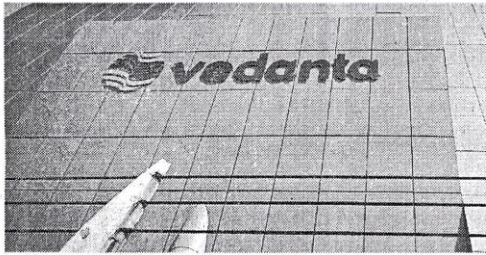


Vedanta plans \$2.4-billion capex over two years

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Anil Agarwal-led Vedanta Ltd has planned a capex of \$2.4 billion over the next two years (\$1.2 billion each in FY18 and FY19). The company will be investing in zinc projects of Hindustan Zinc, rebuilding volumes for its oil and gas business and doubling capacity at the Tuticorin copper smelter.

In the June quarter, the company's consolidated performance continued to be strong on the back of healthy earnings from its subsidiary



Hindustan Zinc. The standalone business, however, put up a dismal show.

"Weak performance of standalone business was

expected as ongoing ramp up in the aluminium segment has pushed up depreciation. This was bound to come up," Arun Kumar, chief financial officer

at Vedanta informed at an earnings conference call. The company is currently ramping up its aluminium capacity to 2 million tonne from 1.4 million tonne last year.

The total installed aluminium capacity of Vedanta stands at 2.3 million tonne, which the company aims to raise in the next fiscal.

Vedanta's consolidated net profit during the period under review doubled on a year-on-year basis to ₹1,525 crore, while its top line jumped 27 per cent

to ₹18,203 crore. Its earnings before interest, taxes, depreciation and amortisation (Ebitda) in the quarter also rose 40 per cent to ₹4,965 crore.

₹1,525-cr
net profit was reported
in June quarter

Sequentially, however, top line, net profit as well as Ebitda took a beating by 19 per cent, 42 per cent and 32 per cent, respectively.

"Revenues in the final quarter of FY17 had risen substantially due to peaked mine production at our zinc business," Tom Albanese, chief executive officer informed. Vedanta's

consolidated revenue in the March quarter was at ₹22,371 crore, while its net profit was at ₹2,647 crore.

According to *Bloomberg* estimates, the company was expected to draw revenues worth Rs 18,237 crore in the June quarter and report a bottom line of Rs 1,568 crore.

With an aim to lighten its balance sheet, Vedanta has managed to lower its gross debt by ₹9,000 crore in the last four months. As on June 30, the company's gross debt stood at ₹67,342 crore with net debt/Ebitda at 0.8, it said.