



Investor Presentation

28TH AUG 2014

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Global Ranking of India's Natural Resources¹



Bauxite
(3.5 Billion tonnes)

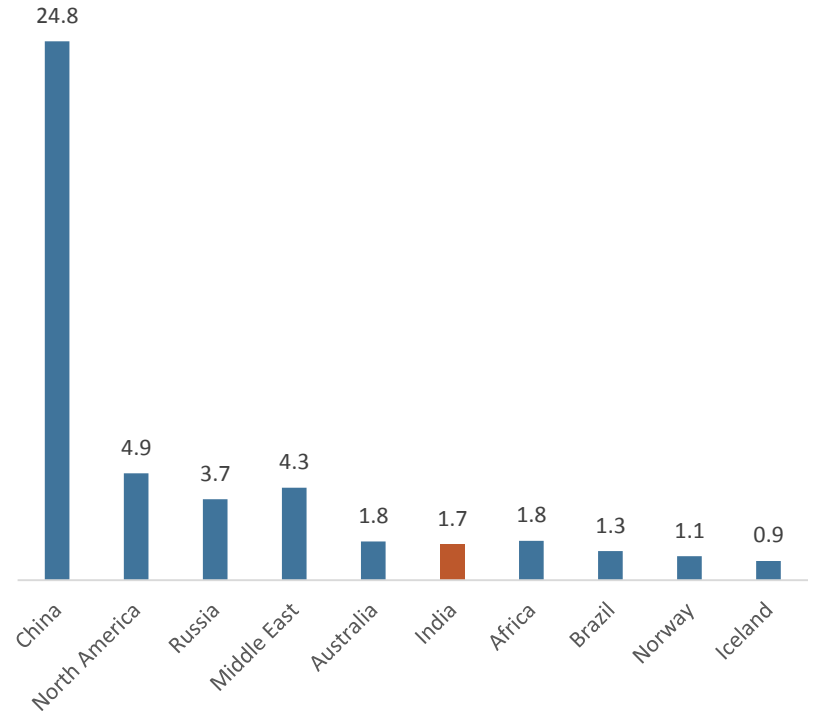
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Coal
(295 Billion tonnes)

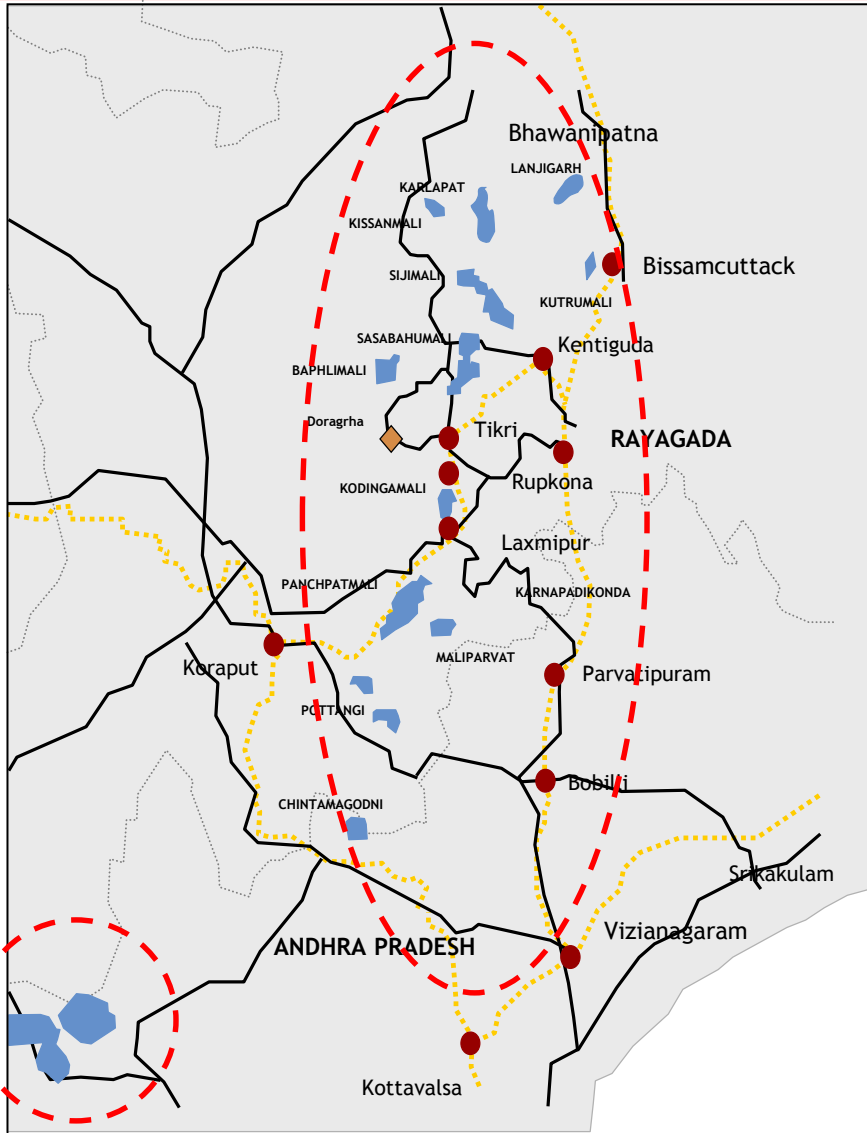
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2013 Aluminium Production (mt)



Vedanta well positioned to develop and benefit from India's resource potential

Total estimated Reserves and Resources based upon public sources including GSI, GOI, Wood Mackenzie, UNFC & IBM
Ranking based on reserves



India has over 3 Billion tonnes of bauxite resources

East coast has vast reserves of high quality bauxite

- 2,363 Mt of proven recoverable deposits
- 957 Mt probable deposits
- 78% of India's proven bauxite reserves
- 60% of India's proven bauxite reserves in Orissa.

The bauxite deposits of east coast are predominantly Gibbsite which makes it amenable to low temperature/low pressure digestion.

The deposits have low reactive silica which results in low cost alumina production.

These deposits have very little overburden which make cost of production very low.

East coast has abundant coal reserves which results in low cost of power generation.

* *Geology and Mineral Resources of Orissa; Society of Geoscientists and allied Technologies;1998*

LOCATIONAL BENEFITS – JHARSUGUDA



Proximity to coal mines and Water resource

- ❑ Major Coal beds in Orissa - Ib-River coalfields(40 Kms) & Talcher coal fields (270 Kms)
- ❑ 23.6% share of the coal deposits in India.



Well connected by road and rail and proximity to Eastern Ports

- ❑ Distance from Paradip Port – 404 Km
- ❑ Distance from Haldia Port – 543 Km
- ❑ Distance from Vizag port – 620 Km
- ❑ Distance from Kakinada Port – 750 Km



Proximity to Alumina Source of Lanjigarh Refinery having rich Bauxite resources

- ❑ 56.5% of India's bauxite reserves which is 8th largest in the World



Source: Directorate of Mines & Directorate of Geology, Bhubaneswar

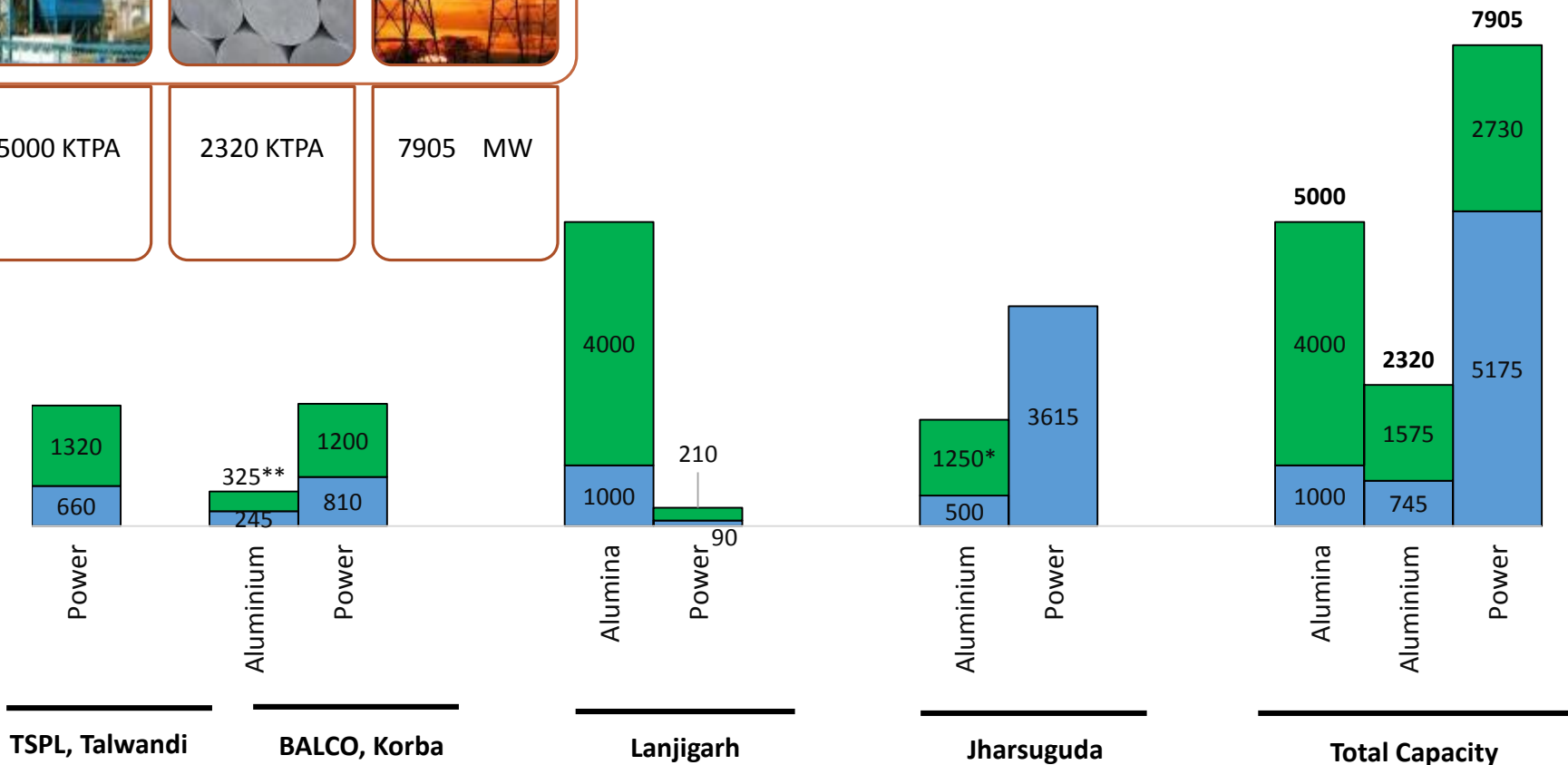
ALUMINIUM & POWER CAPACITY BUILD UP

5000 KTPA

2320 KTPA

7905 MW

■ Current ■ Expansion



Note: Alumina and Aluminium capacity in kT; Power Capacity in MW
 **84 pots commissioned at BALCO
 *50 pots are currently under commissioning phase at Jharsuguda
 All capacity is almost ready for commissioning at Jharsuguda & BALCO



S K Roongta

Sector Head, Aluminium & Power

B. Tech (BITS Pilani) and PGDBM(IIFT)

42 years experience

Previously Chairman (2006-10) of Steel Authority of India Limited and the first Chairman of International Coal Ventures Limited (ICVL).



Niranjan Kumar Gupta, CFO-Aluminium & Power Business

Chartered Accountant ,Company Secretary & Cost Accountant

19 yrs of experience in the field of Supply, Mngt, Global Finance & Accounting

Worked at: Hindustan Unilever Ltd, London



Dr Rajeev Nayan , Head Business HR – Aluminium & Power

Phd-Behavioural Science, Master in Social Work,

27 years experience in Human Resources

Vardhman Group, Jubilant Organosys Ltd, Indo Rama Synthetics (I) Ltd, Reliance Industries Ltd & Grasim Industries Ltd



Abhijit Pati, President & Chief Operating Officer - Jharsuguda

B.Tech-Chemical, MBA

26 years experience in Aluminium

Worked at: INDAL (subsidiary of ALCAN), HINDALCO



Ramesh Nair, Chief Executive Officer & Whole Time Director - BALCO

B Tech-Electrical & PGDFM

24 years experience of spear heading Company/business in Copper, Steel & Aluminium industry.

Worked at : CMC , Essar Steel , Sterlite Industries , Jindal Stainless Ltd



Karun Kant Dave, Chief Operating Officer - Lanjigarh

PGDIM - Management & Marketing, BE – Mining

24 years of experience

Worked in : TISCO, Hindalco & Essel Mining & Industries & Hindustan Zinc



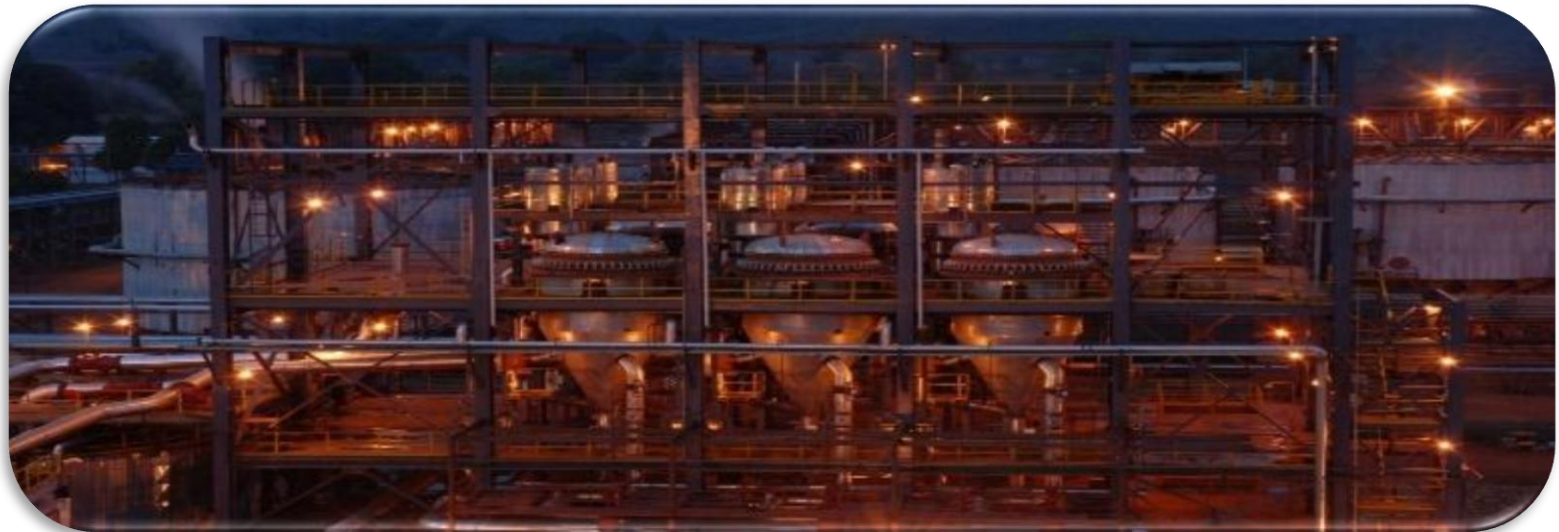
Philip Chacko, Chief Operating Officer – Talwandi Sabo

B. Tech. (IIT-Kharagpur), PGDBM (IIM-Calcutta)

21 years of experience

Worked at: Lanco, GMR Group, PVP Ventures, Kotak Mahindra Finance





OPERATIONAL HIGHLIGHTS – LANJIGARH

- ❑ **Plant availability >95%**
- ❑ Alumina quality as per best International standards.
- ❑ **Lanjigarh** being the the **first alumina refinery** with implementation of **Zero discharge system**
- ❑ All statutory environmental requirements met.
- ❑ ISO-9001,14001, OSHAS-18001 & En 50001 accreditation obtained.
- ❑ **Zero Waste Projects** are being implemented.
- ❑ **4 mn tonnes expansion project in progress**- 100 % procurement and 60% construction completed.
- ❑ 100% material transportation by Rail.
- ❑ Best in class **state of art technology** close to bench mark



0.50 MTPA Aluminium Smelter



1215 MW Captive Power Plant



1.25 MTPA Aluminium Smelter (SEZ)



2400 MW Independent Power Plant

Jharsuguda

- **8% increase** over and above the **name plate capacity** for **Hot metal Production**, Production of **542 KTPA** in FY14.
- **1.6%** increase over the Design Current Efficiency of **92.5%**.
- Smelter Operating at **3kA above** the design of **325 kA**.
- 1st smelter in Asia Pacific & 2nd smelter in world to get En 50001: 2011 certified.
- Billet Production **increased** by **19.8%** over design capacity (Value added product).
- Wire Rod Production **increased** by **20%** over design capacity (Value added product).
- Hot Metal Production cost from existing plant is currently at **1636 USD / T**.



0.25 MTPA Aluminium Smelter



CPP 540 MW in smelter Site



0.325 MTPA Aluminium Smelter



CPP 1200 MW in smelter Site

Korba

- **3% increase** in Hot metal production in FY14 against capacity of **245 ktpa**
- **1.5% increase** over Designed Current Efficiency.
- Only Primary Smelter of India Producing more than 85% Value Added Products.
- Supply aluminium to **India's Defense Programs**.
- Hot Metal Production cost from existing plant is currently at **1834 USD / T**.

ALUMINIUM – OPERATION

❖ Operations

Stable aluminium production
 Lanjigarh refinery operating at 93% utilisation
 Lower half cost positioning, without captive bauxite
 – BALCO COP high due to further tapering of coal linkage

c. \$450/t of realisation over LME, vs. c. \$350/t in Q1 FY2014
 COP likely to get affected in near future, due to lower domestic coal availability

❖ Projects

☐ 325 ktpa Korba-II smelter

Production from 1st phase commenced – 84 pots commissioned during the quarter
 Further ramp-up consequent to commissioning of 1,200 MW power plant
 ● Approval for 1,200 MW power plant expected in Q2

☐ 1.25 mt Jharsuguda-II smelter

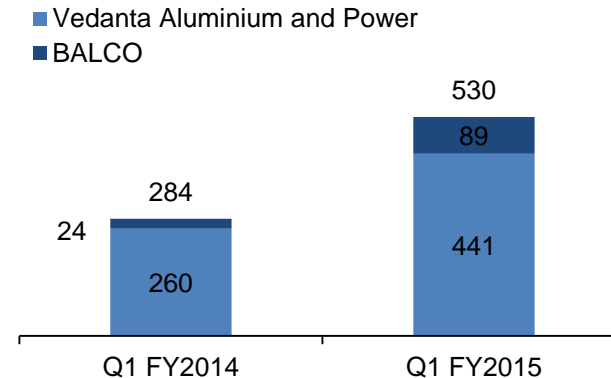
Plan to commission first of the four lines during FY15
 Further ramp-up with power from 2,400 MW power plant, post necessary approvals
 ● Working with State Government to use power from 2,400 MW Jharsuguda power plant for our aluminium smelter

Aluminium and Alumina	Q1 FY2014	Q1 FY2015
Aluminium Production (kt)	195	203
245ktpa Korba – I	61	60
325 ktpa Korba - II ¹	-	11
Jharsuguda-I	134	132
Aluminium LME (\$/t)	1,835	1,798
Aluminium COP (\$/t)	1,758	1,699
245ktpa Korba - I	1,934	1,834
Jharsuguda-I	1,676	1,636
Alumina Production ² (kt)	-	233
Alumina COP (\$/t)	-	365

Notes: Q1 FY2014 numbers are on proforma basis

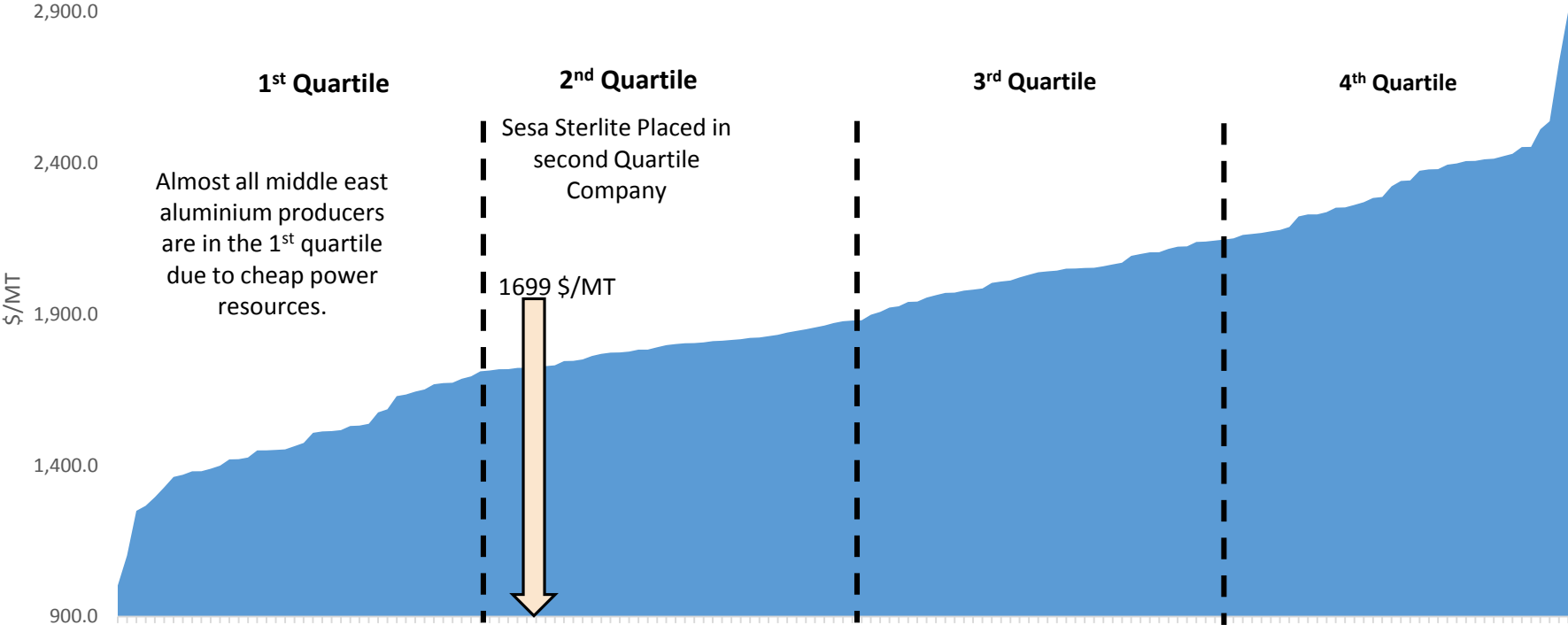
1. Production under trial runs
2. Lanjigarh refinery was not operating in Q1 FY2014

EBITDA (Rs. Crore)



China produces ~24mt or 45% of global aluminium production at a weighted average cost of \$ 1,973/ton. Sesa Sterlite currently in 2nd quartile. To be in 1st quartile post captive bauxite mining

Cost of Production



Source: Wood Mackenzie, Q2 2014 & Sesa Sterlite, Financial Results Q1 FY15

❖ Operations

2,400 MW Jharsuguda power plant :

PLF higher at 45% as compared with 36% in Q4 FY14

COP lower on account of temporary improved coal mix

❖ Projects

1,980 MW Talwandi Sabo power plant

- Reliability run of the first 660 MW unit completed
- Other two units are expected to be commissioned towards the end of FY 2015

Power	Q1 FY2014	Q1 FY2015
Total Sales (mu)	3,177	2,599
Jharsuguda 2,400 MW ¹	2,604	2,154
BALCO 270 MW	187	70
MALCO 100 MW	224	229
HZL WPP 274 MW	162	146
Realisation (Rs/u)	3.63	3.21
Cost of generation (Rs/u)	2.26	1.92

1 Q1 FY2014 numbers are on proforma basis

EBITDA (Rs. Crore)

