Vedanta Limited

Investor Presentation

September 2017

Elements for a Sustainable Future

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

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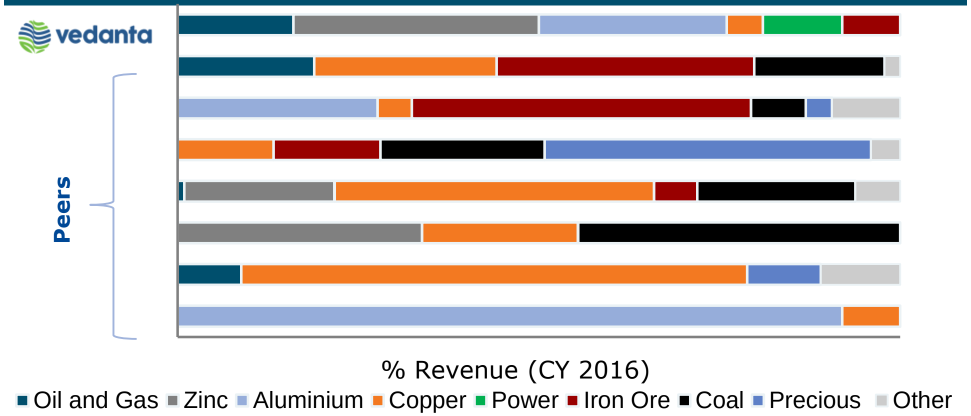
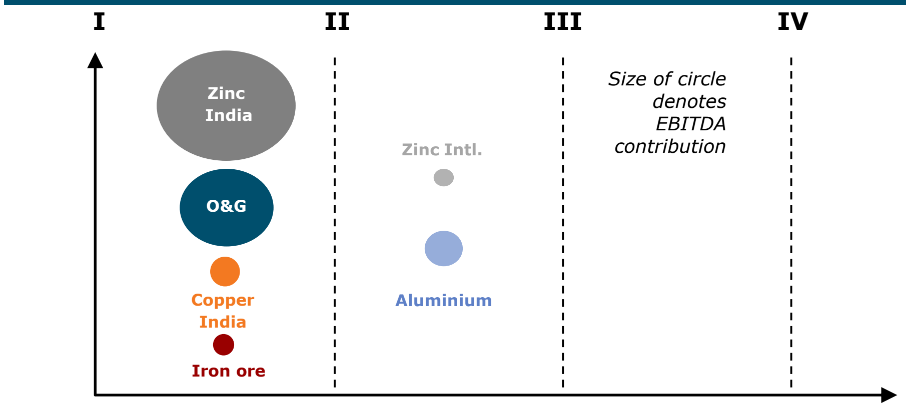
Vedanta: A diversified resources company, with low cash cost positions, market leading growth and strong balance sheet

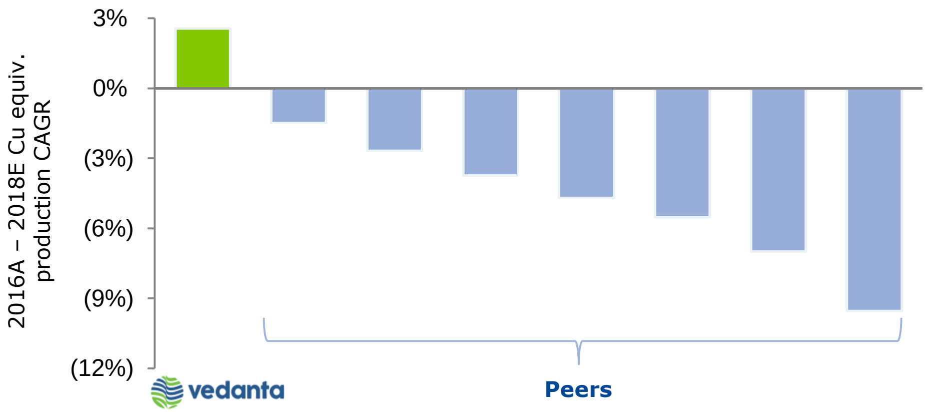
Commodity diversification[1]



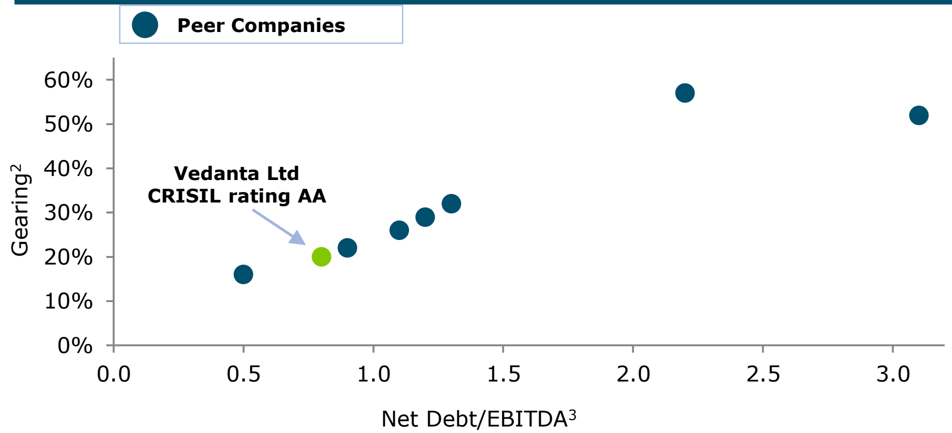
Attractive cost position



Sector leading growth



Strong balance sheet



Peers include BHP Billiton, Rio Tinto, Anglo American, Glencore, Teck Resources, Freeport and Hindalco
Source: Consensus, Company filings, Bloomberg, Wood Mackenzie, CRU for Aluminium ; Company data for Vedanta
Notes: 1. All companies have been calenderised to a Dec YE; Glencore revenue split accounts only for their 'Industrial activities'; Revenues from copper smelting for Vedanta Ltd and Hindalco are based on benchmark Tc/Rc
2. Gearing is calculated as Net debt divided by the sum of Net debt and Equity (based on reported numbers)
3. EBITDA as per CY 2017 consensus estimates

A world-class natural resource powerhouse anchored in India

- 6th largest diversified resources company in the world[1]
- Only global player with significant operations, expertise and majority sales in the Indian market – the fastest growing G-20 economy[2]
- Strong Balance sheet: Vedanta Ltd. Net Debt/EBITDA at 0.8x[3] – amongst the lowest and strongest among Indian and global peers
- Completed Vedanta Ltd – Cairn India merger: Simplified group structure with greater financial flexibility to allocate capital efficiently
- With a market capitalization of c. USD 18.5 bn[4] and free float of c. USD 9.2 bn[4], part of India's premier index – the Nifty 50
  - ADRs listed on NYSE

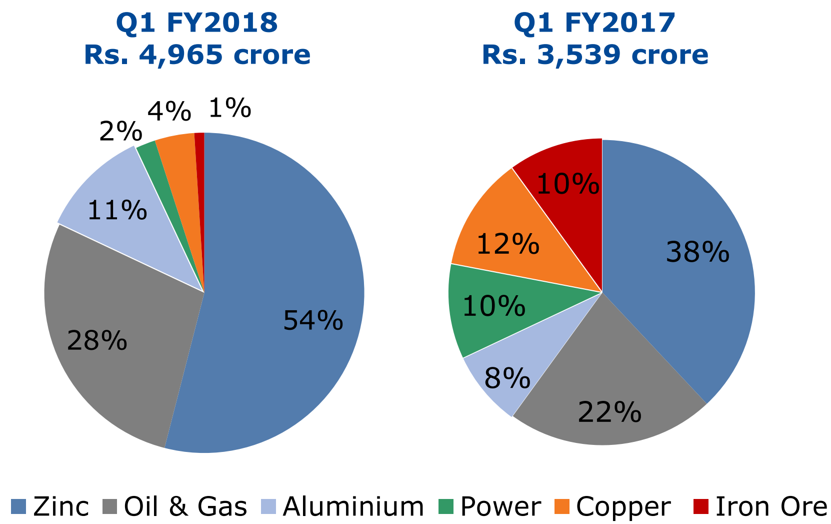
Notes: 1. As per CY2016 reported EBITDA
2. As per Moody's
3. LTM as of June 30, 2017
4. As of Sept 1, 2017

Q1 FY2018 Results Highlights

Operations:

- Higher zinc-lead and silver volumes at Zinc India
- Gamsberg zinc project on track for mid CY18 production
- Aluminium exit production run-rate of 1.4mtpa (stabilized)
- Continued strong contribution from Mangala EOR; improved costs despite increased EOR production
- TSPL plant restarted in end Jun 2017
- Production guidance for FY 2018 unchanged

Group EBITDA Mix



Financial:

- EBITDA at Rs. 4,965 crore, up 40% y-o-y
- EBITDA margin[1] of 36%, up from 32% in Q1 FY2017
- Attributable PAT of Rs. 1,525 crore, up 102% y-o-y
- Cumulative cost and marketing savings of US$ 856mn over last 9 quarters
- Gross debt reduced by Rs. 6,288[2] crore; further reduction of c. Rs. 2,500 crore post June 30, 2017.

Divisional EBITDA	Q1 FY2018	Q1 FY2017
Zinc India	2,369	1,077
Zinc – Intl.	321	251
Oil & Gas	1,385	794
Aluminium	528	269
Power	110	338
Copper – India	213	441
Iron Ore	40	363
Others	(1)	6

Notes: 1. Excludes custom smelting at Copper and Zinc India operations
2. Excludes change in Zinc India temporary borrowing from Rs 7,908 crore (Q4 FY 2017) to Rs 6,959 crore and Preference shares of Rs 3,010 crore issued pursuant to Cairn merger

Capital Allocation: Focus on Shareholder Returns

World class assets and operational excellence to deliver strong and sustainable cash flows

Production growth and asset optimization

Strong Shareholder Returns

- Announced dividend policy at Vedanta Ltd
  - pass through of HZL's regular dividend, plus
  - minimum 30% pay out of Attributable PAT (ex HZL PAT)
- HZL dividend policy - minimum 30% pay out

Maintain Strong Balance Sheet

- Continued reduction of gross debt
- Target for AA+ rating from current AA rating (CRISIL)

Grow Existing Businesses

- Focus on full capacity utilisation and production growth in existing businesses
- Any investment opportunities to clear hurdle rate of return

Well-invested assets driving cash flow growth

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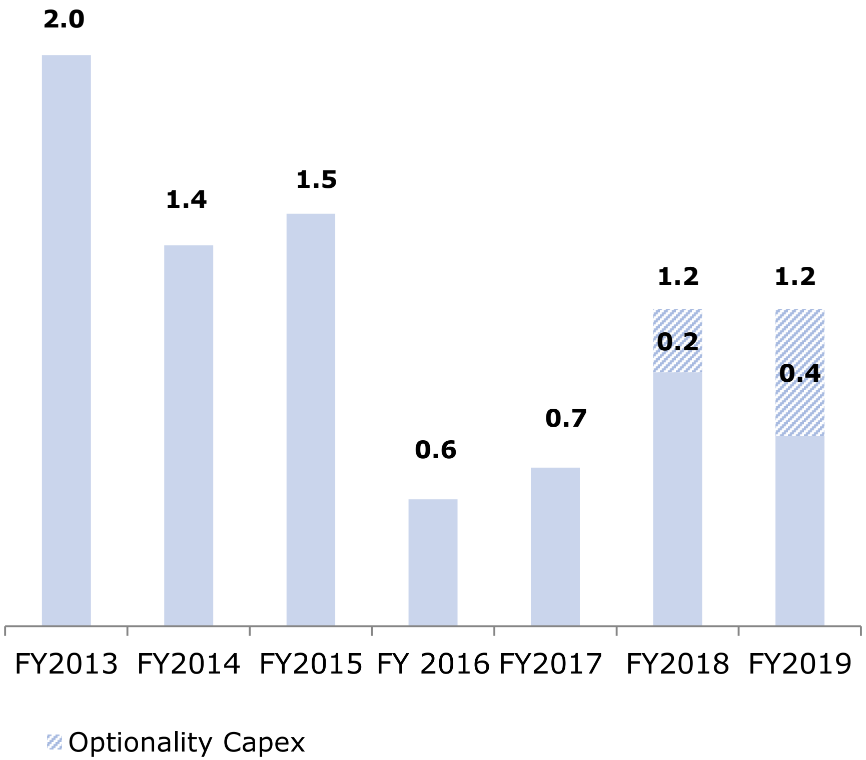
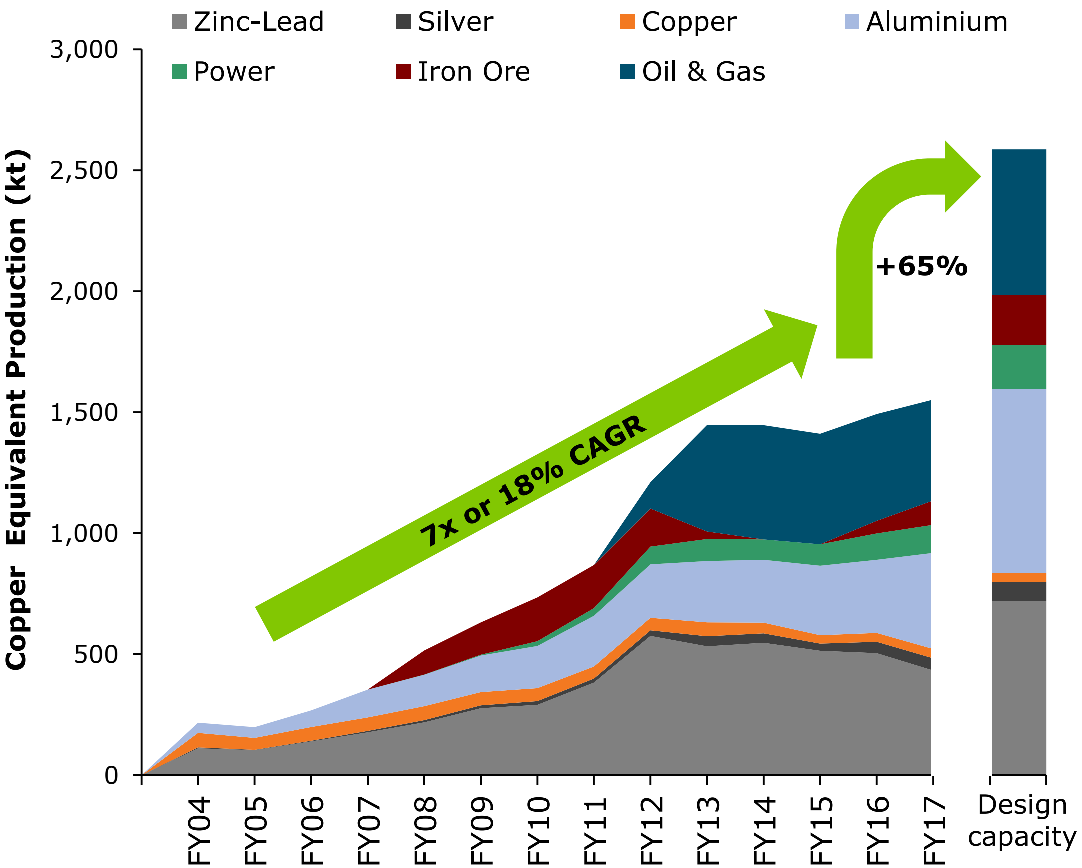
Significant capex already spent, ready to reap benefits from incremental production with low remaining capex

Capex Spent (US$bn)



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 FY17. Power rebased using FY17 realisations, copper custom smelting production rebased at TC/RC for FY17, iron ore volumes refers to sales with prices rebased at average 58% FOB prices for FY17.

Delivering on our Strategic Priorities

Strategic Priorities	Focus Areas for FY2018
Production growth	• Continued production ramp up • Commence production at Gamsberg by mid CY2018 • Continue to improve business efficiencies
Deleveraging	• Efficiently refinance upcoming maturities, lower interest costs • Delever further to reduce gross debt • Shareholder returns: Dividend policy announced
Group Simplification	• Realise benefits of the Vedanta Ltd – Cairn India merger
Preserve License to Operate	• Implement best practices for Zero Harm, Zero Discharge, Zero Waste • Continued reduction of GHG emissions and carbon footprint
Identify next generation of Resources	• Leverage expertise of central mining exploration group • Optimize oil exploration activities, while preserving growth options

Diversified, low cost asset base: World-scale capacities

O&G **Oil & Gas**	• India's largest private sector oil producer • Operates c. 30% of India's total oil production • One of the lowest cost producer in the world with cost at sub $6/boe
ZLS **Zinc – India**	• India's only miner of Zinc-Lead, and the world's second largest integrated Zinc-Lead producer • Positioned on the 1st decile of the cost curve
ZLS **Zinc Intl.**	• Assets in South Africa and Namibia • Gamsberg in South Africa is one of the world's largest undeveloped zinc deposits
Cu **Copper – India**	• India's largest Copper producer at 0.4mn tonnes per annum • One of the world's most efficient custom smelters, operating consistently above 90% utilisation rate • Strongly positioned on the 1st quartile of the cost curve
Fe **Iron Ore**	• Goa operation on 1st quartile of the cost curve • India's largest producer-exporter in the private sector
Al **Aluminium**	• Largest capacity in India at 2.3mn tonnes per annum • Integrated capacity with captive power, with Alumina refinery
Pwr **Power**	• 9,000 MW fully operational, of which 40% is sold commercially • Poised to benefit from structural power shortage in India

Global Zinc Market Overview

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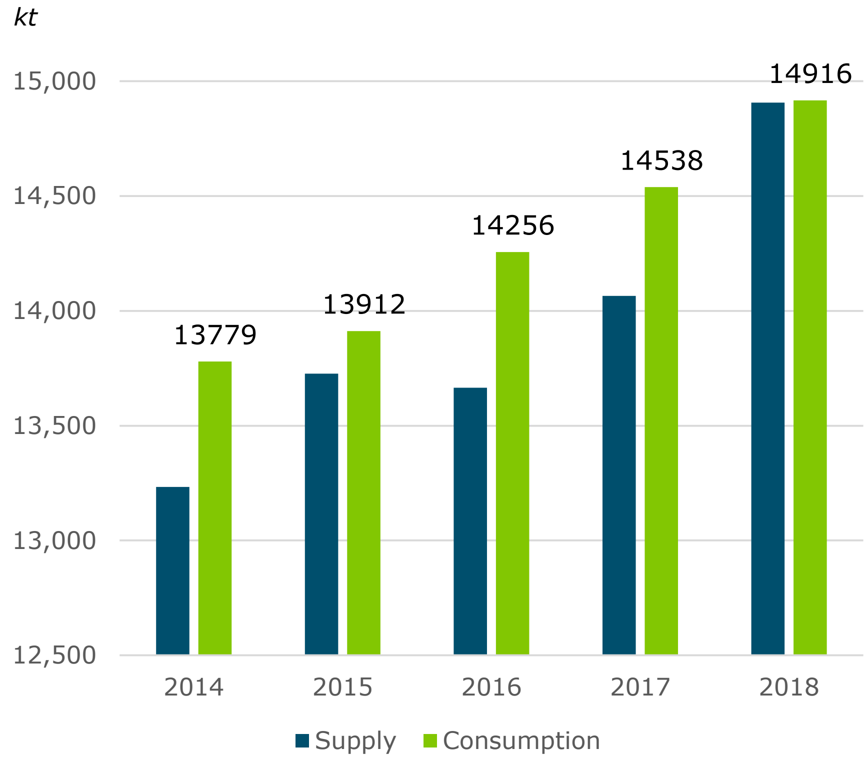
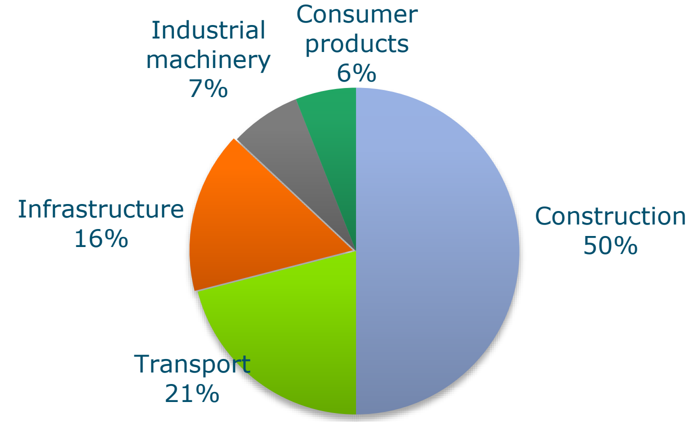
Refined Market Balance



Source: Wood Mackenzie LTO Q2 2017

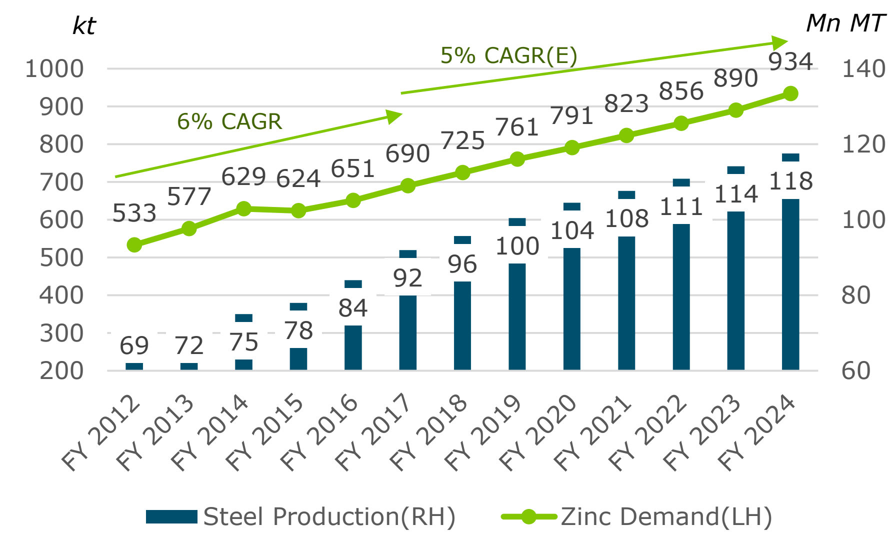
World - Steady demand growth at 2.6% in 2018
China - *CAGR (2017-2020) of Consumption at 3%*
India - *CAGR (2017-2020) of Consumption at 5.1%*

Zinc Demand By Industry



Source: Wood Mackenzie

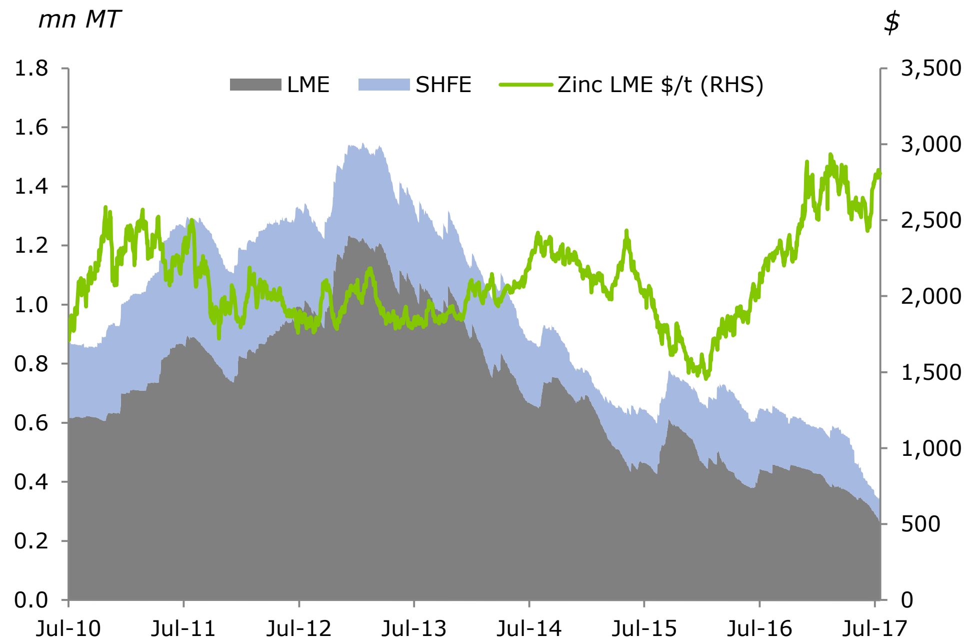
India Steel Production and Zinc Demand



Source: Feedback Consulting, HZL and Wood Mackenzie LTO Q2 2017

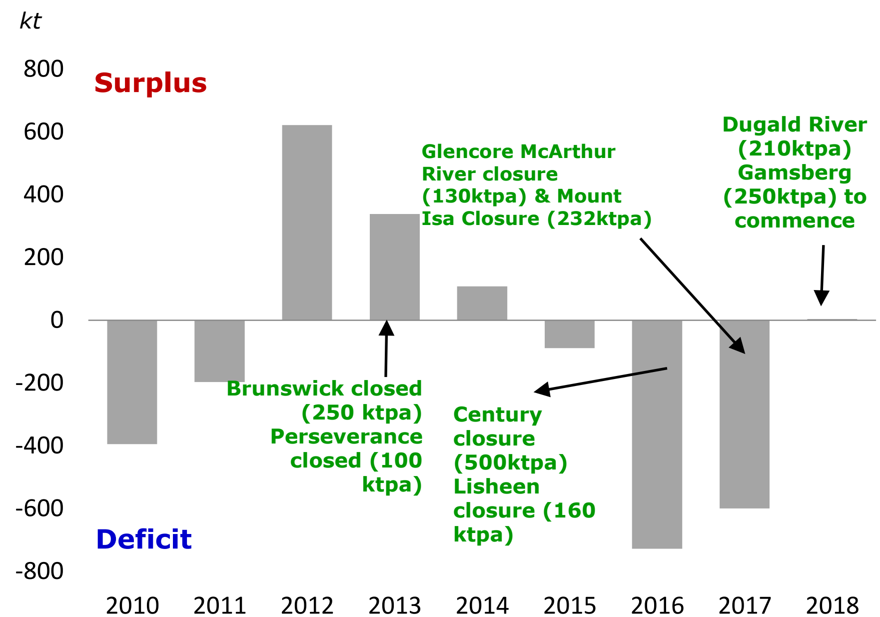
Strong Fundamentals

Declining stocks at LME warehouses



- *Exchange stocks declining: 11 days of global consumption in July 2017; seven year low*
- *Zinc prices strengthening on continued supply deficits and declining inventories*

Global Zinc concentrate deficit supporting zinc prices



Source: Wood Mackenzie LTO Q2 2017

- *Gamsberg project to start in 2018*
- *2018 growth assumed from resumption of Mt Isa & McArthur River as also Dugald River project*
- *Chinese mine capability to grow by 0.7mtpa by 2021, with a further 1mtpa from new projects*

Source: Wood Mackenzie LTO Q2 (Conc.)

Q1 FY2018 Results

- MIC at 233kt; refined zinc-lead production at 228kt
- Refined silver production at 115 tonnes
- CoP at $973/t; higher q-o-q mainly due to lower production as per mine plan, input commodity costs and lower acid realization

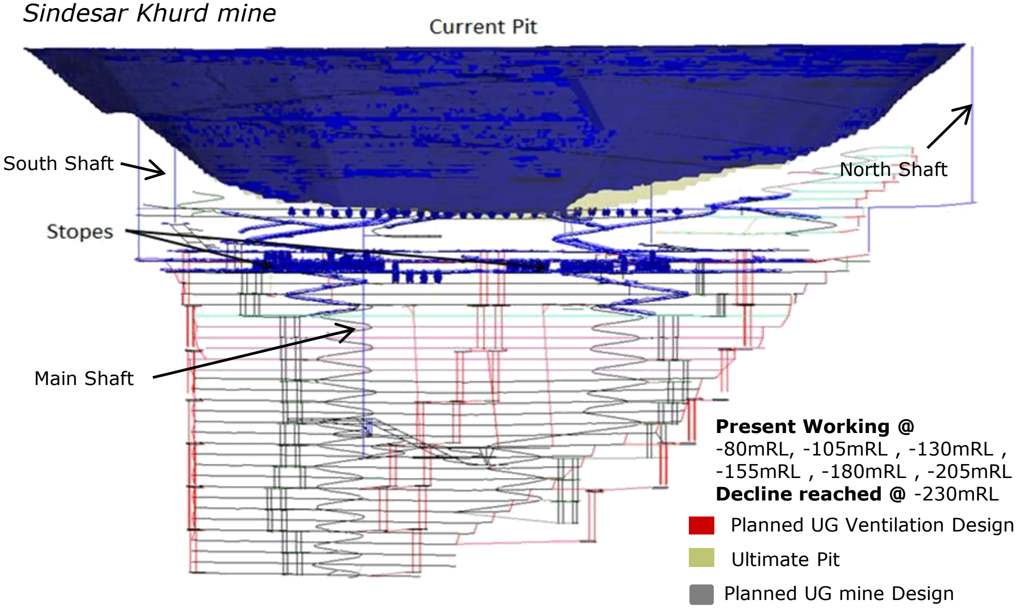
Projects – key highlights

- Capacity expansion to 1.2mtpa by FY2020 on track
- RAM U/G mine ramp-up progressing well; equipping of main shaft completed and production to start in Q3 FY2019
- SK mine main shaft headgear erection completed; production to start in Q2 FY2019
  - Awarded order for 1.5mtpa new mill, targeted commissioning in Q2 FY19; to take capacity to 5.8mtpa
- Zawar mill expansion upgraded to 2.7mtpa; expected completion in Q2 FY2018
- Silver refinery EC received for 625tpa from 500tpa
- The fumer project progressing as per schedule; expected to be completed by mid FY 2019

Outlook

- FY2018 integrated Zn-Pb production c.950kt; silver 500t+
- CoP expected to be slightly higher than last year due to input commodity prices

Sindesar Khurd mine



Rampura Agucha Mine – Longitude Vertical Section

Way Forward - Zinc India

1.5 mtpa capacity under planning

- Shaft and decline integration
- Multi-level mining
- Digital transformation
- New prospects & tenements
- R&R addition

1.2 mtpa capacity by FY 2020

- 25+ years of mining R&R with potential of 1.2 mtpa
- Transition to underground mining progressing smoothly
- Shaft commissioning on track for Q3 FY 2019
- Mill & smelter capacity to keep pace
- Reduction in COP on shaft commissioning

Outlook FY 2018

- ***Mined metal:*** *Higher than 907 kt of FY 2017*
- ***Refined zinc-lead:*** *950 kt; silver: 500 +MT*
- *Marginally higher dollar COP (excluding royalty)*
- *Project Capex of $350-360 million (including ongoing mine expansions, fumer and smelter debottlenecking)*

Zinc International

Q1 FY2018 Results

- Production at 32kt: Skorpion at 14kt, BMM at 18kt
- CoP at $1690/t, higher q-o-q, driven by lower production at Skorpion due to planned shutdown at the acid plant in June
- Higher sales volume at BMM helped deliver 132% higher EBITDA q-o-q

Projects

- Skorpion pit 112 extension
  - Work commenced in April 2017
  - Outsourced mining; ore extraction from H2 FY2018
  - Potential to increase life of mine by 3 years
- Continued focus on exploration program across all the locations (>$10mn)

FY2018 Outlook

- Production of c.160kt; CoP at c. $1500/t

Significant progress at 250kt Gamsberg project

- On target for first production by mid CY2018 and on budget for a capex target of $400mn
- Critical milestone of completion of the North Access Ramp achieved; north pit pre-stripping fully ramped up
- Major contractors mobilised; site activities including civil, power lines and water lines in full swing
- Outsourced mining contract progress - Waste pre-stripping as per plan, 22.5mt of waste moved to date
- First phase expected to have a mine life of 13 years

Ball Mill Foundation

Electric Substation

Zinc International Outlook

Reserve & Resource >300Mt Ore	***High value Resource Base 306Mt (22Mt Metal) to enable long term sustained Production and Growth*** • R&R on acquisition 286Mt. Addition of 44Mt (>15%) including depletion • Converted 63Mt Resource to Reserve (>20%)

Skorpion & Black Mountain >200Kt Production	• ***FY2018: Production of c.160 KT @ < CoP of $ 1,500/t***
	  • Skorpion c.90 Kt & Black Mountain c.70 Kt
	  • Focus on further reducing COP through operational and cost initiatives
	• **FY19 & FY20: Plan to increase production to c.200 Ktpa by ramping up Pit 112**
	  • Skorpion c.130 Kt & Black Mountain c.70 Kt

Gamsberg 250Kt Production@ ~$1000/t	• **Project on track and progressing as per plan**
	  • First production by mid CY2018 and on budget for capex target of $400 mn
	  • FY19 production expected to be 100 Kt+, with ramp-up to 250 Kt by FY2020
	  • Targeted COP of $1,000-1,150/t, placing ZI in 1st quartile of global cost curve

Indicative Consolidated Outlook

	FY18	FY19	FY20	FY21	FY22
Prod (Kt)	150-160	240-260	410-430	430-450	440-460
COP (U$/t)	<1500	<1200	<1100	<1000	<900

Cairn Oil & Gas

Q1 FY 2018 Results

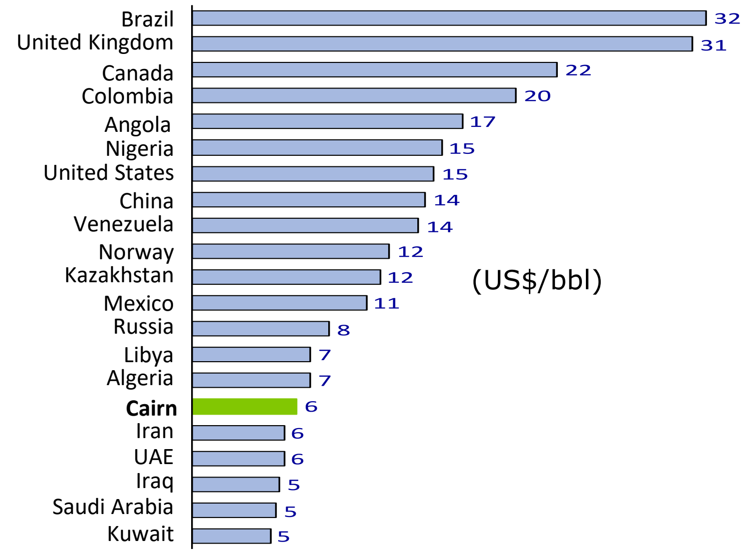
- Gross average production at 187,203 boepd
  - Rajasthan production at 159,351 boepd
  - Offshore production at 27,852 boepd
- RJ Mangala EOR production stable at 56 kboepd in Q1
- Commenced production from two more satellite fields viz Kaam West-2 and Guda
- Operating cost
  - RJ waterflood operating cost at $ 4.3/boe, reduced by 5.5% q-o-q
  - RJ blended cost including EOR at $6.2/boe, reduced by 1.2% q-o-q

FY 2018 Outlook

- Rajasthan production expected at 165 kboepd with further potential upside from growth projects
- Net capex estimated at $250mn
  - 90% for development including EOR, Tight oil and Tight gas projects
  - 10% for Exploration and Appraisal

Rajasthan: Mangala Processing Terminal

Cairn has one of the lowest operating costs globally



Source: For peer company Opex - Rystad Energy, Nov 2015

Key Projects

RDG Gas project

- Phase-1: 40-45 mmscfd by Q2 FY2018
- Phase-2: Gas production of 100mmscfd and condensate production of 5kboed by H1 CY2019;
  - Drilling rig contract awarded, tendering for new gas processing terminal is underway

Key Oil projects

- Mangala Infill:15 well drilling campaign commencing from end July 2017, first Oil expected from Q2 FY2018
- Liquid handling: Upgrading infrastructure to support incremental oil volumes in phased manner
- Bhagyam EOR: Polymer injection in select wells for incremental volumes
- Aishwariya EOR: Successfully completed the injectivity test. FDP under discussion with JV Partner
- Aishwariya Barmer Hill: Production from appraisal wells commenced from July 2017, Phase-2 project execution to begin in FY2018

Exploration

- Studies contract awarded for Shallow Oil Prospects and Deep Gas Prospects with the objective of enhancing the prospect resource base in the Barmer Basin at Rajasthan

Rajasthan: Raageshwari Gas Terminal

Summary of key projects

Key Projects	EUR[1] (mmboe)	Capex (US$m)
RDG	86	440
Mangala Infill	4	40
Liquid Handling	12	120
Bhagyam EOR	25	100
Aishwariya EOR	15	60
Aishwariya Barmer Hill	32	195

Note 1. Estimated Ultimate Recovery

Appendix

Aluminium

Q1 FY2018 Results

- Aluminium production of 352kt and Alumina 303kt
  - Aluminum CoP at $1,727/t, higher q-o-q due to higher input and power costs and INR appreciation
  - Alumina CoP at $312/t vs. $408/t for imported alumina

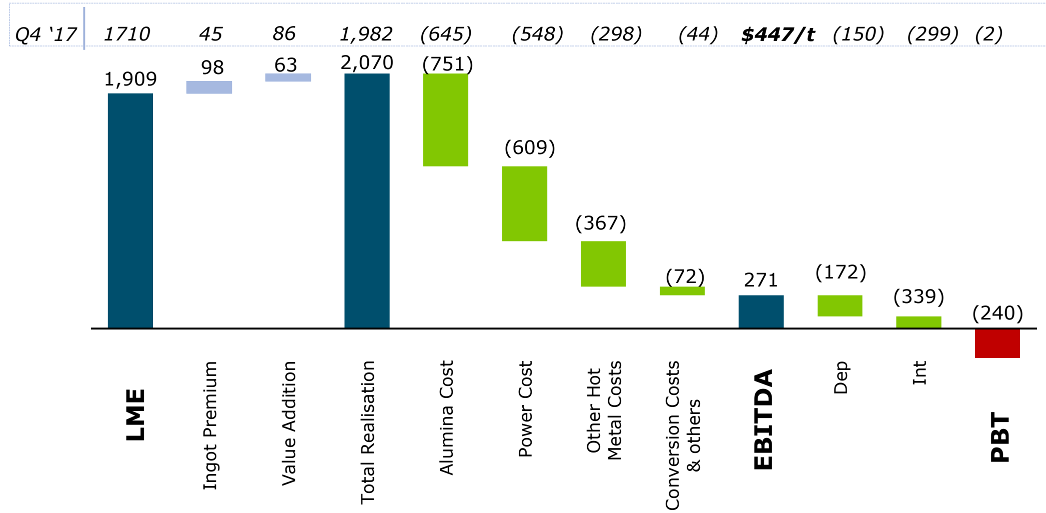
Operations

- 500kt Jharsuguda-I smelter: outage in April 2017 impacted 228 of the 608 pots; 35 pots re-started, full ramp-up by Q3 FY2018
- Ramp-up at 1.25mt Jharsuguda-II smelter:
  - 1st line: 187 pots operational, full ramp up by Q3 FY2018
  - 2nd line: Fully ramped up and capitalized in Q4 FY2017
  - 3rd line: 152 pots operational, full ramp up by Q3 FY2018
  - 4th line: Under evaluation
- 325kt BALCO-II: Fully operational and capitalised in Q1

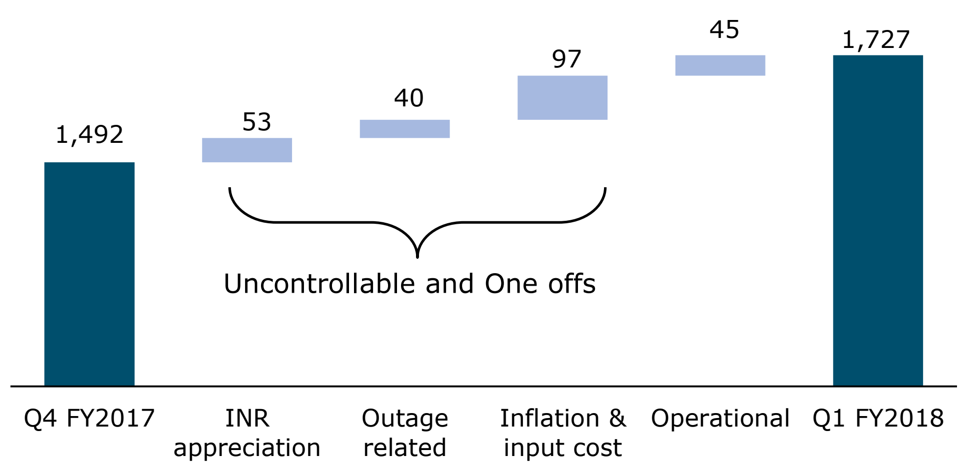
FY 2018 Outlook

- Aluminium production 1.5 to 1.6mt (excl. trial run); Alumina production 1.5 to 1.6mt
- CoP estimated at $1575-1600/t for H2 FY2018; Q2 CoP estimated at c. $1700/t
- Bauxite production from BALCO mines estimated at 1.8-2mt
- Working with Odisha State Government on allocation of bauxite

Aluminium Costs and Margins (in $/t, for Q1 FY2018)



Movements in Aluminium COP (in $/t)



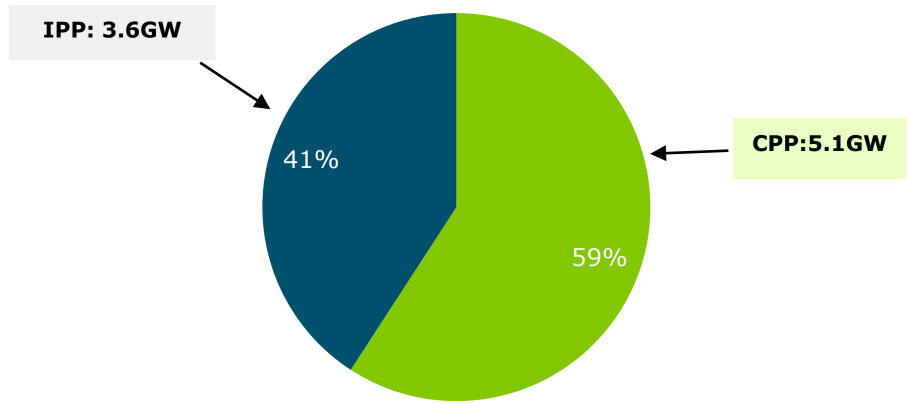
Q1 FY 2018 Results

- TSPL
  - Plant was out of production for c. 2months, due to fire at coal conveyor in April 2017
  - All 3 units restarted in end Jun 2017, currently running at availability of 90%.
  - Targeting availability of 70%+ for FY2018
- Other IPP's
  - BALCO 600MW: Stable PLF of 68%
  - Jharsuguda 600MW: PLF of 47%
  - MALCO 100MW: Under care and maintenance from 26th May 2017

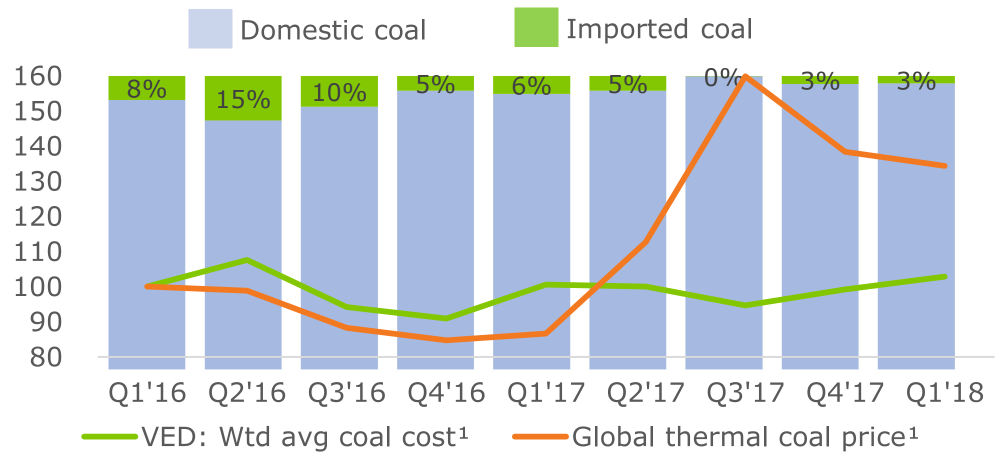
Coal outlook

- Higher production by Coal India has resulted in reduced reliance on imports
  - Temporary disruptions in domestic coal supply during Q1 led to increase in power cost
- Coal linkage of 2mtpa secured in July, in addition to 6mtpa linkage secured in Q2 FY2017
  - Domestic linkages to contribute to long-term coal security at competitive prices

Power Generation Capacity – c. 9GW



Increased availability of domestic coal meant lower reliance on imported coal



Note: Above data is for CPP's and IPP's at Jharsuguda and BALCO
1. Indexed to 100, Mix is at normalized GCV

Q1 FY 2018 Results

Iron Ore

- Sales of 2.32mt and production of 3.24mt
- Lower sales at Goa due to low pricing & widening of discounts from benchmark grade
  - Beneficiation & blending in process to improve realisations and margins
- Karnataka achieved c.50% of allocated annual mining cap in Q1
  - Lower sales on muted e-auctions
  - Beneficiation of ore resulted in stronger prices: c.$24/t
- FY2018 production allocation: 5.5mtpa at Goa & 2.3mtpa at Karnataka
  - Engaged with respective state governments for additional allocation

Copper India

- Production at 90kt; advanced the maintenance shutdown to balance concentrate market disruptions
  - Global concentrate supply has recovered/ normalised
- Tc/Rc’s lower at 20.8 c/lb; c.80% of concentrate requirements is sourced through long-term agreements
- Net cost of conversion higher y-o-y due to lower volumes, higher input prices and lower acid credits
- FY2018 production estimated at 400kt
- 400ktpa smelter expansion being evaluated

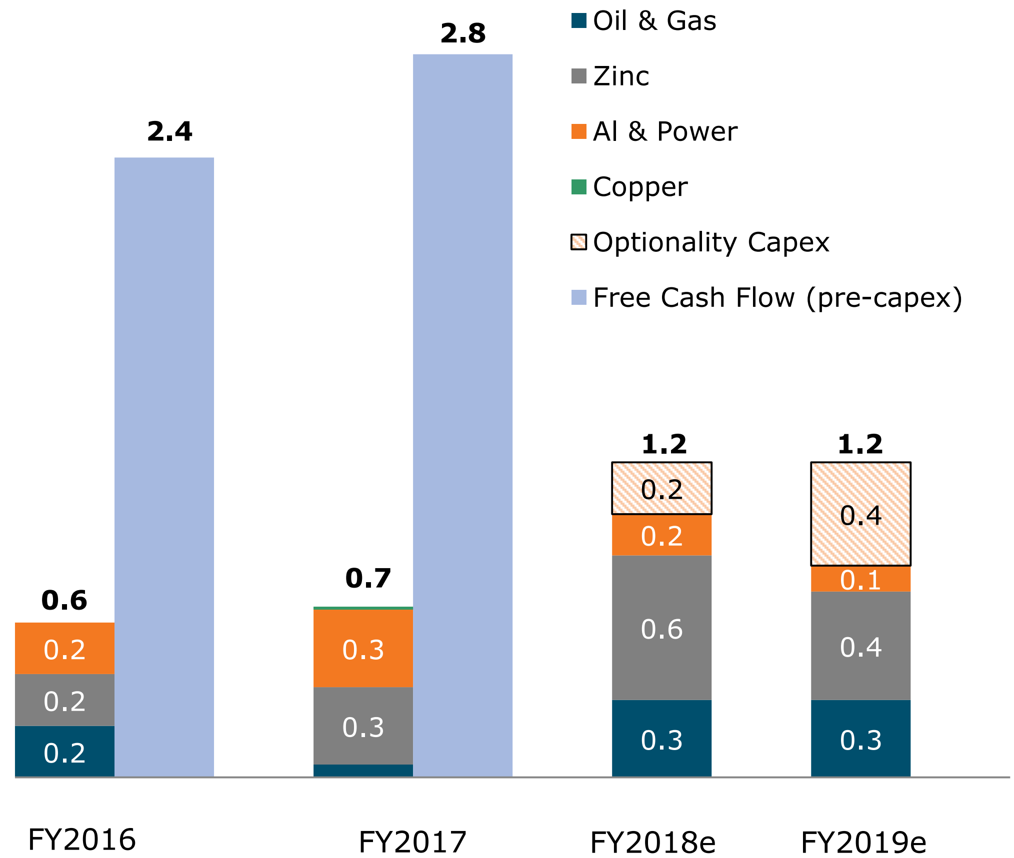
Iron Ore Mine in Goa

Tuticorin Copper Smelter

Optimising Capex to drive Cash Flow Generation

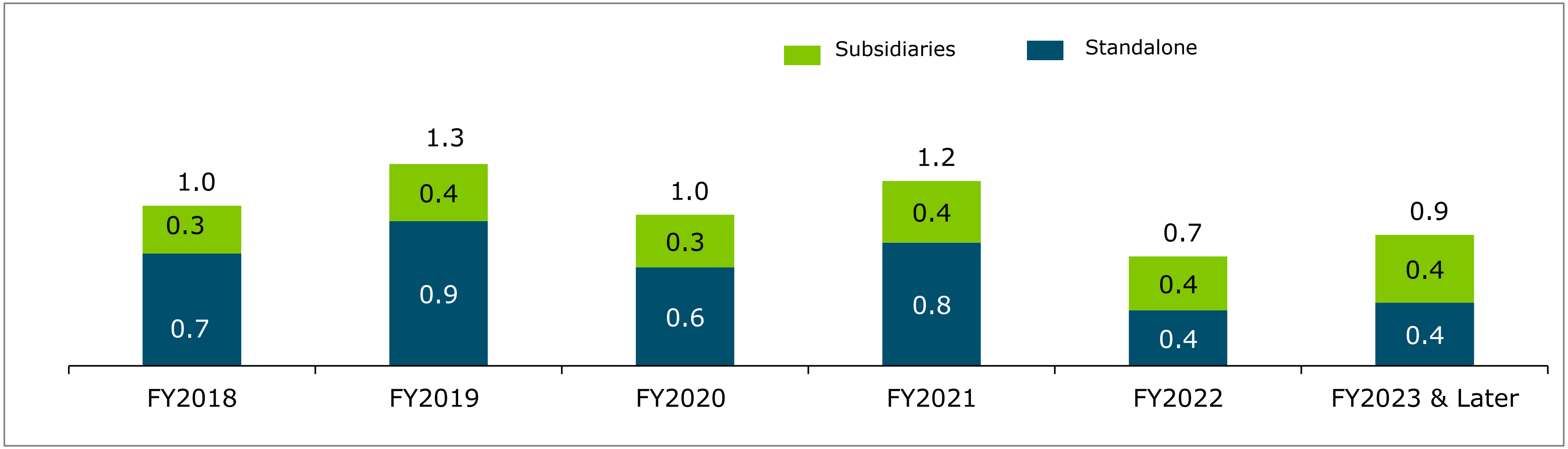
- Prioritised capital to high-return, low-risk projects to maximise cash flows
- Capex spent for FY 17 at $0.7bn against original guidance of $1bn
- FY 2018 capex guidance at $1.2 bn
  - $0.4bn for Zinc India and $0.2bn for Gamsberg
  - $0.16bn for Aluminium and Power
  - $0.25bn for O&G with optionality for further investment based on progress, subject to PSC extension
- Optionality capex includes capex flexibility for Lanjigarh refinery expansion and 400ktpa Copper smelter

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



Strong Credit Profile and Balance Sheet

Maturity Profile of Term Debt ($6.1bn) (as of 30th June 2017)



Term debt of $6.1bn ($3.9bn at Standalone and $2.2bn at Subsidiaries)
Maturity profile shows term debt (excludes working capital of $0.3bn, short term debt of $2.4bn and short term borrowing at HZL of $1.1bn)

- **Gross debt reduction and maturity extension**
  - Gross debt reduced by Rs. 6,288[1] crore; further reduction by c. Rs. 2,500 crore post 30 June
  - Benefitting from competitively priced capital market instruments
  - Reduction in bank term loan interest by 80-100bps
- **Strong liquidity:** Cash and liquid investments of $7.5bn and undrawn committed lines of $1.1bn

Note 1. Excludes change in Zinc India temporary borrowing from Rs 7,908 crore (Q4 FY 2017) to Rs 6,959 crore and Preference shares of Rs 3,010 crore issued pursuant to Cairn merger

Guidance

Segment	FY18e	Comments
Zinc India	Zinc-Lead Integrated: 950kt Silver volume: +500 tonnes CoP ($/t): slightly higher than FY2017	
Zinc International	Zinc-Lead volume: c.160kt CoP: c.$1,500/t	Gamsberg expected CoP: $1000-1,150/t
Oil & Gas	RJ Gross Volume: 165kboepd Ravva Gross volume: 16kboepd Cambay Gross volume: 10kboepd	
Aluminium	Alumina: 1.5-1.6mt Aluminium: 1.5-1.6mt (excl. trial-run) Aluminium COP: For Q2 - c. $1,700/t; For H2 - $1,575-1,600/t	Earlier guidance on aluminium CoP for FY2018 was $1,475-1,500/t, with Q1 likely to be higher
Power	TSPL plant availability: 70%+	Earlier guidance: 75%+
Iron Ore	5.5mtpa at Goa and 2.3mtpa at Karnataka	Engaged with respective State Governments for additional allocation
Copper - India	Production: 400kt	

Entity Wise Cash and Debt

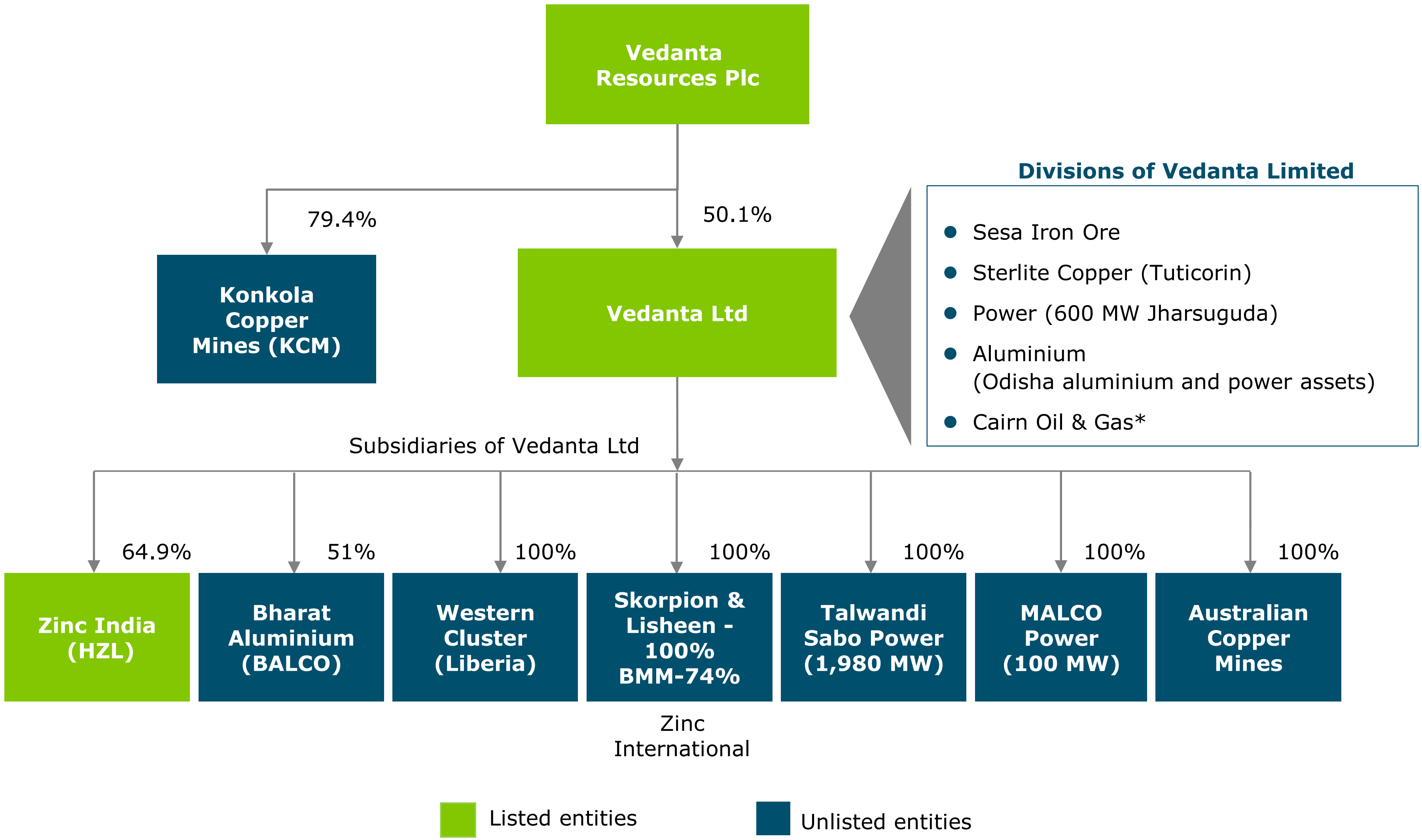
(in Rs. crore)

Company	30 June 2017			31 March 2017			30 June 2016		
	Debt	Cash & LI	Net Debt	Debt	Cash & LI	Net Debt	Debt	Cash & LI	Net Debt
Vedanta Limited Standalone	42,711	16,698	26,013	43,233	2,316	40,917	35,729	1,216	34,513
Cairn India[1]	NA	NA	NA	-	27,646	(27,646)	-	23,565	(23,565)
Cairn India Holdings Limited[2]	4,155	6,759	(2,604)	NA	NA	NA	NA	NA	NA
Zinc India	6,959	23,967	(17,009)	7,908	32,166	(24,258)	3,911	26,839	(22,928)
Zinc International	-	614	(614)	-	907	(907)	-	600	(600)
BALCO	4,765	102	4,663	4,925	63	4,862	4,897	12	4,885
Talwandi Sabo	8,029	70	7,960	8,012	191	7,821	7,419	23	7,396
Twin Star Mauritius Holdings Limited and Others[3]	723	108	615	7,491	182	7,310	14,563	44	14,519
Vedanta Limited Consolidated	**67,342**	**48,318**	**19,024**	**71,569**	**63,471**	**8,099**	**66,519**	**52,299**	**14,220**

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

1. *Merged with Vedanta Limited with effect from April 2017.*
2. *Cairn India Holdings Limited is a subsidiary of Vedanta Limited which holds 50% of the share in the RJ Block*
3. *Others includes MALCO Energy, CMT, VGCB, Sesa Resources, Fujairah Gold, and Vedanta Limited's investment companies.*

Group Structure



Note: Shareholding as on June 30, 2017
**50% of the share in the RJ Block is held by a subsidiary of Vedanta Ltd*