"Vedanta Resources Plc FY 2016 Earnings Conference Call"

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MANAGEMENT:
MR. ANIL AGARWAL – CHAIRMAN, VEDANTA RESOURCES PLC
MR. TOM ALBANESE – GROUP CHIEF EXECUTIVE OFFICER, VEDANTA RESOURCES PLC
MR. D.D. JALAN – GROUP CHIEF FINANCIAL OFFICER, VEDANTA RESOURCES PLC
MR. MAYANK ASHAR – CAIRN INDIA LIMITED
MR. SUDHIR MATHUR – CHIEF EXECUTIVE OFFICER, HINDUSTAN ZINC LIMITED
MR. SAMIR CAIRAE – CHIEF EXECUTIVE OFFICER, INDIA DIVERSIFIED METALS BUSINESS, VEDANTA LIMITED
MR. SUNIL DUGGAL -- HINDUSTAN ZINC LIMITED
MR. STEVEN DIN – CHIEF EXECUTIVE OFFICER, KONKOLA COPPER MINES PLC
MR. ABHIJIT PATI – ALUMINUM, VEDANTA LIMITED
MR. KISHORE KUMAR -- IRON ORE, VEDANTA LIMITED
MR. ASHWIN BAJAJ - DIRECTOR, INVESTOR RELATIONS, VEDANTA RESOURCES PLC

Moderator: Ladies and Gentlemen, Good Morning. I am Ashwin Bajaj -- Director of Investor Relations for Vedanta. A Warm Welcome to You. Thank you for joining us for our Results Discussion for the Financial Year 2016. Let me introduce our management team present with us today. We have Mr. Anil Agarwal -- our Chairman; Mr. Tom Albanese -- Group CEO and Mr. D.D. Jalan -- our Group CFO. We also have several of our business leaders on the phone line with us; we have Samir Cairae -- CEO of the India Diversified Metals business; Mayank Ashar and Sudhir Mathur from Cairn India; Sunil Duggal from Hindustan Zinc; Steven Din from KCM; Abhijit Pati from Aluminum and Kishore Kumar from Iron Ore.

With that I would like to hand over to our Chairman.

Anil Agarwal: Good Morning, Ladies and Gentlemen. I Welcome You to Annual Result of Vedanta Resources. This year Vedanta has produced strong EBITDA margins and generated stronger free cash flow enabling us to reduce our net and gross debt. The teams have worked towards reducing cost, optimizing assets and addressing operational issues. We require minimal additional CAPEX due to our existing pipeline of well invested assets. This year, the board has decided to pay a modest final dividend of $0.30 per share. This is designed to reward our shareholders for their continued support through these volatile markets, while maintaining liquidity within the group.

This year, we have seen encouraging signs of support from the government. For example, export duty on low grade Iron Ore has now been removed. In India, we want to have the best economic and social development alongside the important goal of addressing climate change. At Vedanta, we are determined to play our part in the solution. This year, we signed the Paris Pledge for Action and we continue to look for innovative ways to reduce carbon emission across our Power plants.

I am particularly proud of the team Guinness Book of Record achievement of planting over 200,000 saplings in one hour at our Talwandi Sabo Power Plant.

The long-term outlook for Vedanta remains robust. India continue to be the world's fastest growing economy, requiring huge investment in technology, natural resources, road, rail, energy, telecom, water and sanitation. In India, with its population of 1.2 billion, Vedanta is the only diversified natural resource company producing 30% of the country's oil.

We are also a major producer of Aluminum, Zinc, Copper, Iron Ore and the only producer of Silver. We are focusing on mining metals in line with the "Prime Minister Modi's Make In India Initiative". We are the major producer of raw materials and thousands of SMEs will emerge to process this metal which will lead to the huge job creation and economic development. As we run the company at full capacity, we will contribute almost 1% of the country's GDP.

I will now hand over to Tom who will give you full overview of our Results. Thank you.

Tom Albanese: Thank you, Chairman. Good Morning, Ladies and Gentlemen. Commodity prices as you know have improved materially in the last couple of months and investor sentiment has started to turn

cautiously positive on the resources sector. It has been a broad-based rally improving all of our businesses, with different commodity prices increasing by various degrees ranging from 15% to as much as 100%. The markets are still gauging the overall demand and supply scenario and the recovery of demand from China. Chinese economy grew at 6.7% during the first quarter in line with market expectations.

I believe the lows we have witnessed earlier in 2016 hopefully would be the trough for the commodity markets and recovery we have here with some retracement is here to stay. During this period at Vedanta we have dug in deep through this volatility and these difficult markets over the past year and ensured that we have optimized all of our activities to deliver strong free cash flow across the businesses and delever despite the low commodity prices. As we look forward to Fiscal Year 2017, we see very exciting year ahead of us with the ramp-up of our capacities as well as continued focus on continued cost reduction and prudent capital allocation which will translate into higher EBITDA and free cash flow.

So I will now review the Performance for Fiscal Year 2016 and Highlight some of these Initiatives and as always I will start with Safety and Sustainability: On Safety: it is with the deepest regret that I have to report the loss of 12 of our colleagues in the last year. As an organization, we have been deeply disappointed. We have been working very hard with the management team, the executive team and all of our employees and contractors around the group to achieve our objective of zero harm which is an integral part of our strategic priorities, key part of my own personal agenda. We are taking several initiatives like training our line managers on risk identification and mitigation measures, implementation of safety performance standards and zero and safety leadership drives to achieving zero harm. Programs such as the Chingilila Program at KCM meaning to protect as an initiative is also to achieve zero harm.

Moving to the Next Page: Operationally, we have had a strong year with record production at zinc India, aluminum, power and copper cathodes. We commenced ramp up of our capacities at aluminum and iron ore. During the fourth quarter, we operationalized our entire power portfolio of 9,000 MW. Our ramp up at Konkola has helped us bring down the costs at copper Zambia significantly. We delivered EBITDA of US$2.3 billion with strong EBITDA margin of 28%. Significant progress has been made on cost and marketing savings which has enabled us to generate this healthy margin in a volatile market. With strong free cash flow of US$1.7 billion, around 63% higher than last year we were able to significantly reduce our net debt in Fiscal Year 2016. At the end of the year, we did evaluate the carrying value of our assets given the commodity price environment and we have taken a non-cash impairment charge of $3.3 billion after tax primarily at oil & gas.

The Board, as the Chairman mentioned, has approved a reduced dividend of $0.30 per share.

We remain committed to de-levering, at the same time, we do recognize the shareholder needs for returns over time through dividends. Group simplification remains a strategic priority and we are committed to the Cairn-Vedanta merger.

So let us spend some time and discuss what we have committed to at the beginning of this year and where we stand now. I personally feel we are successful in delivering most of the operational targets that we had set for us a year ago and two years ago, and this despite the extremely weak commodity environment that no one would have anticipated over that period of time.

During the year, we received approvals for captive use of power at Jharsuguda for the aluminum pots ramp up. We also received environmental clearance for the expansion of our Alumina refinery to 4 million tonnes in phases. We will be ramping up the refinery in Fiscal Year 2017 and further expansion will be linked to the allocation of captive bauxite which we are still working on and we are hoping on a positive outcome on this with the support of the state and the federal governments. With our constant efforts, we were able to progressively reduce our aluminum cost of production during the year and ended with $1,431 in the fourth quarter of Fiscal 2016. As committed, the entire power portfolio was operationalized during the year.

At Goa, we have ramped up volumes of our Iron Ore and achieved a monthly production run rate of 800,000 tonnes in the month of March.

At Oil & gas, we have successfully completed the world's largest polymer injection in our Mangala field in Barmer. The Mangala EOR project has made a significant contribution to our overall production in Rajasthan.

Again, in copper, we continued with our focus of turning around KCM and are pleased to update you that with the continuous efforts we were able to bring down our costs by 27%. A year ago we laid out a four-year target for delivering $1.3 billion in cost savings and marketing synergies in March of 2015 and we are on track to deliver these.

On the balance sheet, with strong operational performance and working capital initiatives, we were able to reduce net debt by US$1.1 billion. Note: This was the end of March number, so before the special dividend paid by Hindustan Zinc in April of 2016.

On the Corporate Structure front, our board have announced the merger of Vedanta Limited with Cairn India in June 2015 and we are committed to completing this merger.

I would now like to spend some time and give you a picture of the strong ramp ups that we anticipate in Iron Ore, Aluminum and Power. These bars show the production in Copper equivalent units. As we ramp up capacities at these three well invested businesses, we expect to deliver approximately (+60%) Copper equivalent growth in 2017.

While we do not provide guidance on EBITDA due to its dependence on commodity prices and of course volatile commodity prices, we are expecting Fiscal Year 2017 production at spot commodity prices and our fourth quarter cost of production resulting in pro forma EBITDA growth of over 30%. This significant and near-term growth is coming from immediate subsidiaries. So the future attributable earnings and cash flows should be significantly higher for

these businesses. This will help us achieve our strategic objective of continuing to delever our balance sheet.

Of course, Zinc India and Cairn India will continue to deliver strong performances as we ramp up the mining capacities to 1.2 mtpa at zinc and implement various projects at oil & gas of course dependent on oil prices.

Focusing on Aluminum, Power and Iron Ore, we do expect Group earnings to be more balanced in the future year across the business, enhancing our diversification across commodities and better positioning Vedanta to navigate through the current market volatility. All this growth as you can see is coming with very low CAPEX as you can see on this slide.

Over the past couple of days, you have heard a lot about growth in our industry. As you know, this is something we have had on our minds for a couple of years without spending the capital.

The Chairman made some comments about India and I would like to say a little more. The development agenda the Indian Government has complemented with steady reforms, not too fast but we do see it happening. Auctioning of mineral resources has commenced following the MMDR Act and the government is keen on further mineral auctions. The announcements in the recent budget had some positives for the sector. Our oil cess has been revised from a fixed Rs.4,500 per tonne to 20% ad valorem. This rate has been much higher than we would have anticipated, but in the current low oil price environment it is better than the fixed charge and we continue to work with the government on hopefully seeing the cess reduced in the future. The import duty on Aluminum increased from 5% to 7.5%.

As we speak, the Director General of Safeguards has also recommended the imposition of 5% safeguard duty on the import of Aluminum which is under consideration within the government. Again, from our perspective, this is about leveling the playing field of domestic Aluminum production with what we see as subsidized imports from other countries. These gains however were partly offset with the clean energy cess on coal that came in this year’s budget which was increased from Rs.200/ton to Rs.400/ton. Of course over the year we saw two reductions in the export duty on low grade Iron Ore. So now there is no export duty on low grade Iron Ore.

We have had a good progress on regulatory approvals, particularly on Aluminum with a receipt of approval for the use of the IPP at Jharsuguda for the captive purposes and the receipt of environmental clearance for expansion of alumina refinery from 1 million tons to 4 million tons.

Moving away from India:

We have also seen positive regulatory developments in Zambia such as progress on VAT, refund issues and less uncertainty on royalties.

Moving to the Next Page:

This slide reiterates that our strategic priorities remain unchanged with production growth in a disciplined manner, asset optimization, deleveraging and a commitment to the Cairn India and Vedanta Limited merger. At the same time, we remain focused on preserving our license to operate everywhere we do business and adding resources as we deplete them. We have set up a dedicated exploration cell to look after growth opportunities and keep adding to our existing resource base. We have also set out our focus areas against those priorities for the next year.

With that I would like to hand over to our CFO -- Mr. D.D. Jalan to take you through the Finance Update. Over to you.

D.D. Jalan: Thanks, Tom. Good Morning to You, Ladies and Gentlemen. As highlighted by Tom, it was a challenging year for the commodity players due to uncertain and volatile commodity prices. However, even against this backdrop, we have delivered a strong set of results -- Thanks to a combination of our high quality, diversified portfolio of assets, operational and commercial excellence. During the Fiscal Year 2016, we delivered an EBITDA of $2.3 billion with a strong 28% margin and record free cash flow post-CAPEX of over $1.7 billion through a relentless focus on cost optimization, strong operating performance and working capital initiatives. This resulted in reduction in net debt by over $1.1 billion. Gross debt also reduced by about $400 million for the year which demonstrates our commitment to deleveraging, even in a tough year. The Board has considered ongoing market volatility, the capital needs of the business and our strategic priority to delever the balance sheet and have decided to declare final dividend for FY'16 of US$0.30 per share to reward our shareholders for their continued support.

Turning to the Next Page:

As you can see on the right hand side of this chart, we have saved $425 million during the year through better operating performance, cost saving and marketing initiatives which were in our control. This helped us to partially offset the adverse impact of $2.2 billion on account of uncontrollable factors, mainly lower commodity prices and regulatory headwinds which was almost 60% of previous year's EBITDA. We will focus a bit more on our cost saving initiatives in the next slide.

At our Capital Markets Day in March 2015, we launched our cost and marketing savings program to save $1.3 billion over period of 4-years. During FY'16, we made significant progress on these initiatives and realized savings of $325 million in one year. In H2 2016, savings would have been higher by about $30 million but for lower volumes at Hindustan Zinc and Zinc International operations. We continue to remain focused on these initiatives and we are targeting to achieve savings of $350 million to $400 million on the same basis in FY'17. Given that most of the savings are seen in the Aluminum and Power at Vedanta Limited and KCM businesses, the attributable net profit flow through this is much better.

Moving on to the next slide on Income Statement:

The profit before tax and special items for FY '16 were lower compared to previous year, largely on account of lower commodity prices, partially offset by lower depreciation and amortization charge. Lower depreciation charge was driven by change in useful life of assets in FY'15. Amortization charges is largely impacted by the impairment provisions in FY'15. On account of gradual capitalization of Aluminum and Power assets, depreciation in 2017 will be bit higher by about 10%. We reduced our blended cost of borrowing by 25 bps to 7.3% on account of lower cost refinancing, buyback of the convertible bonds and benefit of interest rate reduction. We are working on several initiatives to optimize our finance cost; the interest cost is likely to be around 7.5% to 7.6% for FY'17, due to higher INR loan content.

On the investment revenue side:

We posted an average 7.2% post tax return. We expect the returns to be marginally lower in line with the interest rate downward trend in India. The tax rate without the special item was 113%, higher compared to 32% during FY2015. This was driven by significantly higher dividend distribution tax owing to special dividend declared by Zinc International towards end of last financial year. Excluding this tax on the special dividend, tax rate was 33% in line with our earlier guidance. The rate for FY'17 is expected to be around the same level. Underlying attributable loss without the special item was $364 million primarily driven by lower EBITDA and hence lower commodity prices.

Moving to Slide #16:

Impairment charge in Q4, we took $3.3 billion non-cash impairment charge on fixed assets, primarily triggered by further fall in oil prices. After the impairment charge, the lower carrying value on books also results in a reduction in the amortization charge by about $200 million p.a. from this year. Further, in light of the declining Iron Ore prices, impairment charge of $228 million was taken for exploratory assets in West Africa. I would also like to reiterate that this impairment charge does not affect our operating or earning capability.

Moving to Slide #17:

As we can see on this chart, we generated record free cash flow post CAPEX of US$1.7 billion during the year on account of strong operating performance, disciplined CAPEX approach and efficient working capital initiatives. This resulted in reduction in net debt by 13% to $7.3 billion.

As you can see, large amount of $826 million was generated through working capital initiatives which includes advance from customers, managing debtors and creditors timing. Approximately, 50% of this is sustainable in medium-term and balance may unwind during the year.

Moving to Slide #18:

Total CAPEX spend for the year was $0.6 billion against revised full year target of $0.7 billion in our Q2 results and original plan of $1 billion. We were able to achieve this further reduction by creating flexibility around our Oil & Gas business CAPEX program. Total CAPEX for FY'17 is expected to be around $1 billion. This comprises of $200 million on Gamsberg project. The total cost of Gamsberg project has been reduced from $600 million to $400 million and $300 million for Hindustan Zinc underground mining project, thus making half of CAPEX program on the zinc assets, $100 million for Oil & Gas business, with optionality to growth projects further. We will spend $325 million on our Aluminum and Power assets. As you know, our Aluminum and Power assets are well invested with only marginal incremental CAPEX requirement to ramp up the capacities. I would like to emphasize that we continue to optimize CAPEX and retain flexibility on our CAPEX program.

Moving to Slide #19:

We have made good progress with regards to increasing maturity profile of our borrowing. During FY'16, we raised fresh debt of $4.5 billion, of which $3 billion was long-term debt with tenors ranging from 5-years to 14-years, successfully leveraging our relationship with the banks. During the year, Vedanta Plc was repaid $0.8 billion of intercompany loans given to Vedanta Limited and was further repaid $0.9 billion in April 2016, leaving about $1 billion outstanding which will be repaid during the current financial year. Out of $3.8 billion debt maturities in FY'17 for the Group, $2.3 billion is debt maturity at subsidiaries and balance $1.5 billion at Plc which includes $1.35 billion of bonds. The debt maturities at Vedanta Plc will be met by way of repayment of intercompany loan from Vedanta Limited. For Vedanta Limited, we have already refinanced $200 million in April '16 and intend to meet the balance maturities during the year through various sources, committed term loan of $0.5 billion, $0.2 billion of cash and liquid instruments, rollover of short-term debt and balance through term facilities which are in process of being tied up. We also intend to convert part of our short-term debt in to long-term during the year to extend our maturity profile further. Having taken care of the current debt maturities at Plc, our focus now shifts to FY'19 maturities. We shall be evaluating all options of refinancing and terming out debt maturities.

The lending banks of Vedanta Plc have consented to certain changes requested by the company to its covenant levels under the terms of some of its debt facilities, effective from 31st March 2016, until the period ending 30th September 2018. This will ensure compliance of covenants on all facilities for the testing period ending 31st March 2016. The changes in the covenant levels have not increased the ongoing borrowing cost under these facilities. The liquidity for the group remains strong with $8.9 billion of cash and cash equivalents along with $0.6 billion undrawn committed lines of credit, excluding the $0.5 billion committed term line as mentioned earlier.

Moving to the concluding slide of my section:

As you can see, even in this difficult year, we have reduced both gross and net debt. With further ramp up at Aluminum, Power and Iron Ore assets, we are geared up to generate higher EBITDA, free cash flow which will further help to delever our balance sheet.

In Summary:

We believe that our continued focus on generating strong free cash flow, driven by disciplined capital allocation, improvement in volumes, minimizing costs, enhanced maturity profile of our debt and further group simplification, are the fundamental financial pillars around which we will continue to strengthen our balance sheet, give dividend to shareholders and delever. Thank you.

With this let me hand back to Tom.

Tom Albanese: Thank you, D.D. Ladies and Gentlemen, now let me take you through the Operational Performance for Fiscal Year 2016. As I mentioned earlier, I was pleased to share the World's Largest Polymer Injection Project, the Mangala field has been completed successfully and now contributing an average of 32,000 barrels of oil per day in the fourth quarter. As shown in the upper chart of the page, increasing oil production and stabilizing water cut for the Mangala field are pointing towards the desired results we wanted to see from the polymer flood. Production from Mangala EOR has ensured that we maintain stable production from Rajasthan. I am also glad to report that we were able to maintain our blended costs of oil production at $6.50/barrel including EOR which is well below our initial and original estimates. Gas production for the year was 27 mmcfpd on average, well above our guidance of 25 mmcfpd. The lower chart shows that as a result of the successful application recently of the hydro frac technology, the expected ultimate recovery from the RDG field has been upgraded by over 25%. With improved efficiency, we were able to reduce per frac time and cost by about 50%. Among projects, 20-well infill program has successfully completed at Aishwariya which will help arrest the natural decline of this field. We also retained growth optionality at the Bhagyam EOR project and Aishwariya Barmer Hill project depending on the recovery in oil prices. At Fiscal Year 2017, we expect production to remain broadly flat at Fiscal Year 2016 levels. As usual, we have some routine maintenance planned in the second quarter of Fiscal Year 2016. We have reduced our overall CAPEX plan to $100 million for the year; however, we retain the lever to increase CAPEX if the oil price is increased over the course of the year.

Let me now talk about Zinc:

Before I talk about the Zinc businesses, let us talk about the Zinc market. As we have been stating for some time now, Zinc has the strongest fundamental across the commodities complex, particularly the LME metals. Lately, markets have also turned more optimistic about Zinc after the closure of Century and Lisheen. We retain our strong position on the zinc cost curve as shown in this chart with the first quartile at zinc India, although we moved to the third quartile at Zinc International. Rampura Agucha is the world's largest zinc mine in terms of production.

Refined zinc has witnessed continued deficit in the last few years and in 2015, global Zinc concentrate market has also gone into deficit. The market believes this deficit is going to further increase in 2016 which underpins our story of Zinc having strong fundamentals. In the last chart, you see the inventory at LME and Shanghai warehouses has also been at a multi-year low. Consensus forecast for zinc are also optimistic with Zinc for the next two years. To reinforce all

this, we have seen falling Zinc TC/RCs which is further evidence of the tightness in the Zinc concentrate market.

Now let us speak about Zinc India and Hindustan Zinc:

Our mined metal production for the year was in line with the guidance. We had record integrated production of Zinc, Lead and Silver. Our Zinc cost of production improved by 7%, due to operational efficiencies and lower input commodity prices. For projects, Rampura underground shaft has been sunk to 860-meters of an ultimate depth of 950-meters. At Rampura open cut, we are pursuing cut #5 which will extend the open cast life for a few more years before we completely move to underground mining. The SK and Kayad mine expansions are both running ahead of schedule and we foresee increased contribution from these two mines in Fiscal Year 2017. We would expect Zinc India production overall to be marginally higher in Fiscal Year 2017. However, and we have seen this in prior years the production will be back loaded with the second half production expected to be about double of the first half. Within the first half, the first quarter is expected to be much lower than the second quarter. This is all related to the timing and sequencing of pre-stripping versus Ore production in the open pit. The cost of production for Zinc will follow a similar trend inversely correlated with volumes. Production will stay lower from open cast mining, as you can see from the trend in the bottom right chart which is why we are increasing our underground production. However, overall, Fiscal Year 2017 open pit production will be higher than the lows we saw in the fourth quarter although we may see some quarterly variations. In Fiscal Year 2016, we produced 13.6 million ounces of Silver, the highest ever in a year and our Silver production will continue to stay strong in Fiscal Year 2017 due to a higher contribution from the SK mine. Last year, we were Top-20 Global Silver Producer. We are happy like everyone to see higher Silver prices. At our full capacity of 16 million ounces, we will be in the top-15.

Moving to Zinc International:

Fiscal Year 2016 production was lower primarily due to shutdowns at Skorpion and the closure of the Lisheen mine as per the plan. The cost of production was therefore high at Skorpion. Mining and milling activities in Lisheen mine ceased in the third quarter. Of course, our priority is not just the pitch the closure of the Lisheen mine but also the aftercare of the site to ensure that is a long-term success from business and community perspective, and we have made a commitment to our stakeholders to leave the site in a safe condition that will allow the productive use of the land with a detail and pre-funded closure restoration and aftercare management plan which is already under way.

We have made significant progress over the past year in reducing our projected Gamsberg capital which we have reduced from the mining project CAPEX by about $200 million, primarily through re-engineering and renegotiation of contracts, taking advantage of the current commodity environment. Gamsberg is currently the only active mining project in South Africa. We expect first Ore production from Gamsberg from calendar year 2018 and ramp up time of the project has been reduced to 9-12 months to achieve nameplate capacity. Note: We have

added about $200 million from our previous capital guidance for this year to bring in the production of Gamsberg sooner than we had previously guided to because of these improvements in the capital project. These modifications have boosted the expected returns from the project and we are excited about Gamsberg particularly given the strong fundamentals for Zinc LME.

Let us move over to Zambia and talk about Copper.

Our production was 6% higher at 123,000 tons, despite Nchanga underground being put on care and maintenance. C1 cash cost improved 27% to US$1.87 per pound for the year. Two years ago, I said KCM needed to be turned around. We are well underway on this plan -- Thanks to the good efforts and leadership of Steven Din and his local team. But we have more to do to ensure this business achieves its full potential and our 50-year vision.

At Konkola:

Our production increased by 23% due to shaft rehabilitation completed in the year and mobile fleet utilization improvement. Nchanga underground was put under care and maintenance during the third quarter and we continue to remain so until we see material improvement in the Copper price and the Power situation in Zambia. At the Tailings Leach plant, the production was 7% higher during the year.

Let us talk a little more specifically about some of the cost initiatives we have taken over the course of the year:

We reduced our fuel, our chemicals and repair and maintenance cost by 23%. Given the power crisis in Zambia, we reduced our power consumption by 6% during the year and targeting total 10% reduction. We are laying out a lot of emphasis on innovation through the Zambian operations and at KCM we are working on an elevated temperature leach project to improve recoveries at the Tailings Leach plant. The first phase of this project is expected to be complete in this first quarter and we will consider the second phase in the second half. In order to optimize the power cost, we are also installing boiler capacity at Nchanga refinery which will enable us to ramp up the refinery and reduce its overall energy consumption.

So moving to the next page let us talk about Regulatory Developments in Zambia in a little more detail:

The parliament just yesterday approved the **new** royalties that are linked to Copper prices. On VAT, we are receiving now regular VAT refunds w.e.f. March 2015 and working closely with the government on the previous receivables. The power crisis had deteriorated in the fourth quarter and the government had increased power tariff by 29% in January of 2016. However, we are beginning to see some improvement in the water levels in the Kariba reservoir. Water levels have increased about 23% in April from the lows of 11% in January although this still remains significantly below last year’s levels.

Talking about Outlook:

We have always maintained our outlook for long-term potential at KCM with 50-years of probable mine life. For Fiscal Year 2017, you can see on the slide we expect higher production and much lower cost. For the next year, the key focus areas will be the Konkola turnaround, process stockpile refractory ores, exploring meanings for re-mining and re-entering the Nchanga underground profitably at these market levels and maximizing custom smelting production.

Let us now talk about Aluminum:

We have made significant improvement in cost in this business. Despite the fall in LME, we were able to maintain approximately $100/ton EBITDA margin in the second quarter and third quarter of last year.

As we said a quarter ago, there were some lagged effect that reduced Alumina prices that we expected to be realized in the fourth quarter and we did realize them. So for fourth quarter we were able to achieve sizeable $223 EBITDA margin per ton of Aluminum despite a lower LME price. We would like to see some benefit of this lag effect even continuing into the current quarter although we do recognize the seaborne Alumina prices have risen quite recently over the past month. Although Aluminum prices have risen quite a bit also compared to the fourth quarter average LME and we are seeing a little bit of strength there.

So we have been pleased to announce on the back of approvals received and efficient costs. We have started to ramp up our latent capacity at the Alumina business. The pot lines of Jharsuguda and BALCO have started ramping up as we speak. We currently have 145 pots on line in Jharsuguda and 118 on line at BALCO as against 80 pots each at the end of Fiscal Year 2016. The first line of Jharsuguda will ramp up we would expect by the end of the second quarter following by the second and third lines. BALCO will ramp up fully over the next 3-6-months. We will expect to continue to optimize our cost of production and we would expect to see a sub-$1,400 cost hot metal in Fiscal Year 2017. We are right now ramping up our Aluminum production at Lanjigarh with these higher seaborne Alumina prices to about 1.4 million tons in Fiscal Year 2017. We would expect our new laterite mines to commence production from the third quarter.

Our Aluminum and Power business at Jharsuguda has been also recognized recently as "India's First Aluminum Plant to be certified with ISO 55001:2014".

Few things about Power:

Our entire 9,000 MW Power portfolio is now operational, making us one of the largest power generators in India. At TSPL, all units are running efficiently and we expect all three units to run at availability of 80% in Fiscal year 2017. We would expect the margin about Re.1 per unit from TSPL. Our PLF as you know from 2,400 MW Jharsuguda power plant continue to be low

on account of lower local power demand although we are seeing the PLF ramping up much higher in the future as again our smelters ramp up and require the captive power.

Overall, we expect the Power segment to deliver higher volumes in Fiscal Year 2017 as the third unit of TSPL is capitalized in this current quarter and that plant delivers at its full potential.

Now, we are going to move over to Iron Ore: Let us look at the inherent strength of our Iron Ore business. On the right hand side of the page, we have the average C1 cash cost of the world's four biggest iron ore miners, which is about $14/ton. Our Goa operations are actually positioned better than those four leading iron ore producers on a C1 basis as we significantly reduced our costs, compared to those costs we had three years ago, before the mining ban was put into effect at Goa. However, post-royalty and other levies, our cost would be slightly higher as our royalty load in India is higher than it would be in other countries, where those other Iron Ore producers would be existing.

Also note, of course our product rate at 57% is lower than those other producers, so we get a much lower FOB net back, so we have to focus on continued low costs.

At the bottom of the page, we have high Iron Ore prices which as you know have improved significantly in the last two months although they have given back about 50% of the gains over the last month or so.

Moving on to the Business Performance:

Significant progress was made in terms of production and sales growth in Goa as the business commenced operations after the ban. We achieved run rate of 800,000 tons per month in March and we expect to produce 5.5 million tonnes of allocated capacity over the next few months at this run rate, of course, take into account we are coming in to the wet season in Goa. Sales from Karnataka stand at 3.1 million tons in Fiscal Year 2016, higher than the limit of 2.3 million tonnes as sales this year were supported through a large fiscal year opening inventory.

We limit our guidance for Fiscal '17 at the mining limits in both states allocated by these states. However, we are continuously engaging with the state government for seeing higher limits and again allocating higher proportion of existing limits to us. In Goa, at this point, **not that many miners have** commenced operations. So we are working closely with the Goa Government to remove duplication of taxes, i.e., the Goa Permanent Fund and District Mineral Fund.

Our Value Added business has also been doing well with Pig Iron currently generating about $50/ton of margin. We are excited about Iron Ore and Pig Iron for Fiscal Year 2017 and expect this business to be strong EBITDA contributor once again.

A few moments to speak about Copper India: We have had record production of Copper Cathodes for the year. Smelter recovery rates have been increasing for the past few years and we are 98.4% in Fiscal Year 2016. TC/RCs have also been strong for the year. We expect it to

remain in line with Asian TC/RCs for Fiscal Year 2017. Our net cost for conversion improved 24% in the year to US$3.2 per pound driven by higher acid realization. As you would expect and as shown at the chart, there is a high correlation between acid realization and the net cost of copper conversion.

To Summarize: I would like to state that we remain focused on a disciplined ramp up of capacities at our Aluminum, Power and Iron Ore in Fiscal Year 2017 and higher production from KCM. These additional capacities will generate strong EBITDA and free cash flow and this will continue to enable deleveraging. The resource sector has improved from the lows in the fourth quarter, but markets do remain volatile, so we are not letting off the pace of continued unit cost reduction. Meanwhile, remain further growth optionalities like the additional 400,000 tons Copper Smelter expansion opportunity at Copper India, Lanjigarh refinery expansion and other growth projects at Cairn India. We have a strong financial profile and further strengthened with these business priorities and increasing production.

With that, operator, we will now be happy to take Questions. Thank you very much.

Ashwin Bajaj: Thanks, Tom. We will take questions from the room first, followed by the phone line.

Fraser Jamieson: Fraser Jamieson from JP Morgan. A couple of questions: Firstly, on Cairn. I think when the deal was first announced you talked about Q1'16 for completion and then it move to Q2, now all mention of the completion date has been removed from the presentation and any of your comments. So could you maybe give us some sense about what is going on there, why the confidence level on a completion date seems to be declining? Then, follow up to that is given where the oil price has got to, given that it does appear to be recovering and certainly consensus expectations are that that will continue, should there not be more of a sense of urgency on your part to complete this deal? It looks like there are mechanisms that you could use to do that. Are there any kind of internal or political or legal reasons that you cannot borrow some money to top up the cash component, etc.,? So, some context around that. Second just on the dividend. Have your institutional shareholders been demanding dividend because I think it would be fair to say nobody has been talking to me about that?

Tom Albanese: I will make some comments on the Cairn merger and then I will say something on dividend, maybe D.D., if you can support with additional comments on the dividend. Again, the Cairn merger with Vedanta Limited remains strategically important for the business. We are committed to get it done. We have to remind ourselves that we are in a regulatory environment that has to take due notice of both the UK regulatory requirements and also the Indian regulatory requirements. So we cannot speculate what boards may do in the future. But as a reminder, that any merger requires the approval of the majority of the minority for its success, and I continue to believe that the merger is beneficial to the Cairn India shareholders because of diversification effect it has. We have just presented the growth we will see in the non-oil parts of the business will provide even more diversified stream of cash flow. Of course, as you have seen the market movements over the past few months, while oil prices have gone up, the metals have also gone up. So again all boats have been lifted with this rising tide. So, we are going to continue to focus

on this, we are going to get it done, we are committed at the board levels to get that done, we cannot speculate on what those boards will do in the future. It will lead to I believe a stronger capital allocation capability within the Vedanta business, it will lead to simpler structure, I believe it will lead to a rerating of the Vedanta company and that will benefit both sets of shareholders with the structure as envisioned. But I would not want to speculate on what the next steps may be. Because of the lifting of all boats with the rising tide of the commodity sector and also recognition of the increasing cash flows from the non-Cairn side of the business we have actually seen the market ratios come in to some type of conversions over the past couple of months. So I think that would need to be taken in to account when you made reference to urgency. So I think we are focusing on it. On dividends, I just want to make a personal observation and that is when I stepped in as CEO I bought a whole bunch of shares myself. So I do recognize that while we do focus on delevering and we are committed to bring down the overall debt levels, we have to also recognize that the shareholders want to see some returns and continued returns on that. So we did cut the dividend from last year. But I think the Board look at all things taken in to account, including the success of where we have gone on delevering, the success of where we have gone on cost reduction and the trajectory of where we see beforehand and so the Board consider that as a prudent move, it is not overly optimistic, not overly pessimistic bearing in mind all considerations. But, D.D., if there is anything you want to say about the dividend further?

D.D. Jalan: We have to look at that we have got a tier-1 asset and $1.7 billion of free cash flow what we have generated in the adverse market conditions, that shows the resilience of our strong balance sheet and the cash flow what we can generate from our assets. On top of last year performance, as Tom mentioned, we are going to ramp up our capacities in Aluminum, we are going to ramp up our Iron Ore business, so that will further add up to our cash flow profile. With that, board always looks at a sufficient balance between deleveraging which is our priority and growth opportunities as well as return to the shareholders. So modest dividend of $0.30, that shows the belief in our operational capabilities and generation of the free cash flow.

Fraser Jamieson: Has there been any consideration to moving to a payout ratio based policy as per lot of your peers?

D.D. Jalan: The Board is basically looking in to all these possibilities. As of now we have just given a token symbolic dividend just to show the confidence in our cash flow generation capability.

Anna Mulholland: Anna Mulholland from Deutsche Bank. Three questions: The first is on the cost of doing business. In India, you had $214 million hit to your EBIT from what you are calling regulatory charges, whole bunch of different things. Is that the new normal? Should we expect that sort of hit in future years? The second question is on your Copper Zambia cost. What is your all in cost if we add sustaining CAPEX to your C1 cost? In terms of your guidance, what power prices are you assuming or what power scenario are you assuming in that C1 cost guidance for 2017? You mentioned the possibility to increase your oil CAPEX depending on what prices do over the next 12-months. What sort of price scenario would make you more confident in starting to spend more?

Tom Albanese: I will make just opening remark on cost of doing business in India, but D.D., probably you need to talk about the specificity around $214 million number and then maybe it is good for Steven to comment on CAPEX plus sustaining capital cost number for Copper Zambia, in terms of what is the cash cost per ton of Copper and also some numbers and guidance on future power cost and then in terms of the CAPEX maybe I think Mayank Ashar and Sudhir you are on the line, you can talk about some of the projects you are looking at, and I think also maybe the chairman, you want to talk about something about the Oil business in general. I think first of all, I would say the cost of doing business we have seen some regulatory relief in some areas which have aided and helped the business, but we have also seen particularly, the cess on the coal coming in. I would not call it the new normal, but I think to some extent some of these are affecting what are seen as urgencies within the country. I think that the whole clean air agenda is becoming more urgent. So the emission requirements, the coal cess I think will be part of that. I think that is going to be something if it is a catch-up to a recognition that India is going to be joining the same mandate the rest of the world has post Paris COP 21. So I would say that there will be components of that. But from our perspective we will focus on improving efficiencies, we will do what everyone else will do, that is make sure every kilowatt hour of power we get is more efficient and make sure that conversion of coal to power is actually as efficient as it can be. I think we still have some room to go in that particular area, but D.D., if you want to comment in more detail on the cost of doing business in India.

D.D. Jalan: Just to supplement what Tom said, in fact, if we just try to look at there is a two-way traffic; in some areas, there is a catch-up, like on the energy related area, where the government is committed to go for the clean energy movement, at the same time, they are facilitating the business also, as Tom mentioned, that they have reduced the export duty from the Iron Ore, because that was a need for the industry as well as what they have done, they have imposed an additional import duty on the Aluminum to give a little bit protection to the domestic industry. So it's a two way traffic basically.

Tom Albanese: Maybe, chairman, on the regulatory environment as you see it changing in India?

Anil Agarwal: Yes, this government is very positive, they mean business, we cannot find government like this, it is the best what we can get, two-thirds of the majority Mr. Modi has, no other agenda except to take forward, I go around the world and I see the amount of positivity about India and I see our company position as I said if we complete all run our full capacity, earning full capacity is 1% GDP and we are in the core sector. So government is very-very positive, regulatory reformations are taking place.

Tom Albanese: Steven, if you want to talk about our Oil & Gas which is C1 plus sustaining another CAPEX?

Steven Din: First of all on the cost of production, so at C3 level which will include the sustaining CAPEX, in dollars per ton it is round about $5500/ton or in dollars to pound it is about 250. That is how we ended up for FY-'16. Within that number there is roughly $200 a ton on sustaining CAPEX. We do intend to increase the level of sustaining CAPEX moving forward into FY-'17 as we

increase the level of primary and secondary development at the Konkola mine. However, with the increased production rates which did expect the sustaining CAPEX to be around $200 a ton.

In terms of the power project which are included in our guidance for the cost of production into FY-'17, we are taking the worst case scenario and the worst case scenario would be that we would be paying around 10.5 cents per kWh for the energy consumption and then we need to add on to that capacity nomination of around 5 cents. So in total that would be given around 15 cents per kWh. So that it is the worst case scenario that we have included in our cost of production.

Tom Albanese: Thank you, Steven. May be Mayank, you can talk about the options and the opportunities we have both for the Aishwariya, Bhagyam EOR, the Barmer Hill formation about Aishwariya and then probably natural gas project?

Mayank Ashar: From oil & gas we have three areas of our projects that can cater in and provide incremental value with some recovery in oil prices and the work we are doing is doing good technical analysis. So as Tom mentioned the Mangala EOR project is performing per design and recovering incremental oil. In addition we can do Bhagyam and Aishwariya which are the other two core fields in Rajasthan, where we can put in EOR to enhance oil recovery, but we would like to see improvement in oil prices before we start implementing that. In addition we have tight oil projects in Rajasthan that we would look at implementing at a slightly higher oil prices. Last but not least we remain on track with Raageshwari deep gas, we are quite pleased as mentioned in the presentation with improved well performance in terms of gas productivity.

Tom Albanese: Maybe Sudhir, also if you can comment on some of the work that you are doing to help bring down the breakeven cost for some of these projects so that even if brent does not rises as much as otherwise we really can create an optionality?

Sudhir Mathur: On the Bhagyam EOR project which is a full field project, we have scaled it back to hit the sweet spot first and working with our vendors as well manage to collapse half a billion dollar project into just over $200 million project but giving us $2/3^{rd}$ the recovery. So the incremental recovery that Mayank just spoke about on a per dollar investment is significantly higher now. As you mentioned, we work closely with the government on the cess issue to get that back to normalized levels and that gives us a lot of confidence to go ahead, but the real confidence comes from having executed Mangala EOR very well. Stability in oil price is more than a significant price would be the trigger for this investment.

Tom Albanese: Sudhir, your point about the cess at 20% is basically demotivator for investment and again bringing that down will be one of the many things government needs to help us get this additional oil into the Barmer.

Sudhir Mathur: Yes, absolutely and that is in line with the Prime Minister's Modi's vision of financing oil production and bring down imports to less than 75% from the current 85% levels in the country. So the government is working hard to ensure that there is a strong incentive which is also

collaborated by the fact that they have just announced bid global round to bring in investment into the sector.

Danielle Chigumira: Danielle Chigumira from UBS. A couple of questions from me; one financiallyone operational. So at spot commodity prices, what is the cash flow generation of the group as a whole before working capital movement? Then what do you expect overall working capital movement in '17? You indicated around 400 of the gains in fiscal '16 would be reversed, but what you expect overall. Then on the operational side, oil & gas, fiscal '16 showed reduction in production with around $300 million capex. Your expectation that in fiscal '17 is flat. Is that based on the 100 million guidance that you have given or is that based on the expectation there might be high prices and therefore you can flex the CAPEX as you progress to the year?

Tom Albanese: I will first take a stab at the oil & gas question and then maybe ask Mr. Sudhir to supplement that. We have spent quite bit of money over the past 2-years on the EOR project at Mangala and that kicked in fully last half. So what we are seeing is the full benefit for that coming in, in our fiscal 2017, so again that is a lagging effect of capital that have already been spent.

Sudhir Mathur: Tom, I think as you mentioned earlier on in your presentation, I think from an overall guidance perspective, we are at least 20% short on the guidance we gave out on Mangala EOR and cost of production as well as having blended operating cost at $6.5 is significantly lower than the guidance we gave out. So it has been a combination of enhanced productivity as well as negotiations with the vendors which have reduced our cost of production to world-class levels, top 5% I would say that is where it stands at the moment.

Tom Albanese: But Sudhir, the lower CAPEX year-on-year is much driven by the enhanced oil recovery project that are already been done rather than expectations in project right?

Sudhir Mathur: Yes, you are absolutely right, Tom.

D.D. Jalan: Additional EOR cost is part of the OPEX. I think as you will see from the presentation that we have generated $1.7 billion of free cash flows during the year, out of that about $800 million is various specific working capital initiatives which I said that partly it will get unwind during the year and partly it will continue for medium-term. So balance $900 million is largely from the operations.

Danielle Chigumira: What would you expect that in Fiscal '17 for the cash flow generation?

D.D. Jalan: So basically I think as Tom alluded to on top of this $900 million of operational free cash flow what we are doing, #1 we are ramping up our aluminum capacity and #2 we are ramping up of our iron ore mining and the #3 is all the power plants are going to be operationalized. So these three put together will drive additional free cash flow generation in the business, and Tom also mentioned that on pro forma basis there is likely to be 30% growth in EBITDA though we do not give any EBITDA guidance but on like-to-like basis that is what we will allude to.

Tom Albanese: So your 30% growth of EBITDA and some higher capital that we guided to **, so that will net off** before working capital changes.

Amos Fletcher: **Amos Fletcher** from Barclays. Just to follow up on a couple of these questions. So you put up a target to reduce net debt this coming year as you mentioned 400 million working capital versus 80 million worth of Plc dividend, $800 million as dividend outflowthat is around 1.3 billion increase in debt, in the same EBITDA mark el up by 700 million. So is there anything I am missing with respect to how that net debt is going to go down?

D.D. Jalan: As I said very clearly that our $900 million of free cash flow from the operation that will get topped up by additional revenues which will get generated from the ramp up of the business and from the cost initiative what we have taken we have demonstrated that about 350 million of cost reduction we have delivered during this year and next year it is likely to go up a little bit and on top of that there is likely to be continuing some of the working capital initiatives made unwind some new working capital initiative will get generated. So overall we feel that the net debt is going to come down during the current year.

Tom Albanese: We probably have some calls from the line. Operator, do you have any calls for us?

Moderator: Thank you very much. Ladies and Gentlemen, we will now begin the Question-and-Answer Session. We have the first question from the line of Bharat Shettigar of Standard Chartered Bank. Please go ahead.

Bharat Shettigar: Couple of questions from me. If I look at Slide #19 of the presentation you mentioned that in this quarter $500 million of intercompany loan will be repaid through operational cash flow and working capital initiatives at the Limited level, but elsewhere you also mentioned that 50% of the working capital improvement which took place last year will get unwound this year. So just trying to understand how should we read these two statements?

D.D. Jalan: So basically I think how we should read it that will be free cash flow generation in the business and #2, there are certain working capital lines which are available in the business. So from those working capital lines we will be able to use the working capital lines to upstream the funds.

Bharat Shettigar: A related question then is once the FY-'17 maturities are taken care of, the intercompany loan between Limited and PLC will only be about $500 million, in FY-'18 you have about a billion dollars of debt due at the holdco. So FY-'18 maturities how do you plan to fund it?

D.D. Jalan: I think very good question and that is what I tried to allude to in my presentation anticipating you will be asking that question that now having taken care of FY-'17 maturities, now the focus is shifting towards FY-'18 and FY-'19 maturities and we have demonstrated our capability of refinancing the lumpy loan which was due to in FY-'17, we have got all the options open to refinance and then term out the loans which are falling between FY-'18 and '19 and we start working on that and we will complete the refinancing well within the time.

Tom Albanese: It is something that is on the agenda certainly from D.D. and my perspective right now.

Bharat Shettigar: As far as the covenants are concerned, can you tell us whether the covenants have been relaxed or they would not be tested until September 2018?

D.D. Jalan: So there are various facilities at Vedanta PLC level from the banks and different banks have different covenants, so most of the banks they have waived testing for the two testing period and there is one bank where there is a very relaxed covenant, so that will get tested for this period.

Moderator: Thank you. We will take the next question from the line of Mangesh Verma of Citi Group. Please go ahead.

Manjesh Verma: If I look at the cash flows for FY-'16 1.7 billion which you have mentioned, a large part of this is on account of the positive generation in first half of FY-'16 that was till September, second half has declined a fair bit, obviously, some of that is due to the working capital unwind as well. Could you elaborate a bit on how we should look at it over the next 6 to 12-months given that the commodity environment has improved a bit and the cash flows accordingly should be impacted positively?

D.D. Jalan: So basically if you just try to look at how our cash flows have grown most of the working capital initiatives were put in place in H1 and in H2 we have seen all the operational initiatives have started trickling down and you should also keep in mind that in Q3 and Q4 those were the quarters where the commodity prices were the lowest. So in spite of that we have been able to build upon the free cash flow generation. Going forward as I alluded to, basically we should be seeing that there will be more cash flow which gets generated from the operational side because of the ramp up of the businesses. So all that will contribute towards healthy cash flow generation in the coming year.

Manjesh Verma: The second question related to the Cairn merger. I know you have spoken about it earlier in your presentation as well. But just to clarify a bit where are we currently in terms of time lines with respect to approvals and everything? Yesterday evening there were reports about Cairn Energy looking to pay off part of its tax obligations making an offer to the government. Does that change anything from the perspective of facilitating the transaction?

Tom Albanese: I would see their independence, that is not our business, that would be the other Cairn business, so I think we will just focus on getting the merger done, we do not want to be specific on timeline right now.

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

Varun Ahuja: A couple of questions from me: Firstly, on KCM. I see that the debt has been consistently coming down despite the company obviously generating negative EBITDA. Can you just guide as to how the debt came down and whether there was any cash injection from PLC? Second question

is I just would want to know if you can disclose what are the relaxed covenants till September 2018?

Tom Albanese: May be D.D. you could take a cut at both, but Steve if you can say something about a bit more about the KCM balance sheet too.

D.D. Jalan: I think some of the repayments which have been made at KCM. To your second point, Vedanta has infused about $100 million in KCM during last year and definitely the repayment is out of that funds.

Varun Ahuja: Can you disclose what are the relaxed covenants?

D.D. Jalan: So as I said that for two testing period there is no covenant testing by some of those banks and then after that gradually it is coming up to the similar level by September 2018.

Steven Din: There are many plans, I mean, you see year-on-year if we just look at the results in FY-'16 compared to the previous year, we have had significant improvement in particular on production at the Konkola mine, we increased production of the Konkola mine year-on-year from 42,000 tons to just over 49,000 tons, so that was a 23% increase and this year we are looking at a much higher increase which is all backed up by individual projects that are all leading to productivity in the end in terms of the cost per ton of copper. So that is on the Konkola side. On the Nchanga side as well as trying to increase the recoveries which are going to be coming through either the reclaimed material or the ore which is mined out of the open pits or from the stock piles, we are looking to increase the recoveries and therefore for the same throughputs increase the tonnes of copper. So the reason why I mentioned these two items is because in this FY-'17 even at a depressed copper price which we are planning we are putting our plans together at $4500 and I hope that we are not being optimistic there, we will be generating cash flows, part of it roundabout 20% of the efforts this year once again towards cost reduction initiatives and we had a very good result during the last year in achieving these sustainably but I would say about 70% to 80% of the positive cash flows which are going to be coming in FY-'17 are going to be purely based on production increases and those production increases will be mainly driven out of the Konkola increased volumes.

Tim Huff: Tim Huff from Canaccord. Just to follow up on that with KCM. It sounds like with all the projects that you have lined up for FY'17 in a cost guidance of $1.50 to $1.70 per pound, it sounds like that is not actually the end game for KCM cost base, it looks like you might be trying to go a bit lower, I know one step at a time. But it sounds like there might be further to go in FY'18 and I was just wondering if you could provide me any color on that. Then, two other questions on zinc: One at Rampura Agucha. Your silver production 15 million to 16 million ounces for the coming year. Is that a one-off that bump up from the current run rate or do you guys see that as sustainable? On Zinc International, I know you have mentioned that Gamsberg is still on track, reduced the cost, which is all good news. But also, you have mentioned that at Skorpion you have deferred the prestrip, and you are considering other options. So, any thoughts on what the options there might be?

Tom Albanese: I will make just comment on 2018 in terms of how we are working with and then Steven to supplement that where we are taking in the cost for the business of KCM and I think that we have Sunil Duggal online -- CEO of Hindustan Zinc make some comments on to what we expect to see if the silver has continued ramp up the SK Mine, I will make a quick comment on Zinc International, I can talk about the different options we have for the deeper portion of the resource at Skorpion. So I think on 2018 it is fair to say that with the guidance we are giving for this year in terms of 2017 that is not enough for KCM, we do need to continue to look for improved production out of Konkola side, I do want to get back into the Nchanga side but we got to give a more efficient leg and more productive way that would have been in the past and I am quite excited by some of the metallurgical projects that we have in place that the elevated temperature leach projects which only be kicking into the second stage in second half and we are looking at heap leach and other things which I think there is a trajectory for additional sources of production that will beyond 2017. So I think the overall attention that is being put on the business to improve it is certainly to reinforce that what we are targeting for 2017 is nowhere near enough, that could support Steven with more detail.

Steven Din: It is a very good question. What we are saying in the guidance for the C1 $1.50 to $1.70. This is what we are giving in the guidance, we have put some conservatism around the production numbers and we are running at a much more aggressive rate internally at KCM and we are hoping to either achieve what you are saying in the guidance or to exceed it. Now, the reason that we do need to exceed it is because there is quite a bit of capital required upfront during the period 2017 and 2018 just to finish off some development at the Konkola mine. So we have got to find that level of capital and eventually the production tons which come out of it will reduce the $1.50 that you are seeing to a much lower level.

Tom Albanese: So may be without Sunil, may be you could talk about Silver at Hindustan Zinc and may be you could talk about particularly on the continued ramp up of SK, but also may be give us a taste of what you see beyond SK zone in the deeper portions of Rampura Agucha underground?

Amitabh Gupta: This is Amitabh. As far as Silver is concerned we had a very good year in Silver. We expect to continue our ramp up of SK mine. So we are currently in the region of about 2.9 million tons that we have done in FY-’16 and we are expecting that we should be somewhere between 3.75 and 4 million in the new fiscal year. So that should give us a leg up on the Silver front we should be nearing the 500 tons mark.

Tom Albanese: Again may be I will just supplement that by looking beyond that figure here we are quite consciously recognizing the benefits of higher Silver production in the overall facility and our exploration targeting areas of higher silver grades, but Rampura Agucha we talked about last year that we had been identifying Silver rich zone of Rampura Agucha and you can be rest assured we would not wait for the end of the mine life of Rampura Agucha to go after that silver zone. Once we complete the shaft in 2019 we have optionality that we are currently going through mine planning where we can actually go through sequence of top half to bottom on the main Rampura Agucha underground resource we can be doing deeper mining of the Silver zone, something great there, quite exceptional and certainly we incentivize after that in the front end

rather than waiting for the back end. On Skorpion, I just want to give a quick comment on the nature of the ore body and that may help in terms of arriving at the answer. The ore body is an oxide ore body which as you know and as it gets deeper it narrows down quite a bit. So as we look at this final pit stage we have a fairly high strip ratio, but it also varies because that has been under drilled that we are currently infill drilling as we speak and we are also identifying some of the ore that may be down there would be sulphuric. Now with the existing facility, we cannot handle sulphruic material, so it really does not do that much good. So we have two pieces of work that we need to get done over the next year or two -- the first is more infill drilling to identify that is there additional is oxide resources and then second as we bring in the roster we will have the unique combination of handling both sulpurdic and oxide ores, that is because there is lot more flexibility, it might be in copper material that we can handle it with roster. If we find that then I think the open pit option begins we will go even deeper this will be attractive, we can actually, remember, defer that for years and still go back into, just a matter when you mobilize equipment and also that is an option that does not go away. Let us say if we do not see that we know this existing offsite ores that continues to go in narrow horizon even deeper than what we had in vision. So we are going to continue to drill that at depth and actually may be reasonably attractive as a standalone underground mining operation, not as large a scale volume we had in the past. So I guess the resource to be developed we have to identify whether it is much practical with the additional drilling in that metallurgy with the roster by open or underground option.

I think we are right about on time. So if there are no other questions, again, I want to thank you. We hope that we are coming out of the worst of the market conditions. We expect the retracement, but it is about managing business in volatility by having low cost operations, a great team and a commitment to continue to build this business with a great home market India for the products I think we are in good position. Thank you very much.

Moderator: Thank you. Ladies and Gentlemen, with that we conclude this conference. Thank you for joining us and you may now disconnect your lines.