Vedanta sets $10 bn Ebitda goal for FY27

CFO says group expects to cut debt by over ₹20K cr

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Metals and mining conglomerate Vedanta expects to post around $10 billion in group earnings before interest, tax, depreciation, and amortisation (Ebitda) in 2026-27 (FY27) from $6 billion in FY26 and reduce its overall debt by more than ₹20,000 crore during the year, Vedanta's senior leadership told *Business Standard* in an interview, signalling confidence in sustaining the momentum after reporting record earnings across most of its businesses in the first quarter (Q1).

"We are looking at, as a group, Ebitda for the current financial year (FY27) of about $10 billion. We are also looking at reducing our debt at the overall group level by more than ₹20,000 crore," said Ajay Goel, chief financial officer (CFO) of Vedanta group, following the company's first quarterly earnings after completing its demerger.

Goel said the deleveraging exercise had already gathered pace. Vedanta Resources, the group's parent entity, reduced its debt by $1.1 billion during Q1FY27. The company also refinanced its borrowings, reducing funding costs by 280 basis points, which is expected to lower annual interest expenses by more than ₹1,000 crore, strengthening the group's balance sheet.

The guidance comes after Vedanta reported record quarterly earnings across its businesses. According to Goel, the performance was driven by factors within the company's control, including higher production volumes, lower operating costs, and a richer mix of value-added products, as well as supportive macroeconomic conditions, including stronger Brent crude and London Metal Exchange prices and the depreciation of the rupee, which benefited the group's export-oriented businesses.

VEDANTA CFO AJAY GOEL SAID THE DELEVERAGING EXERCISE HAD ALREADY GATHERED PACE. VEDANTA RESOURCES, THE GROUP'S PARENT ENTITY, REDUCED ITS DEBT BY $1.1 BN IN Q1

While most of Vedanta's businesses reported improved profitability, Vedanta Power posted a quarterly loss despite higher revenue. Explaining the divergence, Vedanta Power Chief Executive Officer (CEO) Rajinder Singh Ahuja said the loss was primarily due to a one-time impact of ₹487 crore arising from legal proceedings before the Supreme Court over the acquisition of the insolvent Athena Chhattisgarh Power.

Vedanta's brass also offered insights into the company's position on the ongoing policy debate over import duties on aluminium and aluminium scrap. Last month, *Business Standard* reported that the mines ministry had recommended removing the 2.5 per cent basic Customs duty on imported aluminium scrap. Downstream manufacturers have been seeking lower tariffs to reduce input costs, while primary producers such as Vedanta Aluminium, represented by the Aluminium Association of India, have argued for retaining the duty.

Vedanta Aluminium Metal CEO Rajesh Kumar said retaining some import duty on aluminium scrap would support long-term investment in the sector. "It would be good for the country if scrap imports attract some duty because, going forward, in a country like India, where per capita aluminium consumption is low, it will encourage the domestic industry to set up capacity and facilities. When we undertake long-term planning, we also look at the earning potential, and dumping low-duty material could have some impact on prices," Kumar said. However, he added that changes in the duty structure would not materially affect Vedanta.

"For a large player like us, with strong backward integration and forward integration into value-added products, we don't see it having any major impact. But for the country, to encourage aluminium investment, we believe retaining the duty is fundamentally the right approach," he said.

On critical minerals, Vedanta Executive Director Arun Misra said the company had begun exploration across multiple critical mineral blocks held by Vedanta and Hindustan Zinc, including a monazite block in Uttar Pradesh that could emerge as India's first land-based source of neodymium, a rare earth element used in permanent magnets.

According to Misra, exploration activities are expected to continue for another two to two and a half years, with mining likely to commence by 2029-30. Commercial production, including beneficiation and metal processing, is expected to begin in 2030–31, marking Vedanta's entry into a new portfolio of critical minerals.