



Vedanta – H1 FY26 Earnings Call Analysis

VRL's H1 FY26 call shows VRL's deleveraging claims collapse under the Company's actual liquidity needs and undisclosed funding gaps

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December 11, 2025 – Vedanta Resources Limited (VRL) hosted its H1 FY26 Earnings call on December 4, 2026¹. Unlike prior periods, this call was quietly handled with little public notice, no Bloomberg pickup, and only 3 analysts in attendance. Even in this controlled environment, management faced pointed questions and skepticism about deleveraging that has collapsed.

Our analysis of VRL's H1 FY26 earnings release can be found at:

<https://viceroyresearch.org/2025/12/08/vedanta-vrl-h1-fy26-analysis/>

Maturities and Investment forecast

VRL management provided the following schedule of upcoming maturities and required investments. These obligations are non-discretionary.

Management claims it will meet these funding requirements through:

- 4% - 5% yield in dividends amounting to \$520 – \$650m to VRL; and
- brand fees from VEDL.

Even under favorable assumptions, this will be insufficient. VEDL will need to generate brand fees higher than the \$400m forecast in its recent earnings call, or VRL will have roll forward some maturities.

VRL Upcoming Cash Obligations		
Period	Note	\$m
FY26	KCM investment	206
	VEDL loan repayment	200
	H2 Interest estimate*	300
	Dividend	50
	Total	756
FY27	VEDL loan repayment	217
	Interest expense	500
	Term loan repayment	300
	KCM investment	98
	Corporate expenses	50
	Total	1,165
FY28	Bond maturity	450
	Interest expense	400
	Total	850

*Unclear payment timing

Figure 1 – VRL Upcoming Cash Obligations

Secondly, the interest cost at VRL, given both deleveraging and lower cost of funding, will be almost \$400 million or thereabouts, and that will be equal to the routine brand fee even at the current levels.

Figure 2 – VEDL Q2 FY26 Earnings Call

Management also guided lower dividends from VEDL and only one dividend in H2 FY26 to cover interest costs. This implies either a cash constraint at VEDL or recognition that VEDL cannot support both its own commitments and VRL's.

Cash Position – Thin Liquidity and Unanswered Questions

Management's description of VRL's cash position raised several inconsistencies that were not reconciled on the call.

- VRL disclosed an end-of-September cash balance of \$150m. Management stated that \$500m from bond issuance and \$250m from undrawn facilities were added, implying approximately \$900m of total liquidity, although management referred to "about \$850 million".
- \$550m was used to repay the PCF, leaving \$350m available before other obligations.
- Management guided H2 FY26 interest of \$300m but did not clarify on timing of payment.

VRL Liquidity Position	
Item	\$m
Starting balance (Sep '25)	150
Bond proceeds	500
Loan drawing	250
Total reported liquidity	900
PCF repayment (incl interest)	(550)
Cash after PCF	350
H2 interest estimate*	(300)
KCM SHA investment (Dec '25)	(206)
ICL repayment (Jan '26)	(200)
Shortfall	(356)

Figure 3 – VRL Liquidity Position

¹ https://www.vedantaresources.com/uploads/investor-overview/financial-results/VedantaEarnings_04Dec2025_CallTranscript.pdf



- The \$206m KCM investment and \$417m VEDL ICL repayment remains unpaid and unfunded.
- Management stated that H2 interest expenses will be met through VEDL dividends, while the KCM investment, ICL repayment and \$417m VEDL loan repayment (total: \$823m) will be covered by a new loan facility.

Love Sharma:	In Q4, okay, understand. And just lastly, on the, I think on the ICL side as well. So, you said 200 million due in January and then 217 million in May. So, the plan is to basically and then combined with the KCM expenses of about 200 million this month, is the plan to combine all of them together and then use through a new facility?
Pooja Somani:	Yes, we are working on proactive refinancing of to take care of the upcoming maturity till Q1.

Figure 4 – VRL H1 FY26 Earnings Call Transcript

Even by management's own numbers, deleveraging is not happening.

Deleveraging and Refinancing – Confidence Low

Management's credibility on deleveraging weakened further during the call. VRL PropCo posted its worst earnings on record in H1 FY26, yet management reiterated deleveraging targets despite the collapse in PropCo profitability and free cash flow.

- FY26 deleveraging was guided down from \$500m to \$250m – \$300m, with management suggesting that the KCM investment was unexpected despite being clearly stated in the SHA.

Of that, yes, one change that is now happening is the \$0.5 billion deleveraging getting reduced by to the extent of investment in KCM. So we will probably close at about \$250 million to \$300 million deleveraging this year.

Figure 5 – VRL H1 FY26 Earnings Call Transcript

- JPM analyst Love Sharma questioned forecast interest expenses as too high given the stated debt loan, echoing concerns Viceroy raised in our first report.
- Management admitted timing mismatches between dividends and maturities in FY26, with more repayments in Q1 that can be covered by VEDL.
- Management admitted that dividend receipts will not alight with VRL's repayment schedule and that the Company will face timing mismatches in the first quarter at least.
- The reduction at VRL PropCo was offset by higher consolidated net debt confirming that deleveraging is occurring via debt transfer, not improved operations.
- Just days after reassuring analysts that VEDL was not planning any large acquisitions, VRL Chairman Anil Agarwal announced a ₹1 trillion (\$11.1b) investment in Rajasthan².
- Standard Chartered analyst Bharat Shettigar directly raised the discrepancy between VRL's deleveraging commitments at the bond roadshow only 2 months ago, and facts on the call, noting that the \$206m KCM investment, the \$416m VEDL repayment, and \$100m Volcan dividend all require external borrowing.

Bharat Shettigar:	And then one other question was, just trying to understand the guidance on deleveraging that you had mentioned during the bond roadshows two months back versus what you're seeing now. There seems to have been a bit of a change, right? In the sense, the \$200 million for KCM, the intercompany loan being refinanced through external debt, then the \$100 million dividend payment to Volcan. So just trying to understand, how come in the last two months the plan has changed, which effectively means the deleveraging, at least in the near term, will not be as much as what you had guided for?
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Figure 6 – VRL H1 FY26 Earnings Call Transcript

Safe to say, the deleveraging narrative has collapsed completely.

² https://www.business-standard.com/companies/news/vedanta-chairman-anil-agarwal-rajasthan-investment-production-zinc-silver-125121001039_1.html



KCM – Complete Reversal on Funding

The call confirmed a full reversal in VRL's position on KCM. The asset is a cash drain that will not generate returns for years. VRL originally intended to sell KCM to VEDL. That option is no longer viable, leaving VRL stuck with an underperforming asset it cannot offload.

- Management conceded that VRL will borrow at the parent level to fund near and medium term KCM investment requirements, abandoning prior claims on VEDL and VRL earnings calls that KCM would be financed at the asset level.
- As noted in our previous reports, KCM-level borrowing does not qualify as investment under the SHA, meaning VRL must provide the capital itself³.
- The \$206m KCM investment due by December 2025 remains unpaid and unfunded.
- Previous claims that KCM would be funded at the asset level have been abandoned.
- Attempts to withhold KCM's financials by invoking a supposed S-1 "silent period" are inaccurate. US securities law does not restrict releasing financial information after filing an S-1 and, if anything, requires more disclosure.

So H1 guide, H1 numbers are already included. We are under silent period given that we have filed the S1 with SEC. A forward-looking statement at this stage may not be possible to provide. But I think we are working towards making this mine to bring it to its full scale - full capacity

Figure 7 – VRL H1 FY26 Earnings Call Transcript

- No S-1 has been lodged under the name of Konkola Copper Mines or Coppertech as of the date of this analysis⁴.
- There is no registered CIK for Konkola Copper Mines, Coppertech, or any related entity in the SEC's EDGAR database, further indicating that no S-1 process is underway⁵.

Conclusion – The Demerger Narrative Is Done

The H1 FY26 earnings call exposed a funding plan held together by changing explanations, inconsistent guidance and optimism unsupported by the numbers.

The Company needs a \$600m facility to get through H2 FY26. FY27 obligations can't be met by forecast dividends and brand fees. Total deleveraging for FY26 will only amount to \$250m, despite VEDL issuing \$998m in dividends in H1 FY26.

Further, the reversal on KCM funding confirms that VRL now carries a cash-draining asset it cannot sell, cannot finance at the operating level, and cannot explain to creditors.

³ <https://viceroyresearch.org/2025/11/25/vedanta-kcm-sha-exposes-vrls-immediate-funding-shortfall/>

⁴ <https://www.sec.gov/edgar/search/>

⁵ <https://www.sec.gov/search-filings/cik-lookup>



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