



Channelling
growth
opportunities

Vedanta Limited

VEDANTA LIMITED - OIL & GAS | ZINC & SILVER | ALUMINIUM | POWER | IRON ORE | COPPER

INVESTOR PRESENTATION

June, 2018



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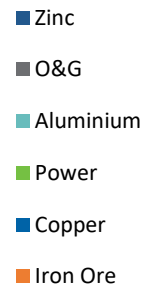
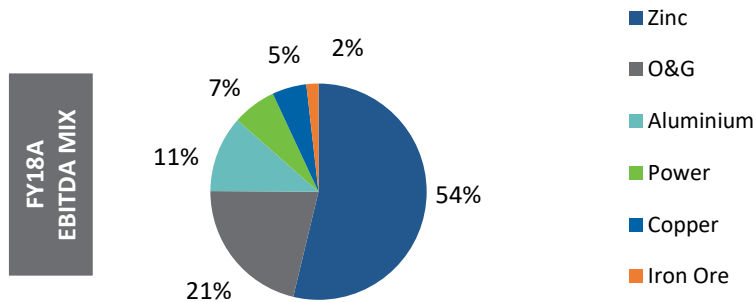
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Overview

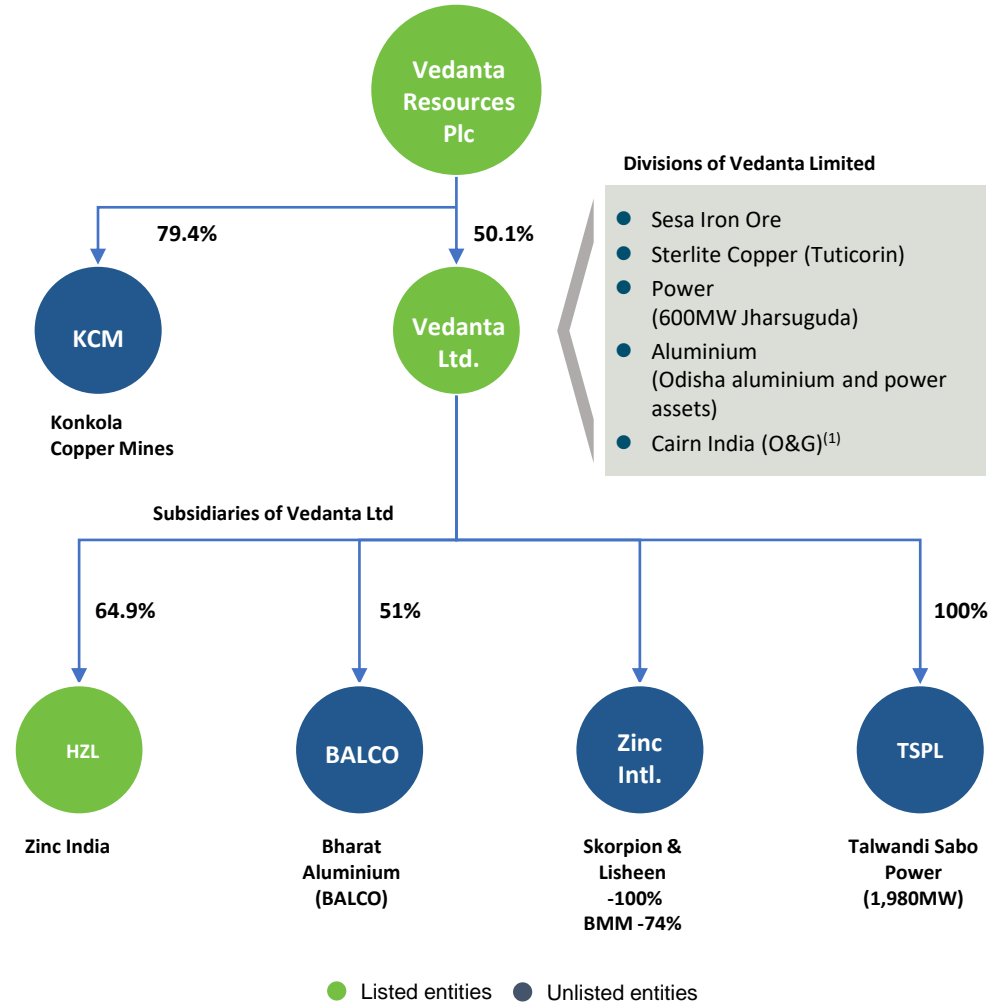
- World's 6th largest diversified resources company and the largest in India
- Portfolio of large, diversified, structurally low-cost assets geared towards base metals and oil
- Part of India's premier index – the Nifty 50 and also listed in NYSE (ADR)
- Vedanta ranked 15th by the Dow Jones Sustainability Index globally; Hindustan Zinc ranked 3rd in the Environment category and 11th overall in the Mining and Metal industry
- Rs. 244 cr invested in social initiatives and CSR activities across 1400+ villages benefitting c. 3.4mn people

Key Financials

- FY2018 EBITDA of Rs. 25,470 cr (+19% Y-o-Y) at margin of 36%⁽²⁾
- Strong FCF generation of US\$ 7880 cr and gross debt reduced by Rs. 8,512 cr⁽¹⁾ in FY2018



Group Structure




Note: Shareholding post Cairn merger

1. 50% of the share in the RJ Block is held by a subsidiary of Vedanta Ltd


1  Large & diversified asset base with an attractive commodity mix








2  Ideally positioned to capitalise on India's growth potential

3  Well-invested assets driving cash flow growth

4  Operational Excellence and Technology Driving Efficiency and Sustainability

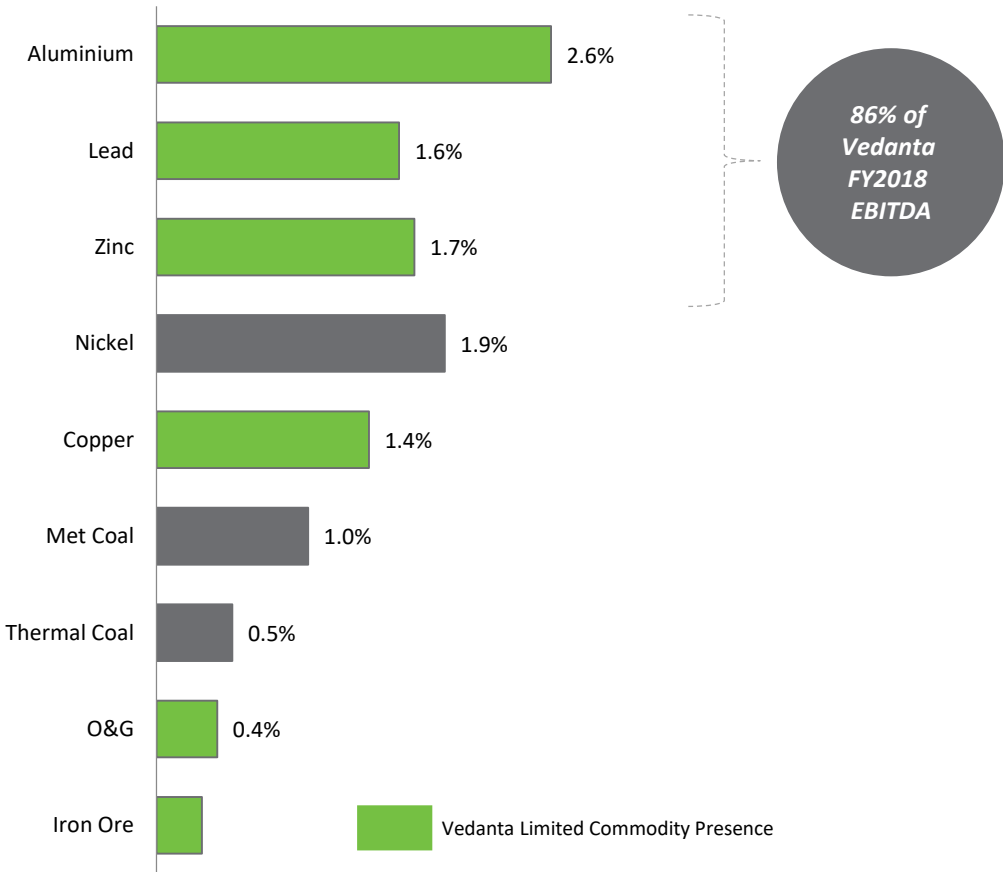
5  Strong Financial Profile

6  Proven Track Record

		FY2018 production	Key Highlights
	Zinc India	Zn – 791kt Pb – 168kt Ag – 558kt	<ul style="list-style-type: none"> ✓ Second largest integrated zinc-lead producer globally; major silver producer ✓ Rampura Agucha – second largest zinc mine globally
	Zinc Intl.	157kt ¹	<ul style="list-style-type: none"> ✓ Gamsberg – R&R potential of 215mt with 15mt of Zinc MIC
	Oil & Gas	186 kboepd ²	<ul style="list-style-type: none"> ✓ India's largest private-sector crude oil producer with c.25% market share ✓ One of the lowest cost producers in the world (cost at c.\$6/boe) executing one of the largest polymer EOR project in the world
	Aluminium	1.7mt	<ul style="list-style-type: none"> ✓ Largest aluminum capacity in India at 2.3mtpa, with captive power and an alumina refinery
	Copper India	403kt	<ul style="list-style-type: none"> ✓ One of the largest copper producers in India - Currently shut as per Government Order
	Iron ore & Steel	7.1mt	<ul style="list-style-type: none"> ✓ Largest Indian private-sector iron ore exporter ✓ Acquired ESL for an integrated iron ore and steel business
	Power	11,041MU	<ul style="list-style-type: none"> ✓ One of India's largest power generators, with 3.6 GW of commercial power generation capacity, balance for captive usage ✓ Poised to benefit from structural power shortage in India

Note: (1) Refined zinc from Skorpion of 84kt and mined metal from BMM of 72kt (2) Average Daily Gross Operated Production

Global Demand CAGR 2018-30E



Significant Presence in Commodities with Leading Global Demand Growth

Vedanta's Focus is on the Right Commodities – Base Metals & Oil

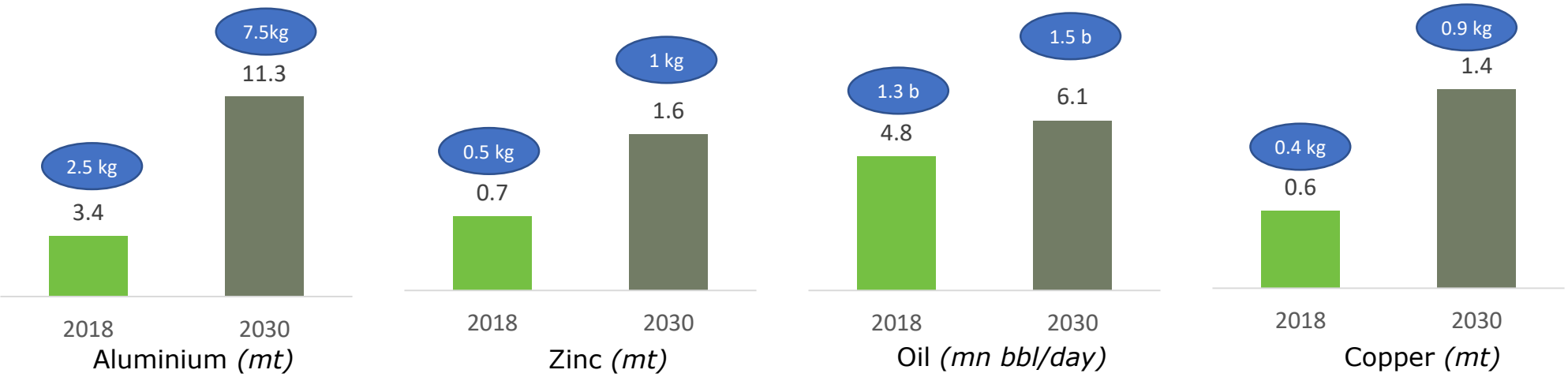
Commodity	Themes
Zn	<ul style="list-style-type: none"> Zinc benefits from strongest fundamentals within base metals space supported by tightening of supply/demand balance Limited new capacity in pipeline - insufficient to offset mine closures and the incremental increase in global demand
O&G	<ul style="list-style-type: none"> Growth in world economy would require more energy, despite alternative fuels being developed Growth in world energy demand driven by fast-growing emerging economies - China/India accounting for 50% plus of increase
Al	<ul style="list-style-type: none"> Remains lighter weight & non-corrosive substitute for steel in many transport applications - automotive sector will continue to be major growth driver LME prices look strong on better fundamentals, and possibility that China cuts output
Cu	<ul style="list-style-type: none"> Remains key beneficiary of infrastructure / urbanization trend and Chinese demand is recovering Consistent supply deficits expected beyond 2020 <ul style="list-style-type: none"> Metal inventories are forecast to decrease

Source: Wood Mackenzie, EIA

Ideally positioned to capitalise on India's growth potential

<p>6.0 trillion (2030) 2.8 trillion (2018)</p> <p>GDP (real)</p>	<p>3,979 (2030) 2,083 (2018)</p> <p>Per capita income (real)</p>	<p>40% (2030) 34% (2018)</p> <p>Urbanisation</p>	<p>Improving regulatory environment: Transparent auctioning and private ownership</p>
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India's demand potential



Vedanta is well positioned to benefit from India's demand potential

Source: Wood Mackenzie, Internal estimates
 Note: All commodities demand correspond to primary demand except for aluminium

India's per capita consumption

	Current	Near-term growth	Medium-term growth	Current update
Zinc India	Zinc-lead production: c.1mt Silver: 558t	Zinc-lead production: 1.2mt Silver: +800t	Zinc-lead production: 1.5mt Silver: 1,500t	<ul style="list-style-type: none"> Phase – I with target of 1.35mt pa towards a ramp-up to 1.5MT pa production announced
Zinc Intl. (Gamsberg)	FY 19 production 100kt	250kt	600kt	<ul style="list-style-type: none"> Capex on target; CoP expected at \$1000-\$1150/t
O&G	186 kboepd Exit run rate: 200 kboepd	275-300 kboepd	500kboepd	<ul style="list-style-type: none"> Total gross capex of \$2bn; Contracts for \$1.3bn awarded
Iron Ore (Electrosteel)	Bolt-on acquisition 0.8mt	1.5mt	2.5mt	<ul style="list-style-type: none"> Consideration : c. \$800mm; Value Addition through – Immediate ramp-up to 1.5MT; readiness for Jharkhand Project
Aluminium	Aluminium: 1.7mt Alumina: 1.2mt	Aluminium: 2.3mt Alumina: 4mt	Aluminium: 3mt Alumina: 6mt	<ul style="list-style-type: none"> Optionality to ramp-up Lanjigarh refinery with local bauxite

Operational excellence

Low cost
operations

Process and
innovation

Value
creation

Sustainability

Technology and digitalisation

Autonomous Machines for 24X7 mining



Worlds Largest
continuously heated pipeline



Collision Awareness System
at Gamsberg



16MW solar projects set up on waste land in Udaipur

Target of 115MW in the short term



Drinking water initiative at Barmer, Cairn

331 RO plants established to benefit 1 million people



Biodiversity Management Plan at Gamsberg, S. Africa

Focus to minimise environmental footprint



Ranking by the Dow Jones Sustainability Index



Ranking under Mining & Metal industry

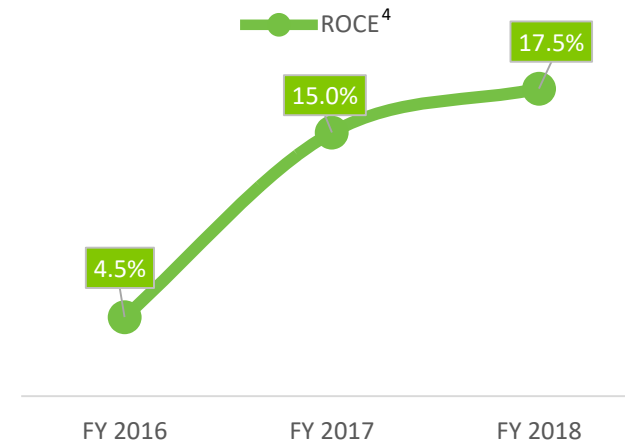
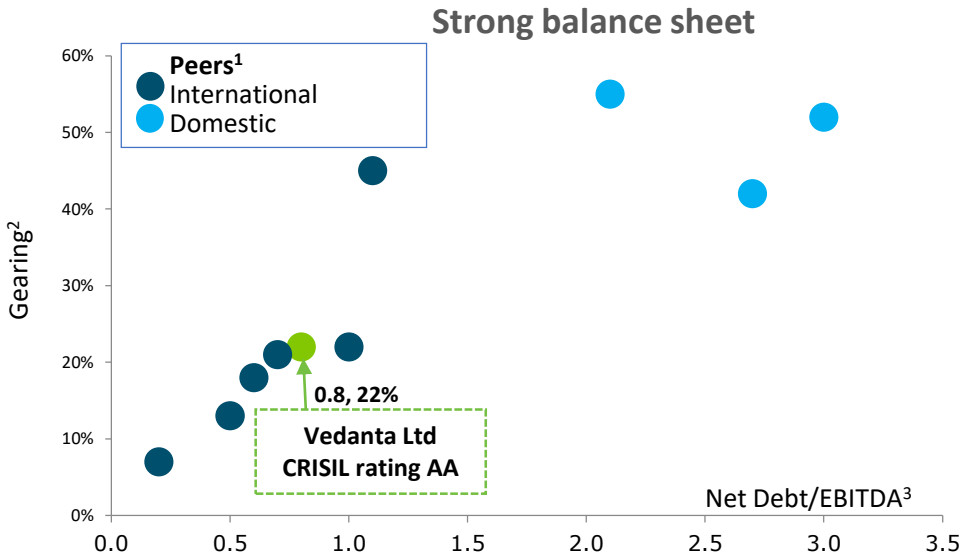
Hindustan Zinc

#11 Overall

#3 Environment

Vedanta Ltd

#15 Overall



1. Peers include BHP Billiton, Rio Tinto, Anglo American, Glencore, Teck Resources, Freeport, Hindalco, Tata Steel and JSW Steel
2. Gearing is calculated as Net debt divided by the sum of Net debt and Equity (based on reported numbers)
3. Net Debt as per last reported, EBITDA as per CY 2018 consensus estimates
4. ROCE is calculated as a ratio of operating profit, before special items and net of tax outflow to average capital employed

Disciplined Capital Allocation

1 Disciplined Capex approach with focus on FCF

- Focus on strong free cash flow post growth capex to drive deleveraging

Accolades:

- **Recognised as a Corporate Disclosure Champion in FTI's India Disclosure Index, 2017**
- **Winner under the best Annual Report category conferred by LACP, 2016**

2 Deleveraging; strengthening the balance sheet

- Gross debt reduced by Rs. 8,512 cr* in FY2018
- Credit rating upgraded to AA, Positive

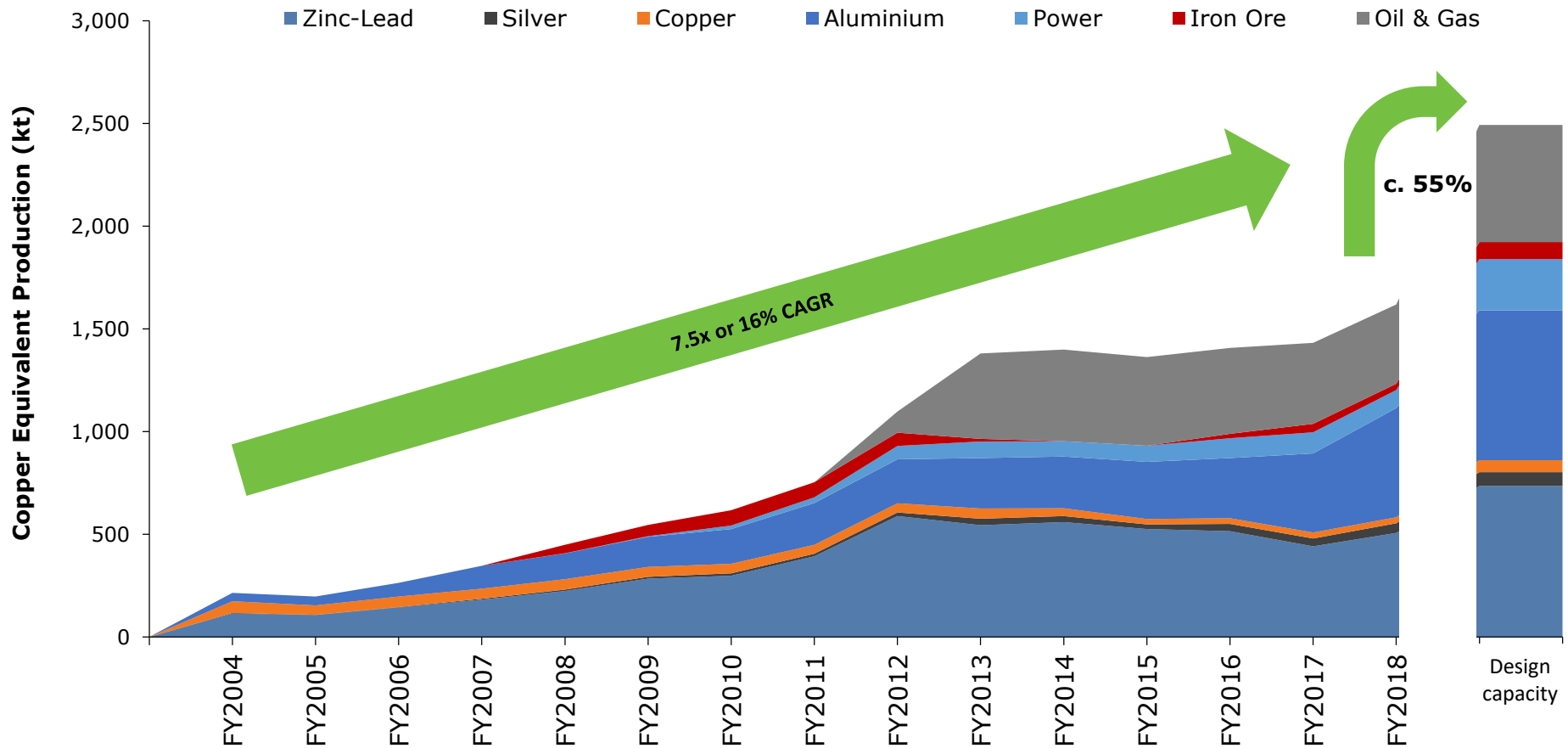
3 Long Term Stakeholder Value

- Announced dividend policies at HZL and Vedanta Ltd and declared special dividends at HZL and record high interim dividends at Vedanta Ltd
- Dividend Yield – FY18 10.5%; FY18 7.2%

*Excluding repayment of temporary borrowing by Zinc India & preference shares issued pursuant to the Cairn India merger in April

16% CAGR Production Growth since Listing

Total Production (copper equivalent kt)



All commodity and power capacities rebased to copper equivalent capacity (defined as production x commodity price / copper price) using average commodity prices for FY2018. Power rebased using FY2018 realisations, copper custom smelting production rebased at TC/RC for FY2018, iron ore volumes refers to sales with prices rebased at realised prices for FY2018



Operational Excellence

- Volume growth and asset optimisation
- Optimise costs
- Adopt digitalisation and technology solutions
- Improved realisations
- Reduce working capital



Preserve our License to Operate

- Operate as a responsible business
- Focus on Zero Harm
- Minimising environmental impact
- Ensure social inclusion



Optimise Capital Allocation & Maintain Strong Balance Sheet

- Improving cash flows
- Capital discipline
 - Invest in high IRR projects
 - Deleveraging the balance sheet
 - Shareholder returns



Delivering on Growth Opportunities

- Develop brownfield growth opportunities
- Acquisition of attractive, complementary assets



Augment our Reserves & Resources base

- Well developed exploration programs
- 19.5mt gross additions to Zinc India R&R. Combined R&R of 411mt with 25+ years of mine-life
- Karnataka iron-ore R&R of 100mt with 14 years of mine life
- Focus on greenfield and brownfield exploration



Appendix

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Safety

- 7 fatalities in FY18
- Workshops to validate & manage safety-related Critical Risks
- 890,389 hours in safety training
- British Safety Council “5-Star Rating” for O & G - Rajasthan & Midstream Assets

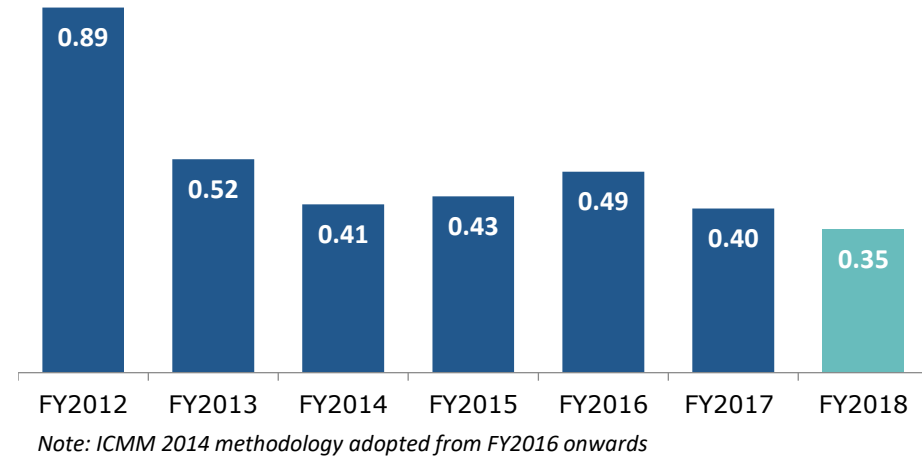
Environment

- Water & energy savings at 140% & 275% of annual targets respectively
- GHG emission intensity - on track to achieve 16% reduction against 2012 baseline ; achieved 14% for FY18
- Completed Third party audit for tailings/ash management practices

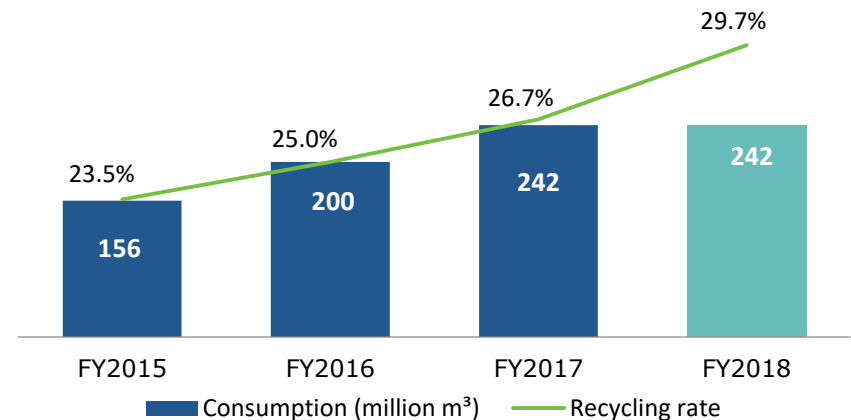
Sustainability

- DJ Sustainability Index ranking at 15th in the metal and mining sector; HZL ranks 11th globally and 3rd under the Environment category
- 154 Nand Ghars operational - Committed to establishing 4,000 Nand Ghars

LTIFR – (per million man-hours worked)



Water consumption and Recycling rate



	Zinc India	Zinc International	O&G	Aluminium
Production	Refined Zn-Pb: 960kt Silver: 558 tonnes	BMM: 72kt Skorpion: 84kt	FY18 Avg: 186 kboepd FY18 Exit: 200 kboepd (Gross)	Aluminium: 1.7mt FY18 Exit: c.2.0mt Alumina: 1.2mt
Costs	CoP ex. royalty: \$976/t	CoP: \$1,603/t	RJ blended: \$6.6/bbl	CoP: \$1,887/t
EBITDA (Margin %)	Rs. 12,269 cr (55%)	Rs. 1,415 cr (41%)	Rs. 5,429 cr (57%)	Rs. 2,904 cr (12%)
Key developments	<ul style="list-style-type: none"> Ore production run rate at RM U/G and SK mine crossed 3.0 and 5.0mtpa Commissioning of shafts at RAM U/G & SK shafts in Q3 FY19 CoP impacted by higher coal and coke prices 	<ul style="list-style-type: none"> Skorpion Pit 112 extension progressing well Gamsberg on track for production by mid CY18 CoP impacted by early stripping costs and local FX 	<ul style="list-style-type: none"> Drilling of 15 Mangala Infill Wells completed 3 well Cambay Infill drilling completed till date Successful ramp-up of RDG Phase I to 45 mmscfd 	<ul style="list-style-type: none"> Ramp-up of Jharsuguda and BALCO smelters Cost headwinds due to domestic coal and bauxite availability, high alumina and carbon prices
				

FY 2018 Business highlights (cont'd)

	Power	Iron Ore & Steel	Copper India
Production	Power sales: 11,041MU TSPL availability: 74%	Goa: 4.9mt Karnataka: 2.2mt	Cathodes: 403 kt
Costs	TSPL margin: Re 1/unit	CoP IOG: \$27.6/t CoP IOK: \$7.8/t	CoP: 5.7c/lb
EBITDA (Margin %)	Rs. 1,669 cr (30%)	Rs. 460 cr (15%)	Rs. 1,308 cr (5%)
Key developments	<ul style="list-style-type: none"> • TSPL delivered 93% PAF in Q4 FY18 • PLFs of BALCO and Jharsuguda impacted by coal shortages 	<ul style="list-style-type: none"> • NCLT approval for Electrosteel bid received • Goa mining shut on state-wide ban 	<ul style="list-style-type: none"> • Record production in FY18 • Operations closed currently as per Government Order
			

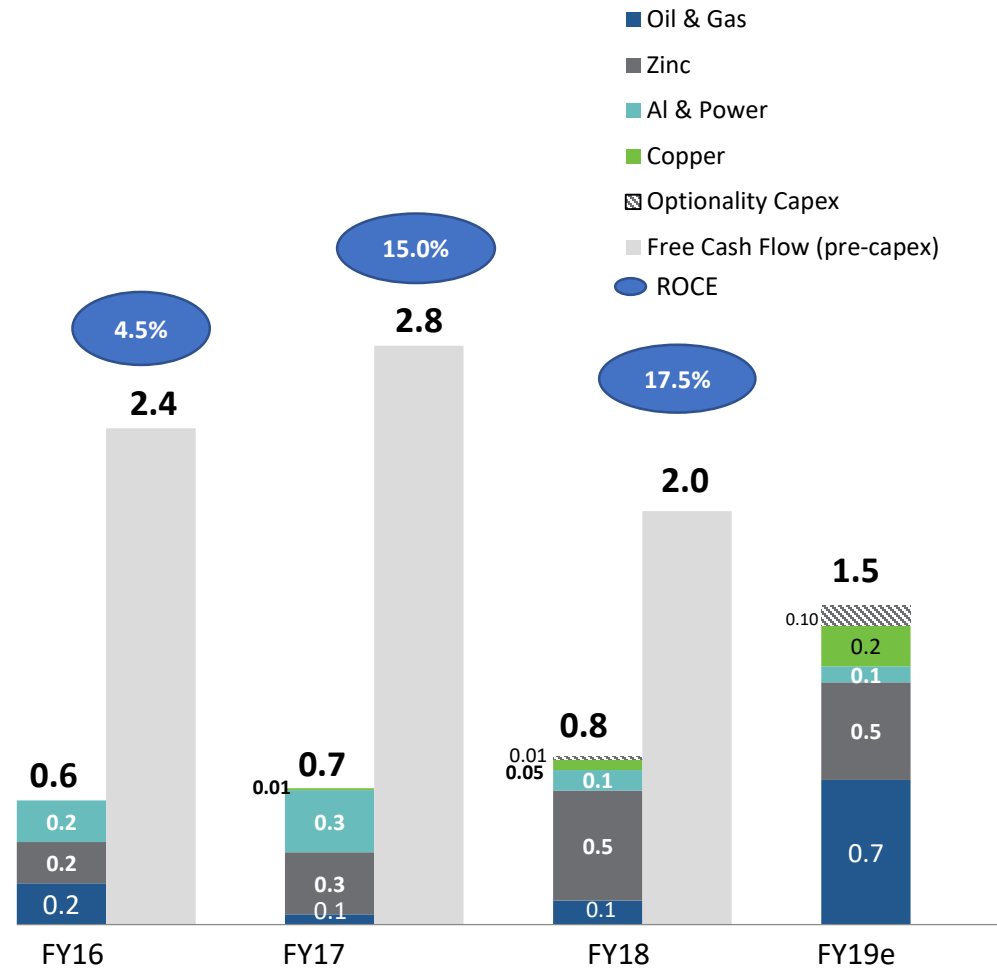
Segment	FY19 Production	FY19 CoP
Zinc India	Zinc-Lead Integrated > FY18 production ; Silver: 650 - 700 tonnes	\$950-975/t excluding royalty
Zinc International	Skorpion and BMM: 150kt Gamsberg: 100kt	ZI COP (excl Gamsberg) : \$1850 - 1950 Gamsberg: \$1,000 - \$1,150/t
Oil & Gas	Gross Volume: 220-250 kboepd	Opex: sub ~ \$7/boe
Aluminium	Alumina: 1.5-1.6 mt ; Aluminium: c2.0 mt	COP: \$ 1,725 – 1,775/t*
Power	TSPL plant availability: 80%	-
Iron Ore	Goa: Nil and Karnataka: 4.0 mtpa [#]	-

* Implied COP, assuming costs for imported alumina, coal e-auction and carbon remain at average FY2018 levels

Including estimated increase from additional mining cap allocation

- Prioritised high-return, low-risk projects to maximize cash flows
- Strong cash flows to self fund
- FY 2018 Capex spent \$0.8bn
- Capex guidance to c. \$1.5bn for FY 2019

Growth Capex Profile and Free Cash Flow pre capex - \$bn



Note: ROCE is calculated as EBIT net of tax outflow divided by average capital employed

Capex in Progress	Status	Capex ⁵ (\$mn)	Spent up to Mar 2017 ⁶	Spent in FY2018	Unspent as at 31 Mar'18 ⁷
Cairn India – Mangala Infill, Liquid handling, Bhagyam & Aishwariya EOR, Tight Oil & Gas etc		1386	56	127	1203
Aluminium Sector					
BALCO – Korba-II 325ktpa Smelter and 1200MW power plant(4x300MW) ¹	Smelter: fully operational	1,872	1965	(1) ³	(92)
Jharsuguda 1.25mtpa smelter	Line 3: Fully capitalised Line 4: Fully Capitalised Line 5: Two Section capitalised	2,920	2746	100	74
Zinc India					
1.2mtpa mine expansion ²	Phase-wise by FY2020	1,600	967	299	335
Others		150	12	60	77
Zinc International					
Gamsberg Mining Project ⁴	First production by mid CY 2018	400	68	173	159
Copper India					
Tuticorin Smelter 400ktpa	On track for completion in Q3 FY2020	717	139	50	528
Capex Flexibility					
Metals and Mining					
Lanjigarh Refinery (Phase II) – 5mtpa	Under evaluation, subject to Bauxite availability	1,570	822	14	734
Zinc India (1.2mtpa to 1.35mtpa mine expansion)	Subject to Board approval	698	-	-	698
Skorpion Refinery Conversion	Currently deferred till Pit 112 extension	156	14	-	142

1. Cost overrun on account of changes in exchange rates. Total overrun expected to be \$120mn by FY2019
2. HZL total spent till Mar'17 adjusted for re-grouping of Projects
3. Positive on account of sale of trial run production
4. Capital approved US\$400 million excludes interest during construction (IDC).
5. Is based on exchange rate prevailing at time of approval.
6. Is based on exchange rate prevailing at the time of incurrence
7. Unspent capex represents the difference between total projected capex and cumulative spend as on 31st Mar 2018

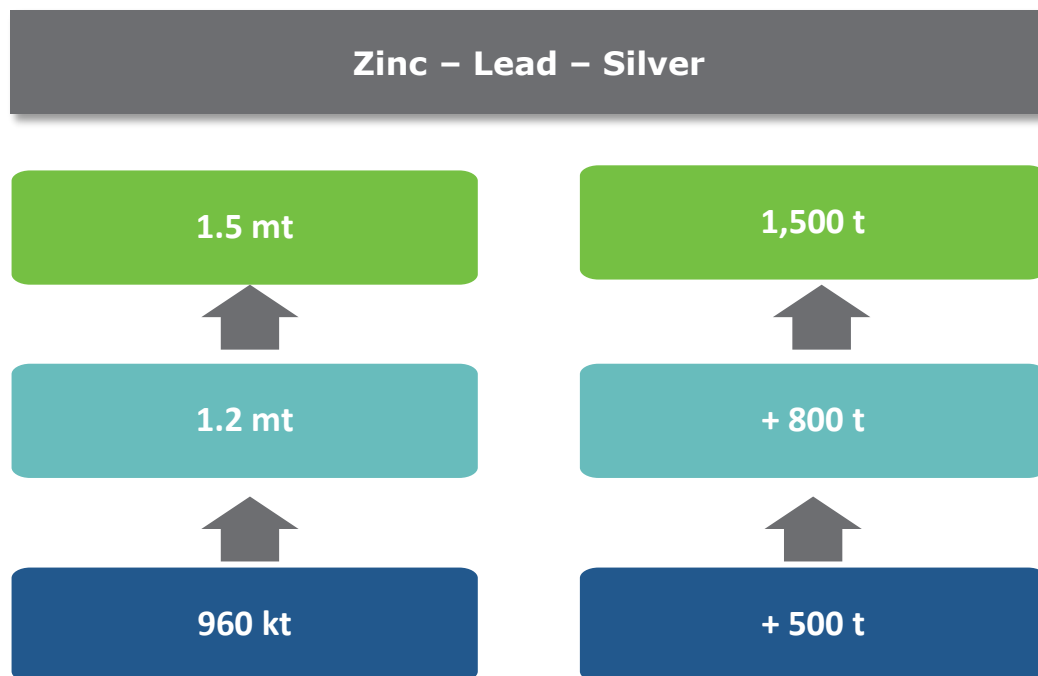
Entity Wise Cash and Debt

Company	31 Mar 2018			31 Mar 2017		
	Debt	Cash & LI	Net Debt	Debt	Cash & LI	Net Debt
Vedanta Limited Standalone	40,713	7,132	33,581	43,233	2,316	40,917
Cairn India Holdings Limited ¹	2,773	5,653	(2,880)	-	27,646	(27,646)
Zinc India	-	22,189	(22,189)	7,908	32,166	(24,258)
Zinc International	-	625	(625)	-	907	(907)
BALCO	4,915	60	4,855	4,925	63	4,862
Talwandi Sabo	8,651	23	8,628	8,012	191	7,821
Others ²	1,107	519	588	7,491	182	7,310
Vedanta Limited Consolidated	58,159	36,201	21,958	71,569	63,471	8,099

Notes: Debt numbers are at Book Value and excludes inter-company eliminations.

1. Cairn India Holdings Limited is a wholly owned subsidiary of Vedanta Limited which holds 50% of the share in the RJ Block

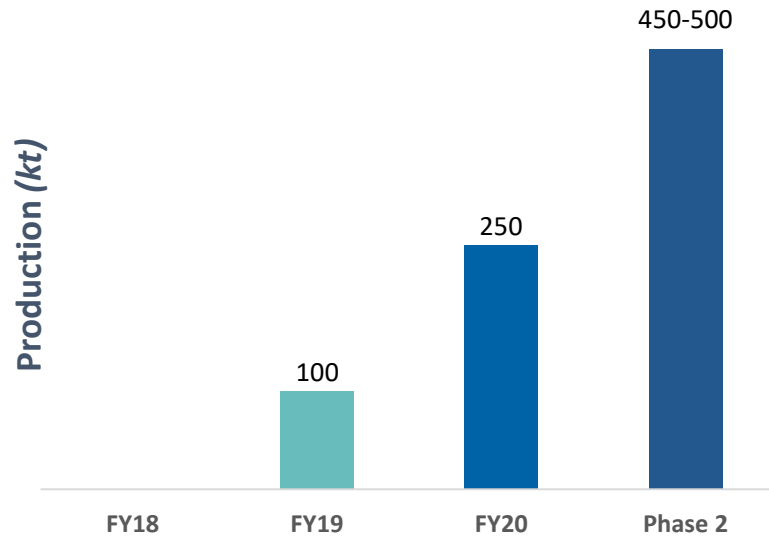
2. Others includes MALCO Energy, CMT, VGCB, Sesa Resources, Fujairah Gold, Vedanta Limited's investment companies and ASI.



Roadmap to Phase – I of 1.35mtpa

	FY18	FY20	FY21
Rampura Agucha UG	2.1	4.5	5.0
Sindesar Khurd	4.6	6.0	6.5
Zawar	2.2	4.5	5.7
Rajpura Dariba	0.9	1.5	2.0
Kayad	1.2	1.2	1.2
Total ore capacity mtpa	10.9	17.7	20.4
MIC capacity mtpa	0.73	1.20	1.35

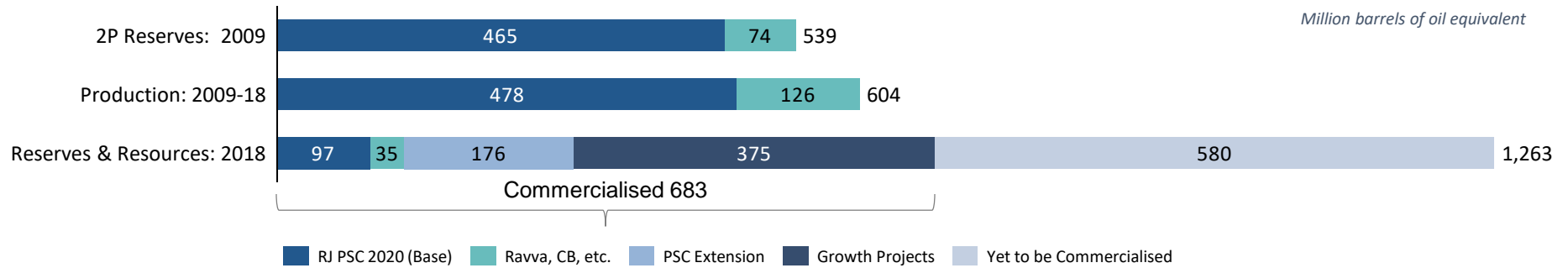
- Announced next phase of expansion from 1.2mtpa to 1.35mtpa over 3 years
- Rs. 4500 cr for expansion to 1.35mtpa
- Higher silver recovery - three Fumer plants and tailings retreatment



- Reserve and Resource of 215mt (15mt Zinc)
 - Potential to ramp up to 600ktpa
- Phase 1 : On track for first production in middle 2018
 - Ramp up to 250kt by FY2020
- Potential Phase 2 : Mine design for open pit completed
 - Addition of ~200-250ktpa
- Feasibility work commenced for an integrated Smelter-Refinery with 250ktpa metal production

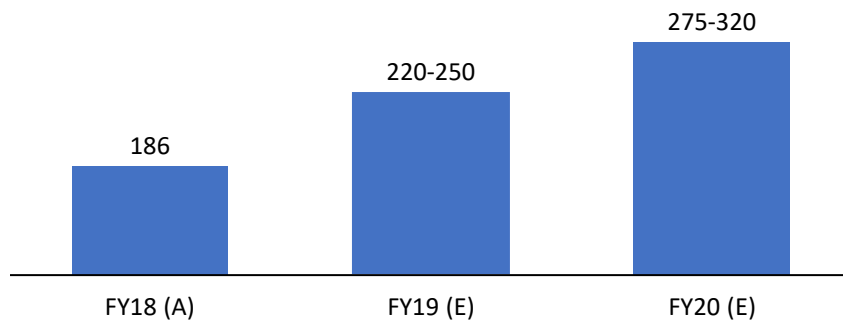


\$2 billion Capex for Incremental 200 kboepd Peak Production



- Generated production, reserves, and resources of 1.8 bnboe since 2009
- Gross capex of \$2 bn for Growth Projects over 2-3 years to monetize 375 mmboe, \$1.3 bn contracts in place, \$0.5 bn contracts to be awarded by Q1FY19
- IRR of >20% at oil price of \$40 per barrel

Production (kboepd)



- FY19 target production at 118% to 134% of FY18
- Opex of sub ~ \$7/boe for FY19
- Capex of \$600 - \$800 in FY19

(A): Actual, (E): Estimate



Mangala Processing Terminal

- ❑ Gross capex of \$2 bn for Growth Projects to monetize 375 mmbbl, \$1.3 bn contracts in place, \$0.5 bn contracts to be awarded by Q1FY19
- ❑ Increasing wells in Rajasthan from 500+ to 900+ will add incremental peak production of 200 kboepd
- ❑ 9 development drilling rigs - 4 rigs at site, 3 rigs to be added in May and 2 rigs in August

Enhanced Oil Recovery:

Drilling 300+ wells

Capex \$ 1.1bn, EUR 240 mmbbls,
127 kboepd peak production

- **Bhagyam and Aishwariya EOR Polymer**
 - ✓ 5% additional recovery over field life (40 mmbbls); First oil in May
 - ✓ 2 drilling rigs operating at site
 - ✓ First well spud in April 2018
- **MBA ASP**
 - ✓ Pilot successful
 - ✓ 10% additional recovery over field life (200 mmbbls); First oil in Oct
 - ✓ Overall recovery enhanced to 45%
 - ✓ 2 rig drilling contract awarded
 - ✓ Surface facility tendering underway



Well Spud at Aishwariya EOR in Apr 2018

Tight Oil and Gas:

Drilling 80+ wells

Capex \$ 0.6bn, EUR 137 mmbbls,
45 kboepd peak production

- **Tight Gas (Raageshwari Deep Gas)**
 - ✓ Targeting 150 mmscfd production
 - ✓ 2 rig drilling program
 - ✓ First well spud in April 2018
 - ✓ Surface facility contract awarded
- **Tight Oil (ABH)**
 - ✓ First tight oil monetization to unlock Barmer Hill potential
 - ✓ 2 rig drilling program
 - ✓ First well spud planned for May 2018; First oil in Nov



Well Spud at RDG in Apr 2018

Infill and Upgrade Projects:

Drilling 45 wells

Capex \$ 0.3bn, EUR 28mmbbls,
28 kboepd peak production

- **Mangala Infill**
 - ✓ Accelerate near term production
 - ✓ First well spud planned for May 2018; First oil in Jun
- **Liquid Handling Upgrade**
 - ✓ Capacity increase by ~30% to 1.3 bn barrels of fluid per day
 - ✓ Key contracts to be awarded by May 2018



Mangala Processing Terminal

Gross Capex of over \$ 100m for Exploration & Appraisal in FY19

Onshore Exploration

- **Rajasthan Exploration (300-600 mmboe of resources)**
 - ✓ 7-18 E&A wells drilling to commence in Aug 2018
- **Rajasthan Tight Oil Appraisal (190 mmboe of resources)**
 - ✓ Appraisal of 4 Tight Oil fields (V&V, MBH, DP and Shakti)
 - ✓ Contract awarded; Drilling planned for H2FY19

Offshore Exploration

- **KG Exploration (300 mmboe of resources)**
 - ✓ First well spud in April 2018
 - ✓ 2 well exploration drilling campaign
- **Ravva Exploration (100 mmboe of resources)**
 - ✓ 4 wells exploration drilling planned for H2FY19

New Acreage

- **Open Acreage Licensing Policy (OALP)**
 - ✓ Participated in all 55 blocks on offer
 - ✓ Expect to increase our exploration portfolio significantly to continue building the reserve and resources base



Well spud at KG Offshore in Apr 2018