"Vedanta Resources Limited

H2 FY '25 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the 2H FY25 Earnings Conference Call hosted by Vedanta Resources. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone.

On this call, from the Vedanta side, we have with us Ms. Deshnee Naidoo, Group CEO, Mr. Ajay Goel, Group CFO, Ms. Pooja Somani, Senior Vice President, Corporate Finance, Mr. Charanjit Singh, Group Head, IR and Mr. Vinit Bansal, Group Head, FP&A. We will start with a short update on the company's operational performance from Ms. Deshnee Naidoo followed by financial highlights by Mr. Ajay Goel before we open the lines for Q&A. This call is covered by the cautionary statement on slide number 34 of the results presentation.

I now hand the conference over to Ms. Deshnee Naidoo from Vedanta Resources. Thank you and over to you, Ms. Naidoo.

Deshnee Naidoo: Thank you, operator. Good day, everyone. It is a pleasure to address you for the first time since joining the group as CEO in January this year. Returning to Vedanta feels like homecoming and I'm excited to lead us into our next era of growth and transformation. Over the last 25 years, Vedanta has grown into India's foremost natural resources conglomerate.

Under the visionary leadership of our Chairman, Mr. Anil Agarwal, we are entering an exciting chapter we call Vedanta 2.0. The goal is clear, to transform Vedanta into a critical mineral energy and technology powerhouse serving not just India but the world. This vision is rooted in creating long-term value for our investors, the communities we operate in and the planet we all share.

Looking at the broader economic landscape, FY25 was a good year for commodities. Global primary aluminum demand grew by 2.7%. Zinc demand saw a 2% increase while copper demand increased by 3%. In India, primary aluminum demand increased by 12% year-on-year, zinc around 6% and copper 11%, driven by robust domestic economic expansion and infrastructure development.

With over 50% of our aluminum production and around 75% of our zinc production being sold in India, Vedanta's performance is strongly integrated with India's growth story. So I will start with operational highlights of FY25. Vedanta's aluminum and zinc operations achieved record production levels while sustaining the cost leadership, consistently ranking in top quartile and decile of global cost curves respectively.

The aluminum business achieved its highest ever annual metal production with 2.422 million tons, thereby surpassing our volume guidance of FY25. On the cost side, the business achieved hot metal production cost excluding alumina at $920 per ton, which is the lowest in the past four years.

Our total COP inclusive of alumina saw an increase due to the carry forward of high cost alumina inventory. The benefit of softening in the global alumina prices will be reflected in the COP numbers for upcoming quarters.

Moving to zinc India, we have delivered highest ever annual mined metal production of 1.095 million tons and refined metal production of 1.052 million tons this year.

I'm also pleased to note that we've achieved a four year lowest full year COP of $1,052 per ton, a better 3% year on year. We also surpassed 13 million tons of available metal reserves for the first time since we transitioned to underground mining.

In our zinc international business, our half yearly volumes increased 30% year on year and 19% half on half. We are currently producing at a monthly run rate of 18,000 tons. On the COP side, we have achieved our guidance of $1,300 per ton on a full year basis, driven by higher and efficient production and lower TCRCs.

Turning to oil and gas business. For FY '25, our average gross operated production stood at 103.2 thousand barrels of oil equivalent per day, impacted by our natural fuel decline. We drilled 28 infill wells across all assets to sustain volume. I'm pleased to note that Cairn managed to acquire 7 of the 28 blocks in the latest round of the auction, taking our total portfolio to 63 blocks, spanning 73,000 square kilometers.

On iron ore business, I've seen a strong increase in annual production, rising 11% year-on-year, driven by steady state, our steady ramp up of Bicholim production. Our copper business encompasses refineries in India and Fujairah Gold and integrated operations in Zambia.

Speaking specifically about KCM, our facility in Zambia, it produced 45,000 tons of metal in FY '25 since the restart of operations in August '24. The facility is on track to deliver 150,000 tons of metal in the current financial year. Supported by energy transition and sustainable transport solutions, global demand for copper is expected to jump 40% by 2040.

With global copper supply set to peak in 2026 at 26 million tons, Vedanta is getting ready to benefit from this demand surge. This operational performance has translated into the highest ever revenue of $18.2 billion and second highest EBITDA of $5.5 billion.

ESG principles are integral to our strategy and action. Safety is a core value at Vedanta. We are dedicated to learning from any of the safety incidents and committed to our zero fatality goal. Every leader at the company is expected to challenge unsafe practices and uphold our safety standards, ensuring that our workforce returns home safely every day. We are doing our bit on mitigating climate change. As of March '25, we have secured power delivery agreements for over 1 gigawatt of renewable energy, as we target achieving net zero status before 2050.

We are also proud to have directly benefited 26 million women and children and empowered 1.46 million families through skilled training. Vedanta Aluminium has been ranked second while Hindustan Zinc secured first place in the respective peer groups in the S&P Global Corporate Sustainability Assessment.

Looking forward, Vedanta is all set to benefit from our enhanced asset base given the commissioning of our new train at Lanjigarh refinery, a smelter at BALCO, a new value-added product capacity for aluminium, a roaster at Debari plant in Hindustan Zinc, commissioning of our Meenakshi and Athena power plants, and the addition of 1.5 million tons per annum of hot metal capacity at ESL, all in this financial year.

In conclusion, we have ended the year on a high note, where we have not only delivered the highest ever annual volumes for aluminium and zinc, but also drove down the cost of production significantly, reaching our four-year low cost in Zinc India and ex-alumina COP at our aluminium business.

Given the commissioning schedule of various projects, we are well geared up for delivering another record year and we set ourselves for Vedanta 2.0, targeting to be a global leader in critical minerals, energy, and technology. Thank you. I now pass on to Ajay for an update on our financial performance. Ajay?

Ajay Goel: Thank you, Deshnee, and good day all. FY '25 has been truly a year of transformation for Vedanta. It has been marked by strategic progress, operational excellence, and a firm financial foundation. We have executed a series of impactful fundraising and capital management initiatives, which have significantly enhanced our capital structure and balance sheet, while furnishing us for a sustainable growth.

A major milestone this year was regaining of operational control of KCM in July 2024, an achievement that underscores our long-term commitment to value creation and strategic growth in critical commodities. As a part of re-consolidation, KCM was revalued, resulting in a one-time gain of 1.37 billion. This, along with robust profitability, has contributed to 3.8 billion uplift in VRL's networth in FY '25.

Financial highlights. Let me walk you through financial performance for FY 2025. We delivered an all-time high of consol revenue of 18.2 billion, marking a 10% Y-o-Y growth. Our consol EBITDA reached 5.5 billion, the second highest ever, with a 32% increase Y-o-Y. EBITDA margin, very important, improved significantly to an industry-leading 36%, up by 650 basis points Y-o-Y. This Y-o-Y comparison highlights on core performance and excludes one-time gain of Cairn arbitration in FY 2024.

Profit after tax, PAT, before special items at 1.5 billion, a four-fold increase over last year. Our ROCE remains at about 25%, maintaining strong double-digit performance. Free cash flow, free capex, stands out at 2.5 billion, increased by 15% Y-o-Y. Our net debt to EBITDA ratio improved to 2x compared to 2.6x in FY 2024. And finally, our liquidity position has enhanced significantly with cash and cash equivalents of about 2.6 billion, an impressive 34% increase over FY 2024.

Moving on to corporate actions and deleveraging. In FY 2025, Vedanta continued with value-accretive and strategic corporate actions. We advocated several impactful initiatives, all with one common thread of deleveraging the balance sheet and optimal capital structure. We raised 1 billion fresh equity through QIP at our opco, Vedanta Limited.

We also raised 0.4 billion through offer for sale at HZL at Vedanta Limited. We also raised 0.5 billion, a strategic equity offload at Vedanta Resources. Overall, all these three combined value is about 1.9 billion. Further, we refinanced 3.1 billion of bonds at VRL at about 250 basis point lower coupon rate, longer maturities up to 2034, and with much congenial covenant terms.

Additionally, post balance sheet date after 31st March, 2025, we have repaid 0.3 billion and refinanced 0.9 billion, which has extended our debt maturities to more than 4 years at VRL and reduced our overall cost of debt down to a single digit. These strategic actions, along with a strong operational performance, have resulted in a reduction of 1.2 billion debt at group level, including 0.7 billion at VRL standalone, reducing VRL debt to below 5 billion, which is the lowest debt in a decade as of 31st March, 2025.

We estimate our net interest cost for FY '26, the ongoing current fiscal FY '26, to be about 1.5 billion compared to about 1.8 billion last year. It's about a 17% lower finance cost. With an intent to further strengthen our balance sheet, Vedanta Limited raised an additional 351 million last week through a strategic 1.58% stake sale via a block deal. I want to reiterate our financial strategy remains focused and disciplined, prioritizing balance sheet strength, financial resilience, and sustainable growth.

Now moving to the rating improvements. Our efforts have been acknowledged by the rating companies. S&P augmented us by three notches last year to B+ from CCC+. Fitch and Moody's also augmented our rating to B+. Moving on now to demerger. The demerger process is progressing well and remains on track. It is expected to be completed by September 2025, post receiving approval of NCLT, for which the hearing is scheduled on 2nd of July.

In conclusion, FY '25 has been a pivotal year for Vedanta, defined by operational excellence, balanced capital allocation, and timely strategic actions. These efforts have optimized our risk-reward balance and laid a strong foundation for growth which is sustainable. As we usher into FY '26, we do so with renewed momentum and strategic clarity.

Our focus will be on scaling up volumes, enhancing operational efficiencies and backward integration, accelerating high-impact growth projects, and deleveraging and demerger. With these changes, Vedanta 2.0 is not just a new chapter. It is a fundamentally transformed enterprise. Thank you. And now I will hand over to moderator for any Q&As.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question is from the line of Vikash Agarwalla from Primas Asset Management. Please go ahead.

Vikash Agarwalla: Yes, hi. Thank you for the opportunity and thanks for the update. A couple of questions from my side. Firstly, I saw the financial statement released that the FY '26 maturities at Vedanta Resources is $0.8 billion. Can you help me provide a break-up of how much or which are the line items and how much has been paid so far in FY '26? So that's my first question.

And the second question is on the recent stake sale which Ajay you highlighted. So how should we think about future monetization of stake or any other corporate action? If you can throw some light on that strategy, that would be great.

Ajay Goel: Vikash, I will start and then I will request Pooja to cover the maturities part. So maybe the second question first. The zinc stake sale is again in the same theme which continues, which is the balanced capital structure and deleveraging as one of our key priorities as Vedanta organization overall. Details we shared a while earlier. It's about 1.6% stake sale at about INR454 per share.

And besides this helping in terms of deleveraging getting accelerated, it also helps in terms of creating the reserve in Vedanta Limited. It is almost two-third of this value also lead to one-time profit in Vedanta standalone. Of course, in overall financial consolidation, this gain gets neutralised. This also means Vedanta Limited's ability of any action such as payment of a dividend or a bonus share or any kind of activities to reward stakeholders only enhances. In future, we have covered this in the past and we've been quite consistent.

In terms of debt structure, our end game remains at VRL 3 billion debt at Vedanta India 1x leverage. In terms of equity, we feel quite comfortable, be it VRL stake into Vedanta Limited or Vedanta stake into HZL. Any small technical transactions we can consider at the right moment. But having said that, nothing on the table as of now. I request Pooja Somani to cover the maturity part, please.

Pooja Somani: Yes, hi Vikash. Vikash, I think you are referring to slide number 27 where we are saying it is long-term debt maturity that is about 800. As of year-end, the total maturity that was pending was about $900 million. And the breakup of that $900 million is $300 million of the private credit facility that was due. And then balance were the regular other maturities that were there.

Vikash Agarwalla: Got it. So out of this 900, 300 PCF has been paid and how much of other bank loans have been paid this year, this financial year?

Pooja Somani: The balance $600 million partly is in Q1 and partly is in Q2, roughly, roughly 300-300. These are primarily PSU bank loans, as well as the SCB loans. So 300 by June-end will be paid from the balance proceeds of the $530 million loan that we tied up. And I am also happy to report that we have also signed up the new banking facility, a syndicate facility of up to $600 million which will be utilized for addressing the private credit facility which will be available to us to be repaid in August along with our cash that we have. So that has also been tied up.

Vikash Agarwalla: That's great. That's great news. Thanks, Pooja. Just one last question from our side. What would be the rough cash balance currently for the Holdco level?

Pooja Somani: Current cash balance with the dividend that we recently declared will be about $300 million.

Vikash Agarwalla: Great. Thank you. I will go back in the queue. Thank you so much.

Moderator: Thank you. Our next question is from the line of Bharat Shettigar from Standard Chartered Bank. Please go ahead.

Bharat Shettigar: Yes, hi. Thanks a lot for the call. My first question is with respect to the demerger. You mentioned an expected timeline of September 2025. I just want to understand what's the status of one creditor who I think had objected at the Talwandi Sabo level. Has that issue been sorted?

Ajay Goel: Yes. So Bharat, as you will remember, there are two schemes right now. The main scheme which is about the large Vedanta, where Vedanta becomes core companies. It's in the Mumbai bench of NCLT. The one scheme which is regarding the TSPL, the power business, it is in Delhi bench.

So there one creditor has an objection and that order of NCLT has been stayed by NCLAT. So the higher authority has stayed the lower order which means it is in Vedanta's field. That final hearing for that matter is due sometime on 4th of August. That matter remains a parallel track. It is getting resolved.

That matter will not impact the bigger demerger scheme which is in Mumbai bench and for which the final second motion hearing is due on 2nd of July. So we believe both these demerger schemes will also reach conclusion by end of the current quarter, September 30th.

Bharat Shettigar: Okay, understood. And then the second question from my side is with respect to Konkola. Firstly, how much cash did VRL inject or given the form of shareholder loans in FY25 to KCM and what is the funding plan at the KCM level for the next couple of years?

Deshnee Naidoo: Sorry Pooja and Ajay, go for it.

Pooja Somani: So last year the amount when we have reacquired the assets, that time we have given 275 and since then another 50 million has been given in the last year. So total 325 last year.

Ajay Goel: Now in terms of overall funding plan, we also committed a billion capex and that will be over the longer time frame, almost 5 years and it is mostly linear.

Deshnee Naidoo: Maybe just to support that, Ajay, the funding. Sorry Bharat, can you hear me?

Bharat Shettigar: Yes, I can.

Deshnee Naidoo: All right. Excellent. Just to support what Ajay said on the overall funding, we have put a commitment for a billion dollars. And really how we are looking at the asset is in the first instance, working with the team to make sure that we get to the capacity levels of this asset, which is around 200,000 tons of copper metal.

And this year, as you would have seen from our guidance, we are tracking around 150. Then we are working on a feasibility study to ramp that to at least 300,000 tons, which is the number that we have put into the public domain. And that feasibility study is underway. And that's what the billion dollars that Ajay said will support in the near term.

But Bharat and everyone, we are looking at this asset and in the need for copper right now. And given that we have some 16 million tons of reserve in the asset, we believe that this asset can support a much larger plan. But once we have the visibility of the feasibility numbers around 300,000 tons, we then look at possibly another step up of maybe 200,000 tons.

So I just wanted to give that macro view in terms of how we are looking at KCM's potential right now.

Bharat Shettigar: Right. So would Vedanta Resources be expected to provide any kind of support to KCM in FY26?

Ajay Goel: A significant portion of the funding Bharat at KCM will be done by the KCM balance sheet. And it can be an agreement of offtake at KCM. There might be very small funding. It is a seed funding by VRL. But that is really inconsequential, and it will not stretch the VRL balance sheet.

Bharat Shettigar: Understood. Thanks a lot for this. I'll get back to the queue.

Moderator: Thank you. Our next question is from the line of Mohsin Gadit from Arkkan Capital. Please go ahead.

Mohsin Gadit: Thank you very much for taking my call. I have two or three real follow-up questions. You guys keep mentioning that the support that you will provide to KCM to the tune of about a billion dollars is going to be linear, but the shareholder number that you just provided was 260 in the last fiscal year and it's 325 million already now in total.

So it's slightly more aggressive than linear. So I'm just trying to figure out like you keep mentioning that it's also not impairing the VRL balance sheet, but this money is coming from VRL. So what is the timeframe to get this feasibility done from 200,000 to 300,000? What is the timeframe when KCM can actually get some financing on its own so we're not impairing the VRL balance sheet again? That's number one.

Number two would be you have this new term loan of 600 million that has been signed with VRL. So congrats on that. Will you wait until the make-whole expires, which is supposed to be sometime in August before you repay that 550 million or refinance that 550 million that's left in the PCF or is there a possibility you might do it earlier?

And then number three would be we talked a little bit about just this 1.6% equity stake sale that you did in Hindustan Zinc. I'm still kind of scratching my head as to why you did that because you've solved a lot of your deleveraging issues and a lot of your maturity schedule issues. So selling that now kind of caught me by surprise.

If you can just elaborate a little bit further again as to what was the reasoning for you to do this, that would be super helpful. And just along those lines, if you could explain whether there is possibility for further stake sales to occur. That's it? Those are my three questions?

Ajay Goel: So maybe I'll start with the third one first and request Pooja the cover the first two. See, the Zinc stake sale, our position has been very, very consistent. And during our visit two weeks ago to Hong Kong, Singapore, we have been saying that buying more stakes in Zinc is out of question. Any strategic divestment remains an option at the right valuation. So we sold about 1.6% with a clear intent. It helps the balance sheet.

It also accelerates the deleveraging. When we commit 3 billion deleveraging at Vedanta Resources and very often the math will tie two-third deleveraging through operating free cash flows assuming the normal pricing cycle and one-third through actions like this, which are strategic in nature. So it will fast-track deleveraging.

It also will recapitalize Vedanta India in terms of funding for growth. In terms of valuation, the share value was INR454 per share. And that means almost 23 billion valuation for Hindustan Zinc Limited. It also means almost 12x multiples in terms of EV to EBITDA. So we do believe it is a good transaction in terms of balance sheet. Will we do more of those transactions?

I mean, hard to say. Nothing right now on the table. But if I give you a macro view in terms of India to be structured, the average holding by Indian promoters and Indian top 100 companies is about 41%. And anything more than 35%, 40% strategically in India remains significant. Vedanta has said publicly that we intend to maintain the mathematical majority. So we will not go below 51 percentage point.

Any small transaction is a possibility, not right now on discussion. I'll request Pooja to cover the other points.

Pooja Somani: Yes. So mostly on the second question first. So the make-whole, I think make-whole expires sometime in August. And I think we are already in June-end. So I think it makes sense to wait till make-whole end and then repay the PCF, and which is what we are planning to do at this point in time.

As far as the KCM is concerned, I just want to clarify that the investment that I spoke about included the initial investment. So I think somehow, I felt that you are double counting the number. But the total investment done in KCM to date, including the investment done at the time of reacquisition is total of about 325. So that I think I just clarified.

And then your second question of how we plan to fund that, I think as Ajay clarified that a total investment of a $1 billion over 5 years is what is required. And then Deshnee also clarified that this is an operating asset. So part of this funding will automatically happen through its own cash flow. And balance initial funding is what we'll have to, for the context 1 or 2 years, is what we have to mainly arrange for. And which is where the DCF, the feasibility study, bankable feasibility study that we are working on will help us to do the funding at KCM level for this asset.

Mohsin Gadit: Thank you.

Moderator: We have a follow-up question from the line of Vikash Agarwalla from Primas Asset Management. Please go ahead.

Vikash Agarwalla: Yes, hi. Thanks again. A couple of questions. I think you mentioned about the reserve balance for Vedanta Limited Level, which was one of the objectives or one of the reasons for the stake sale. So can you give us a number on what is the current reserve at Vedanta Limited Level?

Ajay Goel: Yes, so I'll start with the clarification, Vikash. The stake sale, the reserve creation in fact is a consequential, not a driver for the stake sale. In terms of the reserve balance as of 31st March, in case of Vedanta Limited, it's about $350 million. But in case of Zinc India, it is almost $950 million, almost $1.3 billion at Vedanta India Limited. And of course, thereafter, you will remove. Correct. So thereafter, we have paid one dividend, just $0.5 billion from Zinc side and we also got to add a profit for a quarter, 0.5 billion.

So net-net, the number as of June 30th will be -- go back to almost 1.3 billion. But in case of Vedanta Limited, almost INR2,000 crores, almost $250 million is the additional reserve given this Zinc stake sale of 1.6%. So June 30th, in a ballpark, it is about $1.5 billion. So almost $0.5 billion at Vedanta Limited and almost a $1 billion at Zinc India.

Vikash Agarwalla: The second question is on the syndicated facility. Can you share the economics of the tenor for this facility?

Pooja Somani: Yes. So it is a door to door, 4-year facility with average tenure of 3 years with a ballooning payment schedule. And the facility has been tied up at the pricing of SOFR plus 450, at this point.

Vikash Agarwalla: Sorry, I missed that number. SOFR plus?

Management: 450.

Vikash Agarwalla: Okay, got it. Thank you.

Moderator: Vikash does that answer your questions?

Vikash Agarwalla: Yes, it does. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Bharat Shettigar from Standard Chartered Bank. Please go ahead.

Bharat Shettigar: Yes, hi. Just one follow-up question. A bit similar to what Vikash asked just now. The earlier $530 million facility that you had signed, what's the amortization schedule on that facility?

Management: Bharat, that one is a door-to-door 3 years with equal amortization in every 3 years, so average 2 years. So April, we draw. So April 26, 27, 28 is when the maturity is equally spread.

Bharat Shettigar: Okay, okay. Thanks a lot.

Moderator: Thank you. Our next question is from the line of Manuj Jain from Wellington Management. Please go ahead.

Manuj Jain: Yes. Okay, thanks. Can you share some economics of KCM at this point of time, like what kind of cash costs we are running, EBITDA, and what can we expect out of FY '26? Maybe some color on the volume as well.

Ajay Goel Deshnee, would you want to comment here?

Deshnee Naidoo: You can start, Ajay, and I'll support.

Ajay Goel: Yes, sure. So, Manoj, right now, as you know, we got the control back in August last year. And right now, we are in the phase of ramping up the volumes. So, in terms of prioritization, right now, we stabilize the operation, augment the volumes by the fiscal end. So, as you speak, right now, we are tracking at about 10 KT per month. And as we close the year, our volumes, in terms of closing run rate as of March, will be almost 150 KT for the fiscal year.

From 150, it should go to almost 175 to 200 KT in the next year. And in fullness of time, after 3, 4 years, to reach the full capacity, which is the nameplate, which is 300 KTPA. Right now, given this mine become operational almost after 5 years, and hence the current COP is not really comparable, given the smaller volumes, and initial challenges in a mine once it's resurrected.

When the mine was last operational, if that number, if we index with the current cost and the LME, the current COP is about $6,500 to $7,000 per ton. And with the current pricing, it also means almost $3,000 per ton is the margin. So, overall, in fullness of time, when the mine is fully operational at KDMP, at 0.3 MTPA, and this EBITDA, this potential is a $1 billion EBITDA opportunity at KCM.

Deshnee Naidoo: Thank you, Ajay…

Manuj Jain: Right now…

Deshnee Naidoo: Sorry, please go for it, Manoj.

Manuj Jain: No, no, please go ahead. If you have to share something, please go ahead.

Deshnee Naidoo: So of course, right? We're still in a ramp-up phase at KCM. The asset was not fully running across all of the mining operations in that KDMP, Nchanga both open pit and underground, as well as our tailings leach plant. So, the team on the ground is actually busy with ramping up to the production levels pre-provisional liquidation.

And the economies that Ajay mentioned, that's more the target, I would say, in the next quarter or so, because there's still ramp-up work that the team is busy with right now. But Ajay mentioned a total number.

I just want you all to focus on KCM is both integrated production and custom, which I think is excellent to have the flexibility in this market. And our integrated production numbers are about half that right now, between 5,000 to 6,000 tons a month, which at current copper prices and the cost structure, even as we are ramping up to maybe that $6,500, $7,000 per ton number, even at the current $8,000, $8,500, it still makes good cash margins for us right now.

Manuj Jain: That's what I was just double-checking. Isn't the cash burning now, or we are kind of cash-neutral or making positive cash? And the 1 billion number you're guiding us for the next 5 years, if it's burning cash, does that include that cash burn or that would be over and above?

Deshnee Naidoo: That includes everything, Manoj, for now. But I think what the team is busy with is, as we get back into the assets and look at the full extent of all of the work that needs to happen, I would call this a discovery phase. So I'm hoping maybe in the next quarter or so, together with Chris Griffith, our CEO for base metals and our CEO for KCM, we can really look at everything that we need to invest in, both from a capital point of view, to get the assets to where we need it to be.

So I would say right now the numbers that we mentioned is all inclusive, but I am anticipating spending a little bit more to get the assets where we need it to be before we actually invest in the big growth capital numbers.

Manuj Jain: And when the company would provide some details?

Deshnee Naidoo: Yes, that's why I think it's linked to the timeline that you said. We should be another -- sorry, we should be another month, I would say give it maybe another month and a half where we're in a position to give you the details on the feasibility study and at that stage we'll be able to provide a full update on the KCM business.

Manuj Jain: Okay, so maybe next 3 months we can be likely to see more details on KCM operations?

Deshnee Naidoo: Absolutely.

Manuj Jain: Is that fair understanding?

Deshnee Naidoo: Yes, that is correct, Manoj.

Manuj Jain: Okay, that's all from my side. Thank you.

Moderator: Thank you. Our next question is from the line of Imtiaz Shefuddin from Barclays. Please go ahead.

Imtiaz Shefuddin: Thank you. I might have missed the details you announced on the new $600 million facility. Pooja, if you could just repeat the repayment schedule on that. I think you had said that the interest rate is SOFR plus 450, but if you could just provide again the repayment schedule?

Pooja Somani: Yes, I just said it is a ballooning structure, and therefore the average maturity is 3 years. The repayment is spread across in two payments every year. So giving us an average of 3 years. So 20% is payable in FY '27, 25% in FY '28, about 30% in FY '29, and the last payment in August 29 of another 25%. So that is how the numbers are.

Imtiaz Shefuddin: Great. Thank you very much.

Moderator: Thank you. Our next question comes from the line of Michael Stansfield with UBS Asset Management. Please go ahead.

Michael Stansfield: Congratulations on the 600 million. With the 600 million locked up and announced, when are you going to be talking to the rating agencies? Because the understanding is that getting this to refi the private credit facility will likely put you over the line for upgrades? Any guidance on that would be useful. Thank you.

Pooja Somani: Yes, we are already in active discussions, I think with this now facility being tied up, we will pitch our case more strongly and the discussions are lined up over the next two weeks.

Michael Stansfield: Okay, fair enough. Thanks for that.

Charanjit Singh: Operator, in case there are no other questions, we can end the call.

Moderator: Certainly, sir. We do not have any further questions at this time. I would like to hand the conference over to Mr. Charanjit Singh for closing comments.

Charanjit Singh: Yes, so thanks everyone for joining us. We appreciate you taking out the time and engaging with us on a regular basis. In case there are further questions, feel free to write to us and looking forward to connecting with you all for 1H FY '26 numbers. So thank you once again and we can now end the call.

Moderator: Thank you. On behalf of Vedanta Resources, that concludes this conference. Thank you all for joining us, you may now disconnect your lines.