 billion and 2.1 billion respectively, during the year. We have announced robust dividend policies at both companies to further demonstrate our commitment providing strong returns to shareholders.

Almost two years of working, we have completed the merger of Vedanta Limited and Cairn India and look forward to realizing continued benefits of the merger during the year. We remain committed in our efforts to achieve our objective of zero harm and create sustainable value for all shareholders. We are looking to the future. We continue to identify next generation resources by leveraging expertise in the central mining exploration group. Even with record zinc production, we have been more than replacing our zinc production with new reserves at Hindustan Zinc. So on balance, we will continue to deliver superior value to all our shareholders through the cycle.

So with that, I will hand over to Arun, who will take you through the "Financials." Arun?

Arun Kumar: Thanks, Tom. I am glad to report a strong set of results for the year which was largely on track with the production guidance given at the commencement of the year. The year has seen a strong operational performance on volumes and cost. Aluminum and power assets continued to ramp up, and Zinc India delivered a strong volume performance in the last quarter in line with the mine plan. Prices remain strong for a good part of the second half. Full year EBITDA of 3.2 billion represents 37% increase year-on-year with second half EBITDA at almost $2 billion, which is sequentially up 59% and almost double of the second half last year. Q4 exited at $1.1 billion in terms of EBITDA. We generated a free cash flow post-CAPEX of over $1.5 billion, representing EBITDA conversion of 48%.

Just as a reminder, there was nearly 0.8 billion of one-time working capital initiatives led FCF during FY'16. Excluding this, the free cash flow in the current year is significantly higher, driven clearly by the higher volume, better cost and prices. Debt reduction continued to remain one of our key financial priorities. As at March year-end, gross debt was 17 billion excluding the temporary borrowing by Hindustan Zinc to bridge its dividend payment and investment maturities. It is worth to note that we have delevered further by $1.4 billion post March 31, 2017 through the existing cash and dividend inflows. With this, our gross debt currently is around 15.6 billion. Net debt was higher primarily on account of payment of large special dividends by Zinc last year. Additionally, the preference shares issued in relation to the merger of Vedanta Limited and Cairn India also raised the net debt by about $460 million.

The balance sheet continues to strengthen given the underlying Vedanta Limited consolidated operating leverage and liquidity. As you can see, the subsidiary at its consolidated level, has net debt-EBITDA ratio of 0.4, net gearing of around 9-10%, which is best among the major global diversified miners as well as the big industrial groups in India, and on its own can be termed as best-in-class. The strong cash flow potential of the Indian subsidiary and its recently announced dividend policy that Tom mentioned significantly enhances the financial profile of Vedanta Plc.

After detailed deliberation and discussion around the capital needs of the business and the strategic priority to delever the balance sheet, the Board of Directors have decided to declare a final FY2017 dividend of US$0.35 per share, leading to a total dividend of US$0.55 per share in FY'17, a yield of around 6.5% of the average FY'17 share price.

Moving on to the next page on EBITDA bridge:

As you can see, the operations played a key role in driving the 37% growth in EBITDA. First of the two points I wish to highlight on this page -- One is the cost saving of nearly $200 million which was driven by significant improvement in coal and power cost, both structural and tactical wins, better technical efficiencies, effective recontracting of mining and maintenance areas, some logistics initiatives and improved fixed cost absorption on the strength of higher volumes. The Second Highlight is of course the volume ramp up. That contributed nearly 150 million, but more expected in FY'18 and the full year effect of the ramp ups that have been completed. Needless to say, that the improvement in commodity prices and currency depreciation against the US dollar also contributed around $650 million during the year. This also indicates that we are investing in base metals mainly zinc and oil which has resulted in a relatively high positive price variance compared to the peers.

Moving on to the next page:

On the cost savings and marketing initiatives, this is a report card of our cost savings program. As you can see in the top right side of this page, against the $1.3 billion of savings planned over FY'15 cost base which we had announced, we are ahead of schedule. We are also keeping the program fresh. We believe that digitization of mining processes and running our equipment well will lead to the improved efficiency and costs. We also have a renewed program on vendor optimization and quality score carding. This will help us improve our vendor interaction in terms of quality of partnerships, leading to efficiency and cost benefits. Furthermore, we are looking at various win-win outsourcing model, where service providers with technology, can help us improve volumes recoveries and in exploration efforts. The group will continue to stay contemporary in terms of trends, ideas and best practices to keep this cost bucket fresh.

Moving on to the next page on the "Income Statement.":

As always this page is self-explanatory. Underlying attributable PAT showed a significant improvement. Yes, it swung to a positive, driven by lower depreciation and amortization and definitely a much higher EBITDA. The investment income was lower as the previous year had higher mark-to-mark gains due to rate cuts in India. The interest cost of debt was around 7.5%, exit March around 7.36% at the lower end of our range that we had guided last year. Our cash balance earned around 7.6% post-tax for FY'17 higher than the 7.2% we guided at the beginning of this year. The interest cost and returns as a percentage are expected to be around these levels for FY'18. Effective tax rate excluding the dividend distribution tax, was 18%, lower than expected due to the deferred tax accounting at the subsidiaries. Tax rate for FY'18 is expected to be around 27-30%. Depreciation and amortization is likely to be about 10% to 15% higher than FY'17 given the continued capitalization, the full year effect and the volume increase.

Over to the next page:

Optimizing CAPEX to drive cash flow generation has been a theme. During FY'17, the revised mid-year guidance of $800 million, we turned up at $668 million, lower mainly in Oil & Gas CAPEX and rephasing of the CAPEX spend pattern at Gamsberg without any impact on the project completion schedule. As guided during the half year, the optionality in the Oil & Gas business has now progressed to feasible project status and all of them deliver an attractive about 20% IRR at 40 Brent. This guidance also includes other optional items pertaining to the 400 kt copper smelter and Lanjigarh refinery expansion subject to the bauxite supply chain represented in the shaded portion.

As Tom highlighted earlier on "Capital Allocation", the right toll gates and returns is applied for all project approvals as you can see also reflected on this page.

Moving on,

Reflecting the strong performance and proactive balance sheet management, the company's corporate family ratings was upgraded by both S&P and Moody's during the year. S&P upgraded the CFR from B Stable to B+ Stable, and Moody's from B2 Negative to B1 Stable. The long-term rating of our subsidiary, Vedanta Limited, was also upgraded in April'17 to AA Stable. We are actively engaged with the rating agencies and target an investment grade, as Tom articulated, in the near-term through continued improvement on performance, deleveraging and commercial excellence. We continue to remain focused on gross debt reduction and term extension of debt.

Taking advantage of a liquid capital market, we did a successful US$1 billion bond issuance at Plc in January this year to proactively refinance our 2018 and 2019 bonds. We further delevered at Plc by seeking early settlement of 2018 bond maturities of around $400 million announced in April. With this, our next bond maturity is in January 2019. In April '17, we also repaid nearly $1 billion of gross debt in our subsidiary companies, and with that on a consolidated basis taking into account the dividends paid by the subsidiaries, we have delevered by $1.4 billion between year-end and now as we speak.

Last week, the Board of Vedanta Limited also announced a dividend policy approving a minimum payout of 30% of PAT and normally paying out all the dividends received from Zinc India other than special dividends. Thus, as a shareholder of such strong operating subsidiaries as Vedanta Limited and Zinc India, the company's expected liquidity position has further strengthened. Our access to the debt market and relationship banks continue to be comfortable as we continue to evaluate opportunities for further optimization of our balance sheet and proactively refinance our 2018 term loans and other maturities. Liquidity for the group remains strong with a pro forma $6.5 billion of cash and about $0.9 billion of undrawn lines of credit.

On the last page in this section, on the "Financial Priorities," we continue to be consistent and to stay focused and allocate capital wisely. I reiterate that our continuous focus on generating strong cash flows across all businesses driven by ramp up and higher volumes, optimization of operating costs and continued focus on the cost saving program are the fundamental priorities

around which we will continue to strengthen our balance sheet. We will continue to give returns to shareholders and delever continuously as already demonstrated post year-end.

Thank you. With this, back to Tom.

Tom Albanese: Thanks, Arun. "Overview of the Operations." At Hindustan Zinc, we had record production this year both in lead/zinc and in silver. Hindustan Zinc operates in the lowest quartile on the zinc cost curve. Please note that these costs are reflected before silver by-product credits. If we were to have taken those into account, these cash costs will be further reduced to about $450/ton. On our projects, we are on a way toward achieving the 1.2 mt of mined metal capacity by fiscal year 2020.

At our SK mine, expansion of the mine capacity to 4.5 mt expected in the fiscal year 2018 ahead of schedule. Expansion of the SK mill 1.5 mt is complete and now running smoothly.

Expansion of the Zawar mill to 2.5 mt per year and associated power upgrade projects are at advanced stages and expected to be complete by June 2017. In addition to this, the Fumer project is progressing well and expected to be complete by mid-fiscal year 2019.

In terms of our guidance for fiscal year 2018, zinc-lead, metal production is expected to be about 950,000 tons. Silver production will be over 500 tons and cost of production is expected to be marginally higher compared to $830/ton in fiscal year 2017 given higher coal prices and input commodity prices.

Moving over to Zinc International:

Fiscal 2017 production was at 156,000 tons. Cost of production for the year was at $1,417/ton, largely higher due to lower volumes. Our new Gamsberg project is expected to come onstream in a zinc deficit market. We are on track for first production by mid-calendar year 2018 and expect to ramp up the full capacity to 250,000 tons in about 9-12 months thereafter. As you know, we have said before, the plant and infrastructure EPC contracts are already in place. Gamsberg will come into stream in a zinc deficit concentrate market and expected to generate strong returns for shareholders.

At Skorpion, on the pit extension, mobilization of pit lay back commenced in April with ore extraction expected by the third quarter of fiscal year 2018. This has the potential to increase Skorpion's life by about three years.

In terms of outlook, our production guidance for the year is about 160,000 tons with cost of production expected to be about $1,500 per ton. CAPEX spend for Zinc International for fiscal'18 is expected to be about $230 million, largely on Gamsberg, and this would be out of Gamsberg total stated capital of $400 million.

Now I will speak to Cairn:

Cairn business continues to deliver solid production volumes and **superlative** cash flows while managing fields at low operating costs. The core fields continue to deliver along expected lines with gross production across the assets for the year at 190,000 boepd. Our onshore Rajasthan production was at 162,000 boepd. Our Mangala EOR delivered strong fourth quarter 2017 volumes of 56,000 bpd.

Continued reservoir management practices and production optimization helped deliver steady production from the water or polymer flood operations across the field. The Rajasthan asset recorded an excellent plant uptime of over 99% over the year.

Gas production from RDG project was lower at 21 mmscfd in the fourth quarter due to technical issues between our gas transporter and some of our buyers. This issue has since been resolved and the current production is at 32 mmscfd.

The offshore assets produced 28,000 boepd with Ravva contributing 18,000 boepd and Cambay at 10,000 bpd.

Our world class operating capabilities have kept operating cost at the lower end among our global peers. Our Rajasthan water flood OPEX was 17% lower year-on-year at $4.3/barrel. Our blended operating cost for Rajasthan was also lower by 5% this year on $6.2/barrel. We have ramped up our polymer injection to 400,000 bpd in fiscal '17.

If we look ahead, continued efforts over the past year have enabled us to restart the CAPEX cycle. So our projects come in at healthy project economics even at $40 Brent environment. Our deep gas project is progressing on plan. As part of Phase-1, the 15 well hydro frac program was successfully completed during the year.

Looking to our Oil Projects, Mangala, of course, has been our most prolific field over the past several years, and we are commencing a 15-well infill drilling program at Mangala to monetize these reserves early. All approvals are in place for this project and drilling of the wells is planned for the second quarter of fiscal '18.

We do look to leverage our learnings from the excellent performance of the Mangala EOR project to do similar projects at Bhagyam and Aishwariya also through polymer injection. Multi-well polymer injectivity test results at Bhagyam have been encouraging and the revised Field Development Plan has been submitted to our joint venture partner.

Speaking of our exploration efforts, we continue to work towards enhancing our prospect portfolio in Rajasthan by identifying new high impact plays. We are also actively pursuing an alternate strategy for integrated project development model in partnership with global consortiums led by global oilfield service majors to drive further efficiencies.

For fiscal year 2018, we expect the steady production volume from Rajasthan at about 165,000 barrels per day with potential upside from the execution of growth projects. The net CAPEX is

estimated 250 million with further optionality for growth projects as we consider them for approval.

As you would expect, we did not cover KCM Zambia results in any form during last week's Vedanta Limited results, so we will talk a little bit more about them today -- Total production at KCM in fiscal year 2018 was impacted by previous year closure of the Nchanga underground mine which was then placed on care and maintenance. Lower fleet availability at Konkola and Nchanga open pits and low plant reliability at the Tailings Leach plant, all of these we have been tackling. The custom smelter volumes, however, were substantially higher year-on-year following the planned biennial shutdown in the third quarter of fiscal '17. And with that, the smelter plant witnessed an improved plant reliability and better ability to handle higher feed rate.

We were seeing meaningful improvements across the board at KCM during the year until local financial constraints impacted production in the fourth quarter, with some impact which overran into the first quarter of fiscal '18 production. So during this period, we have been taking many initiatives across the operations to improve productivity, including investments of about 150 million by Vedanta Plc in fiscal '17 in the second half of the fiscal year.

At Konkola mine, after a series of technical interventions, fleet availability has improved from 33% in the second half of fiscal year 2017 to 58% in April 2017. Prioritization strategies are underway to achieve operating productivity levels, achieve sustained mobile fleet availability and to progress a deeper horizontal development plan. Feasibility studies on a drive mine initiative and process reengineering options are underway to achieve better opportunities for cost and efficiency improvements.

We have had to reconfigure the Nchanga underground ramp up after that previous care and maintenance period. That is going well with improved grades and recoveries as we ramp up that production. So potential copper production from Nchanga is approximately 30,000 tons per year once fully operational.

As elsewhere in Vedanta, we have continued our focus on innovation through operations at KCM. The first phase of elevated temperature leach project has been commissioned in the third quarter, but did face some certain stabilization issues during the initial period, which are improving over this quarter. We have a heap leach project where commercial heap leach is expected to be fully operational and delivering volumes of 20,000 tons per year in fiscal 2019. We have long standing cobalt production and so we are now looking at upgrading that overall production and the product mix of cobalt. So we have a selection of an EPC contractor underway, and we would expect implementation in the third quarter of fiscal '18. This project to deliver an incremental annual cobalt production of 3,000 to 4,000 tons per year along with improved copper payables once fully operational in fiscal '20.

In order to optimize our power cost, we are installing some HFO fire boilers in our Nkana copper refinery. Those boilers are on site and installation and commission activities are currently underway and expected to be concluded by the first quarter of this year.

You have heard a lot about the water issues at Zambia. We have been pleased to say the water levels in the Kariba dam have been improving over the course of the Zambian wet season. Effective from January 1, 2017, the Copper Belt Energy Corporation has announced revised power tariff, that for us are 15% lower.

Speaking to Regulatory Developments in Zambia:

We have had some issues with VAT refunds, and those VAT refunds have significantly impacted our ability to buy, maintain and produce increased volumes. We are still working on that. As of March 31, 2017, we have VAT receivables in excess of $100 million, and we continue to engage with relevant regulatory bodies on this matter.

On ZCCM's legal case in January 2017, KCM had signed off on a consent order with ZCCM to settle its price participation liability. This is a progressive step toward the amicable settlement of this case.

On the tax front in Zambia, there was a recent tax proposal for import duty of 7.5% on concentrate which was rolled back. This was the right decision and certainly enhances the smelter's capacity utilization and job creation in Zambia.

In fiscal 2018, we are targeting to produce between 110,000-120,000 tons of integrated copper production after factoring about 20,000 tons production in this first quarter.

Key focus areas will remain on the Konkola early start programs for development, dewatering and sustained fleet availability.

We are looking at more outsourcing to increase our maintenance standards and to the smelter, where we are looking to maximize custom smelting production, while across the board, harnessing technology and innovation to create sustained cost efficiencies. We are confident this will have a positive impact on Konkola's future production.

In our Aluminum business, we had record production as the volumes are ramping up through the course of the year. At 500,000 tons Jharsuguda-I smelter, we did have an outage in April, and this was unfortunate; however, we are working towards stabilizing these operations.

Coming on the ramp-up of Jharsuguda-II, we have been affected by a series of earlier power outages, but we expect the first line to be fully ramped up by the third quarter of fiscal year 2018. The second line at Jharsuguda-II has been fully ramped up and was capitalized in the fourth quarter of fiscal '17. The third line has commenced ramping up in December 2016 and is also expected to be fully ramped up by the third quarter of fiscal 2018.

Moving over to our BALCO-II Smelter plant:

This smelter is fully operational and is being fully capitalized this quarter.

For the entire Alumina business, we expect to produce between 1.5-1.6 mt for the year, excluding the trial run production for fiscal 2018 finishing the year at 2 mt per year run rate.

On realizations, we benefit from higher aluminum prices during the quarter. Our realized premiums were more or less in line with the third quarter although significantly higher on YoY basis. We did deliver a stronger EBITDA margin nearly $450/ton in the fourth quarter, which is the highest we have seen in the last eight quarters. Our metal cost for the quarter was $1,492 per ton, which was higher mainly to the effect of higher alumina spot import prices and that was partially offset to some extent by lower power cost. Of course, over the past few months and since that quarter, we saw a significant drop in alumina market prices, which should bring cost lower in following quarters. So we would expect the cost of production for hot metal for fiscal 2018 to be between $1,475 and $1,500/ton, largely on the basis of the future spot alumina prices.

For alumina, total production in fiscal 2017 was 1.2 mt and we would expect fiscal 2018 production in the range of 1.5-1.6 mt implying about 50% of our alumina requirement will be met via captive production. A lot of that bauxite is coming from our own mines where at our BALCO mines we expect to mine between 1.8-2 mt of bauxite in fiscal year 2018.

On the Odisha front, we continue to work with the Odisha state government on allocation of bauxite to drive future expansion of the Lanjigarh refinery.

On our Power business, at TSPL, we have record availabilities of 85% in the fourth quarter. However, we did have a fire in our coal conveyor unit in April, and that has resulted in a shutdown of all three units of the power plant. As we speak, our teams are working hard on restarting and we would expect to restart the operations by the end of June. So that would effectively mean availability for fiscal 2018 of about 70-75%.

At the BALCO 600 MW power plant and Jharsuguda 600 MW power plant, we saw sequential increase offtake in the fourth quarter. Just to remind you, we have long-term PPAs of about 60% of the 600 MW capacity of BALCO, which are being substantially met and serviced.

With respect to coal sourcing, as you know, seaborne coal prices have been high over the year. We have reduced our dependence on imported coal at BALCO and Jharsuguda despite increasing coal requirements on smelter ramp ups. In fact, in the second half of fiscal year 2017, imports have been minimal. Coal linkages that were earlier secured of 6 mt have enabled us to receive 1.36 mt of coal over the course of the quarter. We believe going forward the auction of coal linkages is beneficial for long-term security of our coal sourcing for our power plants.

On the Iron Ore side, we achieved our production cap at Goa and Karnataka during the year. Post this, the Goa government granted us an additional allocation producing additional 2.6 mt above that allocation. On the cost of production side, you can see on the chart on the right hand side showing our cost efficiency. It ranks quite well with the lowest cost iron ore producers in the world. Our processing logistic cost at Goa were in the $12/ton range. Despite such low cost

of operations, our EBITDA margin is at $21 as we did realize a lower price at Goa due to the widening discount from the benchmark price of 62% iron grade.

Now if I just do a little bit of background on that widening discount and the lower pricing, this is partly due to an inventory hangover in the Chinese port and again, there has been some preference for higher grade materials and widening discount for lower grades. Currently, the discount for Indian grades is about 45% and that averaged 38% in the fourth quarter.

Looking ahead, we would expect steel mill margins to remain volatile in China and that we would expect to see the Chinese mills will begin reverting to the use of some of the lower grade products as they reduce their costs and improve their margins.

So for guidance, we have limited our guidance in fiscal 2018 to the allocation mining limits and we do recognize the state is in the process of seeking intervention in Goa with the Hon'ble Supreme Court. An expert committee has suggested enhancement of caps to 30 mtpa for the whole district with existing infrastructure, and we would expect that matter be taken up by the courts in August 2017.

In Karnataka, our enhancement application has been approved by the FIMI and the Technical Committee which is in the process of approval from the CEC for 4.9 mtpa for our interest.

I will finish with the Copper India business:

Copper India production was a record of 403,000 tons of cathode and wire rod in fiscal 2017. Our net cost to conversion was higher year-on-year largely due to lower asset byproduct pricing. However, we continue to be well positioned in the lower cost quartile. For fiscal 2018, production is estimated at 400,000 tons despite a planned maintenance shutdown that we have had this quarter. We are evaluating an expansion of the smelter in Tuticorin by a further 400,000 tons p.a., and we should be able to provide further updates on this progressively during the course of the year.

So to conclude, our strategic priorities continue to remain the same since the last couple of years. We are progressing well on the ramp ups and growing production in a disciplined manner. We remain focused on optimizing CAPEX and OPEX to generate strong free cash flow and using that to delever the balance sheet. The completion of Vedanta Limited and Cairn India merger was an important milestone to simplify the group structure. We remain committed to achieve our objective of zero harm and creating sustainable value to all shareholders.

As you are aware, this is my last results presentation. And as the Chairman has said, it is been incredible three years for me personally, and I am confident that the strong position Vedanta is in will ensure the group's continued success in the future, particularly as the Indian economy continues to inspire and move forward.

With that, we are happy to take any questions.

Ian Rossouw: It is Ian Rossouw from Barclays. Just a question on the dividend, which you increased by 83% YoY. Maybe just give a bit more context around your thinking with pro forma debt of 9.1 billion which implies the net debt-EBITDA of almost 3x, in this volatile commodity price environment, do you not think it would be more prudent to rather focus on deleveraging given your CAPEX is going up over the next 2-years and the $5.2 billion of debt maturities in the next 2-years?

Tom Albanese: I might just start and then Arun to follow up on that, I think with the success we have had both delevering Vedanta Limited, the special dividend we had from Limited up to Plc, and I think the good success we have seen in the bond markets with some of the activities, it has allowed us really to do both; allowed us to provide our shareholders and the capital markets with increased confidence that we can actually continue to manage the delevering, bring those overall debt balances down, continue to basically manage the maturities especially longer and longer periods and continue with really 14-year journey of improving shareholder returns. So we recognize that that is important for the shareholders. So meeting the needs of the shareholders and again the expectations of the capital markets, I think would be part of the priorities considered by the board when that was taken up.

Ian Rossouw: Do you not see 3x as too high in terms of net debt-EBITDA?

Arun Kumar: I think Tom articulated well. If I just focus on the second half of your observation, if you really look at the strength comes from the operating subsidiary, right? If you see the net debt-EBITDA ratio is just 0.4, indicating enough liquidity there. Coming on a strength of ramp up that is continuing into FY'18, and you already saw in the second half of this year FY'17, we produced $1.3 billion of cash flow, the first half was $200 million approximately. All of it is flowing from the operations without any working capital initiatives sort of minimum compared to the previous year. So all that augurs well for a strong operating subsidiary, generating enough volume and liquidity, giving us all the optionalities that Tom laid out that you can allocate capital towards delevering, returning back to your shareholders and self-funding your CAPEX. That probably addresses your second half of the observations.

Ian Rossouw: Just a second question on Zambia. Maybe if you could provide an update on the actual dispute with the government on the power tariff. I understand it was around $0.10 and $0.103 per kWh that was reduced by 15% from this calendar year as you say. But is that what you are actually paying at the moment or are you still paying multiples below that?

Tom Albanese: So I think in many ways, just the power tariff matter, it was a matter of looking at the whole copper belt and again, how we are affected by that. But maybe Steven Din, you are on the line as CEO of KCM, you can tackle that question.

Steven Din: So back in 2014, there was an increase by the regulation board of about 28% on the power tariff. Although it was being recorded in the books by all of the copper producers in Zambia, very recently with the intervention of the Minister of Finance and the Minister of Energy has actually been communicated back to the mining companies that it would be canceled. So that is where that dispute, if you like, currently sits. However, we are still waiting for paper work, if you like,

to see this in writing before we actually start recognizing that benefit. So that is where the dispute, if you like, dating back to 2014, currently sits between all of the mining companies and the ERB which is the regulatory body.

Tom Albanese: I might want to comment if I can on this, because I have been supporting Steven on the discussions with government is that there is a wide range of the tariffs in the copper belt, some which were quite low and some like ours which were quite high. But there was a general perception both in government and the population with Zambia that the miners were paying less than anyone else in Zambia. As a matter of fact, we were paying tariffs that were higher than the retail customer in the capital. I think just as we went through that communication process, what you are seeing now is a gravitation to more of a normalized power tariff that would be seen as more uniform throughout the district. That would be seen I think with better education, the public will recognize that it is not a good deal compared to the average consumer of electricity in Zambia.

Ian Rossouw: Just to follow up, that $0.09-$0.10 is actually what included in your C1 cost at the moment? Maybe just confirm is that actually what you are paying in cash?

Steven Din: Yes, that is the current rate that we are paying for our power tariff, that is correct.

Fraser Jamieson: It is Fraser Jamieson from JP Morgan. Probably for the last 10-years, we have talked about KCM is going to look better in next year or two years or whatever and it really has not. It is kind of gone sideways, downwards over that entire time period. I know you have laid out the specifics of what you are doing, but just when you look back over that timeframe, why has every well intentioned and well thought out plan over that time period failed? What are you doing to make sure that does not happen going forward? The follow-on to that is at what point is it just more sensible to cut your losses? The second question probably for Anil, can you maybe talk sort of briefly about your views on Tom's key achievements over his time as CEO, and what skill set broadly speaking you are looking for from his successor?

Anil Agarwal: Tom has been actually there for more than 3 years, for 6, 8, 9 months, he has been adviser to look into what has happening in the company and he had come on the saddle, and he has brought in very strong safety culture, the discipline as a vision to how to take it forward. The company inherit very strong on the cost. Day one that is our cost and the volume was in fact we are very proud how we manage our cost and volume. But Tom has come into streamline and bring the stability, discipline. Companies run by all the CEOs very independently. Oil business run by Sudhir Mathur, who is very competent to run the oil business and according to me, he does not need anybody except whatever expertise he need he will run his business very independent. You have Zinc business, which is run by Sunil Duggal. He runs very-very well. We all have a lot of experts. We are very proud the way we manage our cost, we manage our volume, we manage our discipline. Iron ore run by Kishore, who is very-very competent. So each CEO runs his business. We are looking at a common CEO. The most important thing is investor relations to talk externally what company is doing and how company will help, also to the face of the company who can talk to the face of the company to the government or external people and also

to coordinate with all the CEOs together. Company is in very-very good hand. Today is a very fortunate time. Lot of people are available and we would like to have right people. If you look at what are the emerging markets? China, India, Africa, these are the markets coming up. If you look at China, China run by the very local, very strong, their own culture. We will like somebody who come in with the best of expertise and align. So those quality will be there. You talk about Zambia. I can say Zambia asset is probably I would say one of the five assets in the world, the copper asset, Zambia has that asset. 3% grade of copper, it was with the Anglo and then the government took over, and then we bought it, we invested almost $4 billion sinking the shaft.. So we brought in the new smelter. We have a brand-new smelter. The smelter is positioned. We have inherent problem of discipline, the people, dewatering. This asset we will be proud of. We have changed the management, we have brought in the people, we bring the lot of discipline. Sometimes, it is taken more than what we thought, but there is enough water in the well. How to take it out in the most sustainable manner? That is one thing we have to make sure. We have changed our approach where we were doing everything internally. Now we are looking the best of expert to come in a lot of outsource basis, and South Africa and Africa have tremendous potential of these outsourcing people, and people are available. We are changing our approach, and I am very confident you will see how the company change, but I would like Steven to talk about a little bit, as you are saying, what concern and what changes he is bringing. Steven?

Steven Din: Yes, thank you, Chairman. Thank you for the question, Fraser. Obviously, you have been following KCM as you say for the last 10-years and you are seeing a number of initiatives. Let me echo, first of all, the confidence that we have that the Chairman has just mentioned. We are very confident that KCM is now poised for growth. Let us just think about where we are today. 2016, the lowest copper price, so the average copper price at $4,500/ton, in the last 11-years. We have seen ourselves through that process. Also at the end of last year, we refurbished our smelter, we rebuilt the ESP and the throughputs are coming through. Unfortunately, over the last couple of quarters, we did have some negative impact on our equipment availability. But every single one of those, through technical intervention is being fixed. So you have seen our operational spend base come down, you have seen our volumes maintained even through difficult times, and now we have a number of interventions. As the Chairman mentioned, we are looking for the best-in-class consultants, whether it be for development or dewatering or cobalt separation, to come and assist us. So we are poised to increase our volume levels. But more importantly, we also have a number of these projects, which are now being progressed. One of them is the cobalt separation where we will be able to increase our payables. Then at the same time, we have a lot of low grade materials sitting on our dams and in stockpiles and we are using technology to be able to unlock that copper. So although you may have seen other things in the past 10-years, Fraser, I can assure you that this business is poised for growth. Even with the cost levels that you are seeing at the moment which are high on the basis of low volume, you are going to see us moving into second, first quartile on the cost curve just with an extra push on the volume. So that is where I believe that this business is going.

Tom Albanese: I just want to reinforce what you heard from the Chairman, that we have the resource there, the grade is there, as you look around the world of copper, there is not a lot of resources like that. I would say that this has been sort of my biggest bit of unfinished business in terms of what we

have had over the past four years. But that being said, we did see steady improvements in efforts up until the middle of last year, and then I think just the consequence, as Steven said, that period of time of low copper prices and just the business having to survive in $4,000 copper price environment meant there were things that we were not putting probably in, in terms of investment, etc., that caught up on us, and that was a setback to it. But copper in these prices, as Anil is saying that the focus on the discipline, getting things going, the focus on innovation, some of the efforts that are continuing by Steven, look, I am confident that we will come through there. But any copper producer weathering sort of $4,000 copper price does have to make some sacrifices to basically, that has to be caught up, and it has been catching up on us over the past year, but we are now tackling that and we are moving forward.

Jatinder Goel: Jatinder Goel from Citi. Two questions please; firstly, if Mr. Agarwal is able to comment regarding Volcan's ownership in Anglo-American. Understandably, there is no current relation with Vedanta apart from the share pledge and some bond guarantee. But is there anything for Vedanta shareholders to look forward to from that ownership over the three-year period? Secondly, on the group strategy, simplification still remains rightly so in that Cairn India was a big step. What do you think is the next logical and viable step in that jigsaw?

Anil Agarwal: Volcan, in their own capacity, has taken close to 13% share in Anglo, and it is very strategic, I believe that company is good and it will create value. As far as Vedanta relationship is concerned, we are not looking anything in three years, and there is a lot of synergy which I can see in Africa and India, so that will help. As far as your second question was next step streamlining, I think the only thing has remained which I think is a very independent company is Hindustan Zinc. There is nothing simplification is required. Hindustan Zinc, the company owns 69% share, we are running it very well, government own 26% share. They have said a couple of times intention they will take a view… they should take a view, Indian government has always wanted to come out of this holding, but there is some court process which is sometimes get delayed for a few years. I believe court will take a view in few months' time or whatever time. Once they take a view and they give a signal, government is absolutely ready to go forward to sell the shares. So once that happens, more simplification I think will happen.

Tom Albanese: Maybe, if there is anyone on the lines, Ashwin, that we could take?

Moderator: Thank you. The next question is from the line of Varun Ahuja from JP Morgan. Please go ahead.

Varun Ahuja: Two questions really from my side. Firstly, I may have missed, what are you guiding on CAPEX, and if you can just very quickly give a breakdown in terms of segment? Secondly, on debt maturity profile, you have obviously taken out the 2018 which keeps just 2019 and part of 2019 is outstanding now. So, if you could just give any guidance as to whether you think that you are now comfortable with the maturity profile or you still think that you would continue to be more prudent and try to prefund or prefinance some of these upcoming maturities while the market is strong?

Arun Kumar: I think as far as CAPEX is concerned, I can allude to Page #20 of our presentation. As you can see, the CAPEX for FY'18, we are really guiding investments into zinc and oil & gas. High return projects, excellent IRRs being spent on Gamsberg as well as the 1.2 mt expansion at Zinc and to increase the oil volume. We have talked about optionalities at the mid-year, and very happy to report that many of those optionalities have entered feasibility stage, and as I mentioned, about 20% IRR at 40 Brent. So that takes a sum of around $1 billion, plus we have another $200 million of optionalities in copper in the Lanjigarh refinery. Copper smelter, we are in the final stages of working out our design for ensuring that it is executed very well. Soon after the board approvals and the other processes, we will be very happy to announce it. Lanjigarh refinery, of course, we are in a state of readiness. The moment the bauxite supply chain is in place, it will be starting execution. So about $1.2 billion to $1 billion is the range that we have articulated on Page #20. So moving into your second question on the debt maturities, as we stated, our continued priority remains to delever and extend our maturities. So we will keep doing more work on it, and 'Proactive' is the buzzword out here. But definitely, as I said earlier, the strong operations give us a lot of flexibility. We can pay down debt, we can extend the maturities, the cash flows continue to be strong from the ramp ups and the cost efficiencies we have achieved and further to go in FY'18. So you can be well assured that the balance sheet will be managed proactively with greater debt maturities and more exercises perhaps in the future.

Tom Albanese: I may just want to comment on CAPEX, just to remind you that the CAPEX from Hindustan Zinc is financed through its own cash from operations. So does not play to the Vedanta Limited or Plc balance sheet.

Moderator: Thank you. The next question is from the line of Bharat Shettigar from Standard Chartered Bank.

Bharat Shettigar: A couple of questions related to the holdco's debt. Now if I see the holdco debt has gone up from about 6.14 billion in September to 6.63 billion as of March, it is a bit surprising. Can you throw some light on why did you raise that debt, and what is the maturity profile of that debt? Second question is more from a longer-term point of view. What do you think is the sustainable debt level at the holdco because the way I see it is, $6 billion kind of debt at the holdco, the interest expense on that plus the dividends that the holdco pays will be very tough to service purely through dividends from Vedanta Limited. So any color on that will be helpful?

Arun Kumar: So I think if you really look at, the holdco debt has actually gone down to below $6 billion. As we articulated post year-end, we have delevered further by taking out our FY'18 bond maturities. So the current level if I draw attention to Page #21 is approximately $5.7 billion. I think the fundamental big picture here is to look at the group as a whole. Holdco is holding a very, very strong operating asset. The operating asset post its CAPEX requirements, which will be completely self-funded, has the potential to generate a couple of billion dollars of cash without any further new capital investments based on the CAPEX that has already been invested. So that is the key vehicle. If I may add, Tom pointed out earlier that the entire Zinc CAPEX is again self-funded. Oil CAPEX comes from its own cash flows of that segment within Vedanta Limited. With Aluminum achieving its full potential during the year, there is enough cash flow and

profitability at the operating subsidiaries to sustain the $5.5 billion debt level at the holdco, which we do not see as an issue going forward.

Bharat Shettigar: So there is no plan to further delever the holdco in the next 1-to-2-years?

Arun Kumar: As I said, we do not give specific guidance on what we delever at which point of time, say except the fact that our priority continues to delever both at Plc and at Vedanta Limited. So we can expect to see more of it, but no specific guidance at this point of time.

Moderator: Thank you. The next question is from the line of Menno Sanderse from Morgan Stanley. Please go ahead.

Menno Sanderse: A quick question on aluminum. Obviously, for the first time in 10-years, you pointed out there may be some light at the end of the tunnel, but the industry does have a history of overbuilding this as soon as things get better. Where does Vedanta stand especially on smelter capacity? I appreciate the views and plans around alumina, but I have not heard anything on aluminum?

Tom Albanese: In forums like this, I have been speaking for 10-years about when will the tide turn there. I would say that, notwithstanding the global alumina oversupply, if you look outside of China, largely you have seen constraints on pot line capacity, if anything, you have seen pot lines being taken down particularly in some of the higher cost power parts of the world. That has been a trend that all was continuing well until China decided to continue to ramp up in excess of their own demand requirements. That has been the challenge the industry has been facing, both in terms of premiums and LMEs. I think over the past 12-months, you are seeing there is probably less capital that is being allocated to aluminum As you know, these things can turn. If aluminum margins were to rise, you can see that coming back. So there is always a risk of that resuming. However, that has been matched by a growing awareness among the broader population in China about their own need to improve the environment. Again, as China becomes more affluent, like every other economy and every other society we see in the world, they have a lower level tolerance on things like air pollution, water pollution, anything that damages nature. So this latest round of supply threats of reductions in supply, are really as much driven around non-economic, basically quality of life issues that will probably put some of the smelters in the old part of the Chinese complexes under some pressure. I think that is what is driving some of the improved expectations about aluminum prices going forward. If those begin to either work down or become in some type on and off basis, which is difficult practically to do on a seasonal basis, but I am sure they will try to make that work, that will probably have the effect of bringing China more into balance. I think that would be bringing certainly the global position more where you can see maybe some of these large inventories being wound down. That is probably not the most optimistic assessment of where it could go, but I think it is a reasonable balance assessment given that this is becoming political, societal issue, not just an economic issue.

Menno Sanderse: Vedanta’s view on building more smelter capacity itself in India. What is the stance there?

Tom Albanese: Our first and foremost is to bring the existing capacity that we have already built going back 2010 through 2012, where basically the capital has been spent, and let us get that into production, let us make sure that every pot we add is generating positive EBITDA margins per ton on a healthy basis, and that brings in cash, that basically brings the overall business in balance. So the debt on the Aluminum business is actually paid down by the revenues from the aluminum business in the first instance. Certainly, that would bring us up to 2.3 mt of aluminum production. I would like to see more and more of that going into the Indian market rather than exported. Certainly, as that would continue to grow, we have some projects that were being thought about to take it up to further levels above 2.3 mt, and if it made economic sense to do so, sure, we will give it a try.

I think Arun is a good taskmaster on return on investments, he would be keeping a tight eye on any future investments.

Moderator: Thank you. The next question is from the line of Harsh Agarwal from Deutsche Bank. Please go ahead.

Harsh Agarwal: I had just two or three quick questions; one was just to be clear, $1.4 billion of debt repayment post-March 31, that includes the $1.2 billion of bridge loan at Hindustan Zinc or it does not include that?

Arun Kumar: It does not include that.

Harsh Agarwal: So $1.4 billion is on top of that $1.2 billion basically?

Arun Kumar: Right, absolutely. The $1.2 billion is just a temporary loan, and we do not count it either as a debt or as a repayment. So it is really about focusing on your core gross debt portfolio while your net debt ratios continue to be exceptionally strong at the operating level. So Harsh, very clearly, the $1.2 billion does not come into picture.

Harsh Agarwal: Arun, I think you guys used to show a slide which was quite helpful. What is the sort of post all the refinancings and what have you, what is the annual interest cost burden at the holdco level right now?

Arun Kumar: I think as somebody rightly observed a bit earlier, the debt level is around $5.5 billion, you could assume an average cost around 6%. The slide is perhaps there in the annexure, you can always look at it.

Harsh Agarwal: Arun, last thing was just to clarify, the Twinstar debt that you had, has that been refinanced or is it sort of in the final legs of being refinanced?

Arun Kumar: That is all done and dusted. Yes, during the interim, we had a lot of questions around it. As we articulated earlier, our relationship with all our banks continue to be strong given our track

record, and absolutely bang on time, it got refinanced and part of it also got repaid. So that is the optionality I am talking about with the liquidity pool that we have.

Harsh Agarwal: Perfect, Arun. I have to say as a credit investor you guys have done an amazing job over the past 12-18 months and I hope that continues in the future also.

Moderator: Thank you. We will take one last question from the line of Pavitra S from Nomura. Please go ahead.

Pavitra S: I just have one on the cash balance at Plc. It is around 17 million as of March. But I expected it to be slightly more than that because from September, if I understand correctly, there would be like an inflow to Plc of around 400 million intercompany loan, and then 200 million excess proceeds from the bond that was raised. So even if I assume interest of around 200 million and the 150 million support to Zambia, it still leaves me with around 250 million of cash. So I am just wondering if I am missing something here or if you can just take me through how that cash movement has happened at Plc?

Arun Kumar: I think fundamentally it does not matter whether Plc has 15 million cash or 150 million cash in its bank or 1.5 billion. What really matters is the $6.5 billion liquidity that we are sitting on and potential to generate another couple of billion dollars of free cash flow every year as we have demonstrated even during the worst of price periods in FY'16, where I must remind you that on EBITDA of 2.3 billion, we generated 1.7 billion of cash. So reconciliation is definitely available offline, the team is available, but I like you to look at the big picture which is the liquidity and the cash flow potential.

Pavitra S: One more thing is on the support to Zambia. Do you expect an annual like around 100 million to 150 million capital infusion into Zambia going forward let us say for the next couple of years or so or how should we look at that?

Tom Albanese: We would not expect that level of infusion. I think it is up to the business to ramp up their production and it is up to the business to run within its own means.

Arun Kumar: I think the key in Zambia, as Steven had articulated earlier, is every marginal ton of production gives you $4,000-$5,000 per ton of profit. So you press the pedal on production, and as you saw the confidence exuberate from the operating team and the backing that we have on the asset, which is 3% copper asset, very rare in the current basket of copper assets globally, I think it has its potential to self-fund itself, not only self-fund but also return handsome in the near future.

Tom Albanese: Maybe, operator, we can see if there are any questions in the room here before we come over to you. Tony, good to see you again after so many years.

Tony: Tom, a two-year absence, thank you for perhaps the sell sides making our jobs a little easier with consolidation of Cairn Energy, more to do there. Two questions please. Can we have any guidance for fiscal'19 for Zambia? Thank you again for the forecast for Cairn Energy for

fiscal'18. What about 3-5-yaer horizon… can you maintain production levels, and does require greater capital to maintain production levels given field declines?

Tom Albanese: Sudhir, first, why do not you tackle that? I think on Zambia, I will make a comment, but may ask Steven to go further.

Sudhir Mathur: Our base production from our fields will remain the same as from the previous year, and we have kept the optionality for growth coming in from the various projects on tight oil as well as enhanced oil recovery on two of our fields, which is Bhagyam as well as Aishwariya and our gas project. Collectively, over the next couple of years, these would give volume of about 80,000-100,000 barrels and add reserves of about 100 million barrels.

Tom Albanese: On Zambia, we do not give guidance past the upcoming year as normal practice. But given all the comments we have said about the importance of production growth for cash flow, certainly we would expect to see higher levels of production in 2019 than 2018. But with that, Steven, you might want to just give it in general terms.

Steven Din: Let me come back to FY'18, I mean, we are expecting in this year to do between 190,000-210,000 tons of total production. Now the integrated part of that is 110,000-120,000. So that is where all of our equipment availabilities and our technical interventions will make sure that that happens. On the custom side of the business, we are very comfortable with being able to access the third party concentrate. Now going into FY'19, as you say, it is probably not a good thing to talk about this, but I would expect 40% to 50% increase the following year on the current levels of production as we progress the projects and our outsourcing initiatives, in particular, around the Konkola underground mine and also around the Tailings Leach Plant which is at Nchanga.

Tom Albanese: I am glad, Steven, that you have put your KPIs on the table with the Chairman, therefore 2019. Hopefully, that answers your question, Tony.

Tom Albanese: I think those were good questions and thank you very much for your participation especially all those on the call. Again, from my own perspective, it has been a strong year; we had a significant increase; 37% in our EBITDA to 3.2 billion; 1.5 billion of cash flow after capital cost; transformational transaction with the Cairn merger, which I think has greatly simplified the corporate structure, it strengthened it and it certainly put a lot of heavy heft in the balance sheet particularly at the Vedanta Limited level, and will give that future board the opportunity to properly allocate capital in the best projects for the best returns. I have been impressed with the Indian growth story and the Indian economy for the past 3.5-years. I think we will all continue to be impressed with it being the fastest growing of the BRIC economies. I think that from a ground floor perspective, Vedanta is where the supply will be for that future demand. If anyone has been watching sort of the coal picture in India over the past several years, where coal production was lagging in India until the import started rising, the government took notice of that and recognized that the country could not afford those kind of imports, so basically it stimulated the expansion to bring raw materials from India for that demand. I would expect in the future, as metal demand were to rise, the government will be equally supportive of the metals

industry itself providing that future demand. There will be one company out there that can do it on a full-service basis, and that is Vedanta. So I think it is a very good play for that future India. Thank you very much.

Moderator: Thank you. On behalf of Vedanta Resources Plc, that concludes this conference. Thank you for joining us and you may now disconnect your lines.